

MINUTES OF REGULAR MONTHLY MEETING
Monday, July 15, 2016 – 1:30 p.m.

The regular monthly meeting of the Board of County Road Commissioners of Houghton County, Michigan, was held at the office in Ripley, Hancock, Michigan, on Monday, July, 2016 at 1:30 p.m.

PRESENT: William H. Siler Chairman
Kenneth A. Rowe Vice Chairman
Russell Gronevelt Member
Kevin P. Harju County Engineer
Tim Palosaari County Commissioner
Pam S. Heide Secretary

GUESTS: Louis Sullivan

The meeting was called to order by the chairman, William H. Siler, at 1:30 p.m.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to approve payment of bills and payrolls in the amount of \$ 387,081.78, covered by vouchers #15/16-, #15/16-, #15/16-5 and #15/16-, and payroll vouchers #15/16- and #15/16-5 in the amount of \$178,653.11.

Motion Carried.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to approve the minutes of the June 20, 2016 regular monthly meeting.

Motion Carried.

Bruce Peterson, Portage Township Supervisor, addressed the board regarding Calverly Street in Portage Township. Kevin will participate in a meeting with Range Bank and Portage Township regarding drainage issues in that area.

Dale Peterson, Chassell Township resident, addressed the board regarding mowing on the North Entry Road.

Correspondence was read and discussed.

The board granted permission to the Copper Country Rock & Mineral Club to use the Wolverine #4 rock piles on August 11, 2016 and Baltic rock piles on August 12, 2016 for the purpose of collecting rock and mineral specimens as they have done in previous years. The board also granted permission to the A.E. Seaman Mineral Museum to use the Baltic and Wolverine mine surfaces on July 28, 2016.

The board approved a link on the website to the County Road Association's Seasonal Road information site.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to send Ray Saatio and Mike Keranen to the Superintendent's Seminar October 5-7, 2016 in Manistee.

Motion Carried.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to purchase 3 Caterpillar graders from Fabick Equipment.

Motion Carried.

Moved by Mr. Rowe, supported by Mr. Gronevelt, designating Kevin Harju as the MERS officer delegate for 2016 at the Annual Conference, and Pam Heide as alternate.

Motion Carried.

Moved by Mr. Gronevelt, supported by Mr. Rowe, to authorize Laurium Village, Calumet Village and Lake Linden Village to purchase stamp sand from Point Mills for \$7.00/yard.

Motion Carried.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to unanimously adopt the following resolution:

Board of County Road Commissioners of the County of Houghton

RESOLUTION REQUESTION AUTHORIZATION OF
COUNTY BOARD OF COMMISSIONERS TO ISSUE NOTE

WHEREAS, the Township of Schoolcraft, a township located in the County of Houghton, State of Michigan (the "Township") wishes to have the Board of County Road Commissioners of the County of Houghton (the "Road Commission") acquire and construct highway improvements on County roads within the Township and (the "Project") as described on Exhibit A which is attached hereto and made a part thereof; and

WHEREAS, the Road Commission is authorized and empowered to finance the Project by the issuance and sale of its Michigan Transportation Fund Notes (the "Notes") pursuant to Act 143, Public Acts of Michigan, 1943, as amended ("Act 143") in anticipation of and for the payment of which shall be pledged future revenues derived from state collected taxes returned to the County for County road purposes pursuant to law; and

WHEREAS, it is anticipated that the Road Commission will receive a loan in the amount of up to \$320,000.00 from the United States Government administered by the USDA – Rural Development, to finance the acquisition and construction of the Project, and the issuance of the Notes to be delivered to the United States Government for the purpose of financing costs of acquisition and construction of the Project appears to be the most practical means to that end; and

WHEREAS, the estimated cost of the Project, including costs of issuance of the Notes, is not to exceed \$320,000.00; and

WHEREAS, pursuant to Act 51, Public Acts of Michigan, 1951, as amended, the Township is authorized and empowered to reimburse the Road Commission for the costs of acquisition and construction of the Project; and

WHEREAS, the Township has presented the Road Commission a proposed form of Contract under which the Township agrees to reimburse the Road Commission for the costs of construction of the Project including payment of debt service on the Notes and costs of issuance of the Notes (the "Contract"); and

WHEREAS, pursuant to Section 1 of Act 143, the Houghton County Board of Road Commissioners must authorize the maximum amount of the Notes to be issued by the Road Commission before the Notes may be authorized by the Road Commission.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The proposed form of Contract between the Township and the Road Commission is hereby approved, which such modifications as the Chairman and Secretary are hereby authorized to execute the completed Contract on behalf of the Road Commission.
2. Subject to execution of the completed Contract by the Township and the Road Commission, the Board of the Road Commission respectfully requests authorization from the Houghton County Board of Commissioners to borrow an amount not to exceed \$320,000.00 and to issue its Notes therefor pursuant to Act 143, pledging for the payment thereof future revenues derived from State collected taxes returned to the County for County road purposes pursuant to law. The Notes shall bear interest at an interest rate to be determined upon sale of the Notes, in any event not to exceed the maximum rate of interest permitted by law at the time of sale thereof. The full faith and credit of the County shall not be pledged for payment of any such Notes.
3. All resolutions and parts of resolutions insofar as the conflict with the provisions of this resolution are hereby rescinded.
4. The Township agrees to appropriate and pay in a timely manner from its road millages and if there is not adequate funds than from the general fund such sums as may be necessary to provide funds to satisfy the obligation undertaken by the Township in this Contract.

I certify that the foregoing is a true and complete copy of a resolution duly adopted by the Board of County Road Commissioners of the County of Houghton, State of Michigan, at a regular meeting held on July 15, 2016 at 1:30 p.m. Eastern Time, and that the meeting was conducted and public notice of the meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of the meeting were kept and will be or have been made available as required by the Act 267.

I further certify that the following Members were present at the meeting: William H. Siler, Chairman, Kenneth A. Rowe, Vice Chairman, and Russell A. Gronevelt, Member.

I further certify that Member Kenneth A. Rowe moved for adoption of the resolution and that Member Russell A. Gronevelt and Chairman William H. Siler supported the motion.

AYES: Rowe, Gronevelt, Siler

NAYS: None

Motion Carried.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to adopt the following contract between the Houghton County Road Commission and Schoolcraft Township, wherein the Road Commission agrees to apply for a loan for road improvements in Schoolcraft Township and the Township agrees to reimburse the Road Commission for costs of acquisition and construction of the Project in a period not to exceed ten (10) years.

CONTRACT BETWEEN ROAD COMMISSION AND
SCHOOLCRAFT TOWNSHIP FOR ROAD IMPROVEMENTS

This Contract is made and entered into as of July 15, 2016, by and between the Board of County Road Commissioner of the County of Houghton (the "Road Commission") and the Township of Schoolcraft (the "Township"), a township located within the County of Houghton (the "County").

WHEREAS, the Township and the Road Commission edesire to acquire and construct highway improvements on County Roads within the Township (the "Project") as described on Exhibit A which is attached hereto and made a part hereof; and

WHEREAS, the Road Commission is authorized and empowered to finance the Project by the issuance and sale of its Michigan Transportation Fund Notes pursuant to Act 143, Public Acts of Michigan, 1943, as amended ("Act 143"), and the Road Commission has proposed financing of the Project by issuing Notes to be repaid over a period of not-to-exceed 10 years (the "Notes"); and

WHEREAS, it is anticipated that the Road Commission will receive a loan in the amount of up to \$320,000.00 from the United States Government administered by the USDA, Rural Development, to finance the acquisition and construction of the Project, and the issuance of the Notes to be delivered to the United States Government for the purpose of financing costs of acquisition and construction of the Project appears to be the most practical means to that end; and

WHEREAS, the estimated cost of the Project, including costs of issuances of the Notes, is \$320,000.00; and

WHEREAS, pursuant to Act 51, Public Acts of Michigan, 1951, as amended, the Township is authorized and empowered to reimburse the Road Commission for costs of acquisition and construction of the Project, and

WHEREAS, the Township intends to reimburse the Road Commission for the total cost of acquisition and construction of the Project, including payment of debt service on the Notes and costs of issuance of the Notes ("Project Costs"); and

WHEREAS, it is the intention of the Township to induce the Road Commission to rely upon this Contract in issuing the Commission's Notes to procure funding needed for and proceeding with the Project.

NOW THEREFORE, in consideration of the mutual undertakings herein set forth, the parties do agree and contract as follows:

1. The Road Commission shall use its best efforts to issue the Notes, subject to approval by the Houghton County Board of Commissioners, for the purpose of financing the Project.
2. The Township agrees that it shall make semi-annual payments to the Road Commission on _____ and _____ of each year, until the Notes are paid in full, in an amount equal to the principal and interest coming due on the Notes on the following _____¹ and _____¹, commencing on the _____ or _____ immediately prior to the date interest is first due on the Notes. It is understood that \$320,000.00 is a principal amount and that interest will accrue on this amount at the rate of interest borne by the Notes. The Road Commission shall provide the Township with a payment schedule promptly after delivery of the Notes. In addition, the Township agrees to pay, within 30 days of invoice by the Road Commission, the Note issuance costs including but not limited to filing fees with State Treasury.
3. If the Road Commission is able to obtain financing for the Project as provided in Section 1 above, the Road Commission shall acquire and construct the Project for and on behalf of the Township.
4. In the event Note proceeds are not sufficient to complete the Project the parties shall mutually agree either (a) to reduce the scope of the Project so that the total costs of the Project can be paid from Note proceeds or (b) to proceed to acquire and construct the entire Project, in which case the Township shall reimburse the Road Commission for all costs of the Project not paid from the Note proceeds.
5. The Township agrees to appropriate and pay in a timely manner from its general fund such sums as may be necessary to provide funds to satisfy the obligation undertaken by the Township in this Contract. The Township further agrees that repayment will also be made from revenues derived from any Township voter-approved millage(s) for road purposes and from general fund revenues as necessary. The Township will authorize the County Treasurer, if requested by the Commission as a result of any payment required of the Township being delinquent, to make payment of the required amounts from such extra voted millage directly to the Commission.
6. In the event there is a dispute between the parties as to whether the Road Commission has performed its obligations in a satisfactory manner, the Township agrees that it will continue to make the payments required in Section 2 above and will not withhold such payments or claim a set-off pending a resolution of the dispute by a court of competent jurisdiction.

AYES: Rowe, Gronevelt, Siler

NAYS: None

Motion Carried.

Moved by Mr. Gronevelt, supported by Mr. Rowe, to adopt the MERS Health Care Savings Program Participation Agreement covering the Shop Superintendents hired before 2016 group.

Motion Carried.

Motion Carried.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to adjourn the meeting at 3:30 p.m., there being no further business.

Motion Carried.

Chairman

Secretary