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**CIAL PROCEEDINGS
OF THE
ALPENA COUNTY ROAD COMMISSION**

September 6, 2016

The Board of County Road Commissioners of the County of Alpena met in regular session on the above date. The meeting was called to order by the Chairman, Darrel A. Spragg, at 3:00 p.m.

ROLL CALL

Present: Commissioners Darrel Spragg, Fred Sterns, and Tom Heise
Absent: None.

Staff present: Larry Orcutt, Managing Director; Curt Gonyea, Superintendent; Julia Patterson, Finance Director/Board Secretary; Jim Mazrum, Road Commission Attorney.

Others present: Ken Lobert, Supervisor, Ossineke Township; Ron McDonald, County Commissioner.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

AGENDA

Moved by Sterns, seconded by Heise, to adopt the agenda as presented. Motion carried unanimously.

MINUTES

Moved by Sterns, seconded by Heise, to approve the minutes of the regular meeting of August 2, 2016. Motion carried unanimously.

COMMUNICATIONS

- A. Kelly Bekken, Northern Michigan Association of Road Commissions, memo dated July 25, 2016, regarding nominations needed for NMARC and CRA positions.
- B. Joyce Randall, Board of Trustees Chair and Jim deSpelder, Fund Administrator of County Road Association Self-Insurance Fund (CRASIF), an invitation to the 38th Annual Membership Meeting on Wednesday, September 14, 2016 starting at 10:00 at Boyne Mountain Resort in Boyne Falls, Michigan.
- C. Chan Singh, Transportation Technician, Michigan Department of Transportation, letter dated August 3, 2016 regarding the changes in the local roads that were submitted with the Annual Road Mileage Certification Report.
- D. Gayle Cummings, MCRCSIP Administrator, copies of Liability Guidelines for County Road Commissions.

Moved by Sterns, seconded by Heise, that the above communications become part of the minutes. Motion carried unanimously.

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CITIZENS APPEARING BEFORE THE BOARD

Ron McDonald, Alpena County Commissioner, complimented the road commission crew for a great job on Collins Road in Wellington Township.

MANAGING DIRECTOR REPORT

Managing Director Larry Orcutt presented a brief update on the following:

- Werth Road, US 23 to Lowell, project is underway and the concrete will be placed at the intersections on Friday, September 9th. It should take approximately six weeks to complete with September 30th as completion date.
- Bagley Street Overlay was completed in two days with the work being performed on Saturday and Sunday. The pavement markings were also completed.
- Application for High Risk Rural Road Safety Grant (HRRR) for Herron Road, North of M-32, was submitted. Seeking \$425,000 with an 80% match for 1 mile upgrade.
- Used Equipment is advertised online with the RangerBid, Online Bidding Auction, with September 20th the date for the online auction.
- Annual pavement surface ratings (PASER) are being performed September 21st and 22nd on paved Federal Aid eligible roads in Alpena County.
- The 2016 budget includes \$15,000 for brush spraying along roadsides of various Primary roads. Anticipate completing the herbicide application this month.
- Employees will be meeting with 44North Blue Cross/Blue Shield representative explaining new costs and coverage that will be effective on November 1, 2016.

COUNTY ROAD REPORT

The Superintendent presented the County Road Report for the period July 18, 2016, through August 21, 2016.

JULY FINANCIAL REPORT

The Finance Director presented the Cash/Cash Equivalents Financial Report for the month ended July 31, 2016.


BUDGET STATUS REPORT

The Finance Director presented the Budget Status Report through July 31, 2016.

Moved by Sterns, seconded by Heise, that all reports become a part of the minutes. Motion carried unanimously.

COMMISSIONERS' COMMENTS

Commissioner Heise was approached by a resident of Alpena Township, who had spoken to Managing Director Larry Orcutt regarding the speed limit on Piper Road. The resident was impressed that Mr. Orcutt had replied to the message that was



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left on his voicemail. The resident was happy to be educated on how speed limits were set.

AUGUST 2016 BILLS

Moved by Sterns, seconded by Heise, to approve the August 2016 bills in the amount of \$524,699.77. Motion carried unanimously.

PURCHASES

Moved by Sterns, seconded by Heise, to approve the following purchases:

10B. PURCHASES

Item	PO/Inv	Date	Description	Amount
1	50696	8/17/2016	Alpena Diesel Service, Inc., to service EGR Valve for Truck #092.	\$587.33
2	21796	8/11/2016	Alpena Oil Co., 1,701 gallons of nolead gas @ \$1.659/gal.	\$2,821.96
3	28317573	8/8/2016	Belle Tire, eight (8) tires for Truck # 094.	\$3,129.28
4	201607	7/31/2016	Bit-Mat Products of Michigan, Inc., 37,128.14 gals. HFRS-2 @ \$1.8848/gal.	\$69,979.12
5	201608	08/19/16	Bit-Mat Products of Michigan, Inc., for demurrage fees.	\$1,170.00
6	201609	08/31/16	Bit-Mat Products of Michigan, Inc. for 2,500 gals. AE-90 @ 1.9848 /gal.	\$5,087.00
7	6293379	08/25/16	Corrigan Oil Co., 2,001 gallons nolead gas @ 1.698/gal.	\$3,397.62
8	6293383	08/25/16	Corrigan Oil Co., 10,004 gallons diesel fuel @ 1.6727/gal.	\$16,733.19
9	6307	08/01/16	County Road Association Self-Insurance Fund (CRASIF), second quarter premium for workers' compensation insurance.	\$8,588.00
10	34053	08/03/16	D & B Heat Transfer Products, Inc., radiator for Truck #063.	\$625.00
11	29667	08/11/16	Freese Hydraulics and Equipment Repair, hydraulic pump for Tractor #314.	\$591.17
12	21798	08/31/16	Grand Traverse Diesel Service, Inc. , (16) Bridgestone truck tires M7751222.5 for stock.	\$5,000.00
13	23314	08/12/16	Hansen Sales & Service, condenser for A/C for Truck #063.	\$891.75
14		08/30/16	Municipal Employees' Retirement System (MERS), employer voluntary contribution.	\$50,000.00
15	4892	08/15/16	Michigan County Road Commission Self Insurance Pool, (MCRCSIP) deductible for Amy Ward's vehicle damage.	\$1,000.00
16	145914	08/16/16	Michigan Paving & Materials, 11670.59 gals. CSS-1H Dilute for fog sealing.	\$16,280.48
17		08/30/16	Presque Isle County Road Commission, 21 hours labor and fringes for distributor operator for sealcoat projects.	\$869.76
18	2135453	07/28/16	Specification Stone Products, 73.58 tons 29A stone @\$8.00/ton.	\$588.64
19	2135398	07/28/16	Specification Stone Products, 545.25 tons 29A stone @\$8.00/ton.	\$4,362.00
20	213440	07/26/16	Specification Stone Products, 204.02 tons 29A stone	

			on.	\$1,632.16
			n Stone Products, 220.15 tons 29A stone	
			@\$8.00/ton.	\$1,761.20
22	2134307	07/27/16	Specification Stone Products, 439.01 tons 29A stone	
			@\$8.00/ton.	\$3,512.08
23	1198027	08/25/16	Valley Truck Parts, clutch assembly for Truck #091.	\$533.46
<i>TOTAL PURCHASES</i>				\$199,141.20

Motion carried unanimously.

10C. CONTRACT PAYMENTS

		Date	Description	Amount
1	1579	08/17/16	Huron Engineering and Surveying, Inc., engineering services for Werth Road Analysis.	\$2,491.25
2		08/24/16	Bolen Asphalt Paving Inc., Pay estimate No. 1 for Bagley Street Overlay.	\$95,995.00
<i>TOTAL CONTRACT PAYMENTS</i>				\$98,486.25

Motion carried unanimously.

QUOTATIONS

ROAD SIGNS

Two quotations were submitted on August 16, 2016, for furnishing various road signs.

Moved by Sterns, seconded by Heise, to award the purchase of signs to Newman Traffic who provided the low quote in the amount of \$3,405.56. Motion carried unanimously.

NORTHERN MICHIGAN ASSOCIATION OF ROAD COMMISSIONS

VOTER AUTHORIZATION

Moved by Sterns, seconded by Heise, to name Darrel Spragg as Voting Delegate and Fred Sterns as Alternate Voting Delegate authorized to vote on all matters on behalf of the Commission at the Northern Michigan Association of Road Commissions Annual Meeting on September 16, 2016. Motion carried unanimously.

ACT 51, MCL 247.668J

ANNUAL CERTIFICATION OF EMPLOYEE-RELATED CONDITIONS

Moved by Sterns, seconded by Heise, to certify that the Alpena County Road Commission is in compliance with MCL 247.668j (1) (b), and as such, certifies that medical benefits are offered to employees or elected public officials in compliance with the publically funded health insurance contribution act, 2011 PA 152. Motion carried unanimously.

WERTH ROAD ALL SEASON ACCESS

At the April 19, 2016 Board meeting, the Board had received a request from Don Clay, Manager of Thunder Bay Block Products, to allow unrestricted truck traffic during spring weight restrictions on a segment of Werth Road, between Spruce Road and Thunder Bay Concrete. At that meeting, Managing Director Larry Orcutt recommended to have an engineering firm investigate the strength of the existing structure for this segment of Werth

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Road, and estimate the costs to upgrade the road to All-season, if the base was not adequate. Huron Engineering and Surveying was hired and their report showed an estimated cost of \$600,000.

Moved by Sterns, seconded by Heise to contact the owner of Thunder Bay Concrete to discuss the option of putting forth funds to help upgrade that segment of Werth Road to an All-season road. Motion carried unanimously.

SPEED LIMIT STUDY

Traffic counts/speed studies were performed on French Road, Long Rapids Road, and Hubbard Lake Road to determine existing speeds traveled in those areas. Locations were reviewed with Michigan State Police Traffic Specialist.

Moved by Sterns, seconded by Heise to support Mr. Orcutt's recommendation of modification of the speed limit on French Road, from US-23 to 1.5 miles north, from 35 mph to 45 mph; French Road, from Hamilton Road to Guyotte Road, from 45 mph. to 55 mph; Long Rapids Road, from Bagley Street to Bernice Lane, from 40 mph to 45 mph; Long Rapids Road, from Bernice to Dietz Road, from 50 mph to 55 mph; Hubbard Lake Road, from Ratz Road to 0.25 mile North of Scott Road, from 45 mph to 55 mph; Hubbard Lake Road, from 0.25 miles North of Scott to 0.25 miles South of Scott, from 35 mph to 45 mph. Motion carried unanimously.

STATE TRUNKLINE CONTRACT EXTENSION #2012-0492/A1

MICHIGAN DEPARTMENT OF TRANSPORTATION

RESOLUTION

Moved by Commissioner Sterns and seconded by Commissioner Heise to adopt the following resolution:

Darrel A. Spragg, Chairman is hereby authorized to sign the contract extension #2012-0492/A1 between the Michigan Department of Transportation and the Board of County Road Commissioners of the County of Alpena, Michigan, for the term October 1, 2016, through September 30, 2017.

Carried by vote as follows:

Ayes: Commissioners Spragg, Sterns, and Heise.

Nays: None.

MICHIGAN TRANSPORTATION FUND (MTF) REVENUE CHANGES

Managing Director Larry Orcutt updated the Board regarding the decline in Michigan Transportation Funds (MTF) that the Road Commissions discovered with their July 2016 MTF payment. In addition to the correction by the Department of Treasury of prior months' distributions of funds that were classified improperly, monthly revenues are also being reduced due to the new legislative funding for the Wetland Mitigation and Movable Bridge Funds. It is anticipated that there will be a 50% reduction in the December revenue. Also, the Rural Task Force

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that utilize TEDF Cat D funds have to adjust to the new target amounts that have decreased by a special funded project that is included in the State 2017 budget. The impact of the reduction could be approximately \$10,000 per year for projects.

PROJECTED FUND BALANCE

At the August 2, 2016 meeting, the Board indicated that Managing Director Larry Orcutt had not recommended a reserve target or given any recommendations to lower the fund balance. Previously at a Special Meeting held on November 24, 2015, Mr. Orcutt had recommended establishing a fund balance threshold of \$2.8 million. This would allow a base of approximately six months of operating funds, a reserve for MDOT advances, and a reserve for restricted forest funds. A recommendation of \$3 million for the year ending December 31, 2016 and \$2.8 million for December 31, 2017. The Board supported the recommendation on November 24, 2015 without a motion.

Moved by Heise, seconded by Sterns, to target a fund balance at December 31, 2016 of \$3 million and \$2.8 million fund balance as of December 31, 2017. Motion carried unanimously.

ANNUAL EMPLOYEE EVALUATION POLICY

A discussion was held regarding the Board's request to have performance evaluations on all employees.

STAFF JOB RECLASSIFICATIONS

With the changing of many job duties and responsibilities that have changed over the past several years, Managing Director Larry Orcutt presented a proposal to the Board from Municipal Consulting Services LLC, to conduct a classification and compensation study for an estimated cost not to exceed \$7,000, plus expenses. After a discussion regarding the cost of the consultant, the Board elected to table the issue until the next meeting.

NEXT MEETING DATE

Moved by Sterns, seconded by Heise, to cancel the meeting scheduled for 3:00 p.m., Tuesday, September 20, 2016 due to a scheduling conflict. The next meeting will be held at 3:00 p.m., Wednesday, September 28, 2016. Motion carried unanimously.

ADJOURNMENT

There being no further business to come before the Board, the Chairman declared the meeting adjourned at 3:50 p.m.

Darrel A. Spragg
Chairman

Julia G. Patterson,
Board Secretary