

## **Alcona County Road Commission December 20, 2018 Board Meeting Minutes**

A regular meeting of the Board of County Road Commissioners of Alcona County was called to order by Chairman Alfred Scully at 1:00pm on Thursday, December 20, 2018 at 301 North Lake Street, Lincoln, Michigan. Present: Chairman Alfred Scully, Vice-chairman Harry Harvey, Member Theodore Somers, Managing Director Jesse Campbell, Superintendent Michael Escareno, Account Clerk Renee LaVergne, and Administrative Assistant Helen-Ann Cordes. Guests Present: Gustin Township Supervisor Muriel Goddard, and employee Drew Milwrick.

Adjustments: Bamfield Bridge Title Sheet, Foreman Position Discussion

### Superintendent's Operations Report:

We are currently working on a lot of ditching throughout the county, tree cutting, MDOT project on M-72, clear vision project on M-65, South Barlow Road, making sand for winter, culvert replacements, pot hole patching, and ice and snow removal.

### Minutes:

Moved by Commissioner Somers, Harvey, to approve the minutes of the November 28, 2018, meeting as presented. Motion carries.

### Financial Reports and Open Accounts:

Mariel Goddard joined meeting at 1:05pm.

Moved by Commissioner Harvey, Somers, to approve payment of open accounts on December 12, 2018 in the amount of \$72,638.63. Roll call vote: Harvey – aye, Scully – aye, Somers – aye. Motion carries.

## **Correspondence & Items of Information**

### CRASIF Workers' Compensation Refund:

The Alcona County Road Commission received a refund from CRASIF for our Workers' Compensation safety record.

Moved by Commissioner Harvey, Somers, to approve purchasing safety jackets from the CRASIF Workers' Compensation refund for all employees. Roll call vote: Harvey – aye, Scully – aye, Somers – aye. Motion carries.

## **Business**

### 2019 Budget Public Hearing:

At 1:19pm the public hearing for the proposed 2019 budget opened. There was no public comment and the public hearing closed at 1:56pm.

Goddard left meeting 1:57pm.

Moved by Commissioner Somers, Harvey, to adopt the 2019 (next year) budget as follows:

<b>REVENUE</b>	<b>2016 Actual Revenue</b>	<b>2017 Actual Revenue</b>	<b>2019 Adopted Budget</b>	
County Wide Millage	\$18.31	\$0.00	\$0.00	
Licenses/Permits	\$10,465.00	\$16,550.00	\$13,507.50	
Federal Category STP	\$303,026.03	\$702,159.89	\$343,771.00	(A)
Federal Urban Funds	\$0.00	\$0.00	\$0.00	(A)
Federal Huron Pines/Safety	\$0.00	\$0.00	\$0.00	(B)
Engineering	\$10,000.00	\$10,000.00	\$10,000.00	
Snow Removal Funds	\$22,008.29	\$22,290.62	\$22,290.62	
Primary MTF	\$1,505,176.81	\$1,976,129.93	\$2,181,628.85	
Primary Urban MTF	\$52,345.74	\$68,425.76	\$75,541.40	
Local MTF	\$1,024,349.34	\$1,342,683.86	\$1,482,310.35	
Local Urban MTF	\$17,266.20	\$22,570.16	\$24,917.24	
Additional State MTF	\$0.00	\$0.00	\$0.00	
State RRR Funds	\$0.00	\$0.00	\$0.00	
<b>EDF FUNDS</b>				
Rural Primary - Category D	\$105,786.05	\$76,223.52	\$88,889.00	( C )
Forest Category "E"	\$150,000.00	\$94,483.57	\$100,000.00	
State Local Bridge Funds	\$0.00	\$0.00	\$220,000.00	(E)
Other State Funds	\$199,450.39	\$0.00	\$0.00	
Township Contributions	\$1,391,263.69	\$1,093,411.93	\$1,075,334.00	(D)
Other Contributions	\$82,751.37	\$1,951.95	\$0.00	
<b>CHARGE FOR SERVICES</b>				
State Trunkline Maint.	\$368,214.15	\$408,399.98	\$388,307.07	
State Non-Maint.	\$24,730.33	\$27,190.74	\$25,960.54	
Salvage Sales	\$852.00	\$540.00	\$696.00	
Insurance proceeds	\$266,323.06	\$90,822.67	\$0.00	
Interest	\$8,180.32	\$10,462.40	\$9,321.36	
Sundry Refunds	\$0.00	\$0.00	\$0.00	
Other	\$500.00	\$500.00	\$0.00	
Sale of Gravel	\$0.00	\$0.00	\$0.00	
Gain (Loss) on Land & Equip	\$35,453.66	\$0.00	\$0.00	
Lease Purchase Proceeds	\$0.00	\$0.00	\$0.00	
<b>TOTAL REVENUE</b>	<b>\$5,578,160.74</b>	<b>\$5,964,796.98</b>	<b>\$6,062,474.93</b>	

<b>EXPENDITURES</b>	<b>2016 Actual Expenditures</b>	<b>2017 Actual Expenditures</b>	<b>2019 Adopted Budget</b>	
<b>Primary Road</b>				
Heavy Maintenance	\$1,210,903.71	\$1,281,016.58	\$1,800,592.00	(K)
Heavy Maintenance - Structures	\$87,089.80	\$478.30	\$0.00	
Heavy Maintenance - Safety	\$16,207.69	\$10,895.24	\$0.00	(K)
Routine Maintenance	\$725,785.92	\$591,168.21	\$691,400.92	
Wedging and Chipping	\$0.00	\$0.00	\$378,366.00	(F)
Winter Maintenance	\$308,614.57	\$221,372.41	\$278,243.16	
Traffic Control	\$17,102.19	\$18,801.18	\$18,849.27	
<b>Local Road</b>				
Heavy Maintenance	\$391,719.57	\$314,525.76	\$437,900.00	(G)
Heavy Maintenance - Structures	\$56,676.80	\$1,955.05	\$0.00	
Heavy Maintenance - Safety	\$0.00	\$0.00	\$0.00	
Routine Maintenance	\$1,025,437.67	\$1,544,843.52	\$1,349,397.62	
Wedging and Chipping	\$0.00	\$0.00	\$258,700.00	(H)
Winter Maintenance	\$286,867.22	\$199,282.34	\$255,228.52	
Traffic Control	\$18,161.56	\$18,646.23	\$19,324.09	
State Trunkline Maintenance	\$443,046.13	\$375,947.97	\$388,307.07	
State Non-Maintenance	\$24,730.35	\$27,190.75	\$25,960.55	
<b>Equipment Expense - Net</b>				
Direct	\$924,273.55	\$959,198.36	\$988,822.75	
Indirect	\$328,771.50	\$349,586.64	\$356,138.02	
Operating	\$169,987.77	\$184,876.61	\$186,303.80	
Less Equipment Rental Credits	(\$1,126,367.57)	(\$1,127,771.63)	(\$1,183,423.08)	
Other	\$0.00	\$0.00	\$0.00	
Administrative Expense - Net	\$308,993.67	\$340,001.54	\$340,722.49	
Interest Expense	\$15,236.40	\$14,000.88	\$32,934.42	
Long Term Debt Princ Payments	\$55,851.84	\$57,087.36	\$30,233.58	
Capital Outlay	\$580,508.36	\$684,834.30	\$606,000.00	(I)
Less Depreciation/Retirements	(\$702,385.08)	(\$760,778.07)	(\$731,581.58)	
<b>TOTAL EXPENDITURES</b>	<b>\$5,167,213.62</b>	<b>\$5,307,159.53</b>	<b>\$6,528,419.60</b>	
Excess Revenue (Expenditures)	\$410,947.12	\$657,637.45	(\$465,944.67)	
Beginning Fund Balance	\$3,404,980.71	\$3,815,927.83	\$4,579,227.10	
<b>Ending Fund Balance</b>	<b>\$3,815,927.83</b>	<b>\$4,473,565.28</b>	<b>\$4,113,282.43</b>	

Roll call vote: Harvey – aye, Scully – aye, Somers – aye. Motion carries.

2019 Budget Resolution:

Moved by Commissioner Somers, Harvey, to adopt the Alcona County Road Commission Resolution 2019-01 which reads as follows:

**RESOLUTION 2019-01  
BUDGET 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, 2019. This resolution adopts proposed revenues and expenditures as presented in the accompanying budget document. Total revenues are adopted as \$6,062,474.93, expenditures as \$6,528,419.60 with a proposed fund balance at December 31, 2019 of \$4,113,282.43, 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 K. LaVergne, Account 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 Account Clerk be allowed to adjust the budget after December 31, 2019 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.*

Roll call vote: Harvey – aye, Scully – aye, Somers – aye. Resolution is hereby adopted.

2018 Budget Amendments:

Moved by Commissioner Somers, Harvey, to approve the Alcona County Road Commission budget amendments for 2018 as follows:

Revenue	2018 Budget	100 % of 2018 Budget	Amended Budget	2018 Budget Amend	% of Budget Used
County Wide Millage	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Licenses and Permits	\$11,345.00	\$11,345.00	\$14,505.00	\$3,160.00	127.85%
FEDERAL SOURCES					
Local Bridge Funds		\$0.00	\$0.00	\$0.00	0.00%
STP	\$434,624.00	\$434,624.00	\$439,212.12	\$4,588.12	101.06%
Federal Urban 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	\$740,250.00	\$740,250.00	\$670,649.55	-\$69,600.45	90.60%
<b>STATE SOURCES</b>					
Engineering	\$10,000.00	\$10,000.00	\$10,000.00	\$0.00	100.00%
Snow Removal Funds	\$22,008.29	\$22,008.29	\$29,077.43	\$7,069.14	132.12%
MTF Primary	\$2,066,952.61	\$2,066,952.61	\$2,198,377.10	\$131,424.49	106.36%
MTF Local	\$1,382,304.19	\$1,382,304.19	\$1,470,239.61	\$87,935.42	106.36%
Add'l State/Winter Funds	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Other State Funds	\$0.00	\$0.00	\$726,727.51	\$726,727.51	0.00%
EDF FUNDS- State "D" Funds	\$97,623.00	\$97,623.00	\$79,735.10	-\$17,887.90	81.68%
Forest Funds	\$100,000.00	\$100,000.00	\$100,000.00	\$0.00	100.00%
<b>CONTRIBUTIONS FROM LOCAL UNITS</b>					
Township Contributions	\$904,612.00	\$904,612.00	\$624,297.25	-\$280,314.75	69.01%
City Contributions	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Other Contributions	\$0.00	\$0.00	\$1,103.36	\$1,103.36	100.00%
<b>CHARGES FOR SERVICES</b>					
State Trunkline Maintenance	\$400,006.13	\$400,006.13	\$427,977.51	\$27,971.38	106.99%
State Non-Maintenance	\$77,176.97	\$77,176.97	\$183,424.17	\$106,247.20	237.67%
Salvage Sales/Misc Revenue	\$781.80	\$781.80	\$4,313.10	\$3,531.30	551.69%
Interest Earned/Dividends	\$5,380.77	\$5,380.77	\$14,438.84	\$9,058.07	268.34%
Insurance Proceeds	\$0.00	\$0.00	\$18,340.47	\$18,340.47	0.00%
	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Gain (Loss) Equip Sale	\$0.00	\$0.00	\$49,051.54	\$49,051.54	0.00%
<b>TOTAL REVENUE</b>	<b>\$6,253,064.76</b>	<b>\$6,253,064.76</b>	<b>\$7,061,469.66</b>	<b>\$808,404.90</b>	<b>112.93%</b>

<b>Expenditures</b>	<b>2018 Budget</b>	<b>100% of 2018 Budget</b>	<b>Amended Budget</b>	<b>2018 Budget Amend</b>	<b>Percent age of Budget Used</b>
<b>PRIMARY ROAD</b>					
Structural Improvements	\$1,591,098.00	\$1,591,098.00	\$1,676,310.92	-\$85,212.92	105.36%
Routine Maintenance	\$526,900.99	\$526,900.99	\$321,915.37	\$204,985.62	61.10%
Wedging and Chipping	\$233,240.00	\$233,240.00	\$101,145.59	\$132,094.41	43.37%
Winter Maintenance	\$253,491.27	\$253,491.27	\$252,035.05	\$1,456.22	99.43%
Traffic Control	\$13,546.17	\$13,546.17	\$18,989.00	-\$5,442.83	140.18%
<b>LOCAL ROAD</b>					
Structural Improvements	\$476,000.00	\$476,000.00	\$313,589.93	\$162,410.07	65.88%

Routine Maintenance	\$1,289,024.33	\$1,289,024.33	\$1,014,431.69	\$274,592.64	78.70%
Bridge Maintenance	\$0.00	\$0.00	\$185.88	-\$185.88	100.00%
Wedging and Chipping	\$331,236.00	\$331,236.00	\$372,233.18	-\$40,997.18	112.38%
Winter Maintenance	\$235,983.06	\$235,983.06	\$274,145.42	-\$38,162.36	116.17%
Traffic Control	\$18,449.83	\$18,449.83	\$13,332.98	\$5,116.85	72.27%
State Trunkline Maintenance	\$400,006.13	\$400,006.13	\$432,872.50	-\$32,866.37	108.22%
State Non-Maintenance	\$77,176.98	\$77,176.98	\$183,424.18	-\$106,247.20	237.67%
<b>EQUIPMENT EXP - NET</b>					
Direct	\$875,621.50	\$875,621.50	\$869,720.28	\$5,901.22	99.33%
Indirect	\$307,107.65	\$307,107.65	\$352,584.89	-\$45,477.24	114.81%
Operating	\$192,153.28	\$192,153.28	\$237,770.42	-\$45,617.14	123.74%
Less Equipment Rental CR.	-\$1,125,491.62	-\$1,125,491.62	-\$1,160,057.27	\$34,565.65	103.07%
Administrative Expense Net	\$322,723.68	\$322,723.68	\$351,306.77	-\$28,583.09	108.86%
Interest Expense	\$12,738.12	\$12,738.12	\$12,020.23	\$717.89	94.36%
Long Term Debt Payments	\$58,350.12	\$58,350.12	\$258,379.63	-\$200,029.51	442.81%
Capital Outlay	\$685,800.00	\$685,800.00	\$844,024.11	-\$158,224.11	123.07%
Less Depreciation	-\$627,752.55	-\$627,752.55	-\$664,682.87	\$36,930.32	105.88%
Other	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>TOTAL EXPENDITURES</b>	\$6,147,402.94	\$6,147,402.94	\$6,075,677.88	\$71,725.06	98.83%
<b>Excess Revenue (Expenditures)</b>	\$105,661.82	\$105,661.82	\$985,791.78	\$880,129.96	
<b>Beginning Fund Balance</b>	\$4,473,565.28	\$4,473,565.28	\$4,473,565.28	\$0.00	
<b>Ending Fund Balance</b>	\$4,579,227.10	\$4,579,227.10	\$5,459,357.06	\$880,129.96	

Roll call vote: Harvey – aye, Scully – aye, Somers – aye. Motion carries.

Catholic Human Services Employee Assistance Program:

Renee LaVergne left meeting at 2:15pm.

Moved by Commissioner Harvey, Somers, to approve the Catholic Human Services Employee Assistance Program \$500 contract for 2019.

Discussion: We need to check if Teamsters health insurance coverage overlaps the Catholic Human Services Employee Assistance Program for 2020.

Roll call vote: Harvey – aye, Scully – aye, Somers – aye.

Advertise for Bids:

Moved by Commissioner Harvey, Somers, to approve the advertisement for bids for a tandem truck, tandem truck equipment, ¾ ton pick-up truck, and mid-series single axel truck, all bids due January 22, 2019 by 4:00pm and will be reviewed at the January 23, 2019 board meeting. Roll call vote:

Harvey – aye, Scully – aye, Somers – aye. Motion carries.

Bamfield Bridge Title Sheet:

Moved by Commissioner Scully, Harvey, to sign the Bamfield Bridge Title Sheet and submit it to MDOT. Roll call vote: Harvey – aye, Scully – aye, Somers – aye. Motion carries.

Foreman Position Discussion:

Discussion of Foreman salary starting at \$48,000 with step raises of \$1,000 at six months, \$1,000 at one year, and \$1,000 at a year and a half.

Managing Directors Report:

Discussion of the vacant Foreman position. The Foreman position will be posted internally this week, and applications will be due January 4, 2019. Interviews are expected for mid-January.

Meeting adjourned at the call of the Chair at 2:43 pm until the next regular meeting on January 9, 2019.

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Al Scully, Chairman

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Helen-Ann Cordes, Administrative Assistant