

The regular meeting of the Board of Calhoun County Road Commissioners was held on Wednesday, December 14, 2011 at 5:30 p.m. in their office located at 13300 Fifteen Mile Road, Marshall, Michigan.

PRESENT: Commissioner Scott Brown, Chairman
Commissioner Hugh Coward, Vice Chairman
Commissioner Eric Johnson, Member
Commissioner Eric Tobin, Member

ABSENT: Commissioner Christopher Vreeland, Member – entered at 5:32 p.m.

ALSO PRESENT: Kevin Henning, Managing Director
Mary Jo Crumpton, Clerk
General Public

Chairman Scott Brown called the regular meeting of the Board of Calhoun County Road Commissioners to order at 5:30 p.m. and led the Pledge of Allegiance.

Motion made by Commissioner Tobin and supported by Commissioner Vreeland to approve the Claims Payable Listing ending December 9, 2011 for \$1,007,514.90. Commissioner Coward inquired about the payable to Mason State Bank. Mr. Henning stated that Mason State Bank is the lien holder of our Freightliner trucks and we make payments on a monthly basis. **Roll call vote: Johnson-Yes; Tobin-Yes; Vreeland-Yes; Coward-Yes; Brown-Yes. Motion carried.**

Motion made by Commissioner Coward and supported by Commissioner Vreeland to approve the November 16, 2011 regular meeting minutes. Voice vote: Motion carried.

PUBLIC HEARING – 2012 BUDGET PRESENTATION

Chairman Brown opened the Public Hearing on the 2012 Budget at 5:33 p.m. Mr. Henning provided a PowerPoint presentation and reviewed the draft 2012 Budget for the Calhoun County Road Commission as follows:

- **Revenue (Earned):** \$95,000 - This is revenue that we have control over and includes permits, addressing, and the sale of the Albion Garage (\$15,000 per year for 15 years).
- **Additional Revenue:** In addition to the revenue generated from the Calhoun County Road Commission, we receive an appropriation from the State of Michigan through the Michigan Transportation Fund (MTF). Appropriation is a legislative designation of money for a particular use.
- **Michigan Transportation Fund:** Mr. Henning explained that MTF revenues are funded by gas tax. The gas tax for the State of Michigan is 19¢ per gallon of gas. Each cent equals approximately \$48.8 million per year for an annual funding amount of \$927.2 million, all of which goes to the MTF for distribution.
- **MTF Distribution:** The MTF is distributed between State highways, county road systems, cities and villages, public transit, economic development and other State agencies, and local bridges, railroad crossings, etc.
- **MTF Limitations:** The State's gas tax has stayed at 19¢ per gallon since 1997, the second lowest in the region. No matter what the price is for a gallon of gas, only 19¢ goes to the State gas tax. This is not a sales tax. When consumption decreases, revenues decrease.
- **MTF Appropriation:** This appropriation is divided into three categories: Engineering, Primary Road System, and the Local Road System, in accordance with Act 51. Mr. Henning stated that Act 51 designates the percentage of funding based on certified road miles and population that can be used on primary road maintenance, 50% cap on local road improvements, winter maintenance, non

motorized/roadside parks, and the percentage of the balance after debt payments. We are looking at a flat budget for 2012.

- **2012 Projects:** Federal aid projects are not funded with MTF funds. Federal aid projects planned for 2012 include 22 Mile Road from M-60 to T Drive South, CMAQ grant for equipment replacement, and a new salt barn through a partnership with MDOT. Mr. Henning estimated that CCRC's cost for the salt barn would be 25% of the total cost.
- **Expenditures:** Mr. Henning noted that expenditures include the primary road system, local road system, equipment, administrative, engineering, distributive fringe and overhead, capital outlay, debt service, and charges for services.
- **Primary Road System:** A total of \$2,418,890 is being budgeted for our primary road system in 2012 – the same as in 2011.
- **Local Road System:** A total of \$2,161,500 is being budgeted for our local road system in 2012. Mr. Henning commented that all summer construction in 2012 will be dependent on the cost of winter maintenance.
- **Equipment:** The Net Equipment Gain is estimated at \$718,453 which is the same as last year.
- **Remaining Expenses:** Mr. Henning provided a comparison of expenses from 2011 to 2012 and noted no change in Administration expenses of \$893,170; Engineering-\$134,275; Distributive Fringes-\$2,109,206; Distributive Overhead-\$429,894; Capital Outlay-\$170,000; and Debt Service-\$710,710.
- **Charge for Services:** Mr. Henning commented that there is no change expected from 2011 to 2012 for the State Maintenance Contract of \$1,318,359.
- **Revenue/Expenditures:** Total Revenues expected in 2012 are \$9,478,359 and Total Expenditures expected are \$9,477,950 for a Net Gain of \$409.

Mr. Pat Dougherty, Emmett Township Supervisor, asked if there were funds included in the 2012 Budget for local road match. Mr. Henning responded that \$400,000 has been earmarked for the Local Road program, but that amount will be reaffirmed after we have completed winter maintenance operations. CCRC requires a resolution from the Township Board for participation in the Local Road program that is usually due in May.

Commissioner Vreeland asked how much local road program match dollars were spent this past year. Mr. Henning replied that we actually spent a bit more than the \$400,000 to match township local road projects. He added that Albion Township, who has a local road millage, has in years past spent more than 50% on their local roads.

Commissioner Coward asked how much was spent on pothole patching this past year. Mr. Henning replied that approximately \$2.6 million was spent patching potholes this past year. Commissioner Coward commented that we need to continue to keep the lines of communication open between the Road Commission and townships and he encouraged local entities to look at a local millage. Mr. Henning added that other townships have recently passed local millages to fund improvements to their local roads. He also noted that he has asked townships for their 5-year plans and several townships have submitted them; however, if townships do not have a 5-year plan, we do a plan for them.

Commissioner Johnson encouraged people to contact their legislators for more funding for roads.

Commissioner Vreeland asked if pulverizing roads was included in the budget. Mr. Henning replied that it would be covered under maintenance as a crush and shape as step one in rebuilding our road system. Commissioner

Coward added that we have evaluated the cost to rebuild our road system and we must do something locally or the roads will not get repaired.

Commissioner Tobin commented that one of the questions asked in the Road Commission Selection interview process was how to fix our roads. He believes that a countywide millage for road improvements should be put to the voters.

Commissioner Brown agreed that it is time to bring all parties together to discuss how to fund road improvements in Calhoun County and suggested holding a public "Road Summit" with Road Commissioners, Township Supervisors, County Commissioners, and State Representatives. It was suggested that a moderator be utilized as well.

Mr. Dougherty agreed that a Road Summit would be a good idea. He also thanked CCRC and the crews for the good job done cleaning up after the May storm.

Mr. Joe Bramble, Convis Township resident, commented that it has been his opinion for many years to put a countywide road millage on the ballot to be decided by the county residents.

Mr. Kevin Patrick, Asphalt Solutions, commented that the Road Commission owes his company approximately \$35,000 for services rendered. He provided background information on the sweeping contract with the Road Commission a few years ago. Commissioner Brown thanked Mr. Patrick for his comments and stated that the Road Commission has received correspondence from Mr. Patrick's legal counsel; therefore, he believes that it would be highly inappropriate to comment when legal counsel is involved. The Board members concurred with Commissioner Brown's opinion.

With no further questions or comments, Chairman Brown closed the public hearing for the 2012 Budget at 6:15 p.m.

COMMUNICATIONS AND RESOLUTIONS

Mrs. Crumpton read the communications as follows:

- a) Received a Notice of Audit Results from the Michigan Department of Transportation regarding Audit Report No. 2012-4 for Contract No. 2008-5369
- b) Received correspondence from Jill Forshey, Finance Clerk, regarding Accounts Receivable Uncollectible Write-Offs for 2011 Year End
- c) Received correspondence from Angela Kline, Engineer, regarding the Michigan 2011 Transparency Report
- d) Received correspondence from Angela Kline, Engineer, regarding a Fire Station Signal in Marshall Township
- e) Received the 2012 Meeting Schedule for the Board of Calhoun County Road Commissioners

MANAGING DIRECTOR'S REPORT

Approve the 2012 Meeting Schedule for the Board of Calhoun County Road Commissioners: Mr. Henning requested Board approval of the 2012 Meeting Schedule.

Motion made by Commissioner Tobin and supported by Commissioner Vreeland to approve the 2012 Meeting Schedule for the Board of Calhoun County Road Commissioners. Voice vote: Motion carried.

Michigan 2011 Transparency Report: Mr. Henning referred to the correspondence from Angela Kline regarding the Michigan 2011 Transparency Report and explained that the report is submitted to the Federal Highway Administration by each state and must describe at least 5% of the most severe highway safety needs in the state. He noted that Calhoun County shares a local road with Jackson County. Erie Road (Division Drive in Calhoun County) is a lane departure segment listed on this year's report. Of this segment, approximately 259' is in Calhoun County with one crash during the analysis period. It was noted that three accidents occurred on this segment and drugs, alcohol, and speed were determined to be contributing factors. Mr. Henning noted

that our engineer is preparing a cost estimate for paving, regravelling the shoulders, and pavement marking for the 259' of this segment that is in Calhoun County to be included in the 2012 construction budget.

Marshall Township Fire Station: Mr. Henning informed the Board that he is meeting with Marshall Township officials regarding the installation of an emergency signal at the intersection of Burlingame and Old 27. This signal would be an emergency signal for the Marshall Township Fire Stations that is located there. He noted that we have provided them with a cost estimate of \$46,200 for installation. Mr. Henning stated that he is asking Marshall Township to pay the entire cost for the signal installation since the justification for the signal is based solely on an "emergency vehicle traffic control", as it doesn't meet any other traffic signal warrants. Discussion continued.

Other: Mr. Henning reported that CCRC is ready to provide winter maintenance and he informed the Board that he is sharing CCRC Live when doing his township presentations.

Commissioner Vreeland asked if item b) Accounts Receivable Uncollectible Write-Offs for 2011 Year End, under Communications, would come back to the Board for action at the next meeting. Mr. Henning replied that pursuant to Commissioner Vreeland's email, it will be tabled indefinitely.

CITIZEN COMMENTS

Mr. Rob Rumsey, Emmett Township resident, thanked Commissioner Tobin for time, energy, efforts, and service as a Calhoun County Road Commissioner.

COMMISSIONER TIME

Commissioner Vreeland commented that we need to start looking at pulverizing roads next summer as the first step in rebuilding our road system.

Commissioner Coward asked if we would continue to patch potholes with cold patch throughout the winter months. Mr. Henning replied that crews would continue to patch, especially during warming trends.

Commissioner Tobin stated that while going through the Road Commissioner Selection process with the County, he was told that Township Supervisors are concerned that a Road Commissioner has not been attending the monthly Township Supervisor meetings to provide oversight. He added that he was not selected for reappointment to the Board of Calhoun County Road Commissioners and was disappointed that the three candidates selected were not in attendance tonight, especially because of the Public Hearing on the 2012 Budget. Commissioner Tobin agreed that a Road Summit would be a good idea and would be happy to attend. He commented that the most significant thing to help our road system is to focus on increasing revenue for roads and a countywide millage that should be put out to the voters.

ANNOUNCEMENTS

The next regular meeting of the Board of Calhoun County Road Commissioners will be held on Wednesday, December 21, 2011 at 5:30 p.m.

There being no additional business before the Board, Chairman Brown adjourned the meeting at 6:32 p.m.

Submitted by:

Mary Jo Crumpton, Board Clerk

Scott A. Brown, Chairman