

KEWEENAW COUNTY ROAD COMMISSION

Minutes

December 11, 2008

The regular monthly meeting of the Board of County Road Commissioners was held at their offices in Mohawk, Michigan on December 11, 2008.

Present: Commissioners Tuoriniemi, Bjorn and McEvers

Guests: Randy Eckloff, Byron Muljo, Ralph Hodek, and the entire KCRC staff attended the Employee Negotiation portion of the agenda

The meeting was called to order at 5:30 P.M.

The minutes of the a November 11, 2008 regular meeting and the November 3, 10 & 17, 2008 special meetings were read and approved as read on a motion by Commissioner Bjorn and support from Commissioner McEvers.

Vouchers #28181, #28182, #28183, #28184 and Master Vendor Voucher #13-2008 in the total amount of \$159,078.15 were audited by the Commissioners and the Master Vendor Voucher was signed. Commissioner Bjorn moved to pay the bills. Commissioner McEvers supported the motion. The motion carried.

The financial statement was read, discussed and approved on a motion by Commissioner Bjorn and support from Commissioner McEvers.

Commissioner Tuoriniemi opened the 2009 Annual Budget Hearing. The Engineer presented the Board the revised 2008 budget. Commissioner McEvers motioned to adopt the amended 2008 budget as presented, with a total revenue of \$2,731,647.00 and total expenditures of \$2,875,000.00. Commissioner Bjorn supported the motion. The motion carried. The proposed 2009 budget was reviewed and discussed. Commissioner McEvers motioned to adopt the 2009 budget as presented. Commissioner Bjorn supported the motion. The motion was carried. The annual budget hearing was closed.

Mr. Ralph Hodek, a member of the group interested in purchasing stamp sand from the Road Commission, addressed the Board and gave them an update on their project. The Board reiterated its position that they are very supportive of this project. The Engineer informed the Board and Mr. Hodek that the Attorney General's opinion has been received in regard to the sale of stamp sand. Based on the letter, the Road Commission is allowed to sell what it deems as surplus stamp sand. Commissioner McEvers motioned to authorize the Engineer to work with the Road Commission attorney and Mr. Hodek to develop a draft agreement for the sale of stamp sand for approval at a future meeting. Commissioner Bjorn supported the motion. The motion carried.

The Engineer presented the Board with ballot from CRAM on changes to the way CRAM policies are adopted and approved. The Board discussed the change to the CRAM by-laws and Commissioner Bjorn motioned to vote yes on the change and to have the Engineer mail the ballot. Commissioner McEvers supported the motion. The motion carried.

The Engineer presented the Board with the proposed federal aid Transportation Improvement Plan for 2009 – 2013. The Engineer informed the Board that a meeting of the Keweenaw County Local Task Force will be scheduled for sometime in January to discuss adoption of the plan. As shown on the plan, with the reduction in the state and federal funding levels, there will be no projects for 2009, unless an economic stimulus package from the new federal administration includes money for local road agencies.

The next meeting of the Great Lakes Council will be Thursday, January 8, 2008. Plans were made to attend.

The Board reviewed and discussed the proposed meeting dates for 2009, with input from the newly elected Road Commissioner, Mr. Byron Muljo. Commissioner Bjorn moved to adopt the meeting dates as presented. Commissioner McEvers supported the motion. The motion carried.

The Board discussed the winter maintenance activities on Phoenix Farms Road and Front Street in Eagle River. These would be added to Cliff Drive and Ballman Street in Fulton as roadways that wouldn't require winter maintenance due to lack of residents. The Board commented that a reduction in services, while regrettable, will assist the Road Commission in controlling and reducing winter maintenance costs. With falling revenues and dramatically increasing operating costs, decisions like these have to be made. The estimated savings from not providing winter maintenance on these roads is expected to be approximately \$23,000.00.

The Board and the Employees' Association discussed the next steps in reaching an agreement after the last Board offer of November 17, 2008 was rejected. A counter offer by the Employees' Association of a 2% raise and keep the same health insurance was rejected by the Board. The key issue is the cost of health insurance to the Road Commission and what options are available to reduce costs and provide acceptable coverage to the employees. It was decided that the Blue Cross/Blue Shield UP Blue plan may be acceptable and a meeting would be arranged with Fred Gaff as soon as possible. Another option included setting up a Health Savings Accounts (HAS) in order to allow employees to use pretax dollars for medical expenses.

Other items of routine business were discussed.

The meeting adjourned at 9:00 p.m.

JOEL TUORINIEMI, CHAIRMAN

GREGG M. PATRICK, ENGINEER