

The public hearing of the Board of Calhoun County Road Commissioners, Calhoun County Board of Public Works and the Parks Trustees Board was held on Thursday, December 6, 2007 at 9:00 a.m. in their office located at 13300 Fifteen Mile Road, Marshall, Michigan.

Present: Commissioner Chester E. Travis, Chairman  
Commissioner Charles E. Monaweck, Vice-Chairman  
Commissioner Scott A. Brown, Member  
Dennis Randolph, Managing Director  
Pixie Coats, Human Resource Director  
Kevin Henning, Finance Director  
Angela Kline, Assistant County Highway Engineer  
Steve Ball, Operations Manager  
Mary Jo Crumpton, Secretarial Clerk

Also Present: Hershel Stacy, Calhoun County Road Commission  
Robert Volkmer, Calhoun County Road Commission  
Tiffany Eichorst, Solid Waste Director  
General Public

Chairman Chester Travis called the public hearing of the Board of Calhoun County Road Commissioners, Calhoun County Board of Public Works and the Parks Trustees Board to order at 9:00 a.m.

### **PRESENTATION OF THE 2008 PROPOSED BUDGETS**

Kevin Henning, Finance Director, gave a PowerPoint presentation and reviewed the proposed budgets for 2008 as follows:

**Board of Calhoun County Road Commissioners:** Mr. Henning noted that we are required by State Law to have a budget and that the Governmental Accounting Standards Board (GASB) requires that our budget be balanced – revenue equals or exceeds expenses. He reviewed the following financial information:

- **Revenue (Earned) \$178,500:** This is revenue that we have control over and includes permits, fees, materials, addressing, and interest.
- **Additional Revenue:** We receive an appropriation from the State of Michigan through the Michigan Transportation Fund (MTF) whose revenues are funded by the gas tax.
- **MTF Distribution:** Mr. Henning explained the MTF distribution between State roads, county roads, cities/villages, public transit, economic development, and local bridges, railroad crossings, etc.
- **MTF Limitations:** The state's gas tax has stayed at 19¢ per gallon since 1997, the second lowest in the region. No matter what the price of a gallon of gas, only 19¢ goes to the state gas tax – this is not a sales tax. Mr. Henning noted that if the gas tax had been indexed to inflation, it would be about 23¢ today.
- **MTF Appropriation:** The first percentage that is paid out of the MTF appropriation is debt. Mr. Henning noted that we have retired a lot of bonds and

our debt payments are less and less every year. The appropriation is then divided into three areas: engineering - \$10,000; primary road system - \$5,627,000; and the local road system - \$2,340,000 for a total of \$7,977,000. Act 51 of the Public Acts of 1951 designates the percentage of funding that can be used on primary road maintenance, 50% cap on local road improvements, winter maintenance, non motorized/roadside parks, and the percent of the balance after debt payments.

- **Budget Considerations:** Include the rising cost of fuel (21.3%) and emulsion (up 18.3%) that greatly impacts all aspects of our operations.
- **Moving forward to 2008 with the stagnant gas tax:** Mr. Henning stated that we need to continue to increase non-MTF sources and noted the amount of federal aid project funding that Dennis Randolph has secured for CCRC over the years. Mr. Henning informed everyone that we recently received approximately \$600,000 for economic development road funding. Federal Aid projects in 2008 include the Custer Road Bridge; the 22 Mile Road Bridge over the St. Joseph River; T Drive South; and two Safety Improvement Projects – Pennfield/McAllister Road intersection and sign upgrades at 12 intersections on the eastside of the county.
- **Expenditures:** Mr. Henning explained that our expenditures include the primary road system, local road system, equipment, administrative, engineering, distributive fringe and overhead, capital outlay, debt service, and charges for services.
- **Primary Road System:** A total of \$3,891,194 is budgeted for our primary road system in 2008 as follows: Heavy Maintenance on Roads - \$88,000; Maintenance on Roads – \$2,577,000; Heavy Maintenance on Bridges - \$255,000; Maintenance on Bridges - \$30,000; Winter Maintenance - \$640,000; and Traffic Signs/Signals - \$301,194.
- **Local Road System:** A total of \$2,749,209 is budgeted for our local road system in 2008 as follows: Heavy Maintenance on Roads - \$0; Maintenance on Roads - \$2,025,000; Heavy Maintenance on Bridges - \$25,000; Maintenance on Bridges - \$50,000; Roadside Park Maintenance - \$21,209; Winter Maintenance - \$528,000; Traffic Signs/Signals - \$100,000.
- **Equipment:** Cost of equipment is going up because our fleet is getting older and parts are becoming obsolete. Direct - \$800,000; Indirect - \$700,547; Operating - \$360,000; Rental Credits - (\$1,905,000); Depreciation - \$75,000; Depreciation Credits – (\$75,000); Net Equipment Gain - \$44,453.
- **Remaining Expenses:** Administration - \$1,096,970; Engineering - \$130,975; Distributive Fringes - \$2,236,578; Distributive Overhead - \$570,894; Non Equipment Depreciation Credit – (\$39,701); Capital Outlay - \$200,000; Debt Service - \$388,878.
- **Charge for Service:** State Maintenance Contract - \$1,647,357; Other Contract Agreements - \$0.

### **PUBLIC COMMENTS**

A question was asked regarding how much money CCRC has in the bank to earn \$20,000 in interest. Mr. Henning responded that funds are on deposit with the Calhoun County Treasurer and it varies from month to month. We predict a balance of \$400,000 at the end of the year. He clarified that these are Act 51 funds. The interest is treated as Act 51 funds, but could be claimed as non Act 51.

**Calhoun County Board of Public Works:** Mr. Henning explained that the Board of Public Works (BPW) budget is completed in September/October and submitted to the Calhoun County Board of Commissioners. The Board of Public Works budget includes Solid Waste, Municipal Water/Sewer Bonds, and EPA Grants. Current EPA grants are Brownfield, Petroleum, and System Construction for Duck Lake, Sheridan Township and Albion City.

- **Revenues:** BPW receives \$3,780 from the County, \$12,000 from Soil Erosion Permit fees and a percentage of fees from new construction bonds (Sheridan Township and the City of Albion).
- **BFI Host Fees:** \$155,000 is used to fund solid waste services.
- **Expenses:** We spend everything we make (\$12,000) on Soil Erosion permits on staff, equipment and permit processing. The Solid Waste Management Fund budget is \$226,207 and includes staff, recycling programs and related expenses. The difference comes from the interest that the Solid Waste Fund receives on their Certificate of Deposits. We are still finalizing easement issues and prepping for bid letting on the Duck Lake project.
- **Changes for 2008:** The County will begin paying for the audit fees – a savings to BPW of approximately \$3,000 annually. We have applied for an EPA Petroleum Grant that is currently pending review. Looking forward to the new water/sewer construction projects in Sheridan Township and the City of Albion.
- **Water/Sewer Bonds:** Looking at handling \$1.6 million of projects for townships and cities that includes principal, interest and fee payments on a reimbursement basis.

### **PUBLIC COMMENTS**

A question was asked about the City of Marshall bonds. Mr. Henning responded that the bonds are let through the Board of Public Works for water and sewer. Mr. Randolph added that Albion City and the City of Marshall go through the County to get a better interest rate. It was emphasized that transactions are a straight pass through.

**Parks Trustees Board:** Mr. Henning explained that expenses for the parks are paid for with Act 51 revenue out of funding received by the Calhoun County Road Commission. It was noted that the Parks Trustees Board receives a substantial benefit to their park system with these funds. The 2008 budget of \$27,361 is down for park operations. We are looking to cut back on the mowing and maintenance of the parks, but will still utilize the Sheriff's Work Crew, K-PEP, and hopefully the Jail Alternative participants for parks maintenance.

- **2008 Budget is \$27,361:** Kimball Pines Park Maintenance - \$17,435; Ott Biological Preserve Maintenance - \$1,209; Historic Bridge Park Maintenance - \$6,538; Canoe Launches Maintenance - \$2,179.
- **Changes for 2008:** The County will begin paying for the audit – a savings to the Parks Trustees Board of \$1,500 per year. Mr. Henning stated that the deficit has been 100% eliminated. Some revenue is generated from the Silver Leaf Renaissance Faire that is held in July/August at Kimball Pines Park.

- **County General Fund Appropriation:** For the first time ever, the County has offered \$11,209 for park operations. The remainder of the funding for the Parks comes from the Silver Leaf Renaissance Faire, as we are a revenue sharer of that program.

**PUBLIC COMMENTS**

It was asked if the Parks Trustees Board had approached Emmett Township for funding for the parks since all the parks are located in Emmett Township. Mr. Randolph responded no.

There being no additional business before the Board, Chairman Travis adjourned the public hearing at 9:46 a.m.

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Chester E. Travis, Chairman

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Mary Jo Crumpton, Secretarial Clerk