

September 30, 2020

The Board of County Road Commissioners met at 9:00 a.m. for a regular meeting at 1250 S. M-33 West Branch, Michigan.

Members present: Chairman Dan Winter, Commissioner Clint Marshall, Commissioner Van Sheltroun, Managing Director Pat Reinke, Board Clerk Brandy Curtis

Chairman Winter called the meeting to order at 9:00 a.m.

Additions to the agenda: Fox Run-State Police Entrance

Motion by Sheltroun, supported by Marshall, to approve additions to the agenda. Motion carried by all.

Past minutes of September 16, 2020, were reviewed. There being no additions or corrections, the minutes stand as submitted.

Motion by Sheltroun, supported by Marshall, to approve and pay payroll voucher #2052 and payable voucher #2053 in the total amount of \$442,782.89. Motion carried by the following roll call vote: Ayes: Sheltroun, Marshall, Winter. Nays: None. Motion carried.

Motion by Sheltroun, supported by Marshall, to approve MCRC SIP proposed bylaw changes as presented and authorize manager to sign official ballot. Motion carried by the following roll call vote: Ayes: Winter, Sheltroun, Marshall. Nays: None. Motion carried.

Curtis reviewed proposed Fund Balance Policy with Board.

Ogemaw County Road Commission  
Fund Balance Policy

**Purpose**

The Board recognizes that the maintenance of fund balance is essential to the preservation of the financial integrity of the Ogemaw County Road Commission (OCRC). This policy establishes goals and provides guidance concerning the desired level of fund balance maintained by the OCRC to mitigate financial risk that can occur from significant economic downturn, unforeseen revenue fluctuations, unexpected expenditures, emergencies, and similar circumstances.

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, grantors, 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 and is the residual classification of the general fund only.

**Policy**

Classifying fund balance amounts – the general fund may include non-spendable resources as well as amounts that are restricted, committed, assigned, unassigned, or any combination of those classifications.

Prioritization of fund balance use – when both restricted and unrestricted resources are available for use, it is the OCRC's policy to use restricted resources first, then unrestricted resources-committed, assigned, and unassigned-in order as needed.

**The Minimum Level:**

The OCRC will strive to achieve and maintain a fund balance in the general fund at fiscal year-end of not less than a four months average of regular operating expenditures.

**Replenishment:**

The OCRC will seek to replenish within two years of use with budget or year-end surpluses should fund balance be depleted below minimum level.

Motion by Marshall, supported by Sheltroun, to approve Fund Balance Policy as presented. Motion carried by the following roll call vote: Ayes: Winter, Marshall, Sheltroun. Nays: None. Motion carried.

Motion by Sheltroun, supported by Marshall, to contribute \$25,000 to the Ogemaw County Road Commission OPEB Trust with Constellation Trust Company for fiscal year 2021. Motion carried by the following roll call vote: Ayes: Sheltroun, Marshall, Winter. Nays: None. Motion carried.

Curtis reviewed correspondence from Treasury regarding Defined Benefit waiver.

Reinke updated the Board on the status of Stahlbush Road culvert project.

The following two contracts from Rose Township were presented for approval:

Campbell Road gravel upgrade between Oyster Road and Borden Road for an estimated cost of \$28,974 and Township's portion of estimate \$14,487.

Campbell Road gravel upgrade from Borden to dead end for an estimated cost of \$12,973 and the Township's portion of estimate \$6,487.

Motion by Marshall, supported by Sheltroun, to approve and sign the above contracts with Rose Township. Motion carried by the following roll call vote: Ayes: Marshall, Winter, Sheltroun. Nays: None. Motion carried.

A discussion was held on the boulevard entrance near the new State Police post on Fox Run Road. Reinke informed the Board the contractor that is handling the project is responsible for removing the curb as stated in the contractor's plans included with their right of way permit.

Chairman Winter recessed the regular meeting at 9:30 am to hold a public hearing for the 2021 construction schedule, 2021 capital outlay schedule, and 2021 proposed budget.

Motion by Sheltroun, supported by Marshall, to open public hearing for the 2021 construction schedule, 2021 capital outlay schedule, and 2021 proposed budget. Motion carried by the following roll call vote: Ayes: Winter, Marshall, Sheltroun. Nays: None. Motion carried.

Reinke and Curtis reviewed the 2021 construction and capital outlay schedules. Curtis reviewed the 2021 proposed budget.

Motion by Marshall, supported by Sheltroun, to close public hearing and return to regular session at 9:55 am. Motion carried by the following roll call vote: Ayes: Sheltroun, Marshall, Winter. Nays: None. Motion carried.

Motion by Marshall, supported by Sheltroun, to adopt the 2021 construction schedule, 2021 capital outlay schedule, and 2021 proposed budget as presented. Motion carried by the following roll call vote: Ayes: Marshall, Winter, Sheltroun. Nays: None. Motion carried.

Reinke requested payment of \$5,500 issued October 1, 2020, to Burdick Truck Parts for the purchase of the hydroseeder for upcoming projects. Motion by Sheltroun, supported by Marshall, to allow payment on October 1, 2020, to Burdick Truck Parts in the amount of \$5,500 for the hydroseeder. Motion carried by the following roll call vote: Ayes: Sheltroun, Winter, Marshall. Nays: None. Motion carried.

There being no further business, meeting adjourned at 10:10 a.m.

Signed: \_\_\_\_\_

Dan Winter, Chairman

Countersigned: \_\_\_\_\_

Brandy Curtis, Board Clerk