

1500 Scribner Avenue, NW

Grand Rapids, MI 49504

August 27, 2019

The Board of County Road Commissioners of the County of Kent met in the Road Commission Offices.

The regular meeting was called to order by Commissioner Rambo, Chair at 8:00 a.m.

Present: Commissioners Rambo, Janes, Medema, Morren and VerHeulen, Managing Director Warren, Director of Finance Barcheski and Executive Secretary Luneke.

Also present: Deputy Managing Director - Engineering Harrall, Deputy Managing Director - Operations Byrne, Director of Equipment Roose, Director of Traffic and Safety Haagsma, Assistant Director of Finance in charge of Purchasing Wiegerink, Assistant Director of Finance Guerra, Human Resource Manager Dennis, Communication Manager Lamoreaux and Human Resource Coordinator Nanzer.

Item #2 Public Comment

There was no public comment.

Item #3 Approval of Minutes

The Board discussed minutes of the Board meeting held Tuesday, August 13, 2019.

Moved by Commissioner VerHeulen, seconded by Commissioner Medema that the **minutes be approved as written.**

Motion carried by the following vote:

Yeas: Commissioners Rambo, Janes, Medema, Morren, and VerHeulen — 5.

Nays: 0.

Item #4 Disbursements and Cash Balances

The disbursements for the check run dated August 23, 2019 were presented to the Board by Director of Finance Barcheski. She stated Payroll included \$45,440.79 in overtime. The detail of construction estimates are as follows:

Contractor	Project	Amount
Brenner Excavating	100 th Street – Eastern Ave. to Kalamazoo Avenue (estimates #6)	\$431,594.11
C. A. Hull Co.	Caledonia Bridge #30 – 100 th St. over the Thornapple River (estimates #4)	90,940.28
Dean’s Landscaping & Excavating, Inc.	Leonard St. and Crahen Ave. intersection realignment (estimates #6)	2,170.08
Kamminga and Roodvoets, Inc.	Lamoreaux Dr. - Alpine Ave. to West River Drive (estimates #10)	178,095.75
Michigan Dept. of Transportation	Fred Meijer Trail – 68 th Street at Clay Ave. to Division Ave. at M-6 (invoice #13)	79,032.22
	Knapp Street – Dunnigan Ave. to Grand River Dr. (invoice #7)	63,729.31
	44 th St. and Patterson Ave. (invoice #1)	62,032.58
	13 Mile Rd. - Kenowa Ave. to Fruit Ridge Ave. (invoice #9)	20,453.47
	Byron Center Ave. – 92 nd St. to 84 th St. (invoice #1)	2,444.31
	6 Mile Road – Walker Ave. to Alpine Ave. (invoice #1)	201,936.53
	Kraft Ave. – 28 th St. to 36 th St. (invoice #3)	1,842.22
	13 Mile Rd. – Fruit Ridge to Peach Ridge (invoice #8)	56,527.36
	Caledonia Trail Phase 1B (invoice #4)	243,595.16
	FM Pioneer Trail Phase 2 (estimate #3)	23,818.18
	Paul Henry Thornapple Trail (Dutton Spur) (invoice #,3)	10,238.35
Superior Asphalt, Inc.	Grand Rapids Twp. mill and fill (estimate #1)	425,957.08
	Byron Twp. mill and fill (estimate #1)	578,953.95
	Total	\$2,473,360.94

Director Barcheski stated the General Fund has \$22,404,275.75 remaining after approval of disbursements. Of that amount, \$4,960,879.93 is unavailable operating funds, leaving \$17,443,395.82 in total available operating funds.

Moved by Commissioner Morren, seconded by Commissioner VerHeulen that **Payroll of \$754,884.26, Construction Estimates of \$2,473,360.94, Accounts Payables of \$1,711,591.56, and Cash Balances and Investments for the check run dated August 23, 2019** is approved by the Board, and warrants ordered drawn for the same.

Motion carried by the following vote:

Yeas: Commissioners Rambo, Janes, Medema, Morren, and VerHeulen — 5.

Nays: 0.

Item #5 **Financial Statements**

Director Barcheski reviewed for the Board the July 2019 Financial Statements.

The report was received for information.

Item #6 **Fund Balance Policy**

Director Barcheski reviewed the draft Fund Balance Policy with the Board.

Purpose: To define the components of fund balance in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and provide the Board and staff guidelines for the appropriate level, the use and replenishment, and the designation of certain categories.

Definition: Fund Balance is the balance of assets in excess of liabilities available for spending, unless otherwise restricted and is reported on the audited financial statements. GASB No. 54 defines five categories of fund balance:

- **Nonspendable Fund Balance** - the amount of fund balance that cannot be spent because the assets are either not in spendable form or legally or contractually required to be maintained intact. Examples include inventory, prepaid items, non-current financial assets.
- **Restricted Fund Balance** - the amount of fund balance that can only be spent for specific purposes where the legally enforceable restrictions have been placed on its use externally by creditors, granters, contributors, laws and regulations, legislation or constitutional provisions.
- **Committed Fund Balance** - the amount of fund balance that can be spent for limited uses set by formal action of the Board; which remain binding unless formal action is taken to remove applicable limitations.
- **Assigned Fund Balance** - the amount of fund balance that can be spent for intended uses, designated in a less formal manner. The Board of County Road Commissioners delegates the authority to assign fund balances to the Managing Director or their designee.
- **Unassigned Fund Balance** - the amount of fund balance not classified in any of the other four categories.

Priority of Fund Balance Use: When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the Kent County Road Commission to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the Kent County Road Commission that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

Minimum Level: The Kent County Road Commission will strive to maintain an unassigned fund balance of not less than 25% (three months) of a three-year average of regular operating expenditures.

Replenishment: The Kent County Road Commission will seek to replenish within two years of use with budget or year-end surpluses should fund balance be depleted below the minimum level.

Director Barcheski suggested a proposed process to review the policy; adopt the policy; then commit / assign any fund balance for FY19.

The Board discussed the minimum level of the unassigned fund balance in the policy and felt it advantageous to increase the level to 33% (4 months) of a three-year average of regular operating expenditures.

Moved by Commissioner VerHeulen, seconded by Commissioner Janes to **modify the Fund Balance Policy minimum level of the unassigned fund balance to 33% (4 months) of a three-year average of regular operating expenditures**, as recommended by Staff.

Motion carried by the following vote:

Yeas: Commissioners Rambo, Janes, Medema, Morren, and VerHeulen — 5.

Nays: 0.

Item #7 **FY20 Budget**

Managing Director Warren requested Director Barcheski to review the FY20 Operating Budget for the Board and stated the proposed budget maintains progress toward achieving several Strategic Objectives.

Director Barcheski reviewed the proposed budget for the Board and answered the Board's questions.

Managing Director Warren stated that labor hours are up substantially over the past 5 years and as a result, there are several vacancies that need to be filled. Twenty-four additional employees have been added to the proposed budget. Chair Rambo stated he feels uncomfortable adding so many employees. Commissioner Morren stated he supports Staff recommendations. Commissioner Medema stated he respects and supports the Staff leadership.

The Proposed FY20 Budget was received for information.

Item #8 Purchase of Right-of-Way

Managing Director Warren requested authorization to purchase right-of-way.

1. Isaac M. Newhof - 2023 84th Street, SE, Section 16, Gaines Township

Deputy Managing Director Harrall stated Isaac M. Newhof, the owner of 2023 84th Street between Kalamazoo Avenue and Breton Avenue, has agreed to sell additional highway easement to accommodate the 84th Street reconstruction scheduled for 2020. The compensation is based on a permanent highway easement 17 feet by 160 feet (2,720 sq. ft.) valued as \$0.70 / sq. ft. for an improved parcel with a land value of \$1,904.00. In addition, compensation for loss of trees valued at \$2,766.00 **results in a total just compensation of \$4,670.00.**

Easement Description:

A Highway Easement, the exterior Boundary of which is described as:

Commencing at the South 1/4 Corner of Section 16, T05N, R11W Gaines Township, Kent County, MI.; thence S89°26'21"E 220.00 feet along the South line of said Section 16; thence N00°50'49"E 33.00 feet to the Northerly Right of Way Line for 84th Street and the Point of

Beginning; thence N00°50'49"E 17.00 feet along the Westerly Property Line; thence S89°26'21"E 160.00 feet along a line parallel with the Northerly Right of Way of 84th Street; thence S00°50'49"W 17.00 feet to the existing Northerly Right of Way; thence along said Right of Way N89°26'21"W 160.00 feet to the Point of Beginning. Contains 2,720 square feet more or less and is subject to other easements and restrictions of record.

2. Eric Fouch - 2339 84th Street, SE, Section 16, Gaines Township

Deputy Managing Director Harrall stated Eric Fouch, the owner of 2339 84th Street, has agreed to sell additional highway easement to accommodate the 84th Street reconstruction between Kalamazoo Avenue and Breton Avenue planned for 2020. Compensation is based on a permanent highway easement 17 feet by 228 feet (3,876 sq. ft.) and a 67 foot by 67 foot (2,244 sq. ft.) vision corner for a total area of 6,120 sq. ft. valued at \$0.70 / sq. ft., **resulting in a total just compensation of \$4,284.00.**

Easement Description:

A Highway Easement, the exterior Boundary of which is described as:

Commencing at the Southeast Corner of Section 16, T05N, R11W Gaines Township, Kent County, MI.; thence N89°26'21"W 461.01 feet along the South line of said Section 16; thence N00°50'49"E 33.00 feet to the Northerly Right of Way Line for 84th Street and the Westerly Property line; thence S89°26'21"E 200.00 feet along said Northerly line to the Point of Beginning; thence N00°50'49"E 17.00 feet; thence S89°26'21"E 161.05 feet along a line parallel with the Northerly Right of Way Line of 84th Street; thence N45°46'48"E 95.12 feet to the existing Westerly Right of Way of Brenton Ave (66'); thence S00°59'57"W 84.00 feet along said Right of Way to the existing Northerly Right of Way of 84th Street; thence along said Northerly Right of Way N89°26'21"W 228.01 feet to the Point of Beginning. Contains 6120 square feet more or less and is subject to other easements and restrictions of record.

Moved by Commissioner Morren and seconded by Commissioner Medema that **Staff is authorized to purchase the above-described right-of-ways**, as recommended by Staff.

Motion carried by the following vote:

Yeas: Commissioners Rambo, Janes, Medema, Morren, and VerHeulen —5.

Nays: 0.

Item #9 Pavement Warranty Program

Managing Director Warren requested authorization to pass a resolution to adopt a pavement warranty program and to implement a pavement warranty program.

Deputy Managing Director Harrall stated as part of the Transportation Funding package of 2015, the Legislature created a requirement (MCL 247.662, MCL 247.663) that each local road agency in Michigan adopt a Local Pavement Warranty Program acceptable to the Michigan Department of Transportation.

In March 2016, a Local Agency Pavement Warranty Task Force was created with the goal of developing one Standard Pavement Warranty to be utilized by all local agencies. The task force included rural and urban representation, the County Road Association and the Michigan Municipal League, as well as a representative from the Michigan Department of Transportation, the Federal Highway Administration and Michigan's Local Technical Assistance Program (LTAP). Deputy Managing Director Harrall participated on the Task Force.

The Local Agency Pavement Warranty Program was approved by the Michigan Department of Transportation on September 18, 2018. The law requires that all local agencies

adopt and implement a Pavement Warranty Program within one year of Michigan Department of Transportation's approval.

The Law requires a warranty on each project using any state (including ACT 51) or federal funding that includes \$2 million or more in paving related items.

Commissioner VerHeulen offered the following resolution to adopt and implement a Pavement Warranty Program.

**Resolution to Adopt and Implement
A Pavement Warranty Program**

WHEREAS, the Michigan Legislature created a requirement (MCL 247.662 and 247.663) as part of the Transportation Funding Package of 2015 that requires each local road agency to adopt a Pavement Warranty Program that was approved by the Michigan Department of Transportation in 2018, and

WHEREAS, the Michigan Local Agency Pavement Warranty Program was developed by the Local Agency Pavement Warranty Taskforce for use by all members of the County Road Association and the Michigan Municipal League as approved by the Michigan Department of Transportation in 2018, and

WHEREAS, the Michigan Department of Transportation has reviewed and approved the Local Agency Pavement Warranty Program consisting of Special Provisions, a Warranty Bond Form and Contract Form, and Guidelines for Local Agency Pavement Warranty Programs, and

WHEREAS, the Kent County Road Commission agrees to consider a Pavement Warranty on each project that includes \$2,000,000 or more in paving-related items and includes any state (including Act 51 Funds) or federal funds, where feasible, and

WHEREAS, the Local Agency Pavement Warranty Program law requires each Local Agency to report annually on each project that includes \$2,000,000 or more in paving-related items and includes any state or federal funds, whether or not a warranty was utilized in the project.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Kent County Road Commissioners hereby adopts and agrees to implement the Michigan Local Agency Pavement Warranty Program and accompanying documents in accordance with the requirements of MCL 247.662 and 247.663.

Moved by Commissioner VerHeulen, seconded by Commissioner Janes that the Board authorizes to **pass a resolution to adopt and implement a Pavement Warranty Program** by the Board and as recommended by Staff.

Motion carried by the following vote:

Yeas: Commissioners Rambo, Janes, Medema, Morren, and VerHeulen — 5.

Nays: 0

Item #10 Adopt Resolutions of Support

Managing Director Warren requested the Board adopt resolutions of support for the following Transportation Alternative projects:

1. **Nelson Township Trail** along 17 Mile Road and Ritchie Avenue, Section 31, Nelson Township

Deputy Managing Director Harrall stated that Staff is working with Nelson Township on a Transportation Alternative Funded non-motorized trail project that would extend pedestrian facility along 17 Mile Road from Cedar Springs High School 0.5 mile east to Ritchie Avenue then south on Ritchie approximately 0.5 mile to a Sports Complex. The estimated project cost is \$330,000 with 70% TAP funds (\$231,000) and 30% local match

(\$99,000) funded by Nelson Township. Michigan Department of Transportation requires a resolution in order to bid the project.

Commissioner Medema offered the following resolution of support for the Nelson Township non-motorized trail Transportation Alternative Project.

**Resolution of Support
for the
Nelson Township Non-Motorized Trail
Transportation Alternative Project**

WHEREAS, the Kent County Road Commission is committed to enhancing the County roadway system and works with other local agencies to provide additional pedestrian non-motorized facilities, and

WHEREAS, the provisions of non-motorized facilities for pedestrians are eligible Transportation Alternative Program activities, and

WHEREAS, the Kent County Road Commission, on behalf of Nelson Township, has been awarded TAP funding to construct a non-motorized trail along 17 Mile Road from Red Hawk Drive to Ritchie Avenue and south on Ritchie Avenue to south of Becker Street.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Kent County Road Commissioners requests the Michigan Department of Transportation to proceed with this Transportation Alternative Project for the following estimated project costs:

Total estimated Trail cost:	\$330,000
Federal Funds: (70% TAP)	\$231,000
Local Match: (30% Nelson Township)	\$99,000

BE IT FURTHER RESOLVED that Nelson Township will provide local match funds and Nelson Township is responsible for the maintenance of the non-motorized trail after construction is complete. Kent County Road Commission will designate a Project Engineer

who shall attend the pre-construction meeting, and final project review. In addition, the Project Engineer shall be available for meetings with the Michigan Department of Transportation and shall assure that the Project Record Files are maintained.

Moved by Commissioner Medema, seconded by Commissioner Morren that the **resolution of support is adopted** by the Board and as recommended by Staff.

Motion carried by the following vote:

Yeas: Commissioners Rambo, Janes, Medema, Morren, and VerHeulen — 5.

Nays: 0.

2. **Fred Meijer Pioneer Trail Phase 5** along West River Drive between Lankamp Street and North Park Street, Section 31, City of Walker

Staff is working with the County of Kent to complete the final link of the Fred Meijer Pioneer Trail, which will connect the Musketawa Trail with the White Pine Trail. This 1.3 mile non-motorized Trail project is primarily along the east side of West River Drive between Lankamp Street and North Park Street. The estimated project cost is \$1,300,000. Funding includes \$1,064,050 TAP Funded (based on the estimate) with the remaining \$235,950 local match funded by the County of Kent.

Commissioner Medema offered the following resolution of support for the Fred Meijer Pioneer Trail Phase 5 non-motorized trail Transportation Alternative Project.

**Resolution of Support
for the
Fred Meijer Pioneer Trail Phase 5 Non-Motorized Trail
Transportation Alternative Project**

WHEREAS, the Kent County Road Commission is committed to enhancing the County roadway system and works with other local agencies to provide additional pedestrian non-motorized facilities, and

WHEREAS, the provisions of non-motorized facilities for pedestrians are eligible Transportation Alternative Program activities, and

WHEREAS, the Kent County Road Commission, on behalf of the County of Kent, has been awarded TAP funding to construct a non-motorized trail along West River Drive between Lankamp Street and North Park Street.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Kent County Road Commissioners requests the Michigan Department of Transportation to proceed with this Transportation Alternative Project for the following estimated project costs:

Grant estimated Trail cost:	\$1,700,000
Federal Funds: (65% TAP)	\$1,105,000
Local Match: (35% County of Kent)	\$595,000

BE IT FURTHER RESOLVED that the County of Kent will provide local match funds and the County of Kent is responsible for the maintenance of the non-motorized trail after construction is complete. Kent County Road Commission will designate a Project Engineer who shall attend the pre-construction meeting and final project review. In addition, the Project Engineer shall be available for meetings with the Michigan Department of Transportation and shall assure that the Project Record Files are maintained.

Moved by Commissioner Medema, seconded by Commissioner Morren that the **resolution of support is adopted** by the Board and as recommended by Staff.

Motion carried by the following vote:

Yeas: Commissioners Rambo, Janes, Medema, Morren, and VerHeulen — 5.

Nays: 0.

Item #11 Advertise for Bids

Managing Director Warren requested authorization to advertise for bids on the following:

1. **Contract #20-01:** Trucking of various materials (Example – Asphalt, Sand, Gravel and Snow), as required from Primary and Local Roads and State Trunklines for 2020
2. **Contact #20-03:** Furnish and Haul Aggregate for bituminous chip seals for 2020
3. **Contract #20-04:** Removal of one (1) building at 5611- 68th Street SE, Caledonia Township

Moved by Commissioner Janes, seconded by Commissioner Morren that Staff is **authorized to advertise for bids on the above-listed purchases with bids to be accepted until 8:30 o'clock a.m. on the dates listed** and as recommended by Staff.

#12 Managing Director's Comments

Managing Director Warren stated the Michigan Legislatures went on their break with no resolution on road funding.

#13 Discussion – Strategic Plan Update

Managing Director Warren presented the revised Vision Statement to the Board.

Communication Manager Lamoreaux stated KCRC's management team collaborated to create a proposed vision statement that would succinctly underscore the organization's objectives for the future.

VISION

Defining the standard of excellence in the safety, construction and preservation of a county road system

Aligned with crafting the updated vision statement, Staff also proposed modifications to the list of future objectives (changes shown below in red).

To achieve this vision Kent County Road Commission will strive to:

- *Promote the safe and efficient travel of all modes (NEW)*
- Maintain 90% of the Primary Road Network in Good/Fair Condition
- Sustain the Local Road Cost Sharing Program with Townships Partners
- Eliminate seasonal weight restrictions on the Economic Support Network
- Consider context sensitive design solutions in *cooperation* with township & community partners
- Support the deployment of automated vehicle technology throughout the system
- *Cultivate a safe environment* for a highly qualified and diverse workforce

Further discussion led to a review of Kent County Road Commission's mission statement by Staff - *To serve Kent County with a safe, reliable, and efficient transportation network*. Upon reflection, the team proposed that the phrase "transportation network" is too broad. While KCRC coordinates and collaborates with municipalities and other agencies regarding transportation projects outside the right-of-way, KCRC's focus is the county road system.

Therefore, Staff also proposes:

Mission

To serve Kent County with a safe, reliable, and efficient county road system

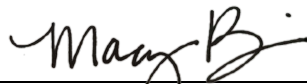
Communication Manager Lamoreaux explained the need for public outreach and a consultant to help with the revision of the Strategic Plan. The consultant (Public Sector Consultants) could help with document design, community engagement and a communication outreach plan. She stated a one page summary for the KCRC website would include a survey to give the Board feedback from the public. The consultant would cost approximately \$20,000.00.

Chair Rambo stated that it is a time consuming process crafting a new Vision Statement and as a result, is hesitant to change the current statements. Managing Director Warren stated he could contact the consultant regarding facilitation to revise the Mission and Vision Statements.

Deputy Managing Director Harrall stated Lamoreaux Drive will be open to the public the end of this week, two months ahead of schedule.

There being no further business to come before the Board, the meeting was adjourned at 10:00 o'clock a.m.

Respectfully submitted,



Macy D. Barcheski, Secretary