

REGULAR MEETING
February 16, 2015

The Board of County Road Commissioners for the County of Otsego met in regular session at the Office, 669 West McCoy Road, Gaylord, Michigan, on February 16, 2015.

The meeting was called to order by Commissioner Tholl at 9:00 a.m.

Roll Call - Present: Commissioners Tholl, Matelski, and Holewinski
Absent: None
Engineer-Manager present
Others present: Paul Beachnau, County Foreman,
Shop Foreman, Parts Manager

The Pledge of Allegiance was proclaimed.

Commissioner Holewinski moved to approve the Minutes of the Regular Meeting of January 22, 2015 as presented. Motion carried.

The Board reviewed the Financial Statement.

The current bills were read, audited and Commissioner Matelski moved that the materials bills of February 16, 2015 in the amount of \$267,372.29, and the payroll paid on February 6, 2015 in the amount of \$59,258.81 be passed for payment and warrants be drawn on the County Treasurer for these amounts. Motion carried.

Paul Beachnau provided an update of County Board activities.

Reminder of upcoming meetings:
2015 Highway Conference – February 17-19, 2015 – Lansing
Commissioner’s Seminar – April 12-14, 2015 – Traverse City

The Engineer-Manager presented the Truck Loan Agreement for the purchase of two new plow trucks. Commissioner Matelski offered the following resolution and moved for its adoption:

RESOLUTION:

WHEREAS, the Board of County Road Commissioners of the County of Otsego (the “Road Commission”) is authorized, pursuant to Section 10 of Act No. 283 of the Michigan Public Acts of 1909, as amended (“Act 283”) to enter into contracts for the purchase of vehicles, tools, machines, property for public purposes, to be paid for in installments over a period of not to exceed fifteen (15) years or the useful life of the property acquired, whichever is less; and

WHEREAS, the Road Commissioners have determined that it is necessary and appropriate to acquire advanced two trucks for the Board of County Road Commissioners of the County of Otsego, as described on *EXHIBIT A* (the “Equipment”), to finance the cost (exclusive of interest) in an amount not to exceed \$500,000.00 during the current fiscal year ending December 31, 2015; and

WHEREAS, it is proposed that the Equipment be acquired on an installment purchase basis under Act 283, with such financing being provided by Chemical Bank, Gaylord, Michigan (the “Bank”); and

Regular Meeting of February 16, 2015 continued from page 94

WHEREAS, the forms of Installment Purchase Agreements (the "Contracts") for the purchase of the Equipment has been presented to the Road Commissioner for its approval at this meeting and is attached hereto as *EXHIBIT C* and *EXHIBIT D*;

NOW, THEREFORE, BE IT RESOLVED, that the Board of County Road Commissioners of the County of Otsego, hereby accepts and approves the following:

1. An immediate need exists for the Equipment and the use of the Equipment constitutes essential public purposes.
2. The acquisition of the Equipment through installment purchase financing under Act 283 is in the best interests of the Road Commission, and the form of Installment Purchase Agreement attached to this Resolution, is hereby approved for execution by the indicated officials of the Road Commission.
3. The aggregate principal amount of the installment purchase agreement (the "Obligation") to be entered into by the Road Commission for the purchase of the Equipment shall not exceed \$500,000.00. The interest rates are as follows: (i) one and fifty nine hundredths of a percent (1.59%) payable in three (3) annual installments amount, commencing on April 1, 2016 and payable each year thereafter on April 1, until the final maturity which will be April 1, 2018; and (ii) one and fifty nine hundredths of a percent (1.59%) payable in three (3) annual installments, commencing on June 1, 2016 payable each year thereafter on June 1 until the final maturity which will be June 1, 2018, as set forth in *EXHIBIT B*. Interest hereunder shall be computed on the basis of a 360 day year, for the actual number of days elapsed.
4. The Chairman and the Secretary of the Road Commission, are individually or severally authorized to act on behalf of the Road Commission in obtaining, executing and delivering the contracts, certificates, financing statements and other documents as may be necessary to consummate the installment purchase financing of the Equipment.
5. The Road Commission is obligated to make the payments due under the Obligation, which constitute a general obligation of the Road Commission, by annually including in its budget an amount sufficient to meet such payments as are due thereunder each year, subject to applicable constitutional and statutory limitations.
6. The Obligation is hereby designated by the Road Commission as a "qualified tax-exempt obligation" for purposes of the Bank's deductibility of interest expense under Section 265 (b) (3) (III) of the Internal Revenue Code of 1986, as amended (the "Code").
7. The Road Commission hereby agrees to comply with all applicable provisions of the Code that must be satisfied at the time of delivery or subsequent to delivery of the Obligation in order that the interest payments made pursuant to such Obligation be (or continue to be) excluded from gross income for federal income tax purposes. The Road Commission further covenants and agrees that it will not take any action, or fail to take any action with respect to the investment of the proceeds (as that term is used in Section 148 of the Code) of the Obligation which would result in the Obligation constituting an "arbitrage bond" within the meaning of such term as used in Section 148 of the Code and that it will comply with any applicable rebate requirements of Section 148(f) of the Code.
8. If an Event of Taxability shall occur as hereinafter defined, all outstanding principal payments, plus accrued and unpaid interest shall be due and payable and the Road Commission shall not later than thirty (30) days following the initial Event of Taxability pay said amounts to the Bank. An "Event of Taxability" shall mean the issuance of the statutory notice of deficiency by the Internal Revenue Service or a ruling of the National Office or any District Office of the Internal Revenue Service or a final decision of a court of competent jurisdiction which holds, in effect, that, by reason of the Road Commission's violation or failure to comply with any applicable provision of the Code, the interest payments are includable in the gross income of the Bank for federal income tax purposes.
9. The Road Commission hereby retains the firm of Axe & Ecklund, P.C. as bond counsel on this Project.
10. This resolution shall take effect upon its adoption.

Regular Meeting of February 16, 2015 continued from page 95

Commissioner Holewinski seconded the motion.

Ayes: Commissioners Tholl, Matelski, and Holewinski

Nays: None

Abstain: None

Absent: None

Resolution adopted. Motion carried.

The Engineer-Manager presented the ACT 51 Mileage Certification Report for approval. Commissioner Holewinski offered the following resolution and moved for its adoption:

RESOLUTION:

WHEREAS the Board of County Road Commissioners for the County of Otsego has reviewed the year 2014 Road Certification Maps and the 2014 Urban Area Certification Maps as prepared by our Engineer.

NOW THEREFORE BE IT RESOLVED that the Otsego County Road Commission hereby accepts and approves for signing the 2014 Road Certification Maps and the 2014 Urban Area Certification Maps as presented.

Commissioner Matelski seconded the motion.

Ayes: Commissioners Tholl, Matelski, and Holewinski

Nays: None

Abstain: None

Absent: None

Resolution adopted. Motion carried.

The Engineer-Manager presented the Verizon Land Lease Agreement for the installation of a communication tower in Otsego Lake Pit. Commissioner Holewinski offered the following resolution and moved for its adoption:

RESOLUTION:

WHEREAS the Board of County Road Commissioners for the County of Otsego has discussed the Verizon Land Lease Agreement for the placement of a communication tower in Otsego Lake Pit.

NOW THEREFORE BE IT RESOLVED that the Board of County Road Commissioners for the County of Otsego hereby approves the Verizon Land Lease Agreement for the placement of a communication tower in Otsego Lake Pit.

Commissioner Matelski seconded the motion.

Ayes: Commissioners Tholl, Matelski, and Holewinski

Nays: None

Abstain: None

Absent: None

Resolution adopted. Motion carried.

Regular Meeting of February 16, 2015 continued from page 96

The Engineer-Manager presented the Charlton Township Agreement for the 2015 Gingell Road Reconstruction Project from M-32 to 600 feet north of Waters Road. This agreement includes HMA base crushing and shaping, trenching, subgrade undercutting, aggregate base, embankment, shoulder widening, slope flattening, HMA pavement, pavement markings and slope restoration to complete to Class A all season status. Commissioner Matelski offered the following resolution and moved for its adoption:

RESOLUTION:

WHEREAS the Board of County Road Commissioners for the County of Otsego has discussed the Charlton Township Agreement for the 2015 Gingell Road Reconstruction Project from M-32 to 600 feet north of Waters Road. This agreement includes HMA base crushing and shaping, trenching, subgrade undercutting, aggregate base, embankment, shoulder widening, slope flattening, HMA pavement, pavement markings and slope restoration to complete to Class A all season status.

NOW THEREFORE BE IT RESOLVED that the Board of County Road Commissioners for the County of Otsego hereby approves the Charlton Township Agreement for the 2015 Gingell Road Reconstruction Project from M-32 to 600 feet north of Waters Road. This agreement includes HMA base crushing and shaping, trenching, subgrade undercutting, aggregate base, embankment, shoulder widening, slope flattening, HMA pavement, pavement markings and slope restoration to complete to Class A all season status.

Commissioner Holewinski seconded the motion.

Ayes: Commissioners Tholl, Matelski, and Holewinski

Nays: None

Abstain: None

Absent: None

Resolution adopted. Motion carried.

The County Foreman, Shop Foreman and Engineer-Manager presented the need to purchase an additional wing plow for the 2015/16 winter maintenance season to the Board of Road Commissioners. After further discussion, a motion for the purchase and installation of a new wing plow was presented by Commissioner Matelski and approved by the Board.

The Engineer-Manager updated the Board of Road Commissioners on the recent Engineer's Workshop Conference, USGS gauge readings, and an employee retirement ceremony in April.

The level of Otsego Lake was 1273.95 on February 11, 2015. The level of Bradford Lake is 1246.70.

Regular Meeting of February 16, 2015 continued from page 97

The following permits were recommended for approval:

	<u>Applicant</u>	<u>Permit Type/No.</u>	<u>Road(s) Permitted</u>
1)	CenturyTel of Michigan	Annual Permit	County Roads
2)	Rieth Riley Construction Co. Inc.	Ext. Permit #15-005 thru #15-018	County Roads

Upon the recommendation of our Permit Agent, Commissioner Holewinski moved to approve the permits #1-2 as presented. Motion carried.

The next two meetings will be Thursday, February 26, 2015 at 9:00 a.m. and Thursday, March 12, 2015 at 9:00 a.m.

There being no further business, Chairman Tholl moved to adjourn the meeting at 11:20 a.m.

Signed: Roberta M. Tholl Roberta M. Tholl, Chairman

William T. Holewinski
William T. Holewinski, Member

David C. Matelski
David C. Matelski, Vice Chairman

Kelly A. McGinn K.M.
Kelly A. McGinn, Board Secretary