

1500 Scribner Avenue, NW

Grand Rapids, MI 49504

June 8, 2021

The Board of County Road Commissioners of the County of Kent met in the Road Commission office.

The regular meeting was called to order by Commissioner Rambo, Chair at 8:00 a.m.

Present: Commissioners Rambo, Janes, Medema, Morren, and VerHeulen, Managing Director Warren, Director of Finance Barcheski and Executive Secretary Luneke.

Also present: Deputy Managing Director of Engineering Harrall, Deputy Managing Director of Operations Byrne, Director of Building and Equipment Roose, Director of Traffic and Safety Haagsma, Assistant Director of Operations Roon, Project Engineer Easterly, Purchasing Manager Nordstrom, IT Manager Care, Human Resources Manager Dennis, Communications Manager Lamoreaux, Attorney Dan Parmeter from Mika Myers, KCRC Owner Representative James Moyer, Marty Ruitter from Hobbs+Black Architects, and Tim Marcus and Kevin Hufnagel from Owen-Ames-Kimball.

Item #2 Public Comment

There was no public comment.

Item #3 Approval of Minutes

The Board discussed minutes of the Board meeting and Closed Session held Tuesday, May 25, 2021.

Moved by Commissioner Janes, seconded by Commissioner Medema that the **minutes be approved as written.**

Motion carried by the following vote:

Yeas: Commissioners Rambo, Janes, Medema, Morren, and VerHeulen — 5.

Nays: 0.

Item #4 Disbursements and Cash Balances

The disbursements for the check run dated May 28, 2021, were presented to the Board by Director of Finance Barcheski. She stated payroll included \$19,372.83 in overtime.

The Construction Estimates for this period are as follows:

Contractor	Project	Amount
Rieth-Riley Construction Co.	Grand Rapids Township local road program (estimate #2)	189,015.56
Superior Asphalt, Inc.	2021 Algoma Township local roads program (estimates #1 and #2)	121,340.40
Total		\$310,355.96

Director Barcheski stated the General Fund has \$31,856,834.73 remaining after approval of disbursements. Of that amount, \$7,765,226.93 is unavailable operating funds, leaving \$24,091,607.80 in total available operating funds.

Director Barcheski presented a detail of the new central complex project for the Board. The total estimated cost as of June 8, 2021, is as follows:

Estimated Cost	\$45,814,402
Current Expenditures	704,804
Project-to-Date Expenditures	2,366,466
Remaining Cost	42,743,132

Moved by Commissioner Morren, seconded by Commissioner Medema that **Payroll of \$750,168.64, Construction Estimates of \$310,355.96, New Central Complex Expenditures of \$704,804.18, Accounts Payables of \$1,783,158.12, and Cash Balances and Investments for the check run dated May 28, 2021,** are approved by the Board, and warrants ordered drawn for the same.

Motion carried by the following vote:

Yeas: Commissioners Rambo, Janes, Medema, Morren, and VerHeulen — 5.

Nays: 0.

Item #5 Michigan Transportation Fund

Director of Finance Barcheski reviewed the Michigan Transportation Fund revenues that were collected in April 2021. She stated the funds received were \$4,932,496, a variance of \$241,542 over than what was budgeted. To date, receipts are up 4.0 percent over this time last year.

The report was received for information.

Item #6 Budget Amendment #2

Managing Director Warren requested authorization to amend the 2021 Budget.

Director Barcheski reviewed the recommended budget amendment. The proposed amendment realigns anticipated expenditures in construction and maintenance, as well as the reduced Michigan Transportation Fund revenue estimate from the State. The net result of these recommended changes is zero impact to our fund balance.

Moved by Commissioner VerHeulen, seconded by Commissioner Morren that the **2021 Budget Amendment No. 2 is adopted by the Board**, as recommended by staff.

Motion carried by the following vote:

Yeas: Commissioners Rambo, Janes, Medema, Morren, and VerHeulen — 5.

Nays: 0.

Item #7 New Central Complex Site Plan and Budget

Managing Director Warren introduced the following people who have been working on the new Central Complex Site Plan and Budget: Attorney Dan Parmeter from Mika

Myers, Architect Marty Ruitter from Hobbs+Black, Construction Manager Tim Marcus and Kevin Hufnagel from Owen-Ames-Kimball and Owner Representative James Moyer.

Marty Ruitter from Hobbs+Black Architects presented to the Board 3D renderings of the entire new Central Complex, as well as revised street level renderings and floor plan layouts for the garage and administration buildings.

Construction Manager Tim Marcus from Owen-Ames-Kimball stated the award of bids for Phase II will be considered by the Board on August 24. Mr. Marcus stated that the August 24 bid prices will be locked in.

Kevin Hufnagel from Owen-Ames-Kimball discussed the updated Progress Budget. The estimated cost of the project has increased because of the sharp rise in steel prices.

The Board members wanted to validate that staff is taking the proper steps to value engineer the project through the design and specification process.

Commissioner Janes stated how much she appreciates the great job they are doing.

Item #8 Resolution to Approve Issuance of Bonds

Managing Director Warren stated the resolution to approve issuance of bonds is formally requesting the County of Kent to issue up to \$26M in bonds on KCRC's behalf for the new Central Complex.

Director of Finance Barcheski stated the financing terms for the new central complex will be a 15-year option with the goal of being paid in 10 years.

Commissioner VerHeulen offered the following resolution with reference to the approval of the issuance of bonds.

RESOLUTION TO APPROVE ISSUANCE OF BONDS

WHEREAS, the Board has determined that it is necessary to acquire, construct, furnish and equip facilities to operate as a road commission complex that support equipment and salt storage, engineering, maintenance, preservation, operations and other road-related purposes, making improvements to the site thereof and other related improvements, appurtenances and road purposes (the "Project"); and

WHEREAS, the County of Kent (the "County") is authorized, with the approval of the Kent County Road Commission (the "Road Commission"), to issue bonds as authorized by the provisions of Act 51, Public Acts of Michigan, 1951, as amended ("Act 51"), to pay the cost of the Project; and

WHEREAS, the Board has determined that it is the best interest of the Road Commission and the County for the County to issue bonds to finance the Project in an amount not to exceed Twenty-Six Million Dollars (\$26,000,000) (the "Bonds").

NOW, THEREFORE, BE IT RESOLVED by the Board of County Road Commissioners of the County of Kent (the "Road Commission"), as follows:

1. The issuance of the Bonds by the County is hereby approved.
2. As required by Section 18c of Act 51, the resolution of the Board of Commissioners of the County authorizing the issuance of the Bonds shall contain an irrevocable appropriation providing for the payment of the principal of and interest on the Bonds from the money received or to be received by the Road Commission from the Michigan transportation fund.
3. To effectuate the pledge to be made by the County, the Road Commission hereby appropriates from the moneys received or to be received by the Road Commission from the Michigan transportation fund such amounts as are necessary to pay the principal of and interest on the Bonds when due and pledges to pay such funds in such manner and at such time as directed by the County in order that principal of and interest on the Bonds be paid when due.

4. The members of the Board and the Managing Director and other administrative staff of the Road Commission are hereby authorized to take such action as necessary or desirable in connection with the issuance of the Bonds by the County.
5. The Managing Director, or their designee, is authorized and directed to file, to the extent deemed necessary, a municipal finance qualifying statement with the Michigan Department of Treasury with a goal of achieving qualified status for the Road Commission in accordance with section 303(3) of Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”), and, in the event the Road Commission is determined to have qualified status, the Road Commission shall comply with all applicable requirements of Act 34. In the alternative, a prior approval application may be prepared and filed with respect to the Bonds, and the related filing fee shall be paid all in accordance with Act 34. The Managing Director is authorized and directed to: execute said application and pay such fee on behalf of the Road Commission, and file any additional documents with such application necessary to obtain such qualified status or prior approval for the issuance of the Bonds.
6. The Road Commission Secretary (or the Managing Director) is hereby authorized and directed to file a certified copy of this resolution with the Kent County Board of Commissioners.
7. All resolutions and parts of resolutions, insofar as the same may be in conflict herewith, are hereby rescinded.

Moved by Commissioner VerHeulen and supported by Commissioner Janes that the Board **adopt the resolution**, as recommended by staff.

Motion carried by the following vote:

Yeas: Commissioners Rambo, Janes, Medema, Morren, and VerHeulen — 5.

Nays: 0.

Item #9 Conservation Easement – 1900 4 Mile Road

Managing Director Warren requested authorization to enter into an agreement to place a Conservation Easement over 2.34 acres of property at 1900 4 Mile Road, Section 3, City of Walker.

Deputy Managing Director Harrall stated KCRC has negotiated an agreement with the Michigan Department of Environment, Great Lakes, and Energy (EGLE) to convey a conservation easement over the 2.342 acres of land in the southeast corner of the new Central Complex property in exchange for allowing KCRC to fill one-third acre of wetland with relocated soils as part of the overall site management plan. This land consists of regulated wetlands and heavily wooded upland peninsula.

Under the conservation easement, KCRC will still be allowed to enter the area for activities that will not pose adverse impacts to the existing wetland. EGLE, and its authorized agents, will be allowed to enter the easement at reasonable times to determine whether this area is being maintained in compliance with the terms of this agreement, and for purposes of taking corrective actions if ever there were a failure to comply. KCRC would be given a 14-day notice of any failures to comply and to cure any such failures.

Staff has determined that the benefits of filling one-third acre outweighs the inability to develop this property in the future.

Moved by Commissioner Morren, seconded by Commissioner Medema that the Board **authorizes staff to enter into an agreement with the Michigan Department of Environment, Great Lakes and Energy to place a Conservation Easement over 2.34 acres of property at 1900 4 Mile Road**, Section 3, City of Walker, as recommended by staff.

Motion carried by the following vote:

Yeas: Commissioners Rambo, Janes, Medema, Morren, and VerHeulen — 5.

Nays: 0.

Item #10 Utility Easement – 1900 4 Mile Road

Managing Director Warren requested authorization to grant an easement to Consumers Energy for the installation and maintenance of electrical service to facilities at 1900 4 Mile Road, Section 3, City of Walker

Deputy Managing Director Harrall stated to extend electrical power into the new Central Complex site, Consumers Energy requires a 12-foot-wide easement (six feet each side of proposed centerline of a primary service conduit) from Northridge Drive to the location for the primary switch cabinet. We are not currently planning, nor anticipate the need in the future, to install any permanent structures over this easement.

If Consumers Energy needs to excavate the easement area for repairs or upgrades, a portion of our concrete driveway approach and our “Redi Rock” retaining wall could be removed and the repair of those structures would be the responsibility of KCRC.

Moved by Commissioner Morren, seconded by Commissioner Janes that the Board **authorizes staff to grant an easement to Consumers Energy for the installation and maintenance of electrical service to facilities at 1900 4 Mile Road**, Section 3, City of Walker, as recommended by staff.

Motion carried by the following vote:

Yeas: Commissioners Rambo, Janes, Medema, Morren, and VerHeulen — 5.

Nays: 0.

Item #11 Second Amendment to the Option Agreement

Managing Director Warren stated that KCRC has worked with Attorney Dan Parmeter from Mika Myers to negotiate the terms of a second amendment to the Option Agreement for the purchase of the Scribner Avenue property by the City of Grand Rapids. Terms of this second amendment include the following.

- a) Reduces the purchase price by \$300,000 (revised price \$7,450,000.00)
- b) Removal of the underground fuel storage tanks by KCRC.
- c) Accelerates the Effective Date to exercise the Option Agreement from mid-August to mid-June 2021.
- d) Ends the due diligence period which resolves all objections (now and in the future) by the City of Grand Rapids related to survey, title, and the physical and environmental condition of the Scribner Avenue site.

With this amendment, KCRC is able to proceed with the Phase II bid process with the added assurance that the City of Grand Rapids is obligated to purchase the Scribner Avenue property.

Commissioner Janes offered the following resolution with reference to a Second Amendment to the Option Agreement to Purchase Real Estate.

**RESOLUTION FOR
SECOND AMENDMENT TO THE
OPTION AGREEMENT TO PURCHASE REAL ESTATE**

WHEREAS, the Board of County Road Commissioners of the County of Kent (the “Road Commission”) and the City of Grand Rapids (the “City”) have entered into an Option Agreement to Purchase Real Estate dated February 13, 2020, and a First Amendment to Option Agreement to Purchase Real Estate dated August 21, 2020 (collectively, the “Agreement”) related to real property at and near 1500 Scribner Avenue, N.W. in the City (the “Property”)., and

WHEREAS, the City and the Road Commission desire to further amend the Agreement with a Second Amendment to Option Agreement to Purchase Real Estate (the “Second Amendment”) reflecting (i) a \$300,000 reduction in the purchase price of the Property, (ii) a requirement that the Road Commission remove underground storage tank located at the Property prior to the City acquiring the Property, and (iii) that the City is exercising its option to

purchase the Property upon execution of the Second Amendment by the City and the Road Commission, and

NOW, THEREFORE, BE IT RESOLVED, that the Second Amendment in the form presented at this meeting is approved with such modifications not materially adverse to the Road Commission approved as to content by the Managing Director and as to form by legal counsel for the Road Commission, and

FURTHER, BE IT RESOLVED, that the Managing Director is authorized and directed to execute the approved Second Amendment for and on behalf of the Road Commission, and

FURTHER, BE IT RESOLVED, that all resolutions and parts of resolutions in conflict herewith shall be, and the same are, rescinded.

Moved by Commissioner Janes seconded by Commissioner Medema that the **resolution is adopted and the Second Amendment in the form presented at this meeting is approved**, as recommended by staff.

Motion carried by the following vote:

Yeas: Commissioners Rambo, Janes, Medema, Morren, and VerHeulen — 5.

Nays: 0.

Item #12 **MERS**

Managing Director Warren requested adoption of a resolution to establish authorized signatures for MERS (Municipal Employees' Retirement System) contracts and service credit purchase approvals.

Commissioner Morren offered the following resolution.

RESOLUTION

This Resolution is entered into under the provisions of 1996 PA 220 and the Municipal Employees' Retirement System of Michigan ("MERS") Plan Document, as each may be amended.

This resolution applies to reporting unit(s) #01 of the participating municipality listed below.

WHEREAS, Kent County Road Commission ("Employer") is a participating municipality with the Municipal Employees' Retirement System of Michigan ("MERS") and has adopted one or more retirement, insurance, investment or other post-employment benefit products administered by MERS;

WHEREAS, MERS requires signatures of an authorized representative of the Employer to execute contracts with MERS, the entry of which is authorized by the governing body and permitted under the applicable MERS Plan Document(s);

WHEREAS, the Employer wishes to designate certain job position(s), the holder(s) of which may sign MERS' contracts relating to the adoption, amendment and termination of MERS' products, and defined benefit service credit purchase approvals on behalf of Employer to implement decisions and actions of the governing body;

WHEREAS, this Resolution is not intended to apply to MERS forms or any other MERS document except as specifically mentioned herein,

Therefore, the Governing Body resolves:

The holders of the following job position(s) are hereby Authorized Officials that can sign: (1) MERS Adoption Agreements, Resolutions, Participation Agreements, Administrative Services Agreements, Withdrawal Agreements and any other contracts between MERS and the Employer with respect to Employer's participation in any MERS-administered

product and any amendments and addendums thereto, and (2) MERS Defined Benefit service credit purchase approvals:

1. Managing Director

Optional additional job positions:

2. Director of Finance

3. Director of Human Resources

This Resolution may be revoked in writing or amended by the Governing Body at any time, provided that it will not be effective until such writing or amended Resolution is received by MERS. The Governing Body agrees that MERS may rely upon this Resolution as conferring signing authority upon the holders of the above job position(s) to bind Employer with respect to MERS.

Adopted at a regular/special meeting of the Governing Body on June 8, 2021.

Authorized signature (must be currently in a position named above): _____

Name: Steven A. Warren

Title: Managing Director

Witness signature: _____

Witness name: Mark Rambo

Witness title: Kent County Road Commission - Chair

Moved by Commissioner Morren seconded by Commissioner VerHeulen that the **resolution is adopted to establish authorized signatures for MERS**, as recommended by staff.

Motion carried by the following vote:

Yeas: Commissioners Rambo, Janes, Medema, Morren, and VerHeulen — 5.

Nays: 0.

Item #13 Advertise for Bids

Managing Director Warren requested authorization to advertise for bids for **Bid #21-EQU-28**: Trailer Mounted Air Compressor.

Moved by Commissioner Medema, seconded by Commissioner Janes that staff is **authorized to advertise for bids on the above listed purchase with bids to be accepted until 8:30 a.m. on the date to be determined**, as recommended by staff.

Motion carried by the following vote:

Yeas: Commissioners Rambo, Janes, Medema, Morren and VerHeulen — 5.

Nays: 0.

Item #13 Award of Bid

Managing Director Warren requested authorization to award bid received for **Bid #21-FIN-01**: Trailer Mounted Air Compressor.

Staff recommends awarding the purchase of the following Server and Storage System Hardware and Software Components for the replacement and upgrade of Central Complex’s outdated system to **CDW Corporation, Insight Public Sector, Inc., and Presidio Solutions Group, LLC**, for a total cost of **\$84,666.30**

As noted in the chart below, the purchases would be made through cooperative purchasing agreements, as well as KCRC’s process of sourcing competitive pricing.

Vendor	Product	Cost	Procurement Method
CDW Corporation	Cluster Servers & Storage	\$48,109.43	MiDeal Contract #071B6600110
CDW Corporation	Backup Server	\$10,525.17	Sourcewell Contract #081419-CDW
Presidio Solutions Group, LLC	10GB Switch Upgrade	\$10,001.04	Competitive Quotes
Insight Public Sector, Inc.	Virtualization Software	\$7,311.90	Competitive Quotes
Insight Public Sector, Inc.	Windows Server Licensing	\$6,021.76	Competitive Quotes
CDW Corporation	Backup Software (3-Year Term)	\$2,697.00	Competitive Quotes
	Total cost:	\$84,666.30	

Moved by Commissioner Janes, seconded by Commissioner VerHeulen to **authorize award of bid for the above listed**, as recommended by staff.

Motion carried by the following vote:

Yeas: Commissioners Rambo, Janes, Medema, Morren and VerHeulen — 5.

Nays: 0.

Item #15 **Comments**

➤ Managing Director Warren stated Roads+ is holding a golf outing at L. E. Kaufman Golf Course on Thursday, June 17, 2021.

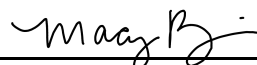
➤ Director of Building and Equipment Roose stated that the auctions by Biddergy dated April 20, 2021, resulted in a net total of \$144,932.00; M & W, Inc. dated May 6, 2021, resulted in a net total of \$135,845.12 and Rangerbid dated May 18, 2021, resulted in a net total of \$88,242.00 with a **total of \$369,019.12** being reimbursed to KCRC.

➤ Commissioner Janes stated KCRC did a great job on the tree trimming done by her house.

➤ Commissioner VerHeulen stated the refund check from Workers' Compensation was outstanding. Managing Director Warren stated it was a team effort between Human Resources Manager Mike Dennis and Employee Safety George Smith. The average rating is 1.0. KCRC's rating is 0.67 and is the lowest in 25 years.

There being no further business to come before the Board, Chair Rambo adjourned the meeting at 9:12 a.m.

Respectfully submitted,



Macy Barcheski, Secretary