

December 8, 2011

THAT the meeting was called to order by Commissioner Peckens 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. ROLL CALL

Commissioners Present: Stephen F. Crane
David R. Peckens

Commissioners Absent: John T. Dunleavy

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

Others Present: Chris Behnan, Daily Press & Argus
Tom Darling, WHMI

B. APPROVAL OF AGENDA

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

Ayes: Commissioners Crane, Peckens.

Nays: None.

Motion Carried.

C. CALL TO THE PUBLIC (1)

No Response

D. ACTION ITEMS

1. Extend Concept Approval/Accept Streets
 - Northshore Phase VII Site Condominium (Resolution 1112-048)

The proprietor for Northshore Phase VII Site Condominium requested both an extension of concept approval and acceptance of the streets in Northshore Phase VII for public maintenance. Staff has been in regular communication with Northshore representatives and has reviewed documentation and construction items pertinent to the requests. All substantive items have been addressed. Staff recommended extension of concept approval to January 1, 2012 and acceptance of the streets in Northshore Phase VII for public maintenance.

ACTION: It was moved by Commissioner Crane, seconded by Commissioner Peckens, to approve Resolution 1112-048. (Certified Copy on file in the Board Meeting Resolutions.)

Ayes: Commissioners Crane, Peckens.

Nays: None.

Motion Carried.

2. **Adopt Fund Balance Policy**
 - GASB Statement #54(Resolution 1112-049)

The Governmental Accounting Standards Board (GASB) issued its Statement #54 which is intended to promote uniformity in the designation of fund balances by public entities. Staff submitted a proposed Fund Balance Policy to financial advisors Pfeffer Hanniford & Palka for review. Pfeffer Hanniford & Palka determined that the proposed policy conforms to the requirements of GASB Statement #54 and staff recommended it to the Board for adoption.

ACTION: It was moved by Commissioner Crane, seconded by Commissioner Peckens, to approve Resolution 1112-049. (Certified Copy on file in the Board Meeting Resolutions.)

Ayes: Commissioners Crane, Peckens.

Nays: None.

Motion Carried.

3. **Non-Union Salary and Benefits**
 - Consideration(Resolution 1112-050)

Mr. Craine reviewed with the Board his memorandum regarding non-union salaries and benefits. In it, he noted that the financial dilemmas in recent years have dramatically affected LCRC's ability to promote the types of improvements and services that it would like. It has also meant considerable restraint in LCRC's wage and benefit program. More of the same is expected in 2012. With few bright spots on the revenue horizon, it seems necessary to continue to omit salary increases for 2012, as has been the case since 2008.

Also coming in budget year 2012 is the implementation of Act 152 of the Public Acts of 2011. Act 152 establishes contribution rates or capped premium amounts for public employee insurance. Staff proposed that non-union employees be subject to capped employer contributions as set forth in Act 152. Those caps are \$5,500 for single coverage, \$11,000 for two-person coverage, and \$15,000 for family coverage. This would not require any change in coverage at this time, but would eliminate any deductible reimbursement. All non-union employees would be responsible for the first \$1,500 of an individual's health care coverage and the first \$3,000 of couple of family coverage. A proposed resolution adopting the Capped Employer Contribution Program was submitted to the Board for consideration.

ACTION: It was moved by Commissioner Crane, seconded by Commissioner Peckens, to approve Resolution 1112-050. (Certified Copy on file in the Board Meeting Resolutions.)

Ayes: Commissioners Crane, Peckens.

Nays: None.

Motion Carried.

4. **Layton Road Bridge**
 - Design Services(Resolution 1112-051)

Mr. Craine advised the Board that it could be possible to advance the funding for the Layton Road bridge into 2012. The bridge is currently closed. Mr. Craine discussed the matter with Frank Brechting of Brechting Bridge & Engineering, Inc. This firm has had six successful bridge projects with LCRC prior to this one. Mr. Brechting indicated that the Layton Road project could be ready for construction before September of 2012. He submitted a proposal at a modest fee that is less than the fee for the recently completed Latson Road bridge project. Staff recommended accepting the proposal.

ACTION: It was moved by Commissioner Crane, seconded by Commissioner Peckens, to approve Resolution 1112-051. (Certified Copy on file in the Board Meeting Resolutions.)

Ayes: Commissioners Crane, Peckens.

Nays: None.

Motion Carried.

5. Act 51 Certification
● Mileage Adjustment
(Resolution 1112-052)

LCRC annually certifies street lengths to MDOT as required under Act 51. This is normally done in the March following the year of certification. The state is now re-measuring all public roadways using advanced geographic systems and photo surveys.

Staff has also re-measured every street in the LCRC system in order to match the state's database as closely as possible. Overall, there is a slight loss in the length of the system as a result of the re-measurement. These losses are negligible and will not result in a significant shift in revenue. Staff recommended that the Board approve revisions to the certified street lengths.

ACTION: It was moved by Commissioner Crane, seconded by Commissioner Peckens, to approve Resolution 1112-052. (Certified Copy on file in the Board Meeting Resolutions.)

Ayes: Commissioners Crane, Peckens.

Nays: None.

Motion Carried.

6. 2012 Budget
● Presentation

Steve Wasylk made a presentation to the Board regarding proposed projects for 2012. He reminded the Board that at an earlier meeting, a discussion regarding anticipated Michigan Transportation Fund revenues and capital outlay items was held.

Mr. Wasylk's presentation included a discussion of each proposed project on the primary and local systems as well as bridge designs contemplated for 2012. The details of the associated revenues, if any, of each project also was discussed.

A separate portion of the presentation was devoted to anticipated maintenance costs in 2012. Mr. Wasylk stated that he was trying to hold the line on maintenance expenses, but that this was largely determined by the type of winter we have this year. There was discussion regarding individual projects and maintenance items. Chairman Peckens stated that the dust control expenditures and the contributions toward dust control by the townships were a key element in the success of the maintenance program. There was recognition of the importance of the partnership with the townships for rural road maintenance.

Mr. Wasylk indicated that all these items would part of the 2012 budget presentation to be held at the public hearing on Tuesday, December 20. He further stated that a draft budget would be available for public inspection in the week of December 12.

E. INFORMATION ITEMS

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

1. Clip Sheets (November 22-30, 2011)
2. Clip Sheets (December 1-7, 2011)
3. Letter of Appreciation, Marion Township Planning Commission

F. CALL TO THE PUBLIC (2)

Mike Rife noted that the maintenance items referred to in Mr. Wasylk's presentation included berm removal. He stated that it was very important to keep working on berms during the year because if

allowed to develop, they impeded drainage on gravel roads. Mr. Wasylk agreed with Mr. Rife. He stated that the budget item is actually for berm removal on paved roads. Maintenance operators are encouraged to minimize the development of berms on gravel roads through routine grading techniques.

G. LEGAL

No Report

H. ADMINISTRATIVE BUSINESS

1. Minutes

**a. Regular Board Meeting
November 22, 2011**

The proposed minutes of the meeting of November 22, 2011, were presented to the Board for its review and approval.

ACTION: It was moved by Commissioner Crane, seconded by Commissioner Peckens, to approve the meeting minutes of November 22, 2011.

Ayes: Commissioners Crane, Peckens.

Nays: None.

Motion Carried.

2. Bills

ACTION: It was moved by Commissioner Crane, seconded by Commissioner Peckens, to approve vouchers 071531 through 071618 in the net amount of \$675,959.09.

Ayes: Commissioners Crane, Peckens.

Nays: None.

Motion Carried.

3. Meetings Announced

**a. Next Regular Board Meeting
December 20, 2011 - 9:30 a.m.**

4. Financial Reports Reviewed

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

5. Miscellaneous Road Items

Jodie Tedesco indicated that all projects had been completed and that the engineering staff is preparing designs for 2012. Chairman Peckens observed that this has been a very good year for the Engineering Department in that all projects have been completed.

I. ADJOURNMENT

There being no further business to come before the Board, Chairman Peckens declared the meeting adjourned at 10:15 a.m. Motion carried.

Signed _____
David R. Peckens, Chairman

Signed _____
Michael Craine, Managing Director