

MINUTES OF REGULAR MONTHLY MEETING  
Monday, September 19, 2016 – 1:30 p.m.

PRESENT: William H. Siler Chairman  
Kenneth A. Rowe Vice Chairman  
Russell Gronevelt Member  
Kevin P. Harju County Engineer  
John D. Cima Assistant Engineer  
Albert Koskela County Commissioner  
Kim R. Sohlden Secretary

GUESTS: Louis Sullivan, Laird Township; Lonnie Ruonavaara, LR Contracting, Inc.; Paul Tomasi, Vairo, Mechlin & Tomasi, PLLC; Jim Yoder, Rural Development; Joel Keranen, Schoolcraft Township; Darice Taylor, Hal Rudnianin, Paavala residents.

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 open up to a public hearing to discuss the 2016-2017 budget.

Motion Carried.

Kevin P. Harju explained to the board the 2016-2017 budget summary, and amendment #1 to the original 2015-2016 budget.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to close the public hearing at 1:40 p.m., as no comment from the public was offered.

Motion Carried.

Moved by Mr. Rowe, supported by Mr. Gronevelt, that the 2016-2017 Houghton County Road fund general appropriation act be approved as follows:

For the purpose of administering the General Appropriations Act in accordance with the provisions of Public Act 621 of 1978, as amended, the following provisions are included.

1. The County Road Commission engineer is designated chief administrative officer and the office manager is designated fiscal officer.
2. The chief administrative officer and fiscal officer are both authorized to transfer up to 25 percent of a line item amount approved in the General Appropriation Act to another line item without prior approval, but subject to approval of the Board of County Road Commissioners at their next board meeting.
3. The expenditure amount approved in the General Appropriations Act for Distributive Expense shall be allocated to the various other expenditure line items in the same proportion as the allocation of actual Distributive Expense at year end.
4. The sum of up to 30 percent (30%) of the total funds allocated to the Primary Road system for the year 2015-2016 be transferred to the Local Road system.

Motion approved by roll call vote, 3 yeas, 0 nays.

Motion Carried.

Motion by Mr. Rowe, supported by Mr. Gronevelt, to adopt the amended budget #1 to the original 2015-2016 Houghton County Road Commission budget as follows:

RECOMMENDED AMENDMENT #1 TO ORIGINAL 2015-2016 BUDGET

	2015 – 2016 <u>Budget</u>	Authorized Increase (Decrease)	Amended Budget #1
Revenues(and other sources)			
Michigan Transportation Funds	\$ 3,300,000	500,000	\$ 3,800,000
Snow Removal Funds	540,000	40,000	580,000
Surface Transportation Program	618,000	- 58,000	560,000
Federal – State Local Bridge	190,000	- 5,000	185,000
State “D” Funds	-0-	-0-	-0-
Category “F” Funds	-0-	375,000	375,000
FEMA & FHWA	-0-	-0-	-0-
Trans. Econ. Dev. Funds (A,D&E, FOREST)	167,000	- 2,000	165,000
Other Funds (URBAN & SAFETY)	-0-	375,000	375,000
Dust Oil	-0-	70,000	70,000
Property Taxes	700,000	60,000	760,000
Township Contributions	50,000	780,000	830,000
Other Contributions (Insurance Claim)	10,000	6,000	16,000
Miscellaneous Revenue	75,000	- 41,000	34,000
Gain/Loss on Equipment Distribution	50,000	- 35,000	15,000
Proceeds Borrowing/County Appropriations	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Revenues	\$ 5,700,000	2,065,000	\$ 7,765,000
Other Sources (ENHANCEMENT FUNDS)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Revenues and other sources	\$ <u>5,700,000</u>	<u>2,065,000</u>	\$ <u>7,765,000</u>
Expenditures (and other uses)			
Primary Heavy Maintenance	\$ 950,000	1,400,000	2,350,000
Primary Road Maintenance	2,400,000	150,000	2,550,000
Local Road Heavy Maintenance	100,000	550,000	650,000
Local Road Maintenance	2,700,000	150,000	2,850,000
Local Structures	-0-	-0-	-0-
Equipment Expense (Net)	-850,000	500,000	- 350,000
Distributive Expense	-0-	-0-	-0-
Administrative Expense (Net)	400,000	100,000	500,000
Capital Outlay (Net)	<u>600,000</u>	- <u>350,000</u>	<u>250,000</u>
Total Expenditures	\$ 6,300,000	2,500,000	\$ 8,800,000
Other (MDOT Equip. & Maint Adv.)	50,000	- 50,000	-0-
Amounts Needed for Contingencies	<u>100,000</u>	- <u>100,000</u>	<u>-0-</u>
Total Expenditures and other uses	\$ <u>6,450,000</u>	<u>2,350,000</u>	\$ <u>8,800,000</u>
Budgeted Net Revenues	- 750,000	- 285,000	- 1,035,000

Accumulated available unappropriated fund balance (deficit) from prior years	<u>1,721,125</u>	<u>-0-</u>	<u>1,721,125</u>
Projected Fund Balance at End of Budget Year	<u>\$ 971,125</u>	- <u>285,000</u>	\$ <u>686,125</u>

Motion Carried.

Mr. Yoder, USDA rural development appeared before the board, and explained the loan process, whereas the Houghton County Road Commission intends to issue a single series of Notes in the approximate amount of \$ 320,000.00 to pay for the paving projects in Schoolcraft Township. Miller, Canfield, Paddock and Stone, P.L.C. would be used as bond counsel, and their legal fee would be \$8,500.00, for their time devoting to the financing and responsibilities they assume.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to approve of Kim R. Sohlden as secretary, and authorize him to sign the needed paperwork for the bond closing, as Pam Heide was not available.

Motion Carried.

Mr. Ruonavaara appeared before the board and stated he didn't know that the garage he was building for Hal Rudnianin, Plat of Concord City, was on part of Houghton County Road Commission property (lot 8), and part of it extends into sixth street right of way. Kevin P. Harju stated they use lot 8 as a snow dump because of the large amount of snow in that area, and need the encroachment into sixth street removed because it hinders any plowing in the winter.

Mr. Rudnianin appeared before the board and stated he told Mr. Ruonavaara that he was building part of his garage on Houghton County Road Commission property, and Mr. Ruonavaara stated he would just get an encroachment permit. Mr Ruonavaara denied stating that he said he would just get an encroachment permit. Kevin P Harju stated that neither party notified the Road Commission of the current garage location or the orientation of the garage doors.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to extend the encroachment removal order issued on 08/17/2016, to Hal Rudnianin, 50571 Sixth Street in Paavola, until 11/15/2016, and after that date, the Houghton County Road Commission will remove them from the right-of-way at its convenience. The Commission will bill him for any costs and expenses incurred in carrying out such removal, and failure to pay the removal costs or penalty will result in an assessment and levy against his property as provided by MCL 247.181 and, if not paid, may result in the sale of his property at tax sale.

Motion Carried.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to approve payment of bills and payrolls in the amount of \$ 799,867.40, covered by vouchers #15/16-64, #15/16-65, #15/16-66 and #15/16-68, and payroll vouchers #15/16-63, #15/16-67 and #15/16-69.

Motion Carried.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to approve the minutes of the August 15, 2016 regular monthly meeting.

Motion Carried.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to authorize the payment of \$ 8,500.00 to Miller, Canfield, Paddock and Stone, P.L.C., as they are the bond counsel for the paving project in Schoolcraft Township.

Motion Carried.

Correspondence was read and discussed.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to work with Miller, Canfield, Paddock and Stone, P.L.C., and use them as bond counsel, for the paving projects in Schoolcraft Township to be financed through the United States Department of Agriculture Rural Development, as they are a recognized expert whose primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of the Notes. The legal fee as bond counsel would be \$ 8,500.00, and is based on the terms, structure, size and schedule of financing, the time they anticipate devoting to the financing, and the responsibilities that they assume.

Motion Carried.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to authorize Kevin P. Harju, to submit an application for Federal Lands Access Program (FLAP) funding in the amount of \$ 500,000.00, for the reconstruction of a portion of Federal Forest Highway 16, (FFH16), which generally would require a 20% matching share of the project.

Motion Carried.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to ratify the "Encroachment Removal Order" issued to Mr. Randell on August 23, 2016.

Motion Carried.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to authorize the County Highway Engineer the authority to issue "Encroachment Removal Orders".

Motion Carried.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to authorize the County Highway Engineer to initiate trespass and removal litigation in Circuit Court if Mr. Randell does not remove the garage within 30 days after the "Encroachment Removal Order", as the 30 days will expire on September 23, 2016.

Motion Carried.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to authorize Kevin P. Harju, to purchase a 2001 International 2674 Tandem axle truck, for \$ 33,210.00, from Wisconsin Surplus online auction.

Motion Carried.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to authorize Kevin P. Harju, to send a letter to the Houghton County Board of Commissioners, for the December 2016 meeting, requesting them to advertise for a position on the board of the Houghton County Road Commission.

Motion Carried.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to hire six (6) seasonal sander driver's for 2016-2017, three (3) in Ripley; two (2) in Calumet; one (1) in Alston.

Motion Carried.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to offer the open position in Elo, to Steve Bigger, with a September 2016 start date, and the open position in Ripley, to Scott Kovala, with a November 2016 start date.

Motion Carried.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to offer a retirement incentive of \$ 7,500.00, to the Payroll Clerk as she would like to retire at the end of December 2016. If she accepts the County Highway Engineer should advertise for the position.

Motion Carried.

Moved by Mr. Rowe, supported by Mr. Gronevelt, to adjourn the meeting at 4:30 p.m., there being no further business.

Motion Carried.