

REGULAR MEETING OF THE CHEBOYGAN COUNTY ROAD COMMISSION JUNE 28, 2018

Chairman D. Brown called the Regular Meeting of the Cheboygan County Road Commission to order at 8:00 A.M.

Clerk D. Stempky took roll call and a quorum was present.

Pledge of Allegiance was recited

PRESENT: D. Brown, D. Brandt, C. O'Connor, H. Ginop, K. Paquet, Engineer/Manager B. Shank and Clerk D. Stempky

VISITORS: C. Veneros, C. Muscott, S. Redmond, G. Buiss, L. Bruscha, P. Bruscha, B. Jacobson, D. August, R. Knight, B. Hartwig, B. Chadwick, C. Antkoviak, L. Cagle, J. Reinecker, G. Archambo, F. Cribb, G. Friske, T. Horrocks, E. Cribb, and S. Redmond

MOTION by K. Paquet seconded by C. O'Connor to approve regular meeting minutes of 5/24/2018 as corrected: stating Mr. Perry lives on W. Burt Lake Road and not Hardwood Road. 5 Years CARRIED

MOTION by D. Brandt seconded by H. Ginop to approve for payment current payroll vouchers #18-22-\$73,822.42 and #18-24-\$75,093.68 and accounts payable vouchers #18-23-\$223,391.94 and #18-25-\$261,164.27. O'Connor-yes, Ginop-yes, Brandt-yes, Paquet-yes, Brown-yes CARRIED

MOTION by D. Brandt seconded by K. Paquet to approve agenda with New Business #9-Mack Avenue/Lake Blvd Fence. 5 Years CARRIED

MOTION by K. Paquet seconded by D. Brandt to approve audit report for year ended 12/31/2017 as presented. 5 Years CARRIED

Engineer/Manager received a permit for Island Drive to allow garage that is encroaching on the right of way. The road has a 66 foot right of way, but per the survey from 2006 it does not state how many feet the garage is encroaching. Peggy and Lester Bruscha commented they bought in 1990 and made permanent resident in 2010, trying to refinance since beginning May and the bank wants something that gives the property owner's permission to have garage as an encroachment of the right of way. The Board would like something that shows how much encroachment is actually being requested. Mrs. Bruscha commented she has a survey from the 70's that may show the actual footage. Engineer/Manager Shank looked at survey and states 12 inch encroachment within the right of way.

MOTION by D. Brandt seconded by C. O'Connor to approve permit for Lester and Peggy Bruscha, and allow Management to issue permit for Island Drive to allow an encroachment of Garage up to 24 inches of the County Road Right of Way. 5 Years CARRIED

Engineer/Manager Shank stated the Industrial Arts Institute contacted the Road Commission regarding any interest in purchasing 7 one way plows for \$3,000.00 each.

MOTION by D. Brandt seconded by C. O'Connor to approve the purchase of seven (7) one way plows from Industrial Arts Institute at \$3,000.00 each for a total of \$21,000.00. Ginop-yes, Brandt-yes, Paquet-yes, O'Connor-yes, Brown-yes 5 Years CARRIED

Engineer/Manager Shank commented MCRC SIP has forwarded information regarding the amendment changes to the right of way permit statute, MCL 224.19b, that takes effect July 1, 2018. The amendment changes how Road Commissions must process permit applications from telecommunication providers and video service providers. The changes are significant and will need a public hearing to be held to adopt the new fee schedule if applicable and fee restrictions and bond restrictions. Engineer/Manager Shank also asked if the Board wants to look at setting a fee for an applicant that is requesting a variance from the requirements. There are some Road Commissions initiating and some choosing not.

MOTION by C. O'Connor seconded by H. Ginop to set public hearing for Thursday August 2, 2018 at 9:00 A.M. with regular meeting to follow to discuss proposed amendment changes to the permit process applications and fees from telecommunication providers and video service providers. 5 Years

CARRIED

Presented the following resolution authorizing installment purchase contract for the acquisition of three (3) trucks.

MOTION by D. Brandt seconded by C. O'Connor to approve the following Resolution Authorizing Installment Purchase Contract for the Acquisition of Trucks:

WHEREAS, the Board previously approved the acquisition by the Cheboygan County Road Commission (the "Road Commission") of three International Model HX515 SFA tandem plow trucks (the "Property") from Zaremba Equipment Inc. (the "Seller");

WHEREAS, it is determined to be necessary and desirable and in the best interest of the Road Commission that the acquisition of the Property be financed by installment purchase authorized under the provisions of MCL § 224.10(5), and more specifically by the acquisition of the Property pursuant to an installment purchase contract with the Seller and Citizens National Bank (the "Assignee") to be dated the date of delivery thereof (the "Contract").

NOW, THEREFORE, BE IT RESOLVED that:

- 1. It is hereby found to be necessary and desirable for the Road Commission to finance the cost of the Property in the aggregate principal amount of \$370,500 by the acquisition of the Property by the Road Commission pursuant to the terms and conditions of the Contract.**
- 2. The Board shall include in its budget and pay the sum or sums necessary each year to meet the payments due pursuant to the provisions of the Contract.**

3. The Contract shall be dated the date of delivery thereof to the Assignee. Principal of the Contract shall be payable in monthly installments as approved by the Engineer/Manager of the Road Commission with the final principal payment being due not later than three years after the date of delivery of the Contract. Interest on the unpaid principal of the Contract shall be due and payable on each principal payment date at the per annum rate of 2.750%. Installments of principal may be prepaid at the option of the Road Commission without premium.

4. The Engineer/Manager of the Road Commission is hereby authorized to enter into the Contract in substantially the form approved by him and consistent with the terms of this resolution. The approval of such form and the principal installments of the Contract described in the preceding paragraph shall be conclusively evidenced by his signature on the Contract. The Contract may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

5. The Board covenants to comply with all provisions of the Internal Revenue Code of 1986, as amended (the "Code"), necessary to maintain the exclusion of interest on the Contract from gross income for federal income tax purposes.

6. The Engineer/Manager of the Road Commission and other officers of the Board as may be necessary are each hereby authorized to execute and deliver such documents, instruments and certificates, including security agreements and financing statements, as are necessary or desirable to consummate the described transactions, to secure payment of the Contract and to maintain the exclusion of the interest on the Contract from gross income for federal income tax purposes.

7. The Board hereby designates the Contract as a "qualified tax exempt obligation" for the purpose of deduction of interest expense by financial institutions under Section 265(b)(3)(B) of the Code.

8. **The useful life of the Property is determined to be ten years and upwards.**

9. **All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.**

5 Yeas CARRIED

MERS Annual Retirement Conference, October 4-5, 2018

MOTION by K. Paquet seconded by H. Ginop to approve Clerk Stempky and One (1) Union Employee to attend the MERS Retirement Conference, October 4-5, 2018 in Grand Rapids. 5 Yeas CARRIED

Closed Session will be held after regular session to discuss six (6) month evaluation for Engineer/Manager Shank.

Engineer/Manager Shank presented a permit for Drost Chocolates allowing placement of tables and chairs within the Right of Way. The Road Commission issued him a permit for the 2017 season and recommending issuing an infinite permit being there were no issues noted from 2017. The permit allows for placement of 2 tables on South Straits Hwy and 4 tables to be placed on Oakley Avenue.

MOTION by D. Brandt seconded by K. Paquet to allow Management to issue permit to Drost Chocolates to place 2 tables and chairs on S. Straits Hwy and 4 tables on Oakley for an infinite period. 5 Yeas CARRIED

Engineer/Manager Shank discussed the fence issue on MackAve/Lake Blvd. The fence located on the South side of right of way was granted by court ruling from 1986, the fence had to be 10 feet from the waters edge, the fence located on the north side was installed at a later date and not included in the court case. This fence borders Devoe Beach. Shank noted there are two residents that are not in favor of the fence being there but no other opposition was heard or any problems that he is aware of. Feels if the Road Commission wants to allow the North fence then a permit should be issued, resident needs to apply for a permit stating to that affect.

MOTION by K. Paquet seconded by C. O'Connor to receive and file the following correspondence as follows: Township Meeting Minutes: Benton 5/1/18, Mullett 6/5/18, Grant 5/9/18, Koehler 5/14/18, Burt 5/3/18, Mackinaw 5/15/18 and Tuscarora 5/1/18 and 6/5/18; Safety Committee Meeting Minutes 6/13/18; CRASIF Refund check; CRASIF Call for Board of Trustee Candidates; May State Trunkline Maintenance; Debra Ogden Ref. Speed Limit on Molineaux Road and MCRCSIP Annual workshop and Membership Meeting. 5 Yeas CARRIED

MOTION by D. Brandt seconded by H. Ginop to approve splitting the CRASIF refund of \$13,531.22 received to make an additional contribution to the OPEB and Retirement (MERS). Roll call: Brandt-yes, Paquet-yes, O'Connor-yes, Ginop-yes, Brown-yes CARRIED

Engineer/Manager Shank Update:

- Grate on Hebron Townhall Road on overpass has been placed
- Foreman and Eng/Manager looked at Beebe Road patching being done may be able to ditch a few areas
- Krause Road stumps were looked at and the logging company will be removing, they are not very large.
- E. Mullett Lake Road was awarded to Rieth Riley, 1/10th % over the estimate, held Pre Construction Meeting and plan to start August 20.
- Gainor Bridge on Black River Road preservation project is on hold, Huron Pines Engineering who was doing the engineering for the preservation work found advance deterioration which places it out of the

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preservation category for the funds currently have available. If the preservation was performed on the bridge there is no guarantee it would extend the life of the bridge for 10-15 years, and would not be able to apply for funds to reconstruct. Engineer/Manager Shank discussed with MDOT and they will hold the funds currently allocated for preservation and in 2019 apply for super structure grant for the 2022 construction year. CCRC may have to increase their match if awarded. Following asset principles and apply next year for replacement and not perform the preservation work as planned. Looking at sealing the top from water seepage which is causing the damage.

- Motor Carrier Patrol report: patrolled 74 hours due to the extended winter season, 26 stops and 3 citations for overweight were issued.
- Demoed an excavator last couple of weeks, excavator is at the top of the list for purchase for the 2019 year, currently being told there is at least 6 month lead time for receiving. Would like permission to bid out excavator to take delivery for 2019.
- Next Meeting will have bids to award for Little Canada and Baker Road and Shire Road projects.

MOTION by C. O'Connor seconded by H. Ginop to allow Management to advertise for bids for excavator with delivery for the 2019 calendar year. 5 Yeas **CARRIED**

Travis Horrocks, Engineering Tech Construction Project update:

- Orchard Beach and Townline-curbs about complete, Orchard Beach pulverized yesterday and Townline Road scheduled for today. Orchard Beach starts paving after the 4th.
- Twin School Road, Waverly Township, pulverized and paving beginning of next week
- Currently working on the curbing for downtown Indian River for Tuscarora Twp
- Temple Road and E. Mullett Lake Road beginning end of August first part of September
- Gravel projects for Burt, Waverly and Munro July to August start date.
- Milligan Creek Culvert projects are pushed back 3 weeks due to the turtles
- Twin Lake Road Mid July to August

Foremen Updates:

D. August: Resort Road finished up and waiting for gas line to be moved on Oosting Road; ½ mile of Club Road was cut back and stumped; Tuscarora is brining tomorrow, the last of his Townships to brine; Dura patcher is out; trapper has caught another 13 beavers; grading but there is an issue with the roller tires; will be working on the Seminole Ave and Cherokee Avenue approach work and grading.

S. Redmond: Started mowing; patching; culvert replacements on Court St., Canton Rd, Bryant Rd, Mullett Lake Woods Road; Ditching Tannery and Maxwell Road; brining complete; working on Woiderski Road seasonal portion

Gary Friske, inquiring as to the Boards feeling about taking over private road. Engineer/Manger Shank has sent him the information that is needed for the Board to make a decision. It does meet some of the standards but not all. Looking for consideration as this time. Will wait for information before Board makes a decision.

Chairman Brown recessed regular meeting at 9:35 A.M. before going into closed session for Engineer/Manager 6 month evaluation.

Resume to regular session at 9:45 A.M.

MOTION by D. Brandt seconded by K, Paquet to go into closed session at request of Engineer/Manager Shank for 6 month evaluation at 9:45 A.M. Roll call: Paquet-yes, O'Connor-yes, Ginop-yes, Brandt-yes, Brown-yes **CARRIED**

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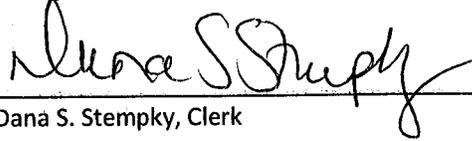
**MOTION by D. Brandt seconded by C. O'Connor to return to open session at 10:10 A.M. Roll Call:
O'Connor, Ginop-yes, Brandt-yes, Paquet-yes, Brown-yes CARRIED**

Return to open session at 10:10 A.M.

Chairman D. Brown adjourned regular meeting at 10:10 A.M. being no further business to come before the Board.



David D. Brown, Chairman



Dana S. Stempky, Clerk