

**Washtenaw County Board of Road Commissioners
Virtual Working Session Minutes of
April 21, 2020**

Present: Road Commissioners Douglas Fuller, Barbara Fuller, Rodrick Green

Staff Present: S. Siddall, J. Harmon, D. Ackerman, M. MacDonell, C. Ryan, E. Kizer, C. Quinter

Others Present: Jean Young & Keith Szymanski, Plante & Moran, Ruth Ann Jamnick, County Commissioner – District 5

The Board entered the Working Session at approximately 9:00 a.m.

Roll Call Vote of Attendance:

Doug Fuller, Chair
Barb Fuller, Vice-Chair
Rod Green, Member
Sheryl Siddall, Managing Director
Matt MacDonell, Director of Engineering
Jim Harmon, Director of Operations
Dan Ackerman, Director of Finance & IT

PUBLIC COMMENT

County Commissioner Ruth Ann Jamnick expressed her thanks for everyone's efforts at WCRC through these difficult times.

2019 FINANCIAL AUDIT FINDINGS – PLANTE & MORAN

Dan Ackerman introduced Jean Young and Keith Szymanski from Plante & Moran.

Jean Young provided a review of opinion. WCRC Opinion was dated March 3rd which was done very quickly after the end of the fiscal year. WCRC received the highest level of opinion. Jean thanked management for their cooperation throughout the audit process.

Keith Szymanski provided a review of the financial graphs. The short-term financials are positive throughout 2019. There are still long-term challenges in the form of pension and health care liability. The WCRC has a healthy fund balance.

Jean provided a review of the Audit Findings Cover Letter. Jean stated that as part of the audit, Plante & Moran considers suggestions to WCRC on key internal controls, there were none to report. The Road Commission has adopted GASB 84 and 88. The most significant accounting items that impact WCRC liabilities are the pension and OPEB which are impacted by factors outside of the WCRC's control.

2020 FIRST QUARTER BUDGET REVIEW

Dan Ackerman provided a PowerPoint presentation of the 2020 First Quarter Budget.

REVENUE

Michigan Transportation Fund

The Michigan Transportation Fund (MTF) anticipated revenue for 2020 was initially projected as a 9% increase as compared to 2019. This is based on the State of Michigan budget projections. The impact of the COVID-19 pandemic is far reaching and is expected to have a significant impact on MTF. As of the first quarter, it is unknown how long this impact will last. The County Road Association has anticipated a 5-10% reduction until conditions improve. Due to timing issues, which are typical for the first quarter budget review, we have not received the MTF check for March. Therefore, only two months of MTF revenues are acknowledged which are higher than budgeted.

Other Revenues

There are reductions of \$8.4 million due to construction delays:

US-12 & M-17; Wagner Road north and South; Dixboro Road Trail Phase 2.

Expenditures

Dan Ackerman and Matt MacDonell provided a review of expenditures including culvert projects on Pleasant Lake Road, Mooreville Road and Willis Road at Windy Ridge. Matt stated we will be continuing to inspect culverts and bridges throughout the county as part of the Asset Management Program. Staff is reaching out to Township Supervisors informing them of any weight restrictions on deteriorating culverts or bridges in their townships. Jim Harmon, Director of Operations, provided a review of the culvert project on Willis Road at Windy Ridge.

Federal/State Funds

Federal/State revenues have been limited due to seasonal delays. The majority of the Federal/State receipts were for work on Huron Waterloo Path 1B, County-wide Traffic Signals, Border to Border Path – Huron River Drive as well as various carryover projects.

State Trunkline Maintenance

The State Trunkline Maintenance revenues reflect actual expenditures and are approximately \$220,000 lower than last year.

Other Contributions

Invoices were submitted to County Parks for costs on the Huron River Trail B2B. Remaining Enbridge funds were recognized.

Miscellaneous Income

Permit/Subdivision activity is higher than budgeted levels in the first quarter. The Other income primarily represents sundry receipts for inspections.

EXPENDITURES

Dan provided a review of department expenditures.

SUMMARY

The 2019 fiscal outcome was very positive at a \$21.7 million fund balance.

The 2020 adjustments reflect a decrease of \$3.8 million to fund balance. The projected 2020 fund balance is \$17.8 million – 26% of expenditures.

Dan Ackerman stated he is confident in our financial numbers for 2020 and 2021.

Commissioner Doug Fuller stated that we are hoping to have more budget information from the State of Michigan by the next Board Meeting on May 5th to have more solid numbers to approve the Second Quarter budget. Commissioner Barb Fuller stated that she has concerns about budget numbers for 2021 and 2022 as the current virus situation continues to unfold. Sheryl Siddall, Managing Director, stated that she is having conversations with the Directors about budgeting for 2021 and 2022. Sheryl stated we are implementing a soft hiring freeze until there is more solid information on how the current virus situation evolves.

Dan Ackerman thanked Sheryl Siddall, Jim Harmon and Matt MacDonell for their efforts in helping put together a first virtual budget review Working Session and thank you to Chris Quinter for overseeing the IT aspect of putting this meeting together and Emily Kizer for helping coordinate this Zoom meeting and a virtual presentation.

HARRIS ROAD – FINANCING REQUEST FOR SUPERIOR TOWNSHIP

Matt MacDonell provided a review of the Harris Road project. Superior Township is working with the library on developing a new library on the east side of Harris Road south of Geddes Road. This required going through the review and planning process with the township. The driveway for this site requires a permit and road improvements at this location. This would involve extending the center left turn lane south for motorists to access the new library site off the left turn lane. The township is working with OHM advisors to complete the design phase. These plans would be bid out and a contractor would be secured by the Road Commission at the cost of the township. The township is requesting to pay back the road commission over a 5-year timeframe for the project cost. The township is looking to fast track this project.

Matt MacDonell stated that the expected approximate cost of this project is about \$200,000. Commissioner Barb Fuller and Commissioner Doug Fuller stated that they would not be in favor of granting the requested 5-year funding payback proposal from the township for this project. Commissioner Doug Fuller asked the Managing Director to draft a letter to the township supervisor for the Board to review that is consistent with the current funding policy of the Road commission.

MISCELLANEOUS DISCUSSION ITEMS

Shery Siddall, Managing Director – COVID-19 update

Shery stated that we continue to work remotely where we can. Management is beginning to discuss lifting some of the work restrictions. If restrictions come off on May 1st, it will be a very gradual process. Decisions will be strategic and we will be careful to make any modifications necessary to the work environment during the reopening process. Conversations will continue on when the Road Commission buildings would reopen to the public. Commissioner Barb Fuller asked if we are prepared to reinstitute the distancing measures if the situation were to become restricted again later.

Sheryl thanked Ruth Ann Jamnick and the Washtenaw County Board of Commissioners for approving the ballot language for the non-motorized millage. Sheryl Siddall, Matt MacDonell and Emily Kizer met with Roy Townsend from Parks & Recreation on moving forward with this initiative.

Cavanaugh Lake Road Update

Matt MacDonell stated this project has been delayed due to EGLE restrictions; we cannot access the water until July 1st. This project will start after July 1, 2020.

ADJOURNMENT

R. Green moved, B. Fuller seconded to adjourn the April 21, 2020 Virtual Working Session at 10:57 a.m.

Roll Call Vote:

YEAS: R. Green, D. Fuller, B. Fuller

NAYS: None

ABSENT: None

ABSTAIN: None

Motion Carried.

Douglas E. Fuller, Chair
Washtenaw County Board of Road Commissioners

Barb Fuller, Vice-Chair
Washtenaw County Board of Road Commissioners