

A REGULAR MEETING of the Board of Chippewa County Road Commissioners was held in their office located at 3949 S. Mackinac Trail, Sault Sainte Marie, Michigan on June 2, 2016.

The meeting was called to order at 8:00 a.m. followed by the Pledge of Allegiance.

PRESENT: Chairman Timmer, Commissioner Ormsbee, Commissioner Gagnon, Manager Laitinen, Office Manager Decker, Clerk Price, Engineer Krouth, Engineering Technician Jere, Chief Mechanic Marsh and Union President Hopper.

ABSENT: Foreman Erickson, Foreman McConkey, Foreman Goodman, Surveyor Wiggins

MOTION by Commissioner Ormsbee **SECONDED** by Chairman Gagnon that the Payroll in the amount of \$120,837.85 and Vouchers in the amount of \$74,151.09 be approved and authorized for payment from the County Road Fund subject to audit.

MOTION CARRIED

MOTION by Commissioner Ormsbee **SECONDED** by Commissioner Gagnon to approve the minutes from the Regular Meeting held on May 19, 2016 and the Special Insurance Meeting held on May 26, 2016.

MOTION CARRIED

PUBLIC COMMENTS

Whitefish Township Resident Steven Labudda was present to request that Betsy River Road be plowed in the Winter. He indicated that when he moved to the area he was much younger and able to deal with the harsh conditions. Now that he is older he wants Betsy River Road converted to an all season road. He stated that other roads with fewer residents are plowed and his isn't. Manager Laitinen responded that in the 80's hearings were advertised and held to establish seasonal status. There is a clear policy for converting roads from seasonal to all season. Manager Laitinen recommended that Mr. Labudda start a petition of the area home owners and bring it to the Township for support.

STAFF REPORTS

Office Manager Decker

- The State Trunkline audit is back from 2014 and we have to repay \$178,462.00. Of that amount \$148,000.00 is due to a fringe benefit rate adjustment, \$21,000.00 adjustment to equipment and 8 1/2% overhead. The fringe rate was estimated at 127% in 2013 for use in 2014, actual came in at 106%. Each year the fringe is estimated and adjustments are made up or down based on actual usage. Office Manager Decker noted that because 2014 was a lighter winter that fringe costs were spread over fewer wages and the rate will increase causing the State to owe us when the 2015 audit is done. Manager Laitinen indicated that this is a huge problem State wide. The State Contract Negotiating committee has been discussing this issue. One solution would be to lock in the rates at the beginning of the contract and have no audit. MDOT is agreeable with the idea but it would take an act of the legislature. More Discussion ensued.

Engineer Krouth

- Typically we have bridge inspections done every two years. We have twelve bridges that have to be inspected yearly due to their poor condition. Engineer Krouth discussed the various locations and their condition. The worst being on Mackinac Trail over Chubb Creek. Although we have applied for Critical Bridge funds many times it is still not rated bad enough for funding. Two of the twelve bridges will be taken care of with the recent purchase of land and the large box culvert going in on 12 Mile. Chairman Timmer asked for a list of the critical bridges for long term planning. Office Manger Decker indicated that GASB 34 required that we list all our bridges and their historical cost. Manager Laitinen stated that bridge funding is very hard to get. Discussion ensued.
- Commissioner Ormsbee asked for an equipment list to use for long term planning as well.
- This is the last week for 24 hour stone hauling for the Little Rapids Project. Traffic should shift to the temporary road mid June. Large construction materials will be barged in. Traffic

issues with the ferry seem to have subsided. The kick off meeting will be June 28th.

- The pre-con meeting for Gogomain Road will be held today with construction starting as soon as next Monday the 6th. Shortly after the pre-con meeting will be held for the Townline Road project.
- Engineer Krouth introduced Engineering Tech Dan Jere to the Board. He will be handling the inspections for the summer projects.
- Commissioner Ormsbee suggested that with the millage coming up it may be a good idea to do some photo advertising so the public sees what is possible with the millage funds.

Chief Mechanic Marsh

- Went over the fuel and oil bids with Office Manager Decker.
- Mechanic shop going good.

Engineering Tech Jere

- Introduced himself and gave his background. He thanked the Board for the opportunity.

Union President Hopper

- He expressed that he felt that the Foreman should be at the meeting and that they felt unwanted. Chairman Timmer expressed that was not the case and they are more than welcome.

MANAGERS REPORT

- Manager Laitinen explained to the Board the amount of work that goes into maintaining the stainless steel truck bodies. Our own forces were recently able to completely replace the floor and restructure the dump bodies. The decision was made to cover the underside of the box with Line-X at a cost of \$1500.00. This should extend the life of the dump body another ten years. Discussion ensued.

- DEQ mediation is in Lansing, June 27th and 28th. A retired Judge will be acting as the mediator. Manager Laitinen asked if Chairmain Timmer would be available to MC the Little Rapids Kick Off at Rotary Park due to the mediation in Lansing.
- Informed the Board he was interviewed by Christina from the CRA office for an article in Crossroads Magazine. She was doing an article about Winter Operations on Islands.
- Reported that the L.R.P. is going well after the 24 hour trucking. The CORPS of Engineers rock provided was a project saver.
- Completed Township Road Agreements for Bruce, Soo and Detour Townships.
- Working on compiling the gravel bid package.
- Signed a lease with American Transmission Company for our Fairview Road Rd sand pit. They wanted to lease as a lay down yard for work on the transmission line. They have provided proof of insurance and have agreed to \$2250.00 a month for 10 months.
- The House passed a new highway speed bill. It would increase Interstate Hwy's to 75 and certain two lane roads to 65. The change still faces a lot of opposition.
- The Green Light Bill passed. This allows only road maintenance vehicles to have green lights. The Interstate trucks will be changed out before Winter. Commissioner Ormsbee commented that the Foreman's Trucks should be outfitted as well.

COUNTY COMMISSIONERS COMMENTS

County Commissioner Raymond Johnson commented that he attended the UP-CAP Meeting and reported on the status of the oil line under the Mackinac Bridge and along the waterline. He reported that the Forrest clean-up went really well, they took out forty yards of trash. Lastly he mentioned that the Amish community is still giving the building inspector headaches.

AWARD OF FUEL AND OIL BID

Manager Laitinen went over the fuel bids. There were three bidders. He then discussed how the bid price is determined. Each bidder was to provide their mark-up over wholesale price plus transportation.

MOTION by Commissioner Ormsbee **SECONDED** by Commissioner Gagnon to award diesel fuel, regular unleaded, winter blend and heating oil to Autore Oil and Shutes Oil as bid.

MOTION CARRIED

Manager Laitinen then went over the Oil bid specs and bidders. Northern Energy was low bidder across the board with the exception of 15W40. Chief Mechanic Marsh explained that he and Office Manager Decker carefully went through the oil specs and Northern Energy met specifications.

MOTION by Commissioner Gagnon **SECONDED** by Commissioner Ormsbee to award the oil and lube bid to Northern Energy.

MOTION CARRIED

STEWARDSHIP AGREEMENT WITH U.S. FOREST SERVICE

This agreement is for installation of a box culvert on Teets Road over Little Bear Creek Road in Fiber. The estimated cost is \$216,000.

MOTION by Commissioner Gagnon **SECONDED** by Commissioner Ormsbee to enter into an agreement with the U.S. Forest service for work to Teets over Little Bear Creek.

MOTION CARRIED

ANNUAL DUST CONTROL PROGRAM WITH TOWNSHIPS

Manager Laitinen explained to the Board that a correction needs to be made in the minutes regarding the dust control program with the Townships. It was stated that we will contribute \$1200.00 to each Townships dust control program. The correct policy is 1/3rd of the cost up to \$1000.00. Chairman Timmer asked about cost per mile. Office Manager Decker stated that it varies greatly depending on coverage and conditions. Chairman Timmer asked how the chloride/brine affects maintenance costs. Manager Laitinen commented that it has a big effect. It helps in two ways, after application we stay of the roads to maintain its effectiveness which reduces maintenance. The brine locks in the cementing agents in the gravel which hardens the roadway. It has a defendant benefit but it's hard to put a cost savings on it.

APPROVAL OF OPTIONAL HEALTH INSURANCE UPON RETIREMENT POLICY

Manager Laitinen read the proposed policy to the Board. Chairman Timmer asked if we had run the policy past our Legal team. Manager Laitinen responded that no, we have not. The obligation to the Retiree is already stated in the Union Contract and clarified in Arbitration.

MOTION by Commissioner Ormsbee **SECONDED** by Chairman Timmer to approve the Optional Health Insurance Policy with the addition of a signature of understanding from the Retiree.

MOTION CARRIED

NON UNION SALARY DISCUSSION

Manager Laitinen reported that he received a copy of the annual salary study done by Baraga County. Our salaries across the board are low compared to other Road Commissions. He has the following recommendations.

Chairman Timmer indicated that we need to look at wage increases in two ways. First being merit awards and second being to keep good people in their positions.

Manager Laitinen poses the following recommendations.

Office Manager Decker has 23 years experience in his position. He is considered one the most experienced and an expert in his field. He recommends a \$9900.00 increase, \$3300.00 a year over three years.

Engineer Krouth holds a Professional Engineering license and is the lowest paid Road Commission Engineer across the state. He recommends a \$9900.00 increase, \$3300.00 a year over three years.

Surveyor Wiggins, with his training and skill level an increase is warranted. He recommends an increase to E05 wage of \$21.56.

Payroll Clerk Price and Accounts Payable Clerk Ranta have both seen recent increases and there is no increase recommended at this time.

Foreman's McConkey, Erickson and Goodman. Right now the differential between the Foreman wage and E05 is \$3.25 an hour. Due to their level of responsibility an increase in warranted. He proposed an increase of \$1.75 an hour. Currently the Foreman are treated as Salaried employees and don't receive OT. He feels they should be compensated for their call outs and receive OT pay.

Chairman Timmer stated that he felt they were fair and well deserved increases.

MOTION by Commissioner Ormsbee **SECONDED** by Chairman Timmer to approve the proposed the wage increases for Surveyor Wiggins and Foreman's McConkey, Erickson and Goodman retroactive to the beginning of the current pay period.

MOTION CARRIED

MOTION by Commissioner Ormsbee **SECONDED** by Chairman Timmer to amend the proposed increases for Office Manager Decker and Engineer Krouth to \$5000.00 a year over the next two years retroactive to the beginning of the year. Chairman Timmer amended the Motion to include Manager Laitinen.

MOTION CARRIED

PUBLIC COMMENTS

Union President Hopper mentioned that we should use more dust control at our construction sites and in and out of our pits. He also mentioned that he heard that Shute's Oil was sold. Manager Laitinen stated that he hasn't heard that.

Office Manager Decker reported that the electrical work is done on the building addition and the guys did a great job. He made contact with Auditor Phil Wolf and they have decided that in September they would sit down and have a look at how the Little Rapids Project to determine if Federal Single Audit Standards would apply. That way we can address any issues and ask any questions while we still have the contractors available. Not sure what the cost will be yet.

ROAD COMMISSIONERS COMMENTS

Chairman Timmer thanked the staff and reminded them to stay safe.

There being no further business to come before the Board, Chairman Timmer adjourned the meeting at 10:02 a.m.

Amy L. Price
Board Secretary

Richard B. Timmer
Chairman of the Board