

**MINUTES OF THE BOARD OF COUNTY ROAD COMMISSIONERS
MONROE, MICHIGAN
April 27, 2015**

1. At a Regular Meeting of the Board of County Road Commissioners at their offices located at 840 S. Telegraph Road, Monroe, Michigan on Monday, April 27, 2015 the meeting was called to order by Chairman Iacoangeli at 5:30 p.m.

2. Roll Call by Deputy Clerk as follows:

PRESENT

EXCUSED

Stammer

Minton

Pace

Londo

Iacoangeli

A quorum being present, the Board proceeded to transact business.

3. Commissioner Iacoangeli led the Pledge of Allegiance.

4. Commissioner Iacoangeli opened with a silent prayer.

5. Regular Meeting Agenda

Add: #10[1] Approve the Resolution in support of the Transportation Alternative Program (TAP) by Frenchtown Charter Township for the N. Dixie Highway Bike Lane Facilities.

Commissioner Minton moved, seconded by Commissioner Stammer to approve the April 27, 2015 regular meeting agenda as amended. Vote: Ayes: 5 Nays: 0 Motion carried.

6. AUDIT PRESENTATION:

Scot Hoskins with Stewart, Beauvais & Whipple presented an outline, the financial statement, the Letter of Control and Compliance and Audit Communication Letter issued to the Board for the 2014 MCRC audit for the nine months ranging January 1, 2014 through September 30, 2014 due to the change to a fiscal year.

Commissioner Londo inquired about comparative statements for future reports and the cost. Mr. Hoskins indicated that could be one for the supplement schedules, and he would not charge additional fees even though it would require more reporting. This information has not been asked for in the past, but could be available if requested.

Mr. Hoskins explained the Independent Auditor's Report gave the Road Commission an unmodified, or clean, opinion in accordance with GAAP. He reviewed information contained in the general fund statement, governmental activity statement and OPEB Trust Fund. He highlighted information from several of the reports.

Commissioner Londo asked if the major difference between the 2013 and 2014 comparisons on page 5 were due to the 9 month budget vs. a 12 month budget. Mr. Hoskins explained that the 9 month time frame along with more federal aid was received in 2014 accounts for the difference. He added that road commissions can see big fluctuations due to projects. With the new fiscal budget, the reporting for the winter maintenance is already done which allows for easier knowledge of what will be available for projects. He also stated it is less work from an accounting position.

Mr. Hoskins explained the Monroe County Road Commission is rated in the middle with regards to the unassigned fund balance. He felt the MCRC had a sufficient amount which is about 2 ½ months for the size of the organization, but it ultimately is a Board decision.

Mr. Hoskins explained due to \$590,000 contributions, there is a \$1.2 million of equity and assets in the OPEB Trust. Commissioner Londo asked if monies were being taken out of the VEBA account to pay on the OPEB obligation. Mr. Hoskins indicated monies could be taken out but the Road Commission isn't paying the annual required contribution so they are paying as they go from the general fund. Mr. Hoskins added that most Road Commissions do not fund any OPEB and pay as they go, but Monroe has started a fund even though it is small. The Road Commission could look ahead and estimate future retirees and put extra money in the fund to offset the anticipated expense, especially since the cost of health care continues to go up.

Commissioner Minton indicated with Obamacare in place the cost of health care may level off, but the cost of prescriptions will continue to increase.

Commissioner Londo asked the staff when they anticipated paying the OPEB costs from the VEBA Trust. Mr. Masserant indicated the contribution into the VEBA is based on the actuarial recommendation. Mr. Pierce indicated the Road Commission currently pays an estimated \$900,000 for retiree health care. Mr. Hoskins directed them to page 26, that shows the annual contribution to properly fund the account should be \$1.765 million annually. The Road Commission is looking ahead as part of the budget process to contribute annually.

Mr. Hoskins indicated this information is all done based on assumptions and things can change. An actuarial should be completed this year. The OPEB is the most sensitive item in the audit.

Mr. Hoskins stated a new GASB statement would be implemented next year which will require the booking on unfunded actual accrued liability. He explained it would not affect the fund level statement, but would affect your unrestricted net.

Mr. Hoskins said he received very good cooperation from the staff. He also stated he was happy to work with Phil Masserant as he brings stability to the Road Commission. Mr. Hoskins could already see an improvement with the use of pivot tables which allows faster access to information.

With no further questions or comments, Commissioner Iacoangeli thanked Mr. Hoskins for the presentation.

7. Public Comment –

Gary Williams, President Local #543, indicated after the last meeting he did some homework on the Gradall issue. He felt past concerns and issues with the Gradall have only received a band aid fix and that it needed to be replaced bar none. He also indicated the new boom truck is still having problems and it is a safety issue that needs to be addressed.

Mr. Williams asked where the organization stands on the issue of safety. He was recently put on the Safety Committee. He was given a list of things that needed to be done. He provided a list of fire extinguishers that needed to be inspected and nothing has been done. Several are blocked where you cannot get to the extinguisher. He also indicated there were no keys to inspect them. There is one member who wants off because nothing is being done to address the safety concerns. He added there are lights out in the garage. He recently replaced around 40 ballasts and 150 bulbs and he found out the ballasts will be replaced under the warranty and two months have gone by and nothing has been done about the warranty. He stated the outside lights were damaged from the ice during the winter and they haven't been fixed. He said it was sad that he had to bring these types of issues to the Board. He explained that he talked with Randy Pierce earlier in the day and was told he would get on it and check into his concerns. He also stated a little maintenance goes a long way.

Mr. Williams also voiced a concern about safety while patching on state roads. He felt a bump truck was needed because people aren't paying attention when they are driving. Employees lives are important.

David Hoffman, County Commissioner, believed that MDOT requires a bump truck and also suggested an arrow board when working on state roads. He stated an arrow board was more effective.

8. The following items were listed on the Consent Agenda: *(with immediate effect)*

Commissioner Londo inquired about #5 on the consent agenda asking how many local companies were used for as needed services.

Mr. Assenmacher explained three companies have been used in the past based on their availability, history, location, involvement with the local community and townships. These contracts are fairly general and the Road Commission only uses them on an 'as-needed' basis. There will be additional contracts coming in from other firms for these types of services.

Commissioner Londo asked if there was a rating system or was the decision subjective when selecting firms. Commissioner Minton asked if the Road Commission obtained fee schedules from other firms.

Mr. Assenmacher explained that the Road Commission reaches out annually to firms to obtain their fee schedules. He also explained the Road Commission often partners on projects with the townships and they usually prefer to work with their own engineers. The Road Commission attempts to use in-house personnel prior to utilizing outside engineers. These general services can include testing, inspection, compactions, project oversight, etc.

Commissioner Londo asked who is responsible for making the decision on who to call. Mr. Assenmacher explained it is a combination of the project manager, the township, staff, himself which is all dependent upon the project, the location, familiarity, and often the townships desire to use their own engineers.

Commissioner Londo asked if there was an internal policy or a procedure on how to select an engineering firm, rather than just based on feelings or history. He would like to see something more specific. Commissioner Londo gave an example of a new firm in the area that didn't have an established history with the Road Commission citing this firm wouldn't be able to create a comfortable work history if not given the opportunity to bid.

Mr. Assenmacher indicated there isn't an internal policy for 'as needed' services. There is a provision that addresses professional services that doesn't require the Road Commission to bid these services out which saves time and money for the staff. Mr. Assenmacher added that the Road Commission works with new firms and reaches out to all local companies giving them an opportunity to submit their fee schedules in order to be considered. He appreciated Commissioner Londo's comment and understood his point.

Commissioner Iacoangeli stated it would be a Board decision to create a policy to cover this issue, but he didn't see any companies coming to the Board to complain. He understood the need to be comfortable and confident with the work done by the companies selected for these services. He felt the process was acceptable at this time.

Commissioner Londo wanted his objection stated on the record.

1) Approval of Minutes- April 13, 2015 Regular Meeting Minutes

2) Approval of Journal Entry

No. 209 Vendor Checks #66168-66228	\$ 437,908.83
No. 230 Payroll Checks #62658-62669 & Advice #16448-16526	\$ 222,824.79
No. 233 Vendor Checks #66229-66265	\$ 469,795.28

3) Township Contracts

Ash Township

Ready Road Bridge	@ Swan Creek	Replacement
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Bedford Township

Half Mile	Vienna to Temperance	Stone/berm removal
Rauch	Crabb to Jackman	OBC
Summerfield	Erie to Temperance	HMA/stabilize/shoulders
Temperance	Summerfield to Whiteford twp line	Single seal/OBC/Fog seal
Temperance	Secor to Summerfield	HMA/Stablize/shoulders
Vienna West	Crabb to Minx	Stone/berm removal
2015 Various Local Roads - Mowing		
2015 Various Local Roads - Mineral Well Brine		

Berlin Charter Township

Bomia	Newport to Lillian Subdivision	Stone lift/berm removal
Carleton Rockwood	Berlin to Village limits	OBC
N. Dixie Hwy	Swan Creek to Post	HMA/zone patch/single seal
Forrest	Post to dead end	HMA/zone patch
East Newport	Brandon to RR tracks	OBC/zone patch/single seal
Garnett & Oak	Off US Turnpike	HMA/zone patch/single seal
Haggerman	Sigler to Labo	Stone lift
Haggerman	Sigler to village	HMA/zone patch/single seal
Port Sunlight	US Turnpike to Estral Beach	OBC/Single seal
S. Huron River	US24 to east township line	OBC
S. Huron River	Village limits to US Turnpike	OBC
Swan View	Trombley to dead end	HMA/zone patch/single seal
Trombley	N. Dixie Hwy to Strong	HMA/zone patch
Wassanova	S. Huron River Dr. to Sigler	Single seal
Yoas	Armstrong to Carleton Rockwood	HMA/zone patch/single seal
2015 Various Local Roads - Mowing		
2015 Various Local Roads - Mineral Well Brine		

Ida Township

Albain	East twp line to Lewis	HMA scratch/single seal
Morocco	Lewis to Jackman	Single seal
Rauch	Crabb to Jackman	Overband Crackfill
Secor	Rauch to Ida Center	Zone patch/ single seal
Southwick, Rigg, VanAiken	off Lewis	Zone patch/single-fog seal
Todd	Lewis to Minx	Zone patch/single seal
2015 Various Local Roads - Mowing		
2015 Various Local Roads - Mineral Well Brine		

Monroe Charter Township

Avalon Beach/Bolles Harbor	Off LaPlaisance	OBC
Bayside	Hull to LaPlaisance	Single and fog seal/sweep
Canterbury Farms	Off Mortar Creek	OBC
Carrington Farms	Off M-50	OBC/ultra thin overlay
Dartmoor & Ravenwood	Off M-125	OBC
Dunbar Estates	Off Dunbar	Microsurface
Evergreen Acres	Off US-24 & Dunbar	OBC
Kayville Gardens	Off M-125	OBC
Kentucky Park	Off Kentucky	OBC
Lake	LaPlaisance to deadend	OBC
Roessler	City limits to deadend	OBC
Seventh	Herr to Patterson	OBC/Single-fog seal/mill-fill
Sheffield Village	Off M-125	OBC
Southfield Village	Off Albain	OBC
Telbar Place	Off Dunbar	OBC
Wertenberger (Oak)	Off M-50	Single course Microsurface
Willow View	Off LaPlaisance	Single-fog seal/sweep
2015 Various Local Roads – Mowing		
2015 Various Local Roads – Mineral Well Brine		

Raisinville Township

- 2015 Various Local Roads – Mowing
- 2015 Various Local Roads – Mineral Well Brine
- 2015 Excess Gradall – Local Roads

- 4) Approve the Resolutions to place the following structures on the Federal Local Bridge funding program:
 - Eastwood Drive @ Plum Creek, replacement
 - Dennison Road @ North Macon Drain, Replacement
 - Knab Road @ Otter Creek, Preventive Maintenance
 - County Wide Preventive Maintenance for Deck Sealing
- 5) Approve the agreement with Hennessey Engineers, Inc. for the 2015 construction season for as needed testing and inspection services, and authorize the Managing Director to sign contract on behalf of the Board.
- 6) Award the 2015 Overband Crack Filling program contract to low bidder D.G. Slurry Seal of Toledo, Inc. in the amount of \$299,198.25, and authorize the Managing Director to sign all documents on behalf of the Board.
- 7) Award the 2015 HMA paving program contract to low bidder, Cadillac Asphalt, LLC in the amount of \$1,362,745.85, and authorize the Managing Director to sign all documents on behalf of the Board.
- 8) Award State Trunkline Mowing contract to low bidder, KBK Landscaping, Inc. in the amount of \$234,000.00 as recommended by MDOT, and authorize the Managing Director to sign all documents on behalf of the Board.
- 9) Award bid for 2015 Pavement Marking program to low bidder Michigan Pavement Marking, LLC, in the amount of \$66,155.00 and authorize the Managing Director to sign on behalf of the Board.

- 10) Approve and sign the Drainage Covenant for BainBridge Place LLC, Bedford Township, Monroe County, Michigan.
- 11) Approve and sign the Dedicated Highway & Utility Easement or BainBridge Place LLC, Bedford Township, Monroe County, Michigan.

Commissioner Minton moved, seconded by Commissioner Pace to approve the April 27, 2015 Consent Agenda as presented. Vote: Ayes: 5 Nays: 0 Motion carried.

9. Unfinished Business -

- 1) Quatro Development Site Plan Appeal – continued from 4/13/2015 meeting.

Scott F. Assenmacher explained that he has been in contact with MDOT and the discussion for a joint driveway with Burger King are no longer viable. He also spoke with Todd Quatro regarding the access on Stewart Road. Mr. Quatro was to contact the potential clients and there hasn't been any feedback yet. Mr. Assenmacher suggested postponing the hearing.

Commissioner Minton moved, supported by Commissioner Pace to postpone the appeal to the 5/11/2015 regular meeting. Vote: Ayes: 5 Nays: 0 Motion carried.

10. New Business -

- 1) Resolution in support of the Transportation Alternative Program (TAP) by Frenchtown Charter Township for the N. Dixie Hwy Bike Lane Facilities.

Scott Assenmacher indicated the resolution is standard protocol in the process for federal obligational funding authority. This information came in late and is fairly common with competitive grant funding and it includes the Resolution passed by Frenchtown Charter Township.

Commissioner Londo put on his Luna Pier hat and inquired what Luna Pier would need to do to get Road Commission support for their TAP grant? Mr. Assenmacher explained that the Road Commission is the sponsoring ACT 51 agent and acts as the Administrator for the townships apply through this program, and since Luna Pier is an ACT 51 agency the Road Commission would not need to support their application.

Commissioner Minton moved, seconded by Commissioner Pace to approve the Resolution in support of the Transportation Alternative Bike Lane Facilities. Vote: Ayes: 5 Nays: 0 Motion carried.

11. Report of Officers -

Randy Pierce (Managing Director/Superintendent of Maintenance) – Mr. Pierce indicated he provided his update in the Managing Director communication. He highlighted the road closure for the Dena's Diner makeover as requested by Monroe Charter Townships.

Commissioner Londo asked for an update on Plank Road asking about the miles being looked at, if Milan was involved and what would the Road Commission's involvement. Mr. Pierce indicated Mike Smith will provide an update during his report to the Board.

Commissioner Londo asked about the equipment available through Genesee County. Mr. Pierce explained that Maintenance Supervisor Matt Purcell went to Genesee County Road Commission to review the equipment. Genesee has five (5) Volvo trucks, fully equipped that they are willing to sell us before they go to auction, upon approval from their Board.

Commissioner Londo asked the price and why they are selling these trucks. Mr. Pierce explained they are \$40,000 per truck and GCRC is rotating them out of their fleet. GCRC has a huge budget and are able to purchase new trucks. The CAT grader is a 2001 which would replace our 1994 grader. He is also working with Genesee on possibly purchasing their Gradall next year.

Commissioner Londo asked if the trucks were in good working condition. Matt Purcell, Maintenance Supervisor, stated he talked with their Fleet Supervisor and these trucks run good and are in good shape. He is confident that the Road Commission could get 5-6 years out of these vehicles and replace trucks that are in bad shape.

Commissioner Pace felt the Road Commission should be very cautious in purchasing used equipment. These trucks have been through 9 winters and salt. He would consider the grader depending on the hours on the machine.

Mr. Purcell stated if you sat the trucks from Genesee next to the Road Commission trucks you would see a night and day difference. With the limited resources, this would be a fair option to get us by until we can get on a regular rotation.

Commissioner Pace felt we were simply kicking the can down the road. He stated it is the failure of the State of Michigan to come up with proper funding for the Road Commissions over the last 30 years to fix roads and purchase equipment. He was against purchasing the trucks, but would consider the grader.

Phillip C. Masserant (Director of Finance) – Mr. Masserant indicated the financial report through 3/31/2015 was provided to the Board for their review. The MCRC is starting to receive township contracts which will provide a better financial view by the end of May. Based on the township contracts, the staff will be able to prepare a budget adjustment to shift money from winter maintenance to summer projects.

Michael L. Smith (Director of Operations) – Mr. Smith updated the Board that he and Phil Masserant met with three townships last week to discuss Plank Road. There appears to be good interest from these townships. Work could start in Raisinville Township at Yensch Road and go through Dundee Township to Day Road based on the comments from these two townships. Detailed cost estimates are being prepared as each township section will be different based on the condition of road. London Township indicated they would try to come up with the money to do the stretch of Plank Road up to Ostrander. Nothing is signed but they received positive feedback from the townships. The 3.5 miles of Plank Road (from Yensch to Ostrander) is a maintenance nightmare. The maintenance staff is currently looking at the cross tiles to determine if any need to be replaced prior to road work being done.

Mr. Smith informed the Board that the Maintenance Division will officially start the summer 4/10 season on Monday, May 4, 2015. The majority of employees will work Monday through Thursday from 6:30am – 4:30 pm and there will be a small crew working Tuesday through Friday. He also informed the Board that work on Grafton Road is starting, which is a carryover project from 2014.

Scott Assenmacher (County Highway Engineer) – Mr. Assenmacher reminded the Board that the MCRC was hosting the quarterly meeting of the SE Council meeting Monday, May 4th. The Road Commission in conjunction with Heritage Research Group would be putting on the program entitled “Going Green” highlighting the Samaria Road project.

Philip Costello (General Counsel) – Mr. Costello updated the Board that no response has been received from the homeowner on the Kay Drive drainage issue so the next steps will be taken to address the problem. He is working on a Letter of Understanding with Berlin Charter Township on the haul route and a Letter of Understanding with the Village of South Rockwood with regard to Armstrong Road being vacated to preserve the right to drain a portion of Armstrong Road into the potential abandoned property.

Mr. Costello also indicated he was working with the staff on a Resolution to amend or change the National Truck Network to reduce the distance a truck can travel off the highway back to the mandatory minimum of one mile based on the new county wide truck ordinances. He hoped to have a Resolution to Amend the National Truck Network ready by the next meeting for Board approval.

12. Public Comment -

Gary Williams, Local #543 President, voiced a concern that the Road Commission purchased used pick-up trucks in the past and they run rough. He encouraged the Board members to talk with him on Friday and he would let them climb in and out of a single axle truck and a tandem axle to see the difference. He stated tandems are good, but single axle trucks are much better. He suggested taking the \$300,000 and buying more single axle trucks and a new Gradall.

David Hoffman, County Commissioner, felt with money tight it would be worth checking out the used trucks. He purchased an old truck from a Road Commission auction and it is still running. He commended the Road Commission for their great maintenance program and urged the Board to look at these used trucks to stretch their dollars.

Matt Purcell, MCRC Supervisor, appreciated all the comments made and didn't want to banter the subject further, however, with the new standards in place, tandem and single axles trucks are the same height. He stated he wasn't here to argue but felt he was trying to do the best in his opinion and the used trucks were far superior to what we currently have. He wanted to be able to move forward with the resources that were available.

13. Commissioners' Comments -

Commissioner Pace wanted to further discuss the need for reliable equipment, especially since they are used for emergency winter maintenance. He also asked what the Road Commission's share on Plank Road was going to be. At the workshop it was mentioned the Road Commission could possibly contribute \$300,000 and he didn't want to go over that figure without any type of Board approval.

Commissioner Stammer agreed that safety is a concern and he would like to be proactive and see additional lights and decals put on trucks like the City of Toledo to be more visible. He also mentioned several roads that were done last year that have deterioration started at the radius. He questioned if the radius's weren't made wide enough to accommodate the traffic or possibly drainage issues are softening the asphalt. He felt basic drainage needed to be done on any road prior to receiving HMA, single or double seal treatments.

Commissioner Londo mentioned with the change in fiscal year and the need to start with the budget process, could the board get a copy of the budget calendar by the next meeting.

Commissioner Londo addressed the concerns of Gary Williams and the fact that he talked with Randy Pierce about his concerns. He didn't feel it was the responsibility of the Board to check light bulbs and didn't want to discourage Mr. Williams from making comments but urged him to work with Mr. Pierce on these issues.

Commissioner Minton appreciated Gary Williams' comments. Safety should be the #1 priority for everyone. Some of the concerns voiced were basic (lights, fire extinguishers) that were fairly easy fixes. He voiced a concern for the need for a bump truck and felt that was more serious since he would not want an employee to get hurt or the Road Commission experience a fatality. He would like the staff to look into the concerns and make the appropriate adjustments.

Commissioner Minton also stated if roads that were done last year are cracking, it should be addressed and taken care of. It is important to look at the basics of drainage before applying treatments to these roads.

Commissioner Iacoangeli echoed some of the same comments made by other board members. Mr. Williams mentioned the Safety Committee. Commissioner Iacoangeli asked if these issues were discussed by the committee and the process in place to address these concerns. He questioned if there were minutes from the meetings on actions taken, or anything else to show what has been done or list of things to be done.

Mr. Smith indicated the Safety Committee recently started up again and they have had a few meetings and he would be happy to provide minutes to those meetings. He hadn't heard anything regarding a bump truck prior to what was said earlier. He also explained that Gary Williams volunteered to check the fire extinguishers and came back with a list.

Mr. Williams stated he provided two different lists and nothing had been done. It is little things that need to be addressed, and he admitted that the union workers were responsible for blocking the extinguishers.

Commissioner Iacoangeli encouraged Mr. Williams to share concerns with the Managing Director and allow him to address these issues. He also indicated he would like the Managing Director to provide an update to the Board on the progress.

Commissioner Minton asked why the Safety Committee just got started again. The staff explained that person previously in charge of that Committee is no longer with the Road Commission.

14. Adjournment -

Chairman Iacoangeli stated if there are no objections, the meeting is adjourned at 7:10 p.m.

Cheryl A. U'Ran

Cheryl A. U'Ran, Deputy Clerk