

**MINUTES OF THE
ECONOMIC DEVELOPMENT COMMITTEE**

WEDNESDAY, AUGUST 29, 2012

At a **special** meeting of the **Economic Development Committee**, held Wednesday, August 29, 2012, in the Board Room, on the 9th Floor of the Administration Building, Mount Clemens, the following members were present:

Carabelli-Co-Chair, Flynn-Co-Chair, Gralewski, Miller, Mocerri, Sabatini,
Smith and Vosburg (ex-officio).

Absent and excused was Tocco.

Other Commissioners Also Present:

Brown, Frascchetti and Sauger.

There being a quorum of the committee present, Co-Chair Flynn called the meeting to order at 10:02 a.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

AGENDA

MOTION

A motion was made by Gralewski, supported by Sabatini, to adopt the agenda, as presented. **The Motion Carried.**

REVIEW RECOMMENDED BUDGET FOR SPECIAL REVENUE AND ENTERPRISE FUNDS FOR FISCAL YEARS ENDING SEPTEMBER 30, 2013 AND 2014 FOR THE FOLLOWING:

a) Department of Roads

A revised Department of Roads proposed budget was distributed; referred to as page C-26.

Six updated documents were distributed:

- Road Construction and Maintenance 2012-2013 Preliminary Construction Schedule
Primary Roads

- Road Construction and Maintenance 2012-2013 Preliminary Construction Schedule Local Roads
- Road Construction and Maintenance 2012-2013 Preliminary Construction Schedule Traffic Projects
- Road Construction and Maintenance 2013-2014 Preliminary Construction Schedule Primary Roads
- Road Construction and Maintenance 2013-2014 Preliminary Construction Schedule Local Roads
- Road Construction and Maintenance 2013-2014 Preliminary Construction Schedule Traffic Projects

Co-Chair Flynn informed commissioners that today's special committee meeting is informational and the committee will be reviewing the line items for the Department of Roads and MSU Extension Grants contained within the proposed budget.

He indicated that commissioners will have an opportunity to offer amendments at the September 12th meeting of the Economic Development Committee. Any amendments offered on September 12th will be forwarded to the Finance Committee.

Pete Provenzano referred to page C-26 and noted the largest line item is under Expenditures: Road Construction & Maintenance. He felt it was most important to provide detail on what the line item makes up for the \$50 million shown. He noted the schedules that were provided to commissioners earlier in the week were redone and the six updated documents (listed above) will be reviewed at today's committee meeting.

Bob Hoepfner gave a general overview of how road projects are determined. He spoke about the Statewide Asset Management Program and noted some roads in the county are not eligible for Federal-aid. He noted there are 219 bridges in the county and 50 bridges used to be low-restricted or closed, but by action of this Board the number has been reduced to 12. He spoke about the very competitive process in trying to obtain Local Bridge Program funds for the county's bridge program.

During the lengthy discussion, Commissioners Flynn, Smith, Brown, Vosburg, Sabatini, Mocerri, Miller and Carabelli directed numerous inquiries to Bob Hoepfner, Pete Provenzano and Michelle Mykytiak. Key topics, schedules and line items (found on page C-26) discussed consisted of the following:

- Every two years a survey of the condition of roads is performed and rated on a one to 10 scale. It was explained how the Department of Roads prioritization schedule of work is calculated.

- Explanation of Public Act 51. It was noted the Department of Roads will continue to do emergency maintenance on local subdivision streets. Virtually every subdivision street is funded locally.
- The budget for the Limestone Program for next year is to put down 12 miles of limestone which costs the Department of Roads about \$1 million. It was noted Macomb County has 317 miles of gravel roads and that a vast majority are local roads and require participation from local governments.
- How the Department of Roads funds projects out of their budget.
- Overview of the schedule titled Road Construction and Maintenance 2012-2013 Preliminary Construction Schedule Primary Roads; specifically relating to the following totals: Construction Cost: \$27,199,000 and Federal Funds Amount: \$21,947,350. Another area discussed was all of the scheduled reconstruction projects that are North of Hall Road.
- Explanation of the Pavement Preservation Program.
- The Card Road bridge project was scheduled, but when Bob Hoepfner approached the township they were not interested in participating; they did not see a value in doing it right now.
- Overview of the schedule titled Road Construction and Maintenance 2012-2013 Preliminary Construction Schedule Local Roads. Additionally, a question was specifically asked relating to the amount shown in the Federal Funds Amount of \$1,742,323 for the Riverbends Park project.
- Overview of schedule titled Road Construction and Maintenance 2012-2013 Preliminary Construction Schedule Traffic Projects; specifically relating to the line item titled Wireless Backhaul Communications Upgrade.
- Traffic signal upgrades, traffic signal patterns and the timing of making a left hand turn. It was noted the Department of Roads is currently measuring volumes of traffic throughout the day and adjusting signals where it is necessary.
- Overview of the schedule titled Road Construction and Maintenance 2013-2014 Preliminary Construction Schedule Primary Roads; specifically relating to the North Avenue, M-59 to 21 Mile, reconstruction project.
- Rating of overall county road conditions: 30% are poor, maybe 40% are average, and the remainder are good.

- The reason why in 2013-2014 there are no non-motorized projects shown on the schedule.
- Overview of the previously supplied schedule titled, 2012-2013 Preliminary Construction Schedule Traffic Projects; specifically relating to line item: TOC (Macomb Joint Operations Center) Upgrade and Expansion which reflects Construction Cost in the amount of \$4,060,000 and Federal Funds Amount of \$3,980,000. Pete Provenzano explained the reason it was removed from the previously supplied schedule and is now included on page C-26 of the proposed budget under Expenditures: Capital Outlay line item.
- If the Department of Roads has allocated any marketing or communications dollars to communicate with residents about the new traffic signal operation. Bob Hoepfner indicated his comments have appeared in C&G Newspapers. He has attended speaking engagements. Information can be found on the Department of Roads website. He welcomes any opportunity to attend other speaking engagements.
- Bills being discussed in Lansing that have to do with adopting best practices for Road Commissions and Department of Roads and asking the lobbyist to look into it.
- The five-year Master Plan of the trails in the county and how that money is being spent and the possibility of allocating Investment Income money to be used towards the trails.
- Controlling the terribly dusty roads in the northern end of the county and the debate about what chemical works best. It was noted the Department of Roads puts down two separate salt brine applications at no cost. Bob Hoepfner noted that calcium chloride is the best solution. When they bid it out calcium chloride costs .54 cents a gallon compared to salt brine at .11 cents a gallon. It was not the way the Department of Roads wanted to go and fought it; the townships demanded it. Salt brine was put down at a rate of 2,200 gallons per mile. It was noted if the northern townships want to put more dust control down, then they will have to pay for it.
- Inquiry as to when the gas tax was last increased in the State of Michigan.
- It was noted the Department of Roads is looking to add staff and the vast majority would be in their Maintenance Department.
- Bidding out Traffic Signal Optimization.
- It was noted that it has not been determined yet as to which of the three agencies will be the management agency of the Macomb Joint Operations Center.

- Expenditures:
 - Personnel
 - Supplies & Services
 - Road Construction & Maintenance
 - Contract Services
 - Capital Outlay

- Revenues:
 - Intergovernmental
 - Investment Income

During review of the Recommended Budget for Special Revenue and Enterprise Funds for Fiscal Years Ending September 30, 2013 and 2014 for the Department of Roads, commissioners requested the following additional information:

1. Provide a detailed breakdown of the dollar amounts and types in line item "Intergovernmental" found on revised page C-26 under Revenues.
2. Provide a list of all American Recovery and Reinvestment Act (ARRA) funded projects and dollars.
3. Provide a detail on how much money has been saved by combining with the Finance Department; i.e., through services, personnel, et cetera.
4. Provide a copy of the five to 10-year plan on traffic lights in the county.
5. Provide a copy of the new highway bill, particularly the enhancement portion -- many road enhancement grants put into a single category.
6. Provide a detailed breakdown on the status of all projects in line item "Intergovernmental."

b) MSU Extension Grants

Pete Provenzano referred to page C-22 and noted that the MSU Extension Grant Programs have been well-managed over the years and does not require any general fund contribution.

During the lengthy discussion, Commissioners Mocerri, Vosburg, Miller, Carabelli and Flynn directed numerous inquiries to Pete Provenzano, Marie Ruemenapp and Steve Gold. Key topics and line items discussed consisted of the following:

- If the state will be allocating more money to Macomb County for foreclosure prevention and foreclosure counseling.

- Expenditures by Service:
 - AMACHI Michigan
 - BEES Early Headstart
 - BEES MISD
 - Early On
 - Gypsy Moth Suppression
 - Housing-Warren
 - Leaps & Bounds
 - MSHDA Foreclosure
 - MSU Housing – MSHDA
 - NSP
 - WIC

- Revenues:
 - Intergovernmental
 - Charges for Services

- Other Financing Sources (Uses):
 - Transfers in – Other Funds

During review of the Recommended Budget for Special Revenue and Enterprise Funds for Fiscal Years Ending September 30, 2013 and 2014 for MSU Extension Grants, commissioners requested the following additional information:

1. Provide information on what part of MSU Extension's budget do these grants account for.
2. Prepare a presentation walk-through on how the mechanics of their operations work; including where revenues come from, nature of programs, et cetera.
3. Provide a listing of grants, contracts, et cetera.
4. Provide information on the percentage of residents who are using their services.
5. Once finalized, provide a copy of MSU Extension's Annual Report.
6. Provide a detail on where sources of money are coming from.

MOTION

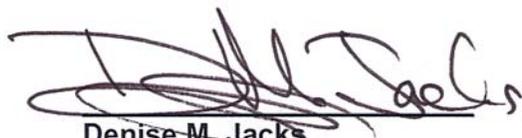
A motion was made by Smith, supported by Mocerri, to receive and file both reports on the Recommended Budget for Special Revenue and Enterprise Funds for Fiscal Years Ending September 30, 2013 and 2014 for the Department of Roads and for MSU Extension Grants. **The Motion Carried.**

After the vote, Co-Chair Flynn indicated that amendments will be accepted at the September 12th meeting of the Economic Development Committee.

ADJOURNMENT

MOTION

A motion was made by Mocerri, supported by Miller, to adjourn the meeting at 11:48 a.m. **The Motion Carried.**

A handwritten signature in black ink, appearing to read "Denise M. Jacks", written over a horizontal line.

Denise M. Jacks
Committee Reporter