

A regular meeting of the Alcona County Road Commission was held at the office of the Road Commission, Lincoln, MI, Wednesday, December 21, 2016, at 2:00 p.m. and was opened with the pledge of allegiance to the flag of the United States of America.

Present: Alfred J. Scully, Chair; Harry L. Harvey, Vice-Chair; Theodore R. Somers, Member; Jesse Campbell, Managing Director; Renee LaVergne, Account Clerk; Marlena Mac Neill, Administrative Assistant; Mike Escareno, Superintendent

Superintendent reported crews had been engaged in county-wide winter maintenance operations and tree removal in Caledonia Township over the last week.

Moved by Commissioner Harvey, Somers, to approve the minutes of the December 14, 2016, meeting as presented.

Motion carried.

Moved by Commissioner Harvey, Somers, to authorize payment of bills due and payable by December 28, 2016, subject to review at the January 11, 2017, meeting. Motion carried.

Moved by Commissioner Harvey, Somers, to approve the following budget amendment for 2016:

Revenue	2016 Budget	100 % of 2016 Budget	Amended Budget	2016 Proposed Budget Amend	Percentage of Budget Used
County Wide Millage	\$0.00	\$0.00	\$18.31	\$18.31	#DIV/0!
	\$11,812.50	\$11,812.50	\$12,325.00	\$512.50	104.34%
FEDERAL SOURCES					
Local Bridge Funds		\$0.00	\$0.00	\$0.00	0.00%
STP	\$366,676.00	\$366,676.00	\$340,884.45	-\$25,791.55	92.97%
Federal "D" Funds	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DNR Waterway Grant	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Fed Huron Pines/Safety Funds	\$355,000.00	\$355,000.00	\$76,118.92	-\$278,881.08	21.44%
STATE SOURCES					
Engineering	\$10,000.00	\$10,000.00	\$10,000.00	\$0.00	100.00%
Snow Removal Funds	\$20,677.91	\$20,677.91	\$22,008.29	\$1,330.38	106.43%
MTF Primary	\$1,480,893.90	\$1,480,893.90	\$1,522,977.92	\$42,084.02	102.84%
MTF Local	\$987,269.68	\$987,269.68	\$1,018,860.16	\$31,590.48	103.20%
Add'l State/Winter Funds	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Other State Funds	\$199,565.40	\$199,565.40	\$199,450.39	-\$115.01	99.94%
EDF FUNDS- State "D" Funds	\$157,375.00	\$157,375.00	\$105,786.05	-\$51,588.95	67.22%
Forest Funds	\$185,000.00	\$185,000.00	\$100,000.00	-\$85,000.00	54.05%
CONTRIBUTIONS FROM LOCAL UNITS					
Township Contributions	\$959,166.00	\$959,166.00	\$1,391,103.46	\$431,937.46	145.03%
City Contributions	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Other Contributions	\$0.00	\$0.00	\$1,352.00	\$1,352.00	100.00%
CHARGES FOR SERVICES					
State Trunkline Maintenance	\$313,845.48	\$313,845.48	\$350,199.30	\$36,353.82	111.58%
State Non-Maintenance	\$19,108.85	\$19,108.85	\$24,492.09	\$5,383.24	128.17%
Salvage Sales	\$6,487.48	\$6,487.48	\$4,095.58	-\$2,391.90	63.13%
Interest Earned	\$1,203.98	\$1,203.98	\$7,631.96	\$6,427.98	633.89%
Insurance Proceeds	\$214,000.00	\$214,000.00	\$266,323.06	\$52,323.06	124.45%
Sundry Refunds	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
Gain (Loss) Equip Sale	\$0.00	\$0.00	\$35,453.66	\$35,453.66	0.00%
	\$5,288,082.18	\$5,288,082.18	\$5,489,080.60	\$200,998.42	103.80%
	2016 Budget	100% of 2016 Budget	Amended Budget	2016 Proposed Budget Amend	Percentage of Budget Used
Expenditures					
PRIMARY ROAD					
Structural Improvements	\$1,639,051.00	\$1,639,051.00	\$1,285,854.51	\$353,196.49	78.45%
Routine Maintenance	\$416,241.64	\$416,241.64	\$345,330.17	\$70,911.47	82.96%
Wedging and Chipping	\$209,611.00	\$209,611.00	\$410,214.96	-\$200,603.96	195.70%
Winter Maintenance	\$281,563.20	\$281,563.20	\$271,080.59	\$10,482.61	96.28%
Traffic Control	\$13,882.92	\$13,882.92	\$17,089.91	-\$3,206.99	123.10%
LOCAL ROAD					
Structural Improvements	\$110,000.00	\$110,000.00	\$463,453.65	-\$353,453.65	421.32%
Routine Maintenance	\$983,878.49	\$983,878.49	\$797,591.74	\$186,286.75	81.07%
Bridge Maintenance	\$0.00	\$0.00	\$687.37	-\$687.37	100.00%
Wedging and Chipping	\$160,300.00	\$160,300.00	\$259,581.35	-\$99,281.35	161.93%
Winter Maintenance	\$272,797.60	\$272,797.60	\$262,104.72	\$10,692.88	96.08%
Traffic Control	\$15,247.75	\$15,247.75	\$16,751.25	-\$1,503.50	109.86%
State Trunkline Maintenance	\$388,677.48	\$388,677.48	\$425,031.28	-\$36,353.80	109.35%
State Non-Maintenance	\$19,108.87	\$19,108.87	\$24,492.11	-\$5,383.24	128.17%
EQUIPMENT EXP - NET					
Direct	\$595,501.63	\$595,501.63	\$831,102.30	-\$235,600.67	139.56%
Indirect	\$253,964.76	\$253,964.76	\$325,689.69	-\$71,724.93	128.24%
Operating	\$307,633.74	\$307,633.74	\$159,918.60	\$147,715.14	51.98%
Less Equipment Rental CR.	-\$960,985.69	-\$960,985.69	-\$1,085,670.84	\$124,685.15	112.97%
Administrative Expense Net	\$345,661.91	\$345,661.91	\$308,899.73	\$36,762.18	89.36%
Interest Expense	\$15,236.40	\$15,236.40	\$15,492.84	-\$256.44	101.68%
Long Term Debt Payments	\$55,851.84	\$55,851.84	\$55,832.36	\$19.48	99.97%
Capital Outlay	\$623,500.00	\$623,500.00	\$574,104.65	\$49,395.35	92.08%
Less Depreciation	-\$492,365.96	-\$492,365.96	-\$627,877.62	\$135,511.66	127.52%
Other	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
TOTAL EXPENDITURES	\$5,254,358.58	\$5,254,358.58	\$5,136,755.32	\$117,603.26	97.76%
Excess Revenue (Expenditures)	\$33,723.60	\$33,723.60	\$352,325.28	\$318,601.68	
	\$3,404,980.71	\$3,404,980.71	\$3,404,980.71	\$0.00	
Ending Fund Balance	\$3,438,704.31	\$3,438,704.31	\$3,757,305.99	\$318,601.68	

Ayes: All Nays: None Motion carried.

The public hearing for the proposed 2017 Road Commission budget began at 2:15 p.m. There were no members of the public present for comment. The budget hearing closed at 2:17 p.m.

Moved by Commissioner Scully, Harvey, to approve the following proposed budget for 2017:

REVENUE	2014 Actual Reven	2015 Actual Reven	2017 Tentative Bud	
County Wide Millage	\$0.00	\$375,790.82	\$0.00	
Licenses/Permits	\$12,010.00	\$12,225.00	\$12,117.50	
Federal Category STP	\$482,576.91	\$329,631.00	\$0.00	(A)
Federal Urban Funds	\$0.00	\$0.00	\$0.00	(A)
Federal Huron Pines/Safety	\$0.00	\$355,500.00	\$0.00	(B)
Engineering	\$10,000.00	\$10,000.00	\$10,000.00	
Snow Removal Funds	\$20,677.91	\$21,146.64	\$21,146.64	
Primary MTF	\$1,400,613.21	\$1,465,613.55	\$1,825,181.14	
Primary Urban MTF	\$51,243.56	\$51,023.92	\$63,541.92	
Local MTF	\$951,008.79	\$997,200.36	\$1,241,849.38	
Local Urban MTF	\$16,902.66	\$16,830.23	\$20,959.29	
Additional State MTF	\$0.00	\$0.00	\$0.00	
State RRR Funds	\$0.00	\$0.00	\$0.00	
EDF FUNDS				
Rural Primary - Category D	\$0.00	\$53,489.85	\$0.00	(C)
Forest Category "E"	\$217,386.03	\$185,000.00	\$100,000.00	
State Local Bridge Funds	\$0.00	\$0.00	\$0.00	
Other State Funds	\$264,233.50	\$310,230.35	\$0.00	
Township Contributions	\$1,148,572.74	\$816,338.36	\$0.00	(D)
Other Contributions	\$120,559.94	\$130,875.37	\$0.00	
CHARGE FOR SERVICES				
State Trunkline Maint.	\$409,313.45	\$431,798.11	\$420,555.78	
State Non-Maint.	\$38,217.70	\$129,623.60	\$83,920.65	
Salvage Sales	\$3,064.00	\$711.60	\$1,887.80	
Insurance proceeds	\$324,743.28	\$1,748,114.59	\$95,000.00	
Interest	\$1,315.69	\$2,581.22	\$1,948.46	
Sundry Refunds	\$0.00	\$0.00	\$0.00	
Other	\$500.00	\$470.49	\$0.00	
Sale of Gravel	\$0.00	\$0.00	\$0.00	
Gain (Loss) on Land & Equip	\$303,541.40	\$0.00	\$0.00	
Lease Purchase Proceeds	<u>\$696,530.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	
TOTAL REVENUE	\$6,473,010.77	\$7,444,195.06	\$3,898,108.55	

EXPENDITURES	2014 Actual Expenditures	2015 Actual Expenditures	2017 Tentative Budget	
Primary Road				
Heavy Maintenance	\$1,263,831.26	\$587,027.71	\$1,312,383.00	(K)
Heavy Maintenance - Structures	\$100,952.37	\$0.00	\$0.00	
Heavy Maintenance - Safety	\$0.00	\$493,175.06	\$64,500.00	(K)
Routine Maintenance	\$338,060.10	\$277,835.01	\$323,344.93	
Wedging and Chipping	\$0.00	\$0.00	\$224,380.00	(F)
Winter Maintenance	\$271,776.65	\$174,225.95	\$234,151.37	
Traffic Control	\$7,767.71	\$8,700.03	\$8,645.56	
Local Road				
Heavy Maintenance	\$305,294.98	\$158,433.12	\$388,600.00	(G)
Heavy Maintenance - Structures	\$136,164.03	\$225,535.87	\$0.00	
Heavy Maintenance - Safety	\$0.00	\$0.00	\$0.00	
Routine Maintenance	\$811,332.51	\$1,429,846.76	\$1,176,619.12	
Wedging and Chipping	\$0.00	\$0.00	\$349,440.00	(H)
Winter Maintenance	\$279,517.78	\$162,624.33	\$232,124.61	
Traffic Control	\$12,642.50	\$16,980.98	\$15,552.33	
State Trunkline Maintenance	\$409,394.23	\$427,386.10	\$420,555.78	
State Non-Maintenance	\$38,217.73	\$129,623.61	\$83,920.67	
Equipment Expense - Net				
Direct	\$710,037.45	\$743,576.92	\$763,147.54	
Indirect	\$269,220.80	\$256,195.45	\$275,843.53	
Operating	\$297,735.87	\$196,018.48	\$259,221.03	
Less Equipment Rental Credits	(\$895,042.11)	(\$1,017,426.00)	(\$1,004,045.76)	
Other	\$0.00	\$0.00	\$0.00	
Administrative Expense - Net	\$368,727.15	\$305,718.10	\$354,083.76	
Interest Expense	\$19,397.96	\$16,445.17	\$14,000.88	
Long Term Debt Princ Payments	\$399,925.59	\$61,193.07	\$57,087.36	
Capital Outlay	\$1,650,649.94	\$2,354,340.20	\$726,000.00	(I)
Less Depreciation/Retirements	(\$573,729.05)	(\$553,120.02)	(\$563,424.54)	
TOTAL EXPENDITURES	\$6,221,875.45	\$6,454,335.90	\$5,716,131.17	
Excess Revenue (Expenditures)	\$251,135.32	\$989,859.16	\$134,870.39	
Beginning Fund Balance	\$2,163,986.23	\$2,415,121.55	\$3,438,704.31	
Ending Fund Balance	\$2,415,121.55	\$3,404,980.71	\$3,573,574.70	

Ayes: All Nays: None Motion carried.

WHEREAS, this resolution shall be both the general appropriations resolution and the budget adoption resolution of the Alcona County Road Commission for the year ended December 31, 2017. This resolution adopts proposed revenues and expenditures as presented in the accompanying budget document. Total revenues are adopted as \$ 5,851,001.56 expenditures as \$5,716,131.17 with a proposed fund balance at December 31, 2017 of \$3,573,574.70, and;

WHEREAS, no Alcona County Road Commission member or employee of the commission shall expend any funds or obligate any expenditures except pursuant to appropriations authorized by the budget document. Changes in amounts appropriated by the Commission shall require approval of the Commission, and;

WHEREAS, Renee LaVergne, Director of Finance/Clerk, is hereby charged with the general supervision of the execution of the budget adopted by the Commission, now, therefore:

BE IT RESOLVED that the Director of Finance/Clerk be allowed to adjust the budget after December 31, 2017 to modify the various revenue and expenditure accounts which cannot be accurately projected prior to year-end, and;

BE IT FURTHER RESOLVED that this resolution is to take effect immediately.

Moved by Commissioner Somers, Harvey, to approve an agreement with the State of Michigan Federal Surplus Assistance Program designating Managing Director Jesse Campbell as the coordinator for the purchase of Federal surplus property and to authorize Chair Scully to sign the agreement. Motion carried.

Managing Director reported the Cedar Lake Road project would be in the May 2017 letting; a new snow plow route was created and will be bid internally; ordered two new Western Star tandem trucks from Grand Traverse Diesel and equipment from Truck and Trailer Specialties.

There being no further business, the meeting was adjourned at the call of the Chair at 2:45 p.m. until the next regular meeting on January 11, 2017, at 4:00 p.m.