

KEWEENAW COUNTY ROAD COMMISSION

Minutes

December 11, 2018

The regular monthly meeting of the Board of County Road Commissioners was held at their offices in Mohawk, Michigan on December 11, 2018.

Present: Commissioners Karvonen, Schaefer & Waananen

Guests: Ken Rowe, Rick Olson, Dylan Parske, Bill Lahti, Craig Van Beek

Pledge of Allegiance was recited

The meeting was called to order at 2:00 pm

The minutes of the November 13, 2018 regular meeting were read and approved by a motion by Commissioner Waananen and supported by Commissioner Schaefer. The motion carried.

Vouchers # 28424 and #28425 and Master Vouchers # 24-2018, #25-2018 in the total amount of \$260,219.59 were audited by the Commissioners and the Master Vendor Voucher was signed. Commissioner Waananen motioned to pay the bills as presented. Commissioner Schaefer supported the motion. The motion carried.

The financial statement was read, discussed and approved on a motion by Commissioner Schaefer and supported by Commissioner Waananen. The motion carried.

Chairman Karvonen opened the 2019 Annual Budget Hearing on a motion by Commissioner Waananen and supported by Commissioner Schaefer. The Finance Director presented the Board the amended 2018 budget. Commissioner Waananen motioned to adopt the amended 2018 budget as presented, with total revenues of \$3,829,243 and total expenditures of \$3,495,162. Commissioner Schaefer supported the motion. The motion carried. The proposed 2019 budget was presented, reviewed and discussed. Commissioner Waananen motioned to adopt the 2019 budget as presented. Commissioner Schaefer supported the motion. The motion was carried. The 2018 budget amendment and 2019 budget will be made a part of these minutes. The annual budget hearing was closed on a motion by Commissioner Waananen and supported by Commissioner Schaefer.

Old Business:

Jim Vivian III, an adjacent land owner, expressed interest in purchasing, from the Road Commission, the parcels in Central known as parcel #1, #2, and the remaining portion of parcel #3. He previously purchased a part of parcel #3. These parcels have been appraised and previously made available for sale to the adjoining property owners, since the Road Commission has no practical use for them. Commissioner Waananen motioned to continue with the sale process to Jim Vivian III, verifying the appraisal price and offer, and determine exactly the amount of land remaining in those parcels. Commissioner Schaefer supported the motion. The

motion carried. No updates on the new building or the installment loan bill awaiting action during the lame duck session in the House Transportation Committee.

New Business:

The Board accepted bids for the 2019 paving projects from Bacco Construction Company and Payne & Dolan, Inc. The bids were submitted on time and were opened and read aloud. The Bacco bid was \$891,423.15 and the Payne & Dolan bid was \$1,012,162.05. Commissioner Waananen motioned to accept the bids as presented and award the 2019 paving projects contract to Bacco Construction Company for the amount of \$891,423.15. Commissioner Schaefer supported the motion. The motion carried.

The Finance Director discussed OPEB payment and the additional MERS set aside payment for 2018. Commissioner Waananen motioned to make the OPEB payment of \$39,000 and additional MERS surplus division payment of \$47,183.40. Commissioner Schaefer supported the motion. The motion carried.

The Board reviewed and discussed the proposed meeting dates and times for 2019. The Board selected the second Tuesday of each month, at 2:00 pm as the regular monthly meeting date. Provisions will be made for scheduling special meetings to accommodate other needs. Commissioner Waananen motioned to adopt the meeting dates as presented and to post them as required. Commissioner Schaefer supported the motion. The motion carried.

The next meeting of the Great Lakes Council will be Thursday, January 3, 2019. Plans were made to attend.

The Board continued negotiations with the Employees' Association Liaison Committee representatives and management employees. The Board reviewed and considered the salaries and wages in relation to other U.P. road commissions. On a motion by Commissioner Waananen, with support from Commissioner Schaefer, the Board and Employees' Association agreed on a 2-year contract with a 5% raise in the first year and a 3% raise for the second year, a fixed winter start time of 4:30 am for essential plowing personnel from December 1st to March 31st, and a cap on the AFLAC insurance, set at the last employee hired in 2015, with the employee paying the difference if they elect to carry the AFLAC insurance; and temporary/seasonal truck drivers shall receive the annual \$250 safety allowance. The motion carried. The Board discussed and agreed upon raises with the management employees. Commissioner Schaefer motioned an 8% raise for the Finance and Human Resources Director and a 3% raise for the Engineer/Manager. Commissioner Waananen supported the motion. The motion carried.

Other items of routine business were discussed.

The meeting adjourned at 3:15 pm

Richard Schaefer, Vice Chairman

Gregg Patrick, Engineer

KEWEENAW COUNTY ROAD COMMISSION PROGRAM BUDGET

BUDGET YEAR ENDING 12/31/2019

	2017 Actual	2018 Budget	2018 Revised	2019 Budget
REVENUE				
Motor Vehicle Highway Funds	1,823,622	1,946,784	2,298,483	2,039,886
Federal Funds	184,328	216,000	203,800	-
County Raised Funds	1,347,822	1,085,000	1,247,710	1,380,000
Other Revenue	16,226	116,000	79,250	10,000
Total Revenue	3,371,998	3,363,784	3,829,243	3,429,886
Expenditures:				
Primary Roads	930,279	1,036,000	1,332,578	1,423,000
Local Roads	733,619	731,200	723,675	596,000
State Maintenance	853,930	725,000	729,000	725,000
State Non-Maintenance	37,934	40,000	71,000	40,000
Roadside Parks	44,423	45,000	49,728	46,000
Equipment (Net)	99,357	110,000	116,246	145,000
Administrative (Net)	256,433	288,500	347,935	353,700
Capital Outlay (Net)	(88,033)	25,000	125,000	(105,000)
Total Expenditures	2,867,942	3,000,700	3,495,162	3,223,700
Debt Retirement	-	25,000	-	33,175
Beginning Available Operating	1,201,225	1,671,452	1,705,280	2,039,361
Estimated Surplus	504,055	338,084	334,081	173,011
Ending Available Operating	1,705,280	2,009,536	2,039,361	2,212,372