

WASHTENAW COUNTY BOARD OF ROAD COMMISSIONERS
555 North Zeeb Road, Ann Arbor, MI 48103
Minutes of February 5, 2013

Board Present: Road Commissioners Douglas Fuller, Ken Schwartz, Fred Veigel,
Staff Present: R. Townsend, J. Harmon, S. Siddall, C. Ryan, C. Brochue, B. Schlack
Others Present: G. Lobdell, B. Stein, L. Allmendinger, T. Reilly

The meeting was called to order at 1:00 p.m. by Douglas Fuller, Chair. The Pledge of Allegiance was recited.

APPROVAL OF AGENDA

RC13-027 Veigel moved, Schwartz seconded to approve the agenda as presented.
Voice Vote: YEAS: 3 NAYS: 0 ABSENT: 0 ABSTAIN: 0 Motion Carried.

ACCEPTANCE OF THE MINUTES

The Board reviewed the Board Minutes of the January 22, 2013 Board Meeting.

RC13-028 Veigel moved, Schwartz seconded, the Board hereby accepts the Board Meeting Minutes of January 22, 2013 as presented. Voice Vote: YEAS: 3 NAYS: 0 ABSENT: 0 ABSTAIN: 0 Motion Carried.

CITIZEN PARTICIPATION

Thank you to Road Crews

Lisa Allmendinger thanked all the road crews for doing an excellent job of clearing the roads during recent snow events.

WRITTEN COMMUNICATIONS

- A. Received on January 30, 2013. An email correspondence was received from Chris Frayer, Chelsea School District, thanking the road crews for all their help with the Chelsea School District roads. A copy of this correspondence and WCRC staff response was provided to the Board for review.
- B. Received on January 29, 2013. An email correspondence was received from Carly Willis regarding icy roads on Ellis Road and Morgan Road in Ypsilanti Township. A copy of this correspondence and WCRC staff response was provided to the Board for review.
- C. Received on January 29, 2013. An email correspondence was received from Thomas Skittenhelm regarding the icy conditions on Noah Road. A copy of this correspondence and response from WCRC staff was provided to the Board for review.
- D. Issued on January 28, 2013. A Media Advisory was issued by John Posegay, Permit Coordinator, regarding a temporary road closure on Trinkle Road east of Lima Center Road on Friday, February 1, 2013, to install a new pipeline crossing. A copy of this correspondence was provided to the Board for review.

- E. Issued on January 28, 2013. A Media Advisory was issued by John Posegay, Permit Coordinator, regarding a temporary road closure on Jerusalem Road east of Lima Center Road on Thursday, January 31, 2013 to install a new pipeline crossing. A copy of this notice was provided to the Board for review.
- F. Issued on January 23, 2013. A Media Advisory was issued by Matt MacDonell, Senior Project Manager – Permits & Construction, regarding a temporary road closure on Waters Road between Rentz Road and Haab Rad on Friday, January 25, 2013, to install a new pipeline crossing. A copy of this notice was provided to the Board for review..

CONSENT AGENDA

The items approved on the Consent Agenda are as follows:

- RC13-029 Veigel moved, Schwartz seconded the approval of the Consent Agenda for February 5, 2013 as presented. Voice Vote: YEAS: 3 NAYS: 0 ABSENT: 0 ABSTAIN: 0 Motion Carried.

Hudson Mills Non-Motorized Trail – Materials Testing Agreement

- RC13-030 Veigel moved, Schwartz seconded that upon the recommendation of the Director of Engineering and the concurrence of the Managing Director/County Highway Engineer, the Board approves the materials testing agreement with Materials Testing Consultants, Inc. for the non-motorized trail project located in Section 31 of Webster Township and Sections 24 and 25 of Dexter Township for an estimated contract amount of \$22,000. Voice Vote: YEAS: 3 NAYS: 0 ABSENT: 0 ABSTAIN: 0 Motion Carried.

Domino's Farms & IHA Road Improvement Agreement

- RC13-031 Veigel moved, Schwartz seconded that upon the recommendation of the Director of Engineering and concurrence of the Managing Director, the Board hereby approves and authorizes the Managing Director to sign the Road Improvement Agreement between the Washtenaw County Road Commission, DF Land Development, LLC, and East Washtenaw Medical Development LLC for road improvements in connection with the construction of a medical building on the southeast corner of Earhart Road and Whitehall Drive in Section 12 of Ann Arbor Township. Voice Vote: YEAS: 3 NAYS: 0 ABSENT: 0 ABSTAIN: 0 Motion Carried.

Bid Extension – Auto Filters

- RC13-032 Veigel moved, Schwartz seconded that upon the recommendation of the Director of Operations and the concurrence of the Managing Director, the Board hereby approves the option of extending the bid for automotive filters as submitted by Napa Auto Parts, 2331 S. Industrial Hwy., Ann Arbor, MI 48104 for the period of April 1, 2013 through March 31, 2014. Voice Vote: YEAS: 3 NAYS: 0 ABSENT: 0 ABSTAIN: 0 Motion Carried.

Bid Extension – Automotive/Truck Batteries

- RC13-033 Veigel moved, Schwartz seconded that upon the recommendation of the Director of Operations and the concurrence of the Managing Director, the Board hereby approves the option of extending the bid for automotive batteries as submitted by Complete Battery Source, 1070 East Michigan Avenue, Ypsilanti, Michigan 48198 for the period of April 1, 2013 through March 31, 2014. Voice Vote: YEAS: 3 NAYS: 0 ABSENT: 0 ABSTAIN: 0 Motion Carried.

Bid Extension – Gas/Diesel

- RC13-034 Veigel moved, Schwartz seconded that upon the recommendation of the Director of Operations and the concurrence of the Managing Director, the Board hereby approves the option of extending the bid for gasoline and diesel fuels as submitted by Lenawee Fuels Inc., 4070 Allen Road, Tecumseh, Michigan 49286 for the period of April 1, 2013 through March 31, 2014. It is understood that the Detroit Market Area Oil Price Information Service ("OPIS") daily rack contract average will be the basis of pricing. Voice Vote: YEAS: 3 NAYS: 0 ABSENT: 0 ABSTAIN: 0 Motion Carried.

Bid Extension – Hydraulic Hose & Fittings

- RC13-035 Veigel moved, Schwartz seconded that upon the recommendation of the Director of Operations and the concurrence of the Managing Director, the Board hereby approves the option of extending the bid for hydraulic hose and fittings as submitted by Napa Auto Parts, 2331 S. Industrial Hwy., Ann Arbor, MI 48104 for the period of April 1, 2013 through March 31, 2014. Voice Vote: YEAS: 3 NAYS: 0 ABSENT: 0 ABSTAIN: 0 Motion Carried.

Bid Extension – Nuts & Bolts

- RC13-036 Veigel moved, Schwartz seconded that upon the recommendation of the Director of Operations and the concurrence of the Managing Director, the Board hereby approves the option of extending the bid for nuts and bolts as submitted by Elkay Fastening Systems, 1804 Reed Avenue, Kalamazoo, Michigan 49001 for the period of April 1, 2013 through March 31, 2014. Voice Vote: YEAS: 3 NAYS: 0 ABSENT: 0 ABSTAIN: 0 Motion Carried.

First Order of Determination – Leland Acres No. 2 & 3

- RC13-037 Veigel moved, Schwartz seconded
- WHEREAS, *Leland Drive, Trudy Lane, Avon Lane, Avon Court, Tipperary Circle and Glengarry Court* in the Township of Northfield, Section 26, Washtenaw County, Michigan are portions of county road under the jurisdiction of this Board, and

WHEREAS, the owner of more than 51% of the lineal frontage of lands fronting or touching upon said portion of county roads in the Township of Northfield, have heretofore filed with this Board of Road Commissioners of Washtenaw County, a petition and application for road improvements for said portion of county roads; and

WHEREAS, at least 75% of the lands fronting on said portion of county roads have been subdivided into parcels having a frontage of not more than 300 feet each on said portion of county, or there is an average of at least one building, including buildings under construction, located along said portion of county road proposed to be improved for every 300 lineal feet thereof according to a survey there of made by this Board; and

WHEREAS, it appears to this Board that said petition and application is signed by the owners of more than 51% of the lineal frontage of lands outside the corporate limits of any city of village fronting or touching upon said portion of county roads proposed to be improved; and

WHEREAS, said petition and application is accompanied by a description of the land owned by each signer fronting or touching on said portion of county roads proposed to be improved, and by a certification of the County Treasurer showing what taxes or special assessments, if any, against said lands appear delinquent on his/her books; and

WHEREAS, it appears to this Board that said petition and application complies with the requirements of Act 246 of the Public Acts of 1931, as amended; and

WHEREAS, this Board has examined the location of said portion of county roads proposed to be improved;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Road Commissioners of Washtenaw County, that:

1. Said petition and application are hereby accepted.
2. This Board hereby tentatively deems the proposed improvements necessary.
3. Staff is hereby directed to cause a survey to be made, and to establish grades and make specifications of the kind of improvements suitable for the purpose set forth in said petition and application, and estimates of the cost thereof, together with a plat of the proposed improvement, and file the same with this Board with all convenient speed.

All resolutions and parts of resolutions in so far as they conflict with the provisions of this resolution be the same are hereby rescinded.

Voice Vote: YEAS: 3 NAYS: 0 ABSENT: 0 ABSTAIN: 0 Motion Carried.

Payroll & Bills for January 20, 2013

RC13-038 Veigel moved, Schwartz seconded, the Board hereby approves Voucher 1022 totaling \$248,339.21 for payroll of January 30, 2013, and Voucher 1023 totaling \$316,570.95 in payment of bills for January 30, 2013. Voice Vote: YEAS: 3 NAYS: 0 ABSENT: 0 ABSTAIN: 0 Motion Carried.

ACTION ITEM**2013 Grader Installment Purchase Contract**

Commissioner Veigel stated he is not in favor of financing with interest to purchase equipment. Commissioner Schwartz stated that if inflation was 2% per year, we would be better off financing this equipment at 2% and we are working with a local bank which he feels is very important. Commissioner Fuller agreed he was pleased to see a local bank being awarded the financing on this equipment.

RC13-039 Schwartz moved, Veigel seconded

WHEREAS, the Board of County Road Commissioners of the County of Washtenaw, Michigan (the "Road Commission") determines it to be necessary for the public health, safety and welfare of its residents to purchase road grading equipment generally as described in Exhibit A (the "Equipment"); and

WHEREAS, under the provisions of Act 283, Public Acts of Michigan, 1909, as amended ("Act 283"), the Road Commission is authorized to enter into any contracts or agreements for the purchase of property or equipment for public purposes, to be paid for in installments over a period of not to exceed the useful life of the property acquired as determined by resolution of the Road Commission; and

WHEREAS, the Road Commission has solicited, through a Request for Proposals, bids for the financing of the Equipment; and

WHEREAS, bids have been received, and it has been determined that the bid of Chelsea State Bank, Michigan (the "Bank"), is the most advantageous bid to the Road Commission; and

WHEREAS, an Installment Purchase Contract (the "Contract") between the Road Commission, Michigan CAT (the "Vendor"), and the Bank, for the purchase of the Equipment has been prepared; and

WHEREAS, the Contract is to be assigned to the Bank.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Approval of Contract; Terms. The Contract is hereby approved substantially in the form attached hereto at Exhibit B. The Road Commission shall incur the debt described in the Contract through execution of the Contract by the officers authorized below which debt shall consist of the principal financed amount of not to exceed Six Hundred Thousand Dollars (\$600,000) which shall be payable in sixty (60) monthly payments of principal and interest, commencing May 15, 2013 through April 15, 2018, inclusive, or such other dates as the officers shall determine, at the rate of Two Percent (2.00%) per annum. Payments due under the Contract shall be subject to prepayment prior to maturity, in whole or in part, at the option of the Road Commission, on any date, without premium, with thirty (30) days written notice to the Bank.
2. Execution of Contract. The Chair and Clerk are hereby authorized and directed to execute the Contract and deliver it to the Vendor, substantially in the form attached hereto with such additions, changes and modifications as shall be reasonably necessary, provided such changes shall not be materially detrimental to the Road Commission.
3. Determination of Useful Life. The useful life of the Equipment is hereby determined to be not less than five (5) years.
4. Authorization of Other Actions. The Chair, Managing Director-Clerk, and Director of Finance are each hereby authorized and directed to execute such additional documentation and open such accounts as shall be necessary to effectuate the closing of the Contract and the assignment thereof. Such officers are hereby authorized to negotiate and execute a paying agent or disbursement agent agreement with The Huntington National Bank, Grand Rapids, Michigan.
5. Assignment of Contract. The assignment of the Contract by the Vendor to the Bank is hereby approved.
6. Budget for Debt Service; Security. The Road Commission hereby agrees to include in its budget for each year commencing with the current fiscal year, a sum which will be sufficient to pay the principal of and interest on the Contract coming due before the next fiscal year. In addition, the Equipment will serve as collateral and security for the payments to be received pursuant to the Installment Purchase Contract and a statutory lien shall be created in favor of the Assignee.
7. Tax Covenant. The Road Commission hereby covenants that, to the extent permitted by law, it shall take all actions within its control necessary to maintain the exemption of the interest on the obligations under the Contract from general federal income taxation (as opposed to alternative minimum or other indirect taxation) under the Internal Revenue Code of 1986, as amended, including but not limited to, actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of proceeds of the Contract and moneys deemed to be proceeds.

8. Qualified Tax Exempt Obligation. The Road Commission hereby designates the Contract as a "qualified tax-exempt obligation" for purposes of deduction of interest expense by financial institutions under the provisions of the Internal Revenue Code of 1986, as amended.
 9. Authorization to Adjust Terms. The Chair, Managing Director-Clerk and Director of Finance are each hereby authorized to adjust the final details set forth herein to the extent necessary or convenient to complete the transactions authorized herein, and in pursuance of the foregoing are authorized to make determinations regarding the principal and interest payment dates, maturity, and redemption provisions. The final terms of the Contract shall be evidenced through execution of the Contract by the Chair and Clerk.
 10. Repealer. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.
- Voice Vote: YEAS: 2 NAYS: 1 ABSENT: 0 ABSTAIN: 0 Motion Carried.

REPORTS

Road Commissioner's Report

Commissioner Fuller and Roy Townsend, Managing Director, attended the Southeast Council Meeting hosted by Lenawee County. The news from the insurance pools was very positive. The CRAM report was in a positive tone. Commissioner Fuller reported that CRAM is encouraged the legislature is involved in conversation on a number of bills regarding enhancing road funding in the state of Michigan. Commissioner Fuller also stated it was brought to his attention that John Posegay, Permits Coordinator, has done an excellent job of keeping the public informed of the recent oil pipeline installation with a lot of positive comments from the public.

Commissioner Schwartz stated he attended the Geddes Road Roundabout Public Information meeting which was very positive.

MANAGING DIRECTOR'S REPORT

Staff Report of 1-14-13 to 1-27-13

Roy Townsend, Managing Director, reported that during the past few weeks the crews have spent a lot of time on the roads due to several snow events resulting in increased overtime and salt usage.

County Overlay Program

Roy Townsend distributed the 2013 County Overlay Map to the Board. This is the federally funded overlay program. The majority of work is within the urban areas.

Michigan Transportation Fund Receipts

Roy Townsend reported that the MTF for December was up 1.66% with an overall increase of 1.6%. At the end of the year the total Michigan Transportation Funds was \$16.7 million.

2013 Equipment Purchases

Roy Townsend, Managing Director, provided an overview of 2013 Equipment Purchases. Mr. Townsend stated that we have received correspondence from MDOT that will allow us to depreciate equipment. Mr. Townsend provided scenarios on purchasing trucks and financing options. Commissioner Schwartz was in favor of this program due to the payback on the depreciation values. Jim Harmon stated that purchasing these new trucks with wing plows would improve efficiencies by at least 20%-25%. Mr. Harmon recommended purchasing four trucks in year one, then consider purchasing two trucks per year. Mr. Townsend stated we also applied for CMAQ funding on the purchase of trucks in 2015, 2016, 2017. Commissioner Fuller asked that staff bring back to the Board at the next Board Meeting, a purchase proposal for the purchase of these trucks. Commissioner Veigel asked if we should ask the State if this program is guaranteed to continue. Commissioner Fuller stated we have a four year guarantee on the current MDOT contract.

2013 Staffing Needs

Roy Townsend provided an overview of staffing for 2013 and distributed copies of the current WCRC Organizational Chart. Mr. Townsend stated that there are 130 FTE's approved and we are currently down 25 FTE's, with a total of 105 active full time employees. Mr. Townsend stated that seven temporary employees have been hired on the road crews. Mr. Townsend suggested offering the seven temporary employees full time positions with the Road Commission as drivers in the Operations Department. The wages for these positions are already built into the budget. Mr. Townsend stated that the road commission is getting to a point on staffing levels that is not sustainable. Mr. Townsend also suggested backfilling the traffic and safety engineer position and a construction inspector position. Commissioner Fuller asked for Board support for the Managing Director to come to the Board with a motion on staffing needs within WCRC. Commissioner Schwartz asked if we have seen a correlation in overtime as a result of being down in FTE's. Mr. Townsend responded that engineering consultant fees have increased. In Operations, most overtime is weather dependent. Staff will bring back a recommended motion on staffing needs at the February 19th Board Meeting.

EXECUTIVE SESSION

RC13-040 Fuller moved, Schwartz seconded to enter into Executive Session at approximately 2:03 to discuss two Right-of-Way Acquisitions for the Geddes Road/Ridge Road Roundabout project.

Roll Call Vote:

YEAS: Fuller, Schwartz, Veigel

NAYS: None

ABSTAIN: None

ABSENT: None

Motion Carried

RC13-041 Veigel moved, Schwartz seconded to exit Executive Session at approximately 2:11p.m.

Voice Vote: YEAS: 3 NAYS: 0 ABSENT: 0 ABSTAIN: 0 Motion Carried.

Geddes Road/Ridge Road Roundabout Project – Right-of-Way Acquisition, Parcel 1 (Ford Motor Co.)

RC13-042 Schwartz moved, Veigel seconded that upon the recommendation of the Director of Engineering and concurrence of the Managing Director/County Highway Engineer, the Board approves and authorizes the Chair and Managing Director to accept the counter offer and sign the modified Offer of Just Compensation to acquire a permanent road easement from the owner, Ford Motor Company, upon a vacant parcel of land, referenced as Tax Parcel Number J-10-25-300-002, located in the SW1/4 of Section 25, Superior Township in the amount of \$4,441.00 to be provided in executive session. Voice Vote: YEAS: 3 NAYS: 0 ABSENT: 0 ABSTAIN: 0 Motion Carried.

Geddes Road at Ridge Road Roundabout Project – Right-of-Way Acquisition, Parcel 5 (Linda Osgood)

RC13-043 Schwartz moved, Veigel seconded that upon the recommendation of the Director of Engineering and concurrence of the Managing Director/County Highway Engineer, the Board approves and authorizes the Chair and Managing Director to accept the counter offer and sign the modified Offer of Just Compensation to acquire a permanent road easement and grading permit from the owner, Linda Osgood, upon a parcel of land, referenced as Tax Parcel Number J-10-36-200-013, located in the NW1/4 of Section 36, Superior Township in the amount of \$20,000.00 to be provided in executive session. Voice Vote: YEAS: 3 NAYS: 0 ABSENT: 0 ABSTAIN: 0 Motion Carried.

Yard one Property Update

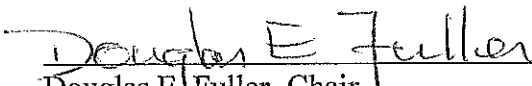
Curt Brochue provided an update regarding a developer interested in purchasing some the Yard One property for development and has asked if we would relocate part of our easement.

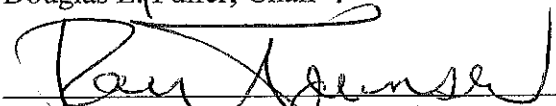
Non-Union Salary Program

Commissioner Schwartz suggested staff bring to the Board a recommendation of re-implementing the non-union salary program.

ADJOURNMENT

RC13-044 Schwartz moved, Veigel seconded to adjourn the February 5, 2013 meeting at 2:22 p.m. Voice Vote: YEAS: 3 NAYS: 0 ABSENT: 0 ABSTAIN: 0 Motion Carried.


Douglas E. Fuller, Chair


Roy D. Townsend, Deputy Clerk
Minutes Approved: 