

**A SPECIAL MEETING** of the Board of Chippewa County Road Commissioners was held in their offices located at 3949 S. Mackinac Trail, Sault Ste. Marie, Michigan on December 30, 2013.

The meeting was called to order at 10:02 a.m.

**PRESENT:** Commissioners Timmer, LaJoie and Ormsbee, Manager Laitinen, Office Mgr. Decker, Engineer Krouth and Project Manager Deatrck.

**PURPOSE:** To approve 2015 General Appropriations Budget and to amend the 2014 General Appropriations Budget.

**MOTION** by Commissioner LaJoie **SECONDED** by Commissioner Ormsbee to open Public Hearing.

**MOTION CARRIED**

**MOTION** by Commissioner Ormsbee **SECONDED** by Commissioner LaJoie to close Public Hearing.

There were no questions or comments received during the Public Hearing.

**MOTION** by Commissioner LaJoie **SECONDED** by Commissioner Ormsbee to approve the 2015 General Appropriations Act.

Manager Laitinen began discussion regarding the 2015 General Appropriations Budget. He stated the trucks we budgeted came in under estimate. Chairman Timmer asked about the cost for the related equipment that needed to be installed. Manager Laitinen stated that he was still working on the bid specification so he didn't have an accurate estimate yet.

Office Manager Decker reviewed the line items within the budget. He stated that no assumptions were made for any potential new revenue increase as a result of legislative action at year-end. Federal items listed were taken off the 5 year STIP as programmed. He also mentioned inclusion of \$3 million for the Sugar Island Causeway which has an off-setting expenditure for the same amount. It is probable that relevant materials are likely to be purchased in 2015. In the Other Revenue column he recognized new loan proceeds which will be needed to purchase the new trucks. On the expenditure side, he reviewed the Heavy Maintenance project list and explained that it also reflects the federal projects slated to be complete in 2015 as well as projects whose contracts have been previously approved. Regular maintenance items, particularly snow removal were reviewed as well as fringes and administration expenditures. Commissioner Ormsbee asked about the big difference between the actual equipment rental credits for 2015 compared to the budgeted amount for 2015. Office Manager Decker explained that the rates have gone down as a result of our trucks being depreciated out and the significant reduction in the cost of fuel. Discussion followed.

**MOTION CARRIED**

**MOTION** by Commissioner Ormsbee **SECONDED** by Commissioner LaJoie to amended the 2014 General Appropriations Act as presented.

Office Manager Decker reviewed the adjustments being recommended to the individual line items within the budget which resulted in an estimated \$891,500 increase to the fund balance. The net adjustment to the budget totaled \$1,188,499 which is a result of additional revenue received from the State of Michigan to help cover winter cost overruns, additional revenue received through the state maintenance contract, reimbursement of the costs to construct the new salt shed in Kinross Township which were not recognized in the original budget. The expenditure was listed as a capital outlay item but the reimbursement revenue was not. He also explained that the large increase to the County Raised Fund line item resulted from an amount due from the Sault Tribe of Chippewa Indians for damage repairs on roadways affected by the severe flooding on Sugar Island in September of 2013. The repairs were completed in 2014 and we were able to bill the Tribe for the completed work.

Discussion ensued regarding increases to the expenditure line items. Office Manager Decker explained that due to the extreme winter, we did quite a bit more work than had been anticipated which is reflected in the large adjustment to the local maintenance line item as well as the equipment rental credit line item. He explained that the rates we were using at the beginning of the year were too high and that was when we were most active. The main reason for this was explained previous and adjustments were made throughout the year to reduce the adjustment.

**MOTION CARRIED**

**MOTION** by Commissioner Ormsbee **SECONDED** by Commissioner LaJoie to approve Resolution 2014-07 for fund balance transfers.

**MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE.**

**MOTION** by Commissioner LaJoie **SECONDED** by Commissioner Ormsbee to designate Manager Laitinen as Chief Administrative Officer and Office Manager Decker as Fiscal Officer and to approve up to 30% transfer of line items.

**MOTION CARRIED**

There being no further business to come before the Board Chairman Timmer adjourned the meeting at 10:40 a.m.

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Brian F. Decker  
Deputy Clerk

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Richard B. Timmer  
Chairman

