

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, December 8, 2023. Chairman Frank Zulski called the meeting to order at 8:00 a.m. and led the pledge of allegiance.

Commissioners Present:

Frank Zulski – Chairman Wade Williams – Vice Chairman Mark Hoffman - Member

Staff Present:

Brent Shank – Engineer/Manager James Godzik – Permit/CADD Technician
Travis Horrocks – Engineer Technician John Gray – South Road Foreman
Bob Genson – Equipment Superintendent Ed Zmikly – North Road Foreman

Staff Present via Zoom:

Lisa Kleeman – Finance Director/Board Clerk, attending from Ann Arbor, Michigan.

Guests Present:

Bill Dohm – Little Traverse Twp. Supervisor Don Mapes – Emmet County Commissioner
Bob Kruzel – Readmond Township Trustee

Guests Present via Zoom:

David White – Emmet County Commissioner Denny Keiser – Bear Creek Twp. Supervisor
Al Welsheimer – Resort Twp. Trustee

AGENDA:

It was moved by Zulski, seconded by Williams, to approve the agenda as presented.

Ayes: Hoffman, Williams, Zulski

Nays: None

Motion carried

MINUTES:

It was moved by Williams, seconded by Hoffman, to approve the regular session minutes of November 27, 2023.

Ayes: Hoffman, Williams, Zulski

Nays: None

Motion carried

ACCOUNTS PAYABLE:

It was moved by Zulski, seconded by Hoffman, to approve accounts payable for payment of Voucher 2354 for electronic funds transfer payments and checks 51098 through 51132 in the amount of \$82,284.15.

Ayes: Hoffman, Williams, Zulski

Nays: None

Motion carried

PAYROLL:

It was moved by Williams, seconded by Hoffman, to approve payroll and electronic deposits for Voucher 2355 for checks 58285 through 58302 in the amount of \$121,842.43.

Ayes: Hoffman, Williams, Zulski

Nays: None

Motion carried

It was moved by Zulski, seconded by Hoffman, to approve payroll and electronic deposits for Voucher 2356 for checks 58303 through 58332 in the amount of \$17,378.04.

Ayes: Hoffman, Williams, Zulski

Nays: None

Motion carried

PUBLIC COMMENT: None

APPOINTMENTS:

- a. 8:15 a.m.: Public Hearing – Proposed 2024 Act 51 Budget. It was moved by Hoffman, seconded by Williams, to begin the public hearing.

Ayes: Hoffman, Williams, Zulski

Nays: None

Motion carried

The public hearing was advertised in the Petoskey News Review. Lisa Kleeman, Finance Director, presented the recommended 2024 Original Budget highlighting significant variances from the previous year's budget and background information for projections. After comments and questions, it was moved by Zulski, seconded by Williams, to end the public hearing.

Ayes: Hoffman, Williams, Zulski

Nays: None

Motion carried

UNFINISHED BUSINESS: None

NEW BUSINESS:

- a. It was moved by Zulski, seconded by Hoffman, to adopt the 2024 Act 51 Original Budget as presented. See attached budget.

Roll Call Vote:

Hoffman Aye
Williams Aye
Zulski Aye
Nays: None

Motion carried

- b. It was moved by Zulski, seconded by Hoffman, to approve the 2024 General Appropriations Act in accordance with the provisions of Public Act 2 of 1968. See attached.

Roll Call Vote:

Hoffman Aye
Williams Aye
Zulski Aye
Nays: None

Motion carried

- c. It was moved by Hoffman, seconded by Williams, to approve the 2024 Board Meeting Schedule.

Ayes: Hoffman, Williams, Zulski
Nays: None

Motion carried

- d. It was moved by Zulski, seconded by Hoffman, to approve the Class A designation of Robinson Road from State Road to Teal Road.

Ayes: Hoffman, Williams, Zulski
Nays: None

Motion carried

- e. It was moved by Williams, seconded by Hoffman, to approve the Michigan State Police Road Patrol Contract for 2024.

Ayes: Hoffman, Williams, Zulski
Nays: None

Motion carried

- f. It was moved by Hoffman, seconded by Williams, to approve Pickerel Lake Road from Banwell Road to Botsford Road as the federal aid project for 2027.

Ayes: Hoffman, Williams, Zulski

Nays: None

Motion carried

- g. It was moved by Zulski, seconded by Williams, to approve the Engineer-Manager's contract extension.

Ayes: Hoffman, Williams, Zulski

Nays: None

Motion carried

CORRESPONDENCE: None

ENGINEER-MANAGER'S REPORT: Shank gave the following report:

- Policies were distributed to the Board for approval at the December 22, 2023, meeting:
 - Work Rules Policy
 - Drug Free Workplace Policy
 - Substance Abuse Policy
 - Administrative and Supervisory Benefit Policy
- Bureau of Indian Affairs is considering the McDougal Road over Bear Creek crossing for a 2027 project. The next step is to get preliminary design completed for a concrete structure with a 70-foot span to satisfy creek realignment requirements.
- Capital Outlay Expenditure List for 2024 was distributed and discussed in detail.
- 2024 Project List was distributed and discussed; specifically, the status of projects and the manageability of number of projects planned.

ENGINEER-TECHNICIAN'S REPORT: Horrocks gave the following update:

- Working on numerous projects for 2024 and waiting on contracts to come back from the townships on over 50 estimates that were sent out.
- Gravel crushing is planned for 2024; sand in the Power's Road Pit, Bellmer Pit is getting ready for crushing, and Powers Pit was surveyed and posts will be placed before crushing. Some of our pits are being assessed for marketable timber; Powers Pit, Reed Road Pit, Sunny Ridge Road area, and Bliss Pit on Pleasantview Road were also discussed for possible timber removal.

PERMIT/CAD TECHNICIAN'S REPORT: Godzik mentioned on Heaton Road, Bill McMaster was able to get the stump removed. He is also working on completing permit finalization.

EQUIPMENT SUPERINTENDENT’S REPORT: Genson stated regular maintenance is occurring now and truck 105 should be here soon, there has been a small electronic issue.

ROAD FOREMAN’S REPORT: Gray stated they have been patching and plan to begin working on trees. Zmikly stated they have been dealing with routine snow and ice removal and getting trees cut.

FINANCE DIRECTOR’S REPORT: Kleeman discussed the following:

- The Board’s annual organizational meeting will be held Friday, December 22, 2023.
- The 2023 Act 51 Amended Budget will be presented on December 22, 2023.
- MTF Reports for the October payment that was received during December were discussed.

COMMISSIONERS’ REPORT: Commissioner Zulski inquired what is included in the upfitting of a new truck; Genson explained in detail, indicating hydraulics make up a large portion of the cost as well as recycling of some components helps reduce some of the price.

PUBLIC COMMENT:

- a. Bob Kruzel, Readmond Township Trustee – There were questions brought up at the township on State Road north of Stutsmanville, asking for better and earlier plowing with more sand and salt applied. From Stutsmanville South the road is bare but the north portion of the road has a lot of ice that builds up. This was brought up a few years ago also. Shank will discuss this with the foreman. Kruzel also asked about bidding out for regravelling of roads themselves. Shank discussed the requirement of a permit and engineering plan; no other townships have done this in the past. Kruzel thanked the Board for the project completed on Robinson Road.

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



Lisa Kleeman, Finance Director-Clerk of the Board

12-22-23

Date

EMMET COUNTY ROAD COMMISSION

**2024 ORIGINAL BUDGET
Presented for Adoption 12/08/23**

	2021 ACTUAL	2022 ACTUAL	2023 ORIGINAL	2024 ORIGINAL	BUDGET DIFFERENCES	
REVENUE:						
Licenses Permits	\$ 77,410	\$ 86,205	\$ 82,000	\$ 79,500	\$ (2,500)	1
Federal Sources:						
Surface Transportation Program	5,280	-	-	-	-	2
Other	165,965	1,770,563	375,000	1,575,037	1,200,037	3
Total Federal Sources	\$ 171,245	\$ 1,770,563	\$ 375,000	\$ 1,575,037	\$ 1,200,037	
State Sources:						
MI Transportation Funds:						
Engineering	10,000	10,000	10,000	10,000	-	4
Allocation (Primary & Local)	6,760,487	6,950,217	6,961,970	7,362,297	400,327	4
Snow Removal	237,928	256,759	256,760	269,226	12,466	4
Urban (Primary & Local)	274,842	280,982	290,082	296,833	6,751	4
State Grants:						
Bridge	-	-	-	-	-	
State D	973	-	86,255	-	(86,255)	5
Forest Funds	-	127,757	-	120,000	120,000	6
Other	-	-	-	-	-	7
Total State Sources	\$ 7,284,229	\$ 7,625,715	\$ 7,605,067	\$ 8,058,356	\$ 453,289	
Contributions:						
Local Units-Other (Sale of Fed Aid)	467,404	1,083,090	837,480	640,000	(197,480)	8
Local Units (Twps & Villages)	3,836,997	2,896,017	1,905,900	3,008,406	1,102,506	9
Total Local Contributions	\$ 4,304,401	\$ 3,979,107	\$ 2,743,380	\$ 3,648,406	\$ 905,026	
Charges for Services:						
Trunkline Maintenance	1,598,458	2,016,221	1,703,694	1,716,061	12,367	10
Trunkline Non-Maintenance	1,653,452	492,800	271,250	289,243	17,993	11
Salvage Sales	7,803	7,680	7,500	7,500	-	12
Other	-	-	-	-	-	13
Total Charges for Services	\$ 3,259,713	\$ 2,516,701	\$ 1,982,444	\$ 2,012,803	\$ 30,359	
Other Revenue:						
Interest & Rentals	278	2,319	3,000	7,000	4,000	14
Gain on Equipment & Disposal	141,268	165,780	-	-	-	15
Contributions from Private Sources	1,548,941	1,284,547	2,115,000	2,550,000	435,000	16
Other (Local Revenue, Sales, Etc.)	84,049	40,526	15,000	55,571	40,571	17
Total Other Revenue	\$ 1,774,536	\$ 1,493,173	\$ 2,133,000	\$ 2,612,571	\$ 479,571	
Other Financing Sources:						
Loan/Note Proceeds	363,780	619,941	-	-	-	18
Total Other Financing Sources	\$ 363,780	\$ 619,941	\$ -	\$ -	\$ -	
TOTAL REVENUE	\$ 17,235,314	\$ 18,091,404	\$ 14,920,891	\$ 17,986,674	\$ 3,065,783	

	2021 ACTUAL	2022 ACTUAL	2023 ORIGINAL	2024 ORIGINAL	BUDGET DIFFERENCES	
EXPENDITURES:						
Primary Roads:						
Heavy Maintenance	\$ 3,073,587	\$ 4,572,798	\$ 2,980,707	\$ 4,547,487	\$ 1,566,780	19
Structures	475,121	541,447	36,999	1,146,169	1,109,170	20
Maintenance	1,931,665	2,003,421	2,129,951	2,323,938	193,987	21
Total Primary Roads	\$ 5,480,374	\$ 7,117,666	\$ 5,147,657	\$ 8,017,594	\$ 2,869,937	
Local Roads:						
Heavy Maintenance	4,266,298	3,255,270	3,030,174	2,853,638	(176,536)	22
Structures	80,895	1,209	585,239	589,814	4,575	23
Maintenance	2,185,258	2,274,705	2,334,185	2,464,724	130,539	24
Total Local Roads	\$ 6,532,450	\$ 5,531,183	\$ 5,949,598	\$ 5,908,176	\$ (41,422)	
State Trunkline:						
Maintenance	1,544,621	1,872,670	1,653,694	1,606,061	(47,633)	25
Non-Maintenance	1,653,452	492,800	271,250	289,243	17,993	26
Total State Trunkline	\$ 3,198,073	\$ 2,365,470	\$ 1,924,944	\$ 1,895,303	\$ (29,641)	
Equipment Expenses-Net	370,591	300,528	513,131	920,414	407,283	27
Distributive Expense	-	-	-	-	-	28
Capital Outlay - Net	(375,723)	163,532	697,107	881,547	184,440	29
Administrative - Net	581,958	768,274	715,098	757,018	41,920	30
Other	13,526	262,133	-	-	-	31
Debt Service:						
Principal	658,444	531,366	538,046	322,520	(215,526)	32
Interest	81,811	76,044	65,161	55,044	(10,117)	33
TOTAL EXPENSES	\$ 16,541,505	\$ 17,116,196	\$ 15,550,740	\$ 18,757,617	\$ 3,206,875	
Net Gain or Loss	\$ 693,809	\$ 975,209	\$ (629,849)	\$ (770,943)	\$ (141,094)	
Beginning Fund Balance	1,773,799	2,467,608	3,442,817	2,812,968	(629,849)	
Net Gain or (Loss)	693,809	975,209	(629,849)	(770,943)	(141,094)	
ENDING FUND BALANCE	\$ 2,467,608	\$ 3,442,817	\$ 2,812,968	\$ 2,042,025	\$ (770,943)	

EMMET COUNTY ROAD COMMISSION

GENERAL APPROPRIATIONS ACT

Moved by Frank Zulski, Jr., supported by Mark Hoffman, the 2024 Emmet County Road Commission Fund General Appropriations Act be approved unanimously as follows:

REVENUE:

STATE FUNDS	\$	7,938,356
FEDERAL STP SMALL URBAN		135,037.00
EMMET COUNTY		140,000
OTHER STATE/FEDERAL SPECIAL FUNDING		-
STATE D		-
SAFETY OR FEDERAL EARMARK (IIJA)		1,440,000
STATE FOREST FUNDS		120,000
STATE TRUNK LINE		1,716,061
STATE NON TRUNKLINE		289,243
TOWNSHIP CONTRIBUTIONS		3,008,406
OTHER CONTRIBUTIONS-PRIVATE SOURCES		2,550,000
CONTRIBUTIONS FROM LOCAL UNITS-OTHER		500,000
SALVAGE		7,500
INTEREST		7,000
GAIN OR LOSS		-
PERMIT FEES		79,500
LOAN/BOND PROCEEDS		-
ROYALTIES		55,571
SALE OF TIMBER		-
STATE BRIDGE PROGRAM		-
OTHER		-
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TOTAL REVENUE	\$	<u>17,986,674</u>

EXPENDITURES:

PRIMARY CONSTRUCTION	\$	4,341,091
PRIMARY MAINTENANCE		1,673,603
LOCAL CONSTRUCTION		2,689,672
LOCAL MAINTENANCE		1,820,087
STATE TRUNK LINE MAINTENANCE		1,606,061
STATE TRUNKLINE NON-MAINTENANCE		289,243
DIRECT OPERATING EXPENSE		1,642,607
INDIRECT OPERATING EXPENSE		674,422
EQUIPMENT EXPENSE - OPERATING		425,000
EQUIPMENT RENTAL		(2,560,000)
DISTRIBUTIVE EXPENSE		2,855,387
ADMINISTRATIVE EXPENSE		532,606
ADMINISTRATIVE CREDITS		(156,764)
ENGINEERING EXPENSE		-
CAPITAL OUTLAY		1,796,687
CAPITAL OUTLAY CREDITS		(915,140)
GAIN ON TRADE IN		-
INTEREST AND PRINCIPAL		377,564
OTHER PROJECTS		-
PRIMARY BRIDGES		1,098,259
LOCAL BRIDGES		567,232
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TOTAL EXPENDITURES	\$	<u>18,757,617</u>
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BUDGETED NET REVENUE/EXPENDITURES	\$	(770,943)

GENERAL APPROPRIATIONS ACT (Continued)

ESTIMATED FUND BALANCE 12/31/2023	\$	2,812,968
INCREASE/(DECREASE) TO FUND BALANCE		<u>(770,943)</u>
PROJECTED FUND BALANCE 12/31/2024	\$	<u><u>2,042,025</u></u>

For the purpose of administering the General Appropriations Act in accordance with the provisions of Public Act 2 of 1968, as amended, the following provisions are included:

1. Robert B. Shank, Engineer-Manager, is designated Chief Administrative Officer and Fiscal Officer.
2. The Chief Administrative Officer is authorized to transfer up to 25% of a line-item amount approved in the General Appropriations Act to another line-item without prior approval, but subject to approval of the Board of County Road Commissioners at their next regular Board Meeting.
3. The expenditure amount approved in this General Appropriations Act for Distributive Expense shall be allocated to the various other expenditure line-items in the proportion as the allocation of actual Distributive Expense monthly or at year end.

MOTION APPROVED by roll call vote, 3 ayes, 0 nays.