

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 13, 2019. The meeting was called to order by Chairman Zulski at 8:00 a.m.

Commissioners Present:

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

Staff Present:

Brian Gutowski - Engineer-Manager Robert Genson - Equipment Superintendent
Lisa Kleeman-Finance Director/Clerk of the Board James Godzik - Permit-CADD Technician
John Gray - Road Foreman Ed Zmikly - Road Foreman

Guests Present:

Bill Dohm – Little Traverse Township Cindy Baiardi – West Traverse Township
Gordon & Edith Kruskie-Readmond Township

MINUTES: It was moved by Robert Notestine, seconded by Larry Williams, to approve the regular session minutes of December 2, 2019.

Ayes: Notestine, Williams, Zulski

Nays: None

Motion carried

ACCOUNTS PAYABLE: The List of Accounts Payable, Voucher No. 1949 checks numbering 46273 through 46345, in the amount of \$1,226,212.04, was presented for approval. It was moved by Larry Williams, seconded by Robert Notestine, to approve accounts payable for payment of the same.

Ayes: Notestine, Williams, Zulski

Nays: None

Motion carried

PAYROLL: Voucher No. 1950 for Payroll No. 25, checks numbering 55413 through 55475 and direct deposit, for regular payroll in the amount of \$124,764.44, was presented for approval. It was moved by Frank Zulski, seconded by Robert Notestine, to approve payroll for payment of the same.

Ayes: Notestine, Williams, Zulski

Nays: None

Motion carried

UNFINISHED BUSINESS: None

PUBLIC COMMENT: None

APPOINTMENTS:

- a. 8:15 a.m.: Public Hearing - Proposed 2020 Act 51 Budget. It was moved by Larry Williams, seconded by Robert Notestine, to begin the public hearing.

Ayes: Zulski, Williams, Sumner

Nays: None

Motion carried

The public hearing was advertised in the Petoskey News Review. Lisa Kleeman, Finance Director, presented the recommended 2020 Budget highlighting significant variances from the previous year's budget. After comments and questions, it was moved by Larry Williams, seconded by Robert Notestine, to end the public hearing.

Ayes: Zulski, Williams, Sumner

Nays: None

Motion carried

NEW BUSINESS:

- a. It was moved by Frank Zulski, seconded by Larry Williams, to sign the contract with MDOT and adopt a resolution for the Atkins Road Reconstruction Project from McDougal Road to Division Road.

Ayes: Notestine, Williams, Zulski

Nays: None

Motion carried

- b. The 2019 Act 51 Budget Amendment #1 was presented for adoption. It was moved by Larry Williams, seconded by Robert Notestine, to adopt Amendment #1 for 2019. This item is included in the minutes.

Ayes: Notestine, Williams, Zulski

Nays: None

Motion carried

- c. The recommended 2020 Act 51 Budget was presented for adoption and the General Appropriations Act was read. It was moved by Robert Notestine, seconded by Frank Zulski, to adopt the budget for 2020 and the General Appropriations Act in accordance with the provisions of Public Act 2 of 1968. Both items are attached.

Ayes: Williams, Sumner, Zulski

Nays: None

Motion carried

- d. It was moved Larry Williams, seconded by Robert Notestine, to adopt Credit Card Policy 2019-050.

Ayes: Notestine, Williams, Zulski

Nays: None

Motion carried

CORRESPONDENCE: None

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

- 2020 Allocation Amounts have been distributed to townships. Two townships, Littlefield and Cross Village, have to spend some allocation this year.
- MDOT Sign Safety Grant for 2020 - Estimate was \$220,000 and the bid came in at \$130,000
- December 18, giving a presentation for the Rotary Club at the Perry Hotel
- There was much discussion regarding moving the annual township meeting to October from January so budget planning could be more effective
- Next meeting, December 27, the 2020 working budget will be presented
- Wednesday, December 11, there was a meeting at Resort Township Hall regarding the Cherry Lane Drainage Issue. The property owner and others affected were in attendance. Blaine Gibson gave an estimate of \$33,000 to complete the work. Emmet County Road Commission will pay to have this project completed and bill the home owner.
- Tim Burke is retiring today after 30 years of service.

SUPERVISOR'S REPORT: None

PERMIT/CAD REPORT: Godzik gave an update on the Oxcart permitting program which covers transportation permits but will be expanding to include right of way permits.

EQUIPMENT SUPERINTENDENT'S REPORT: Genson reported the second new truck should be completed within a week. He also reported on a truck accident which did about \$18,000 in damage and the driver escaped with minor injuries.

COMMISSIONERS' REPORT: Commissioner Notestine is still receiving comments about plowing performance in our county and expressed his appreciation to the townships for working with us. He also inquired on employee morale. Commissioner Notestine and Commission Zulski recognized Tim Burke for his service and wish him well in retirement.

ROAD FOREMAN'S REPORT: Foreman Zmikly reported being busy dealing with winter weather.

FINANCE DIRECTOR REPORT: None

PUBLIC COMMENT: None

Commissioner Zulski recessed the meeting at 9:00 a.m.

Commissioner Zulski began the Work Session at 9:05 a.m. Gutowski gave an update on cash balances, proposed equipment purchases, township meeting agenda topics, contract changes for construction and engineering contracts, as well as project work schedules and cut off dates. These topics will be revisited in April and another work session scheduled for July.

Commissioner Zulski adjourned the meeting at 10:35 a.m.



Lisa Kleeman, Finance Director-Clerk of the Board

12-27-19

Date

EMMET COUNTY ROAD COMMISSION

2019 BUDGET - PROPOSED AMENDMENT #1

	2017 ACTUAL	2018 ACTUAL	2019 ORIGINAL	2019 PROPOSED AMEND. #1	BUDGET DIFFERENCES	
REVENUE:						
Licenses Permits	\$ 43,855	\$ 46,310	\$ 48,000	\$ 63,000	\$ 15,000	1
Federal Sources:						
Surface Transportation Program	120,778	64,140	1,253,418	867,506	(385,912)	2
Other	-	-	357,400	340,277	(17,123)	3
Total Federal Sources	\$ 120,778	\$ 64,140	\$ 1,610,818	\$ 1,207,783	\$ (403,035)	
State Sources:						
MI Transportation Funds:						
Engineering	10,000	10,000	10,000	10,000	-	4
Allocation (Primary & Local)	4,956,300	5,315,720	6,226,974	5,894,500	(332,474)	4
Snow Removal	148,366	193,539	196,172	213,475	17,303	4
Urban (Primary & Local)	205,021	220,425	256,854	242,535	(14,319)	4
State Grants:						
Bridge	1,313	-	-	-	-	
State D	-	11,775	281,009	123,044	(157,965)	2
Forest Funds	41,626	222,383	54,646	25,000	(29,646)	5
Other	-	755,861	268,000	349,200	81,200	6
Total State Sources	\$ 5,362,626	\$ 6,729,703	\$ 7,293,655	\$ 6,857,753	\$ (435,902)	
Contributions:						
Local Units (Twps & Villages)	2,967,425	1,891,163	2,957,846	3,129,625	171,779	7
Total Local Contributions	\$ 2,967,425	\$ 1,891,163	\$ 2,957,846	\$ 3,129,625	\$ 171,779	
Charges for Services:						
Trunkline Maintenance	1,198,640	861,715	935,000	1,242,627	307,627	8
Trunkline Non-Maintenance	39,240	192,919	42,500	593,000	550,500	9
Salvage Sales	8,445	10,566	5,000	2,295	(2,705)	10
Other	-	1,465	-	-	-	
Total Charges for Services	\$ 1,246,325	\$ 1,066,665	\$ 982,500	\$ 1,837,922	\$ 855,422	
Other Revenue:						
Interest & Rentals	2,211	22,672	5,500	10,000	4,500	11
Gain on Equipment & Disposal	(20,995)	51,272	-	11,332	11,332	12
Contributions from Private Sources	1,544,704	2,115,621	1,691,600	1,267,515	(424,085)	13
Other (Local Revenue, Sales, Etc.)	3,817	-	4,000	65,000	61,000	14
Total Other Revenue	\$ 1,529,737	\$ 2,189,565	\$ 1,701,100	\$ 1,353,847	(347,253)	
Other Financing Sources:						
Loan/Note Proceeds	2,681,186	1,152,697	-	-	-	15
Total Other Financing Sources	\$ 2,681,186	\$ 1,152,697	\$ -	\$ -	\$ -	
TOTAL REVENUE	\$ 13,951,932	\$ 13,140,242	\$ 14,593,919	\$ 14,449,930	\$ (143,989)	

	2017 ACTUAL	2018 ACTUAL	2019 ORIGINAL	2019 PROPOSED AMEND. #1	BUDGET DIFFERENCES
EXPENDITURES:					
Primary Roads:					
Heavy Maintenance	\$ 2,542,131	\$ 1,967,463	\$ 4,520,469	\$ 3,085,255	\$ (1,435,214) 16
Structures	-	1,047,701	628,133	389,759	(238,374) 17
Maintenance	1,616,531	1,679,689	1,820,808	2,108,635	287,827 18
Total Primary Roads	\$ 4,158,662	\$ 4,694,853	\$ 6,969,410	\$ 5,583,648	\$ (1,385,762)
Local Roads:					
Heavy Maintenance	2,795,124	2,075,336	2,993,713	3,282,528	288,815 19
Structures	-	826,665	-	136,042	136,042 20
Maintenance	1,712,017	2,062,463	2,182,927	2,673,726	490,799 21
Total Local Roads	\$ 4,507,141	\$ 4,964,464	\$ 5,176,640	\$ 6,092,296	\$ 915,656
State Trunkline:					
Maintenance	1,145,057	998,604	985,000	1,258,000	273,000 22
Non-Maintenance	39,240	192,919	42,500	593,000	550,500 23
Total State Trunkline	\$ 1,184,297	\$ 1,191,523	\$ 1,027,500	\$ 1,851,000	\$ 823,500
Equipment Expenses-Net	(179,194)	375,087	149,695	250,000	100,305 24
Distributive Expense	-	-	-	-	- 25
Capital Outlay - Net	2,350,011	718,654	671,500	153,645	(517,855) 26
Administrative - Net	464,387	526,044	626,087	543,770	(82,317) 27
Other	11,000	-	-	15,940	15,940 28
Debt Service:					
Principal	620,462	474,115	607,385	607,385	0 29
Interest	120,203	98,018	92,550	92,550	(0) 30
TOTAL EXPENSES	\$ 13,236,969	\$ 13,042,758	\$ 15,320,767	\$ 15,190,233	\$ (130,534)
Net Gain or Loss	\$ 714,963	\$ 97,485	\$ (726,847)	\$ (740,303)	\$ (13,456)
Beginning Fund Balance	1,005,298	1,720,261	1,817,746	1,817,746	-
Net Gain or (Loss)	714,963	97,485	(726,847)	(740,303)	(13,456)
ENDING FUND BALANCE	\$ 1,720,261	\$ 1,817,746	\$ 1,090,899	\$ 1,077,443	\$ (13,456)

EMMET COUNTY ROAD COMMISSION

2020 BUDGET - ORIGINAL

	2017 ACTUAL	2018 ACTUAL	2019 PROPOSED AMEND. #1	2020 PROPOSED ORIGINAL	BUDGET DIFFERENCES
REVENUE:					
Licenses Permits	\$ 43,855	\$ 46,310	\$ 63,000	\$ 63,000	\$ - 1
Federal Sources:					
Surface Transportation Program	120,778	64,140	867,506	524,000	(343,506) 2
Other	-	-	340,277	525,843	185,566 3
Total Federal Sources	\$ 120,778	\$ 64,140	\$ 1,207,783	\$ 1,049,843	\$ (157,940)
State Sources:					
MI Transportation Funds:					
Engineering	10,000	10,000	10,000	10,000	- 4
Allocation (Primary & Local)	4,956,300	5,315,720	5,894,500	6,443,667	549,167 4
Snow Removal	148,366	193,539	213,475	213,475	- 4
Urban (Primary & Local)	205,021	220,425	242,535	268,486	25,951 4
State Grants:					
Bridge	1,313	-	-	-	-
State D	-	11,775	123,043	160,531	37,489 2
Forest Funds	41,626	222,383	25,000	99,000	74,000 5
Other	-	755,861	349,200	168,000	(181,200) 6
Total State Sources	\$ 5,362,626	\$ 6,729,703	\$ 6,857,753	\$ 7,363,159	\$ 505,407
Contributions:					
Local Units-Other (Sale of Fed Aid)	\$ -	\$ -	\$ -	467,404	467,404 2
Local Units (Twps & Villages)	2,967,425	1,891,163	3,129,625	1,133,627	(1,995,998) 7
Total Local Contributions	\$ 2,967,425	\$ 1,891,163	\$ 3,129,625	\$ 1,601,031	\$ (1,528,594)
Charges for Services:					
Trunkline Maintenance	1,198,640	861,715	1,242,627	1,400,000	157,373 8
Trunkline Non-Maintenance	39,240	192,919	593,000	40,000	(553,000) 9
Salvage Sales	8,445	10,566	2,295	2,295	- 10
Other	-	1,465	-	-	-
Total Charges for Services	\$ 1,246,325	\$ 1,066,665	\$ 1,837,922	\$ 1,442,295	\$ (395,627)
Other Revenue:					
Interest & Rentals	2,211	22,672	10,000	5,000	(5,000) 11
Gain on Equipment & Disposal	(20,995)	51,272	11,332	-	(11,332) 12
Contributions from Private Sources	1,544,704	2,115,621	1,267,515	2,624,680	1,357,165 13
Other (Local Revenue, Sales, Etc.)	3,817	-	65,000	25,000	(40,000) 14
Total Other Revenue	\$ 1,529,737	\$ 2,189,565	\$ 1,353,847	\$ 2,654,680	\$ 1,300,833
Other Financing Sources:					
Loan/Note Proceeds	2,681,186	1,152,697	-	-	-
Total Other Financing Sources	\$ 2,681,186	\$ 1,152,697	\$ -	\$ -	\$ - 15
TOTAL REVENUE	\$ 13,951,932	\$ 13,140,242	\$ 14,449,930	\$ 14,174,008	\$ (275,922)

	2017 ACTUAL	2018 ACTUAL	2019 PROPOSED AMEND. #1	2020 PROPOSED ORIGINAL	BUDGET DIFFERENCES
EXPENDITURES:					
Primary Roads:					
Heavy Maintenance	\$ 2,542,131	\$ 1,967,463	\$ 3,085,255	\$ 3,613,139	\$ 527,884 16
Structures	-	1,047,701	389,759	319,526	(70,233) 17
Maintenance	1,616,531	1,679,689	2,108,634	2,316,931	208,297 18
Total Primary Roads	\$ 4,158,662	\$ 4,694,853	\$ 5,583,648	\$ 6,249,596	\$ 665,948
Local Roads:					
Heavy Maintenance	2,795,124	2,075,336	3,282,528	1,671,272	(1,611,256) 19
Structures	-	826,665	136,042	741,523	605,481 20
Maintenance	1,712,017	2,062,463	2,673,726	2,836,645	162,919 21
Total Local Roads	\$ 4,507,141	\$ 4,964,464	\$ 6,092,296	\$ 5,249,439	\$ (842,857)
State Trunkline:					
Maintenance	1,145,057	998,604	1,258,000	1,400,000	142,000 22
Non-Maintenance	39,240	192,919	593,000	40,000	(553,000) 23
Total State Trunkline	\$ 1,184,297	\$ 1,191,523	\$ 1,851,000	\$ 1,440,000	\$ (411,000)
Equipment Expenses-Net	(179,194)	375,087	250,000	202,774	(47,226) 24
Distributive Expense	-	-	-	-	- 25
Capital Outlay - Net	2,350,011	718,654	153,645	(273,000)	(426,645) 26
Administrative - Net	464,387	526,044	543,770	604,920	61,150 27
Other	11,000	-	15,940	-	(15,940) 28
Debt Service:					
Principal	620,462	474,115	607,383	619,618	12,235 29
Interest	120,203	98,018	92,550	80,661	(11,889) 30
TOTAL EXPENSES	\$ 13,236,969	\$ 13,042,758	\$ 15,190,232	\$ 14,174,008	\$ (1,016,224)
Net Gain or Loss	\$ 714,963	\$ 97,485	\$ (740,303)	\$ 0	\$ 740,303
Beginning Fund Balance	1,005,298	1,720,261	1,817,746	1,077,443	-
Net Gain or (Loss)	714,963	97,485	(740,303)	0	740,303
ENDING FUND BALANCE	\$ 1,720,261	\$ 1,817,746	\$ 1,077,443	\$ 1,077,443	\$ 0

EMMET COUNTY ROAD COMMISSION

GENERAL APPROPRIATIONS ACT

Moved by Robert Notestine, supported by Frank Zulski, that the 2020 Emmet County Road Commission Fund General Appropriations Act be approved unanimously as follows:

REVENUE:

STATE FUNDS	\$	6,935,628
FEDERAL STP SMALL URBAN		375,843.00
FEDERAL STP		524,000
OTHER STATE/FEDERAL SPECIAL FUNDING		168,000
STATE D		160,531
SAFETY		150,000
STATE FOREST FUNDS		99,000
STATE TRUNK LINE		1,400,000
STATE NON TRUNKLINE		40,000
TOWNSHIP CONTRIBUTIONS		1,133,627
OTHER CONTRIBUTIONS-PRIVATE SOURCES		2,624,680
CONTRIBUTIONS FROM LOCAL UNITS-OTHER		467,404
SALVAGE		2,295
INTEREST		5,000
GAIN OR LOSS		-
PERMIT FEES		63,000
LOAN/BOND PROCEEDS		-
ROYALTIES		25,000
SALE OF TIMBER		-
STATE BRIDGE PROGRAM		-
OTHER		-
TOTAL REVENUE	\$	<u>14,174,008</u>

EXPENDITURES:

PRIMARY CONSTRUCTION	\$	3,512,188
PRIMARY MAINTENANCE		1,708,514
LOCAL CONSTRUCTION		1,601,888
LOCAL MAINTENANCE		2,205,313
STATE TRUNK LINE MAINTENANCE		1,400,000
STATE TRUNKLINE NON-MAINTENANCE		40,000
DIRECT OPERATING EXPENSE		1,254,529
INDIRECT OPERATING EXPENSE		670,675
EQUIPMENT EXPENSE - OPERATING		330,000
EQUIPMENT RENTAL		(2,500,000)
DISTRIBUTIVE EXPENSE		2,216,442
ADMINISTRATIVE EXPENSE		422,111
ADMINISTRATIVE CREDITS		(148,511)
ENGINEERING EXPENSE		-
CAPITAL OUTLAY		505,000
CAPITAL OUTLAY CREDITS		(778,000)
GAIN ON TRADE IN		-
INTEREST AND PRINCIPAL		700,278
OTHER PROJECTS		-
PRIMARY BRIDGES		311,060
LOCAL BRIDGES		722,520
TOTAL EXPENDITURES	\$	<u>14,174,008</u>
BUDGETED NET REVENUE/EXPENDITURES	\$	0

GENERAL APPROPRIATIONS ACT (Continued)

ESTIMATED FUND BALANCE 12/31/2019	\$	1,077,443
INCREASE/(DECREASE) TO FUND BALANCE		<u>0</u>
PROJECTED FUND BALANCE 12/31/2020	\$	<u>1,077,443</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. Brian A. Gutowski, 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.