

A regular meeting of the Alcona County Road Commission was held at the office of the Road Commission, Lincoln, MI, Wednesday, December 20, 2017, at 1:00 p.m. and was opened with the pledge of allegiance to the flag of the United States of America.

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

Also present: Jesus Yreugas, Mikado Township Supervisor; Drew Milwrick; Tim Mac Neill

Yogi asked about cost sharing on township road projects, engineering costs, and pointed out figures were reported in error in the Alpena News.

Superintendent reported on tree cutting and some snow and ice removal.

Moved by Commissioner Somers, Harvey, to approve the minutes of the December 13, 2017, meeting as presented. Motion carried.

Moved by Commissioner Harvey, Somers, to approve payment of open accounts in the amount of \$3,453.07.
Ayes: All Nays: None Motion carried.

Moved by Commissioner Harvey, Somers, to approve payment of bills due and payable December 28, 2017, with review at the next meeting. Motion carried.

Moved by Commissioner Scully, Harvey, to approve the 2017 budget amendment as follows:

Revenue	2017 Budget	100 % of 2017 Budget	Amended Budget	2017 Proposed Budget Amend	Percentage of Budget Used
County Wide Millage	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Licenses and Permits	\$12,117.50	\$12,117.50	\$15,315.00	\$3,197.50	126.39%
FEDERAL SOURCES					
Local Bridge Funds		\$0.00	\$0.00	\$0.00	0.00%
STP	\$413,893.00	\$413,893.00	\$414,117.89	\$224.89	100.05%
Federal Urban Funds	\$375,000.00	\$375,000.00	\$290,761.71	-\$84,238.29	77.54%
DNR Waterway Grant	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Fed Huron Pines/Safety Funds	\$44,000.00	\$44,000.00	\$0.00	-\$44,000.00	0.00%
STATE SOURCES					
Engineering	\$10,000.00	\$10,000.00	\$10,000.00	\$0.00	100.00%
Snow Removal Funds	\$21,146.64	\$21,146.64	\$22,290.62	\$1,143.98	105.41%
MTF Primary	\$1,888,723.06	\$1,888,723.06	\$1,997,104.49	\$108,381.43	105.74%
MTF Local	\$1,262,808.67	\$1,262,808.67	\$1,333,672.35	\$70,863.68	105.61%
Add'l State/Winter Funds	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Other State Funds	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
EDF FUNDS- State "D" Funds	\$78,000.00	\$78,000.00	\$78,083.52	\$83.52	100.11%
Forest Funds	\$100,000.00	\$100,000.00	\$100,000.00	\$0.00	100.00%
CONTRIBUTIONS FROM LOCAL UNITS					
Township Contributions	\$1,042,000.00	\$1,042,000.00	\$1,087,948.22	\$45,948.22	104.41%
City Contributions	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Other Contributions	\$0.00	\$0.00	\$540.00	\$540.00	100.00%
CHARGES FOR SERVICES					
State Trunkline Maintenance	\$420,555.78	\$420,555.78	\$399,713.21	-\$20,842.57	95.04%
State Non-Maintenance	\$83,920.65	\$83,920.65	\$26,947.23	-\$56,973.42	32.11%
Salvage Sales/Misc Revenue	\$1,887.80	\$1,887.80	\$1,716.95	-\$170.85	90.95%
Interest Earned/Dividends	\$1,948.46	\$1,948.46	\$10,164.99	\$8,216.53	521.69%
Insurance Proceeds	\$95,000.00	\$95,000.00	\$89,623.51	-\$5,376.49	94.34%
	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Gain (Loss) Equip Sale	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
TOTAL REVENUE	\$5,851,001.56	\$5,851,001.56	\$5,877,999.69	\$26,998.13	100.46%

	2017 Budget	100% of 2017 Budget	Amended Budget	2017 Proposed Budget Amend	Percentage of Budget Used
Expenditures					
PRIMARY ROAD					
Structural Improvements	\$1,376,883.00	\$1,376,883.00	\$1,110,382.01	\$266,500.99	80.64%
Routine Maintenance	\$323,344.93	\$323,344.93	\$341,402.38	-\$18,057.45	105.58%
Wedging and Chipping	\$224,380.00	\$224,380.00	\$253,411.53	-\$29,031.53	112.94%
Winter Maintenance	\$234,151.37	\$234,151.37	\$234,329.18	-\$177.81	100.08%
Traffic Control	\$8,645.56	\$8,645.56	\$16,832.97	-\$8,187.41	194.70%
LOCAL ROAD					
Structural Improvements	\$388,600.00	\$388,600.00	\$318,620.13	\$69,979.87	81.99%
Routine Maintenance	\$1,176,619.12	\$1,176,619.12	\$1,080,342.62	\$96,276.50	91.82%
Bridge Maintenance	\$0.00	\$0.00	\$3,682.94	-\$3,682.94	100.00%
Wedging and Chipping	\$349,440.00	\$349,440.00	\$487,594.37	-\$138,154.37	139.54%
Winter Maintenance	\$232,124.61	\$232,124.61	\$207,827.82	\$24,296.79	89.53%
Traffic Control	\$15,552.33	\$15,552.33	\$20,697.43	-\$5,145.10	133.08%
State Trunkline Maintenance	\$420,555.78	\$420,555.78	\$367,261.20	\$53,294.58	87.33%
State Non-Maintenance	\$83,920.67	\$83,920.67	\$26,947.24	\$56,973.43	32.11%
EQUIPMENT EXP - NET					
Direct	\$763,147.54	\$763,147.54	\$847,532.41	-\$84,384.87	111.06%
Indirect	\$275,843.53	\$275,843.53	\$358,255.75	-\$82,412.22	129.88%
Operating	\$259,221.03	\$259,221.03	\$185,620.09	\$73,600.94	71.61%
Less Equipment Rental CR.	-\$1,004,045.76	-\$1,004,045.76	-\$1,152,866.61	\$148,820.85	114.82%
Administrative Expense Net	\$354,083.76	\$354,083.76	\$334,839.31	\$19,244.45	94.57%
Interest Expense	\$14,000.88	\$14,000.88	\$14,045.81	-\$44.93	100.32%
Long Term Debt Payments	\$57,087.36	\$57,087.36	\$57,279.39	-\$192.03	100.34%
Capital Outlay	\$726,000.00	\$726,000.00	\$685,033.02	\$40,966.98	94.36%
Less Depreciation	-\$563,424.54	-\$563,424.54	-\$641,588.49	\$78,163.95	113.87%
Other	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
TOTAL EXPENDITURES	\$5,716,131.17	\$5,716,131.17	\$5,157,482.50	\$558,648.67	90.23%
Excess Revenue	\$134,870.39	\$134,870.39	\$720,517.19	\$585,646.80	
Beginning Fund Balance	\$3,815,927.83	\$3,815,927.83	\$3,815,927.83	\$0.00	
Ending Fund Balance	\$3,950,798.22	\$3,950,798.22	\$4,536,445.02	\$585,646.80	

Motion carried.

At 1:15 p.m. the public hearing for the proposed 2018 budget opened.

There was no public comment and the public hearing was closed at 1:16 p.m.

Moved by Commissioner Harvey, Somers, to adopt the 2018 budget as follows:

REVENUE	2015 Actual Revenue	2016 Actual Revenue	2018 Tentative Budget	
County Wide Millage	\$375,790.82	\$18.31	\$0.00	
Licenses/Permits	\$12,225.00	\$10,465.00	\$11,345.00	
Federal Category STP	\$329,631.00	\$303,026.03	\$434,624.00	(A)
Federal Urban Funds	\$0.00	\$0.00	\$0.00	(A)
Federal Huron Pines/Safety	\$355,500.00	\$0.00	\$740,250.00	(B)
Engineering	\$10,000.00	\$10,000.00	\$10,000.00	
Snow Removal Funds	\$21,146.64	\$22,008.29	\$22,008.29	
Primary MTF	\$1,465,613.55	\$1,505,176.81	\$1,997,485.77	
Primary Urban MTF	\$51,023.92	\$52,345.74	\$69,466.84	
Local MTF	\$997,200.36	\$1,024,349.34	\$1,359,390.61	
Local Urban MTF	\$16,830.23	\$17,266.20	\$22,913.58	
Additional State MTF	\$0.00	\$0.00	\$0.00	
State RRR Funds	\$0.00	\$0.00	\$0.00	
EDF FUNDS				
Rural Primary - Category D	\$53,489.85	\$105,786.05	\$97,623.00	(C)
Forest Category "E"	\$185,000.00	\$150,000.00	\$100,000.00	
State Local Bridge Funds	\$0.00	\$0.00	\$0.00	
Other State Funds	\$310,230.35	\$199,450.39	\$0.00	
Township Contributions	\$816,338.36	\$1,391,263.69	\$904,612.00	(D)
Other Contributions	\$130,875.37	\$82,751.37	\$0.00	
CHARGE FOR SERVICES				
State Trunkline Maint.	\$431,798.11	\$368,214.15	\$400,006.13	
State Non-Maint.	\$129,623.60	\$24,730.33	\$77,176.97	
Salvage Sales	\$711.60	\$852.00	\$781.80	
Insurance proceeds	\$1,748,114.59	\$266,323.06	\$0.00	
Interest	\$2,581.22	\$8,180.32	\$5,380.77	
Sundry Refunds	\$0.00	\$0.00	\$0.00	
Other	\$470.49	\$500.00	\$0.00	
Sale of Gravel	\$0.00	\$0.00	\$0.00	
Gain (Loss) on Land & Equip	\$0.00	\$35,453.66	\$0.00	
Lease Purchase Proceeds	\$0.00	\$0.00	\$0.00	
TOTAL REVENUE	\$7,444,195.06	\$5,578,160.74	\$6,253,064.76	

EXPENDITURES	2015 Actual Expenditures	2016 Actual Expenditures	2018 Tentative Budget	
Primary Road				
Heavy Maintenance	\$587,027.71	\$1,210,903.71	\$1,346,498.00	(K)
Heavy Maintenance - Structures	\$0.00	\$87,089.80	\$0.00	
Heavy Maintenance - Safety	\$493,175.06	\$16,207.69	\$244,600.00	(K)
Routine Maintenance	\$277,835.01	\$725,785.92	\$526,900.99	
Wedging and Chipping	\$0.00	\$0.00	\$233,240.00	(F)
Winter Maintenance	\$174,225.95	\$308,614.57	\$253,491.27	
Traffic Control	\$8,700.03	\$17,102.19	\$13,546.17	
Local Road				
Heavy Maintenance	\$158,433.12	\$391,719.57	\$476,000.00	(G)
Heavy Maintenance - Structures	\$225,535.87	\$56,676.80	\$0.00	
Heavy Maintenance - Safety	\$0.00	\$0.00	\$0.00	
Routine Maintenance	\$1,429,846.76	\$1,025,437.67	\$1,289,024.33	
Wedging and Chipping	\$0.00	\$0.00	\$331,236.00	(H)
Winter Maintenance	\$162,624.33	\$286,867.22	\$235,983.06	
Traffic Control	\$16,980.98	\$18,161.56	\$18,449.83	
State Trunkline Maintenance	\$427,386.10	\$443,046.13	\$400,006.13	
State Non-Maintenance	\$129,623.61	\$24,730.35	\$77,176.98	
Equipment Expense - Net				
Direct	\$743,576.92	\$924,273.55	\$875,621.50	
Indirect	\$256,195.45	\$328,771.50	\$307,107.65	
Operating	\$196,018.48	\$169,987.77	\$192,153.28	
Less Equipment Rental Credits	(\$1,017,426.00)	(\$1,126,367.57)	(\$1,125,491.62)	
Other	\$0.00	\$0.00	\$0.00	
Administrative Expense - Net	\$305,718.10	\$308,993.67	\$322,723.68	
Interest Expense	\$16,445.17	\$15,236.40	\$12,738.12	
Long Term Debt Princ Payments	\$61,193.07	\$55,851.84	\$58,350.12	
Capital Outlay	\$2,354,340.20	\$580,508.36	\$685,800.00	(I)
Less Depreciation/Retirements	(\$553,120.02)	(\$702,385.08)	(\$627,752.55)	
TOTAL EXPENDITURES	\$6,454,335.90	\$5,167,213.62	\$6,147,402.94	
Excess Revenue (Expenditures)	\$989,859.16	\$410,947.12	\$105,661.82	
Beginning Fund Balance	\$2,415,121.55	\$3,404,980.71	\$3,950,798.22	
Ending Fund Balance	\$3,404,980.71	\$3,815,927.83	\$4,056,460.04	

Motion carried.

Moved by Commissioner Somers, Harvey, to adopt the following resolution:

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, 2018. This resolution adopts proposed revenues and expenditures as presented in the accompanying budget document. Total revenues are adopted as \$6,253,064.76 expenditures as \$6,147,402.94 with a proposed fund balance at December 31, 2018 of \$4,056,460.04 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, 2018 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.

Motion carried.

Moved by Commissioner Harvey, Somers, to approve proceeding with the process to design and build a truck wash facility. Ayes: All Nays: None Motion carried.

Moved by Commissioner Somers, Harvey, to authorize Managing Director to explore costs and determine whether to use MiDeal, the National Cooperative Purchasing Alliance, or advertise for bids for the purchase of a Gradall. Ayes: All Nays: None Motion carried.

Managing Director reported the bid from Alcona Motors had been selected as being in the best interest of the Road Commission and a ¾ ton pickup has been ordered from Alcona Motors.

Discussed the new single-axle dump trucks on order and clarified notices and bid forms for the recent pickup bid were universally distributed.

There being no further business, the meeting was adjourned at the call of the Chair at 1:58 p.m. until the next regular meeting on January 10, 2018, at 4:00 p.m.

CHAIRMAN

ADMINISTRATIVE ASSISTANT