

The Menominee County Board of Road Commissioners held a PUBLIC HEARING in their offices north of Stephenson on Tuesday, September 6, 2016.

Chair Kakuk called the meeting to order at 8:45 a.m. with the following persons present or absent:

PRESENT: William Anderson, Anthony Kakuk, Joseph Skrobiak, Darrell Moilanen and Lisa Savord. Also present were Joe Linder, Jerry Piche, Chuck Behrend and Clifford Nelson, Jr.

ABSENT: None.

The Pledge of Allegiance was recited.

Kakuk turned the meeting over to Moilanen who explained that the purpose of the hearing was to hear questions and comments regarding the proposed budget for 2016/2017. Moilanen briefly reviewed several line items including projected projects and revenues and proposed Capital Outlay for the upcoming year. Kakuk asked if the CR338 box culvert would be done in the upcoming year. Moilanen responded that the DEQ permit was good for 5 years, and that the project was not in this budget. Skrobiak asked if there were plans to add additional personnel. Moilanen stated that there was money in the budget to begin upgrading equipment first and that adding more permanent employees would come later.

Moilanen called for any further questions or comments about the proposed 2016/2017 budget. Moilanen called a second time for questions or comments about the proposed 2016/2017 budget. Moilanen called a third time for questions or comments about the proposed 2016/2017 budget.

There being none, the hearing was closed at 8:52 a.m.

Kakuk announced a recess until the regular meeting at 9:00 a.m.

Road Commission Finance Director/Clerk

Chair

The Menominee County Board of Road Commissioners held a regular meeting in their offices north of Stephenson on Tuesday, September 6, 2016.

Chair Kakuk called the meeting to order at 9:00 a.m. with the following persons present or absent:

Present: William Anderson, Anthony Kakuk, Joseph Skrobiak, Darrell Moilanen and Lisa Savord. Also present were Joe Linder, Jerry Piche, Chuck Behrend, Clifford Nelson, Jr., David Wesoloski, Larry Barker, Larry Koenios, Michelle Hess and Shawn Johnson.

Absent: None

Public comments – This item was moved to after public appearances.

Public appearances – Clifford Nelson, Jr., VP of US Operations for Aquila Resources provided a power point presentation outlining information regarding the proposed mine in Menominee County, including discussion on two different proposals for the roads leading to the mine.

Proposal 1 would be a new road leading from the mine site, across state land to CR356 then to Swanson Road. This would be a 2 lane all season road. The road commission would need to apply for a DNR easement to go across the state land, state grant funds and all permits. Aquila Resources would pay all costs not covered by the grant.

Proposal 2 would involve a temporary single lane road to bypass River Road, with traffic signals at each end. This Road would be double chip sealed and would avoid any cultural sites in the area. It would have to be closed during blasting. The road commission would have to apply for any easements or permits needed. Aquila Resources would pay all costs. Moilanen asked what the timetable of the road project and mine opening was. Mr. Nelson responded that they were hoping to

have all mine permits and the feasibility study done by the end of 2016. They would then apply for funding. Aquila would like to have road construction would be done by the middle to the end of 2017, to accommodate mine construction activities with an expected mine startup date in the 3rd quarter of 2019. Moilanen asked when Aquila would know for sure if they were going to proceed with the mine. Mr. Nelson replied once the final DEQ permit was received. He is anticipating the DEQ's decision late November. Kakuk asked if the mine expected the road commission to fund any of the road projects. Mr. Nelson stated they would all be fully funded by Aquila Resources. Joe Linder asked who would do the construction. Moilanen stated it would likely be contracted out.

Public comments - Jerry Piche noted that he understood that Aquila Resources had ties to Canada, but that the United States uses feet, not meters, as measurements. Mr. Nelson replied that he had planned to change that in his presentation, but had forgotten to do so.

Larry Koenios stated that he was from Wisconsin and noted that River Road was used for motorcycle traffic for now, but once the truck traffic started this would likely not happen which would have an effect on tourism. He also stated that running the road through the state land would be bad for hunting in the area. He noted that he had read that 93% of all mines exceed the water quality standards for toxins, and that he was concerned that the poor water quality would also affect people on the Wisconsin side of the river, and that the road commission could be blamed for this. Moilanen explained that the road commission was neutral in the decision of whether the mine goes in or not. The road commission's only obligation is to do what is best for the flow of traffic. Shawn Johnson asked why River Road would have to be down to 1 lane. It was explained that the one lane portion would only be for approximately 2100 feet. Mr. Johnson stated that there would still be room for two lanes. Moilanen replied that there were cultural sites that would be affected, if the width were wider.

Additions/corrections to minutes for 08/09/16 & 08/24/16 – There being no additions or corrections, Kakuk declared that the minutes will stand as written.

Financial Report –

	Receipts	Expenditures	Payables / Reserves	Balances
Balance, August 8, 2016				\$2,830,191.89
Receipts thru 08/31/16	86,738.20			
Expenditures thru 08/31/16		287,389.51		
Balance, August 31, 2016				\$2,629,540.58
Michigan Transportation Funds	237,486.39			
Receipts thru 09/05/16	0.00			
Expenditures thru 09/05/16		0.00		
State Maint. & Equip. Advances			101,568.00	
Balance, September 5, 2016	324,224.59	287,389.51	101,568.00	2,765,458.97
<u>Payables & Reserves</u>				
Payroll 09/08, and 09/22 (Est.)			130,000.00	
Soc. Sec. 09/08 and 09/22 (Est.)			9,945.00	
Reserve for workers compensation insurance			6,902.00	
Reserve for liability insurance			60,739.60	
Reserve for rental grader leases - John Deere (Oct 2015)			152,668.00	
Reserve for rental grader leases - Cat Financial (Dec 2015)			431,567.05	
Reserve for Forest Funds			161,014.64	
Reserve RR X'ing closure funds for Nadeau Twp. projects			0.00	
Reserve for 2014 Federal Aid Match			6,777.75	
Reserve for 2015 Federal Aid Match			189.00	
Reserve for 2016 Federal Aid Match			192,047.00	
Reserve for Design Engineering for No. 5 Road & No. 10 Road bridges			19,939.34	
Reserve for County Line Road - 20% Share of Phase 1			130,000.00	
Reserve for 2016 bridge inspections			2,100.00	
Reserve for gravel testing - Fredrickson pit			0.00	
Reserve for rental of Vermeer mulcher (2 months)			19,000.00	
Reserve for crushing & stockpiling 15,000 tons of 22A gravel			37,200.00	
Reserve for crushing & stockpiling 22,500 tons of 22A gravel			55,800.00	
Reserve for Vega Road box culvert			26,400.00	
Reserve for second mowing on county system (paved roads only)			17,648.32	
Reserve for Capital Outlay-Equipment (OH on 517-518 Eq. Charges)			19,136.87	(1,479,074.57)
				\$1,286,384.40

There being no questions or comments, Kakuk declared the financial report accepted as read.

Vouchers # 16-0055, 16-0057, 16-0831, and 16-0058 – Moved by Skrobiak, seconded by Anderson that the vouchers be approved and ordered paid. Carried unanimously.

Act on proposed 2016/2017 Budget and general Appropriations Act –

GENERAL APPROPRIATIONS ACT

Moved by Commissioner Anderson, seconded by Commissioner Skrobiak, that the 2016/2017 Menominee County Road Fund Budget, as prepared according to the General Appropriations Act of 1981, having been subjected to the public hearing process and conforming to the other provisions of P.A. 621 of 1978, be adopted and that a copy of said budget be made a part of the minutes of this meeting.

	FY 2014/2015	FY 2015/2016	Budget 2016/2017
	<u>Actual Prior</u>	<u>Estimated</u>	<u>Recommended</u>
<u>REVENUES</u>			
Mich. Transportation Funds	\$3,499,482	\$3,509,783	\$4,260,100
Special State Funds	924,039	770,979	306,364
Federal Funds	2,019,512	1,708,010	775,200
County Raised Funds	1,453,306	1,209,180	2,035,445
Gain/Loss Equip. Disposal	99,041	30,000	0
Other Contributions	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUES	<u>\$7,995,380</u>	<u>\$7,227,952</u>	<u>\$7,377,109</u>
<u>EXPENDITURES</u>			
Primary Roads	3,707,856	3,462,583	1,721,000
Local Roads	2,945,339	1,254,146	3,312,146
State T/L Maintenance	666,626	705,499	705,500
TWA/Other T/L Maintenance	60,389	85,200	13,500
Equipment Expense (Net)	(143,893)	(237,000)	(325,000)
Administrative Expense (Net)	420,837	210,000	235,000
Distributive Expense	0	1,340,000	1,471,000
Capital Outlay (Net)	63,924	67,000	429,100
Miscellaneous	223,590	0	86,313
Special Projects	0	0	0
Contingencies	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>\$7,944,666</u>	<u>\$6,887,428</u>	<u>\$7,648,559</u>
YEAR END			
Budgeted Net Revenue (Expenditures)	9/30/2017		<u>(\$271,450)</u>
YEAR END			
Current Estimated Operating Surplus (Deficit)	9/30/2016	\$340,524	
DATE			
Accumulated Avail. Surplus (Deficit)	9/30/2015	<u>\$2,926,055</u>	
from Prior Yrs.	9/30/2016	<u>\$3,266,579</u>	
Projected Surplus at End of Budget Year (2016/2017)			<u>\$2,995,129</u>

For the purpose of administering the General Appropriations Act in accordance with the provisions of Public Act 2 of 1968, as amended, the following provisions are included:

1. Darrell W. Moilanen, Engineer – Manager, is designated Chief Administrative Officer, and Lisa K. Savord, Finance Director–Clerk, is designated as Fiscal Officer.
2. The chief administrative officer is authorized to transfer up to 25% of a line-item amount approved in the General Appropriations Act to another line-item without prior approval, but subject to approval of the Board of County Road Commissions at their next regular Board Meeting.
3. The expenditure amount approved in this General Appropriations Act for Distributive Expense shall be allocated to the various other expenditure line-items in the proportion as the allocation of actual Distributive Expense at year end.

MOTION APPROVED by roll call vote, 3 yeas, 0 nays.

Permission to bid cutting edges for moldboard assemblies – Moved by Skrobiak, seconded by Anderson to have Moilanen go out to bid for the cutting edges. Carried unanimously.

Update on status of River Drive ride quality issue – Moilanen explained that an agreement had been reached to deduct payment of \$19,380.93 from the project for the issues associated with the ride quality. Moved by Anderson, seconded by Kakuk to accept prior payments made by Menominee Township toward the project as payment in full, and to not bill them for any additional funds. Carried unanimously.

Discuss Sinclair Lane – Moilanen explained that only a minimal amount of maintenance had been performed on this road over the past several years and that the board could either choose to decertify 0.3 mile in question or leave it certified as it has been and maintain it in the future. Skrobiak noted that he would like to see the road in question prior to making a decision. This item will be tabled until the next meeting to allow all commissioners time to see the road prior to making a decision.

Act on distribution of Forest Funds - Moved by Anderson, seconded by Skrobiak to allocate the Forest Funds as follows. Carried unanimously.

G-08 Bridge Deck Repairs	26,660.28
W. 3 rd Street, Hermansville	44,825.21
Cedar River Lane	86,921.09
J-1 Road	<u>2,608.06</u>
Total	\$ 161,014.64

Discuss Hannahville 2% Grant submittal – Moilanen suggested that the request be for \$25,000 toward the grade lift on CR551. Moved by Skrobiak, seconded by Anderson to apply for the grant for this project. Carried unanimously.

Schedule meeting to discuss/approve final amendment of the 2015/2016 Budget– A special meeting will be held on Monday, September 26, 2016 at 9:00 a.m. to discuss the final amendment of the 2015/2016 Budget and any other business to come before the board at that time.

Any other business – Skrobiak asked if Whispering Pines Road was plowed to the end. Moilanen responded that it was not done for every storm. Skrobiak stated that there were rocks in the road and that some maintenance gravel was needed.

Anderson asked when Beattie Creek Lane would be ditched. Moilanen replied it should be done during the first two weeks of October.

Kakuk noted that he had taken a ride with Joe Linder to look at N-1 Road and N-4 Road to check on the damage done by MJ Electric while installing the new transmission line. Moilanen said that there were two section of N-1 Road that he could see were damaged, but that N-4 Road was not as bad. Joe Linder stated that the roads were worse following a heavy rain and asked that Moilanen look at them again after the rain. Kakuk stated that he had observed 3 bad spots. Moilanen asked that the board consider how much compensation they wanted to ask for to repair the roads. Moilanen will photograph the roads after today’s rain and will also provide Joe Linder with contact numbers for MJ Electric personnel. These roads will be discussed further at the September 26 special meeting.

Jerry Piche thanked the board for the nice letter they had put in the Menominee County Journal

thanking the public for their help in keeping the roadsides nice.

Public Comment – David Wesoloski thanked the board for closing out the River Drive project and noted that there was still one culvert that needed to be watched for heaving in the spring.

Joe Linder stated that he would like both the road commission and the township to be involved in discussing any road damage caused by the electric transmission line project.

There being no further business, Kakuk declared the meeting adjourned at 10:07 a.m.

Road Commission Finance Director / Clerk

Chair