

December 3, 2009

The regular meeting of the Board of Cass County Road Commissioners was called to order by Chairman Krempec at 9:00 A.M. and the Pledge of Allegiance to the flag was said in unison.

Board Members Present: , Commissioner Celie, Commissioner Poehlman, Commissioner Bowser and Commissioner Krempec, Commissioner Powers (9:40 A.M.)

CCRC Staff Present: Louie Csokasy, Joe Bellina, Rick Janssen and Grace Chester.

INTRODUCTION OF VISITORS

Public Present: Norma Lerner, (Press), Roseann Marchetti (Parks' Board), Pete Fournier (Porter Twp.), Barbara Dempsey (Ontwa Twp.), Harry Shaffer (Penn Twp.), Bruce Campbell (Water Resources), G. Dan Harvey (Porter Twp. Supervisor) and County Commissioner Gordon Bickel. _____

APPROVE AMENDED AGENDA

Add: Pending litigation: Eagle Lake Road (Closed)
Proposed sale of Fox St. property (Closed)
Employee benefits' policy update
Tool policy

Delete: NATS report

Commissioner Poehlman moved to approve the agenda as amended. Commissioner Celie seconded and the motion was carried.

PUBLIC COMMENTS

Porter Supervisor Harvey expressed concerns regarding Harvey Street and asked if the road commission would post warning signs to make the public more aware of current road conditions. Manager Csokasy said that the road commission would take care of the signs and noted that the road should be repaired next year.

Co. Commissioner Bickel reported that the flashing light is out on Teasdale Lake Road and asked if warning signs could be installed. Manager Csokasy responded that he did not feel signs were not needed at this location.

APPROVAL OF MINUTES

Commissioner Poehlman noted a typo in the minutes; the Clerk will correct.

Commissioner Poehlman moved to approve the minutes of 11-19-09. Commissioner Celie seconded and the motion was carried.

SPECIAL MEETINGS & MILEAGE

The Commissioners had no special meetings nor mileage to report.

COMMITTEE REPORTS

POLICY COMMITTEE

Commissioner Celie updated the Board on what the committee has been doing and said they are still working on sorting and evaluating old policies and gathering input from CCRC staff.

12-03-09

MANAGER'S UPDATE

Retiree Benefit Policy: Manager Csokasy reported that as this process goes forward, he has found it is much more complex than anticipated. After reviewing retirees current health benefits, he found that they are divided by under 65 coverages and over 65 coverages.

The goal is to make salaried retiree benefits in line with the current salaried employee's health coverage. Held one group meeting and has been meeting with several individual retirees and legal counsel. Originally planned to have in place by January 1, 2010 but that will not occur.

Csokasy has met with local Medicare consultants to review all of the medicare options available. The process is open ended until the remaining issues are worked through. Csokasy said that he is committed to have a recommendation to present to the Board at the next meeting.

Calvin Township: On December 1, the road commission met with the township board to show road rebuilding programs that could be accomplished if voters approved a millage request. Rebuilding scenarios were presented reflecting road funding of one, two, or three mills. A road millage request will be put on the May 2010 ballot.

Financials: New cash flow projections will now be forecast on a quarterly basis. Payables are projected to the end of December at \$282,763 as compared to the budget amount of \$168,258. Cash projections improved in part due to the Sink Road project funded by the Pokagon Band.

Road projects: Payment has been received for all state and federal projects with the exception of Ironwood Road.

OPERATIONS

Road Superintendent Janssen reported that the focus has been on transferring activity centers from paving to winter operations, winterizing the asphalt plant and reviewing winter snow routes.

Huckleberry Lane: Widening the roadbed for gravel preparation.

Surges Road: The project is nearing completion with only some minor things to finish.

Pioneer Street: Road grinding will begin on Monday. Csokasy noted that this is a significant undertaking and this will be the first road in Cass County to go from paved to gravel.

ENGINEER'S UPDATE

Chief Engineer Bellina reviewed with the Board what the Engineering Department has been working on.

Service Rating Analysis: Completed countywide analysis of local paved roads and this information has already been used to develop Calvin Township's road millage plan. The analysis was last done in 2005 and now there will be a direct data comparison. Bellina said this is part of the Asset Management Program and going forward, the rating will have to be done every three years; however, Bellina noted the state will pay for the employee's time for completing the study

Bridges: Reviewing recommended corrective upgrade plan and list provided by the bridge consultant.

Lake Sewer Project: Moving forward with no remaining work to be done in the physical roadway; the contractor will work off the road edge for the next month until the ground freezes. Some temporary road closures are anticipated.

Pioneer St.: Engineering will be participating in the Pioneer Street grinding process. Estimated cost for equipment rental is \$9,000.00 and cost of added gravel is anticipated to be \$3,000. Csokasy said that the road commission will pay the costs.

UNFINISHED BUSINESS

LEASE: CASS CO. DRUG ENFORCEMENT & CCRC (STORAGE SPACE)

Manager Csokasy reviewed the proposed storage space lease with the Cass County Drug Enforcement Agency. Csokasy said 6400 sq. feet of the existing tire operation area will be leased. Per Csokasy, that space has become underused by the road commission and tire changing and repairs will be outsourced. The proposed lease is for three years at \$20,000. per year plus the additional cost of renovations.

MOTION

Commissioner Poehlman moved to authorize Manager Csokasy to sign a lease agreement between the Cass County Drug Enforcement Agency and the CCRC for storage space rental. Commissioner Celie seconded. There was discussion on liability insurance coverage and then the motion was carried by a unanimous voice vote.

TOOL ALLOWANCE POLICY

Csokasy said that a previous mechanic's tool allowance policy was not extended when the union contract expired. He met with the two mechanics affected and his recommendation was to lower the allowance from seven hundred dollars to five hundred dollars per FY.

Motion

Commissioner Poehlman moved to approve the Tool Allowance Policy for \$500.00. Commissioner Celie seconded and after discussion, the motion was approved by unanimous roll call vote.

MEETING REMINDERS: ASMRC 2009 ANNUAL CONFERENCE, 12/7-9/2009, FRANKENMUTH

NEW BUSINESS

**RESOLUTION ACCEPTING THE DEDICATION OF APRIL STREET
IN THE PLAT OF NORTH AMERICAN INDUSTRIAL PARK
AND INCORPORATING IT INTO THE COUNTY ROAD SYSTEM**

Chairman Krempec presented the following resolution:

WHEREAS, the plat of North American Industrial Park, Section 18, Ontwa Township, Town 8 South, Range 15 West, has been platted and was recorded on June 8, 2009, at Liber 1M of plats, pages 603-605, Cass County records; and

WHEREAS, the recorded plat of North American Industrial Park dedicates April Street to the use of the public; and

WHEREAS, April Street in the Plat of North American Industrial Park, has been built to the specifications of the Cass County Road Commission;

NOW THEREFORE BE IT RESOLVED that the Cass County Road Commission accepts the dedication to the public of April Street, as shown on the recorded plat of North American Industrial Park, and incorporates it into the Cass County system of county roads.

Road length: April Street .27 mile

After reading and consideration of the above resolution, a motion was offered by Commissioner Poehlman and seconded by Commissioner Powers, that the resolution be adopted.

After discussion, the resolution was approved by a unanimous roll call vote.

EDWARDSBURG SNOWMOBILE CLUB TRAIL LICENSE

Krempec noted that this has been a long term agreement and then presented the license for Board review. The license is for trails in Lagrange and Penn Townships and is in effect from December 2009 to March 2010. There is a \$1.00 license fee and the club must provide current liability insurance coverages required by the CCRC.

Poehlman moved to approve the trail license between the Edwardsburg Snowmobile Club and the CCRC as presented. Powers seconded and the motion was carried.

PERMITS

UTILITIES

10-15-01-1040 Twin Lakes Rd. Wayne Midwest Energy

ROW

10-16-07-1041 Walnut Rd. (Trees) Porter Robert Wozny

OTHER/COMMISSIONER COMMENTS

Co. Commissioner Bickel asked the status of a letter presented to the Board at a previous meeting. Krempec said that the communication regarding retiree benefits and he is reserving comment until the Manager makes a recommendation to the Board.

CLOSED SESSION

At 9:45, Commissioner Bowser moved to go into closed session to discuss the following:

- 1. Pending Litigation (Eagle Lake) (Csokasy, Bellina & Chester)
- 2. Sale of CCRC property (Csokasy, Bellina & Chester)
- 3. Manager Csokasy's evaluation (Csokasy & Chester)

Commissioner Poehlman seconded and the motion was by unanimous roll call vote.

CLOSED SESSION NOTE

It was determined that the discussion on the potential sale of CCRC property should properly be held in open session.

The Board returned to open session at 9:50 A.M.

SALE OF FOX STREET PROPERTY

Discussion: History of the property purchase was reviewed. Per Csokasy, it was purchased to serve as a backup for the O'Keefe St. pit. Since that time, the road commission has established that the existing pit has at least sixty years worth of remaining material. The purchase price of the property was approximately one million dollars and two houses each with ten acres were sold outright and a fifty-nine acre parcel was auctioned. Currently the remaining 100 acres is being leased for agricultural use to Ed Reed and that lease will expire in March 2010.

In an asset review study done last year, the property was classed as an underperforming asset and the Board agreed that the pit could be viewed as a disposal asset. At the time, it was thought that the highest value/best use of the property was as a stone quarry. Chief Engineer Bellina contacted several companies to gauge interest in purchase. He said there was a moderate amount of interest but due to economic conditions, each company was unable to

commit to a firm purchase offer or rental amount.

Manager Csokasy reported that an unsolicited purchase offer of \$400,000.00 was submitted by Paul File (buyer's agent). Csokasy said agricultural sales comparison for larger parcels in Cass County averaged \$3,664.00 per acre. and the \$4,000.00 per acre offer is well above current sales amounts. Csokasy added that the portion of this property offered at auction two years ago was sold for \$3,950.00 per acre.

Csokasy continued by saying that the Organization Committee had recommended the purchase of a salt storage building. The Manager said that he felt it would be in the best interest of the road commission to sell an under performing asset to buy a building that would save road material lose by providing a cover to protect salt/sand from exposure to adverse weather conditions.

Commissioner Powers said that he felt the farm lease money provided a good return on the initial investment and he did not see an urgency to sell the land now.

Krempec said that the last lease bid for the property was very good but he anticipates a much lesser amount this year. Poehlman said that he was not sure that would be the case and before the next meeting he will make inquiries and find out what area farmers think the property would sell for.

Csokasy explained that he was not questioning the decision to purchase the property but said that today's business environment is very different. MTF funds have decreased 2-3% every year and anticipates in two years we are going to hit a financial wall. Basing any decision on the assumption that when the current lease expires, an equally high lease offer will be received is not a good financial plan. Manager Csokasy said that based on his financial training and background, he would rather have the cash available for use than retaining a non/under performing asset

Commissioners Celie and Bowser recommended that a cost analysis be prepared and presented to the Board at the next meeting.

BOARD ACTION

Chairman Krempec postponed further discussion until the next meeting.

CLOSED SESSION

At 11:05, Commissioner Bowser moved to go into closed session to discuss the following: pending litigation and Manager Csokasy's evaluation and to take Csokasy, Bellina, and Chester. Commissioner Poehlman seconded and the motion was by unanimous roll call vote.

Returned to open session at 12:25 P.M.

ADJOURNMENT

Commissioner Bowser moved for adjournment. Commissioner Celie seconded and the motion was carried.

CLERK _____ CHAIRMAN _____

Approved by Board action as presented 12-17-09