

## KEWEENAW COUNTY ROAD COMMISSION

Minutes

February 10, 2009

The regular monthly meeting of the Board of County Road Commissioners was held at their offices in Mohawk, Michigan on February 10, 2009.

Present: Commissioners Bjorn, McEvers and Muljo

Guests: Randy Eckloff, Donna Jaaskelainen, Ralph Hodek, Nick Popko

The meeting was called to order at 5:45 P.M.

The minutes of the January 8, 2009 regular meeting were read and approved as read on a motion by Commissioner McEvers and support from Commissioner Muljo.

Vouchers #28187, #28188 and Master Vendor Voucher #2-2009 in the total amount of \$167,919.98 were audited by the Commissioners and the Master Vendor Voucher was signed. Commissioner McEvers moved to pay the bills. Commissioner Muljo supported the motion. The motion carried.

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

Commissioner McEvers motioned to approve the minutes, pay the bills and accept the financial statement as presented. Commissioner Muljo supported the motion. The motion carried.

Mr. Ralph Hodek and Mr. Nick Popko of GreenSand Corporation were present to discuss a final agreement between their corporation and KCRC with respect to purchasing stamp sand from the Gay site. Attorney Donna Jaaskelainen, the Engineer and Mr. Hodek had reached a consensus on the agreement over the last two weeks. The Board reviewed and discussed the agreement. The agreement includes a 20 year contract length, a selling price of \$1.00/ton unprocessed stamp sand, dry weight basis, with the ability to renegotiate the terms at 7, 12 and 17 years. GreenSand will commit to purchase and remove between 3,000 tons and 1,000,000 tons annually. Based on results of their pilot study, GreenSand has the potential to create 15 to 20 jobs in Gay at their processing facility. Commissioner Muljo motioned to authorize the chairman to sign the agreement pending approval from the Attorney, who will confirm the filing of the documents of incorporation of GreenSand Corporation with the State of Michigan. Commissioner McEvers supported the motion. The motion carried.

The Board reviewed the request for a plat change from John and Nancy Wakeman of Eagle Harbor. Based on the Attorney's opinion, the Board and the Drain Commissioner approved the change, signed the necessary documents, and forwarded them to Eagle Harbor Township.

The Engineer informed the Board that a preliminary set of plans and specifications for the scenic overlook park located on Brockway Mountain have been submitted to MDOT for review. The land was purchased from the Wescoat family using the National Scenic Byway Grant funding. The park will be completed using the same funding source and will allow KCRC to meet the local match through providing some labor, equipment and materials for the project.

The Engineer informed the Board that the CRAM Annual meeting will be held in Lansing, March 2 – 5. Commissioner McEvers motioned to designate the Engineer as the authorized voter for KCRC on any issues that may arise at the meeting. Commissioner Muljo supported the motion. The motion carried. Plans were made to attend.

The Engineer informed the Board that the Community Action Agency has received their grant funding to operate and maintain the log cabin Information Booth in Ahmeek for the next two years. They would like to begin normal operations this spring. Commissioner McEvers motioned to allow the Community Action Agency to maintain, occupy and operate their normal business as in previous years, and to work in conjunction with other entities who may desire space, if feasible. Commissioner Muljo supported the motion. The motion carried.

The Engineer informed the Board that the amount of Federal Economic Stimulus funding KCRC will receive will be in the \$200,000.00 range. As of now, there will be no local match required but the funding must be used on federal aid routes. Given the current financial situation, the Road Commission and the County would be best served using the funding internally, if possible, through the negotiated/force account program for projects on federal aid routes. These can include culvert replacement, crack sealing and crush and shape projects. More details will be presented at the UPRBA winter meeting, Engineers' Workshop, and the CRAM annual meeting, with MDOT representatives and Legislators scheduled to attend, and when the final bill is passed by Congress.

The Board discussed the potential cost savings of purchasing diesel fuel for the fleet by contacting suppliers when fuel is needed and obtaining bids. The Engineer stated KCRC purchases seven tankers of diesel fuel per year, on average, with the potential for significant savings to be realized based on an as needed bidding process. Commissioner McEvers motioned to authorize the Shop Foreman to call the fuel suppliers, inform them KCRC is seeking bids for the next fuel delivery, accept and review the price quotes, and award the fuel bid to the lowest qualified bidder, provided the product meets or exceeds the specifications. Commissioner Muljo supported the motion. The motion carried.

The Employees' Association submitted a counter offer to the Board. The last offer from the Board was rejected by the Association. The counter offer included a 3% raise, continue the current health care plan, and one additional personal day. The Board reviewed, discussed and rejected the counter offer. Additional information about the status of employee contracts and compensation packages would be obtained from other Road Commissions at the UP Road Builders winter meeting and the CRAM annual meeting before responding.

Other items of routine business were discussed.

The meeting was adjourned at 7:22 P.M.