

October 10, 2013

THAT the meeting was called to order by Commissioner Dunleavy at 9:30 a.m. in the Board Room of the Livingston County Road Commission, 3535 Grand Oaks Drive, Howell, Michigan. Notice of the meeting was posted in accordance with Act #267 of 1976.

A. CALL TO ORDER

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

Commissioners Present: Stephen F. Crane
John T. Dunleavy
David R. Peckens

Staff Present: Michael Craine, Managing Director
Terry Palmer, Accounting Supervisor
Jodie Tedesco, County Highway Engineer
Steve Wasylk, Deputy Managing Director of Operations

Others Present: None

D. APPROVAL OF AGENDA

ACTION: It was moved by Commissioner Crane, seconded by Commissioner Peckens, to approve the agenda as presented.

Ayes: Commissioners Crane, Dunleavy, Peckens.

Nays: None.

Motion Carried.

E. CALL TO THE PUBLIC (1)

No Response

F. ACTION ITEMS

1. 2014 Budget
 - MTF Projections and Capital Outlay

Steve Wasylk made a short presentation outlining staff estimates of 2014 Michigan Transportation Fund (MTF) income as well as capital item outlay. The MTF projections included an analysis of the 2013 forecast and actual revenues. It would appear that fiscal year 2013 which closes with the revenue voucher received February 1, 2014, will finish approximately \$300,000 better than forecast. Mr. Wasylk said that he looked at the projections available from the State of Michigan for 2014 and compared it to a "no increase" from budget based on 2013 revenues. These amounts begin to approach the high point in revenues for the Road Commission from the years 2006 and 2007. Staff believes that the use of conservative revenue estimation is the better way to go each year with a mid-course correction in the spring.

Capital outlay items include both road equipment and office equipment. Mr. Wasylk indicated that road equipment would include two motor graders, a tractor backhoe, two pickup trucks, and a patch trailer. He explained the status of existing items in each of these categories. There was discussion of the number of hours on individual motor graders.

In addition to the usual replacement computer equipment and software licenses, there also were recommendations for consideration of a backup electrical power generator and the early phases of replacement of the fuel tank farm.

The Road Commission has experienced considerable power interruption over the last several years. This is generally due to the failure of the power distribution system. In past years, staff had looked at a whole-building backup generator system and it was prohibitively expensive at approximately \$350,000. Recently, a new plan to backup computers and the fire suppression system was reviewed. It is believed that a natural gas generator to back up just these circuits could be installed for approximately \$60,000. There was also discussion of replacing the steel fuel tanks at 3535 Grand Oaks Drive. This would be a multi-year investment. The existing tanks will be 25 years old in budget year 2015. This is the recommended life for steel tanks and piping. Staff is recommending that the Board use approximately \$50,000 to evaluate the structural condition of the canopy over the fuel islands and for the development of plans for the replacement of the tanks, level gauging system, vending system, and leak protection system. This capital investment could be as much as \$400,000 and staff believes that it would proceed with a good set of plans to encourage proper procurement of this item.

Major issues that will need to be managed include how to procure the motor graders. Short-term financing was used in the last two purchase cycles. Mr. Craine indicated that this still made the most sense to the Road Commission from a cash flow point of view. There was detailed discussion of steering systems available on commercially reliable equipment.

There was also discussion of when to recognize the possible increases in Michigan Transportation Funds on a year-to-year basis. The most conservative approach would be to not recognize them until the following fiscal year. This however deprives the Road Commission of the use of these funds during the construction season of the current fiscal year. This discussion will continue. The next items to be discussed will be road improvement projects for 2014.

G. INFORMATION ITEMS

The following items were presented to the Board as information only:

1. Clip Sheets (September 26-October 2, 2013)
2. Clip Sheets (October 3-9, 2013)

H. CALL TO THE PUBLIC (2)

No Response

I. LEGAL

No Report

J. ADMINISTRATIVE BUSINESS

1. Minutes
 - a. Regular Board Meeting
September 26, 2013

The proposed minutes of the meeting of September 26, 2013, were presented to the Board for its review and approval.

ACTION: It was moved by Commissioner Crane, seconded by Commissioner Dunleavy, to approve the meeting minutes of September 26, 2013.

Ayes: Commissioners Crane, Dunleavy.

Abstained: Commissioner Peckens.

Nays: None.

Motion Carried.

2. Bills

Accounting staff notified the Board that a vendor lost check number 75330 and it was replaced by check number 75367. A stop payment was issued for check 75330.

ACTION: It was moved by Commissioner Crane, seconded by Commissioner Peckens, to approve vouchers 75368 through 75454 in the net amount of \$487,334.23.

Ayes: Commissioners Crane, Dunleavy, Peckens.

Nays: None.

Motion Carried.

3. Meetings Announced

- a. Next Regular Board Meeting
October 24, 2013 - 9:30 a.m.

4. Financial Reports Reviewed

- a. Cash Position Statement
- b. MTF Comparison Report

5. Miscellaneous Road Items

Jodie Tedesco provided the Board with an update on construction activities. She reviewed a detailed list of Green Oak projects, other overlays, Latson-Nixon, and a schedule for Hilton Road improvements. There was also discussion of the status of the Grand River-Burkhart project.

K. ADJOURNMENT

There being no further business to come before the Board, Chairman Dunleavy declared the meeting adjourned at 10:25 a.m. Motion carried.

Signed _____
John T. Dunleavy, Chairman

Signed _____
Michael Craine, Managing Director