

**SPECIAL MEETING**

The Board of County Road Commissioners of Iron County held a Special Meeting on Wednesday, December 27, 2023, at 8:30 a.m. in the Road Commission offices located at 800 West Franklin Street, Iron River, Michigan.

Present for the roll call were Chairman Ron Frailing, Vice Chairman Dan Germic, Commissioners Chuck Battan, Ernest Schmidt and Jim Cihak. Interim Supt. Brad Toivonen, HR-PR Administrator Patti Leonoff and Finance Director Michelle Johnson were also present.

The purpose of the special meeting was to discuss and approve the December 2023 budget amendment and 2024 Program Budget, 2024 wages for non-union employees and the discussion of a possible buyout of 2025 federal aid funds.

Chairman Frailing called the meeting to order and led the pledge of allegiance.

**2023 BUDGET AMENDMENT #5**

Finance Director Johnson presented the fifth budget amendment for 2024.

Moved by Commissioner Schmidt, supported by Germic, to approve the budget amendment as presented.

Roll call vote:

Ayes: Cihak, Battan, Schmidt, Germic, Frailing

Nays: None

Motion carried.

**2024 BUDGET APPROVAL**

Interim Superintendent Toivonen discussed a budgetary change to the heavy maintenance projects following the budget hearing on December 12, 2023, and presented a revised proposed budget for 2024.

Motion made by Commissioner Battan and supported by Schmidt to approve the budget as presented.

Roll call vote:

Ayes: Germic, Germic, Cihak, Battan, Schmidt, Frailing

Nays: None

Motion carried.

**NON-UNION WAGES**

Following evaluations earlier in December of all the non-union staff, it was the recommendation of both the Personnel Committee and Management to increase the wage of the Finance Director by \$2.25, continuing to bring the wage closer to the average position wage across the U.P. All other non-union staff wages will increase by \$.75, keeping within the average wages for those positions.

Motion made by Commissioner Germic, supported by Cihak, to approve the \$2.25 and \$.75 wage increases as discussed.

Roll call vote:

Ayes: Schmidt, Battan, Cihak, Germic, Frailing

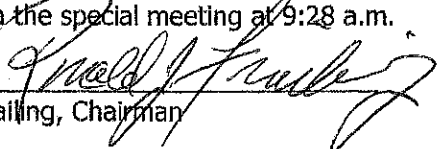
Nays: None

Motion carried.

**2025 FEDERAL AID BUYOUT**

Interim Superintendent Toivonen reported that he did not have any new information to report at this time.

With no further business to come before the Board it was motioned by Commissioner Germic, supported by Schmidt, to adjourn the special meeting at 9:28 a.m.

  
Ron Frailing, Chairman

  
Michelle Johnson, Finance Director/Clerk

Iron County Road Commission  
 Budget Request Form  
 Program Budget

**Approved**  
 12/27/2023

Account Name	Revenue Increase (Decrease)	Expenditures & Fund Balance Increase (Decrease)
<b>Revenues:</b>		
Millage	4,426.34	
Primary Roads Heavy Maint.	(93,921.15)	
State Grants-Pension Grant	851,132.00	
MTF	19,300.94	
Forest Funds	(10.92)	
Local Roads Heavy Maint.	(123,658.39)	
State Trunkline Non-Maint.	(13,378.58)	
Salvage and sales	(1,767.90)	
Interest Income	3,500.00	
Permits	2,915.00	
Other Contrib.-Wild River Crossing	169,130.00	
Gain/Loss on Investments	1,152.50	

**Expenditures:**

Primary Roads-Heavy Maintenance	(491,910.00)
Local Roads-Heavy Maint	(38,272.20)
Equipment Expense-Direct	400,000.00
Equipment Expense-Indirect	155,000.00
Equipment Rentals	(38,000.00)
Admin. Expense	(19,000.00)
State Trunkline Non-Maint.	(13,378.58)
Non-Road Projects-Pension Grant	851,132.00
Capital Outlay	(42,280.89)

*Revenues amended to actual as of 12/18/23 exc. MTF, STL and interest.  
 Expenses-Adjust. To actual +3% on heavy maint (enrg. Dist. Expense)*

TOTALS:	818,819.84	763,290.33
Estimated Change in Fund Balance	55,529.51	
2022 EOY Act 51 Fund Balance	2,445,611.96	Total estimated
Estimated Change in FB from Amend. #3	134,504.00	Incr/(Decr) in FB
Estimated Change in FB from Amend. #4	(63,919.86)	126,113.65
Estimated Change in Fb from Amend. #5	55,529.51	
New Estimated EOY Fund Balance	2,571,725.61	

Iron County Road Commission  
 FY 2024 Program Budget  
 Revenues

	12/19/2023	2022 Actual	12/27/2023 2023 Amended	12/18/2023 2023 Actual	2024 Proposed
401.403 MILLAGE		237,965.53	253,426.34	253,426.34	256,261.00
TOTAL MILLAGE		237,965.53	253,426.34	253,426.34	256,261.00
PRIMARY ROAD - HEAVY MAINT.					
BAUMGARTNER ROAD PH2		174,563.29	-	0.00	
BAUMGARTNER ROAD PH4		0.00	-		427,200.00
BRULE MOUNTAIN RD					356,997.00
BUCK LAKE ROAD		203,359.14	-		
CR 424 PH5 TREELINE TO BL LK HILL- STATE "D"		0.00	94,655.77	94,655.77	
CR 424 PH5 TREELINE TO BL LK HILL- STP		0.00	378,623.08	378,623.08	
CR 424 PH6 BL LK HILL TO BLU LK PIT-STATE "D"			-		105,629.00
CR 424 PH6 BL LK HILL TO BLU LK PIT-STATE -STP			-		389,874.00
TOTAL PRIMARY RD. HEAVY MAINT.		377,922.43	473,278.85	473,278.85	1,279,700.00
501 FEDERAL GRANTS-FHWA 80%					164,395.10
					164,395.10
539.556 SECTION 19 EMERGENCY MGMNT. GRANT					250,000.00
539.569 OTHER STATE GRANTS-PROT.MI GRANT			851,132.00	851,132.00	0.00
			851,132.00	851,132.00	250,000.00
546 MICHIGAN TRANSPORTATION FUND					
546.01 MTF ENGINEERING		10,000.00	10,000.00	10,000.00	10,000.00
546.02 MTF PRIMARY ROADS		2,865,353.45	2,940,308.00	2,449,062.82	3,024,774.00
546.03 MTF LOCAL ROADS		1,255,204.81	1,291,032.00	1,074,332.13	1,315,955.00
546.06 MTF SNOW REMOVAL		167,183.64	175,300.94	175,300.94	170,000.00
TOTAL MTF		4,297,741.90	4,416,640.94	3,708,695.89	4,520,729.00
548 FOREST ROAD FUNDS		213,419.35	213,419.08	213,419.08	213,420.00
TOTAL FOREST ROAD FUNDS		213,419.35	213,419.08	213,419.08	213,420.00
LOCAL ROAD - TOWNSHIP PROJECTS					
BATES TOWNSHIP		230,683.80	182,977.46	182,977.46	100,000.00
CRYSTAL FALLS TOWNSHIP		172,605.48	260,992.66	260,992.26	250,000.00
HEMATITE TOWNSHIP		0.00	0.00		100,000.00
IRON RIVER TOWNSHIP		202,937.69	130,101.43	130,101.43	0.00
MANSFIELD TOWNSHIP		22,003.00	0.00		100,000.00
MASTODON TOWNSHIP		261,969.25	107,550.60	107,550.60	200,000.00
STAMBAUGH TOWNSHIP		246,652.82	238,689.58	238,689.58	200,000.00
FED AID B/O BAUMGARTNER ROAD PH3		269,600.00	-		
580 TOTAL LOCAL CONTRIBUTIONS		1,406,452.04	920,311.73	920,311.33	950,000.00
627 STATE TRUNKLINE MAINTENANCE REVENUE		1,470,317.23	1,531,333.00	1,140,358.70	1,445,058.00
627.01.0.0 STATE TRUNKLINE AUDIT ADJUSTMENT		0.00	190,720.00	190,720.00	
628 STATE TWA NON-MAINTENANCE REVENUE		23,880.85	115,652.42	115,652.42	33,831.00
TOTAL TRUNKLINE REVENUE		1,494,198.08	1,837,705.42	1,446,731.12	1,478,889.00
600.643 SALVAGE AND OTHER SALES		4,344.26	2,732.10	2,732.10	3,000.00
644.644 STUMPAGE SALES		9,663.59	45,764.14	45,764.14	
653 PERMITS		5,974.00	9,915.00	9,915.00	8,000.00
664.665 INTEREST INCOME		19,243.04	49,380.00	46,737.16	62,460.00
674 OTHER PROJECT CONTRIB.-WILD RIVER CULVERT		0.00	169,130.00	169,130.00	480,870.00
LOAN PROCEEDS		0.00	0.00		309,697.00
LEASE PROCEEDS		297,707.00			
SALE OF FIXED ASSETS		0.00	0.00		
GAIN/LOSS ON DISPOSAL OF EQUIP.		0.00	0.00		
GAIN/LOSS ON INVESTMENTS		-1,152.50	1,152.50	1,152.50	
SUBTOTAL		335,779.39	278,073.74	275,430.90	864,027.00
TOTAL REVENUE		8,363,478.72	9,243,988.10	8,142,425.51	9,977,421.10

Iron County Road Commission  
FY 2024 Program Budget  
Expenditures

	12/19/23	2022 Actual	12/27/23 2023 Amended	12/18/23 2023 Actual to date	2024 Proposed
458/459 PRIMARY ROAD HEAVY MAINTENANCE					
FHWA GRANT REPAIRS					
					97,458.17
					116,255.83
		287,122.94	2,500.00	2,191.42	
		1,749.56		0.00	
		510.10		0.00	
			154,510.00	150,007.42	
		15,637.41	18,000.00	17,466.02	
		0.00	503,300.00	488,622.51	5,000.00
		37,307.97	106,415.00	103,311.24	
		583.98	6,000.00	5,631.78	
					515,323.00
					50,000.00
					10,000.00
		241,723.37	5,780.00	4,093.90	
		5,222.63		0.00	
		164.61		0.00	
		307.16		0.00	
		382,998.84	2,000.00	1,900.00	
		3,076.44		0.00	
		9,189.31	5,525.00	5,319.16	
		2,464.39	13,400.00	11,735.08	
		0.00			555,360.00
			7,750.00	7,488.91	
					464,097.00
			34,950.00	33,762.77	
		0.00	0.00		
		1,164.86			
		0.00			
		55,638.65	30,000.00	27,610.60	
		0.00	0.00		
		37,597.85			
					10,000.00
		107,240.25			
		0.00	58,675.00	56,577.43	60,000.00
466.467	PRIMARY ROAD ROUTINE MAINTENANCE	1,898,937.22	1,401,955.99	1,263,277.65	1,411,044.00
458A.460	PRIM. HEAVY MAINTENANCE-BRIDGES		42,000.00	39,218.13	138,530.00
466A.468	PRIM. ROUTINE MAINT. -BRIDGES	3,742.30	15,000.00	13,760.54	9,000.00
	TOTAL PRIMARY ROADS	3,092,379.84	2,407,760.99	2,231,974.56	3,442,068.00
488.489 LOCAL ROAD HEAVY MAINTENANCE					
	BATES TOWNSHIP	245,101.28	214,985.00	208,359.49	105,000.00
	CRYSTAL FALLS TOWNSHIP	178,383.47	281,883.93	272,883.28	250,000.00
	HEMATITE TOWNSHIP	-	-	-	100,000.00
	IRON RIVER TOWNSHIP	214,726.33	143,000.00	138,209.98	
	MANSFIELD TOWNSHIP	1,020.06	-	-	100,000.00
	MASTODON TOWNSHIP	267,331.89	65,000.00	62,722.99	200,000.00
	STAMBAUGH TOWNSHIP	261,582.19	256,000.00	248,369.98	205,000.00
	BARRY RD-SECTION 19	-	-	-	250,000.00
	OTHER PROJECTS - WILD RIVER CULVERT	-	169,130.00	169,130.00	530,870.00
	ICRC LOCAL ROAD PROJECT ENGINEERING	-	-	-	40,000.00
496.497	LOCAL ROAD ROUTINE MAINTENANCE	2,113,306.11	2,039,423.00	1,940,381.35	2,063,348.65
488.449	LOCAL HEAVY MAINT. BRIDGES		5,250.00	5,053.24	
496A.498	LOCAL ROAD ROUTINE MAINT.-BRIDGES	1,323.28	8,500.00	7,678.95	3,000.00
	TOTAL LOCAL ROADS	3,282,774.61	3,183,171.93	3,052,789.26	3,847,218.65

Iron County Road Commission  
 FY 2024 Program Budget  
 Expenditures

510	EQUIPMENT EXPENSE-DIRECT	1,366,448.98	1,411,524.05	976,399.06	1,389,942.00
511	EQUIPMENT EXPENSE-INDIRECT	529,649.29	670,000.00	523,559.05	634,615.00
512	EQUIPMENT EXPENSE-OPERATING	394,541.88	330,000.00	294,407.05	335,700.00
669	LESS EQUIPMENT RENTALS	-2,035,838.21	-2,038,000.00	-2,036,533.12	-2,100,000.00
	<b>EQUIPMENT EXPENSE TOTAL</b>	<b>254,801.94</b>	<b>373,524.05</b>	<b>-242,167.96</b>	<b>260,257.00</b>
	DISTRIBUTIVE EXPENSES				
	FRINGE BENEFITS TO DISTRIBUTE				
	ENGINEER TECH TO DISTRIBUTE				100,000.00
	<b>DISTRIBUTIVE EXPENSE TOTAL</b>				<b>100,000.00</b>
515	ADMINISTRATIVE EXPENSES	415,709.43	634,400.00	594,751.11	672,475.00
	spread to admin exp		0.00		
	LESS OVERHEAD CHARGES		-182,132.00	-136,092.45	-154,537.00
	<b>NET ADMINISTRATIVE EXPENSE</b>	<b>415,709.43</b>	<b>452,268.00</b>	<b>458,658.66</b>	<b>517,938.00</b>
517	STATE TRUNK LINE MAINTENANCE	1,469,712.39	1,531,333.00	1,141,387.16	1,445,058.00
	Audit Adj Entry- WINTER MAINT	0.00	0.00	0.00	
518	STATE TRUNK LINE TWA	23,880.85	115,652.42	115,652.42	33,831.00
	<b>STATE TRUNK LINE TOTALS</b>	<b>1,493,593.24</b>	<b>1,646,985.42</b>	<b>1,257,039.58</b>	<b>1,478,889.00</b>
521	NON-RD RELATED PROJ. PROT. MI GRANT		851,132.00	851,132.00	0.00
			851,132.00	851,132.00	
900	CAPITAL OUTLAY BUILDINGS	0.00	5,512.00	5,512.00	5,000.00
	CAPITAL OUTLAY AMASA PIT	26,408.88	0.00		5,000.00
	CAPITAL OUTLAY ROAD EQUIPMENT	487,476.92	276,861.11	276,861.11	469,697.00
	CAPITAL OUTLAY SHOP EQUIPMENT	2,169.07	0.00		5,000.00
	CAPITAL OUTLAY FUEL TANKS	217,424.84	124,760.00	124,757.07	0.00
	CAPITAL OUTLAY ENG. & OFFICE EQUIPMENT	8,733.00	0.00		5,000.00
671	DEPRECIATION	-552,642.00	-515,700.00		-514,660.00
	<b>NET CAPITAL OUTLAY</b>	<b>189,570.71</b>	<b>-108,566.89</b>	<b>407,130.18</b>	<b>-24,963.00</b>
991	LONG TERM DEBT PRINCIPAL PAY. - EQUIPMENT	122,513.51	0.00	0.00	35,800.00
	LONG TERM DEBT PRINCIPAL PAY. - GARAGE	90,000.00	95,000.00	95,000.00	100,000.00
	LONG TERM DEBT PRINCIPAL PAY. LEASED EQUIP	166,303.49	158,080.09	104,224.18	164,353.64
	<b>TOTAL DEBT PAYMENT EXPENSE</b>	<b>378,817.00</b>	<b>253,080.09</b>	<b>199,224.18</b>	<b>300,153.64</b>
92/995	INTEREST EXPENSE - EQUIPMENT PURCHASES	1,209.58	32,988.00	34.54	6,800.00
	INTEREST EXPENSE - GARAGE BOND	34,562.50	35.00	32,987.50	30,137.50
	INTEREST EXPENSE-LEASED EQUIP.	17,952.92	25,495.86	13,839.68	18,922.31
	BOND AMORTIZATION	0.00	0.00		
	<b>TOTAL INTEREST EXPENSE</b>	<b>53,725.00</b>	<b>58,518.86</b>	<b>46,861.72</b>	<b>55,859.81</b>
	<b>TOTAL EXPENDITURES</b>	<b>9,161,371.77</b>	<b>9,117,874.45</b>	<b>8,262,642.18</b>	<b>9,977,421.10</b>
		2022 Actual	2023 Amended	2023 Actual YTD	2024 Proposed
	Increase (Decrease) In fund Equity	(797,893.05)	126,113.65	(120,216.67)	0.00
	Beginning Fund Balance	3,243,505.68	2,445,612.63	2,445,612.63	
	Increase (Decrease) in fund Equity	-797,893.05	126,113.65		
	Ending Fund Balance	2,445,612.63	2,571,726.28	2,445,612.63	

**Minutes for the 2024 Reorganizational Meeting**

January 2, 2024, at 8:30 a.m.

1. Clerk Michelle Johnson called the Reorganizational Meeting of the Iron County Road Commissioners of Iron County to order at 8:30 a.m. in the Road Commission office at 800 W. Franklin Street, Iron River, Michigan.

2. Pledge of Allegiance and roll call.

Commissioners Ernie Schmidt, Chuck Battan, Jim Cihak and Ron Frailing were present; Commissioner Dan Germic was absent. Also, present were Interim Superintendent/Manager, Brad Toivonen HR-PR Admin. Patti Leonoff and Clerk Michelle Johnson.

3. Clerk Johnson called three times for nominations for Chairman for 2024.

The first nomination was for Commissioner Ernie Schmidt by Commissioner Frailing.

There were no other nominations.

A roll call vote was taken on the nomination:

Ayes: Battan, Cihak, Frailing, Schmidt

Nays: none

Majority vote reached on the Schmidt nomination for Chairman.

Clerk Johnson declares Commissioner Ernie Schmidt Chairman of the Board of County Road Commissioners for Iron County for 2024.

4. Clerk Johnson called three times for nominations for Vice Chairman for 2024.

Commissioner Schmidt nominated Commissioner Ron Frailing for Vice Chairman.

There were no other nominations.

A roll call vote was taken on the nomination:

Ayes: Cihak, Battan, Schmidt, Frailing

Nays: none

Majority vote reached on Frailing for Vice Chairman.

Clerk Johnson declared Commissioner Ron Frailing Vice Chairman of the Board of County Road Commissioners of Iron County for 2024.

-The gavel was passed to Chairman Schmidt-

5. In a motion by Commissioner Schmidt, supported by Commissioner Cihak, the Board set the Audit and Regular meeting schedule for 2024 for the second Tuesday of each month at 8:15 for the Audit Committee Meeting and 8:30 am for the Regular Meeting as follows:

January 9th

February 13th

March 12th

April 9th

May 14th

June 11th

July 16th  
August 13th  
September 10th  
October 8th  
November 12th  
December 10th

All Ayes  
No Nays  
Motion carried

- 6. Committee assignments
  - a. Audit: All Commissioners
  - b. Building and Grounds: Germic(chair), Cihak
  - c. Township Liaison: Germic(ch), Frailing
  - d. Equipment: Battan(ch), Frailing
  - e. Safety: Battan(ch), Germic
  - f. Employee Relations: Schmidt(ch), Cihak
  - g. Parks and Rec: Germic(ch), Cihak Drain Commissioner rep- Frailing
  - h. Personnel-Schmidt(ch), Germic
  - i. Policy: Germic (ch), Battan

Commissioner Cihak made a motion to accept the committee appointments as listed above, supported by Commissioner Battan.

All Ayes  
No Nays  
Motion carried

- 7. Financial Institutions Usage: Commissioner Frailing motioned that Local institutions are to be used whenever possible and this was supported by Cihak.

All Ayes  
No Nays  
Motion carried


- 8. Disclosures: Commissioner Ron Frailing disclosed he is on the Board at Miner State Bank.

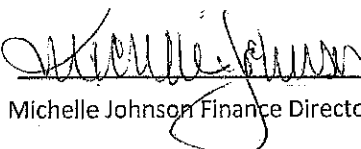
- 9. Board Council: Commissioner Frailing motioned to continue to have Mark Tousignant as civil council for 2024.

All Ayes  
No Nays  
Motion Carried. *Supported by Battan*

- 10. At 8:39 am, it was motioned by Battan and supported by Cihak to adjourn the 2024 Reorganizational meeting.

All Ayes  
No Nays  
Motion carried

  
Ernest Schmidt/ Chairman

  
Michelle Johnson Finance Director/ Clerk