



BOARD OF COMMISSIONERS

1 S. Main St., 9th Floor
Mount Clemens, Michigan 48043
586-469-5125 FAX 586-469-5993
macombcountymi.gov/boardofcommissioners

BUILDINGS, ROADS AND PUBLIC WORKS COMMITTEE

TUESDAY, OCTOBER 12, 2010

AGENDA

1. Call to Order
2. Pledge of Allegiance
3. Adoption of Agenda
4. Approval of Minutes dated September 13, 2010 (previously distributed)
5. Public Participation (five minutes maximum per speaker, or longer at the discretion of the Chairperson related only to issues contained on the agenda)
6. Payment of Invoice: Braun Construction Group-Jail Kitchen Renovation (mailed)
7. Adopt Full Faith and Credit Resolution for Richmond Columbus Intercounty Drain (revised resolution is attached) (mailed and attached)
8. Report by Road Commission (mailed)
9. New Business
10. Public Participation (five minutes maximum per speaker or longer at the discretion of the Chairperson)
11. Adjournment

MEMBERS: Duzyj-Chair, Carabelli-Vice-Chair, DiMaria, Szczepanski, Doherty, Brdak, Boyle, Kepler, Sprys and Gielegem (ex-officio)

MACOMB COUNTY BOARD OF COMMISSIONERS

Andrey Duzyj - District 1
Marvin E. Sauger - District 2
Phillip A. DiMaria - District 3
Toni Mocerň - District 4
Susan L. Doherty - District 5

Sue Rocca - District 7
David Flynn - District 8
Robert Mijac - District 9
Ken Lampar - District 10
Ed Szczepanski - District 11

James L. Carabelli - District 12
Don Brown - District 13
Brian Brdak - District 14
Keith Rengert - District 15
Carey Torrice - District 16

Paul Gielegem
District 19
Chairman

Ed Bruely - District 17
Dana Camphous-Peterson - District 18
Irene M. Kepler - District 21
Frank Accavitti Jr. - District 22

Kathy Tocco
District 20
Vice Chair

Joan Flynn
District 6
Sergeant At-Arms

William A. Crouchman - District 23
Michael A. Boyle - District 24
Kathy D. Vosburg - District 25
Jeffery S. Sprys - District 26

6.

RESOLUTION NO. _____

FULL BOARD MEETING DATE: _____

AGENDA ITEM: _____

MACOMB COUNTY, MICHIGAN

RESOLUTION TO: Approve the invoice submitted by Braun Construction Group in the amount of \$316,116.10

for services performed for the Jail Kitchen Renovation Project.

Funds for this Project are available in the Capital Budget.

INTRODUCED BY: Commissioner Andrey Duzyj, Chair

Buildings, Roads & Public Works

COMMITTEE/MEETING DATE

Buildings, Roads & Public Works:10/12/10

0027003

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

TO: COUNTY OF MACOMB
10 NORTH MAIN
MT. CLEMENS, MI 48043

PROJECT: MACOMB COUNTY JAIL
KITCHEN RENOVATIONS
43565 Elizabeth Street
Mt. Clemens, MI 48043

APPLICATION NO: THREE
PERIOD TO: 09-30-2010
PROJECT NO.: 10-004

FROM CONTRACTOR: Braun Construction Group
93095 W. 12 Mile Road, Suite 100
Farmington Hills, MI 48331

VIA ARCHITECT: Wakely Associates, Inc.
30500 Van Dyke Ave., Suite M-7
Warren, MI 48093

CONTRACT DATE: 06-25-2010

CONTRACT FOR: Construction & Construction Management Services

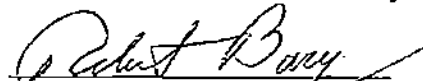
CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.
Sworn Statement is attached.

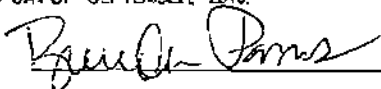
1. ORIGINAL CONTRACT SUM	\$	<u>1,674,800.00</u>
2. Net change by Change Orders	\$	<u> </u>
3. CONTRACT SUM TO DATE	\$	<u>1,674,800.00</u>
4. TOTAL COMPLETED & STORED TO DATE	\$	<u>783,202.17</u>
5. RETAINAGE	\$	<u>(78,320.22)</u>
6. TOTAL EARNED - RETAINAGE	\$	<u>704,881.95</u>
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT.	\$	<u>(388,765.85)</u>
8. CURRENT PAYMENT DUE	\$	<u>316,116.10</u>
9. BALANCE TO FINISH, INCLUDING RETAINAGE	\$	<u>959,918.05</u>

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner.	\$0	\$0
Total approved this month	\$0	\$0
TOTALS	\$0	\$0
NET CHANGES by Change Order	\$0	\$0

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.


BY: ROBERT BARRY, VICE PRESIDENT
Date: 09-22-2010

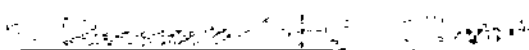
STATE OF MICHIGAN
COUNTY OF MACOMB, acting in OAKLAND COUNTY, MICHIGAN
Subscribed and sworn to before me this 22 ND DAY OF SEPTEMBER, 2010.
COMMISSION EXPIRES: 11-25-2015
NOTARY: BRENDA L PAMS



ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief, the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED 316,116.10

ARCHITECT:

By: _____ Date: 09/22/2010

3/30/2010 THU 14:49 FAX

Lynn Amott-Bryks - Signed Pay App #3 for MC Jail Kitchen

Page 1

From: "Ron Syme Jr" <rsyme@wakelyaia.com>
To: Jennifer.Dudzinski@macombcountymi.gov; Lynn.Amott-Bryks@macombcountymi.gov
Date: 9/30/2010 2:44:05 PM
Subject: Signed Pay App #3 for MC Jail Kitchen

Lynn:

In regards to the billing submitted by Braun ending 9-30-10 Pay App #3

The above project is complete as follows:

Architectural 50%

Mechanical 60%

Electrical 29% (Note: this number also includes security systems with have not started yet. General Electrical percentage without security is at 38% complete)

Overall 47%

Brief summary of the work to date:

Work in the kitchen is progressing:

All floors in the kitchen have been installed.

Mechanical ductwork is installed in the kitchen and insulated.

Roof Top units have been set, but are not fully ducted yet.

Shafts have been constructed for the new ductwork to the rooftop equipment.

Food Service Equipment main hoods have been installed.

Concrete has been patched in the corridors surrounding the kitchen.

The ceiling suspension system wires are being installed in the basement.

Openings for the Trash chutes have been cut into the exterior walls¹ of the corridor.

Electrical panels are being wired in the electrical room and cart areas of the kitchen. Overhead conduit has been run in the kitchen areas.

Thanks

Ronald A. Syme, Jr., AIA, LEED AP

RECYCLABLE PAPER

RESOLUTION NO. _____

FULL BOARD MEETING DATE: _____

AGENDA ITEM: _____

MACOMB COUNTY, MICHIGAN

RESOLUTION TO adopt a full faith and credit resolution for the Richmond Columbus Intercounty Drain

INTRODUCED BY: Andrey Duzyj, Chair, Buildings, Roads and Public Works Committee

COMMITTEE/MEETING DATE
BR&PW 10-12-10



Anthony V. Marrocco
Public Works Commissioner
Macomb County

October 6, 2010

Andrey Duzyj, Chairman
Buildings, Roads and Public Works Committee
Macomb County Board of Commissioners
Mt. Clemens MI 48043

Re: Full Faith and Credit Resolution-Richmond Columbus Drain

Dear Mr. Chairman:

The Buildings, Roads and Public Works Committee is respectfully requested to approve a resolution pledging the County's full faith and credit as secondary security for the Macomb County portion of bank notes to finance construction of improvements to the Richmond Columbus Intercounty Drain.

The Richmond Columbus Drain is an existing intercounty drain established in the 1950s. It is some 20,000 feet in length serving 4,266 acres of land in both Macomb County and St. Clair County. The Macomb County municipalities involved are the city of Richmond and township of Richmond. The drain begins in the city of Richmond near 32 Mile Road and M-19 and runs in a northwesterly direction to Columbus Township in St. Clair County, where it discharges to the Jerome Creek, then to the Belle River and eventually to the St. Clair River.

The present project is the result of a petition filed in 2008 by the St. Clair County Road Commission, which was seeking to have improvements made to the drain crossing at 32 Mile Road, also known as Division Road. The Intercounty Drainage Board for the Richmond Columbus Drain subsequently expanded the scope of the project to include installation of a new crossing at Division Road, consisting of an aluminum box culvert measuring 23 feet by 7 feet, along with clean out of 6,550 feet of the drain and removal of 10,000 cubic yards of sediment.

Bids on the project were taken on May 12, 2010, with the low bidder being Sterling Topsoil and Grading, Inc. of Sterling Heights. The project cost is \$591,000, with the Macomb County portion of the drainage district being responsible for about 26% of the total or \$150,950. Financing will be arranged through the sale of ten year bank notes. The county's pledge of its full faith and credit will allow the bank notes to be sold at a lower rate of interest, producing a tax savings for Macomb County property owners and municipalities in the drainage district.

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in cursive script that reads "Anthony V. Marrocco".

Anthony V. Marrocco
Macomb County
Public Works Commissioner

OFFICE LOCATION: 21777 Dunham Road, Clinton Township, MI 48036 • Phone: 586-469-5325 • Fax: 586-469-5933

MAILING ADDRESS: P.O. Box 606, Mount Clemens, MI 48046-0806

ENGINEERING: • Phone: 586-469-5910 • Fax: 586-469-7693 • **SOIL EROSION:** • Phone: 586-469-5327 • Fax: 566-307-6264

REVISED

RESOLUTION NO. _____

RESOLUTION PLEDGING FULL FAITH AND CREDIT FOR THE PROMPT REPAYMENT OF PRINCIPAL AND INTEREST ON THE RICHMOND COLUMBUS INTERCOUNTY DRAIN NOTES, 2010.

Minutes of a regular meeting of the Board of Commissioners, Macomb County, Michigan, held on the ____ day of October, 2010, at _____ o'clock, __.m., in the _____, Mount Clemens, Michigan.

The meeting was called to order by Chairperson _____.

Present: Commissioners _____

Absent: Commissioners _____

The following preamble and resolution were offered by Commissioner _____ and supported by Commissioner _____.

WHEREAS, proceedings have been taken by the Drainage Board for the Richmond Columbus Intercounty Drain for improvements to the Richmond Columbus Intercounty Drain ("the Project") under the provisions of Act 40, Public Acts of Michigan, 1956, as amended (the "Drain Code"), pursuant to a petition filed with the St. Clair County Drain Commissioner.

WHEREAS, in order to pay for part of the costs of the Project, the Drainage Board has provided for and authorized the issuance by the Richmond Columbus Intercounty Drain Drainage District (the "Drainage District"), of a note or notes designated as RICHMOND COLUMBUS INTERCOUNTY DRAIN NOTES, 2010 (the "Notes") in the aggregate principal

amount not to exceed Five Hundred Ninety-one Thousand Dollars (\$591,000.00), to bear interest at a rate or rates to be hereafter determined but, in any event, not exceeding six percent (6%) per annum, in anticipation of an equal amount of special assessments against property and public corporations (including the County of Macomb) in the Counties of Macomb and St. Clair in the Drainage District, said special assessments having been duly confirmed as provided in the Drain Code; and

WHEREAS, \$150,949.56 of the cost of the Project to be financed by the Notes has been apportioned by the Drainage Board to Macomb County; and

WHEREAS, the Project is necessary to protect and preserve the public health and it is in the best interest of the County that the Notes be sold; and

WHEREAS, the Drainage Board deems it advisable and necessary to obtain from this Board a resolution consenting to the pledge of the full faith and credit of the County of Macomb on the Notes to the extent of special assessments assessed against property and public corporations in the County; and

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF MACOMB:

1. That pursuant to the authorizations contained in Act 40, Public Acts of Michigan, 1956, as amended, the Board of Commissioners of the County of Macomb, by a majority vote of its members elect, does hereby irrevocably pledge the full faith and credit of the County of Macomb for the prompt payment of principal and interest on the RICHMOND COLUMBUS INTERCOUNTY DRAIN NOTES, 2010, to the extent of special assessments against property and public corporations in the County, and does agree that in the event that property owners or

public corporations in the County shall fail or neglect to account to the County Treasurer of Macomb County for the amount of any special assessment installment and interest (in anticipation of which the Notes are issued) when due, then the amount thereof shall immediately be advanced from County funds and the County Treasurer is directed to immediately advance such payment to the extent necessary.

2. That in the event that, pursuant to said pledge of full faith and credit, the County of Macomb advances out of County funds, all or any part of the principal of and interest due on the Notes, it shall be the duty of the County Treasurer, for and on behalf of the County of Macomb, to take all actions and proceedings and pursue all remedies permitted or authorized by law for the reimbursement of such sums so paid.

3. That the issuance and sale of the Notes is subject to permission being granted therefor by the Department of Treasury of the State of Michigan or an approval being granted by the Department of Treasury, and the County Treasurer is hereby authorized to file an application for approval of the issue with the Michigan Department of Treasury, Municipal Finance Division, if necessary.

4. That all resolutions and part of resolutions, insofar as the same may be in conflict with the provisions of this resolution, be and the same are hereby rescinded.

Ayes: Commissioners _____

Nayes: Commissioners _____

Absent: Commissioners _____

Resolution declared adopted.

Clerk, County Board of Commissioners
Macomb County, Michigan

STATE OF MICHIGAN)
COUNTY OF MACOMB)

I, _____, Clerk of the County of Macomb, do hereby certify that the foregoing is a true and complete copy of Resolution No. _____ adopted by the Macomb County Board of Commissioners at a regular meeting held on the 21st day of October, 2010, the original of which is on file in my office.

I further certify that notice of the meeting was given pursuant to and in compliance with Act No. 267, Michigan Public Acts of 1976, as amended.

IN WITNESS WHEREOF, I have hereunto affixed my signature and seal of the County of Macomb this 21st day of October, 2010.

County Clerk

By: _____

RECYCLABLE PAPER

RESOLUTION NO. _____

FULL BOARD MEETING DATE: _____

AGENDA ITEM: _____

MACOMB COUNTY, MICHIGAN

RESOLUTION TO receive and file the report by the Road Commission

INTRODUCED BY: Andrey Duzyi, Chair, Buildings, Roads and Public Works Committee

COMMITTEE/MEETING DATE
BR&PW 10-12-10

REPORT
TO
BUILDING, ROADS AND PUBLIC WORKS COMMITTEE
MACOMB COUNTY BOARD OF COMMISSIONERS

By
Road Commission of Macomb County

OCTOBER 12, 2010

ROAD COMMISSION OF MACOMB COUNTY

**Report to Building, Roads and Public Works Committee,
Macomb County Board of Commissioners**

October 12, 2010

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ROAD COMMISSION OF MACOMB COUNTY

**Report to Building, Roads and Public Works Committee,
Macomb County Board of Commissioners**

October 12, 2010

I. Introduction:

Good morning ladies and gentlemen of this Building, Roads and Public Works Committee. Thank you for the opportunity to report to you.

This report will discuss the administration and management of the organization in general, and will summarize Road Commission (RC) activities, primarily since May 2009 from this commissioner's perspective.

Topics will be budget, organization, major construction projects, asset management, traffic management, staff, financial condition, and trends.

II. Budget:

The 2011 budget, and for comparison the 2010 and 2003 budgets, are shown below. The figures in parentheses show the differences between the budget in 2003, which was the highest in this decade, and the budgets of 2010 and 2011.

	<u>2011</u>	<u>2010</u>	<u>2003</u>
Revenue	\$87M (-38M)	\$103M (-29M)	\$125
Expense	94 (-31M)	111 (-14M)	125
Transfer from FB	-7	-8	
Fund Balance	35	25	

The 2011 budget includes \$33M for construction, \$16M for road maintenance, \$9M for traffic signal modernization, \$1.7M for capitol investment, and \$4.8M for trail design and construction.

III. Current Organization and Operations: An overview of the Road Commission is presented as follows:

A. Construction is declining due to reduced Michigan Act-51 revenue, and less development. Staff size has declined from 310 in 2004 to 245 today.

B. Minor reorganizations are implemented periodically to adjust for varying work loads resulting from declining revenue.

C. More training is provided to staff to improve efficiency and safety. Examples of training topics are supervision, safety, and equipment.

D. Unions: Contracts negotiations were completed as follows:

ADTECH – *Ratification:* October 19, 2009
AFSCME – *Implementation:* June 15, 2010

We do appreciate the Unions' cooperation. We know it was difficult for all to develop agreements this time. But, they are good agreements.

E. Equipment: Only that which is worn out is replaced. The Road Commission is buying select new equipment that increases efficiency, and decreases the cost of engineering, design, maintenance and operations.

F. Continuous Improvement - Philosophy and Discipline: Continuous Improvement recognizes that life is not static. An organization, like people, either is improving its capability and achieving better results or it is retrogressing. We are continuously searching for improvements in equipment, engineering procedures and technology, and management that can be employed to reduce cost, and improve the quality and efficiency of our work.

IV. Construction: Major projects – completed, in progress, soon to start – are as follows:

Completed:	
Bridgeview Bridge – Clinton R.....	\$7.3M
Cass Ave. & Romeo Plank – 19 to 21 Mile Rd.....	5.0
ARRA (resurfacing).....	5.0
14 Mile Road Bridge – Red Run Drain.....	2.0
14 Mile Road – resurfacing.....	<u>2.7</u>
	\$22.M
In Progress:	
Van Dyke – 23 to 24 Mile Road.....	5.0
Romeo Plank – Canal to Cass.....	1.6
Metro Parkway.....	10.0
Signal Modernization.....	<u>6.4</u>
	\$23.M
Soon to Start include:	
Moravian Bridge – Clinton River.....	2.8
Bike Path – Harrison Twp.....	<u>0.5</u>
	5. M

Funds for maintenance and improvements are allocated according to priority, based in large part on population. Accordingly, investment is heavier in urban areas. The RC has added sixty miles of roads and many miles of road widening, i.e. from three to five lanes.

We do, however, make a significant investment in the rural area to maintain and improve rural roads, bridges, ditches and culverts.

V. Rural Roads:

The RC inspects rural roads every week. Gravel roads in the northern townships are maintained in the good weather season, i.e. when there is no frost in the ground. They are graded after each rain. Snow is removed during the winter, of course.

This summer the northern townships cost shared with the Road Commission the application of six inches of limestone to two miles of road in each of six townships. This

is a significant road improvement which employs limestone instead of gravel. Limestone produces a better quality road surface that serves for a longer time, and therefore is worth the extra cost. Townships contributed ten percent of the \$686,000 cost of this project. We expect to continue this program in 2011.

VI. Asset Management:

The RC uses a process of continuous physical inventory and condition assessment to plan and schedule road maintenance and reconstruction. The process is called Asset Management. We inspect and grade the condition of one half of the County's roads each year. This method results in a program of maintenance and construction that uses a suite of "right fixes at the right times". Asset Management, over time, optimizes the condition of a road system. Preventative maintenance is emphasized to extend the life of pavements and thereby reduces the need for the very expensive road rehabilitation and reconstruction.

VII. Traffic Management:

The Road Commission maintains all traffic control devices in the County. The RC embarked on a ten year modernization program in 2004. The budgets in 2010 and 2011 are \$6M and \$9M, respectively, and are invested mostly in modernizing signal equipment. If funding continues this modernization program, i.e. installation of state of the art traffic signals and controls, could be complete in 2015. We think we are a leader in the implementation of modern traffic management, and believe a modern traffic management system will benefit other County departments, e.g. Emergency Management and the Sheriff's Department.

The following provides a quick Scope of the Traffic Division's responsibility:

Signal controlled intersections	740
Signals	3,700
Signs	60,000
Traffic Operation Center	1

The RC, for five years, has been developing a traffic control center, which when fully operational and staffed will provide real time control of all traffic signals throughout the County from our headquarters on Malow. The result will be more efficient maintenance of signals, more effective management of traffic flow throughout the County. It will obviate the need to have the number of staff in the field that is now required to maintain traffic signals. We will be able to fix problems at the Traffic Control Center (TOC).

The Sheriff has been given a key to gain access to the traffic control cabinets that are located adjacent to sidewalks at intersections. These cabinets contain the electronics that control the traffic signals, and they are connected to our Traffic Operations Center on Malow. Sheriff deputies can, by using a special device, simply exert manual control of traffic passing through an intersection without standing in the street next to moving vehicles.

This year we will complete the construction of eighteen, 100 foot communication towers that will be located throughout the County. The towers are mounted with two way communication equipment, connected to control cabinets at the intersections and to the

Traffic Operations Center. We will then have radio or radar communication with all traffic signals.

We are coordinating a plan with the Public Works Dept. for them to use RC towers in their program to modernize control of their pump stations.

We are arranging with the Counties' IT department for a fiber-optic link between the Sheriff's Office and our Traffic Operation's Center. This will give the Sheriff direct access to our cameras at signaled intersections.

VIII. Trails:

The RC has been involved in recent years in the planning for the construction of hike bike paths. The RC is involved in six paths: Harrison Township, County Line/New Baltimore, Gratiot Avenue (Mount Clemens), Utica/Shelby, Romeo Trail Head Park, and the Macomb Orchard Trail. The Harrison Township, Macomb Orchard and Riverbends Trails are in the 2011 budget. Funding is as follows:

Harrison Township – design and construction	\$3.3M	
Macomb Orchard – construction	1.1	
Riverbends – design and construction	<u>0.8</u>	\$5.2M

The RC is the State's Act - 51 Agent for administrative and financial matters relating to these projects, and will provide quality assurance for construction. The Romeo Trail Head Park will be constructed on RC property and a conditional commitment was recently received from the Michigan Department of Transportation. The condition is the commitment for the local share.

IX. Staff:

A. You know Mr. Hoepfner, a Professional Engineer, an excellent engineer and effective representative of the RC to you and the public we serve. He is not the exception, but is a representative of the experience and professionalism of the people at the RC. Other staff in management positions, i.e. Finance, Personnel, Purchasing, Maintenance, MIS and Administration exhibit the same caliber or professionalism and expertise.

B. People are our most important asset. It is management's responsibility to provide staff with the tools they need to be effective, efficient. We discovered that many of the staff and field supervisors had never had the opportunity to receive formal training in the art of supervision or management.

Accordingly, ten hours of training was provided to all supervisors and managers early this spring. The objective is to improve supervisory skills and performance, and improve relations between management and personnel. The training would provide a tool to management that will strengthen our workforce, and improve the effectiveness of communication and execution of our work. Another Continuous Improvement activity.

I asked the managers to participate, because I thought their participation would emphasize the importance of the training opportunity and promote the synergism needed to obtain a buy-in from the younger staff and field supervisors. Results were

impressive. I observed one session and was gratified by the participation of the group. These hard working field people attentively listening to an instructor lead them in discussion and through exercises in problem solving. I was also glad to observe their interest, and lively discussion about the issues they face.

Follow-on training will be provided to this group in the fall, and advanced training next spring. This group training also enabled the engineering and administrative staff, and field maintenance personnel to associate and develop a better understanding of each other's work, and an appreciation for each's contribution to the organization.

C. Some individuals are periodically reassigned, temporarily and permanently, to match the workload. We use engineering consultants and part time employees, in lieu of hiring additional staff.

D. A ten hour day, four day per week schedule was implemented this summer for administration staff.

E. Safety training: All drivers and equipment operators attended a safe driving course this year.

F. Interns: Several college students are hired for nine weeks in the summer to provide for our temporary staff needs in the summer. We also had a HS graduate spend eleven days in May with us working, gratis, and receive a crash course in design, construction and traffic management. L'Anse' Creuse Schools organized this program to provide seniors a work experience in the real world before they graduate. This person will begin to study for a Civil Engineering degree this fall at MCCC, then progress to WSU.

X. Cost Sharing with Local Governments:

The RC is able to do more work because local governments are funding a portion of projects within their communities. Local shares vary between ten percent and sixty percent. Annually, the total local contributions to the RC range from \$100K to \$3M. An example is Shelby Township which is helping to fund a bypass lane on 25 Mile Road, and pavement repair in two subdivisions. They are contributing \$197K and the RC is providing \$100K.

XI. Financial Condition:

The Road Commission of Macomb County's financial condition is good – at present. We have been carrying a balance, which however is declining.

Audits were conducted in late Fall 2009. RC was in compliance with all requirements, and the MDOT provided additional funding because our costs exceeded estimates.

Plante & Moran conducted an annual financial audit of financial statements of RC activities. They found no deficiency, which indicates the highest level of compliance with the accounting standards ("Finding of no material error"). They also conducted a single audit of Federal Awards and determined the RC had complied with all material requirements ("Finding of in compliance").

The State also conducted a review of two years of financial actions. This was not a compliance audit. It was a review of the State Maintenance Contract for work performed by our Service Centers, i.e. a comparison of estimated to actual costs. This review resulted in a return of \$727K to the RC, based principally on actual rates being higher than estimated.

The present state of RC finances appears to be good, as indicated above. However, trends are predictive of perhaps a different story we should not ignore. It should be noted that in the last twenty six years there has been one increase in the gas tax of four cents, in 1997.

XII. Trends:

Review of trends reveals a mixed picture of challenges, e.g. declining revenue and staff size; aging capitol equipment; increasing material, equipment and health benefit costs; declining construction due to declining revenue, which is some what offset by the recent increased competition; and some improvement in efficiency and technology. Some trends are noted as follows:

A. Commodity prices - up:

Gas	2.5 x 2004		
Salt	2.2 x 2004	Up 1/3 in the last year	
Petroleum products – all up; e.g. asphalt			

B. Staff - down - continuously over six years due to decreasing budgets.

2004	310		
2010	250	-60	-19%
2011	240	-70	-23%

It is expected that reductions in staff will continue.

C. Equipment - replacement is down. Equipment is kept in service longer, until its maintenance becomes excessive, and purchasing new is cost effective. We have invested in some new types of equipment to improve the efficiency of operations. Examples of equipment to improve snow removal are wing snow plow blades and Epokes. An Epoke is a tank that sits in the box of a dump truck, that distributes brine (a mixture of salt and water) on the pavement, in lieu of salt only, preferably before the snow begins to fall. The brine is more effective than salt alone, and reduces the amount of salt required. Wing snow plow blades are added to the right side of trucks that allow a truck to clear snow from two lanes of roads.

D. Construction - even.

ARRA helped in 2009 and 2010. The RC to resurface an additional 5% of county primary roads. The cost for these twenty two miles of road was \$9.6M.

E. Traffic management – up, and of a very good size for SE Michigan.

Federal Congestion Mitigation and Air Quality (CMAQ) funding is enabling the RC to install modern traffic signals and to develop a state of the art Traffic Control Center.

F. Road Condition - degrading:

Roads are given a grade of good, fair or poor. Since 2007 we have less miles of good road. The miles of fair roads have decreased dramatically, that of poor roads have increased.

G. Future Budgets – expected to continue to decline:

Revenue has declined since 2003 due to less income from transportation related State taxes. The current state of the economy indicates this trend will continue. We are developing a five year budget plan based on this trend. The RC is using Asset Management to develop alternative construction and maintenance plans, and determine which will provide the best overall safe road system for Macomb County.

H. Result – of these trends? A challenge to continuously improve.

RC is continually searching for better equipment, engineering methods and technology that will improve efficiency and contain costs. We invest only in new equipment, and computers and software that are absolutely needed, and will increase our efficiency and performance. E.g.

1. Engineering: Very thin hot mix asphalt (HMA) overlays are now used to extend the life of pavements. Consultants are employed for specific projects instead of hiring additional engineers. A couple interns, engineering students, provide excellent service in assisting the development of traffic management plans and maintenance of our information management system.

2. Equipment: Wing plows have been added to trucks that increase the width of road that is plowed in one pass. We apply brine, a mixture of water and salt, to pavements in the winter, instead of salt only, which decreases the amount of salt used, but increases the efficiency of protection against ice formation on pavement.

3. Maintenance: Temporary staff is employed during peak workload periods, summer and winter.

XIII. Public Relations:

The RC operates a Complaint Center which receives and directs complaints to the proper service center. Complaints are an important element in our maintenance program; they are a source of information that the staff relies on, because we cannot possibly, in these times, duplicate the capacity of the public to observe and report road problems.

The RC has also been conducting a Government outreach effort. Meetings with local governments and their County Commissioners, State and Federal legislative representatives are being held to show them the RC's programs in their respective areas and to discuss face to face their concerns and issues. These meetings occur once a month and we should conclude this round of meetings in November.

XIV. Commissioners:

The Road Commissioners work well together as a team. We bring complementing sets of experience, capability and expertise. The common thread that

ties us together is our single purpose to provide excellent service to our public, responsible stewardship of the assets entrusted to the Commission, and care for the organization and staff.

Commissioner Dirks, Vice Chairman, brings significant management experience with a public transportation organization, which includes fostering great relations with public officialdom. Commissioner Gillett certainly is known for her public service as an elected and appointed official; care of the RC, its staff; and the professional exercise of her responsibilities.

My personal objective has been to assist the organization and staff, e.g.

1. Strengthen supervision and management skills, discipline and safety;
2. Improving response to the public;
3. Improve communication with the County Board of Commissioners, the Public Work Committee, and County staff;
4. Achieve budgets that provide a reasonable balance between construction and the purchase of capitol equipment.
5. Understand our legal environment and mitigate or reduce law suits and claims;
6. Monitor engineering design, construction and road maintenance; and
7. Assist in the transition to a department of the County.

XV. Conclusion:

What has been achieved? The RC continues to provide for safe, good quality roads for efficient auto and truck traffic in Macomb County.

The RC has completed significant road construction and improvements in 2009 and 2010, and will again in 2011.

A budget for the FY starting October 1, 2011 is \$92.4M. We will continue to make some investments in new equipment, and engineering and financial software to assure we continue to improve the efficiency of the Road Commission. Major 2011 budget figures are:

Construction program	\$46M (incl. \$9M for signal modernization)
Road maintenance	13.
Traffic signal maintenance	3.
Capitol investment	<u>1.5</u> \$63.5M

The Road Commission constructs approximately twenty road preservation and improvement projects each year. We put 75 snow plows on the road each winter. And the RC manages all traffic signals in the County, and is midway in a program to modernize signals and controls at all major intersections. This is providing for a more efficient movement of traffic, and is reducing air pollution.

The RC is looking forward, anticipating how we can contribute to the integration of the RC into the staff of the County Executive. We are preparing statements of functions and responsibilities for each department in our organization, which will inform the Executive.

We are developing closer ties to the Public Works, Sheriff, Information Technology, Human Resources and Finance Departments.

Finally, the Road Commission of Macomb County recognizes our partners throughout the county who contribute to the planning of road, bridge and traffic control improvements, and contribute to the funding of these projects. We thank the cities, townships and villages for their contributions and cooperation.

Lawrence Moloney, Professional Engineer, is honored to have been appointed to the Road Commission, and to be chairman of the Road Commission this year. It has been my pleasure to assist in the management of the Road Commission of Macomb County.

Respectfully submitted:

Lawrence J. Moloney, P.E.
Chairman, Road Commission of Macomb County