

A REGULAR 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 February 7, 2019.

The meeting was called to order at 8:01 a.m. followed by the Pledge of Allegiance.

PRESENT: Chairman Timmer, Commissioner Gagnon, Manager Laitinen, Office Manager Decker, Foreman Erickson, Foreman McConkey, Foreman Goodman, Chief Mechanic Marsh, Union President Mills, and Clerk Ranta.

ABSENT: Commissioner Ormsbee

MOTION by Commissioner Gagnon **SECONDED** by Chairman Timmer that the Payroll in the amount of \$172,080.82 and Vouchers in the amount of \$265,157.21 be approved and authorized for payment from the County Road Fund subject to audit.

Manager Laitinen noted that this payroll reflected an annual union raise which is 2% this year. The raise began on Friday, February 1, 2019.

MOTION CARRIED

MOTION by Commissioner Gagnon **SECONDED** by Chairman Timmer to approve the regular meeting minutes on January 24, 2019.

MOTION CARRIED

PUBLIC COMMENTS

Jim Moore, Kinross Township Supervisor, expressed his displeasure of a section of road on Mackinac Trail between 9 Mile and 3 Mile by stating that the road was not in good condition. Discussion Ensued.

STAFF REPORTS

Foreman Erickson

- Complemented both the day and night crew for working well during the recent freezing rain storm. They all hung in there and did a good job.
- The last two weeks have been busy with the winter weather. The crew has been sanding, salting and pushing back the snow.
- Catching up on truck maintenance.

Foreman Goodman

- Wanted to commend the guys for working through the freezing rain storm. Kudos to them.

Foreman McConkey

- Also wished to commend the crew for their hard work during the freezing rain storm.

Brian Decker

- Year end items have been completed.
- Completed a successful test run from Marquette, MI to the Sault Office with our new Static IP to see if it was able to transmit data for our payroll system. Everything should be in working order to begin installations at outside garages.
- Attended the UP Road Builders Meeting in Marquette. No new items to discuss from the Clerk's Meeting. The Municipal Employees Retirement System (MERS) was in attendance and gave a presentation which will be noted under Manager Laitinen's Report.
- New computers for the front office and parts room have arrived. Waiting for indoor office construction to finish and then will install.
- Michigan Transportation Funds (MTF) for the month of January were reduced to \$400,000, down roughly \$100,000 due to an error by a calculation at the State of Michigan Treasury's office. Another take-back is scheduled in February.
- A new Fringe Benefit Rate has been calculated. It will change from 116 to 150, a 34% jump. The increase was caused by PA202 in which we are required to fund future post employment benefits. Discussion Ensued.

Chief Mechanic Marsh

- Estimated costs, including parts and labor, to repair truck unit 714 that was involved in the guardrail mishap total a tentative \$42,000. Chief Mechanic Marsh and the adjuster are still in discussion over a few more items like two new front tires and an air dryer which may increase the total cost. The truck still resides on the Low Boy for transport to a repair shop.
- New Pickford Mechanic Ethan Castagne started. Foreman McConkey complimented Ethan and said he a good worker and doing well.
- Chief Mechanic Marsh wanted to give credit to his guys in the garage for doing a great job this winter.
- Things are going well and staying steady.

Union President Mills

- No Report

MANAGERS REPORTS

- Held a negotiating committee meeting here Monday afternoon with other County Superintendents and Engineers as they were already in town for the statewide engineering conference at the Kewadin Casino.
- Would like to echo appreciation for the crew and the work they put in during the ice storm. We received many compliments from

Superintendents and Engineers from every Road Commission in the State on how we handled that storm.

- Foreman Goodman added that our crew also received positive feedback from the folks at the I-500.
- Attended the General Policy Commission Meeting last Monday. This meeting helps set the legislative priorities of what the association is looking forward to achieve. Overall, the meeting went well. No major changes. Chairman Timmer stated that this is the first time in many years where the committee has had three priorities that were made into law. Our voice in Lansing is getting stronger.
- This past week, all the spreadsheets, data sheets, and resolutions were submitted for our Small Urban Projects.
- Met with the Bay Mills Tribe environmental staff who works in conjunction with the Whiskey River Watershed. They wanted to meet because we share similar erosion concerns at several locations. The worst crossing is just West of 6 Mile and Piche Rd. The Tribe will look for fish passage type of grants. There are potential biologic issues as a species of State protected clams reside at several locations in the Whiskey River.
- Attended the UP Road builders meeting in Marquette, MI.
- MERS gave a report at the UP Road builders meeting. They stated earnings for the entire investment portfolio for this past year at a -3.5%. It is normal to show gains and losses in a given year, but a negative return cannot continue. One of the assumptions that drive what we have to contribute is the interest rate of return over a period of years. MERS' long-term assumption is that they will earn a rate of return of 7.75%, which has been adjusted from 8% a few years ago. The quarter percent change in assumption seems minuscule, but it actually increased our contribution costs significantly. MERS plans to change the rate of return between 7.25% - 7.50% as well as change age tables and life duration tables. No pensions are in danger; we just need to be aware of increasing pension costs. Discussion ensued.
- Office renovations are in process and plan to finish within a week.
- Working on capital outlay. Looking into 10' wide, 3 axle Lowboy Trailer and an excavator for the Pickford garage.

NEW BUSINESS

OLD BUSINESS

COUNTY COMMISSIONERS' COMMENTS

PUBLIC COMMENTS

ROAD COMMISSIONERS COMMENTS

- Commissioner Gagnon expressed his appreciate for good driving roads in Chippewa County. Discussion Ensued.
- Chairman Timmer shared a compliment from Sault Ste. Marie City Manager Oliver during a joint meeting with the Michigan Municipal League.
- Chairman Timmer also shared details about a pilot bridge bundling program that hopes to alleviate future bridge funding issues. Discussion Ensued.
- Office Manager Decker shared details from a discussion regarding the Wetland Bank that occurred at the UP Road builders Meeting in Marquette. Jeff Silagy from the Wetland Bank was creating a list of difference scenarios that may be experienced when creating new banks which will help clarify how such transactions will be accounted for and recorded. He is hoping to have it ready for the March meeting. Discussion ensued.
- Chairman Timmer noted that the CRA Board has contracted with Larry Brown, from Allegan County, to formulate a template facilitating a needs study to be taken by the Road Commissions. It will be a snapshot that shows where the dollars are going for the roads, what it takes to keep the roads as there are right now and how much more money it will take to go forward. Discussion ensued.
- Manager Laitinen congratulated Chairman Timmer on his reappointment to another term on the CRA Board and for being nominated as Vice-President to that Board.

With no further business to come before the Board, the meeting adjourned at 8:57 A.M.

Stephanie A Ranta
Clerk for the Board

Richard B. Timmer
Chairman