

The regular meeting of the Midland County Road Commission was called to order by Chairman Atton on Thursday, December 27, 2018 at 9:00 a.m. at the Road Commission office.

Present: Mike Atton, Chairman
Don Terwillegar, Vice Chairman
Al Kloha, Commission Member
Terry Palmer, Managing Director
Sam SanMiguel, Superintendent
Brenda Gordert, Finance Director
Ben Mead, Facilities Manager
Russ Inman, Design Engineer
Art Buck, Design Technician
Devin Campbell, Civil Technician
Ashley Rockefeller, GIS Technician
Doug Hobbs, Foreman
Kevin Mudd, Foremen

Absent: None

Public Present: Maria Sandow, Larkin Township Supervisor, Janice Sagle and Dan Sagle, Jasper Township.

The Pledge of Allegiance was said

A moment of silence was held in honor of Eugene Smith, former Road Commission Chairman who passed away on December 24.

Additions to Agenda:

None

Approval of Minutes:

Moved by Commissioner Terwillegar and seconded by Commissioner Kloha to approve the minutes of the December 13, 2018 meeting as amended.

Roll Call.

Yeas: Commissioners Atton, Kloha, Terwillegar

Nays: None

Motion Carried

Public Comment:

None

Approval of Open Accounts:

The pre-pay for December 27, 2018 was discussed.

Moved by Commissioner Terwillegar and seconded by Commissioner Kloha to approve payment for the payroll and open accounts for December 27, 2018 in the amount of \$690,396.36.

Roll Call.

Yeas: Commissioners Kloha, Terwillegar, Atton

Nays: None

Motion Carried

Correspondence and Items of Information:

A thank you letter was received from Sharon Such, former Edenville Township Supervisor, complimenting the crews and staff on the great job of keeping the roads clear.

An award letter and plaque was received from Coleman Holiday parade coordinator, Roxy Smith. The Road Commission was awarded the "Out of Towner" award for participation in the Coleman Holiday Parade.

Permit listing was reviewed

Unfinished Business:

Russ and Ashley will be submitting Impress Awards to the County Road Association and discussed a couple ideas:

- Operations – Flex-a-mat
- Collaborations – Asphalt Recycle Center
- Communications – millage brochure

Deadline for submittal is January 14th.

Discussion was held on the new county and township signs. Cost to the township would be \$100 per sign including installation.

Senate Bill 601 has been approved and includes an additional \$114 million to be distributed through the MTF formula in 2019 to MDOT, County Road Commissions, and cities and villages.

Midland County Road Commission share will be approximately \$416,500 and the Road Commission will distribute 30% (\$8,000 per township) back to the township's in non-matching funds.

Public Hearing was called to order by Chairman Atton at 9:30 a.m.

2019 Proposed budget was presented as follows and discussion was held:

	Proposed 2017 BUDGET	2017 ACTUAL	Proposed 2018 BUDGET	Proposed 2018 Budget Adjustments	Proposed 2019 BUDGET
REVENUES					
TAXES					
County Millage/Per prop	2,600,000	2,935,482	2,680,000	2,950,000	2,714,000
PERMITS & LICENSES	30,000	42,685	43,000	38,500	38,500
FEDERAL SOURCES					
Bridges			2,398,029	0	1,205,600
Surface Trans/STP					
Fed "D" Funds - overlays	970,891	1,614,625	3,639,186	265,037	5,979,910
Fed. Safety Grant	1,064,000	12,319	861,835	1,016,183	
Fed. Aid Flood					953,161
STATE SOURCES					
MTF	7,400,000	7,913,606	8,200,000	8,300,000	8,956,809
Build Michigan	197,000	197,373	201,000	201,000	198,000
Bridge			315,000	0	112,207
State D overlays			392,500	0	697,722
PA207 Additional Funds				1,096,714	
PA82 Additional Funds				642,638	
EDF- "D" Funds overlays	157,900	137,737	110,000	6,259	
EDF-Forest Rd "E"	48,200	48,134	48,200	48,133	48,200

FEMA			661,162		0
State Infrastructure Bank Loan					
CONTRIBUTIONS					
City/Villages/Counties	10,000	67,014	10,000	77,000	10,000
Townships	900,000	648,793	1,550,000	2,100,000	900,000
Other - Salv sales		21,274	10,000	11,900	10,000
CHARGES FOR SERVICES					
State Maintenance	622,064	725,338	630,915	630,915	630,915
State Non-Maint		231,944		278,731	
Other - Inspection fees				4,060	
OTHER-LIST					
Interest & Rentals	4,000	10,697	5,000	23,880	20,000
Equipment Leases		382,259			
Private Contrib	0	175,230		10,700	
Proceeds/royalties		7		8	
Gain(loss) on equip disposals	61,000	53,342	27,000	211	
TOTAL REVENUES	14,065,055	17,217,860	21,782,827	17,701,869	22,475,024

EXPENDITURES

PRIMARY CONSTRUCTION			5,286,360		0
PRIMARY HEAVY MAINT	3,919,700	5,106,883	6,195,857	2,450,500	7,630,790
PRIMARY MAINTENANCE	2,800,000	2,622,998	3,056,500	3,350,800	3,475,800
LOCAL HEAVY MAINT	2,473,500	1,811,277	2,500,000	3,465,700	4,065,700
LOCAL MAINTENANCE	3,000,000	3,708,246	3,050,000	4,950,255	4,650,200
LOCAL CONSTRUCTION					
STATE TRUNKLINE MAINT	622,064	652,854	630,915	630,915	630,915
STATE NON-MAINTENANCE	0	231,944		278,731	
EQUIPMENT EXPENSE(NET)					
Direct	1,000,000	1,395,549	1,200,000	1,250,647	1,275,650
Indirect	600,000	688,237	600,000	615,744	600,000
Operating	250,000	266,507	250,000	345,000	350,000
Rented Equipment					
Equipment Rent Credits	(1,900,000)	(2,207,171)	(2,100,000)	(2,100,000)	(2,100,000)
ADMINISTRATIVE EXPENSE (NET)					
Administrative	625,000	655,075	575,000	659,000	650,000
Less Credits To	(75,000)	(92,990)	(75,000)	(87,000)	(85,000)
CAPITAL OUTLAY (NET)					
Office	25,000	4,936	5,000	0	10,000
Engineering	81,100	28,681	100,000	8,883	25,000
Garage/Shop/Misc Rd Equ	62,950	222,259	30,000	6,550	
Road Equipment	892,000	997,988	1,180,609	982,080	1,200,000
Building		229,956		26,767	47,500

Wetland				22,090	
Less: Retirements		(20,856)			
Depreciation	(650,000)	(742,458)	(780,000)	(725,000)	(725,000)
OTHER					
Debt Principal Payments			440,000.00	90,818	94,049
Interest Expense				13,626	10,396
City/Villages/city Escrow	10,000	53,334	10,000	17,400	10,000
Distributive Expense		518,443			
Drain Commission	80,000	70,795	40,000	97,500	97,500
TOTAL EXPENDITURES	13,816,314	16,202,487	22,195,241	16,351,005	21,913,500

TOTAL REVENUES	14,065,055	17,217,860	21,782,827	17,701,869	22,475,024
LESS TOTAL EXPENDITURES	13,816,314	16,202,487	22,195,241	16,351,005	21,913,500
REVENUE OVER EXPENSES	248,741	1,015,373	(412,414)	1,350,864	561,524

Moved by Commissioner Terwillegar and seconded by Commissioner Atton to close public hearing.
Roll Call.

Yeas: Commissioners Atton, Terwillegar, Kloha

Nays: None

Motion Carried.

New Business:

2018 budget adjustments were presented as follows and discussion was held:

	Proposed 2017 BUDGET	2017 ACTUAL	Proposed 2018 BUDGET	2018 Budget Adjustments
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TAXES				
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Bridge - Coleman Rd				
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State Infrastructure Bank Loan				
CONTRIBUTIONS				
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EXPENDITURES

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LESS TOTAL				
EXPENDITURES	13,816,314	16,202,487	22,195,241	16,351,005
REVENUES OVER EXPENSES	248,741	1,015,373	(412,414)	1,350,864

Moved by Commissioner Terwillegar and seconded by Commissioner Kloha to approve the 2018 budget adjustments as presented.

Roll Call.

Yeas: Commissioners Atton, Kloha, Terwillegar

Nays: None

Motion Carried

Moved by Commissioner Terwillegar and seconded by Commissioner Kloha to approve the 2019 proposed budget as presented.

Roll Call.

Yeas: Commissioners Terwillegar, Atton, Kloha

Nays: None

Motion Carried

An amendatory contract #18-5513 was received from the Michigan Department of Transportation.

Moved by Commissioner Terwillegar and seconded by Commissioner Atton to offer the following resolution:

WHEREAS, the parties to the Amendment have heretofore, by a Contract date July 06, 2018, hereinafter referred to as Contract No.18-5317, provided for the construction and financing of that which is hereinafter referred to as the "PROJECT" and is described as follows:

Hot mix asphalt cold milling and resurfacing work along Saginaw Road from Oak Street easterly to Pinesboro Drive; including shoulder widening, earth excavation, subbase, aggregate base, drainage improvement, single chip seal interlayer, miscellaneous concrete curb and gutter, and concrete sidewalk and ramp work; and all together with necessary related work.

WHEREAS, the Department and the Requesting Party having appropriate authority desire to amend Contract 18-5317 to provide for the increase in the maximum dollar amount of Federal Funds to be applied to the eligible items of the estimated Project Cost from \$316,692 to \$329,316, and the increase in the estimated Project Cost.

WHEREAS, the parties hereto have reached an understanding with each other regarding the performance of the work and desires to set forth this understanding in the form of a written contract.

THEREFORE, BE IT RESOLVED, that the Board of County Road Commissioners, County of Midland, authorizes Terence Palmer, Managing Director and Michael Atton, Chairman, to sign Contract 18-5513.

Roll Call.

Yeas: Commissioners Terwillegar, Atton, Kloha

Nays: None

Resolution Adopted.

A construction contract was received from the Michigan Department of Transportation regarding a project programmed with the FHWA, for implementation with the use of Federal Funds under Highway Bridge Replacement and Rehabilitation Program.

Moved by Commissioner Terwillegar and seconded by Commissioner Atton to offer the following resolution:

WHEREAS, Contract No.18-5524, consists of the removal and replacement of the structure # 6995, which carries Castor Road over the Big Salt River, Sections 7 & 12, T15N, R01W & R02W, Jerome and Geneva Townships, Midland Cunt, Michigan; the reconstruction of the approaches to the structure for approximately 45 feet southerly and 91 feet northerly of the structure; and all together with necessary relate work.

WHEREAS, the parties hereto have reached an understanding with each other regarding the performance of the work and desires to set forth this understanding in the form of a written contract.

THEREFORE, BE IT RESOLVED, that the Board of County Road Commissioners, County of Midland, authorizes Terence Palmer, Managing Director and Michael Atton, Chairman, to sign Contract 18-5524.

Roll Call.

Yeas: Commissioners Terwillegar, Atton, Kloha

Nays: None

Resolution Adopted.

A construction contract was received from the Michigan Department of Transportation regarding a project programmed with the FHWA, for implementation with the use of Federal Funds under Highway Bridge Replacement and Rehabilitation Program.

Moved by Commissioner Terwillegar and seconded by Commissioner Atton to offer the following resolution:

WHEREAS, Contract No.18-5521, consists of the removal and replacement of the structure # 13939, which carries Sturgeon Road over the Newell Drain, Sections 29 & 30, T15N, R02E, Larkin Township, Midland Cunt, Michigan; the reconstruction of the approaches to the structure for approximately 96 feet southerly and 111 feet northerly of the structure; and all together with necessary relate work.

WHEREAS, the parties hereto have reached an understanding with each other regarding the performance of the work and desires to set forth this understanding in the form of a written contract.

THEREFORE, BE IT RESOLVED, that the Board of County Road Commissioners, County of Midland, authorizes Terence Palmer, Managing Director and Michael Atton, Chairman, to sign Contract 18-5521.

Roll Call.

Yeas: Commissioners Terwillegar, Atton, Kloha

Nays: None

Resolution Adopted.

The drug and alcohol policy was reviewed and discussed. It was determined that all road commission employees could possibly drive county vehicles and shall be considered in safety sensitive positions.

Moved by Commissioner Kloha and seconded by Commissioner Terwillegar to amend the drug and alcohol policy and make the following addition:

4. Due to the fact that any road commission employee may drive a road commission vehicle, all employees are considered to be in safety sensitive positions. All employees are subject to this policy and placed in the random drug testing pool.

Roll Call.

Yeas: Commissioners Terwillegar, Atton, Kloha

Nays: None

Motion Carried

Administrative jobs performance reviews were completed by supervisors and wages were discussed. Manager Palmer recommended 3% wage increase for all administrative employees and an additional .50¢ increase was recommended for payroll clerk, road foremen, and engineering technician due to low wages in comparison with other counties. Moved by Commissioner Kloha and seconded by Commissioner Terwillegar to approve administrative wages recommended by Manager.

Roll Call.

Yeas: Commissioners Kloha, Terwillegar, Atton

Nays: None

Motion Carried

Staffing for hourly employees was discussed. Manager Palmer recommended hiring three additional employees. He would like to start a bridge program this summer and build two or more GRS IBS bridges for a potential cost savings of approximately \$200,000. He also proposed starting a night shift this winter with two employees to help with snow plowing and shop maintenance. Discussion was held.

Moved by Commissioner Kloha and seconded by Commissioner Terwillegar to hire three hourly employees. If we do not continue the bridge building program two positions will be eliminated through attrition.

Roll Call.

Yeas: Commissioner Atton, Terwillegar, Kloha

Nays: None

Motion Carried

Manager Palmer discussed Bid Express, an online bidding service for materials and services. Fee would be approximately \$7,100 if the Road Commission sponsored the service the first year or the contractors would be charged \$35 per bid item for the service. Discussion was held. Paper bids will be accepted as an option for this year only.

Moved by Commissioner Kloha and seconded by Commissioner Terwillegar to approve Bid Express online bidding process with the contractors paying fee for services.

Roll Call.

Yeas: Commissioners Kloha, Terwillegar, Atton

Nays: None

Motion Carried

Moved by Commissioner Atton to call a recess at 10:55 a.m.

Moved by Commissioner Atton to reconvene regular meeting at 11:05 a.m.

Miscellaneous:

None

Staff Reports:

Art stated he has been working on the bid items and researching Bid Express. Two bids went out last week for brine and the Eastman Road tire grant. The full bid package will go out in February.

He has been measuring stock piles and working on inventories for the fiscal year end.

Russ stated he is going on vacation for two weeks.

Ben stated he has been working on his budget for 2019.

Falcon Asphalt is demonstrating a couple hot boxes for the asphalt recycling center and we will demo a couple more boxes soon.

Sam stated he has been working with a few contractors on extending 2018 bids.

He is working on the end of the season township estimates.

He is coordinating a road project with Gladwin County on Townline 16.

Terry discussed the Board Meeting schedule for 2019 and changes were made:

January 10	April 17	July 11	October 3
January 24	May 2	July 25	October 16
January 31	May 16	August 8	October 31
February 21	May 30	August 21	November 21
March 7	June 13	September 5	December 5
March 21	June 27	September 19	December 19
April 4			

Moved by Commissioner Atton and seconded by Commissioner Terwillegar to approve the meeting schedule for 2019.

Roll Call.

Yeas: Commissioners Terwillegar, Kloha, Atton

Nays: None

Motion Carried

Janice Sagle reflected on the 16 years she served as Commissioner with Gene Smith and stated it was a pleasure and he will be truly missed.

Commissioner Kloha praised Commissioner Terwillegar for his 18 years of service on the Road Commission Board and thanked him for his knowledge and guidance. Commissioner Terwillegar's term will end on January 15, 2019.

Meeting was adjourned by Commissioner Atton at 11:40 a.m. until Thursday, January 10, 2019.

Brenda Gordert, Finance Director

Mike Atton, Chairman