

Mason, Michigan
June 8, 2009

The Board of Ingham County Road Commissioners met for a regular meeting on Monday, June 8, 2009, at 6:00 P.M. in the Board Room of the Road Commission's Austin E. Cavanaugh Administration Building located at 301 N. Bush Street, Mason, Michigan.

Present: Joseph A. Guenther, Chair, Shirley M. Rodgers, Vice Chair, Thomas M. Mitchell, Member, James Dravenstatt-Moceri, Member, and Norman L. Gear, Member.

Also Present: William M. Conklin, Managing Director, Deborah L. Bellows, Secretary to the Board, Tina M. Henry, Director of Finance, Robert H. Peterson, Director of Engineering, and James M. Benjamin, Director of Operations.

Others Present: Thomas J. Doyle, AFSCME Local 1499 President and Eastern District employee, Robin D. Wilcox, AFSCME Local 1499 Vice President and Western District employee, and Jon Fellows, Metro District employee.

Chair Joseph A. Guenther called the meeting to order and led with the Pledge of Allegiance.

AGENDA ITEM #3 – LIMITED PUBLIC COMMENT.

None.

AGENDA ITEM #4 – LATE ITEMS.

Add as Agenda Item #8D, late permit #09-0233 applied for by Pat Zeller for the purpose of conducting a neighborhood cookout and meeting on June 16, 2009, from 6:30 p.m. until 10:00 p.m. on Schoolcraft Street in Delhi Charter Township. The event is sanctioned by Delhi Township.

AGENDA ITEM #4 – CONSENT ITEMS.

Moved by Commissioner Rodgers and Supported by Commissioner Gear, that the following items be approved under consent:

- A. Agenda Item #7, Minutes.
- B. Agenda Item #8A-D, Routine and Special Permits.
- C. Agenda Item 10A-B, Accounts Payable.

5 yes, 0 no. Motion carried unanimously.

Agenda Item #5 – Minutes.

Moved by Commissioner Rodgers and Supported by Commissioner Gear, that the Minutes of the meeting of May 11, 2009, be approved as presented. 5 yes, 0 no. Motion carried unanimously.

Agenda Item #8A-D – Routine and Special Permits.

Moved by Commissioner Rodgers and Supported by Commissioner Gear, that the following routine and special permits be approved:

09-0377	09-0203	09-0206	09-0207	09-0209	09-0210
09-0211	09-0212	09-0213	09-0214	09-0216	09-0219
09-0220	09-0225	09-0204	09-0221	09-0222	09-0223
09-0226					

Permit #09-0208 applied for by Cure Kids Cancer/Sparrow Pediatric Program Fund to hang a banner across Hamilton Road to promote Max's Race, a fundraiser to benefit the Cure Kids Cancer/Sparrow Pediatric Program Fund, to be hung from June 22, 2009, through June 29, 2009. This event is sanctioned by Meridian Township.

Permit #09-0215 applied for by South Lansing Community Development Association to conduct a Triathlon on May 31, 2009, from 8:15 am until 11:30 am. The event is sanctioned by Meridian Township.

Permit #09-0217 applied for by the Women's Center of Greater Lansing for the purpose of temporarily closing westbound Central Park Drive between the Township Building entrance and the Central Park south entrance to conduct the *We Can Do It* women's 5k run/walk on June 7, 2009, from 9:00 am until 9:30 am. The event is sanctioned by Meridian Township.

Permit #09-0233 applied for by Pat Zeller for the purpose of conducting a neighborhood cookout and meeting on June 16, 2009, from 6:30 p.m. until 10:00 p.m. on Schoolcraft Street in Delhi Charter Township. The event is sanctioned by Delhi Township.

5 yes, 0 no. Motion carried unanimously.

Agenda Item #10A-B – Accounts Payable.

Moved by Commissioner Rodgers and Supported by Commissioner Gear, that the Accounts Payable for the following periods be approved: May 11-24, 2009, totaling \$706,774.49 including check numbers #93157 through #93223 and check #93224 dated May 27, 2009, in the amount of \$36,000.00 payable to Michigan Cat. 5 yes, 0 no. Motion carried unanimously.

AGENDA ITEM #5 – PRESENTATION OF 2008 AUDIT.

Mr. Steve Kirinovic of Abraham & Gaffney met with the Board at 6:00 P.M. to present the Road Commission's completed 2008 audit of its financial statements. Mr. Kirinovic reported that everything is in accordance with State auditing principles and this is the best possible report/audit that it can be. He stated that the Road Commission's revenues for 2008 were down from 2007. Mr. Kirinovic stated that the report is clean on internal controls and the past issues have been satisfactorily resolved.

Commissioner Rodgers asked if there was a summary meeting with management? Mr. Kirinovic stated yes. She asked if the Chair was present at that meeting. Chair Guenther stated yes, he was present at that meeting.

Mr. Kirinovic completed his report and left the meeting.

AGENDA ITEM #9 – MANAGING DIRECTOR REPORTS.

Managing Director Bill Conklin reviewed a letter received from Meridian Township advising of the Township Board's position on the Road Commission's 2010-2035 Long Range Plan. He also reported on a public town hall forum to be conducted by the Tri-County Regional Planning Commission on the long range plan on June 11, 2009, starting at 7:00 p.m. at the East Lansing Hannah Community Center, 819 Abbott Road, East Lansing.

AGENDA ITEM #6 – MEETING WITH LABOR COUNSEL.

Moved by Commissioner Rodgers and Supported by Commissioner Dravenstatt-Moceri, that the Board enter closed session at 6:30 p.m. for the purpose of discussing pending AFSCME Local 1499 labor negotiations with its labor counsel, Peter A. Cohl. Roll call vote: Commissioner Guenther, yes, Commissioner Rodgers, yes, Commissioner Mitchell, yes, Commissioner Dravenstatt-Moceri, yes, Commissioner Gear, yes. 5 yes, 0 no. Motion carried unanimously.

Moved by Commissioner Mitchell and Supported by Commissioner Gear, that the Board return to open session at 6:55 p.m. for the purpose of discussing pending AFSCME Local 1499 labor negotiations with its labor counsel, Peter A. Cohl. Roll call vote: Commissioner Guenther, yes, Commissioner Rodgers, yes, Commissioner Mitchell, yes, Commissioner Dravenstatt-Moceri, yes, Commissioner Gear, yes. 5 yes, 0 no. Motion carried unanimously.

RESOLUTION RATIFYING THE TENTATIVE AGREEMENT REACHED WITH AFSCME LOCAL 1499 FOR THE 2008-2009 LABOR CONTRACT.

RESOLUTION #049-09

Moved by Commissioner Rodgers and Supported by Commissioner Dravenstatt-Moceri. 5 yes, 0 no. Resolution carried unanimously.

BE IT RESOLVED that upon recommendation of Labor Counsel, the Board hereby ratifies a labor contract with AFSCME Local 1499 based on the Employer's Last Best Offer dated April 27, 2009, as modified by a communication received from Dan Hamilton, AFSCME Council 25 Staff Representative, under date of June 1, 2009, addressed to Peter A. Cohl. In addition to the Health Benefit Summary sheets to be attached to the Collective Bargaining Agreement as referenced within, it shall be noted on the Summary sheets that the noted benefits are valid through December 31, 2009, and may be subject to change by the insurer beyond the Employer's control.

AGENDA ITEM #10C – RECOMMENDED BUDGET ADJUSTMENTS.

Director of Finance Tina Henry reviewed the recommended budget adjustments and stated she was advised today by FEMA that our \$93,000 reimbursement was processed last week. Managing Director William Conklin added that the check should be received any day, but it will not be shown as a revenue adjustment until it is actually received. Ms. Henry reported that MDOT's projection for MTF for 2010 is that it will decrease by 2.5 percent. This is an additional one percent decrease from their first projection of a 1.5 percent decrease. ICRC's actual decrease in 2008 was 3.77 percent. Ms. Henry said a five percent decrease was budgeted for 2009, even though the projection was a 4.6 percent decrease at the time, as she is much more comfortable using five percent, then if it isn't quite that much, we are still okay and don't have to panic looking for additional reductions in goods and services.

Discussion continued regarding the budget and projected revenues and possible service reductions in the future and Ms. Henry responded to questions by Board members. Mr. Conklin indicated that several townships are opting not to do any local road improvements this year, mainly due to the cost to pave a mile of road (approximately \$70,000), but also because of the ongoing issue with the possible loss of the Sheriff's services to out-county townships, and the additional loss of State revenue sharing funds. He said there may be a large carryover of this funding at the end of the year to be budgeted for 2010.

RESOLUTION APPROVING 2008 BUDGET ADJUSTMENTS.

RESOLUTION #050-09

Moved by Commissioner Rodgers and Supported by Commissioner Gear. 5 yes, 0 no. Resolution carried unanimously.

BE IT RESOLVED that upon recommendation of the Finance Director, the Board approves the following 2008 Budget Adjustments, including the explanation page of changes:

	Year To Date Revenues	2009 Budget as approved	Adjust # 1 1/15/2009	Adjustment # 2 PROPOSED	2009 Budget as adjusted
Fund Balance					
Beginning Fund Balance		-2,486,575.00		-1,431,013.00	-3,917,588.00
REVENUES/EXPENDITURES					
Revenues:					
Motor Vehicle Highway Funds					
Engineering	0.00	-\$10,000.00			-10,000.00
Primary Road	-2,925,732.30	-\$7,697,850.00			-7,697,850.00
Local Road	-874,888.76	-\$2,224,900.00			-2,224,900.00
Primary Urban Road	-458,136.42	-\$1,213,910.00			-1,213,910.00
Local Urban Road	-161,691.75	-\$361,000.00			-361,000.00
Total Motor Vehicle Highway Funds	-4,420,449.23	-11,507,660.00	0.00	0.00	-11,507,660.00
Federal Aid Funds					
Rural STP		-667,000.00			-667,000.00
Urban STP		-1,919,000.00		-398,675.00	-2,317,675.00
Safety STP					
Finalization of Old Projects					
Critical Bridge					
Federal CMAQ					
Federal - T Enhancement		-436,319.00			-436,319.00
Total Federal Aid Funds		-3,022,319.00	0.00	-398,675.00	-3,420,994.00
State Aid Funds					
"D" Funds E.D.F.					
Critical Bridge					
"A" Funds - State Highway					
Total State Aid Funds			0.00	0.00	0.00
County Raised Funds					
Other	-5,844.01	0.00			0.00
Township Contributions	-61,729.60	-846,994.00			-846,994.00
Permits & Inspection Fees	-58,060.02	-206,000.00			-206,000.00
Total County Raised Funds	-125,633.63	-1,052,994.00	0.00	0.00	-1,052,994.00
Gain on Disposal of Equipment					
Gain/Loss on Equip Usage					
Trade-In Allowances	-2,000.00	0.00			0.00
Gain/Loss on Equip Sale		0.00			0.00
Total Gain on Disposal of Equip	-2,000.00	0.00	0.00	0.00	0.00

Other Revenues					
Interest Earned	-256.11	-50,000.00			-50,000
Salvage Sales	-2,245.34	0.00			0.00
Sale of Building/Land					
Bond Proceeds					
Total Other Revenues	-2,501.45	-50,000.00	0.00	0.00	-50,000.00
Total Revenues:	-4,550,584.31	-15,632,973.00	0.00	-398,675.00	-16,031,648.00

	Year To Date Expenditures	2009 Budget as approved	Adjust # 1	Adjustment # 2 PROPOSED	2009 Budget as adjusted
EXPENDITURES:					
Primary Road					
467 Maintenance	1,231,016.26	2,924,368.00		259,486.00	3,183,854.00
459 Preservation - SI	806,768.51	4,397,689.00		434,625.00	4,832,314.00
Total Primary Road	2,037,784.77	7,322,057.00	0.00	694,111.00	8,016,168.00
Local Road					
489 Preservation - SI	12,533.46	1,315,892.00		108,069.00	1,423,961.00
497 Maintenance	818,892.84	2,678,155.00		242,655.00	2,920,811.00
Total Local Road	831,426.30	3,994,047.00	0.00	350,724.00	4,344,771.00
Gross Equipment Expense					
510 Direct Expense	279,458.02	957,193.00		60,293.00	1,017,486.00
511 Indirect Expense	563,152.57	942,010.00		49,944.00	991,954.00
512 Operating Expense	119,509.79	515,000.00			515,000.00
Less: Rental Credits	-880,370.95	-2,572,277.00			-2,572,277.00
Total Gross Equipment Expense	81,749.43	-158,074.00	0.00	110,237.00	-47,837.00
Gross Administrative Expense					
515 Administrative Expense	356,633.60	894,168.00		13,981.00	908,149.00
Less: Purchase Discounts	-187.45	0.00			
Less: Handling Charges		0.00			
Less: Overhead Charges	-1,310.57	0.00			
Total Gross Administrative Expense	355,135.58	894,168.00	0.00	13,981.00	908,149.00
Drain Assessment					
Drain Assessment	243.78	446,200.00			446,200.00
Total Drain Assessment	243.78	446,200.00	0.00	0.00	446,200.00

Distributive Expense					
513 Distributive Fringe	1,256,312.88	3,636,392.51			3,636,392.51
514 Distributive Other	481,630.19	867,171.00		24,497.00	891,668.00
Total Distributive Expense	1,737,943.07	4,503,563.51	0.00	24,497.00	4,528,060.51
Long Term Debt Expense					
Long Term Debt Payment		0.00			0.00
Lease Equipment Principle		0.00			0.00
Long Term Land Contract Payment		0.00			0.00
Interest Expense		0.00			0.00
Total Long Term Debt Expense	0.00	0.00	0.00	0.00	0.00
Capital Outlay					
Special Projects	166,218.23	178,360.00	194,726.94	9,342.00	382,428.94
Less: Depreciation/Depletion		-583,747.00			-583,747.00
Less: Equipment Retirements					
Total Capital Outlay	166,218.23	-405,387.00	194,726.94	9,342.00	-201,318.06
Contingency Fund					
Contingency Fund		0.00			0.00
Total Contingency Fund	0.00	0.00	0.00	0.00	0.00
Total Expenditures	5,210,501.16	16,596,574.51	194,726.94	1,202,892.00	17,994,193.45
Total REVENUES/EXPENDITURES	-659,916.85	-963,601.51	-194,726.94	-804,217.00	-1,962,545.45
Ending Fund Balance					
Total Fund Balance		-1,522,973.49	194,726.94	-626,796.00	-3,917,588.00

	2009 Budget as approved	Adjust # 1	Adjust # 2 PROPOSED	2009 Budget as adjusted
Beginning Fund Balance	-2,486,575.00		-3,917,588.00	-\$3,917,588.00
Total Revenues:	-15,632,973.00	0.00	-398,675.00	-16,031,648.00
Total Expenditures	16,596,574.51	194,726.94	1,202,892.00	17,994,193.45
Ending Fund Balance				-1,955,042.55

Summary of adjustments to the 2009 budget:

A The actual starting fund balance for 1/1/09 is being substituted for the projected fund balance.	\$1,431,013.00 increase in Fund Balance
B Additional overtime needed for road operations, equipment repair and maintenance, administration, distributive other and capital outlay	\$184,827.00 increase in expenditures
C Former Interim Operations Director final leave and banked sick payoff additional amount needed	\$18,000.00 increase in expenditures
D 4 positions funded that are not being filled (3 in eastern and 1 in Metro), therefore 09 salary not being expended	-\$133,429.00 decrease in expenditures
E SEIU 2008 retro pay	\$8,800.00 increase in expenditures
F Estimated AFSCME 2008 retro pay when/if awarded	\$50,000.00 increase in expenditures
G Funding needed for materials to do maintenance road repair	\$530,000.00 increase in expenditures
H Increase needed in Primary Road Structural Improvement and distributive other due to changes in federal projects for 2009	\$52,950.00 increase in expenditures
I Net savings in consultant costs on bridges	-\$15,000.00 decrease in expenditures
I Increase needed for ICRC's match for what the Townships are planning on spending for Local Roads in 2009	\$108,069.00 increase in expenditures
Total increase in budgeted expenditures proposed	\$804,217.00

This will leave the projected Fund Balance at 12/31/09 at \$1,955,043 which is just slightly underover the minimum \$2,000,000 that the Finance Director feels comfortable with.

AGENDA ITEM #11 – COMMUNICATIONS.

A. Managing Director Bill Conklin reviewed a communication received from MDOT notifying us that they have discovered an error in the MTF distribution regarding the population formula. The population number used in the formula is determined by subtracting the population in cities and villages from the county population. If a city or village has population in more than one county, each county's population is reduced by the amount of the city or village population in each county. The MTF Distribution System has subtracted the total city or village population from the county which has the largest share of the city or village population in error. He went on to explain that the error amounts to approximately \$225,000 annually where 16 counties received too much, and 19 other counties received too little. Compared to the total annual distribution to counties of \$585 million, this is a 0.00035% error, but any error is, according to MDOT, unacceptable. Thus, the Eaton County Road Commission was overpaid

\$191,728.08 that should have been paid to the Ingham County Road Commission; and the Clinton County Road Commission was overpaid \$1,358.64 that should have been paid to the Ingham County Road Commission.

MDOT would like to know how we wish to receive the overpayment. They have offered to handle the situation by deducting the funds from Eaton County's future MTF payments and adding the funds back in to Ingham County's future payments. Or, if it is desired by either party, the Road Commissions can arrange privately how payment will be made and accepted between them.

Mr. Conklin indicated he received a call from Eaton County Road Commission Manager, Blair Ballou, last week inquiring how Ingham wanted to handle this situation, indicating the Eaton County Road Commission may want to arrange for re-payment over a three year period due to its lack of available funding. As you can imagine, this came as quite a blow for the Eaton County Road Commission and this is a very large amount of money to be deducted out of an already dwindling revenue source.

The Board agreed that the Eaton County Road Commission should communicate its desires in writing to us, but ultimately, the Board stated it would like to see the reimbursement by year's end.


AGENDA ITEM #12 – BOARD UPDATES OR COMMENTS.

A. Vehicle Use Policy. Chair Guenther stated that in light of recent issues regarding the Board's policy on the use of Road Commission owned vehicles, he would like to amend the current policy to absolutely prohibit the use of these vehicles to transport private individuals or employee family members. He suggested that this provision, or any others, could be waived upon the sole discretion of the Managing Director, depending on the circumstance. Board members will review the policy and submit their suggested revisions for discussion at the next meeting.

B. Project Inspections. Commissioner Dravenstatt-Moceri stated he realizes we have some large projects coming up this summer, Waverly Road in particular, and asked about the availability of current Engineering Department inspectors. He said he would like to see the use of AFSCME employees to help in balancing the overtime that will be required for the anticipated summer's work schedule.

C. Meridian Township. Commissioner Rodgers asked when the "ugly" wooden fence along Hagadorn Road, south of the bridge, would be replaced by Meridian Township, pursuant to Board directive last fall. Mr. Conklin reported that this was discussed late last fall with then Chair, Larry Smith, as a result of an opinion rendered from the Board's legal counsel George Brookover. Under most circumstances, the Road Commission cannot deny a permit to another governmental agency for work within its right of way. Therefore, the fence will not be required to be removed and will remain in its current location and in its current condition.

No public comment was offered. The meeting adjourned at 8:00 P.M.



Joseph A. Guenther, Chair



Deborah L. Bellows, Board Secretary