

KCRC Board Meeting Minutes

December 13, 2022

Meeting Time: 2:00 p.m.

Present: Waananen, Olson & Karvonen

Absent: None

Staff Present: Jesse Patrick, Finance Director; Greg Kingstrom, P.E., Engineer; Chis Cronenworth, Maintenance Foreman; Gregg Patrick, P.E., Engineer/Manager

Guests: Daniel Steck, Gary Bracco

Meeting was called to order at 2:00 p.m. by Chairman Waananen and the Pledge of Allegiance was recited.

The regular meeting minutes of November 8, 2022 and special meeting minutes of November 29, 2022 were read and approved by a motion of Commissioner Olson and supported by Commissioner Karvonen. Ayes: 3, Nays 0.

Voucher #28271 and #28272, and Master Vouchers #24-2022 and #25-2022 in the total amount of \$354,468.36 were audited by the Commissioners. Commissioner Karvonen motioned to pay the bills as presented. Commissioner Olson supported the motion. Ayes: 3, Nays 0.

Commissioner Karvonen motioned to accept the monthly financial statement as presented. Commissioner Olson supported the motion. Ayes: 3, Nays 0.

Chairman Waananen opened the 2022 Annual Budget Hearing on a motion by Commissioner Karvonen and support by Commissioner Olson. The Finance Director presented to the Board the amended 2022 budget and proposed 2023 budget.

Commissioner Karvonen motioned to adopt the 2022 budget amendment, with total revenues of \$4,553,475 and total expenditures of \$4,052,306. The 2022 budget amendment will be made a part of these minutes. Commissioner Olson supported the motion. Ayes: 3, Nays 0.

The proposed 2023 budget was presented, reviewed and discussed. Proposed 2023 budget indicates a deficit spending of (\$98,207), but will be balanced with existing cash reserves. The 2023 budget will be made a part of these minutes. Commissioner Olson motioned to adopt the proposed 2023 budget, as presented. Commissioner Karvonen supported the motion. Ayes: 3, Nays 0.

The annual budget hearing was closed on a motion by Commissioner Olson and supported by Commissioner Karvonen. Ayes: 3, Nays 0.

Old Business:

The Finance Director, Engineer/Manager and Board discussed the annual additional MERS year end payment, an optional part of the approved corrective action plan. Commissioner Olson motioned to pay the additional \$55,433.81 plus the additional 15% for the December and continue with the same plan for 2023. Commissioner Karvonen supported the motion. Ayes: 3, Nays 0.

Engineer/Manager updated the Board on the status of ROW encroachment at Fitzgerald's in Eagle River: MCRCSIP will be assigning legal representation to KCRC the week of 12/19/22. Once attorney is assigned, contact info will be provided to Fitzgerald's attorney.

Engineer/Manager updated the Board on the status of property transfer of lot in Copper Harbor: Engineer/Manager confirmed with County Clerk that it is an agenda item for the December 21, 2022, regular County Board meeting.

Engineer stated that follow-up on transfer of KCRC property along M-26 back to Agate Harbor Land Pool will be pursued in 2023.

Engineer provided revised Local Federal Fund Exchange (LFFE) agreement with Oakland County Road Commission for review. Final amount was amended to include the additional funds received at end of FY 2022 from MDOT. Total revised LFFE amount = \$298,611. Motion by Commissioner Olson and supported by Commissioner Karvonen to have Chairman Waananen execute agreement as presented. Ayes: 3, Nays 0.

New Business:

Commissioner Karvonen motioned to approve Resolution assigning Jesse Patrick, Finance Director as the Trustee and Greg Kingstrom, Engineer/Manager as Alternate Trustee on the West Michigan Health Insurance Pool (WMHIP) Board as representatives of KCRC in the Insurance Pool. Motion supported by Commissioner Olson. Ayes: 3, Nays 0.

Commissioner Olson motioned to authorize Greg Kingstrom, Engineer/Manager to execute the Business Associate Agreement with WMHIP for the 3-year commitment in the Insurance Pool. Motion supported by Commissioner Karvonen. Ayes: 3, Nays 0.

Commissioner Olson motioned to assign the following duties to Greg Kingstrom, new Engineer/Manager: Title VI Coordinator, EEO Officer, FOIA Officer, Drain Commissioner, Permit Engineer, MDOT Maintenance Contract Administrator; and furthermore, Jesse Patrick – Asst. MDOT Contract Administrator. Commissioner Karvonen supported the motion. Ayes: 3, Nays 0.

The Board reviewed and discussed the proposed meeting dates and times for 2023. The Board selected the second Tuesday of each month, at 2:00 p.m. as the regular monthly meeting date. Provisions will be made for scheduling special meetings to accommodate other needs. Motion by Commissioner Olson and supported by Commissioner Karvonen to adopt the meeting dates as presented and to post them as required. Ayes: 3, Nays 0.

Other:

The Engineer and the Board discussed the winter maintenance on specific routes for 2022/2023. Segments of Phoenix Farms Road, Cliff Drive (still plow a portion of North end) and Tukku's Farm Road will not be plowed this year in order to reduce winter maintenance costs.

The next meeting of the Great Lakes Council will be at 10:00 a.m., Thursday, January 5, 2023 in Baraga. Plans will be made for staff to attend.

The U.P. Road Builders Association 2023 Winter meeting will be February 2nd and 3rd in Marquette. Plans will be made for Engineer/Manager, Finance Director and Commissioner(s) to attend.

Other items of routine business were discussed.

No public comment from Guests.

The meeting adjourned at 2:40 p.m.

Rick Olson, Chairman

Greg Kingstrom, P.E. Engineer/Manager

KEWEENAW COUNTY ROAD COMMISSION PROGRAM BUDGET

BUDGET YEAR ENDING 12/31/2022

	2021 Actual	2022 Budget	2022 Revised	2023 Budget
REVENUE				
Motor Vehicle Highway Funds	2,386,087	2,526,585	2,554,785	2,570,453
Federal Funds	135,000	-	-	81,500
County Raised Funds	1,357,320	1,479,000	2,048,186	1,590,000
Other Revenue	227,354	55,400	141,400	66,100
Total Revenue	4,105,761	4,060,985	4,744,371	4,308,053
Expenditures:				
Primary Roads	1,632,125	1,495,000	1,797,000	2,020,000
Local Roads	488,818	503,000	553,000	495,000
State Maintenance	792,475	800,000	1,015,000	850,000
State Non-Maintenance	98,921	50,000	65,000	50,000
Roadside Parks	60,879	64,000	71,000	65,000
Equipment (Net)	68,106	105,000	335,000	300,000
Administrative (Net)	318,795	315,500	399,800	311,500
Wetland Board	51,234	50,000	110,000	50,000
Sundry Accounts	39,942	45,000	100,000	42,000
Capital Outlay (Net)	220,329	339,000	(38,000)	118,000
Total Expenditures	3,771,624	3,766,500	4,407,800	4,301,500
Debt Retirement	-	-	-	-
Beginning Available Operating	1,833,010	2,167,147	2,167,147	2,503,718
Estimated Surplus	334,137	294,485	336,571	6,553
Ending Available Operating	2,167,147	2,461,632	2,503,718	2,510,271