

September 27, 2011

A Public Hearing of the Board of Delta County Road Commissioner was held on Tuesday, September 27, 2011 at 5:00 p.m. at the Main Office, 3000 32nd Avenue North, Escanaba, Michigan.

The meeting was called to order at 5:02 by the Vice Chairman, followed by the Pledge of Allegiance.

PRESENT: Vice Chairman Randy Bjork, Commissioner Dennis Stanek, Commissioner Rory Mattson, and Commissioner Mike Larrabee.

ABSENT: Chairman Pete Stropich

Managing Director Rob VanEffen presented the Proposed Fiscal Year Ending 9/30/2012 Budget (General Appropriations Act).

The meeting was opened up for public comment on the 2012 General Appropriations Act. There were no comments.

Mr. Ken Gartland addressed the Board and explained that he owns the Willow Creek Profession Building and has Wilcox Engineering as a rental customer. He further explained that due to cuts in the company which is based in Lower Michigan they are down to 12 employees here and are trying hard to keep open. Mr. Gartland stated that he is very outraged that this Board chose to award a Five-Year Engineering Services contract to U.P. Engineers & Architects even though their bid price was in excess of \$30,000 more than Wilcox's. He would like to know why a decision was made to send jobs out of the county when it would cost more than going with a local company. Managing Director Rob VanEffen and each of the Commissioners addressed their reasons for choosing U.P. Engineers and explained that while Wilcox may have been lower on the specified projects, their hourly cost for other engineering services was much higher, and the overall bid package from U.P. Engineers & Architects was felt to better fit the needs of and be in the best interest of the Road Commission.

It was moved by Commissioner Mattson, seconded by Commissioner Stanek to approve the Delta County Road Commission General Appropriations Act for Fiscal Year 2012 as follows:

Proposed Fiscal Year Ending 9/30/12 Budget Summary

Revenues

	Actual <u>2010</u>	Estimated <u>2011</u>	Proposed <u>2012 Budget</u>
Federal Grants	4,275,578.96	542,309.32	1,000,000.00
State Grants	4,095,612.38	3,885,796.60	3,940,000.00
Contributions from Local Units	442,490.83	257,000.00	300,000.00
Charges for Services	1,161,573.39	1,070,802.00	1,033,800.00
Interest Earned	15,032.21	16,500.00	15,000.00
Other Revenue	140,248.40	499,203.58	28,000.00
Total Revenue	10,130,536.17	6,271,611.50	6,316,800.00

Proposed Fiscal Year Ending 9/30/12 Budget Summary

Expenditures

	Actual <u>2010</u>	Estimated <u>2011</u>	Proposed <u>2012 Budget</u>
Primary Preservation/Structural Imp.	4,707,149.74	647,328.80	1,500,000.00
Primary Routine & Preventative Maintenance	1,119,166.15	1,010,500.00	1,200,000.00
Local Construction/Capacity Improvements	0.00	0.00	0.00
Local Preservation/Structural Improvements	562,608.13	379,098.79	109,000.00
Local Routine & Preventative Maintenance	908,810.77	934,000.00	1,300,000.00
State Trunkline Maintenance	1,036,812.22	982,000.00	1,000,000.00
State Trunkline Non-Maintenance	100,077.03	120,000.00	25,000.00
Private Road Plowing	2,681.23	0.00	0.00
Non-Road Expenditures	88,082.41	240,000.00	25,000.00
Net Equipment Expense	(64,711.15)	55,725.09	165,000.00
Net Administrative Expense	209,505.68	188,250.00	210,000.00
Distributive Expense	1,140,358.42	1,270,000.00	1,450,000.00
Net Capital Outlay Expense	96,966.07	(326,050.57)	0.00
Debt Service	365,738.75	349,133.75	367,633.75
 Total Expenditures	 10,273,245.45	 5,849,985.86	 7,351,633.75
 Budgeted Net Revenues (Expenditures)	 (142,709.28)	 421,625.64	 (1,034,833.75)
 Accumulated Fund Balance From Prior Years	 2,611,476.00 (Actual)	 2,468,766.32 (Actual)	 2,890,391.96 (Estimated)
 Projected Fund Balance at End of Budget Year	 2,468,766.72	 2,890,391.96	 1,855,558.21
 Projected Year-End Fund Balance Breakdown:			
Assigned Fund Balance - Capital Outlay Purchases		200,000.00	
Assigned Fund Balance - Micro-Seal Projects		350,000.00	
Unassigned Fund Balance		2,340,391.96	
Total Projected Fund Balance at Budget Year-End		2,890,391.96	

For the purpose of administering the General Appropriations Act in accordance with the provision of Public Act 2 of 1968, as amended, the following provisions are included:

1. Rob VanEffen, Managing Director, is designated Chief Administrative Officer, and Amy J. Reinhardt, Finance Director, is designated as Fiscal Officer.
2. The chief administrative officer is authorized to transfer up to 25% of a line-item amount approved in the General Appropriations Act to another line-item without prior approval, but subject to the approval of the Board of County Road Commissioners at their next regular Board Meeting.

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3. The expenditure amount approved in this General Appropriations Act for Distributive Expense shall be allocated to the various other expenditure line items in the proportion as the allocation of actual Distributive Expense at year end.

Ayes – 4 Nays - 0

Vice Chairman Bjork moved to adjourn the public hearing at 5:30 p.m.

Randolph Bjork, Vice Chairman

Amy J. Reinhardt, Deputy County Clerk