

MINUTES OF THE BOARD OF COUNTY ROAD COMMISSIONERS

Monroe, Michigan

September 26, 2022

1 At a Regular Meeting of the Board of County Road Commissioners at their offices located at the Monroe County Road Commission (MCRC) 840 A. Telegraph Road, Monroe, Michigan, the meeting was called to order by Commissioner Minton at 5:30pm.

2 **ROLL CALL** by the Deputy Clerk as follows:

James Jacobs	Present
Danny Minton	Present
William Kipf	Present
Jack Thayer	Present
Greg Stewart	Excused

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

3 **The PLEDGE OF ALLEGIANCE** was lead by Commissioner Minton.

4 **AN OPENING MOMENT OF SILENCE OR PRAYER** was lead by Commissioner Minton.

5 **REGULAR MEETING AGENDA APPROVAL**

Moved by Commissioner: Kipf Supported by Commissioner: Thayer
to approve the regular meeting agenda as presented.

Vote: Ayes: 4 Nays: 0 Excused: 1 Motion Carried

6 **PUBLIC HEARING** - Proposed MCRC 2023 Budget

Moved by Commissioner: Jacobs Supported by Commissioner: Kipf
to open the public hearing at 5:34 pm

Vote: Ayes: 4 Nays: 0 Excused: 1 Motion Carried

Public Comment and Discussion

No members of the public were present for the hearing. Ms. Hawkins-Freelain provided a brief summary of the budget proposal with the Michigan Transportation Fund revenue based on the estimated distribution scheduled provided by the State of Michigan Finance and Administration. The last estimate received was in June of 2022. The contributions from local Townships remain the same as the current year. There is always an opportunity to amend the budget and it is the recommendation of Ms. Hawkins-Freelain not to amend the budget more than a couple times throughout the year with one amendment always occurring towards the end of the fiscal year after expenditures are accounted for. Expenditure categories include what was negotiated in the Local 543 contract as well as a blended 3% for AFSCME pending negotiations coming within the next year. We are currently holding 107 full time employees which includes temporary staff as well as four vacant positions. We received notification of two additional retirements which are included in the budget. Capital needs are included in the list within the packet provided and total \$1.95 million dollars to get us back on track with capital expenditures prior to COVID. Opeb contribution continues to be accelerated. Projects included in the Five Year Plan is estimated at \$7 million dollars across all Townships. The Five Year Plan is expected to be presented to the Board sometime in October. Salt purchases are budgeted at \$980,000 dollars assuming normal winter weather conditions.

The original budget for the Five Year Plan totaled \$8 million per year for a total of \$40 million across five years. As COVID hit, the budget was reduced to seven million per year for a total of 35 million across five years. The seven million was continued for the 2023 budget with future budget projections including small increases each year moving forward. The Five Year Plan budget is based off of the estimated revenue sources and the expenditures to support the projects. When the Five Year Plan is developed, it takes into account Federal Aid projects, state grants and Michigan Transportation Funding. Bridge work is not part of the Five Year Plan, so Mr. Snell had requested budget allocations to address bridge, culvert work and replacements. If an eight million dollar Five Year Plan allocation is continued, when looking at the estimate from state revenues, that does not leave a lot of funding for the bridge and culvert work. A balance is needed to cover other infrastructure as well as all other operational needs of the organization.

Discussion was held by the Board regarding the Five Year Plan and the budget allotted for the plan. Commissioner Minton asked if Michigan Transportation Funding which was originally allocated to the Five Year Plan was taken from the Plan and placed towards bridges and infrastructure. Ms. Hawkins-Freelain responded that it does in the initial year as the Five Year Plan has moved towards more maintenance work as opposed to major construction. There is a choice to continue with the Five Year Road Plan and not put any funds towards bridges and culverts which is an option for the Board. Commissioner Minton stated we have a very healthy general fund balance and in order to accomplish both and keep on pace with the Five Year Plan, we can tap into the general fund balance. Ms. Hawkins-Freelain stated that they can however, in looking at the proposed budget, they are already tapping into the fund balance over a million dollars. The fund balance is already being utilized for other needs. An increase to the budget for the Five Year Plan would tap into it even more. The proposed budget taps into it a little bit for items that were already agreed upon such as the negotiated union contract, planning for the upcoming union negotiations, continuing other operational items, building maintenance needs etc. The eight million dollar Five Year Plan budget could be continued with disregard to other infrastructure needs. However, the fund balance should be maintained in a solvency state. Commissioner Minton commented that he would like to stay on pace with the Five Year Plan that was originally started prior to COVID. Ms. Hawkins-Freelain reported that the Five Year Plan has already been altered from the eight million dollars the previous year and we ended up ok. In addition, emergency situations can arise at anytime which will require the use of the fund balance. The budget can always be amended. There is a lot of activity going on in the organization as previous discussions included staffing and salaries which includes a County Highway Engineer to replace, benefits coming up to be renewed, health care. The budget, just like the five year plan, is also a plan for how we manage throughout this year. Right now what is proposed is a conservative posture, if we go through the year and things are going fine, the Board may request an amendment to the budget. Ms. Hawkins-Freelain requested the board to accept her recommendation and take a conservative approach. Commissioner Minton stated his recommendation is to allocate an additional one million dollars towards the Five Year Plan from the general fund balance.

Commissioner Jacobs commented that the fund balance we are sitting at may cause the County Commissioners to adjust their thinking in how much they allocate or think of allocating to us. If we are showing we are spending it and not just sitting on funds, then it might show more need down the road when we ask for it. Commissioner Minton commented that this is his thought process as well. The fund balance is at the best balance he has seen here. The concern is if the plan is cut back it will reduce faith from the public. Allocating the additional money to the plan would be doing right by the community.

Commissioner Kipf stated his concern is in regards to future development of businesses located on our road ways. If the Five Year Plan is not maintained, the question is how will that affect our roadways with changing traffic patterns. Development examples were provided such as those on LaPlaisance and the Port of Monroe. Commissioner Kipf stated he would rather the organization stay on track with the Five Year Plan instead of falling behind and having issues within two to three years on those roads which had maintenance put off.

Mr. Leach commented that various developments around the county will defiantly bring more traffic onto our road system. Ms. Hawkins-Freelain suggested that the team present the five year plan in two forms, one which includes the seven million dollar option and the eight million dollar option. This will allow the Board to see the difference between what is covered by both options and at that time amend the budget.

Commissioner Jacobs stated he liked that thought process and in his understanding, the fund balance is comprised of cash, assets, and fixed assets which would have to be sold to gain cash. Commissioner Kipf asked where the break was for the cash balance. Ms. Hawkins-Freelain responded the cash break was around six million dollars and the balance would be in other assets which would have to be sold. In addition, there is an item in the consent agenda today which is the 2022 budget amendment and uses the fund balance. All items need to be looked at and combined to get to the bottom line of what will be in the fund balance for 2023 with the caveat that the 2022 fiscal year is not final just yet.

Commissioner Minton stated he did not see any issue with allocating the additional funding to the Five Year Plan now adding that it doesn't mean it has to be spent. The preference is to add funding now rather than come back and do an amendment in a month. The Five Year Plan will be looked at when presented in October. Commissioner Kipf supported adding the funding to the budget now rather than in one month.

Moved by Commissioner: Jacobs Supported by Commissioner: Kipf
 to close the public hearing at 6:09 pm

Vote: Ayes: 4 Nays: 0 Excused: 1 Motion Carried

7 PROPOSED BUDGET APPROVAL

7.1 Approve the resolution for the 2023 Monroe County Road Fund General Appropriations Act

Moved by Commissioner: Thayer Supported by Commissioner: Kipf
 the adoption of the 2023 Monroe County Road Fund Budget with an additional one million dollars added to the Five Year Plan to total eight million dollars.

Roll Call Vote as Follows:

James Jacobs	<u> Yes </u>	
Danny Minton	<u> Yes </u>	
William Kipf	<u> Yes </u>	
Jack Thayer	<u> Yes </u>	
Greg Stewart	<u> Excused </u>	Motion Carried

8 PUBLIC COMMENT - none

9 CONSENT AGENDA (with immediate effect)

9.1 Approval of Minutes September 12, 2022 Regular Meeting

9.2 Journal Entries

Entry No.	Date	Description	Transfer Amount
654	9/13/2022	Payroll Checks	66345 - 66361 \$ 303,375.92
		Voided Checks (Print Errc	66328 - 66344
		Advices	33924 - 34006

		3rd Qtr. Cafeteria Checks	66362	-	66380	
		Bank Service Fee		Aug-22		
655	9/13/2022	Vendor Checks	79437	-	79512	\$ 1,995,310.50

9.3 Approve the first amendment to the 2022 MCRC Budget.

9.4 Approve the resolution for MDOT earmark funding for the improvement of Secor Road in Bedford Township and authorize the Managing Director to sign the agreement on behalf of the Board.

Moved by Commissioner: Kipf Supported by Commissioner: Thayer
 to approve the regular meeting consent agenda as presented.

Vote: Ayes: 4 Nays: 0 Excused: 1 Motion Carried

10 UNFINISHED BUSINESS - None

11 NEW BUSINESS - None

12 REPORT OF OFFICERS

Dori Hawkins-Freelain (Managing Director)

Ms. Hawkins-Freelain thanked the Board for their adoption of the budget. Special prayers were requested for Ms. Woodhull and Mr. Stewart, at this time they are going through personal matters.

David Leach (Superintendent of Maintenance)

Mr. Leach provided an update on the closure of Rauch road. Contractors were contacted to replace the culvert however there is a delay in receipt of a 30 inch concrete culvert of approximately eight weeks. At this time we are doing everything we can to find the pipe needed sooner. This is a common theme for many different materials in which we are trying to be as proactive as possible. In addition, some paving projects are getting ready to begin later this week or next week. These projects will wrap up the county-wide paving for this year.

L. Camden Regis (Human Resource Director)

Ms. Regis reported that COVID hours would be discontinued beginning on Monday October 3, 2022. Also, next week Wednesday October 5, 2022 is the benefits fair which employees will be receiving letters about.

Philip Costello (General Counsel)

Mr. Costello had nothing new to report.

13 PUBLIC COMMENT - None

14 COMMISSIONERS COMMENT

Commissioner Kipf

Nothing to Report. Commissioner Kipf requested to be excused from the next meeting on October 10, 2022 as he will be out of town.

Commissioner Jacobs

Nothing to report. Commissioner Jacobs will requested to be excused from the next meeting on October 10, 2022 as he will be attending the County Road Associations Commissioners Seminar.

Commissioner Thayer

Nothing to Report.

Commissioner Minton

Commissioner Minton requested well wishes to be given to Ms. Woodhull and Mr. Stewart and families during this tough time.

Commissioner Stewart

Excused.

15 ADJOURNMENT

Commissioner Minton requested a motion to adjourn.

Moved by Commissioner: Jacobs Supported by Commissioner: Kipf
to adjourn. The meeting adjourned at: 6:20pm

Vote: Ayes: 4 Nays: 0 Excused: 1 Motion Carried

 Karley Woodhull
Karley Woodhull, Deputy Clerk

 10-14-2022
Date