

MINUTES
EMMET COUNTY ROAD COMMISSION
HARBOR SPRINGS, MICHIGAN

The Emmet County Board of Road Commissioners met in regular session at the office in Harbor Springs, June 11, 2020. Chairman Frank Zulski called the meeting to order at 8:00 a.m.

Commissioners Present:

Frank Zulski - Chairman Robert Notestine - Vice Chairman Wade Williams - Member

Staff Present:

Brian Gutowski - Engineer/Manager James Godzik-Permit/CADD Technician
Lisa Kleeman-Finance Director/Clerk of the Board Ed Zmikly – Road Foreman
Robert Genson - Equip. Sup. (Present via Phone) John Gray – Road Foreman

Guests Present:

James Kargol – Emmet County Commissioner Dennis Keiser – Bear Creek Township
Toni Drier – Emmet County Commissioner Bill Dohm – Little Traverse Township
Martin Krupa

MINUTES: It was moved by Robert Notestine, seconded by Frank Zulski, to approve the regular session minutes of May 28, 2020.

Ayes: Notestine, Zulski, Williams

Nays: None

Motion carried

ACCOUNTS PAYABLE: The List of Accounts Payable, Voucher No. 2023, checks 46841 through 46860, in the amount of \$95,559.23 was presented for approval. It was moved by Frank Zulski, seconded by Robert Notestine, to approve accounts payable for payment of the same.

Ayes: Notestine, Zulski, Williams

Nays: None

Motion carried

PAYROLL: Voucher No. 2024 for Payroll No. 12, checks 55867 through 55899 and direct deposit, for regular payroll in the amount of \$97,845.42, was presented for approval. It was moved by Robert Notestine, seconded by Frank Zulski, to approve payroll for payment of the same.

Ayes: Notestine, Zulski, Williams

Nays: None

Motion carried

UNFINISHED BUSINESS: None

PUBLIC COMMENT: None

APPOINTMENTS:

- a. Martin Krupa presented information for a driveway permit exception on Division Road. He is requesting to use an existing driveway that was put in several years before current regulations were in effect. The location for the driveway is not in the best interest of the public with regards to safety and site distance. Commissioner Zulski asked Godzik to check the area to the east for better site distance. Krupa is concerned the suggested driveway location would have too much slope. A decision is tabled until the next meeting so more information can be gathered.

NEW BUSINESS:

- a. It was moved by Frank Zulski, seconded by Robert Notestine, to sign the contract with Tri-County Excavating for the Country Club Road reconstruction project.

Ayes: Notestine, Zulski, Williams

Nays: None

Motion carried

- b. Bids for the Cedar Valley Road reconstruction project were reviewed for possible award. Upon request of Dennis Keiser, Bear Creek Township Supervisor, the decision was postponed until the next meeting.
- c. The contract with Bear Creek Township for the Cedar Valley Road reconstruction project was not signed as the decision on this project has been tabled until the next meeting.
- d. It was moved by Robert Notestine, seconded by Frank Zulski, to vote for the following MCRCSIP Board of Director candidates:
Northern position three-year term – Alan Cooper, Wexford
Northern position three-year term – Brian Gutowski, Emmet
At-Large position – Lester Livermore, Mackinac
At-Large position – Brett Laughlin, Ottawa

Ayes: Notestine, Zulski, Williams

Nays: None

Motion carried

- e. COVID-19 Preparedness and Response Plan from MCRCSIP was discussed for adoption. It was moved by Frank Zulski, seconded by Robert Notestine, to adopt the plan as presented.

Ayes: Notestine, Zulski, Williams

Nays: None

Motion carried

- f. It was moved by Robert Notestine, seconded by Frank Zulski, to sign the contract with Wolverine Seal Coating, LLC. for the seasons overband crack fill work.

Ayes: Notestine, Zulski, Williams

Nays: None

Motion carried

CORRESPONDENCE:

- a. Notice of Board of Trustee Candidates from CRASIF was received. Positions open are 1 three-year term for the U.P., 1 three-year term for Northern Michigan, 1 one-year At-Large and 1 three-year At-Large position.

ENGINEER-MANAGER'S REPORT: Gutowski reported the following:

- Beach Drive wash outs are reoccurring. Godzik gave an update that 8 of 11 property owners have hired Benchmark Engineering for designing a break wall. Zulski felt it was important to communicate in writing with the home owners investing in the break wall that if the one property owner doesn't join their efforts, the road may still have to be closed if a washout occurs. Toni Drier, Emmet County Commissioner, mentioned that County Administrator Mike Reeves is aware of the issue on Beach Drive and may be contacting Gutowski. Jim Kargol, Emmet County Commissioner, mentioned the corner area, which would not be protected by the proposed break wall, was the worst area for washout six years ago before water levels were as high as they currently are.
- MCRCSIP Meeting, June 25 at 10:00 a.m. via Zoom with the actuary and discussion will take place regarding a possible refund.

SUPERVISOR'S REPORT: Beckman reported on the status of the following projects:

- Wilderness Park Drive/Headlands Road - leveling course is down and will be paving more next week
- State Road - first portion is complete
- Bridge Street - paved and shoulder gravel complete
- West Traverse Ultra thins - complete along with shoulder gravel

- Greenwood Road - project items are finished except discrepancies. He is working with Rieth Riley on pavement issues from last year. There is severe edge cracking for over 1000 feet and the reason is undetermined. Investigation will continue and Tom Whip, Springvale Township Supervisor has been notified.
- Most of projects are scheduled for August and September.
- Ellis Engineering is completing file review on North Conway Road.
- Huron Engineering is working on deficiency items on the guardrail upgrade project.
- Sign Upgrade Project has begun staking and the project will begin after July 4.
- Second portion of funding for State Road is unclear as far as timing and the contractor is on hold at this point until BIA is fully back to work.

PERMIT/CAD TECHNICIAN'S REPORT: Godzik reported working on several permits and surveys. The crew has begun working on Cincinnati Pointe for tree and stump removal as well as earth excavation and gravel work.

EQUIPMENT SUPERINTENDENT'S REPORT: None.

ROAD FOREMAN'S REPORT: Gray reported on mowing and ditching work being done for MDOT. He mentioned a lot of water problems and culvert issues causing several shoulder issues. There was discussion of the durapatching by MDOT on US31 and the continued failure of the rocks needing to be swept up as they don't stick to the tar. Zmikly stated they have begun mowing on primary roads and the crew has completed the first wedging project this week.

FINANCE DIRECTOR'S REPORT: Kleeman updated the Board on the estimated MTF revenue reduction to be received in July. She also relayed information regarding bids for salt shed roof repairs requested on behalf of MDOT for seven counties. There are also bids out for staining the sheds and lighting improvements.

COMMISSIONERS' REPORT: Commissioner Notestine asked if Rieth-Riley is still on strike and Gutowski confirmed they are. He also inquired about recycling shingles in pavement projects and future viability with this type of asphalt. Gutowski responded this type of project has not been entirely successful in the past. Notestine also asked how long River Road would be closed and Gutowski and Keiser responded it would be done by Friday.

PUBLIC COMMENT:

- a. Bill Dohm, Little Traverse Township Supervisor- would like scheduling information on Graham and Powell Road. Beckman responded he will forward the information to Dohm and Godzik mentioned the last communication with the contractor indicated they

were sending project schedules soon and these projects will not be started until at least August. Dohm also inquired about scheduling the culvert replacement on West Conway Road and Gray believes this will be done before the end of June. Dohm asked for an update on the intersection detour and Gutowski responded on specifics about the project including the traffic count of 20,000-24,000 cars per day that travel the intersection, US31 and M119. Dohm asked Gutowski for publicity and education on the MDOT detour for the businesses expected to be affected as this is an estimated three-week project.

- b. Toni Drier, Emmet County Commissioner – offered comments about educating the public about who is responsible for roads as she is receiving a lot of emails on these topics. People don't know who owns which roads, who to complain to, or understand how roads are funded. She used minutes from the annual township meetings to help answer the questions she received and advised people to go to their township supervisors for more information.
- c. Dennis Keiser, Bear Creek Township Supervisor - asked about the south end salt shed status. Gutowski relayed to Keiser that he has been working with Mike Reaves, Emmet County Administrator, on the property acquisition and they will continue this in August.

Commissioner Zulski recessed the meeting at 8:50 a.m.

Commissioner Zulski reconvened the meeting at 8:58 a.m. to begin the work session.

2020 Budget Amendment #1 Information Binder was distributed and the following discussed:

- New format distributed to the Board which includes supporting information for the proposed amendment
- Suggested adopting an amendment due to significant changes in revenue and expenses due to Covid-19
- Budget Report the Board normally receives and adopts
- Michigan Transportation Fund revenue
- Past revenue and expenses
- Department of Treasury regulations pertaining to budget information required on documents given to the Board
- MDOT Act 51 requirements of categorizing all revenue and expenses specifically as Primary, Local, or County Road Commission funds.
- MDOT Trunkline Contract and TWA's for additional projects
- Projected Construction Projects
- Township Allocation History

- Project details with historical and proposed expenses and revenue for Primary Roads, Local Roads, and Bridges. Purpose is to give a complete view of project costs, especially when they cross more than one fiscal year.
- Primary and Local Road Maintenance - how winter affects these projections
- Equipment expenses and rental rate revenue
- Debt Payments on three loans:
 - Levering Garage and Brine Building Bond
 - State Infrastructure Bank Loan for chip seal repair. Expected payoff June 2021
 - Citizens Bank Equipment Loan- Expected payoff May 2021
- Capital Outlay - Expected purchases and depreciation
- Administrative Expenses and State Trunkline Maintenance overhead credit
- General Appropriations Act
- Sections for keeping reports that are received by the Board for bi-weekly and monthly reporting

Sale of Federal Aid to Oakland County Road Commission - why we sell our federal aid and project requirements.

Budget projections show reduced revenue and expenses with an expectation to have a positive amount to add to fund balance. Discussion ensued on the importance of not having a negative fund balance at the end of the year as well as how to have less unfunded project expenses.

Layoffs were also discussed and the decision was made to not lay staff off at this time in order to complete tasks before winter arrives, making up for time lost during April and May due to Covid-19. It was decided the financial gain was insignificant and the risk of permanently losing qualified employees too high. This may have to be re-evaluated depending on Covid-19 and federal or state funding availability.

Cash flow and current projections were discussed. Sale of federal aid and Category F funds will be in our cash account balance until the project is complete.

Township projects and the importance of the township millage and contribution to the agency in the past as well as the ability to maintain an excellent relationship with the townships are a priority. It was also mentioned that in the past, the townships paid for internal engineering and some administrative costs on each project and in 2018 it was decided to no longer bill the townships for this resulting in a loss of approximately \$150,000 per year in reimbursement.

Commissioner Zulski offered closing comments that he believed the budget tool will be helpful information, he is very appreciative for township participation, and he is optimistic about MTF revenue.

It was moved by Frank Zulski, seconded by Robert Notestine, to approve the 2020 Budget Amendment #1 as attached.

Ayes: Notestine, Zulski, Williams

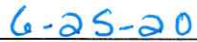
Nays: None

Motion carried

Commissioner Zulski adjourned the meeting at 9:55 a.m.



Lisa Kleeman, Finance Director-Clerk of the Board



Date

EMMET COUNTY ROAD COMMISSION

2020 BUDGET - AMENDMENT #1

	2018 ACTUAL	2019 ACTUAL	2020 ORIGINAL	2020 PROPOSED AMEN. #1	BUDGET DIFFERENCES	
REVENUE:						
Licenses Permits	\$ 46,310	\$ 69,055	\$ 63,000	\$ 50,000	\$ (13,000)	1
Federal Sources:						
Surface Transportation Program	64,140	1,071,382	524,000	451,248	(72,752)	2
Other	-	-	525,843	508,138	(17,705)	3
Total Federal Sources	\$ 64,140	\$ 1,071,382	\$ 1,049,843	\$ 959,387	\$ (90,456)	
State Sources:						
MI Transportation Funds:						
Engineering	10,000	10,000	10,000	10,000	-	4
Allocation (Primary & Local)	5,315,720	5,926,195	6,443,667	5,828,297	(615,370)	4
Snow Removal	193,539	213,475	213,475	195,000	(18,475)	4
Urban (Primary & Local)	220,425	244,660	268,486	242,846	(25,640)	4
State Grants:						
Bridge	-	170	-	-	-	
State D	11,775	137,414	160,531	172,916	12,385	2
Forest Funds	222,383	25,000	99,000	99,000	-	5
Other	755,861	349,200	168,000	156,034	(11,966)	6
Total State Sources	\$ 6,729,703	\$ 6,906,114	\$ 7,363,159	\$ 6,704,093	\$ (659,066)	
Contributions:						
Local Units-Other (Sale of Fed Aid)	\$ -		\$ 467,404	-	(467,404)	2
Local Units (Twps & Villages)	1,891,163	3,052,724	1,133,627	1,168,968	35,341	7
Total Local Contributions	\$ 1,891,163	\$ 3,052,724	\$ 1,601,031	\$ 1,168,968	\$ (432,063)	
Charges for Services:						
Trunkline Maintenance	861,715	1,344,608	1,400,000	1,403,841	3,841	8
Trunkline Non-Maintenance	192,919	589,192	40,000	560,620	520,620	9
Salvage Sales	10,566	2,725	2,295	2,295	-	10
Other	1,465	1,900	-	-	-	
Total Charges for Services	\$ 1,066,665	\$ 1,938,425	\$ 1,442,295	\$ 1,966,756	\$ 524,461	
Other Revenue:						
Interest & Rentals	22,672	10,616	5,000	5,000	-	11
Gain on Equipment & Disposal	51,272	11,332	-	-	-	12
Contributions from Private Sources	2,115,621	1,245,717	2,624,680	1,925,605	(699,075)	13
Other (Local Revenue, Sales, Etc.)	-	81,218	25,000	20,000	(5,000)	14
Total Other Revenue	\$ 2,189,565	\$ 1,348,883	\$ 2,654,680	\$ 1,950,605	\$ (704,075)	
Other Financing Sources:						
Loan/Note Proceeds	1,152,697	-	-	-	-	15
Total Other Financing Sources	\$ 1,152,697	\$ -	\$ -	\$ -	\$ -	
TOTAL REVENUE	\$ 13,140,242	\$ 14,386,582	\$ 14,174,008	\$ 12,799,809	\$ (1,374,199)	

	2018 ACTUAL	2019 ACTUAL	2020 ORIGINAL	2020 PROPOSED AMEN. #1	BUDGET DIFFERENCES	
EXPENDITURES:						
Primary Roads:						
Heavy Maintenance	\$ 1,967,463	\$ 2,916,310	\$ 3,613,139	\$ 3,058,112	\$ (555,027)	16
Structures	1,047,701	390,540	319,526	7,062	(312,464)	17
Maintenance	1,679,689	2,153,100	2,316,931	2,071,124	(245,807)	18
Total Primary Roads	\$ 4,694,853	\$ 5,459,950	\$ 6,249,596	\$ 5,136,298	\$ (1,113,298)	
Local Roads:						
Heavy Maintenance	2,075,336	3,242,956	1,671,272	1,393,137	(278,135)	19
Structures	826,665	138,178	741,523	734,900	(6,623)	20
Maintenance	2,062,463	2,747,669	2,836,644	2,507,707	(328,937)	21
Total Local Roads	\$ 4,964,464	\$ 6,128,803	\$ 5,249,439	\$ 4,635,745	\$ (613,694)	
State Trunkline:						
Maintenance	998,604	1,359,981	1,400,000	1,268,252	(131,748)	22
Non-Maintenance	192,919	589,192	40,000	560,619	520,619	23
Total State Trunkline	\$ 1,191,523	\$ 1,949,173	\$ 1,440,000	\$ 1,828,871	\$ 388,871	
Equipment Expenses-Net	375,087	190,565	202,774	337,137	134,363	24
Distributive Expense	-	-	-	-	-	25
Capital Outlay - Net	718,654	54,310	(273,000)	(555,311)	(282,311)	26
Administrative - Net	526,044	493,015	604,920	601,990	(2,930)	27
Other	-	15,254	-	-	-	28
Debt Service:						
Principal	474,115	604,608	619,618	618,618	(1,000)	29
Interest	98,018	94,782	80,661	80,661	(0)	30
TOTAL EXPENSES	\$ 13,042,758	\$ 14,990,459	\$ 14,174,008	\$ 12,684,009	\$ (1,489,999)	
Net Gain or Loss	\$ 97,485	\$ (603,877)	\$ -	\$ 115,800	\$ 115,800	
Beginning Fund Balance	1,720,261	1,817,746	1,213,869	1,213,869	-	
Net Gain or (Loss)	97,485	(603,877)	-	115,800	115,800	
ENDING FUND BALANCE	\$ 1,817,746	\$ 1,213,869	\$ 1,213,869	\$ 1,329,669	\$ 115,800	