



AGENDA
OTSEGO COUNTY BOARD OF ROAD COMMISSIONERS
THURSDAY, MAY 9, 2024, AT 9:00 A.M.

ITEM 1 – CALL TO ORDER/PLEDGE OF ALLEGIANCE

ITEM 2 - ROLL CALL

ITEM 3 – AGENDA CHANGES/APPROVAL OF AGENDA

ITEM 4 – CONSENT CALENDAR

- A. Minutes: The Board approves the Regular Meeting Minutes dated April 11, 2024.
- B. The Board approves Payroll #7 (\$84,333.17), and Payroll #8 (\$75,081.54).
- C. The Board approves accounts Payable: C/4-2 (\$80,736.00), and C/5-1 (\$194,729.01), and the Accounts Payable Check Register dated 4/01/2024 to 4/30/2024.

ITEM 5 – GUEST SPEAKERS

- A. Dana Wingo, Otsego County Board Liaison
- B. Peter Vredeveld, Vredeveld Haefner, FY 2023 Audit Report

ITEM 6 – PUBLIC COMMENT

ITEM 7– OLD BUSINESS/UNFINISHED BUSINESS

ITEM 8 – NEW BUSINESS

- A. FY 2023 Audit Report
- B. FY 2023 Act 51 Report
- C. FOIA Policy
- D. 10-Hour Work Schedule
- E. Hiring Process Review
- F. Livingston Township Road Concerns
- G. Franckowiak Road – Re-gravel Approval
- H. Tittabawassee Trail – Re-gravel Approval

ITEM 9 – STAFF REPORTS

- A. Managing Director, Operations Manager, Finance Manager, Facilities/Equipment Supervisor, Road Maintenance Supervisor

ITEM 10 – COMMUNICATIONS

- A. Upcoming OCRC Board Meeting Dates: June 13, 2024, July 11, 2024
- B. 2024 CRA Finance & Human Resources Seminar: May 21-22 Bay City, MI.

ITEM 11 – PUBLIC COMMENT

ITEM 12 – COMMISSIONER COMMENT

ITEM 13 – ADJOURNMENT



Otsego County Road Commission Agenda Item Report

FROM: Rebecca Hilmert, Finance Manager
MEETING DATE: May 9, 2024
AGENDA ITEM: 4. A, B, C
SUBJECT: Consent Calendar

DESCRIPTION

The purpose of the Consent Calendar is to expedite business by grouping non-controversial items together without discussion. Any member of the Commission, staff, or the public may ask that any item on the Consent Calendar be removed and placed elsewhere on the agenda for full discussion. Such requests will be automatically respected.

If an item is not removed from the Consent Calendar, all items listed are approved by a single Commission action approving the Consent Calendar. The Finance Manager recommends the following items be approved:

- A. Minutes: The Board approves the Regular Meeting Minutes dated April 11, 2024.
- B. The Board approves Payroll: #7 (\$84,333.17), and Payroll #8 (\$75,081.54).
- C. The Board approves accounts Payable: C/4-2 (\$80,736.00), and C/5-1 (\$194,729.01) and the Accounts Payable Check Register dated 04/01/2024 to 04/30/2024.

BUDGET ACTION REQUIRED

N/A

LEGAL REVIEW

N/A

SAMPLE MOTION:

Motion to **approve/deny** the May 9, 2024, consent calendar as presented.

DRAFT
MINUTES for the
REGULAR MEETINGS OF THE
OTSEGO COUNTY ROAD COMMISSION
HELD ON THURSDAY, APRIL 11, 2024, AT 9:00 A.M.

ITEM 1 – CALL TO ORDER/PLEDGE OF ALLEGIANCE

- Meeting called to order by Chairman Huff, at 9:00 a.m. and Pledge of Allegiance.

ITEM 2 - ROLL CALL

- Upon roll call, the following Commissioners responded:
Dipzinski, Present
Wagar, Present
Gordon, Present
Heinz, Present
Huff, Present

The following staff members were present: Kirk Harrier, Managing Director; Rebecca Hilmert, Finance Manager/Board Secretary; Scott Butkovich, Operations Manager; David Fox, Equipment/Facilities Supervisor; Steve Mench, Road Maintenance Supervisor

ITEM 3 – AGENDA CHANGES/APPROVAL OF AGENDA

- Motion by Gordon to approve the agenda as presented, seconded by Dipzinski. Five ayes, no nays. Motion carried.

ITEM 4 – CONSENT CALENDAR

- A. Minutes: The Board approves the Regular Meeting Minutes dated March 14, 2024.
- B. The Board approves Payroll: #5 (\$89,956.77), and Payroll #6 (\$83,632.18).
- C. The Board approves Accounts Payable: C/3-2 (\$115,440.51) and C/4-1 (\$379,685.06), and the Accounts Payable Check Register dated 3/01/2024 to 3/31/2024.
- Motion by Wagar to approve the April 11, 2024, Consent Calendar, seconded by Heinz. Five ayes, no nays. Motion carried.

ITEM 5 – GUEST SPEAKERS

- A. Dana Wingo, Otsego County Board of Commissioners, attended a well put together NEMCOG Presentation. She also urged road commissioners and road commission administrators to attend a Special Meeting at Hayes Township April 17 at 1:30pm to discuss a 10-acre Lithium-Ion Battery Storage facility.

ITEM 6 – PUBLIC COMMENT

- A. Randy Stults thanked the road commission for the tree work done on County Park Road.
- B. Bonnie Miller, Chester Township, inquired about the project on Old State Road.

ITEM 7 – OLD BUSINESS/UNFINISHED BUSINESS

- A. Waste Hauler Policy
 - a. Motion by Wagar to rescind the OCRC Waster Hauler Policy effective immediately, seconded by Dipzinski. Five ayes, no nays. Motion carried.

ITEM 8 – NEW BUSINESS

- A. FY 2024 Budget Amendments
 - a. Motion by Heinz to approve the fiscal year-end 2024 Otsego County Road Commission budget amendments are follows: Contributions to increase \$533,193; Primary Preservation/Structural Improvements to increase \$300,000; Local Preservation/Structural Improvements to increase \$1,400,000; and Local Maintenance to decrease \$500,000, seconded by Gordon. Discussion. Five ayes, no nays. Motion carried.
- B. MDOT Safety Grant Funding
 - a. Motion by Gordon to direct the County Engineer to submit safety grant applications for the following projects, seconded by Dipzinski. Discussion. Five ayes, no nays. Motion carried.
Four projects to be submitted in total –

- i. **Project 1: Roundabout at S Townline Rd and Van Tyle Rd intersection, and Roundabout at McCoy Rd and Dickerson/Milbocker Rd intersection. \$2,000,000 project cost, OCRC share \$200,000.**
 - ii. **Project 2: Roundabout at McCoy Rd and Krys Rd intersection. \$1,000,000 project cost, OCRC share \$200,000.**
 - iii. **Project 3: Signal Light Replacement at Old 27 N and W Otsego Lake Dr intersection. \$500,000 project cost, OCRC share \$100,000.**
 - iv. **Project 4: Systemic project for Sign upgrades and pavement markings.**
- C. Engineering Services Gravel Pit Exploration
- a. **Motion by Dipzinski to approve the proposal dated April 1, 2024, from Huron Engineering for gravel pit exploration services are presented, seconded by Wagar. Discussion Five ayes, no nays. Motion carried.**
- D. Draft 2025 Priority Project Review

ITEM 9 – STAFF REPORTS

- A. Managing Director updated the board on working with Livingston Township on Hayes Road.
- B. Engineer of Record gave project updates and attending a planning meeting after board meeting.
- C. Operations Manager attended a CRASIF Safety Summit at Tree Tops, has scheduled an OCRC Safety Day, will be doing PASER ratings with MDOT next week, and is finalizing Crack Sealing operations for the summer. Dust control is scheduled for mid-May and pavement markings are scheduled for August at this time.
- D. Finance Manager remarked on MTF revenue received. The FY 2023 Audit is complete!
- E. Human Resources/Payroll Manager gave a quarter 1 update.
- F. Facilities & Equipment Supervisor is busy with repairs and summer changeover. Equipment discussion.
- G. Road Maintenance Supervisor has crews patching potholes, grading gravel roads, cutting trees and reclaiming gravel shoulders. State work is starting.

ITEM 10 – COMMUNICATIONS

- A. Huron Engineering Five Lakes Road
- B. Upcoming OCRC Board Meeting Dates: May 9, 2024, June 13, 2024
- C. 2024 CRA Finance & Human Resources Seminar: May 21 – 22, 2024, Bay City, MI

ITEM 11– PUBLIC COMMENT

ITEM 12– COMMISSIONER COMMENT

- A. Commissioner Dipzinski commended the road commission employees on a job well done.
- B. Commissioner Gordon inquired about pickups to be disposed.

ITEM 13 – ADJOURNMENT

- **Motion by Gordon to adjourn meeting at 10:50 a.m., seconded by Dipzinski. Five ayes, no nays. Motion carried.**

Troy Huff, Chairman

Rebecca Hilmert, Board Secretary

Payroll Gross for P/R of 4/4/2024

PR #7

4/2/2024

3/16/2024 to 3/29/2024

Emp Nbr and Name	Regular Hours	Total Hours	Gross Amt
264 Huff III,Russell	0.00	0.00	\$500.00
269 Koronka,Brian	8.00	8.00	\$199.52
277 Fox,David	80.00	80.00	\$2,860.00
280 Kwapis,Earl	80.00	80.00	\$2,995.20
283 Sewell,Dennis	80.00	80.00	\$1,995.20
284 Kwapis Jr.,Stanley	80.00	104.50	\$3,061.63
287 Myers,Joseph	80.00	80.00	\$1,995.20
293 Samkowiak,Timothy	48.00	56.50	\$1,596.16
294 Mench,Steven	80.00	110.00	\$4,576.03
295 Boughner,Alan	80.00	80.00	\$1,995.20
299 Hinton,Justin	80.00	84.00	\$2,144.84
303 Coughlin Jr.,Thomas	80.00	80.00	\$1,995.20
307 Stiles,William	80.00	91.00	\$2,481.53
308 Wcisel,David	80.00	92.00	\$2,444.13
311 Wiley,James	24.00	24.00	\$598.56
314 Kucharek,Joseph	78.50	80.00	\$2,189.60
316 Jones,Tianne	80.00	80.00	\$2,115.20
317 Mitchell Jr.,Dennis	80.00	80.00	\$2,995.20
318 Huff,Troy	0.00	0.00	\$676.09
319 Prusakiewicz,Luke	80.00	80.00	\$1,995.20
321 Tracey,Benjamin	78.50	80.00	\$2,189.60
323 Falkenhagen,Robert	80.00	91.00	\$2,481.54
324 Dipzinski,Michael	0.00	0.00	\$363.64
326 Heinz,Kathy	0.00	0.00	\$363.64
327 Garlock,Cody	80.00	83.00	\$2,107.43
328 Harrier,Kirk	80.00	80.00	\$3,979.20
329 Gordon,Lukas	0.00	0.00	\$743.64
330 Wagar,Thomas	0.00	0.00	\$726.64
331 Boettner,Cary	79.00	80.00	\$2,109.60
335 Pettis,Charles	80.00	80.00	\$1,824.00
336 Hilmert,Rebecca	80.00	80.00	\$2,616.00
337 Johnson,Zachary	80.00	93.50	\$2,581.30
338 Coady,Patrick	70.00	80.00	\$1,995.20
342 Alexander,Alexis	69.00	80.00	\$1,995.20
343 Hendrick,Robert	79.00	80.00	\$2,109.60
344 Mayle,Michael	80.00	92.50	\$2,537.66
345 Butkovich,Scott	80.00	91.50	\$3,669.11
346 Ford,Logan	80.00	85.00	\$2,682.26
903 BANK,HORIZON	0.00	0.00	\$5,848.22
Total of Employee checks:	2,374.00	2,546.50	\$84,333.17

Gross Pay by Fund:

	Total
201	84,333.17
Total	84,333.17

Approved: April 11, 2024

Troy Huff, Chairman

Payroll Gross for P/R of 4/18/2024

PR #8

4/15/2024

3/30/2024 to 4/12/2024

Emp Nbr and Name	Regular Hours	Total Hours	Gross Amt
001S Vandertuig, Hayleigh	80.00	80.00	\$1,520.00
264 Huff III, Russell	6.00	6.00	\$149.64
269 Koronka, Brian	8.00	8.00	\$199.52
277 Fox, David	80.00	80.00	\$2,860.00
280 Kwapis, Earl	80.00	80.00	\$1,995.20
283 Sewell, Dennis	80.00	80.00	\$1,995.20
284 Kwapis Jr., Stanley	80.00	80.00	\$2,015.20
287 Myers, Joseph	80.00	80.00	\$1,995.20
293 Samkowiak, Timothy	16.00	16.00	\$399.04
294 Mench, Steven	80.00	94.00	\$3,610.76
295 Boughner, Alan	80.00	83.00	\$2,107.43
299 Hinton, Justin	80.00	84.50	\$2,229.16
303 Coughlin Jr., Thomas	80.00	80.00	\$1,995.20
307 Stiles, William	80.00	80.00	\$1,995.20
308 Wcisel, David	80.00	88.00	\$2,294.48
311 Wiley, James	3.50	3.50	\$87.29
314 Kucharek, Joseph	80.00	81.00	\$2,230.66
316 Jones, Tianne	80.00	80.00	\$2,115.20
317 Mitchell Jr., Dennis	80.00	84.50	\$2,163.55
318 Huff, Troy	0.00	0.00	\$409.09
319 Prusakiewicz, Luke	80.00	83.00	\$2,107.43
321 Tracey, Benjamin	80.00	80.00	\$2,189.60
323 Falkenhagen, Robert	32.00	32.00	\$798.08
324 Dipzinski, Michael	0.00	0.00	\$363.64
326 Heinz, Kathy	0.00	0.00	\$363.64
327 Garlock, Cody	80.00	80.00	\$1,995.20
328 Harrier, Kirk	80.00	80.00	\$3,979.20
329 Gordon, Lukas	0.00	0.00	\$363.64
330 Wagar, Thomas	0.00	0.00	\$363.64
331 Boettner, Cary	80.00	80.00	\$2,109.60
335 Pettis, Charles	80.00	80.00	\$1,824.00
336 Hilmert, Rebecca	80.00	80.00	\$2,616.00
337 Johnson, Zachary	80.00	80.00	\$1,995.20
338 Coady, Patrick	80.00	90.00	\$2,369.30
342 Alexander, Alexis	80.00	84.50	\$2,163.55
343 Hendrick, Robert	80.00	81.00	\$2,149.16
344 Mayle, Michael	80.00	87.00	\$2,257.07
345 Butkovich, Scott	80.00	91.00	\$3,515.86
346 Ford, Logan	80.00	80.00	\$1,995.20
903 BANK, HORIZON	0.00	0.00	\$5,195.51
Total of Employee checks:	2,385.50	2,457.00	\$75,081.54

Gross Pay by Fund:

	Total
201	75,081.54
Total	75,081.54

Approved: May 9, 2024

Troy Huff, Chairman

Payables Prepay Report

4-25-2024 Prepay

Show Distributions? (Y/N): N - Do Not Show Distributions

Invoice Nbr	Invoice Date	Description	Invoice Amount	Disc Taken	Amount To Pay
Payment Type: EFTP					
Vendor: IRS: Internal Revenue Service					
GFS32211	4/10/2024	T. Samkowiak	50.88	0.00	50.88
GFS32211	4/11/2024	J. Wiley	50.88	0.00	50.88
GFS32211	4/12/2024	R. Falkenhagen	50.88	0.00	50.88
GFS32211	4/16/2024	T. Samkowiak	36.34	0.00	36.34
GFS32211	4/18/2024	J. Wiley	50.88	0.00	50.88
GFS32211	4/19/2024	R. Falkenhagen	50.88	0.00	50.88
GFS32211	4/24/2024	J. Wiley	43.62	0.00	43.62
Vendor Totals:			334.36	0.00	334.36
EFTP Grand Totals:			334.36	0.00	334.36
			1 EFTP Vendors		
Payment Type: Checks					
Vendor: ALERUS: Alerus Financial					
Check Nbr: 619957					
Batch 276	4/18/2024	Employer Match 457	654.80	0.00	654.80
Batch 311	4/18/2024	Employer HCSP	2,242.50	0.00	2,242.50
Check Totals:			2,897.30	0.00	2,897.30
Vendor: ATTMOBIL: AT&T Mobility					
Check Nbr: 619958					
287318351177X	4/6/2024	Foreman Phones	169.03	0.00	169.03
287339252526X	4/6/2024	Culvert iPad	72.48	0.00	72.48
Check Totals:			241.51	0.00	241.51
Vendor: BCN: Blue Care Network of MI					
Check Nbr: 619959					
241000007789	4/9/2024	Health Insurance	46,155.34	0.00	46,155.34
Check Totals:			46,155.34	0.00	46,155.34
Vendor: CITYOFGA: City of Gaylord					
Check Nbr: 619960					
MCCO-000669-(4/15/2024	Sewer	63.73	0.00	63.73
Check Totals:			63.73	0.00	63.73
Vendor: DELTADEN: Delta Dental					
Check Nbr: 619961					
RIS0005661863	5/1/2024	Dental Insurance	3,413.01	0.00	3,413.01
Check Totals:			3,413.01	0.00	3,413.01
Vendor: GREATLA: Great Lakes Energy					
Check Nbr: 619962					
100269003	4/12/2024	TL @ Kris & McCoy	46.80	0.00	46.80
Check Totals:			46.80	0.00	46.80
Vendor: HUMAN: Humana Insurance Co.					
Check Nbr: 619963					
692915180	4/14/2024	Retiree Health Insurance	12,673.05	0.00	12,673.05
Check Totals:			12,673.05	0.00	12,673.05
Vendor: JOENEDOW: Joe Nedow					
Check Nbr: 619964					
2024-03	4/1/2024	Accounting Services	1,805.00	0.00	1,805.00
Check Totals:			1,805.00	0.00	1,805.00

Payables Prepay Report
4-25-2024 Prepay

Invoice Nbr	Invoice Date	Description	Invoice Amount	Disc Taken	Amount To Pav
Vendor: MUTOMA: Mutual of Omaha					
Check Nbr: 619965					
001693687401	4/18/2024	Life/STD/LTD/AD&D	3,119.67	0.00	3,119.67
Check Totals:			3,119.67	0.00	3,119.67
Vendor: OCRC: Otsego County Road Commission					
Check Nbr: 619966					
4/16/24-4/22/24	4/21/2024	Healthcare Reimbursement	42.35	0.00	42.35
4/9/24-4/15/24	4/14/2024	Healthcare Reimbursement	543.88	0.00	543.88
Check Totals:			586.23	0.00	586.23
Vendor: VREDEVEL: VREDEVELD HAEFNER LLC					
Check Nbr: 619967					
6344	3/31/2024	Audit Services	8,000.00	0.00	8,000.00
Check Totals:			8,000.00	0.00	8,000.00
Vendor: WATK: Watkins Ross					
Check Nbr: 619968					
94162	4/24/2024	OPEB Audit Services	1,400.00	0.00	1,400.00
Check Totals:			1,400.00	0.00	1,400.00
Check Grand Totals:		12 Checks	80,401.64	0.00	80,401.64
Grand Totals:		13 EFTP Vendors/Checks	80,736.00	0.00	80,736.00

Payables Prepay Report
5-9-2024 Board Meeting

Show Distributions? (Y/N): N - Do Not Show Distributions

Invoice Nbr	Invoice Date	Description	Invoice Amount	Disc Taken	Amount To Pav
Payment Type: EFTP					
Vendor: IRS: Internal Revenue Service					
04242024	4/25/2024	J. Wiley	7.27	0.00	7.27
04252024	4/26/2024	R. Falkenhagen	50.88	0.00	50.88
05012024	5/2/2024	R. Falkenhagen, J. Wiley	65.42	0.00	65.42
4302024	5/1/2024	R. Falkenhagen	36.34	0.00	36.34
GFS32211	5/6/2024	T. Samkowiak	152.64	0.00	152.64
Vendor Totals:			312.55	0.00	312.55
Vendor: MERS: MERS of Michigan					
00154758-7	4/30/2024	Retirement	70,331.76	0.00	70,331.76
Vendor Totals:			70,331.76	0.00	70,331.76
EFTP Grand Totals:		2 EFTP Vendors	70,644.31	0.00	70,644.31
Payment Type: Checks					
Vendor: ACTIONTR: Action Traffic Maintenance Inc.					
Check Nbr: 619969					
MS 24115	4/26/2024	Guardrail	2,553.00	0.00	2,553.00
Check Totals:			2,553.00	0.00	2,553.00
Vendor: AIRGAS: AIRGAS USA, LLC					
Check Nbr: 619970					
5506770322	3/31/2024	Cylinder Rental	14.18	0.00	14.18
Check Totals:			14.18	0.00	14.18
Vendor: ALERUS: Alerus Financial					
Check Nbr: 619971					
Batch 278	5/3/2024	Employer 457 Match	612.96	0.00	612.96
Batch 313	5/3/2024	Employer HCSP	2,199.27	0.00	2,199.27
Check Totals:			2,812.23	0.00	2,812.23
Vendor: ALMA: Alma Tire Service, Inc.					
Check Nbr: 619972					
517015801	4/17/2024	Flat Repair	103.00	0.00	103.00
517015821	4/19/2024	Tires	272.50	0.00	272.50
517015887	4/29/2024	Tire Change	864.92	0.00	864.92
517015905	4/30/2024	Tire Repair	35.50	0.00	35.50
Check Totals:			1,275.92	0.00	1,275.92
Vendor: ALTAEQUI: Alta Equipment Company					
Check Nbr: 619973					
SP2/128916	4/8/2024	Loader Bucket Cutting Edge	2,639.45	0.00	2,639.45
SR2/191541	4/8/2024	Air Compressor Rental	200.00	0.00	200.00
SR2/192547	4/29/2024	Equipment Rental	5,770.00	0.00	5,770.00
Check Totals:			8,609.45	0.00	8,609.45
Vendor: BURNHAM: Burnham & Flower					
Check Nbr: 619974					
BFG-902519	4/17/2024	HRA Premium	262.50	0.00	262.50
Check Totals:			262.50	0.00	262.50

Payables Prepay Report
5-9-2024 Board Meeting

Invoice Nbr	Invoice Date	Description	Invoice Amount	Disc Taken	Amount To Pav
Vendor: CADOCHE: Cadillac Occupational Health & Medicine					
Check Nbr: 619975					
00221909-00	4/29/2024	J. Harris PreEmploy Phys.	119.00	0.00	119.00
Check Totals:			119.00	0.00	119.00
Vendor: CINTAS: Cintas Corporation #729					
Check Nbr: 619976					
4189653753	4/16/2024	Uniforms/Floor Mats	109.76	0.00	109.76
4190373051	4/23/2024	Uniforms/Floor Mats	103.27	0.00	103.27
4191054204	4/30/2024	Uniforms/Floor Mats	110.43	0.00	110.43
4191791427	5/7/2024	Uniforms/Floor Mat	126.12	0.00	126.12
Check Totals:			449.58	0.00	449.58
Vendor: CONSUME: Consumers Energy					
Check Nbr: 619977					
204390129937	4/30/2024	TL @ McCoy/Dickerson, 27/Otsego Lake	50.00	0.00	50.00
207058990988	4/21/2024	Electricity	1,947.68	0.00	1,947.68
Check Totals:			1,997.68	0.00	1,997.68
Vendor: DORNBOS: Dornbos Sign, Inc.					
Check Nbr: 619978					
75386	4/17/2024	Signs	680.92	0.00	680.92
Check Totals:			680.92	0.00	680.92
Vendor: DTEENERG: DTE Energy					
Check Nbr: 619979					
910020846960	4/25/2024	Heat	2,479.82	0.00	2,479.82
Check Totals:			2,479.82	0.00	2,479.82
Vendor: FEDERALF: Federal Fluid Power, Inc.					
Check Nbr: 619980					
115825	4/16/2024	Fitting	5.64	0.00	5.64
116554	4/29/2024	Hose	167.52	0.00	167.52
Check Totals:			173.16	0.00	173.16
Vendor: FIRSTB: First National Bank of Omaha					
Check Nbr: 619981					
1408	4/26/2024	D. Fox	3,309.92	0.00	3,309.92
4288	4/26/2024	S. Butkovich	396.92	0.00	396.92
5602	4/26/2024	K. Harrier	18.22	0.00	18.22
8324	4/26/2024	R. Hilmert	590.00	0.00	590.00
9809	4/26/2024	S. Mench	542.18	0.00	542.18
Check Totals:			4,857.24	0.00	4,857.24
Vendor: GAYLORDM: Gaylord Machine & Fabrication, LLC					
Check Nbr: 619982					
1286-14904	4/24/2024	Steel	498.24	0.00	498.24
1286-14925	4/30/2024	Steel for Hitch & Plates	945.19	0.00	945.19
Check Totals:			1,443.43	0.00	1,443.43
Vendor: GFLNA1: GFL Environmental					
Check Nbr: 619983					
LQ02237411	4/30/2024	Waste Water Disposal	1,730.16	0.00	1,730.16
Check Totals:			1,730.16	0.00	1,730.16

Payables Prepay Report
5-9-2024 Board Meeting

Invoice Nbr	Invoice Date	Description	Invoice Amount	Disc Taken	Amount To Pav
Vendor: GILBERTS: Gilbert Sales & Service, Inc.					
Check Nbr: 619984					
84112	4/16/2024	Power Washer Steamer Service	361.00	0.00	361.00
84403	5/1/2024	Steamer Cleaner	400.00	0.00	400.00
Check Totals:			761.00	0.00	761.00
Vendor: GILLROY: Gill-Roys Hardware					
Check Nbr: 619985					
2404-935265	4/25/2024	Pliers	24.18	0.00	24.18
Check Totals:			24.18	0.00	24.18
Vendor: GIVEEMAB: Give Em A Brake Safety					
Check Nbr: 619986					
135695	4/26/2024	Arrow Board Rentals	2,590.00	0.00	2,590.00
Check Totals:			2,590.00	0.00	2,590.00
Vendor: HURONENG: Huron Engineering and Surveying, Inc.					
Check Nbr: 619987					
6230	4/8/2024	As Needed Engineering	2,874.50	0.00	2,874.50
6236	4/8/2024	Sparr Rd-Wolf to Tin Shanty	4,365.50	0.00	4,365.50
6258	4/8/2024	Alba Road Construction Eng.	1,805.50	0.00	1,805.50
Check Totals:			9,045.50	0.00	9,045.50
Vendor: J&HFAMIL: Exit 76 Corporation					
Check Nbr: 619988					
CP-011140	4/30/2024	Fuel	20,414.92	0.00	20,414.92
Check Totals:			20,414.92	0.00	20,414.92
Vendor: JOHNSONO: Johnson Oil Company					
Check Nbr: 619989					
CP-011058	4/30/2024	Rental Truck Fuel	180.51	0.00	180.51
Check Totals:			180.51	0.00	180.51
Vendor: KMINTERN: KM International					
Check Nbr: 619990					
29429	1/31/2024	Patch Trailer Burner/Ignition	653.06	0.00	653.06
Check Totals:			653.06	0.00	653.06
Vendor: LEWISTON: Lewiston Sand & Gravel					
Check Nbr: 619991					
34562	4/30/2024	23A Gravel	744.68	0.00	744.68
Check Totals:			744.68	0.00	744.68
Vendor: M&MEXC: M&M EXCAVATING INC.					
Check Nbr: 619992					
6394	5/7/2024	Surety Bond Return	2,500.00	0.00	2,500.00
Check Totals:			2,500.00	0.00	2,500.00
Vendor: MARCOR: Marcor Technologies, LLC					
Check Nbr: 619993					
60511	4/10/2024	Cyber Storage	22.70	0.00	22.70
60519	4/10/2024	Microsoft 365 Apps	108.00	0.00	108.00
60551	4/26/2024	Service Contract	2,400.00	0.00	2,400.00
Check Totals:			2,530.70	0.00	2,530.70

Payables Prepay Report
5-9-2024 Board Meeting

Invoice Nbr	Invoice Date	Description	Invoice Amount	Disc Taken	Amount To Pay
Vendor: MICAT: Michigan CAT					
Check Nbr: 619994					
PD15950490	4/9/2024	Starter	1,693.50	0.00	1,693.50
PD16048020	5/6/2024	Cylinder	81.38	0.00	81.38
Check Totals:			1,774.88	0.00	1,774.88
Vendor: MIDSTATE: Mid-States Bolt & Screw Co.					
Check Nbr: 619995					
32642216	4/13/2024	Misc. Nuts/Bolts	42.69	0.00	42.69
32648248	4/23/2024	Bolts	33.60	0.00	33.60
Check Totals:			76.29	0.00	76.29
Vendor: MIKENWOR: Michigan Kenworth, LLC					
Check Nbr: 619996					
022P179369	4/12/2024	Battery	285.74	0.00	285.74
022P179371	4/12/2024	Core Return	-78.30	0.00	-78.30
Check Totals:			207.44	0.00	207.44
Vendor: NEWCEN: NEW CENTURY SIGNS					
Check Nbr: 619997					
65844	4/29/2024	Decals	320.00	0.00	320.00
Check Totals:			320.00	0.00	320.00
Vendor: NORPUM: NORTHERN PUMP SERVICE, INC.					
Check Nbr: 619998					
28956	4/12/2024	Diesel Tank, Swivel Fitting	78.32	0.00	78.32
Check Totals:			78.32	0.00	78.32
Vendor: NORTHERN: Northern Energy, Inc.					
Check Nbr: 619999					
94107	4/24/2024	DEF Fluid	721.98	0.00	721.98
94628	3/11/2024	Trans. Oil	235.65	0.00	235.65
Check Totals:			957.63	0.00	957.63
Vendor: NORTHFIR: Northwest Fire					
Check Nbr: 620000					
8867	4/23/2024	Annual Inspections	2,136.50	0.00	2,136.50
8890	5/1/2024	Fire Ext. Inspection	271.50	0.00	271.50
Check Totals:			2,408.00	0.00	2,408.00
Vendor: OCR: Otsego County Road Commission					
Check Nbr: 620001					
4/30/24-5/6/24	5/5/2024	HRA Reimbursement	2,514.66	0.00	2,514.66
Check Totals:			2,514.66	0.00	2,514.66
Vendor: OMSCOM: OMS Compliance Services					
Check Nbr: 620002					
115514	4/26/2024	J. Harris PreEmploy Drug Screen	117.92	0.00	117.92
Check Totals:			117.92	0.00	117.92
Vendor: POMPSTIR: Pomp's Tire Service, Inc.					
Check Nbr: 620003					
2160003948	4/5/2024	Grader Tires	2,294.38	0.00	2,294.38
Check Totals:			2,294.38	0.00	2,294.38

Payables Prepay Report
5-9-2024 Board Meeting

Invoice Nbr	Invoice Date	Description	Invoice Amount	Disc Taken	Amount To Pav
Vendor: PROONE: PROTECTION ONE/ADT					
Check Nbr: 620004					
19877752	4/15/2024	Fire Alarms	298.19	0.00	298.19
Check Totals:			298.19	0.00	298.19
Vendor: PURCYL: PURITY CYLINDER GASES, INC.					
Check Nbr: 620005					
0001944735	4/24/2024	Cutting Tips	180.20	0.00	180.20
Check Totals:			180.20	0.00	180.20
Vendor: RIERIL: RIETH-RILEY CONSTRUCTION CO., INC.					
Check Nbr: 620006					
5306807	4/5/2024	Cold Patch	8,206.08	0.00	8,206.08
5307115	4/30/2024	Hot Patch	317.20	0.00	317.20
Check Totals:			8,523.28	0.00	8,523.28
Vendor: ROMELLOG: Romel Logging					
Check Nbr: 620007					
6404	5/7/2024	Surety Bond Return	5,000.00	0.00	5,000.00
Check Totals:			5,000.00	0.00	5,000.00
Vendor: RONAUT: RONS AUTO & WRECKER					
Check Nbr: 620008					
154273	5/3/2024	Towing	302.00	0.00	302.00
Check Totals:			302.00	0.00	302.00
Vendor: SCIBRA: SCIENTIFIC BRAKE & EQUIP.					
Check Nbr: 620010					
0202122996	4/9/2024	Trailer Brakes	530.56	0.00	530.56
0202123226	4/15/2024	DEF Pump Valve	107.49	0.00	107.49
0202123258	4/12/2024	Mud Flaps	116.22	0.00	116.22
0202123369	5/15/2024	Steer Axle Brakes	856.46	0.00	856.46
0202123377	4/15/2024	Core Return	-93.83	0.00	-93.83
0202123448	4/17/2024	Air Dryer Parts	73.20	0.00	73.20
0202123878	4/24/2024	Brake Parts	411.92	0.00	411.92
0202124331	5/2/2024	Dustshield, Amber Lights	264.08	0.00	264.08
0202124398	5/3/2024	Brakes	862.96	0.00	862.96
0202124455	5/6/2024	Brake Fluid	281.68	0.00	281.68
0202124535	5/7/2024	Brake Parts	385.44	0.00	385.44
Check Totals:			3,796.18	0.00	3,796.18
Vendor: SHINECLE: Shine Cleaning Service Inc.					
Check Nbr: 620011					
821	5/1/2024	Rest Area Cleaning	5,739.57	0.00	5,739.57
Check Totals:			5,739.57	0.00	5,739.57
Vendor: SNETHKAM: Snethkamp					
Check Nbr: 620012					
5348528	4/25/2024	Seat Cushion	805.00	0.00	805.00
5348596	5/1/2024	Seat Cushion	805.00	0.00	805.00
Check Totals:			1,610.00	0.00	1,610.00

Payables Prepay Report
5-9-2024 Board Meeting

Invoice Nbr	Invoice Date	Description	Invoice Amount	Disc Taken	Amount To Pav
Vendor: STOOPS: Stoops Freightliner Western Star					
Check Nbr: 620013					
X316010292:01	4/16/2024	Power Steering Line	203.48	0.00	203.48
X316010297:01	4/25/2024	Brake Chambers	80.58	0.00	80.58
X316010462:01	4/25/2024	Seat Cushion	227.34	0.00	227.34
X316010667:01	4/29/2024	Battery	686.16	0.00	686.16
X316010835:01	5/6/2024	Battery Core Return	-101.25	0.00	-101.25
Check Totals:			1,096.31	0.00	1,096.31
Vendor: TIANNEJ: Tianne Jones					
Check Nbr: 620014					
04302024	5/1/2024	Cogitate Workgroup	67.00	0.00	67.00
Check Totals:			67.00	0.00	67.00
Vendor: TIMSOU: Timberline South LLC					
Check Nbr: 620015					
6393	5/7/2024	Surety Bond Return	7,500.00	0.00	7,500.00
Check Totals:			7,500.00	0.00	7,500.00
Vendor: TRUTRA: TRUCK & TRAILER SPECIALTIES					
Check Nbr: 620016					
BSO023728	4/3/2024	Fuel Tank	819.50	0.00	819.50
BSO023893	4/8/2024	Mud Flaps	720.30	0.00	720.30
BSO024067	4/26/2024	Fitting Grease Line	98.10	0.00	98.10
Check Totals:			1,637.90	0.00	1,637.90
Vendor: USBANK: US Bank Equipment Finance					
Check Nbr: 620017					
528034226	4/29/2024	Copier	324.03	0.00	324.03
Check Totals:			324.03	0.00	324.03
Vendor: VALTRU: VALLEY TRUCK PARTS, INC.					
Check Nbr: 620018					
3-1225237	4/10/2024	Breather, Headlamp Assembly	300.74	0.00	300.74
3-1225423	5/1/2024	Drain Plug	34.50	0.00	34.50
Check Totals:			335.24	0.00	335.24
Vendor: VESOIL: VESCO OIL CORPORATION					
Check Nbr: 620019					
5574144-00	4/25/2024	Parts Cleaner	101.25	0.00	101.25
Check Totals:			101.25	0.00	101.25
Vendor: VREDEVEL: VREDEVELD HAEFNER LLC					
Check Nbr: 620020					
6368	4/30/2024	Audit Services	2,600.00	0.00	2,600.00
Check Totals:			2,600.00	0.00	2,600.00
Vendor: WELLERTR: Weller Truck Parts					
Check Nbr: 620021					
403165255	4/23/2024	Rear Diff.	7,605.47	0.00	7,605.47
403168955	4/29/2024	Rear Diff. Credit	-2,945.35	0.00	-2,945.35
Check Totals:			4,660.12	0.00	4,660.12

Payables Prepay Report
5-9-2024 Board Meeting

Invoice Nbr	Invoice Date	Description	Invoice Amount	Disc Taken	Amount To Pav
Vendor: WILAUT: WILBER AUTOMOTIVE					
Check Nbr: 620022					
324075	4/9/2024	Grease	37.22	0.00	37.22
324225	4/10/2024	Battery Master Switch	22.53	0.00	22.53
324908	4/18/2024	Tailgate Hinge, Striker Bolt	62.69	0.00	62.69
325484	4/25/2024	Assort. Filters	168.49	0.00	168.49
326129	5/2/2024	Fittings	114.06	0.00	114.06
Check Totals:			404.99	0.00	404.99
Vendor: ZAREQU: ZAREMBA EQUIPMENT, INC.					
Check Nbr: 620023					
184643S	4/11/2024	Engine Sensor	256.10	0.00	256.10
Check Totals:			256.10	0.00	256.10
Check Grand Totals:		54 Checks	124,084.70	0.00	124,084.70
Grand Totals:		56 EFTP Vendors/Checks	194,729.01	0.00	194,729.01

Accounts Payable Check Register

Low And High Check Date: 04/01/2024 - 04/30/2024
 Show Vendor Codes? (Y/N): N - Do Not Show Vendor Codes
 Show Discount And Pay Amounts? (Y/N): N - Do Not Show Discount And Pay Amounts
 Show Payment Totals By Fund? (Y/N): Y - Show Payment Totals By Fund

Check Nbr	Check Date	Vendor Name	Net Amount
Electronic Funds Transfer Payments			
EFTP	04/11/2024	Internal Revenue Service	447.11
EFTP	04/11/2024	Internal Revenue Service	58.15
EFTP	04/11/2024	Internal Revenue Service	101.76
EFTP	04/25/2024	Internal Revenue Service	50.88
EFTP	04/25/2024	Internal Revenue Service	50.88
EFTP	04/25/2024	Internal Revenue Service	50.88
EFTP	04/25/2024	Internal Revenue Service	36.34
EFTP	04/25/2024	Internal Revenue Service	50.88
EFTP	04/25/2024	Internal Revenue Service	50.88
EFTP	04/25/2024	Internal Revenue Service	43.62
EFTP	04/11/2024	MERS of Michigan	70,953.52
Electronic Funds Transfer Payments Totals:		11 Payments Listed	71,894.90
Regular Checks Payments			
619901	04/11/2024	AIRGAS USA, LLC	14.18
619902	04/11/2024	AIS Construction/Interstate Billing Service	1,192.64
619903	04/11/2024	Alerus Financial	3,001.25
619904	04/11/2024	Alma Tire Service, Inc.	395.78
619905	04/11/2024	BBC Distributing	238.88
619906	04/11/2024	Black River Auto Glass	240.00
619907	04/11/2024	Cadillac Occupational Health & Medicine	119.00
619908	04/11/2024	Charter Communications	379.94
619909	04/11/2024	Cintas Corporation #729	670.07
619910	04/11/2024	Consumers Energy	49.11
619911	04/11/2024	D&B Heat Transfer Products, Inc.	2,000.00
619912	04/11/2024	Dornbos Sign, Inc.	286.04
619913	04/11/2024	DTE Energy	2,695.86
619914	04/11/2024	Electrical Terminal Service, Inc.	262.18
619915	04/11/2024	ELMIRA OCCUPATIONAL HEALTH & MEDICINE	300.00
619916	04/11/2024	Federal Fluid Power, Inc.	16.92
619917	04/11/2024	First National Bank of Omaha	2,758.99
619918	04/11/2024	Gaylord Eye Care Center	82.00
619919	04/11/2024	GFL Environmental	353.35
619920	04/11/2024	GFL Environmental	3,477.40
619921	04/11/2024	Huron Engineering and Surveying, Inc.	11,383.25
619922	04/11/2024	Imperial Supplies LLC	201.76
619923	04/11/2024	Exit 76 Corporation	27,460.16
619924	04/11/2024	Line-X	650.00
619925	04/11/2024	Marcor Technologies, LLC	108.00
619926	04/11/2024	MCRCSIP	194,980.00
619927	04/11/2024	Meekhof Tire Sales & Service	4,577.20
619928 *	04/11/2024	Michigan CAT	4,126.25
619929 *	04/11/2024	Michigan CAT	1,036.66

Check Nbr	Check Date	Vendor Name	Net Amount
619930 *	04/11/2024	Michigan CAT	1,010.64
		* Totals For Multi Part Check Nbr: 619930:	6,173.55
619931	04/11/2024	Mid-States Bolt & Screw Co.	5.60
619932	04/11/2024	Michigan Kenworth, LLC	727.69
619933	04/11/2024	Northern Energy, Inc.	2,333.76
619934	04/11/2024	Northwest Fire	798.00
619935	04/11/2024	Otsego County Road Commission	7,017.05
619936	04/11/2024	ODS THE DOOR SPECIALISTS	3,608.48
619937	04/11/2024	OMS Compliance Services	2,608.69
619938	04/11/2024	PURITY CYLINDER GASES, INC.	547.14
619939	04/11/2024	RONS AUTO & WRECKER	323.00
619940 *	04/11/2024	SCIENTIFIC BRAKE & EQUIP.	4,766.45
619941 *	04/11/2024	SCIENTIFIC BRAKE & EQUIP.	291.58
		* Totals For Multi Part Check Nbr: 619941:	5,058.03
619942	04/11/2024	Shine Cleaning Service Inc.	5,739.57
619943	04/11/2024	Snethkamp	448.93
619944	04/11/2024	Staples	381.09
619945	04/11/2024	Steven Mench	150.00
619946	04/11/2024	Stoops Freightliner Western Star	6,400.04
619947	04/11/2024	TED FESTERLING LLC	1,431.44
619948	04/11/2024	Texas Refinery Corp	3,594.24
619949	04/11/2024	TRUCK & TRAILER SPECIALTIES	1,177.84
619950	04/11/2024	US Bank Equipment Finance	324.03
619951	04/11/2024	VALLEY TRUCK PARTS, INC.	11.96
619952 *	04/11/2024	WILBER AUTOMOTIVE	627.07
619953 *	04/11/2024	WILBER AUTOMOTIVE	202.54
		* Totals For Multi Part Check Nbr: 619953:	829.61
619954	04/11/2024	X-Cel North	70.50
619955	04/11/2024	ZAREMBA EQUIPMENT, INC.	470.32
619956	04/15/2024	David Anderson	110.00
619957	04/25/2024	Alerus Financial	2,897.30
619958	04/25/2024	AT&T Mobility	241.51
619959	04/25/2024	Blue Care Network of MI	46,155.34
619960	04/25/2024	City of Gaylord	63.73
619961	04/25/2024	Delta Dental	3,413.01
619962	04/25/2024	Great Lakes Energy	46.80
619963	04/25/2024	Humana Insurance Co.	12,673.05
619964	04/25/2024	Joe Nedow	1,805.00
619965	04/25/2024	Mutual of Omaha	3,119.67
619966	04/25/2024	Otsego County Road Commission	586.23
619967	04/25/2024	VREDEVELD HAEFNER LLC	8,000.00
619968	04/25/2024	Watkins Ross	1,400.00
Regular Checks Payments Totals:		68 Payments Listed	388,636.16
All Payments Grand Totals:		79 Payments Listed	460,531.06

Check Nbr Check Date Vendor Name Net Amount

Payment Totals By Fund:

Fund	Net Amount
201	460,531.06
Grand Totals	460,531.06



Vredeveld Haefner LLC

CPAs and Consultants
10302 20th Avenue
Grand Rapids, MI 49534
Fax (616) 828-0307

Douglas J. Vredeveld, CPA
(616) 446-7474
Peter S. Haefner, CPA
(616) 460-9388

April 8, 2024

Members of the Board
Otsego County Road Commission
Gaylord, Michigan

We have audited the financial statements of the governmental activities, the general fund and the aggregate remaining fund information, of the Otsego County Road Commission (the Commission) for the year ended December 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 2, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Results

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Commission are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the useful lives of capital assets, the allowance for uncollectible accounts receivable, and the valuation of the pension and other postemployment benefit plan obligations.

Management's estimate of the useful lives and uncollectible accounts is based on previous history and expectations and the estimate of pension and other post-employment benefit plan obligations is based on actuarial valuations of the Plans. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. We proposed and management posted adjustments to reclassify a road project from primary to local road funding and to reclassify a balance included in both accounts payable and prepaid assets.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 8, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Commission's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Commission's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We also noted the following items during the performance of our audit:

Investment Held by Otsego County

Otsego County is performing the investment management and banking function for most of the Commission's investment and depository balances. Investments and select depository balances reported within the Commission's financial statements are held by the County in the County's name. The notes to the Commission's financial statements further describe the methodology used by the County to record investment balance, unrealized gains and losses and noncompliance with County investment policy.

Other Matters

We applied certain limited procedures to items, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the general fund schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Commissioners and management of the Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Wendell Haefner LLC

OTSEGO COUNTY ROAD COMMISSION

(A Component Unit of Otsego County)

Otsego County, Michigan

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023



Vredeveld Haefner LLC
CPAs and Consultants

**OTSEGO COUNTY ROAD COMMISSION
(A Component Unit of Otsego County)**

TABLE OF CONTENTS

FINANCIAL SECTION	<u>PAGE</u>
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-7
Basic Financial Statements	
Government-wide and Fund Financial Statements	
Statement of Net Position and Governmental Funds Balance Sheet	9
Reconciliation of Fund Balances on the Balance Sheet for the Governmental Funds to the Net Position of Governmental Activities on the Statement of Net Position	10
Statement of Activities and Governmental Funds Statement of Revenues, Expenditures And Changes in Fund Balance	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Funds to the Statement of Activities	12
Statement of Fiduciary Net Position	13
Statement of Changes in Fiduciary Net Position	14
Notes to Financial Statements	15-31
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	33
Pension Plan Schedule of Changes in Employers Net Pension Liability and Other Ratios	34
Pension Plan Schedule of Employer Contributions	35
Other Post-Employment Benefit Plan Schedule of Changes in Employers Net OPEB Liability and Other Ratios	36
Other Post-Employment Benefit Plan Schedule of Employer Contributions	37
GENERAL FUND SCHEDULES	
Schedule of Changes in Fund Balances	39
Schedule of Revenues and Other Financing Sources	40
Schedule of Expenditures	41
CONTROL AND COMPLIANCE SECTION	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	43-44



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INDEPENDENT AUDITORS' REPORT

April 8, 2024

Otsego County Road Commission
Board of Commissioners
Gaylord, Michigan

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the general fund and the aggregate remaining fund information of the Otsego County Road Commission (the Commission), a component unit of Otsego County, Michigan, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund and the aggregate remaining fund information, of the Otsego County Road Commission, as of December 31, 2023, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 and required supplementary information on pages 33 through 37 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Otsego County Road Commission's basic financial statements. The general fund schedules are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the general fund schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2024, on our consideration of the Otsego County Road Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Otsego County Road Commission's internal control over financial reporting and compliance.

Uredaxeld Haefner LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Otsego County Road Commission (the Commission), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

Financial Highlights

- Year end net position of governmental activities was \$53 million which is an increase of \$6 million over the 2022 balance.
- Municipal and other local sources funded projects of \$1.5 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Commission's financial statements. The Commission's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

To simplify financial reporting and improve readability, the government-wide financial statements and the fund statements have been combined to report the statement of net position and governmental funds balance sheet on a single page and the statement of activities and governmental funds revenues, expenditures and changes in fund balance on a single page. This report also contains other supplementary information in addition to the basic financial statements themselves.

Note that Otsego County's government-wide financial statements are not presented herein because the Commission is a component unit of the County. The County presents their financial statements in a separately issued annual comprehensive financial report.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with an overview of the Commission's finances, in a manner similar to a private-sector business. The government-wide financial statements include only the Commission itself (known as a *special purpose government*). The Commission has no legally separate component units for which the Commission is financially accountable.

The *statement of net position* presents information on all of the Commission's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., payments on long-term liabilities).

Both of the government-wide financial statements display functions of the Commission that are principally supported by intergovernmental revenues (*governmental activities*). The governmental activities of the Commission include providing construction, repair, maintenance, and snow removal of roads within Otsego County. The Commission does not have any business-type activities.

In this report, financial information for the Commission is reported separately from the financial information presented for Otsego County which reports the Commission as a component unit.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Commission utilizes and presents a general fund and an OPEB trust fund. The Commission does not utilize proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between the *governmental funds* and *governmental activities*.

Information is presented in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the general fund which is considered to be major fund.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Commission's own programs. The fiduciary funds provide the same type of information as the government-wide financial statements, only in more detail.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. Required supplementary information includes this management discussion and analysis, the general fund budgetary comparison schedule and benefit plan schedules.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Commission, assets exceeded liabilities by \$52,964,953 at the close of the most recent fiscal year.

The most significant portion of the Commission's net position reflects investment in capital assets (e.g., land, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Commission's capital assets consist of road infrastructure and capital assets used to construct and maintain this infrastructure; consequently, these assets are *not* available for future spending. Although the Commission investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities	
	<u>2023</u>	<u>2022</u>
Assets		
Current assets	\$16,386,022	\$15,231,503
Noncurrent assets		
Capital assets	42,282,898	38,185,812
Total assets	<u>58,668,920</u>	<u>53,417,315</u>
Deferred outflows	<u>754,919</u>	<u>1,810,251</u>
Liabilities		
Current liabilities	688,537	1,066,547
Long-term liabilities	4,217,393	5,572,995
Total liabilities	<u>4,905,930</u>	<u>6,639,542</u>
Deferred inflows	<u>1,552,956</u>	<u>1,655,945</u>
Net position		
Net capital assets	42,282,898	37,913,602
Restricted	10,682,055	9,018,477
Total net position	<u>\$52,964,953</u>	<u>\$ 46,932,079</u>

Net position of the Commission increased by \$6,032,874. The increase in net position is primarily the result of the timing difference between when infrastructure is purchased and when depreciation is recorded on the infrastructure.

	Governmental Activities	
	<u>2023</u>	<u>2022</u>
Revenue		
Program revenue		
Charges for services	\$ 2,430,265	\$ 2,714,507
Operating grants and contributions	7,659,147	7,242,790
Capital grants and contributions	4,342,060	3,292,371
General revenue		
Interest	366,131	116,180
Gain on sale of capital assets	50,000	-
Other	37,767	34,179
Total revenue	<u>14,885,370</u>	<u>13,400,027</u>
Expenses		
Public works	8,842,789	9,643,424
Debt service	9,707	11,214
Total expenses	<u>8,852,496</u>	<u>9,654,638</u>
Increase (decrease) in net position	6,032,874	3,745,389
Net position, beginning of year	<u>46,932,079</u>	<u>43,186,690</u>
Net position, end of year	<u>\$52,964,953</u>	<u>\$46,932,079</u>

Governmental Activities

During the year the Commission reported approximately 27% of its total expenses for depreciation of capital assets. The remaining 73% of total expenses was for public works activities.

Financial Analysis of the Government's Funds (General Fund)

As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Commission's *general fund* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Commission's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Commission's general fund reported ending fund balance of \$14,372,721, an increase of \$1,306,740 in comparison with the prior year. This increase is primarily the result of the State of Michigan gas tax increases (Act 51 distributions), County property tax receipts and project completions.

The General fund is the chief operating fund of the Commission. At the end of the current fiscal year, the general fund largest component of fund balance included unassigned fund balance of \$866,772. As a measure of the General fund's liquidity, it is important to note that the general fund operates primarily on operating and capital grant funding.

General Fund Budgetary Highlights

- Revenues:
 - Act 51 funding (gas and weight tax) exceeded estimates
 - State trunkline maintenance was less than budget
 - Local participation in projects was higher than budget
- Expenditures:
 - Primary road expenditures were approximately \$2 million under budget due to project timing and winter weather conditions
 - Local road expenditures were approximately \$1.6 million under budget due to project timing and winter weather conditions
 - Trunkline expenditures were approximately \$.6 million under budget due to winter weather conditions and state requested maintenance levels
 - Equipment expenditures were approximately \$.4 million under budget due to lower capital purchases than anticipated

Capital Asset and Debt Administration

Capital Assets. The Commission's investment in capital assets for its governmental activities as of December 31, 2023 amounted to \$42.3 million (net of accumulated depreciation).

Significant capital asset additions during the year include the following:

- \$4.7 million of primary road construction and heavy maintenance
- \$.8 million of local road construction and heavy maintenance
- \$1 million of building improvements and road equipment

The Commission's capital assets (net of depreciation) are summarized as follows:

	Governmental Activities
Land, right-of-way and construction in progress	\$13,523,841
Property and equipment, net	3,161,906
Infrastructure, net	<u>25,597,151</u>
Total	<u>\$42,282,898</u>

Additional information on the Commission's capital assets can be found in Note 4 of this report.

Debt. At the end of the current fiscal year, the Commission had outstanding long-term debt as follows:

	Governmental Activities
Compensated absences	<u>\$253,995</u>

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Commission's budget for the 2024 fiscal year:

- Stable MTF revenue
- Continued township contributions for local projects
- Continued countywide millage revenue
- Accumulated fund balance included in investment and depository accounts

Requests for Information

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Otsego County Road Commission, Managing Director, 669 W. McCoy Road, P.O. Box 537, Gaylord, MI 49735.

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BASIC FINANCIAL STATEMENTS

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

DECEMBER 31, 2023

	General Fund	Adjustments	Statement of Net Position
Assets			
Cash and investments	\$ 12,314,461	\$ -	\$ 12,314,461
Receivables			
State trunkline maintenance	234,236	-	234,236
Due from local units of government	1,502,734	-	1,502,734
Motor vehicle highway funds	1,353,053	-	1,353,053
Other	2,850	-	2,850
Inventories			
Equipment, material, and parts	357,155	-	357,155
Road materials	549,069	-	549,069
Prepaid insurance	72,464	-	72,464
Capital assets			
Land and improvements, right-of-way and construction in progress	-	13,523,841	13,523,841
Property and equipment, net	-	3,161,906	3,161,906
Infrastructure, net	-	25,597,151	25,597,151
Total assets	<u>16,386,022</u>	<u>42,282,898</u>	<u>58,668,920</u>
Deferred outflows of resources			
Deferred outflow related to pension plan	-	685,390	685,390
Deferred outflow related to OPEB	-	69,529	69,529
Total deferred outflows of resources	<u>-</u>	<u>754,919</u>	<u>754,919</u>
Liabilities			
Accounts payable	126,586	-	126,586
Accrued liabilities	170,730	-	170,730
Advances			
State trunkline equipment purchase	241,009	-	241,009
State trunkline maintenance	150,212	-	150,212
Noncurrent liabilities			
Net pension liability	-	3,634,012	3,634,012
Net OPEB liability	-	329,386	329,386
Compensated absences	-	253,995	253,995
Total liabilities	<u>688,537</u>	<u>4,217,393</u>	<u>4,905,930</u>
Deferred inflows of resources			
Taxes levied for subsequent period	1,324,764	-	1,324,764
Deferred inflow related to pension plan	-	228,192	228,192
Total deferred inflows of resources	<u>1,324,764</u>	<u>228,192</u>	<u>1,552,956</u>
Fund balance			
Non-spendable			
Inventory	906,224	(906,224)	-
Prepaid	72,464	(72,464)	-
Restricted			
Primary roads	377,202	(377,202)	-
Local roads	3,117,967	(3,117,967)	-
Road construction and improvement	6,847,055	(6,847,055)	-
Assigned for subsequent year budget	2,185,037	(2,185,037)	-
Unassigned	866,772	(866,772)	-
Total fund balance	<u>14,372,721</u>	<u>(14,372,721)</u>	<u>-</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 16,386,022</u>		
Net position			
Net investment in capital assets		42,282,898	42,282,898
Restricted for road system		10,682,055	10,682,055
Total net position		<u>\$ 52,964,953</u>	<u>\$ 52,964,953</u>

The accompanying notes are an integral part of these financial statements.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

**RECONCILIATION OF FUND BALANCE ON THE BALANCE SHEET
FOR GOVERNMENTAL FUNDS TO NET POSITION OF
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION**

DECEMBER 31, 2023

Fund balances - total governmental funds	\$ 14,372,721
Amounts reported for <i>governmental activities</i> in the statement of net position are different because	
Long-term assets and deferred outflows in governmental activities are not current financial resources and therefore are not reported in the funds.	
Add - capital assets (net)	42,282,898
Add - deferred outflows related to net pension liability	685,390
Add - deferred outflows related to OPEB	69,529
Certain liabilities, such as bonds, installment purchase agreements, compensated absences, and claims payable, are not payable in the current period and therefore are not reported in the funds.	
Deduct - compensated absences payable	(253,995)
Deduct - net pension liability	(3,634,012)
Deduct - other post-employment benefit liability	(329,386)
Deduct - deferred inflows related to net pension liability	<u>(228,192)</u>
Net position of governmental activities	<u>\$ 52,964,953</u>

The accompanying notes are an integral part of these financial statements.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/expenses			
Public works	\$ 7,811,779	\$ 1,031,010	\$ 8,842,789
Capital outlay	5,484,934	(5,484,934)	-
Debt service			
Principal	272,210	(272,210)	-
Interest	9,707	-	9,707
	<u>13,578,630</u>	<u>(4,726,134)</u>	<u>8,852,496</u>
Total expenditures/expenses			
Program revenues			
Charges for services			
State trunkline maintenance	1,570,643	-	1,570,643
State trunkline nonmaintenance	786,945	-	786,945
Other charges	72,677	-	72,677
Operating grants and contributions			
State transportation funds	7,659,147	-	7,659,147
Capital grants and contributions			
Federal and state sources	1,394,513	-	1,394,513
Local units of government	1,506,509	-	1,506,509
Other local sources	194,662	-	194,662
County millage	1,246,376	-	1,246,376
	<u>14,431,472</u>		<u>14,431,472</u>
Net program revenue			
General revenue			
Salvage sales	3,109	-	3,109
Interest	366,131	-	366,131
Other	34,658	-	34,658
	<u>403,898</u>		<u>403,898</u>
Total general revenue			
Other financing sources			
Sales of capital assets	50,000	-	50,000
	<u>14,885,370</u>	<u>-</u>	<u>14,885,370</u>
Total revenues and other financing sources			
Change in fund balance/net position	1,306,740	4,726,134	6,032,874
Fund balances/net position, beginning of year	<u>13,065,981</u>	<u>33,866,098</u>	<u>46,932,079</u>
Fund balances/net position, end of year	<u>\$ 14,372,721</u>	<u>\$ 38,592,232</u>	<u>\$ 52,964,953</u>

The accompanying notes are an integral part of these financial statements.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2023

Net changes in fund balances - general fund	\$ 1,306,740
<p>Amounts reported for <i>governmental activities</i> in the statement of activities are different because</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.</p>	
Add - capital outlay	6,467,422
Deduct - depreciation expense	(2,370,336)
<p>Long-term debt provides current financial resources to governmental funds in the period issued, but issuance increases long-term liabilities in the statement of net assets. Repayment of long-term debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net assets.</p>	
Add - principal payments on long-term debt	272,210
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.</p>	
Add - decrease in compensated absences	49,181
Add - decrease in net OPEB liability	408,996
Deduct - decrease in deferred outflows related to net OPEB liability	(365,519)
Add - decrease in deferred inflows related to net OPEB liability	124,808
Add - decrease in net pension liability	761,763
Deduct- increase in deferred outflows related to net pension liability	(689,813)
Add - increase in deferred inflows related to net pension liability	<u>67,422</u>
Change in net position of governmental activities	\$ <u>6,032,874</u>

The accompanying notes are an integral part of these financial statements.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

FIDUCIARY FUND
STATEMENT OF FIDUCIARY NET POSITION

DECEMBER 31, 2023

	Other Post-employment Benefit <u>Trust Fund</u>
Assets	
Investments	
Mutual funds	\$ 2,317,012
Bond funds	<u>668,079</u>
Total assets	<u>2,985,091</u>
Liabilities	
Accounts payable	<u>-</u>
Total liabilities	<u>-</u>
Net position	
Net position restricted for OPEB	<u>\$ 2,985,091</u>

The accompanying notes are an integral part of these financial statements.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2023

	Other Post-employment Benefit Trust Fund
Additions	
Contributions	
Employer contributions	\$ 223,957
Investment earnings	
Interest	<u>431,853</u>
Total additions	<u>655,810</u>
Deductions	
Benefit payments	223,957
Administrative expense	<u>13,996</u>
Total deductions	<u>237,953</u>
Changes in net position	417,857
Net position, beginning of year	<u>2,567,234</u>
Net position, end of year	<u>\$ 2,985,091</u>

The accompanying notes are an integral part of these financial statements.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Otsego County Road Commission (the Commission) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

Reporting Entity

The Otsego County Road Commission is a discretely presented component unit of Otsego County, Michigan. The Commission was established pursuant to (MCL 224.1), and is governed by a five member Board of County Road Commissioners appointed by the Otsego County Board of Commissioners.

The criteria established under generally accepted accounting principles for determining the reporting entity includes a significant operational or financial relationship with another entity. Based on the above criteria, these financial statements present all funds of the Otsego County Road Commission. The Commission has no component units.

The Commission general fund is used to control the expenditures of Michigan Transportation Fund monies and other grants and charges, which are earmarked by law for street and highway purposes. The Board of County Road Commissioners has responsibility for the administration of the Commission.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the governmental activities of the special purpose government (the Commission). *Governmental activities* are reported in total. The Commission has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than as program revenues.

A combined financial statement is provided for the governmental funds balance sheet and the statement of net position as well as the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities. The General fund is considered to be a major fund for financial reporting purposes. Fiduciary fund financial statements are presented separately from governmental activities as these assets are held in trust for retiree other post-employment benefits and not available for Commission operations.

The Commission reports the following major governmental fund:

The *General Fund* is the government's only operating fund. It accounts for all current financial resources of the government activities.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Additionally, the Commission reports the following fund type:

The *Other Post-retirement Benefit Fund (a fiduciary fund)* is used to account for the accumulation and disbursement of assets held in trust for retiree other post-employment benefits.

Measurement Focus and Basis of Accounting

The government-wide financial statements and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The general fund is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for charges for services, interest and grant revenues which use one year. County millage is a property tax levied and collected by Otsego County which is recognized as revenue when received by the Commission. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Exceptions to this general rule include compensated absences, claims, unfunded benefit plan balances and deferred items and principal and interest on long-term debt which are recognized when due.

The general fund is accounted for on a spending or "flow of current financial resources" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of "available, spendable resources".

The general fund operating statement presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, it is said to present a summary of sources and uses of "available, spendable resources" during a period.

Budgets and Budgetary Accounting

The Commission's procedures for establishing budgetary data are as follows:

- The Managing Director submits a proposed budget for the upcoming year to the Commission.
- The budget is reviewed by the Commission and a public hearing is held. Prior to the beginning of the year, the budget is adopted by the Commissioners.
- The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budget amounts shown in the financial statements consist of those amounts contained in the original and amended budget. The budget was amended.
- The Commission adopts a budget for the general fund, by means of an appropriations act, on a activity basis in summary form.
- Periodic internal reporting is on a detail basis in accordance with the state-prescribed uniform chart of accounts. The budget is prepared on the modified accrued basis of accounting.
- All amendments to the budget require the approval of the Commissioners. The legal level of budgetary control for the Commission is at the activity level.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Cash and Investments

Cash and investments consist of the balance of cashing, check, savings, certificates of deposit, investment and mutual fund accounts. The Commission has several depository accounts in its name with remaining depository and investment accounts managed by and held in the name of Otsego County. Michigan law and Commission policy authorizes the Commission to invest in:

- a. Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Bankers' acceptances of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended.
- h. The OPEB trust funds can also invest in corporate debt and equity securities.

The Otsego County investment policy allows for the above investments with restrictions on maturity and maximum portfolio percentages.

Receivables

Receivables consist primarily of the balance of gas and weight tax and trunkline maintenance fees due from the State of Michigan, balances due from the county for shared property taxes and balances due from local units of government for services provided. These balances are reported net of estimated uncollectible balances (estimated uncollectible balances were zero at year-end).

Inventory

Inventory, consisting of various operating parts, supplies, and road material is stated at the lower of cost or market, using the FIFO (first-in, first-out) method.

Capital Assets

Capital assets, which include land, property, equipment, and infrastructure are reported in the governmental activities column in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Donated capital assets are valued at acquisition value (the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction) on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation on capital assets is computed using the Michigan Department of Transportation depreciation schedules for equipment and the straight-line method for infrastructure over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	30-50
Equipment	3-10
Infrastructure	8-50

Compensated Absences

Under the Commission's personnel policy and contracts negotiated with employee groups, individual employees have a vested right to receive payments for unused vacation and sick leave under formulas and conditions specified in the policy and contracts. Accumulated leave of the General fund is recorded on the statement of net position and not on the General fund balance sheet because it is not expected to be liquidated with expendable available financial resources.

Advances

Advances consist of monies provided by the Michigan Department of Transportation (MDOT) to provide cash flow to finance equipment and services provided by the Commission on MDOT trunkline designated roads. The cost of equipment and services provided on trunk line roads is billed to the MDOT periodically.

Long-Term Obligations

In the government-wide financial statements the long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Where applicable, premiums and discounts, are deferred and amortized over the life of the long-term debt using the effective interest method.

In the fund financial statements, governmental fund types recognize premiums, discounts and issuance costs during the year of issuance. The face amount of debt issued and any premiums received are reported as other financing sources. Discounts on debt issuances are reported as other financing uses. Issuance costs are reported as public works expenditures/expenses regardless of fund or activity.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Commission has items that qualify for reporting in this category related to the benefit plans that are discussed in note 7 and 8.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Governmental funds report deferred inflows for unavailable county property taxes levied for the following year; in addition, governmental activities report deferred inflows related to certain employee benefit plans discussed in note 7 and 8. The County property tax amounts are deferred and recognized as an inflow of resources in the period for which they are levied.

Net Position and Fund Balance Reporting

Governmental funds report fund balance in the following five categories:

1. Non-spendable - the related asset's form does not allow expenditure of the balance. The assets are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance would be equal to inventory, prepaid items, non-current financial assets, and the nonspendable portion of endowments.
2. Restricted - the related assets can only be spent for the specific purposes stipulated by constitution, external resource providers, or as identified in enabling legislation.
3. Committed - the related assets can only be spent for a specific purpose identified by formal resolution of the governing board.
4. Assigned - the related assets can only be spent for a specific purpose but do not meet the criteria to be classified as committed.
5. Unassigned - is the residual classification and includes all spendable amounts not contained in the other classifications.

The Commission has not delegated the authority to assign fund balance. Only the Commission can assign or commit fund balance.

Net Position and Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position/fund balance and unrestricted – net position/fund balance, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to use restricted resources first, then unrestricted resource as they are needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

State law provides that the Commission shall not incur expenditures in excess of the amount appropriated for the general fund. In the body of the financial statements, the Commission's actual expenditures and budgeted expenditures for the general fund have been shown on a activity basis.

During the year the Commission incurred expenditures in the general fund which were in excess of the amounts appropriated as follows:

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
General fund			
Administration	\$720,000	\$781,529	\$(61,529)

3. CASH AND INVESTMENTS

The cash and investment balances reported on the financial statements are either held in the Commission's name or Otsego County's name. Investments and certificates of deposit (excluding OPEB trust investments held in the Commission's OPEB trust's name) are held in Otsego County's name and may be allocated to both County and Commission funds. Balance held at year end are as follows:

	<u>Cash and Investments</u>
Governmental funds	
Held in the name of the Commission	
Petty Cash	\$ 500
Deposits	73,980
Held in the name of Otsego County	
Deposits	4,817,230
Investments	7,422,751
Fiduciary fund	
Held in the name of the Commission/OPEB trust	
investments	2,985,091
Total	<u>\$15,299,552</u>

Deposits

The deposits are in financial institutions located in Michigan in varying amounts. State law and Commission policy limits the Commission's investing options to financial institutions located in Michigan. They are recorded in Commission records at fair value. Interest is recorded when earned.

Deposit risk

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned. State law does not require, and the Commission does not have, a policy for deposit custodial credit risk. As of year-end, \$912,289 of the Commission's bank balance of \$1,162,289 was exposed to custodial credit risk because the balance was uninsured and uncollateralized. As of year-end the Commission's exposure to custodial credit risk on deposits held in Otsego County's name can be determined for Otsego County as a whole, but cannot be separately identified for the Commission.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Investments

The Commission chooses to disclose its investments by specifically identifying each. Investments held in Otsego County's name are allocated to County and Commission funds at original purchase cost with any unrealized gain or lost being allocated to County internal service funds. Investments held in the County's name may be moved between County and Commission funds to maintain liquidity. As of year-end, the Commission's investments were as follows:

	<u>Maturity</u>	<u>Book Value</u>	<u>Rating</u>	<u>Source</u>
Held in Otsego County's name				
Pooled government agency securities	N/A	\$ 3,087,342	N/A	
Michigan Class	N/A	4,335,409	AAAm	S&P
Held in Commission/OPEB trust's name				
Destinations Large Cap Equity	N/A	1,550,265	N/A	
Destinations Core Fixed Income	N/A	460,000	2 star	Morning Star
Destinations Small Mid Cap Equity	N/A	252,686	N/A	
Destinations International Equity	N/A	225,204	N/A	
Destinations Multi Strategy Alt	N/A	177,202	4 star	Morning Star
Destinations Global Fixed Income	N/A	114,480	5 star	Morning Star
Destinations Equity Income Fund	N/A	110,279	N/A	
Destinations Low Duration Fixed Income	N/A	93,600	5 star	Morning Star
Constellation trust Money Market	N/A	1,375	Unrated	
Total		<u>\$10,407,842</u>		

Investment risk

Interest Rate Risk. State law, Otsego County and the Commission's policy limit the allowable investments and the maturities of some of the allowable investments as identified in Note 1, the summary of significant accounting policies. Otsego County's investment policy does have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Otsego County's investment policy limits the maximum US Agency investment duration to 7 years which is exceeded for some investments held in Otsego County's name. There is no stated maturity date for the Commission's investment in Michigan Class and Destination and Constellation funds identified above.

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in Note 1, the summary of significant accounting policies. Otsego County's investment policy does not have specific limits in excess of state law on investment credit risk. The rating for select (excluding pooled investments) fixed income investments is identified above for investments held at year-end.

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require, and Otsego County does have, a policy for investment custodial credit risk. Of the above investments held in the name of Otsego County custodial credit risk exposure cannot be determined for the Commission as the securities are not held in the Commission name. Of the above investments held in the name of the Commission custodial credit risk exposure cannot be determined because the investments do not consist of specifically identifiable securities.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in Note 1, the summary of significant accounting policies. Otsego County's does have specific limits in excess of state law on concentration of credit risk. Compliance with the County policy can only be determined for the County as a whole. The Commission's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year-end are reported above.

The Commission categorizes its fair value measurements of investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Commission has the following recurring fair value measurements as of year-end.

- The Commission's Constellation equity mutual funds are valued using quoted market prices (Level 1 inputs).
- All investments excluding Constellation equity mutual funds are valued using a pricing model utilizing observable fair value measures of fund investments and other observable inputs to determining the fair value of the securities making up the of investment fund (Level 2 inputs).
- The Commission does not have any investments that report fair value based on significant unobservable inputs (Level 3 inputs).

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

4. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	<u>Balance</u> <u>January 1,</u> <u>2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31,</u> <u>2023</u>
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 125,501	\$ -	\$ -	\$ 125,501
Land Improvements - Infrastructure	13,398,340	-	-	13,398,340
Total capital assets, not being depreciated	<u>13,523,841</u>	-	-	<u>13,523,841</u>
Capital assets, being depreciated				
Buildings	4,200,190	105,541	-	4,305,731
Road equipment	9,068,681	876,947	288,613	9,657,015
Shop equipment	97,486	-	-	97,486
Office equipment	46,844	-	-	46,844
Engineers' equipment	8,583	-	-	8,583
Yard and storage equipment	1,800	-	-	1,800
Traffic Signals	49,557	-	-	49,557
Infrastructure				
Bridges	1,446,834	-	-	1,446,834
Roads	37,576,691	5,484,934	-	43,061,625
Total capital assets, being depreciated	<u>52,496,666</u>	<u>6,467,422</u>	<u>288,613</u>	<u>58,675,457</u>
Less accumulated depreciation for:				
Buildings	2,331,674	113,647	-	2,445,321
Road Equipment	8,221,179	425,858	288,613	8,358,424
Shop equipment	94,393	644	-	95,037
Office equipment	45,323	1,065	-	46,388
Engineers' equipment	8,583	-	-	8,583
Yard and storage equipment	1,800	-	-	1,800
Traffic Signals	46,996	320	-	47,316
Infrastructure				
Bridges	456,306	39,534	-	495,840
Roads	16,628,441	1,789,268	-	18,417,709
Total accumulated depreciation	<u>27,834,695</u>	<u>2,370,336</u>	<u>288,613</u>	<u>29,916,418</u>
Net capital assets, being depreciated	<u>24,661,971</u>	<u>4,097,086</u>	-	<u>28,759,057</u>
Governmental Activities capital assets, net	<u>\$38,185,812</u>	<u>\$4,097,086</u>	<u>\$ -</u>	<u>\$42,282,898</u>

Depreciation expense was charged to the public works function during the year.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

5. LONG-TERM DEBT

The following is a summary of long-term debt activity and balances of the Commission for the year:

	<u>Balance January 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2023</u>	<u>Due Within One Year</u>
Governmental Activities					
Installment purchase secured by equipment, payable in annual installments of \$28,859, including interest at 3.3%, paid in full 2023	\$159,234	\$ -	\$159,234	\$ -	\$ -
Installment purchase secured by equipment, payable in annual installments of \$14,122, including interest at 4.2%, balance due 2023	112,976	-	112,976	-	-
Compensated absences	303,176	-	49,181	253,995	-
Total Governmental Activities	<u>\$575,386</u>	<u>\$ -</u>	<u>\$321,391</u>	<u>\$253,995</u>	<u>\$ -</u>

6. RISK MANAGEMENT

The Commission is exposed to lawsuits, claims, torts, destruction of assets and errors and omissions. In response to this exposure, the Commission participates in the Michigan County Road Commission Self Insurance Pool (MCRCSIP). Participation in the MCRCSIP requires payment of premiums to the pool. The pool purchases commercial reinsurance on behalf of its members. Due to the Commission's participation in this pool, the liability of the Commission relative to claims covered by the pool is limited to from \$1,000 to \$2,000 per occurrence. The maximum limit for pool liability for each claim is \$10,500,000.

The Commission is part of a group fund for worker's compensation coverage through the County Road Association Self-Insurance Fund (CRASIF). Through the membership of this group fund, the Commission's liability is covered up to \$1,000,000 per employee.

Settled claims for the Commission have not exceeded coverage during the past three years. There have been no significant reductions in insurance coverage during the past year.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

7. RETIREMENT PLANS

Plan Description

The employer's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

Benefits provided

Benefits provided include plans with multipliers ranging from 2 to 2.50% of final average compensation time number of year of service. Vesting period of 10 years. Normal retirement age is 60. Final average compensation is calculated based on a 3 years average. This plan is open to new entrants.

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (December 31, 2022):

Inactive employees or beneficiaries currently receiving benefits	49
Inactive employees entitled but not yet receiving benefits	10
Active plan members	<u>33</u>
Total	<u>92</u>

Contributions

The Commission is required to contribute at an actuarially determined rate of 0 to 45.24% of covered payroll. Participating employees are required to contribute 7% of covered payroll. The contribution requirements of the Commission are established and may be amended by the MERS Retirement Board. The contribution requirements of employees are established and may be amended by labor agreements.

Net Pension Liability

The Library's net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability at December 31, 2023 was determined by an annual actuarial valuation as of December 31, 2022 (which included roll forward procedures to December 31, 2023).

The total pension liability in the December 31, 2022 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary Increases: base wage inflation of 3.00% in the long-term (plus merit and longevity from 0 to 6.7% based on age)

Investment rate of return: 7.00%, net of investment expense, including inflation

Mortality rates used for non-disabled plan member were based on a weighted blend of MP-2019 mortality tables of a 50% Male and 50% Female blend. Mortality rates used for disabled plan member were based on a blend of MP-2019 disabled retiree mortality tables of a 50% Male and 50% Female blend of disabled retirees

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

The actuarial assumptions used in the valuation were based on the results of the 2018 actuarial experience study, first used in December 31, 2020 valuations.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Expected Money Weighted Rate of Return*</u>
Global Equity	60.0%	4.50%	2.70%
Global Fixed Income	20.0%	2.00%	0.40%
Private investments	20.0%	7.00%	1.40%
Inflation			2.50%
Administrative fee			0.25%
Discount rate			7.25%

Discount rate. The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total	Plan	Net Pension
	Pension Liability (a)	Fiduciary Net Position (b)	Liability (a)-(b)
Balance at January 1, 2023	\$14,728,195	\$10,332,420	\$4,395,775
Changes for the year:			
Service cost	229,192	-	229,192
Interest	1,040,666	-	1,040,666
Change in benefits	-	-	-
Differences between expected and actual experience	(120,577)	-	(120,577)
Change in assumptions	-	-	-
Contributions : employer	-	711,683	(711,683)
Contributions: employee	-	132,192	(132,192)
Net investment income	-	1,145,037	(1,145,037)
Benefit payments, including refunds	(977,538)	(977,538)	-
Administrative expense	-	(24,298)	24,298
Other changes	53,570	-	53,570
Net changes	225,313	987,076	(761,763)
Balance at December 31, 2023	\$14,953,508	\$11,319,496	\$3,634,012

Sensitivity of the Net Pension Liability to changes in the discount rate.

The following presents the net pension liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's net pension liability would be using a discount rate that is 1 percentage point lower (6.25%) or higher (8.25%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$16,614,470	\$14,953,508	\$13,551,680
Fiduciary net position	11,319,496	11,319,496	11,319,496
Net pension liability	\$ 5,294,974	\$ 3,634,012	\$ 2,232,184

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the year ended December 31, 2023 the employer recognized pension expense of \$572,311. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experience	\$	\$(228,192)
Differences in assumptions	170,706	-
Excess (deficit) investment returns	514,684	-
Total	\$685,390	\$(228,192)

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2023	\$ 66,406
2024	147,181
2025	323,943
2026	(80,332)
Thereafter	-
Total	\$457,198

8. OTHER POST-EMPLOYMENT BENEFITS

Plan Description and Benefits Provided

The Commission administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). The plan provides of health insurance premiums for retirees until age 65 (Medicare eligible). The plan was closed to employees hired after December 31, 2008. Benefit provisions are established through negotiations between the Commission and bargaining units and employee groups. The Commission makes 100% of the premium payment to the plan. The Retiree Health Plan does not issue a publicly available financial report but a legal trust has not been established for the plan.

Membership of the Retiree Health plan consisted of the following at the date of the latest actuarial valuation (December 31, 2022):

Inactive employees or beneficiaries currently receiving benefits	29
Active plan members	14
Total	43

Contributions

The contribution requirements of Plan members and the Commission are established and may be amended by the Commission. The actuarially determined contributions are based on the actuarial valuation of the plan. The actual contributions to the plan include benefit costs and a contribution to the trust which is made at the discretion of Commission.

Net OPEB Liability

The employer's net OPEB liability was measured as of December 31, 2023 rolling forward the 2022 valuation while using the fair market value of plan assets at December 31, 2023.

The total OPEB liability in the December 31, 2022 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: included in investment rate of return

Salary Increases: 3.0% (for purpose of allocating liability)

Investment rate of return: 7% (including inflation)

20-year Aa Municipal bond rate:4.31% (S&P Municipal Bond 20-Year High Grade Rate Index)

Mortality: Public General 2010 Employee and Healthy Retiree, Headcount weighted

Improvement Scale: MP-2021

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Rate of Return</u>
Global equity	64%	9.0%
Global fixed income	26%	4.7%
Real assets	5%	6.4%
Diversifying strategies	5%	3.0%
Cash	0%	2.4%

Rate of return. For the year ended December 31, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 16.8%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate. The discount rate used to measure the total OPEB liability is 7%. The projections of cash flows used to determine the discount rate assumed the Road Commission will contribute general fund dollars to pay benefits until the plan is fully funds and then will use plan asset to pay benefits. The retirement plan's fiduciary net position was projected to be sufficient to make projected future benefit payments of current plan members. For projected benefits that are covered by the projected assets, the long-term expected rate was used to discount the projected benefits. For the year that benefit payments were not projected to be covered by the projected assets, projected benefits were discounted at a discount rate reflecting a 20 year AA/Aa tax exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. The discount rate utilized for the 2023 valuation was 7.00%.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan	
		Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance at January 1, 2023	\$3,305,616	\$2,567,234	\$738,382
Changes for the year:			
Service cost	16,850	-	16,850
Interest	239,181	-	239,181
Experience (Gains)/Losses	(132,012)	-	(132,012)
Change in plan terms	-	-	-
Change in assumptions	108,799	-	108,799
Contributions to OPEB trust	-	-	-
Contributions/benefit paid from general operating funds	-	223,957	(223,957)
Contributions: employee	-	-	-
Net investment income	-	431,853	(431,853)
Benefit payments, including refunds	(223,957)	(223,957)	-
Administrative expense	-	(13,996)	13,996
Other changes	-	-	-
Net changes	8,861	417,857	(408,996)
Balance at December 31, 2023	\$3,314,477	\$2,985,091	\$329,386

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.

The following presents the net OPEB liability of the employer, calculated using the discount rate of 7%, as well as what the employer's net OPEB liability would be using a discount rate that is 1 percentage point lower (6%) or higher (8%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	\$532,200	\$329,386	\$147,967

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates.

The following presents the net OPEB liability of the employer, calculated using the healthcare cost trend rate, as well as what the employer's net OPEB liability would be using a rate that is 1 percentage point lower or higher than the current rate.

	1% Decrease	Current Healthcare Rate	1% Increase
Total OPEB liability	\$136,229	\$329,386	\$543,869

For the year ended December 31, 2023 the employer recognized OPEB expense of \$55,672.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended December 31, 2023 the employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experience	\$ -	\$ -
Differences in assumptions	-	-
(Excess) deficit investment returns	69,529	-
Total	\$69,529	\$ -

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2023	\$ 14,974
2024	42,239
2025	60,539
2026	(48,223)
2027	-
Thereafter	-
Total	\$69,529

HEALTH CARE SAVINGS PLAN

The Commission contributes from 3 to 5% of covered payroll for full time employees hired after December 31, 2008 to a health care savings plan administered by MERS of Michigan. For the current year contributions by the Commission were \$37,603. The trust established by MERS of Michigan holds the plan assets and the related assets and liability are not included in the Commission's financial statements.

9. SINGLE AUDIT

Governmental and certain other entities, which expend \$750,000 or more of direct federal dollars, are subject to a single audit in accordance with the Uniform Guidance. The Commission expended \$1,303,420 of federal/state dollars, \$1,142,350 of which were administered by the Michigan Department of Transportation (MDOT). The monies administered by the Michigan Department of Transportation will be included in the State of Michigan's single audit. Because direct federal dollars were less than \$750,000, a single audit was not required and all disclosures regarding a single audit have been omitted from this report.

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REQUIRED SUPPLEMENTARY INFORMATION

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
Revenues				
State transportation fund	\$ 7,352,000	\$ 7,352,000	\$ 7,659,147	\$ 307,147
Federal and other state sources	1,392,400	1,392,400	1,394,513	2,113
County millage	1,175,000	1,175,000	1,246,376	71,376
State trunkline maintenance	2,150,000	2,150,000	1,570,643	(579,357)
State trunkline nonmaintenance	800,000	800,000	786,945	(13,055)
Local units of government	1,100,000	1,100,000	1,506,509	406,509
Other local sources	-	-	194,662	194,662
Salvage sales	4,500	4,500	3,109	(1,391)
Interest	65,000	65,000	366,131	301,131
Charges for services	105,000	105,000	72,677	(32,323)
Other revenues	30,000	30,000	34,658	4,658
Total revenues	<u>14,173,900</u>	<u>14,173,900</u>	<u>14,835,370</u>	<u>661,470</u>
Expenditures				
Primary road				
Construction and heavy maintenance	6,260,000	6,260,000	4,677,626	1,582,374
Maintenance	2,390,000	2,390,000	1,943,711	446,289
Total primary road	<u>8,650,000</u>	<u>8,650,000</u>	<u>6,621,337</u>	<u>2,028,663</u>
Local road				
Construction and heavy maintenance	1,375,313	1,375,313	807,308	568,005
Maintenance	3,395,000	3,395,000	2,310,937	1,084,063
Total local road	<u>4,770,313</u>	<u>4,770,313</u>	<u>3,118,245</u>	<u>1,652,068</u>
State trunkline				
State trunkline maintenance	1,900,000	1,900,000	1,304,145	595,855
State trunkline non-maintenance	900,000	900,000	786,946	113,054
Total state trunkline	<u>2,800,000</u>	<u>2,800,000</u>	<u>2,091,091</u>	<u>708,909</u>
Other				
Equipment expenditures, net	650,000	650,000	243,237	406,763
Administrative/engineering expenditures, net	470,000	720,000	781,529	(61,529)
Capital outlay, net of depreciation	440,000	540,000	441,274	98,726
Debt service				
Principal	75,000	300,000	272,210	27,790
Interest	15,000	15,000	9,707	5,293
Total other	<u>1,650,000</u>	<u>2,225,000</u>	<u>1,747,957</u>	<u>477,043</u>
Total expenditures	<u>17,870,313</u>	<u>18,445,313</u>	<u>13,578,630</u>	<u>4,866,683</u>
Revenues over (under) expenditures	<u>(3,696,413)</u>	<u>(4,271,413)</u>	<u>1,256,740</u>	<u>5,528,153</u>
Other financing sources				
Sales of capital assets	30,000	30,000	50,000	20,000
Net changes in fund balance	(3,696,413)	(4,271,413)	1,306,740	5,578,153
Fund balance, beginning of year	13,065,981	13,065,981	13,065,981	-
Fund balance, end of year	<u>\$ 9,369,568</u>	<u>\$ 8,794,568</u>	<u>\$ 14,372,721</u>	<u>\$ 5,578,153</u>

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN EMPLOYERS NET PENSION
LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total pension liability									
Service cost	\$ 137,944	\$ 125,690	\$ 171,132	\$ 185,530	\$ 181,390	\$ 190,564	\$ 205,702	\$ 200,152	\$ 229,192
Interest	835,847	853,243	891,675	953,214	997,328	957,184	1,008,462	1,011,374	1,040,666
Changes in benefit terms	-	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-	-	-
Change in benefits	-	(5,403)	(10,166)	(4,710)	-	(19,628)	(13,367)	(11,654)	-
Difference between expected and actual experience	-	18,096	518,676	255,051	(187,144)	16,447	94,043	(443,420)	(120,577)
Change in assumptions	-	588,192	-	-	-	382,467	278,276	512,119	-
Benefit payments including employee refunds	(738,956)	(792,294)	(794,192)	(810,376)	(863,330)	(883,983)	(847,422)	(830,351)	(977,538)
Other changes	8,813	(5,518)	(7,172)	1,268	(19,581)	30,806	(50,705)	24,893	53,570
Other	-	-	-	-	-	-	-	-	-
Net change in total pension liability	243,648	782,006	769,953	579,977	108,663	673,857	674,989	463,113	225,313
Total pension liability, beginning of year	10,431,989	10,675,637	11,457,643	12,227,596	12,807,573	12,916,236	13,590,093	14,265,082	14,728,195
Total pension liability, ending of year	\$ 10,675,637	\$ 11,457,643	\$ 12,227,596	\$ 12,807,573	\$ 12,916,236	\$ 13,590,093	\$ 14,265,082	\$ 14,728,195	\$ 14,953,508
Plan Fiduciary Net Position									
Contributions-employer	\$ 498,792	\$ 508,482	\$ 667,663	\$ 1,065,147	\$ 1,135,488	\$ 1,152,526	\$ 676,103	\$ 717,585	\$ 711,683
Contributions-employee	77,134	39,017	121,913	68,858	87,733	205,038	121,826	154,684	132,192
Net investment income	(91,306)	662,026	838,774	(299,600)	1,016,274	1,161,479	1,425,633	(1,186,967)	1,145,037
Benefit payments including employee refunds	(738,956)	(792,294)	(794,192)	(810,376)	(863,330)	(883,983)	(847,422)	(830,351)	(977,538)
Administrative expense	(13,449)	(13,077)	(13,256)	(14,274)	(17,601)	(17,891)	(16,377)	(21,304)	(24,298)
Net change in plan fiduciary net position	(267,785)	404,154	820,902	9,755	1,358,564	1,617,169	1,359,763	(1,166,353)	987,076
Plan fiduciary net position, beginning of year	6,196,251	5,928,466	6,332,620	7,153,522	7,163,277	8,521,841	10,139,010	11,498,773	10,332,420
Plan fiduciary net position, ending of year	\$ 5,928,466	\$ 6,332,620	\$ 7,153,522	\$ 7,163,277	\$ 8,521,841	\$ 10,139,010	\$ 11,498,773	\$ 10,332,420	\$ 11,319,496
Employer net pension liability	\$ 4,747,171	\$ 5,125,023	\$ 5,074,074	\$ 5,644,296	\$ 4,394,395	\$ 3,451,083	\$ 2,766,309	\$ 4,395,775	\$ 3,634,012
Plan fiduciary net position as a percentage of the total pension liability	56%	55%	59%	56%	66%	75%	81%	70%	76%
Covered employee payroll	\$ 1,409,673	\$ 1,256,307	\$ 1,576,491	\$ 1,668,776	\$ 1,609,345	\$ 1,705,930	\$ 1,782,025	\$ 1,766,136	\$ 1,870,670
Employer's net pension liability as a percentage of covered employee payroll	337%	408%	322%	338%	273%	202%	155%	249%	194%

Notes to schedule:

Above dates are based on a December 31, measurement date.

This schedule is being accumulated prospectively until ten years of data is presented.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

DEFINED BENEFIT PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contributions	\$ 376,152	\$ 366,192	\$ 437,460	\$ 470,448	\$ 521,628	\$ 552,744	\$ 582,180	\$ 589,000	\$ 576,480
Contributions in relation to the actuarially determined contribution	<u>498,792</u>	<u>508,482</u>	<u>667,663</u>	<u>1,065,147</u>	<u>1,135,488</u>	<u>1,152,526</u>	<u>676,103</u>	<u>717,585</u>	<u>711,683</u>
Contribution excess (deficiency)	<u>\$ 122,640</u>	<u>\$ 142,290</u>	<u>\$ 230,203</u>	<u>\$ 594,699</u>	<u>\$ 613,860</u>	<u>\$ 599,782</u>	<u>\$ 93,923</u>	<u>\$ 128,585</u>	<u>\$ 135,203</u>
Covered employee payroll	\$ 1,399,784	\$ 1,256,307	\$ 1,576,491	\$ 1,576,491	\$ 4,952,025	\$ 4,831,208	\$ 4,831,208	\$ 1,766,136	\$ 1,870,670
Contributions as a percentage of covered employee payroll	36%	40%	42%	68%	23%	24%	14%	41%	38%
Actuarial cost method	Entry Age								
Amortization method	Level percentage of payroll, open								
Remaining amortization period	16 years								
Asset valuation method	5 year smoothed								
Inflation	2.50%								
Salary increases	3.00% (3.75% for 2015 through 2019)								
Investment rate of return	7.00% (7.35% for 2020 through 2021, 7.75% for 2015 through 2019)								
Retirement age	Varies depending on plan adoption								
Mortality	50% female/ 50% male RP-2019 mortality table								

Note to schedule:

This schedule is being accumulated prospectively until ten years of data is presented.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

DEFINED BENEFIT OPEB PLAN
SCHEDULE OF CHANGES IN EMPLOYERS NET OPEB
LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2018	2019	2020	2021	2022	2023
Total OPEB liability						
Service cost	\$ 84,409	\$ 87,279	\$ 73,071	\$ 64,745	\$ 28,150	\$ 16,850
Interest	208,495	208,114	250,107	173,392	240,238	239,181
Experience (Gains/Losses)	-	(141,420)	(1,440,437)	(69,503)	(167,156)	(132,012)
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	-	-	-	-	-	-
Changes in assumptions	-	(402,224)	239,912	(969,366)	(88,989)	108,799
Benefit payments including employee refunds	(344,330)	(269,649)	(256,951)	(201,375)	(220,867)	(223,957)
Other	-	-	-	-	-	-
Net change in total OPEB liability	<u>(51,426)</u>	<u>(517,900)</u>	<u>(1,134,298)</u>	<u>(1,002,107)</u>	<u>(208,624)</u>	<u>8,861</u>
Total OPEB liability, beginning of year	<u>6,219,971</u>	<u>6,168,545</u>	<u>5,650,645</u>	<u>4,516,347</u>	<u>3,514,240</u>	<u>3,305,616</u>
Total OPEB liability, end of year	<u>\$ 6,168,545</u>	<u>\$ 5,650,645</u>	<u>\$ 4,516,347</u>	<u>\$ 3,514,240</u>	<u>\$ 3,305,616</u>	<u>\$ 3,314,477</u>
Plan Fiduciary Net Position						
Contributions-employer	\$ 520,000	\$ 500,000	\$ 800,008	\$ 333,340	\$ 200,004	\$ -
Contributions/benefit payments made from general operating funds	344,330	269,649	256,951	201,375	220,867	223,957
Net investment income	(29,215)	128,666	242,288	253,378	(346,410)	431,853
Benefit payments including employee refunds	(344,330)	(269,649)	(256,951)	(201,375)	(220,867)	(223,957)
Administrative expense	(575)	(1,159)	(7,826)	(12,517)	(12,748)	(13,996)
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>490,210</u>	<u>627,507</u>	<u>1,034,470</u>	<u>574,201</u>	<u>(159,154)</u>	<u>417,857</u>
Plan fiduciary net position, beginning of year	<u>-</u>	<u>490,210</u>	<u>1,117,717</u>	<u>2,152,187</u>	<u>2,726,388</u>	<u>2,567,234</u>
Plan fiduciary net position, end of year	<u>\$ 490,210</u>	<u>\$ 1,117,717</u>	<u>\$ 2,152,187</u>	<u>\$ 2,726,388</u>	<u>\$ 2,567,234</u>	<u>\$ 2,985,091</u>
Employer net OPEB liability	<u>\$ 5,678,335</u>	<u>\$ 4,532,928</u>	<u>\$ 2,364,160</u>	<u>\$ 787,852</u>	<u>\$ 738,382</u>	<u>\$ 329,386</u>
Plan fiduciary net position as a percentage of the total OPEB liability	7.95%	19.78%	47.65%	77.58%	77.66%	90.06%
Covered employee payroll	Not available	\$ 840,951	\$ 833,246	\$ 842,000	\$ 894,000	\$ 789,396
Employer's net OPEB liability as a percentage of covered employee payroll	Not available	539%	284%	94%	83%	42%

Notes to schedule:

Above information is based on measurement date of December 31

No assets of the OPEB plan are being accumulated in a qualified trust to pay the related benefits.

The schedule is being accumulated prospectively until 10 years of information is presented.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

DEFINED BENEFIT OPEB PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

Fiscal Year end	Actuarially determined contributions	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
12/31/2018	\$ 1,250,738	\$ 864,330	\$ 386,408	N/A	N/A
12/31/2019	1,344,332	769,649	574,683	840,963	92%
12/31/2020	1,338,975	1,056,959	282,016	833,235	127%
12/31/2021	917,072	534,715	382,357	841,938	64%
12/31/2022	465,875	420,871	45,004	894,000	47%
12/31/2023	429,046	223,957	205,089	789,396	28%

Notes to schedule

Actuarial cost method	Entry Age
Amortization method	Level dollar, closed
Remaining amortization period	2 years
Asset valuation method	Market value
Inflation	N/A
Healthcare cost trend rates	Pre-65: 7.25% graded down to 4.5% by 0.25% per year Post-65: 5.5% graded down to 4.5% by 0.25% per year
Discount rate	7%, (7.45% 2022, 7% 2021)
Salary increases	3.00%
Investment rate of return	N/A
Retirement age	Varies depending on plan adoption
Mortality	Public General 2010 Employee and Healthy Retiree, Headcount weighted, MP-2021 improvement

Notes to schedule:

The schedule is being accumulated prospectively until 10 years of information is presented.

Schedule of Investment Returns

Annual money-weighted rate net of investment expense	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
	17.38%	15.96%	10.93%	-12.26%	16.82%

State of Michigan PA 202 information

Actuarially recommended contributions	\$ 429,046
Minimum required contribution under PA 202	-
Actual contribution	223,957
Contribution for employees hired after June 30, 2018	n/a

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**GENERAL FUND
SCHEDULES**

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

SCHEDULE OF CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Primary Road</u>	<u>Local Road</u>	<u>County Road</u>	<u>Total</u>
Fund balances, beginning of year	\$ 1,719,086	\$ 1,611,089	\$ 9,735,806	\$ 13,065,981
Revenues	5,762,576	4,911,900	4,160,894	14,835,370
Expenditures	<u>7,104,460</u>	<u>3,405,022</u>	<u>3,069,148</u>	<u>13,578,630</u>
Revenues over (under) expenditures	<u>(1,341,884)</u>	<u>1,506,878</u>	<u>1,091,746</u>	<u>1,256,740</u>
Other financing sources (uses)	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,341,884)</u>	<u>1,506,878</u>	<u>1,141,746</u>	<u>1,306,740</u>
Fund balances, end of year	<u>\$ 377,202</u>	<u>\$ 3,117,967</u>	<u>\$ 10,877,552</u>	<u>\$ 14,372,721</u>

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Primary Road</u>	<u>Local Road</u>	<u>County Road</u>	<u>Total</u>
Revenues				
Michigan Transportation Fund				
Engineering	\$ 6,227	\$ 3,773	\$ -	\$ 10,000
Allocation	4,072,598	2,429,376	-	6,501,974
Urban road	487,268	221,509	-	708,777
Snow removal	-	438,396	-	438,396
	<u>4,566,093</u>	<u>3,093,054</u>	<u>-</u>	<u>7,659,147</u>
Total Michigan Transportation Fund				
Federal and other state sources				
Surface transportation program	1,142,349	-	161,070	1,303,419
Forest road	-	85,107	-	85,107
Transportation economic development	5,987	-	-	5,987
	<u>1,148,336</u>	<u>85,107</u>	<u>161,070</u>	<u>1,394,513</u>
Total federal and other state sources				
State trunkline maintenance	-	-	1,570,643	1,570,643
State trunkline nonmaintenance	-	-	786,945	786,945
Local units of government	-	1,506,509	-	1,506,509
Other local sources	-	182,086	12,576	194,662
County millage	-	-	1,246,376	1,246,376
Salvage sales	-	-	3,109	3,109
Interest	48,147	45,144	272,840	366,131
Charges	-	-	72,677	72,677
Other revenues	-	-	34,658	34,658
	<u>5,762,576</u>	<u>4,911,900</u>	<u>4,160,894</u>	<u>14,835,370</u>
Total Revenues				
Other financing sources (uses)				
Sales of capital assets	-	-	50,000	50,000
	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Total revenues and other financing sources	<u>\$ 5,762,576</u>	<u>\$ 4,911,900</u>	<u>\$ 4,210,894</u>	<u>\$ 14,885,370</u>

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Primary Road</u>	<u>Local Road</u>	<u>County Road</u>	<u>Total</u>
Expenditures				
Primary road				
Construction and heavy maintenance	\$ 4,677,626	\$ -	\$ -	\$ 4,677,626
Maintenance	1,943,711	-	-	1,943,711
Local road				
Construction and heavy maintenance	-	807,308	-	807,308
Maintenance	-	2,310,937	-	2,310,937
State trunkline maintenance	-	-	1,304,145	1,304,145
State trunkline nonmaintenance	-	-	786,946	786,946
Other				
Equipment expenditures, net	81,132	100,774	61,331	243,237
Administrative expenditures, net	401,991	186,003	193,535	781,529
Capital outlay net of depreciation	-	-	441,274	441,274
Debt service				
Principal	-	-	272,210	272,210
Interest	-	-	9,707	9,707
Total expenditures	<u>\$ 7,104,460</u>	<u>\$ 3,405,022</u>	<u>\$ 3,069,148</u>	<u>\$ 13,578,630</u>

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INTERNAL CONTROL AND COMPLIANCE



Vredeveld Haefner LLC

CPAs and Consultants
10302 20th Avenue
Grand Rapids, MI 49534
Fax (616) 828-0307

Douglas J. Vredeveld, CPA
(616) 446-7474
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(616) 460-9388

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

April 8, 2024

Otsego County Road Commission
Board of Commissioners
Gaylord, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the general fund and the aggregate remaining funds of the Otsego County Road Commission (the Commission), a component unit of Otsego County, Michigan, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated April 8, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Orstedold Haefner LLC



Otsego County Road Commission Agenda Item Report

FROM: Rebecca Hilmert, Finance Manager
MEETING DATE: May 9, 2024
AGENDA ITEM: 8. A
SUBJECT: FY 2023 Audit Report Acceptance

DESCRIPTION

Peter Haefner, CPA, Vredevelde Haefner LLC, presented the FY 2023 Audit Report to the Board at the May 9, 2024, meeting. The Audit Report does not become official until the Board accepts the document. This Board action satisfies the requirement.

BUDGET ACTION REQUIRED

N/A

LEGAL REVIEW

N/A

SAMPLE MOTION

Motion to **accept/not accept** the FY 2023 Otsego County Road Commission Audit as prepared by Vredevelde Haefner LLC and presented to the OCRC Board on May 9, 2024.



Otsego County Road Commission Agenda Item Report

FROM: Rebecca Hilmert, Finance Manager
MEETING DATE: May 9, 2024
AGENDA ITEM: 8. B
SUBJECT: 2023 Year-End Act 51 Report

DESCRIPTION

Recipients of Michigan Transportation Funds (MTF) are required to report their annual revenue and expenditures to the Michigan Department of Transportation (MDOT). MDOT reviews the financial reports submitted by all local road agencies in Michigan and determines compliance with reporting requirements. The attached year-end Act 51 report accurately reflects the revenues and expenditures of all road work and funds by systems for the Otsego County Road Commission, and conforms with the requirements of Act 51, Public Acts of 1951, as amended.

BUDGET ACTION REQUIRED

N/A

LEGAL REVIEW

N/A

SAMPLE MOTION

Motion to **approve/deny** the Otsego County Road Commission 2023 year-end Act 51 report as submitted.

2023
FISCAL YEAR
ANNUAL FINANCIAL REPORT
BOARD OF COUNTY ROAD COMMISSIONERS
Otsego County
Michigan
Year Ended 2023

The financial report accurately reflects the Revenues and Expenditures of all road work and funds by systems, and conforms with the requirements of Act 51, Public Acts of 1951, as amended

ATTEST

Chief Financial Officer

Chairman

Date

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

BALANCE SHEET

Assets

General Operating Fund

1. Cash	\$9,227,116.74
2. Investments	3,087,343.03
3. Accounts Receivable :	
a. Michigan Transportation Fund	1,353,053.01
b. State Trunkline Maintenance	146,053.35
c. State Transportation Department - Other	15,219.61
d. Due on County Road Agreement	177,970.45
e. Due on Special Assesment	0.00
f. Sundry Accounts Receivable	75,813.36

Inventories/Pre-Paid Insurance/Other

4. Deferred Expense State Aid	0.00
5. Road Materials	549,068.59
6. Equipment Materials and Parts	357,155.51
7. Prepaid Insurance	72,463.71
8. Deferred Expense - Federal Aid	0.00
9. Other	1,324,763.66

10. TOTAL ASSETS

\$16,386,021.02

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

Liabilities and Fund Balances

Liabilities

11. Accounts Payable	\$126,586.36
12. Notes Payable (Short Term)	0.00
13. Accrued Liability	75,990.04
14. Advances	391,221.00
15. Deferred Revenue - Special Assessment District	0.00
16. Deferred Revenue - EDF Forest Rd.(E)	94,739.69
17. Deferred Revenue	1,324,763.66
18. Other	0.00

Fund Balances

19. Primary Road Fund	377,202.12
20. Local Road Fund	3,117,965.04
21. County Road Commission Fund	10,877,553.11
22. Total Fund Balances	14,372,720.27

23. TOTAL LIABILITIES AND FUND BALANCES

\$16,386,021.02

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

CAPITAL ASSETS ACCOUNT GROUP

<u>Assets</u>	(A)	(B)
24. Land		\$125,501.18
25. Land Improvements	\$0.00	
25 a.Less: Accumulated Depreciation	0.00	0.00
26. Depletable Assets	0.00	
26 a.Less: Accumulated Depreciation	0.00	0.00
27. Buildings	4,305,731.42	
27 a.Less: Accumulated Depreciation	(2,445,322.01)	1,860,409.41
28. Equipment - Road	9,657,015.05	
28 a.Less: Accumulated Depreciation	(8,358,424.04)	1,298,591.01
29. Equipment - Shop	131,360.19	
29 a.Less: Accumulated Depreciation	(95,037.36)	36,322.83
30. Equipment - Engineers	8,583.15	
30 a.Less: Accumulated Depreciation	(8,583.15)	0.00
31. Equipment - Yard and Storage	1,799.69	
31 a.Less: Accumulated Depreciation	(1,799.69)	0.00
32. Equipment and Furniture - Office	46,844.63	
32 a.Less: Accumulated Depreciation	(46,388.29)	456.34
33. Infrastructure	44,558,016.83	
33 a.Less: Accumulated Depreciation	(18,960,863.45)	25,597,153.38
34. Vehicles	0.00	
34 a.Less: Accumulated Depreciation	0.00	0.00
35. Construction Work in Progress		0.00
	36. Total Assets	\$28,918,434.15
<u>Equities</u>		
37. Plant and Equipment Equity		
	37 a.Primary	0.00
	37 b.Local	0.00
	37 c.Co. Road Comm.	3,321,280.77
	37 d.Infrastructure	25,597,153.38
	38. Total Equities	\$28,918,434.15
<u>Long Term Debt</u>		
39. Bonds Payable (Act 51)		0.00
40. Notes Payable (Act 143)		0.00
41. Vested Vacation and Sick Leave Payable		173,222.05
42. Installment/Lease Purchase Payable		272,209.14
43. Other		329,386.00
	44. Total Liabilities	\$774,817.19
<u>Fiduciary Fund</u>		
45. Deferred Compensation (Pension) Plan		\$3,634,013.00

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

STATEMENT OF REVENUES

	Primary Road Fund (P)	Local Road Fund (L)	Co. Road Comm. Fund (C)	Total (T)
<u>Taxes</u>				
46. County Wide Millage	\$0.00	\$0.00	\$1,246,375.53	\$1,246,375.53
47. Other	0.00	0.00	0.00	0.00
48. Total Taxes	0.00	0.00	1,246,375.53	1,246,375.53
<u>Licenses and Permits</u>				
49. Specify	0.00	0.00	72,676.78	72,676.78
<u>Federal Sources</u>				
50. Surface Tran. Program (STP)	1,142,349.51	0.00	0.00	1,142,349.51
51. C Funds - Federal	0.00	0.00	0.00	0.00
52. D Funds - Federal	0.00	0.00	0.00	0.00
53. Bridge	0.00	0.00	0.00	0.00
54. High Priority	0.00	0.00	0.00	0.00
55. Other	0.00	0.00	161,070.00	161,070.00
56. Total Federal Sources	1,142,349.51	0.00	161,070.00	1,303,419.51
STATE SOURCES				
<u>Michigan Transportation Fund</u>				
57. Engineering	6,263.63	3,736.37		10,000.00
58. Snow Removal	0.00	438,396.03		438,396.03
59. Urban Road	487,268.37	221,508.96		708,777.33
60. Allocation	4,072,597.91	2,429,376.25		6,501,974.16
61. Total MTF	4,566,129.91	3,093,017.61		7,659,147.52
<u>Other</u>				
62. Local Bridge	0.00	0.00		0.00
63. Other	(36.63)	36.63	0.00	0.00
64. Total Other	(36.63)	36.63	0.00	0.00
<u>Economic Development Fund</u>				
65. Target Industries (A)	0.00	0.00		0.00
66. Urban Congestion (C)	0.00	0.00		0.00
67. Rural Primary (D)	5,986.78	0.00		5,986.78
68. Forest Road (E)	0.00	85,106.54		85,106.54
69. Urban Area (F)	0.00	0.00		0.00
70. Other	0.00	0.00		0.00
71. Total EDF	5,986.78	85,106.54		91,093.32
72. Total State Sources	\$4,572,080.06	\$3,178,160.78	\$0.00	\$7,750,240.84

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

STATEMENT OF REVENUES

	Primary Road Fund (P)	Local Road Fund (L)	Co. Road Comm. Fund (C)	Total (T)
Contributions From Local Units				
73. City and Village	\$0.00	\$0.00	\$0.00	\$0.00
74. Township Contr.	0.00	1,506,509.74	0.00	1,506,509.74
75. Other	0.00	182,086.00	0.00	182,086.00
76. Total Contributions	<u>0.00</u>	<u>1,688,595.74</u>	<u>0.00</u>	<u>1,688,595.74</u>
Charges for Service				
77. Trunkline Maintenance	0.00		1,570,643.38	1,570,643.38
78. Trunkline Non-maintenance	0.00		786,945.16	786,945.16
79. Salvage Sales	0.00	0.00	3,108.96	3,108.96
80. Other	0.00	0.00	2,254.84	2,254.84
81. Total Charges	<u>0.00</u>	<u>0.00</u>	<u>2,362,952.34</u>	<u>2,362,952.34</u>
Interest and Rents				
82. Interest Earned	48,146.01	45,143.75	272,839.60	366,129.36
83. Property Rentals	0.00	0.00	32,403.01	32,403.01
84. Total Interest/Rents	<u>48,146.01</u>	<u>45,143.75</u>	<u>305,242.61</u>	<u>398,532.37</u>
Other				
85. Special Assessments	0.00	0.00	0.00	0.00
86. Land and Bldg. Sales	0.00	0.00	0.00	0.00
87. Sundry Refunds	0.00	0.00	0.00	0.00
88. Gain (Loss) Equip. Disp.	0.00	0.00	50,000.00	50,000.00
89. Contributions from Private Sources	0.00	0.00	0.00	0.00
90. Other	0.00	0.00	12,576.26	12,576.26
91. Total Other	<u>0.00</u>	<u>0.00</u>	<u>62,576.26</u>	<u>62,576.26</u>
Other Financing Sources				
92. County Appropriation	0.00	0.00	0.00	0.00
93. Bond Proceeds	0.00	0.00	0.00	0.00
94. Note Proceeds	0.00	0.00	0.00	0.00
95. Inst. Purch./Leases	0.00	0.00	0.00	0.00
96. Total Other Fin. Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
97. TOTAL REVENUE AND OTHER FINANCING SOURCES	<u>\$5,762,575.58</u>	<u>\$4,911,900.27</u>	<u>\$4,210,893.52</u>	<u>\$14,885,369.37</u>

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

STATEMENT OF EXPENDITURES

	Primary Road Fund (P)	Local Road Fund (L)	Co. Road Comm. Fund (C)	Total (T)
<u>Construction/Capacity Improvement</u>				
98. Roads	\$0.00	\$0.00		\$0.00
99. Structures	0.00	0.00		0.00
100. Roadside Parks	0.00	0.00		0.00
101. Special Assessments	0.00	0.00		0.00
102. Other	0.00	0.00		0.00
103. Total Construction/Cap. Imp.	<u>0.00</u>	<u>0.00</u>		<u>0.00</u>
<u>Preservation - Structural Improvements</u>				
104. Roads	4,447,369.63	803,184.08		5,250,553.71
105. Structures	0.00	0.00		0.00
106. Safety Projects	0.00	0.00		0.00
107. Roadside Parks	0.00	0.00		0.00
108. Special Assessments	0.00	0.00		0.00
109. Other	230,257.33	4,123.27		234,380.60
110. Total Preservation - Struct. Imp.	<u>4,677,626.96</u>	<u>807,307.35</u>		<u>5,484,934.31</u>
<u>Maintenance</u>				
111. Roads	628,132.33	1,705,364.87		2,333,497.20
112. Structures	0.00	0.00		0.00
113. Roadside Parks	2,226.34	2,844.00		5,070.34
114. Winter Maintenance	1,077,704.96	524,739.63		1,602,444.59
115. Traffic Control	235,647.48	77,989.20		313,636.68
116. Total Maintenance	<u>1,943,711.11</u>	<u>2,310,937.70</u>		<u>4,254,648.81</u>
117. Total Construction, Preservation And Maintenance	<u>6,621,338.07</u>	<u>3,118,245.05</u>		<u>9,739,583.12</u>
<u>Other</u>				
118. Trunkline Maintenance	0.00		1,304,143.57	1,304,143.57
119. Trunkline Non-maintenance	0.00		786,945.16	786,945.16
120. Administrative Expense	531,313.69	250,216.24		781,529.93
121. Equipment - Net	81,132.18	100,774.33	61,330.72	243,237.23
122. Capital Outlay - Net	0.00	0.00	441,273.45	441,273.45
123. Debt Principal Payment	0.00	0.00	272,210.00	272,210.00
124. Interest Expense	0.00	0.00	9,706.90	9,706.90
125. Drain Assessment	0.00	0.00	0.00	0.00
126. Other	(129,322.00)	(64,213.00)	193,535.00	0.00
127. Total Other	<u>483,123.87</u>	<u>286,777.57</u>	<u>3,069,144.80</u>	<u>3,839,046.24</u>
128. Total Expenditures	<u>\$7,104,461.94</u>	<u>\$3,405,022.62</u>	<u>\$3,069,144.80</u>	<u>\$13,578,629.36</u>

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

STATEMENT OF CHANGES IN FUND BALANCES

	Primary Road Fund (P)	Local Road Fund (L)	Co. Road Comm. Fund (C)	Total (T)
129. Total Revenues And Other Financing Sources	\$5,762,575.58	\$4,911,900.27	\$4,210,893.52	\$14,885,369.37
130. Total Expenditures	7,104,461.94	3,405,022.62	3,069,144.80	13,578,629.36
131. Excess of Revenues Over (Under) Expenditures	<u>(1,341,886.36)</u>	<u>1,506,877.65</u>	<u>1,141,748.72</u>	<u>1,306,740.01</u>
132. Optional Transfers				
132 a. Primary to Local (50%)	0.00	0.00		0.00
132 b. Local to Primary (15%)	0.00	0.00		0.00
133. Emergency Transfers (Local to Primary)	0.00	0.00		0.00
134. Total Optional Transfers	0.00	0.00		0.00
135. Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(1,341,886.36)</u>	<u>1,506,877.65</u>	<u>1,141,748.72</u>	<u>1,306,740.01</u>
136. Beginning Fund	1,719,088.48	1,611,087.39	9,735,804.39	13,065,980.26
137. Adjustment	0.00	0.00	0.00	0.00
138. Beginning Fund Balance Restated	1,719,088.48	1,611,087.39	9,735,804.39	13,065,980.26
139. Interfund Transfer(County to Primary and/or Local)	0.00	0.00	0.00	0.00
140. Ending Fund Balance	<u>\$377,202.12</u>	<u>\$3,117,965.04</u>	<u>\$10,877,553.11</u>	<u>\$14,372,720.27</u>

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

EQUIPMENT EXPENSE

Direct Equipment Expense

141. Labor and Fringe Benefits	\$259,280.37
142. Depreciation	425,857.91
143. Other	657,575.91
144. Total Direct	1,342,714.19

145. Indirect Equipment Expense	648,609.11
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Operating Equipment Expense

146. Labor and Fringe Benefits	0.00
147. Operating Expenses	344,100.45
148. Total Operating	\$344,100.45

149. TOTAL EQUIPMENT EXPENSE \$2,335,423.75

Equipment Rental Credits:

	<u>Primary</u>	<u>Local</u>	<u>County</u>	<u>Total</u>
150. Construction/Capacity Improvement	0.00	0.00		0.00
151. Preservation - Structural Improvement	741.75	1,583.51		2,325.26
152. Maintenance	697,110.51	865,219.26		1,562,329.77
153. Inventory Operations	0.00	0.00	21,405.85	21,405.85
154. MDOT	0.00		479,045.25	479,045.25
155. Other Reimbursable Charges	0.00	0.00	0.00	0.00
156. All Other Charges	0.00	0.00	27,080.39	27,080.39
157. Total Equipment Rental Credits	697,852.26	866,802.77	527,531.49	2,092,186.52
	(A)	(B)	(C)	(D)

158. (Gain) or Loss on Usage of Equipment				243,237.23
-------------------------------------------	--	--	--	------------

PRORATION OF EQUIPMENT USAGE GAIN OR LOSS

(Net Equipment Expense)

159. Equipment Rental Credits	\$697,852.26	\$866,802.77	\$527,531.49	\$2,092,186.52
	(A)	(B)	(C)	(D)
160. Percent of Total	33.36 %	41.43 %	25.21 %	100.00 %
161. Prorated Total Equipment Expense	778,984.44	967,577.10	588,862.21	2,335,423.75
162. Prorated Gain/Loss On Usage (Net Equipment Expense)	81,132.18	100,774.33	61,330.72	243,237.23

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

DISTRIBUTIVE EXPENSE - FRINGE BENEFITS

	Total Labor Charge	Distributive Calc.
163. Primary Construction/Cap. Imp.	\$0.00	\$0.00
164. Primary Preservation - Struct. Imp.	1,922.61	2,238.88
165. Primary Maintenance	277,151.69	322,743.14
166. Local Construction/Cap. Imp.	0.00	0.00
167. Local Preservation - Struct. Imp.	575.52	670.19
168. Local Maintenance	395,119.08	460,116.17
169. Inventory	7,738.41	9,011.38
170. Equipment Expense - Direct	222,653.82	259,280.37
171. Equipment Expense - Indirect	115,031.18	133,953.81
172. Equipment Expense - Operating	0.00	0.00
173. Administration	278,956.69	324,845.07
174. State Trunkline Maintenance	0.00	
175. Sundry Account Rec.	0.00	
176. Capital Outlay	0.00	0.00
177. Other	909,544.62	0.00
178. Total Payroll	\$2,208,693.62	
179. Less Applicable Payroll	(909,544.62)	
180. Total Applicable Labor Cost	\$1,299,149.00	Total Distributive \$1,512,859.01

	709-714 Vacation Holiday Sick Leave Longevity	719 Workers Comp. Insurance	715 - 718 Soc. Sec. Retirement	716 Health Insurance	717 Life and Disability Insurance	720 - 725 Other	Distributive Total Calc.
181. Total Fringe Benefits	\$272,383.81	\$30,490.00	\$1,006,976.91	\$835,442.23	\$35,508.44	\$150.00	\$2,180,951.39
182. Less: Benefits Recovered	(64,935.94)	(1,943.34)	(208,648.17)	(190,447.15)	(8,010.34)	0.00	(473,984.94)
183. Less: Refunds	(19.80)	(22,168.48)	(132,191.50)	(36,984.22)	(2,743.44)	0.00	(194,107.44)
184. Benefits to be Distributed	207,428.07	6,378.18	666,137.24	608,010.86	24,754.66	150.00	1,512,859.01
185. Applicable Labor Cost	1,299,149.00	1,299,149.00	1,299,149.00	1,299,149.00	1,299,149.00	1,299,146.00	
186. Factor	0.159665	0.004910	0.512749	0.468007	0.019055	0.000115	1.164501

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

DISTRIBUTIVE EXPENSE - OVERHEAD
Account No. 705 - 957

	Cost of Operations	Distributed Total
187. Primary Construction/Cap. Imp.	\$0.00	\$0.00
188. Primary Preservation - Struct Imp.	3,402,689.43	3,471,825.56
189. Primary Maintenance	1,900,616.22	1,939,233.10
190. Local Construction/Cap. Imp.	0.00	0.00
191. Local Preservation - Struct. Imp.	754,698.67	770,032.70
192. Local Maintenance	2,264,918.97	2,310,937.79
193. Other	0.00	0.00
194. TOTAL	<u>\$8,322,923.29</u>	<u>\$8,492,029.15</u>

	790 Small Road Tools	791 Inventory Adjustment	882 Liability	716 Health Insurance	Other	Total
195. Expenses Distributed	9,578.73	(5,391.84)	52,958.09	0.00	111,960.88	\$169,105.86
196. Applicable Operation Cost	8,322,923.29	8,322,923.29	8,322,923.29	8,322,923.29	8,322,923.29	
197. Factor	0.001151	(0.000648)	0.006363	0.000000	0.013452	\$0.020318

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

ANALYSIS OF CONSTRUCTION AND MAINTENANCE

Optional for noncontract counties

	Performed by County		Performed by Contractor		Totals	
	<u>Primary</u>	<u>Local</u>	<u>Primary</u>	<u>Local</u>	<u>Primary</u>	<u>Local</u>
198. Constr/Cap. Imp.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
199. Preser - Struct. Imp.	2,946.36	751,869.45	4,674,680.60	55,437.90	4,677,626.96	807,307.35
200. Special Assessment	0.00	0.00	0.00	0.00	0.00	0.00
201. Maintenance	1,704,735.21	2,088,743.87	238,975.90	222,193.83	1,943,711.11	2,310,937.70
202. Total	<u>\$1,707,681.57</u>	<u>\$2,840,613.32</u>	<u>\$4,913,656.50</u>	<u>\$277,631.73</u>	<u>\$6,621,338.07</u>	<u>\$3,118,245.05</u>

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

ANALYSIS OF ACCOUNTS RECEIVABLE

Optional for noncontract counties

	Trunkline Maintenance	MDOT Other
203. Labor	\$274,137.29	\$131,110.98
204. Fringe Benefits	358,826.23	115,157.71
205. Equipment Rental	459,462.97	19,582.28
206. Materials	79,830.72	459,443.10
207. Handling Charges	0.00	0.00
208. Overhead	131,886.36	61,650.09
209. Other	0.00	0.00
210. Total Charges for Current Year	\$1,304,143.57	\$786,944.16
211. Beginning Balance	1,304,143.57	786,944.16
212. Sub-Total	2,608,287.14	1,573,888.32
213. Less Credits	(2,462,233.79)	(1,558,668.71)
214. Ending Balance	\$146,053.35	\$15,219.61

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

SCHEDULE OF CAPITAL OUTLAY

215. Land and Improvements (971 - 974)	\$0.00
216. Buildings (975)	105,541.00
217. Equipment Road (976, 981)	876,946.54
218. Equipment Shop (977)	0.00
219. Equipment Engineers (978)	0.00
220. Equipment - Yard and Storage (979)	0.00
221. Equipment Office (980)	0.00
222. Depletable Assets (987)	0.00
223. Total Capital Outlay:	<u>\$982,487.54</u>

	<u>Primary</u>	<u>Local</u>	<u>County</u>	<u>Total</u>
224. Total Capital Outlay:	0.00	0.00	982,487.54	982,487.54
225. Less: Equipment Retirements 689	0.00	0.00	0.00	0.00
226. Sub-total	0.00	0.00	982,487.54	982,487.54
227. Less: Depreciation and Depletion 968	0.00	0.00	(541,214.09)	(541,214.09)
228. Net Capital Outlay Expenditure	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$441,273.45</u>	<u>\$441,273.45</u>

DISTRIBUTION OF GAIN OR LOSS ON DISPOSAL OF ASSETS

	<u>Primary</u>	<u>Local</u>	<u>County</u>	<u>Total</u>
229. Beginning Capital Asset Balance				
Prior Year's Report (Pg. 3)	0.00	0.00	2,846,133.36	2,846,133.36
230. Percentage of Total	0.00 %	0.00 %	100.00 %	100.00 %
231. Gain or (loss) on disposal of assets 693	0.00	0.00	50,000.00	50,000.00

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

PRESERVATION EXPENDITURES - 90% OF MTF RETURNS

(For Compliance with Section 12(16) of Act 51)

	Primary Road Fund	Local Road Fund	Total
232. Michigan Transportation Fund (MTF) Returns			\$7,659,147.52
DEDUCTIONS			
233. Administrative Expense (from Page 6 Expenditures)			781,529.93
234. Total Capital Outlay (from Page 13)			982,487.54
235. Debt Principal Payment (from Page 6 Expenditures)			272,210.00
236. Interest Expense (from Page 6 Expenditures)			9,706.90
236 a. Total Deductions			2,045,934.37
236 b. Adjusted MTF Returns			5,613,213.15
237. Preser - Struct Imp (from Page 6 Expenditures)	\$4,677,626.96	\$807,307.35	5,484,934.31
238. Routine Maintenance (from Page 6 Expenditures)	1,943,711.11	2,310,937.70	4,254,648.81
239. Less Federal Aid for Preser - Struct Imp	(1,142,349.51)	0.00	(1,142,349.51)
240. TOTAL RD EXPENSE (Excluding Fed Aid)	5,478,988.56	3,118,245.05	8,597,233.61
241. 90% of Adjusted MTF Returns			5,051,891.84

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

**TEN YEARS OF QUALIFIED EXPENDITURES
FOR NON MOTORIZED IMPROVEMENTS**
(for Compliance with Section 10K of Act 51)

Fiscal Year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Expenditures (\$)	<u>577,914.35</u>	<u>320,696.28</u>	<u>419,216.64</u>	<u>164,542.36</u>	<u>244,727.03</u>
Fiscal Year	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Expenditures (\$)	<u>128,764.58</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
				242. TOTAL	<u>\$1,855,861.24</u>

Total must equal or exceed 1% of your Fiscal Year MTF returns multiplied by 10

$$\underline{7,659,147.52} \times .10 = \underline{765,914.75}$$

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

INDIRECT EQUIPMENT AND STORAGE EXPENSE**Activity 511**

Account Number	Account Name	Amount Recorded
707	Wages - Shop and Garage	\$255,118.15
712-724	Fringe Benefits - Shop Employees	0.00
721	Drug Testing	6,563.72
728	Office Supplies - Shop	237.61
731	Janitor Supplies - Shop	3,189.30
733	Welding Supplies	2,206.41
734	Safety Supplies - Shop	8,804.67
736	Tire Shop Supplies	6,398.07
737	Shop Supplies	28,116.03
791	Equipment Material/Parts Inventory Adjustment	0.00
801	Contractual Services - Shop	0.00
805	Health Services	0.00
806	Laundry Services	5,508.12
807	Data Processing - Shop	0.00
810	Education Expense - Shop	0.00
850-859	Communications - Shop	1,212.28
861	Travel and Mileage - Shop Employees	2,503.48
862	Freight Costs	0.00
875	Insurance - Shop Buildings	70,710.63
876	Insurance - Boiler and Machine	0.00
878	Insurance - Fleet	36,717.21
883	Insurance - Underground Tank	0.00
921-923	Utilities - Shop and Storage Buildings	42,794.43
931	Buildings Repairs and Maintenance	74,096.59
932	Yard and Storage Repairs and Maintenance	378.04
933	Shop Equipment Repairs and Maintenance	0.00
934	Office Equipment Repairs and Maintenance	0.00
941	Equipment Rental - Shop Pickup/Wrecker	0.00
944-947	Underground Storage Tank Expense	0.00
956	Safety Expense - Shop	0.00
968	Depreciation - Shop Building	74,820.84
968	Depreciation - Storage Building	0.00
968	Depreciation - Shop Equipment	644.04
968	Depreciation - Stockroom Expense	0.00
707	Other:	28,589.49
	243. TOTAL	\$648,609.11

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

ADMINISTRATIVE EXPENSE SCHEDULE AND ALLOCATION
(for Compliance with Section 14(4) of Act 51)

Account Number	Account Name	Amount Recorded
703-708	Salaries and Wages	\$551,781.53
709-714	Administrative Leave	54,529.66
724	Fringe Benefits	0.00
727	Postage	1,453.41
728	Office Supplies	4,446.08
730	Dues and Subscriptions	18,962.79
801	Contractual Services	63,211.64
803	Legal Services	2,138.25
804	Auditing and Accounting Services	14,600.00
807	Data Processing	0.00
810	Education	0.00
850-853	Communications	5,502.67
861	Travel and Mileage	8,925.19
862	Freight	0.00
873	Public Relations	0.00
874	Advertising	0.00
875	Insurance - Building and Contents	23,412.86
876	Insurance - Boiler and Machinery	0.00
877	Insurance - Bonds	0.00
880	Insurance - Umbrella	1,363.50
881	Insurance - Errors and Omissions	17,316.71
882	Insurance - General Liability	0.00
920-923	Utilities	8,684.61
931	Building Repair/Maintenance	0.00
934	Office Equipment Repair/Maintenance	0.00
942	Building Rental	0.00
955-956	Miscellaneous	0.00
966-967	Overhead	0.00
968	Depreciation - Buildings	0.00
968	Depreciation - Engineering Equipment	0.00
968	Depreciation - Office Equipment and Furniture	1,064.82
	Other:	4,136.21
	244. TOTAL	\$781,529.93

Less: Credits to Administrative Expense

646	Handling Charges on Materials Sold	0.00
629	Overhead - State Trunkline Maintenance	0.00
691	Purchase Discounts	0.00
	Other:	0.00

Total Credits to Administrative Expense \$0.00

245. Net Administrative Expense \$781,529.93

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

Forest Road Report

This information is required by Act 231, P.A. of 1987, as amended.

<u>Road Name</u>	<u>Location</u>	<u>Amount Spent (\$)</u>	<u>Project Type</u>
Hayes Tower Road	Hayes Township	85,106.54	Resurfacing
	246. Total	<u>\$85,106.54</u>	

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

**CONSTRUCTION / CAPACITY IMPROVEMENTS / STRUCTURAL IMPROVEMENTS
Summary**

CONSTRUCTION / CAPACITY IMPROVEMENTS

	Primary System		Local System	
	*Unit	Expenditures	*Unit	Expenditures
ROADS				
247. New Construction, New Location	0.00 mi.	x \$0.00	0.00 mi.	\$0.00
248. Widening	0.00 mi.	0.00	0.00 mi.	0.00
BRIDGES				
249. New Location	0.00 ea.	0.00	0.00 ea.	0.00
250. TOTAL CONSTRUCTION/CAPACITY IMP		\$0.00		\$0.00

PRESERVATION - STRUCTURAL IMPROVEMENTS

	Primary System		Local System	
	*Unit	Expenditures	*Unit	Expenditures
ROADS				
251. Reconstruction	11.63 mi.	x \$3,780,182.65	1.40 mi.	\$215,189.52
252. Resurfacing	4.50 mi.	604,437.94	2.91 mi.	582,427.44
253. Gravel Surfacing	0.00 mi.	0.00	0.00 mi.	0.00
254. Paving Gravel Roads	0.00 mi.	0.00	0.00 mi.	0.00
SAFETY PROJECTS				
255. Intersection Improvements	0.00 ea.	0.00	0.00 ea.	0.00
256. Railroad Crossing Improvements	0.00 ea.	0.00	0.00 ea.	0.00
257. Other	0.00 ea.	0.00	0.00 ea.	0.00
MISCELLANEOUS				
258. Roadside Parks	0.00 ea.	0.00	0.00 ea.	0.00
259. Other	4.00 ea.	293,006.37	2.00 ea.	9,690.39
260. Subtotals		4,677,626.96		807,307.35
BRIDGES				
261. Replacement	0.00 ea.	0.00	0.00 ea.	0.00
262. Recondition or Repair	0.00 ea.	0.00	0.00 ea.	0.00
263. Replace with Culvert	0.00 ea.	0.00	0.00 ea.	0.00
264. Bridge Subtotals		0.00		0.00
265. TOTAL PRESERVATION - STRUCT IMP		\$4,677,626.96		\$807,307.35

*All Units are to be reported in the Fiscal Year that the project is opened for use.

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

SCHEDULE OF TOWNSHIP MILEAGE AND POPULATION

Township	Local Roads			Primary Roads				
	Total Local (mi)	Local Urban (mi)	Funds Received (\$)	Total Primary (mi)	Primary Urban (mi)	Funds Received (\$)	Population Outside Municipalities	Funds Received (\$)
Bagley	70.02	39.36	342,056.21	0.00	17.64	300,920.75	5,867	132,007.50
Charlton	87.24	0.00	286,757.87	0.00	0.00	0.00	1,350	30,375.00
Chester	66.75	0.00	219,407.25	0.00	0.00	0.00	1,300	29,250.00
Corwith	104.55	0.00	343,655.86	0.00	0.00	0.00	1,210	27,225.00
Dover	28.52	0.00	93,745.24	0.00	0.00	0.00	632	14,220.00
Elmira	43.62	0.00	143,378.94	0.00	0.00	0.00	1,714	38,565.00
Hayes	77.91	0.00	256,090.18	0.00	0.00	0.00	2,725	61,312.50
Livingston	46.24	12.02	186,163.75	0.00	4.16	70,965.44	2,652	59,670.00
Otsego Lake	74.58	26.41	320,228.10	0.00	6.72	114,636.48	2,857	64,282.50
266. Totals	599.43	77.79	\$2,191,483.40	0.00	28.52	\$486,522.67	20,307	\$456,907.50

Local Road Rate Per Mile	3287	Primary Road Rate Per Mile	2986
Local Urban Road Rate Per Mile	2843	Primary Urban Road Rate Per Mile	17059
Population Rate Per Capita	22.5		

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

SCHEDULE OF TOWNSHIP EXPENDITURES AND CONTRIBUTIONS
Expenditures

Township	Construction/ Capacity Improvement (\$)	Preservation - Struct Improvement (\$)	Total (\$)	Township Contributions* (\$)
Bagley	0.00	57,147.10	57,147.10	45,700.00
Charlton	0.00	206,706.24	206,706.24	0.00
Chester	0.00	609,354.63	609,354.63	250,000.00
Corwith	0.00	48,649.80	48,649.80	0.00
Dover	0.00	31,540.58	31,540.58	0.00
Elmira	0.00	2,603,192.78	2,603,192.78	527,970.45
Hayes	0.00	1,395,314.80	1,395,314.80	300,000.00
Livingston	0.00	530,637.75	530,637.75	379,726.25
Otsego Lake	0.00	2,390.60	2,390.60	3,113.04
267. Totals	\$0.00	\$5,484,934.28	\$5,484,934.28	\$1,506,509.74

*The Township Contributions Totals and the Funds expended for Construction and Preservation amount may not balance. The Township Contributions list all funds contributed by each township and will balance back to the amount reported on the Statement of Revenues, Line 74, Township Contributions.

The total funds expended are for Construction and Preservation only. They do not contain funds expended for Routine Preventative Maintenance.

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

ASSET MANAGEMENT
Projects Completed During the County Fiscal Year

Work Type: Bit Resurf & Bit Shlders

Project ID/Name	Total Project Cost	Date Open to Traffic	Pavement Type
Alba Road	778,071.11	06/23/2023	Asphalt

Work Type: Bit Resurf & Minor Widening

Project ID/Name	Total Project Cost	Date Open to Traffic	Pavement Type
Charboneau Lane	51,789.66	09/29/2023	Asphalt

Work Type: Bituminous Resurfacing

Project ID/Name	Total Project Cost	Date Open to Traffic	Pavement Type
Old Stump Rd	215,189.52	09/29/2023	Asphalt
Fischer Road	37,274.62	10/05/2023	Asphalt

Work Type: Cold milling and overlay

Project ID/Name	Total Project Cost	Date Open to Traffic	Pavement Type
Hayes Tower Road	604,437.94	08/14/2023	Asphalt

Work Type: Crush & Shape & Resurf

Project ID/Name	Total Project Cost	Date Open to Traffic	Pavement Type
Townline Road	784,175.30	11/15/2023	Asphalt
Beckett Rd	601,302.53	11/09/2023	Asphalt
Hallock Road	332,425.37	11/09/2023	Asphalt
Gaylord West	493,363.16	06/12/2023	Asphalt
Theisen Road	708,521.00	11/14/2023	Asphalt
Murner Rd	575,687.34	10/18/2023	Asphalt
Spar Rd over Duck Creek	192,840.12	10/01/2023	Asphalt

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

Sub Ledger Report

Line: 9 Other (Identify)

Account	Description	Amount (\$)
020	Deferred Millage	1,324,763.66

Line: 43 Other - B

Account	Description	Amount (\$)
195-3	OPEB	329,386.00

Line: 49 Specify - County

Account	Description	Amount (\$)
450	Permits	72,676.78

Line: 55 FS-Other - County

Account	Description	Amount (\$)
501	FHIP COVID Fund	161,070.00

Line: 63 OTH-Other - Local

Account	Description	Amount (\$)
546-1	Balance to audit report	36.63

Line: 63 OTH-Other - Primary

Account	Description	Amount (\$)
546-1	Balance to audit report	(36.63)

Line: 75 CFL-Other - County

Account	Description	Amount (\$)
675-Rd C	Rd Comm	0.00

Line: 75 CFL-Other - Local

Account	Description	Amount (\$)
580	Huron Pines	182,086.00

Line: 75 CFL-Other - Primary

Account	Description	Amount (\$)
675	Misc - Primary	0.00

Line: 77 Trunkline Maintenance - County

Account	Description	Amount (\$)
627	Trunkline Maintenance	1,304,143.57
627-0-2	Trunkline audit refund	72,963.36
629	Overhead T/L	193,536.45

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

Line: 80 SC-Other - County

Account	Description	Amount (\$)
646	Sign revenue	2,254.84

Line: 90 Other2 Other - County

Account	Description	Amount (\$)
671	Other-Oil Well	12,576.26

Line: 109 Other - Local

Account	Description	Amount (\$)
A488	Culvert Replace.	4,123.27

Line: 109 Other - Primary

Account	Description	Amount (\$)
A459	Culvert replacement	230,257.33

Line: 126 Other - County

Account	Description	Amount (\$)
A515	Admin reallocate	193,535.00

Line: 126 Other - Local

Account	Description	Amount (\$)
A515	Audit difference	(64,213.00)

Line: 126 Other - Primary

Account	Description	Amount (\$)
A515	Admin audit diff	(129,322.00)

Line: 143 Other - Primary

Account	Description	Amount (\$)
A510	Equipment	4,585.52
A510	Materials-Supplies	652,990.39

Line: 156 All Other Charges - County

Account	Description	Amount (\$)
A510	Direct	4,585.52
A511	Indirect	17,276.20
A514	Distributive	2,709.19
A515	Administrative	2,509.48

Line: 177 Other - Total Labor Charge

Account	Description	Amount (\$)
A513	Fringe	483,107.41

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

A514	Distributive	21,188.94
A517	Routine Maint Trunkline	274,137.29
A518	StateTWA	131,110.98

Line: 181 Total Fringe Benefits - Other

Account	Description	Amount (\$)
A513	Other	150.00

Line: 195 Expenses Distributed - Other

Account	Description	Amount (\$)
703-704	Msc labor	23,898.13
705	Engineering costs	37,398.06
734	Safety supplies	6,612.07
735	Signs/mailboxes	1,136.75
741	Misc road supplies	346.83
802	Engineer service	3,600.00
860	Education-training	0.00
861	Travel	0.00
968	Salt Shed Depreciation	38,826.48
969	Misc expense	142.56
990	Emergency Response	0.00

Line: 243 707 Other

Account	Description	Amount (\$)
704	Meetings	5,825.36
732	Computer	5,464.00
741	Misc. Supplies	7,729.27
935	Shop small tools	7,083.79
936	Tire Chain Repairs	2,487.07

Line: 244 244 Other

Account	Description	Amount (\$)
969	Misc. Exp.	4,136.21

Line: 259 Other Local System *Unit

Account	Description	Amount (\$)
A489	Culvert Replacement	1.00
A489	Engineering	1.00

Line: 259 Other Local System Expenditure

Account	Description	Amount (\$)
A489	Culvert Replacement	4,123.27
A489	Engineering	5,567.12

Line: 259 Other Primary System *Unit

Account	Description	Amount (\$)
A459	Culverts	2.00

Year Ended - 2023

Start: 01/01/2023 End: 12/31/2023

A459	Engineering	1.00
A459	Guardrail	1.00

Line: 259 Other Primary System Expenditure

Account	Description	Amount (\$)
A459	Culvert replacement	230,257.33
A459	Guardrail Installation	31,540.58
A459	Engineering	31,208.46



Otsego County Road Commission Agenda Item Report

FROM: Kirk Harrier, Managing Director
MEETING DATE: May 9, 2024
AGENDA ITEM: 8. B
SUBJECT: FOIA Policy

DESCRIPTION

The attached policy is recommended by the Michigan County Road Association Self Insurance Pool (MCRCSIP). If approved, this policy will update the OCRC current FOIA policy previously adopted in 2015.

BUDGET ACTION REQUIRED

N/A

LEGAL REVIEW

This policy has been prepared by the MCRCSIP legal department.

SAMPLE MOTION

Motion to approve/deny Policy No. 24-3 (FOIA Procedures and Guidelines) as presented.



**ORGANIZATIONAL
POLICY**

GENERAL ADMINISTRATION

TITLE:

FOIA PROCEDURES AND GUIDELINES

POLICY
NUMBER:
P24-3

EFFECTIVE
DATE:
05-09-2024

Preamble: Statement of Principles

Consistent with the Michigan Freedom of Information Act (FOIA), MCL 15.231, et seq, it is the policy of the Otsego County Road Commission (“Road Commission”) that all persons, except those who are incarcerated, are entitled to full and complete information regarding the affairs of government and the official acts of those who represent them as public officials and public employees. The people shall be informed so that they may fully participate in the democratic process.

The Road Commission’s policy with respect to FOIA requests is to comply with state law in all respects and to respond to FOIA requests in a consistent, fair, and even-handed manner regardless of who makes such a request.

The Road Commission acknowledges that it has a legal obligation to disclose all nonexempt public records in its possession pursuant to a FOIA request. The Road Commission acknowledges that sometimes it is necessary to invoke the exemptions identified under FOIA in order to ensure the effective operation of government and to protect the privacy of individuals.

The Road Commission will protect the public’s interest in disclosure, while balancing the requirement to withhold or redact portions of certain records. The Road Commission’s policy is to disclose public records consistent with and in compliance with state law.

The Road Commission’s Board has established the following written procedures and guidelines to implement the FOIA and will create a written public summary of the specific procedures and guidelines relevant to the general public regarding how to submit written requests to the public body and explaining how to understand a public body’s written responses, deposit requirements, fee calculations, and avenues for challenge and appeal. The written public summary will be written in a manner so as to be easily understood by the general public.

Section 1: General Policies

The Road Commission’s Board, acting pursuant to the authority at MCL 15.236, designates Finance Manager/Board Secretary as the FOIA Coordinator.

The FOIA Coordinator is responsible for accepting and processing requests for the Road Commission’s public records and for approving denials of requests for public records. The FOIA Coordinator is authorized to designate other Road Commission staff to act on his or her behalf in accepting and processing requests for public records and in approving denials of requests for public records.

The FOIA Coordinator may, at his or her discretion, implement administrative rules, consistent with state law and the Procedures and Guidelines to administer the acceptance and processing of FOIA requests.

The Road Commission is not obligated to create a new public record or make a compilation or summary of information which does not already exist. Neither the FOIA Coordinator nor other Road Commission staff are obligated to provide answers to questions contained in requests for public records or regarding the content of the records themselves.

If a request for a public record is received by facsimile or e-mail, the request is deemed to have been received on the following business day. If a request is sent by e-mail and delivered to a Road Commission spam or junk-mail folder, the request is not deemed received until one day after the FOIA Coordinator first becomes aware of the request. The FOIA Coordinator shall note both the date and time the request was delivered to the spam or junk-mail folder and the date and time the FOIA Coordinator became aware of the request.

The FOIA Coordinator shall review Road Commission spam and junk-mail folders on a regular basis, which shall be no less than once a month. The FOIA Coordinator shall work with Road Commission Information Technology staff to develop administrative rules for handling spam and junk-mail so as to protect Road Commission systems from computer attacks which may be imbedded in an electronic FOIA request.

The FOIA Coordinator shall keep a copy of all written requests for public records received by the Road Commission on file for a period of at least one year.

The Road Commission will make this FOIA Procedures and Guidelines document and the Written Public Summary of FOIA Procedures and Guidelines publicly available without charge. This FOIA Procedures and Guidelines document and the Written Public Summary of FOIA Procedures and Guidelines will be posted and maintained on the Road Commission's website at www.otsegocrc.org.

The Road Commission will provide free copies of the FOIA Procedures and Guidelines document and the Written Public Summary of FOIA Procedures and Guidelines upon request by visitors at the Road Commission's office.

Section 2: Requesting a Public Record

A person requesting to inspect, copy, or obtain copies of a public record prepared, owned, used, possessed, or retained by the Road Commission must do so in writing. The request must sufficiently describe a public record so as to enable Road Commission personnel to identify and find the requested public record.

No specific form to submit a request for a public record is required. However, the FOIA Coordinator may make a FOIA Request Form available for use by the public. Written requests for public records may be submitted in person or by mail to the FOIA Coordinator at the Road Commission office. Requests may also be submitted electronically by facsimile or e-mail. Upon their receipt, requests for public records shall be promptly forwarded to the FOIA Coordinator for processing.

A person may request that public records be provided on non-paper physical media, electronically mailed, or otherwise provided to him or her in digital form in lieu of paper copies. The Road Commission will comply with the request only if it possesses the necessary technological capability to provide records in the requested non-paper physical media format.

A person may subscribe to future issues of public records that are created, issued, or disseminated by the Road Commission on a regular basis. A subscription is valid for up to 6 months and may be renewed by the subscriber.

A person who makes a verbal, non-written request for information believed to be on the Road Commission's website shall be informed of the pertinent website address where practicable and to the best ability of the Road Commission employee receiving the request.

A person serving a sentence of imprisonment in a local, state or federal correctional facility is not entitled to submit a request for a public record. The FOIA Coordinator will deny all such requests.

Section 3: Processing a Request

Unless otherwise agreed to in writing by the person making the request, the Road Commission will issue a response within 5 business days of receipt of a FOIA request. If a request is received by facsimile, e-mail, or other electronic transmission, the request is deemed to have been received on the following business day.

The Road Commission will respond to a request in one of the following ways:

- Grant the request.
- Issue a written notice denying the request.
- Grant the request in part and issue a written notice denying part of the request.
- Issue a notice extending for not more than an additional 10 business days the period during which the Road Commission shall respond to the request. Only one such extension is permitted.
- Issue a written notice indicating that the public record requested is available at no charge on the Road Commission's website.

The FOIA Coordinator, or such other individuals as he or she may designate, shall have the exclusive authority to deny any FOIA request, either entirely or in part.

When a request is granted or granted in part:

If the request is granted, or granted in part, the FOIA Coordinator will require that payment be made in full for the allowable fees associated with responding to the request before the public record is made available.

The FOIA Coordinator shall provide a detailed itemization of the allowable costs incurred to process the request to the person making the request.

A copy of these FOIA Procedures and Guidelines and the Written Public Summary of FOIA Procedures and Guidelines will be provided to the requestor free of charge with the response to a written request for public records, provided however, that because the FOIA Procedures and Guidelines and the Written Public Summary of FOIA Procedures and Guidelines are on the Road Commission's website at www.otsegocrc.org, a website link to the documents will be provided in lieu of providing paper copies.

If the cost of processing a FOIA request is \$50 or less, the requestor will be notified of the amount due and where the documents can be obtained.

If the cost of processing a FOIA request is expected to exceed \$50 based on a good-faith calculation, or if the requestor has not paid in full for a previously granted request, the Road Commission will require a good-faith deposit pursuant to Section 4 of these Procedures and Guidelines before processing the request.

In making the request for a good-faith deposit, the FOIA Coordinator shall provide the requestor with a detailed itemization of the allowable costs estimated to be incurred by the Road Commission to process the request, as well as a best-efforts estimate of the time frame it will take the Road Commission to provide the records to the requestor. The best-efforts estimate shall be nonbinding on the Road Commission but will be made in good faith and will strive to be reasonably accurate, given the nature of the request in the particular instance, so as to provide the requested records in a manner based on the public policy expressed by Section 1 of the FOIA.

When a request is denied or denied in part:

If the request is denied or denied in part, the FOIA Coordinator will issue a Notice of Denial which shall provide in the applicable circumstance:

- An explanation as to why a requested public record, or a portion of that public record, is exempt from disclosure; or
- A certificate that the public record does not exist under the name or description provided by the requestor, or another name reasonably known by the Road Commission; or
- An explanation or description of the public record or information within a public record that is separated or redacted from the public record; and
- An explanation of the requesting person's right to submit a written appeal of the denial to the Road Commission Board or seek judicial review in the Otsego County Circuit Court; and
- An explanation of the right to receive reasonable attorneys' fees, costs, and disbursements, as well as actual or compensatory damages, and punitive damages of \$1,000.00, should they prevail in Circuit Court.

The Notice of Denial shall be signed by the FOIA Coordinator or his or her designee. If a request does not sufficiently describe a public record, the FOIA Coordinator may, in lieu of issuing a Notice of Denial indicating that the request is deficient, seek clarification or amendment of the request by the person making the request. Any clarification or amendment will be considered a new request subject to the timelines described in this Section.

Requests to inspect public records:

If there is a request to inspect public records, the Road Commission shall provide reasonable facilities and opportunities for persons to examine and inspect public records during normal business hours. The FOIA Coordinator is authorized to promulgate rules regulating the manner in which records may be viewed so as to protect Road Commission records from loss, alteration, mutilation, or destruction and to prevent excessive interference with normal Road Commission operations.

Requests for certified copies:

The FOIA Coordinator shall, upon written request, furnish a certified copy of a public record at no additional cost to the person requesting the public record.

Section 4: Fee Deposits

If the estimated fee is expected to exceed \$50 based on a good-faith calculation, the requestor will be asked to provide a deposit not exceeding one-half of the total estimated fee.

If a written request for public records is from a person who has not fully paid the Road Commission for copies of public records that were made in fulfillment of the person's previously granted written request, the FOIA Coordinator will require a deposit of 100% of the estimated fee before beginning to search for a public record for any subsequent written request by that person, when all of the following conditions exist:

- The final fee for the prior written request is not more than 105% of the estimated fee;
- The public records made available contained the information sought in the prior written request and remain in the Road Commission's possession;
- The public records were made available to the individual, subject to payment, within the time frame estimated by the Road Commission to provide the records;
- Ninety (90) days have passed since the FOIA Coordinator notified the individual in writing that the public records were available for pickup or mailing;
- The individual is unable to show proof of prior payment to the Road Commission; and
- The FOIA Coordinator has calculated a detailed itemization that is the basis for the current written request's increased estimated fee deposit.

The FOIA Coordinator will not require an increased estimated fee deposit if any of the following apply:

- The person making the request is able to show proof of prior payment in full to the Road Commission;
- The Road Commission is subsequently paid in full for the applicable prior written request; or
- Three hundred sixty-five (365) days have passed since the person made the request for which full payment was not remitted to the Road Commission.

Section 5: Calculation of Fees

Consistent with the authority granted by the FOIA, it is the intent of the Road Commission to charge a fee for a public record search, for the necessary copying of a public record for inspection, and for providing a copy of a public record, so that its budget is not unduly burdened by the costs associated with processing FOIA requests.

A fee will not be charged for the labor cost of search, examination, review, and the deletion and separation of exempt from nonexempt information *unless* failure to charge a fee would result in unreasonably high costs to the Road Commission because of the nature of the request in the particular instance, and the Road Commission specifically identifies the nature of the unreasonably high costs.

The following factors shall be used to determine an unreasonably high cost to the Road Commission:

- Whether the costs for search, examination, review, and deletion and separation of exempt from non-exempt information are excessive and beyond the normal or usual amount for those services compared to the costs of the Road Commission's usual FOIA requests;
- Volume or size of the public record requested;
- Amount of time spent to search for, examine, review and separate exempt from non-exempt information in the record requested;
- Whether the public records are from more than one Road Commission department or whether various Road Commission offices are necessary to respond to the request;
- The available staffing to respond to the request; and
- Any other similar factors identified by the FOIA Coordinator in responding to the particular request.

The Road Commission may charge for the following costs associated with processing a FOIA request:

- Labor costs associated with copying or duplication, which include making paper copies, making digital copies, or transferring digital public records to non-paper physical media or through the internet when asked for by the requestor.
- Labor costs directly associated with searching for, locating, and examining a requested public record, when failure to charge a fee will result in unreasonably high costs to the Road Commission.
- Labor costs associated with a review of a record to separate and delete information that is exempt from disclosure, when failure to charge a fee will result in unreasonably high costs to the Road Commission.
- The cost of copying or duplication, not including labor, of paper copies of public records. This may include the cost for copies of records already on the Road Commission's website if the requestor asks the Road Commission to make copies.
- The actual cost of computer discs, computer tapes, or other digital or similar media when the requestor asks for records in non-paper physical media. This may include the cost for copies of records already on the Road Commission's website if the requestor asks the Road Commission to make copies.
- The actual cost to mail or send a public record to a requestor, including the least expensive form of a postal delivery confirmation, as well as the cost of expedited shipping or insurance when such is asked for by the requestor.

Labor costs will be calculated based on the following requirements:

- All labor costs will be estimated and charged in 15-minute increments, with all partial time increments rounded down.
- Labor costs will be charged at the hourly wage of the lowest-paid Road Commission employee capable of performing the work in the specific fee category, regardless of who actually performs the work.
- If necessary, the Road Commission may use contracted labor to separate and delete exempt information from nonexempt information. The Road Commission may treat necessary contracted labor cost used for the separating and deleting of exempt information from nonexempt information in the same manner as employee labor costs if it notes the name of the contracted person or firm on its Detailed Fee Itemization Form. The hourly rate charged by the contracted person or firm may not exceed 6 times the state minimum hourly wage rate.
- Labor costs will also include a charge to cover or partially cover the cost of fringe benefits. The Road Commission may add up to 50% to the applicable labor charge amount to cover or partially cover the cost of fringe benefits, but the Road Commission will not charge more than the actual cost of fringe benefits.
- Overtime wages will not be included in the calculation of labor costs unless specifically agreed to by the requestor. Overtime costs will not be used to calculate the fringe benefit cost.

The cost to provide records on non-paper physical media when so requested will be based on the following requirements:

- Computer discs, computer tapes, or other digital or similar media will be at the actual and most reasonably economical cost for the non-paper media.
- This cost will only be assessed if the Road Commission has the technological capability necessary to provide the public record in the requested non-paper physical media format.
- In order to ensure the integrity and security of the Road Commission's technological infrastructure, the Road Commission will procure any requested non-paper media and will not accept media from the requestor.

The cost to provide paper copies of records will be based on the following requirements:

- Paper copies of public records made on standard letter (8 ½ x 11) or legal (8 ½ x 14) sized paper will not exceed \$.10 per sheet of paper. Copies for non-standard sized sheets of paper will reflect the actual cost of reproduction.
- The Road Commission will provide records using double-sided printing, if it is cost-saving and available.

The cost to mail records to a requestor will be based on the following requirements:

- The actual cost of mailing the public records using a reasonably economical and justifiable means.
- The Road Commission may charge for the least expensive form of postal delivery confirmation.
- No cost will be made for expedited shipping or insurance unless specified by the requestor.

If the FOIA Coordinator does not respond to a written request in a timely manner, the Road Commission must do the following:

1. Reduce the labor costs by 5% for each day the Road Commission exceeds the time permitted under the FOIA up to a 50% maximum reduction, if *any* of the following apply:
 - a. The late response was willful and intentional; or
 - b. The written request conveyed a request for information within the first 250 words of the body of a letter, facsimile, e-mail, or e-mail attachment; or
 - c. The written request included the words, characters, or abbreviations for “freedom of information,” “information,” “FOIA,” “copy,” or a recognizable misspelling of such, or legal code reference to MCL 15.231, et seq, or 1976 Public Act 442 on the front of an envelope or in the subject line of an e-mail, letter, or facsimile cover page.
2. Fully note the charge reduction on the Detailed Fee Itemization Form.

Section 6: Waiver of Fees

Absent a waiver by the FOIA Coordinator in whole or in part, all charges associated with processing a FOIA request shall be paid in full before the release of any public records.

The costs of the search for and copying of a public record may be waived or reduced if the FOIA Coordinator determines that a waiver or reduction of the fee is in the public interest because searching for or furnishing copies of the public record can be considered as primarily benefitting the general public.

Section 7: Discounted Fees

Indigence

The FOIA Coordinator will waive the first \$20.00 of the processing fee for a request if the person requesting a public record submits an affidavit stating that they are:

- Indigent and receiving specific public assistance; or
- If not receiving public assistance, stating facts demonstrating an inability to pay because of indigency.

An individual is not eligible to receive the waiver if:

- The individual has previously received discounted copies of public records from the Road Commission twice during the calendar year; or
- The individual requests information in conjunction with other persons who are offering or providing payment or other remuneration to the individual to make the request. The Road Commission may require a statement by the requestor in the affidavit that the request is not being made in conjunction with outside parties in exchange for payment or other remuneration.

The affidavit shall be a sworn statement made under penalty of perjury.

Nonprofit organization advocating for developmentally disabled or mentally ill individuals

The FOIA Coordinator will discount the first \$20.00 of the processing fee for a request from a nonprofit organization formally designated by the state to carry out activities under subtitle C of the federal Developmental Disabilities Assistance and Bill of Rights Act of 2000, Public Law 106-042, and the Protection and Advocacy for Individuals with Mental Illness Act, Public Law 99-319, or their successors, if the request meets all of the following requirements:

- It is made directly on behalf of the organization or its clients;
- It is made for a reason wholly consistent with the mission and provisions of those laws under section 931 of the Mental Health Code, 1974 PA 258, MCL 330.1931; and
- It is accompanied by documentation of the designation by the state.

Section 8. Appeal of a Denial of a Public Record

When a requestor believes that all or a portion of a public record has not been disclosed or has been improperly exempted from disclosure, he or she may appeal to the Road Commission Board by filing an appeal of the denial with the office of the Road Commission.

The appeal must be in writing, specifically state the word “appeal,” and identify the reason or reasons the requestor is seeking a reversal of the denial. The Road Commission FOIA Appeal Form (To Appeal a Denial of Records) may be used.

The Road Commission Board is not considered to have received a written appeal until the first regularly scheduled Road Commission Board meeting following submission of the written appeal.

Within 10 business days of receiving the appeal, the Road Commission Board will respond in writing by:

- Reversing the disclosure denial; or
- Upholding the disclosure denial; or
- Reversing the disclosure denial in part and upholding the disclosure denial in part; or
- Under unusual circumstances, such as the need to examine or review a voluminous amount of separate and distinct public records, the Board may issue a notice extending the period during which the Board will respond to the written appeal by not more than 10 business days. The Board shall not issue more than 1 notice of extension for a particular written appeal.

If the Road Commission Board fails to respond to a written appeal, or if the Road Commission Board upholds all or a portion of the disclosure denial that is the subject of the written appeal, the requesting person may seek judicial review of the nondisclosure by commencing a civil action in Circuit Court.

Regardless of whether a requestor submits an appeal of a denial to the Road Commission Board, he or she may file a civil action in the Otsego County Circuit Court within 180 days after the Road Commission's final determination to deny the request.

If the requestor is the prevailing party in the civil action, then he or she shall be awarded reasonable attorneys' fees, costs, and disbursements. If the person or the Road Commission prevails in part, the court may, at its discretion, award all or an appropriate portion of the reasonable attorneys' fees, costs, and disbursements to the party prevailing in part.

If the court determines that the Road Commission has arbitrarily and capriciously violated the FOIA by refusing or delaying in disclosing or providing copies of a public record, the court shall award the requestor punitive damages in the amount of \$1,000.00. In addition, the court shall order the Road Commission to pay a civil fine of not less than \$1,000.00 to the general fund of the state treasury.

Section 9. Appeal of an Excessive FOIA Processing Fee

If a requestor believes that the fee charged by the Road Commission to process a FOIA request exceeds the amount permitted by state law or under the Procedures and Guidelines, he or she must first appeal to the Road Commission Board by submitting a written appeal for a fee reduction to the Road Commission office.

The appeal must be in writing, specifically state the word "appeal," and identify how the required fee exceeds the amount permitted by state law or under these Procedures and Guidelines. A Road Commission FOIA Appeal Form (To Appeal an Excess Fee) may be used.

The Road Commission Board is not considered to have received a written appeal until the first regularly scheduled Road Commission Board meeting following submission of the written appeal.

Within 10 business days after receiving the appeal, the Road Commission Board will respond in writing by:

- Waiving the fee; or
- Reducing the fee and issuing a written determination indicating the specific basis that supports the remaining fee; or
- Upholding the fee and issuing a written determination indicating the specific basis that supports the required fee; or
- Issuing a notice detailing the reason or reasons for extending the period during which the Road Commission Board will respond to the written appeal by not more than 10 business days. The Road Commission Board shall not issue more than 1 notice of extension for a particular written appeal.

Where the Road Commission Board reduces or upholds the fee, the determination must include a certification from the Road Commission Board that the statements in the determination are accurate and that the fee amount complies with its publicly available Procedures and Guidelines and Section 4 of the FOIA.

Within 45 days after receiving notice of the Otsego County Road Commission Board's determination of an appeal, the requesting person may commence a civil action in Otsego County Circuit Court for a fee reduction.

If a civil action is commenced against the Road Commission for an excessive fee, the Road Commission is not obligated to complete the processing of the written request for the public record at issue until the court resolves the fee dispute.

An action shall not be filed in Circuit Court unless *one* of the following applies:

- The Road Commission Board failed to respond to a written appeal as required, or
- The Road Commission Board issued a determination to a written appeal.

If a court determines that the Road Commission required a fee that exceeds the amount permitted under its publicly available Procedures and Guidelines or Section 4 of the FOIA, the court shall reduce the fee to a permissible amount.

If the requestor prevails in the civil action by receiving a reduction of 50% or more of the total fee, the court may, in its discretion, award all or an appropriate portion of reasonable attorneys' fees, costs, and disbursements.

If the court determines that the Road Commission has arbitrarily and capriciously violated the FOIA by charging an excessive fee, the court shall order the Road Commission to pay a civil fine of \$500.00 to the general fund of the state treasury. The court may also award the requestor punitive damages in the amount of \$500.00.

Section 10: Conflict with Prior FOIA Policies and Procedures; Effective Date

To the extent that these Procedures and Guidelines conflict with previous FOIA policies promulgated by the Road Commission Board, these Procedures and Guidelines are controlling. To the extent that any administrative rule promulgated by the FOIA Coordinator subsequent to the adoption of this resolution is found to be in conflict with any previous policy promulgated by the Road Commission Board, the administrative rule promulgated by the FOIA Coordinator is controlling.

To the extent that any provision of these Procedures and Guidelines or any administrative rule promulgated by the FOIA Coordinator pertaining to the release of public records is found to be in conflict with any state statute, the applicable statute shall control. The FOIA Coordinator is authorized to modify this policy and all previous policies adopted by the Road Commission Board, and to adopt such administrative rules as he or she may deem necessary, to facilitate the legal review and processing of requests for public records made pursuant to Michigan's FOIA statute, provided that such modifications and rules are consistent with state law. The FOIA Coordinator shall inform the Road Commission Board of any change to these FOIA Policies and Guidelines.

These FOIA Policies and Guidelines become effective May 9, 2024.

Section 11: Appendix of Road Commission FOIA Forms

- FOIA Request for Public Records
- Notice to Extend Response Time for FOIA Request
- Notice of Response to FOIA Request
- FOIA Request Detailed Cost Itemization
- FOIA Appeal Form - To Appeal a Denial of Records
- FOIA Appeal Form - To Appeal an Excess Fee

Road Commission: Keep original and provide copy of both sides, along with Public Summary, to requestor at no charge.

Otsego County Road Commission
669 W. McCoy Road / P.O. Box 537
Gaylord, MI 49735
Phone: 989-732-5202 Fax: 989-732-6775

Request Form
Note: Requestors are not required to use this form. The Road Commission may complete one for recordkeeping if not used.

FOIA Request for Public Records
Michigan Freedom of Information Act, Public Act 442 of 1976, MCL 15.231, et seq.

Request No.: _____ **Date Received:** _____ Check if received via: Email Fax Other Electronic Method

(Please Print or Type)

Date delivered to junk/spam folder: _____

Date discovered in junk/spam folder: _____

Name	Phone	
Firm/Organization	Fax	
Street	Email	
City	State	Zip

Request for: Copy Certified copy Record inspection Subscription to record issued on regular basis

Delivery Method: Will pick up Will make own copies onsite Mail to address above Email to address above

Deliver on digital media provided by the Road Commission: _____

Note: *The Road Commission is not required to provide records in a digital format or on digital media if the Road Commission does not already have the technological capability to do so.*

Describe the public record(s) as specifically as possible. You may use this form or attach additional sheets:

Consent to Non-Statutory Extension of Road Commission's Response Time

I have requested a copy of records or a subscription to records or the opportunity to inspect records, pursuant to the Michigan Freedom of Information Act, Public Act 442 of 1976, MCL 15.231, et seq. I understand that the Road Commission must respond to this request within five (5) business days after receiving it, and that response may include taking a 10-business day extension. However, I hereby agree and stipulate to extend the Road Commission's response time for this request until: _____ (month, day, year).

Requestor's Signature	Date
------------------------------	-------------

(Complete both sides)

Records Located on Website

If the Road Commission directly or indirectly administers or maintains an official internet presence, any public records available to the general public on that internet site at the time the request is made are exempt from any labor charges to redact (*separate exempt information from non-exempt information*).

If the FOIA coordinator knows or has reason to know that all or a portion of the requested information is available on its website, the Road Commission must notify the requestor in its written response that all or a portion of the requested information is available on its website. The written response, to the degree practicable in the specific instance, must include a specific webpage address where the requested information is available. On the detailed cost itemization form, the Road Commission must separate the requested public records that are available on its website from those that are not available on the website and must inform the requestor of the additional charge to receive copies of the public records that are available on its website.

If the Road Commission has included the website address for a record in its written response to the requestor and the requestor thereafter stipulates that the public record be provided to him or her in a paper format or other form, including digital media, the Road Commission must provide the public records in the specified format (if the Road Commission has the technological capability) but may use a fringe benefit multiplier greater than the 50%, not to exceed the actual costs of providing the information in the specified format.

Request for Copies/Duplication of Records on Road Commission Website

I hereby stipulate that, even if some or all of the records are located on the Road Commission website, I am requesting that the Road Commission make copies of those records on the website and deliver them to me in the format I have requested above. I understand that some FOIA fees may apply.

Requestor's Signature

Date

Overtime Labor Costs

Overtime wages shall not be included in the calculation of labor costs unless overtime is specifically stipulated by the requestor and clearly noted on the detailed cost itemization form.

Consent to Overtime Labor Costs

I hereby agree and stipulate to the Road Commission using overtime wages in calculating the following labor costs as itemized in the following categories:

- 1. Labor to copy/duplicate
- 2. Labor to locate
- 3a. Labor to redact
- 3b. Contract labor to redact
- 6b. Labor to copy/duplicate records already on Road Commission's website

Requestor's Signature

Date

Request for Discount: Indigence

A public record search **must** be made and a copy of a public record **must** be furnished **without charge for the first \$20.00 of the fee** for each request by an individual who is entitled to information under this act and who:

- 1) Submits an affidavit stating that the individual is indigent and receiving specific public assistance, **OR**
- 2) If not receiving public assistance, states facts showing inability to pay the cost because of indigence.

If a requestor is ineligible for the discount, the public body shall inform the requestor specifically of the reason for ineligibility in the public body's written response. An individual is ineligible for this fee reduction if **ANY** of the following apply:

- (i) The individual has previously received discounted copies of public records from the same public body twice during that calendar year,
- (ii) The individual requests the information in conjunction with outside parties who are offering or providing payment or other remuneration to the individual to make the request. A public body may require a statement by the requestor in the affidavit that the request is not being made in conjunction with outside parties in exchange for payment or other remuneration.

Office Use: Affidavit Received ___ No. of Previous Discounted Requests During _____ Calendar Year
 Eligible for Discount Ineligible for Discount

I am submitting an affidavit and requesting that I receive the discount for indigence for this FOIA request:

Date:

Requestor's Signature:

Request for Discount: Nonprofit Organization

A public record search **must** be made and a copy of a public record **must** be furnished **without charge for the first \$20.00 of the fee** for each request by a nonprofit organization formally designated by the State to carry out activities under subtitle C of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 and the Protection and Advocacy for Individuals with Mental Illness Act, if the request meets **ALL** of the following requirements:

- (i) Is made directly on behalf of the organization or its clients.
- (ii) Is made for a reason wholly consistent with the mission and provisions of those laws under section 931 of the Mental Health Code, 1974 PA 258, MCL 330.1931.
- (iii) Is accompanied by documentation of its designation by the State, if requested by the Road Commission.

Office Use: Documentation of State Designation Received Eligible for Discount Ineligible for Discount

I stipulate that I am a designated agent for the nonprofit organization making this FOIA request and that this request is made directly on behalf of the organization or its clients and is made for a reason wholly consistent with the mission and provisions of those laws under section 931 of the Mental Health Code, 1974 PA 258, MCL 330.1931:

Date:

Requestor's Signature:

Road Commission: Keep original and provide copy, along with Public Summary, to requestor at no charge.

Otsego County Road Commission
669 W. McCoy Road / P.O. Box 537
Gaylord, MI 49735
Phone: 989-732-5202 Fax: 989-732-6775

Extension Form

Notice to Extend Response Time for FOIA Request Michigan Freedom of Information Act, Public Act 442 of 1976, MCL 15.231, et seq.

Request No.: _____ **Date Received:** _____ **Check if received via:** Email Fax Other Electronic Method
Date of This Notice: _____ **Date delivered to junk/spam folder:** _____
(Please Print or Type) **Date discovered in junk/spam folder:** _____

Name	Phone
Firm/Organization	Fax
Street	Email
City	State Zip

Request for: Copy Certified copy Record inspection Subscription to record issued on regular basis
Delivery Method: Will pick up Will make own copies onsite Mail to address above Email to address above
 Deliver on digital media provided by the Road Commission: _____

Record(s) You Requested: (Listed here or see attached copy of original request) _____

We are extending the date to respond to your FOIA request for an additional 10 business days, until _____ (month, day, year).
Only one extension may be taken per FOIA request. If you have any questions regarding this extension, contact _____ at _____

Reason for Extension:

- 1.** The Road Commission needs to search for, collect, or appropriately examine or review a voluminous amount of separate and distinct public records pursuant to your request. Specifically, the Road Commission must:

- 2.** The Road Commission needs to collect the requested public records from numerous field offices, facilities, or other establishments that are located apart from the Road Commission office. Specifically, the Road Commission must coordinate documents from the following locations:

- 3.** Other (describe):

Signature of FOIA Coordinator: _____	Date: _____
---------------------------------------------	--------------------

Otsego County Road Commission

Troy W. Huff, Chair
Kathy M. Heinz, Vice Chair
Michael D. Dipzinski, Commissioner
Lukas A. Gordon, Commissioner
Thomas H. Wagar, Commissioner

Kirk R. Harrier, Managing Director
Rebecca J. Hilmert, Finance Mgr./Board Sec.
Tianne N. Jones, Human Resources/Payroll Mgr.
Scott A. Butkovich, Operations Mgr.

_____, 202__

Re: _____, 202__, FOIA Request to Otsego County Road Commission

Dear _____,

As previously advised, the Road Commission is in receipt of your FOIA request dated _____. We hereby respond to your FOIA request as follows:

1. All records relating to

Response: Granted in part, denied in part, as follows:

Your request for is denied because it fails to sufficiently describe records to enable the Road Commission to locate responsive records.

Your request for is denied because the Road Commission is not in possession of any such records. The Road Commission hereby certifies that the public record does not exist under the name given or by another name reasonably known to the public body.

The remainder of your request is granted.

By statute, you are responsible for the costs incurred by the Road Commission in processing your request. Please be advised that those costs are presently estimated to exceed Fifty and 00/100 Dollars (\$50.00). Attached please find a detailed cost itemization worksheet breaking down the estimated cost to fulfill your request. A good-faith deposit of 50% of the total estimated fee must be submitted before we begin processing your request. Please remit payment to the Road Commission in the amount of \$ _____. Once your payment has been received, we estimate that we will be able to provide you with the records you requested within a ___ week timeframe. The balance of the actual itemized cost must be paid before any copies may be picked up, delivered, emailed, or mailed to you. If your deposit is not received within 48 days of the date of this letter, i.e. by _____, your request shall be considered abandoned.

Under MCL 15.240, within 180 days from the date of this letter, you have the right to appeal any denial contained herein to the Otsego County Board of Road Commission (“Board”), or otherwise seek judicial review in the Circuit Court, to compel disclosure. If you elect to appeal and the Board upholds this denial, you may still seek judicial review within the 180-day period.

An appeal to the Board must be submitted in writing to: Otsego County Road Commission, Attn: FOIA Coordinator, P.O. Box 537, Gaylord, MI, 49734. This written statement must (1) identify the request and disclosure determination that is being appealed; (2) specifically state the word “appeal,” and (3) identify the reason or reasons why the disclosure determination should be reversed.

If you seek judicial review in the Circuit Court and prevail, you will be awarded reasonable attorney’s fees, and reimbursement for any costs and disbursements incurred in maintaining the action. If you prevail in part, you may still be awarded complete or partial reimbursement for those expenses. In addition to actual and compensatory damages, you will be awarded punitive damages in the amount of \$1,000 if the Court finds that the Road Commission was arbitrary and capricious in its denial of your request.

Sincerely,

FOIA Coordinator

Road Commission: Keep original and provide copies of both sides of each sheet, along with Public Summary, to requestor at no charge.

Otsego County Road Commission
 669 W. McCoy Road / P.O. Box 537
 Gaylord, MI 49735
 Phone: 989-732-5202 Fax:
 989-732-6775

Detailed Cost Itemization

Freedom of Information Act Request Detailed Cost Itemization

Date: _____ Prepared for Request No.: _____ Date Request Received: _____

<p>The following costs are being charged in compliance with Section 4 of the Michigan Freedom of Information Act, MCL 15.234, according to the county's FOIA Policies and Guidelines.</p>			
<p>1. Labor Cost for Copying / Duplication</p> <p>This is the cost of labor directly associated with duplication of publication, including making paper copies, making digital copies, or transferring digital public records to be given to the requestor on non-paper physical media or through the Internet or other electronic means as stipulated by the requestor.</p> <p>This shall not be more than the hourly wage of the Road Commission's lowest-paid employee capable of necessary duplication or publication in this particular instance, regardless of whether that person is available or who actually performs the labor.</p> <p>These costs will be estimated and charged in _____-minute time increments as set by the Road Commission Board (for example: 15-minutes or more); all partial time increments must be rounded down. If the number of minutes is less than one increment, there is no charge.</p> <p>Hourly Wage Charged: \$ _____ Charge per increment: \$ _____ <u>OR</u> Hourly Wage with Fringe Benefit Cost: \$ _____ <u>OR</u> Multiply the hourly wage by the percentage multiplier: _____% (up to 50% of the hourly wage) and add to the hourly wage for a total per hour rate.</p> <p><input type="checkbox"/> Overtime rate charged as stipulated by Requestor (overtime is not used to calculate the fringe benefit cost)</p>	<p>To figure the number of increments, take the number of minutes: _____, divide by _____-minute increments, and round down. Enter below:</p> <p>Number of increments</p> <p>x _____ =</p>	<p>1. Labor Cost</p> <p>\$ _____</p>	
<p>2. Labor Cost to Locate:</p> <p>This is the cost of labor directly associated with the necessary searching for, locating, and examining public records in conjunction with receiving and fulfilling a granted written request. This fee is being charged because failure to do so will result in unreasonably high costs to the Road Commission that are excessive and beyond the normal or usual amount for those services compared to the Road Commission's usual FOIA requests, because of the nature of the request in this particular instance, specifically:</p> <hr/> <p>The Road Commission will not charge more than the hourly wage of its lowest-paid employee capable of searching for, locating, and examining the public records in this particular instance, regardless of whether that person is available or who actually performs the labor.</p> <p>These costs will be estimated and charged in _____-minute time increments (must be 15-minutes or more); all partial time increments must be rounded down. If the number of minutes is less than 15, there is no charge.</p> <p>Hourly Wage Charged: \$ _____ Charge per increment: \$ _____ <u>OR</u> Hourly Wage with Fringe Benefit Cost: \$ _____ <u>OR</u> Multiply the hourly wage by the percentage multiplier: _____% (up to 50% of the hourly wage) and add to the hourly wage for a total per hour rate.</p> <p><input type="checkbox"/> Overtime rate charged as stipulated by Requestor (overtime is not used to calculate the fringe benefit cost)</p>	<p>To figure the number of increments, take the number of minutes: _____, divide by _____-minute increments, and round down. Enter below:</p> <p>Number of increments</p> <p>x _____ =</p>	<p>2. Labor Cost</p> <p>\$ _____</p>	

3a. Employee Labor Cost for Separating Exempt from Non-Exempt (Redacting):

(Fill this out if using a Road Commission employee. If contracted, use No. 3b instead).

The Road Commission will not charge for labor directly associated with redaction if it knows or has reason to know that it previously redacted the record in question and still has the redacted version in its possession.

This fee is being charged because failure to do so will result in unreasonably high costs to the Road Commission that are excessive and beyond the normal or usual amount for those services compared to the Road Commission's usual FOIA requests, because of the nature of the request in this particular instance, specifically: _____

This is the cost of labor of a **Road Commission employee**, including necessary review, directly associated with separating and deleting exempt from nonexempt information. This shall not be more than the hourly wage of the Road Commission's **lowest-paid employee** capable of separating and deleting exempt from nonexempt information in this particular instance, regardless of whether that person is available or who actually performs the labor.

These costs will be estimated and charged in ____-minute time increments (*must be 15-minutes or more*); all partial time increments must be rounded down. *If the number of minutes is less than 15, there is no charge.*

Hourly Wage Charged: \$ _____ Charge per increment: \$ _____

OR

Hourly Wage with Fringe Benefit Cost: \$ _____ OR

Multiply the hourly wage by the percentage multiplier: ____%
(*up to 50% of the hourly wage*) and add to the hourly wage for a total per hour rate.

Charge per increment: \$ _____

Overtime rate charged as stipulated by Requestor (*overtime is not used to calculate the fringe benefit cost*)

To figure the number of increments, take the *number of minutes*:
____, divide by ____-minute increments, and round down.
Enter below:

Number of increments
x _____ = \$ _____

3a.
Labor Cost

3b. Contracted Labor Cost for Separating Exempt from Non-Exempt (Redacting):

(Fill this out if using a contractor, such as an attorney. If using in-house employee, use No. 3a instead.)

The Road Commission will not charge for labor directly associated with redaction if it knows or has reason to know that it previously redacted the record in question and still has the redacted version in its possession.

This fee is being charged because failure to do so will result in unreasonably high costs to the Road Commission that are excessive and beyond the normal or usual amount for those services compared to the Road Commission's usual FOIA requests, because of the nature of the request in this particular instance, specifically: _____

As this Road Commission does not employ a person capable of separating exempt from non-exempt information in this particular instance, as determined by the FOIA Coordinator, this is the cost of labor of a **contractor** (i.e., outside attorney), including necessary review, directly associated with separating and deleting exempt information from nonexempt information. This shall not exceed an amount equal to 6 times the state minimum hourly wage rate of ____ (*currently \$9.87*).

Name of contracted person or firm: _____

These costs will be estimated and charged in ____-minute time increments (*must be 15-minutes or more*); all partial time increments must be rounded down. *If the number of minutes is less than 15, there is no charge.*

Hourly Cost Charged: \$ _____ Charge per increment: \$ _____

To figure the number of increments, take the *number of minutes*:
____, divide by ____-minute increments, and round down to:
____ increments.
Enter below:

Number of increments
x _____ = \$ _____

3b.
Labor Cost

4. Copying / Duplication Cost:

Copying costs may be charged if a copy of a public record is requested, or for the necessary copying of a record for inspection (for example, to allow for blacking out exempt information, to protect old or delicate original records, or because the original record is a digital file or database not available for public inspection).

No more than the actual cost of a sheet of paper, up to maximum 10 cents per sheet for:

- Letter (8 ½ x 11-inch, single and double-sided): _____ cents per sheet
- Legal (8 ½ x 14-inch, single and double-sided): _____ cents per sheet

No more than the actual cost of a sheet of paper for other paper sizes:

- Other paper sizes (single and double-sided): _____ cents / dollars per sheet

Actual and most reasonably economical cost of non-paper physical digital media:

- **Circle applicable:** Disc / Tape / Drive / Other Digital Medium Cost per Item: _____

The cost of paper copies **must** be calculated as a total cost per sheet of paper. The fee **cannot exceed** 10 cents per sheet of paper for copies of public records made on 8-1/2- by 11-inch paper or 8-1/2- by 14-inch paper. The Road Commission must utilize the most economical means available for making copies of public records, including using double-sided printing, if cost saving and available.

Number of Sheets:	Costs:
x _____ =	\$ _____
x _____ =	\$ _____
x _____ =	\$ _____
No. of Items:	
x _____ =	\$ _____
	4. Total Copy Cost
	\$ _____

5. Mailing Cost:

The Road Commission will charge the actual cost of mailing, if any, for sending records in a reasonably economical and justifiable manner. Delivery confirmation is not required.

- The Road Commission **may** charge for the least expensive form of postal delivery confirmation.
- The Road Commission **cannot** charge more for expedited shipping or insurance unless specifically requested by the requestor.*

Actual Cost of Envelope or Packaging: \$ _____

Actual Cost of Postage: \$ _____ per stamp
 \$ _____ per pound
 \$ _____ per package

Actual Cost (least expensive) Postal Delivery Confirmation: \$ _____

*Expedited Shipping or Insurance as Requested: \$ _____

* Requestor has requested expedited shipping or insurance

Number of Envelopes or Packages:	Costs:
x _____ =	\$ _____
x _____ =	\$ _____
x _____ =	\$ _____
x _____ =	\$ _____
x _____ =	\$ _____
x _____ =	\$ _____
	5. Total Mailing Cost
	\$ _____

6a. Copying/Duplicating Cost for Records Already on Road Commission's Website:

If the public body has included the website address for a record in its written response to the requestor, and the requestor thereafter stipulates that the public record be provided to him or her in a paper format or non-paper physical digital media, the Road Commission will provide the public records in the specified format and may charge copying costs to provide those copies.

No more than the actual cost of a sheet of paper, up to maximum 10 cents per sheet for:

- Letter (8 1/2 x 11-inch, single and double-sided): _____ cents per sheet
- Legal (8 1/2 x 14-inch, single and double-sided): _____ cents per sheet

No more than the actual cost of a sheet of paper for other paper sizes:

- Other paper sizes (single and double-sided): _____ cents / dollars per sheet

Actual and most reasonably economical cost of non-paper physical digital media:

- *Circle applicable:* Disc / Tape / Drive / Other Digital Medium Cost per Item: _____

Requestor has stipulated that some / all of the requested records that are already available on the Road Commission's website be provided in a paper or non-paper physical digital medium.

Number of Sheets:	Costs:
x _____ =	\$ _____
x _____ =	\$ _____
x _____ =	\$ _____
No. of Items:	
x _____ =	\$ _____
	6a. Web Copy Cost
	\$ _____

6b. Labor Cost for Copying/Duplicating Records Already on Road Commission's Website:

This shall not be more than the hourly wage of the Road Commission's lowest-paid employee capable of necessary duplication or publication in this particular instance, regardless of whether that person is available or who actually performs the labor. These costs will be estimated and charged in _____-minute time increments (i.e., 15-minutes or more); all partial time increments must be rounded down. *If the number of minutes is less than 15, there is no charge.*

Hourly Wage Charged: \$ _____ Charge per increment: \$ _____

OR

Hourly Wage with Fringe Benefit Cost: \$ _____ OR Charge per increment: \$ _____

Multiply the hourly wage by the percentage multiplier: _____% and add to the hourly wage for a total per hour rate.

The Road Commission may use a fringe benefit multiplier greater than the 50% limitation, not to exceed the actual costs of providing the information in the specified format.

Overtime rate charged as stipulated by Requestor

To figure the number of increments, take the number of minutes: _____, divide by _____-minute increments, and round down. Enter below:	
Number of increments	6b. Web Labor Cost
x _____ =	\$ _____

6c. Mailing Cost for Records Already on Road Commission's Website:

Actual Cost of Envelope or Packaging: \$ _____

Actual Cost of Postage: \$ _____ per stamp / per pound / per package

Actual Cost (least expensive) Postal Delivery Confirmation: \$ _____

*Expedited Shipping or Insurance as Requested: \$ _____

* Requestor has requested expedited shipping or insurance

Number:	Costs:
x _____ =	\$ _____
x _____ =	\$ _____
x _____ =	\$ _____
x _____ =	\$ _____
	6c. Web Mailing Cost
	\$ _____

<p>Subtotal Fees Before Waivers, Discounts or Deposits:</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>Estimated Time Frame to Provide Records:</p> <p>_____ (days or date)</p> <p>The time frame estimate is nonbinding upon the Road Commission, but the Road Commission is providing the estimate in good faith. Providing an estimated time frame does not relieve the Road Commission from any of the other requirements of this act.</p> </div>	<div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <input type="checkbox"/> Cost estimate <input type="checkbox"/> Bill </div>	<p>1. Labor Cost for Copying: \$ _____</p> <p>2. Labor Cost to Locate: \$ _____</p> <p>3a. Labor Cost to Redact: \$ _____</p> <p>3b. Contract Labor Cost to Redact: \$ _____</p> <p>4. Copying/Duplication Cost: \$ _____</p> <p>5. Mailing Cost: \$ _____</p> <p>6a. Copying/Duplication of Records on Website: \$ _____</p> <p>6b. Labor Cost for Copying Records on Website: \$ _____</p> <p>6c. Mailing Costs for Records on Website: \$ _____</p> <p style="text-align: right;">Subtotal Fees: \$ _____</p>	<p>\$ _____</p> <p>\$ _____</p> <p>\$ _____</p> <p>\$ _____</p> <p>\$ _____</p> <p>\$ _____</p> <p>\$ _____</p> <p>\$ _____</p> <p>\$ _____</p> <p>\$ _____</p> <p>\$ _____</p>
<p>Waiver: Public Interest</p> <p>A search for a public record may be conducted or copies of public records may be furnished without charge or at a reduced charge if the Road Commission determines that a waiver or reduction of the fee is in the public interest because searching for or furnishing copies of the public record can be considered as primarily benefiting the general public.</p> <p style="text-align: center;"> <input type="checkbox"/> All fees are waived <u>OR</u> <input type="checkbox"/> All fees are reduced by: _____ % </p>	<p style="text-align: right;">Subtotal Fees After Waiver:</p>	<p style="text-align: right;">\$ _____</p>	<p>\$ _____</p>
<p>Discount: Indigence</p> <p>A public record search must be made and a copy of a public record must be furnished without charge for the first \$20.00 of the fee for each request by an individual who is entitled to information under this act and who:</p> <p>1) Submits an affidavit stating that the individual is indigent and receiving specific public assistance, OR</p> <p>2) If not receiving public assistance, stating facts showing inability to pay the cost because of indigence.</p> <p>If a requestor is ineligible for the discount, the public body shall inform the requestor specifically of the reason for ineligibility in the public body's written response. An individual is ineligible for this fee reduction if ANY of the following apply:</p> <p>(i) The individual has previously received discounted copies of public records from the same public body twice during that calendar year, OR</p> <p>(ii) The individual requests the information in conjunction with outside parties who are offering or providing payment or other remuneration to the individual to make the request. A public body may require a statement by the requestor in the affidavit that the request is not being made in conjunction with outside parties in exchange for payment or other remuneration.</p> <p style="text-align: center;"><input type="checkbox"/> Eligible for Indigence Discount</p>	<p style="text-align: right;">Subtotal Fees After Discount (subtract \$20):</p>	<p style="text-align: right;">\$ _____</p>	<p>\$ _____</p>
<p>Discount: Nonprofit Organization</p> <p>A public record search must be made and a copy of a public record must be furnished without charge for the first \$20.00 of the fee for each request by a nonprofit organization formally designated by the state to carry out activities under subtitle C of the federal Developmental Disabilities Assistance and Bill of Rights Act of 2000 and the federal Protection and Advocacy for Individuals with Mental Illness Act, if the request meets ALL of the following requirements:</p> <p>(i) Is made directly on behalf of the organization or its clients.</p> <p>(ii) Is made for a reason wholly consistent with the mission and provisions of those laws under section 931 of the Michigan Mental Health Code, 1974 PA 258, MCL 330.1931.</p> <p>(iii) Is accompanied by documentation of its designation by the state, if requested by the Road Commission.</p> <p style="text-align: center;"><input type="checkbox"/> Eligible for Nonprofit Discount</p>	<p style="text-align: right;">Subtotal Fees After Discount (subtract \$20):</p>	<p style="text-align: right;">\$ _____</p>	<p>\$ _____</p>

<p>Deposit: Good Faith The Road Commission may require a good-faith deposit <u>in either its initial response or a subsequent response before providing the public records to the requestor if the entire fee estimate or charge authorized under this section exceeds \$50.00</u>, based on a good-faith calculation of the total fee. The deposit cannot exceed 1/2 of the total estimated fee. Percent of Deposit: _____ % Date by Which Deposit Must be Received: _____ (48 days after this notice was sent)</p>	<p>Date Paid: _____</p>	<p>Deposit Amount Required: \$ _____</p>
<p>Deposit: Increased Deposit Due to Previous FOIA Fees Not Paid In Full After the Road Commission has granted and fulfilled a written request from an individual under this act, if the Road Commission has not been paid in full the total amount of fees for the copies of public records that the Road Commission made available to the individual as a result of that written request, the Road Commission may require an increased estimated fee deposit of up to 100% of the estimated fee before it begins a full public record search for any subsequent written request from that individual if ALL of the following apply:</p> <p>(a) The final fee for the prior written request was not more than 105% of the estimated fee. (b) The public records made available contained the information being sought in the prior written request and are still in the Road Commission's possession. (c) The public records were made available to the individual, subject to payment, within the best effort estimated time frame given for the previous request. (d) Ninety (90) days have passed since the Road Commission notified the individual in writing that the public records were available for pickup or mailing. (e) The individual is unable to show proof of prior payment to the Road Commission. (f) The Road Commission calculates a detailed itemization, as required under MCL 15.234, that is the basis for the current written request's increased estimated fee deposit.</p> <p>The Road Commission can no longer require an increased estimated fee deposit from an individual if ANY of the following apply:</p> <p>(a) The individual is able to show proof of prior payment in full to the Road Commission, OR (b) The Road Commission is subsequently paid in full for the applicable prior written request, OR (c) Three hundred sixty-five (365) days have passed since the individual made the written request for which full payment was not remitted to the Road Commission.</p> <p>Date by Which Deposit Must be Received: _____ (48 days after this notice is sent)</p>	<p>Date Paid: _____</p>	<p>Percent Deposit Required: _____ %</p> <p>Deposit Required: \$ _____</p>
<p>Late Response Labor Costs Reduction If the Road Commission does not respond to a written request in a timely manner as required under MCL 15.235(2), the Road Commission must do the following:</p> <p>(a) Reduce the charges for labor costs otherwise permitted by 5% for each day the Road Commission exceeds the time permitted for a response to the request, with a maximum 50% reduction, if EITHER of the following applies:</p> <p>(i) The late response was willful and intentional, OR</p> <p>(ii) The written request included language that conveyed a request for information within the first 250 words of the body of a letter, facsimile, electronic mail, or electronic mail attachment, or specifically included the words, characters, or abbreviations for "freedom of information," "information," "FOIA," "copy", or a recognizable misspelling of such, or appropriate legal code reference for this act, on the front of an envelope, or in the subject line of an electronic mail, letter, or facsimile cover page.</p>	<p>Number of Days Over Required Response Time: _____</p> <p>Multiply by 5% _____</p> <p>= Total Percent Reduction: _____</p>	<p>Total Labor Costs \$ _____</p> <p>Minus Reduction \$ _____</p> <p>= Reduced Total Labor Costs \$ _____</p>
<p>The Public Summary of the Road Commission's FOIA Procedures and Guidelines is available free of charge from: Website: _____ Email: _____ Phone: _____ Address: _____</p> <p style="text-align: center;">Request Will Be Processed, But Balance Must Be Paid Before Copies May Be Picked Up, Delivered or Mailed</p>	<p>Date Paid: _____</p>	<p>Total Balance Due: \$ _____</p>

Road Commission: Keep original and provide copy of both sides, along with Public Summary, to requestor at no charge.

Otsego County Road Commission
669 W. McCoy Road / P.O. Box 537
Gaylord, MI 49735
Phone: 989-732-5202 Fax: 989-732-6775

Denial Form

Notice of Denial of FOIA Request Michigan Freedom of Information Act, Public Act 442 of 1976, MCL 15.231, et seq.

Request No.: _____ Date Received: _____ Check if received via: Email Fax Other Electronic Method
Date of This Notice: _____ Date delivered to junk/spam folder: _____
(Please Print or Type) Date discovered in junk/spam folder: _____

Name	Phone
Firm/Organization	Fax
Street	Email
City	State Zip

Request for: Copy Certified copy Record inspection Subscription to record issued on regular basis

Delivery Method: Will pick up Will make own copies onsite Mail to address above Email to address above
 Deliver on digital media provided by the Road Commission: _____

Record(s) You Requested: (Listed here or see attached copy of original request) _____

All OR Part of your request for records has been denied. Please refer to this form for an explanation. If you have any questions regarding this denial, contact _____ at _____

Partial Denial: Estimated Time Frame to Respond: _____ (days or date). The time frame estimate is nonbinding upon the Road Commission, but the Road Commission is providing the estimate in good faith. Providing an estimated time frame does not relieve a public body from any of the other requirements of this act.

Reason for Denial:

1. Exempt from Disclosure: This item is exempt from disclosure under FOIA Section 13, Subsection _____ (insert number), because: _____

2. Record Does Not Exist: This item does not exist under the name provided in your request or by another name reasonably known to the Road Commission. A certificate that the public record does not exist under the name given is attached. If you believe this record does exist, provide a description that will enable us to locate the record: _____

3. Redaction: A portion of the requested record had to be separated or deleted (redacted) as it is exempt under FOIA Section 13, Subsection _____ (insert number), because: _____

A brief description of the information that had to be separated or deleted: _____

Notice of Requestor's Right to Seek Judicial Review

You are entitled under Section 10 of the Michigan Freedom of Information Act, MCL 15.240, to appeal this denial to the Road Commission Board or to commence an action in the Circuit Court to compel disclosure of the requested records if you believe they were wrongfully withheld from disclosure. If, after judicial review, the court determines that the Road Commission has not complied with MCL 15.235 in making this denial and orders disclosure of all or a portion of a public record, you have the right to receive attorneys' fees and damages as provided in MCL 15.240. (See back of this form for additional information on your rights.)

Signature of FOIA Coordinator: _____

Date: _____

FREEDOM OF INFORMATION ACT (EXCERPT)

Act 442 of 1976

15.240 Options by requesting person; appeal; actions by public body; receipt of written appeal; judicial review; civil action; venue; de novo proceeding; burden of proof; private view of public record; contempt; assignment of action or appeal for hearing, trial, or argument; attorneys' fees, costs, and disbursements; assessment of award; damages.

Sec. 10.

(1) If a public body makes a final determination to deny all or a portion of a request, the requesting person may do one of the following at his or her option:

(a) Submit to the head of the public body a written appeal that specifically states the word "appeal" and identifies the reason or reasons for reversal of the denial.

(b) Commence a civil action in the circuit court, or if the decision of a state public body is at issue, the court of claims, to compel the public body's disclosure of the public records within 180 days after a public body's final determination to deny a request.

(2) Within 10 business days after receiving a written appeal pursuant to subsection (1)(a), the head of a public body shall do one of the following:

(a) Reverse the disclosure denial.

(b) Issue a written notice to the requesting person upholding the disclosure denial.

(c) Reverse the disclosure denial in part and issue a written notice to the requesting person upholding the disclosure denial in part.

(d) Under unusual circumstances, issue a notice extending for not more than 10 business days the period during which the head of the public body shall respond to the written appeal. The head of a public body shall not issue more than one notice of extension for a particular written appeal.

(3) A board or commission that is the head of a public body is not considered to have received a written appeal under subsection (2) until the first regularly scheduled meeting of that board or commission following submission of the written appeal under subsection (1)(a). If the head of the public body fails to respond to a written appeal pursuant to subsection (2), or if the head of the public body upholds all or a portion of the disclosure denial that is the subject of the written appeal, the requesting person may seek judicial review of the nondisclosure by commencing a civil action under subsection (1)(b).

(4) In an action commenced under subsection (1)(b), a court that determines a public record is not exempt from disclosure shall order the public body to cease withholding or to produce all or a portion of a public record wrongfully withheld, regardless of the location of the public record. Venue for an action against a local public body is proper in the circuit court for the county in which the public record or an office of the public body is located has venue over the action. The court shall determine the matter de novo and the burden is on the public body to sustain its denial. The court, on its own motion, may view the public record in controversy in private before reaching a decision. Failure to comply with an order of the court may be punished as contempt of court.

(5) An action commenced under this section and an appeal from an action commenced under this section shall be assigned for hearing and trial or for argument at the earliest practicable date and expedited in every way.

(6) If a person asserting the right to inspect, copy, or receive a copy of all or a portion of a public record prevails in an action commenced under this section, the court shall award reasonable attorneys' fees, costs, and disbursements. If the person or public body prevails in part, the court may, in its discretion, award all or an appropriate portion of reasonable attorneys' fees, costs, and disbursements. The award shall be assessed against the public body liable for damages under subsection (7).

(7) If the court determines in an action commenced under this section that the public body has arbitrarily and capriciously violated this act by refusal or delay in disclosing or providing copies of a public record, the court shall order the public body to pay a civil fine of \$1,000.00, which shall be deposited into the general fund of the state treasury. The court shall award, in addition to any actual or compensatory damages, punitive damages in the amount of \$1,000.00 to the person seeking the right to inspect or receive a copy of a public record. The damages shall not be assessed against an individual, but shall be assessed against the next succeeding public body that is not an individual and that kept or maintained the public record as part of its public function.

History: 1976, Act 442, Eff. Apr. 13, 1977 ;-- Am. 1978, Act 329, Imd. Eff. July 11, 1978 ;-- Am. 1996, Act 553, Eff. Mar. 31, 1997 ;-- Am. 2014, Act 563, Eff. July 1, 2015

Road Commission: Keep original and provide copy of both sides, along with Public Summary, to requestor at no charge.

Otsego County Road Commission
669 W. McCoy Road / P.O. Box 537
Gaylord, MI 49735
Phone: 989-732-5202 Fax: 989-732-6775

Denial Appeal Form

FOIA Appeal Form—To Appeal a Denial of Records
Michigan Freedom of Information Act, Public Act 442 of 1976, MCL 15.231, et seq.

Request No.: _____ **Date Received:** _____ Check if received via: Email Fax Other Electronic Method
Date of This Notice: _____ **Date delivered to junk/spam folder:** _____
(Please Print or Type) **Date discovered in junk/spam folder:** _____

Name	Phone
Firm/Organization	Fax
Street	Email
City	State Zip

Request for: Copy Certified copy Record inspection Subscription to record issued on regular basis
Delivery Method: Will pick up Will make own copies onsite Mail to address above Email to address above
 Deliver on digital media provided by the Road Commission: _____

Record(s) You Requested: *(Listed here or see attached copy of original request)* _____

Reason(s) for Appeal:

The appeal must identify the reason(s) for reversing the denial. You may use this form or attach additional sheets:

Requestor's Signature: _____ **Date:** _____

Road Commission Response:

The Road Commission must provide a response within 10 business days after receiving this appeal, including a determination or taking one 10-business day extension.

Road Commission Extension: We are extending the date to respond to your FOIA denial appeal for no more than 10 business days, until _____ (month, day, year). Only one extension may be taken per FOIA appeal.

Unusual circumstances warranting extension: _____

If you have any questions regarding this extension, contact: _____

Road Commission Determination:

Denial Reversed Denial Upheld Denial Reversed in Part and Upheld in Part

The following previously denied records will be released: _____

Notice of Requestor's Right to Seek Judicial Review

You are entitled under Section 10 of the Michigan Freedom of Information Act, MCL 15.240, to appeal this denial to the Road Commission Board or to commence an action in the Circuit Court to compel disclosure of the requested records if you believe they were wrongfully withheld from disclosure. If, after judicial review, the court determines that the Road Commission has not complied with MCL 15.235 in making this denial and orders disclosure of all or a portion of a public record, you have the right to receive attorneys' fees and damages as provided in MCL 15.240. (See back of this form for additional information on your rights.)

Signature of FOIA Coordinator: _____ **Date:** _____

FREEDOM OF INFORMATION ACT (EXCERPT)

Act 442 of 1976

15.240 Options by requesting person; appeal; actions by public body; receipt of written appeal; judicial review; civil action; venue; de novo proceeding; burden of proof; private view of public record; contempt; assignment of action or appeal for hearing, trial, or argument; attorneys' fees, costs, and disbursements; assessment of award; damages.

Sec. 10.

(1) If a public body makes a final determination to deny all or a portion of a request, the requesting person may do one of the following at his or her option:

(a) Submit to the head of the public body a written appeal that specifically states the word "appeal" and identifies the reason or reasons for reversal of the denial.

(b) Commence a civil action in the circuit court, or if the decision of a state public body is at issue, the court of claims, to compel the public body's disclosure of the public records within 180 days after a public body's final determination to deny a request.

(2) Within 10 business days after receiving a written appeal pursuant to subsection (1)(a), the head of a public body shall do one of the following:

(a) Reverse the disclosure denial.

(b) Issue a written notice to the requesting person upholding the disclosure denial.

(c) Reverse the disclosure denial in part and issue a written notice to the requesting person upholding the disclosure denial in part.

(d) Under unusual circumstances, issue a notice extending for not more than 10 business days the period during which the head of the public body shall respond to the written appeal. The head of a public body shall not issue more than one notice of extension for a particular written appeal.

(3) A board or commission that is the head of a public body is not considered to have received a written appeal under subsection (2) until the first regularly scheduled meeting of that board or commission following submission of the written appeal under subsection (1)(a). If the head of the public body fails to respond to a written appeal pursuant to subsection (2), or if the head of the public body upholds all or a portion of the disclosure denial that is the subject of the written appeal, the requesting person may seek judicial review of the nondisclosure by commencing a civil action under subsection (1)(b).

(4) In an action commenced under subsection (1)(b), a court that determines a public record is not exempt from disclosure shall order the public body to cease withholding or to produce all or a portion of a public record wrongfully withheld, regardless of the location of the public record. Venue for an action against a local public body is proper in the circuit court for the county in which the public record or an office of the public body is located has venue over the action. The court shall determine the matter de novo and the burden is on the public body to sustain its denial. The court, on its own motion, may view the public record in controversy in private before reaching a decision. Failure to comply with an order of the court may be punished as contempt of court.

(5) An action commenced under this section and an appeal from an action commenced under this section shall be assigned for hearing and trial or for argument at the earliest practicable date and expedited in every way.

(6) If a person asserting the right to inspect, copy, or receive a copy of all or a portion of a public record prevails in an action commenced under this section, the court shall award reasonable attorneys' fees, costs, and disbursements. If the person or public body prevails in part, the court may, in its discretion, award all or an appropriate portion of reasonable attorneys' fees, costs, and disbursements. The award shall be assessed against the public body liable for damages under subsection (7).

(7) If the court determines in an action commenced under this section that the public body has arbitrarily and capriciously violated this act by refusal or delay in disclosing or providing copies of a public record, the court shall order the public body to pay a civil fine of \$1,000.00, which shall be deposited into the general fund of the state treasury. The court shall award, in addition to any actual or compensatory damages, punitive damages in the amount of \$1,000.00 to the person seeking the right to inspect or receive a copy of a public record. The damages shall not be assessed against an individual, but shall be assessed against the next succeeding public body that is not an individual and that kept or maintained the public record as part of its public function.

History: 1976, Act 442, Eff. Apr. 13, 1977 ;-- Am. 1978, Act 329, Imd. Eff. July 11, 1978 ;-- Am. 1996, Act 553, Eff. Mar. 31, 1997 ;-- Am. 2014, Act 563, Eff. July 1, 2015.

Road Commission:
Keep original and provide
copy of both sides, along
with Public Summary, to
requestor at no charge.

Otsego County Road Commission 669 W.
McCoy Road / P.O. Box 537
Gaylord, MI 49735
Phone: 989-732-5202 Fax: 989-732-6775

Fee Appeal Form

FOIA Appeal Form—To Appeal an Excess Fee
Michigan Freedom of Information Act, Public Act 442 of 1976, MCL 15.231, et seq.

Request No.: _____ **Date Received:** _____ **Check if received via:** Email Fax Other Electronic Method
Date of This Notice: _____ **Date delivered to junk/spam folder:** _____

Name	Phone	
Firm/Organization	Fax	
Street	Email	
City	State	Zip

(Please Print or Type) **Date discovered in junk/spam folder:** _____
Request for: Copy Certified copy Record inspection Subscription to record issued on regular basis
Delivery Method: Will pick up Will make own copies onsite Mail to address above Email to address above
 Deliver on digital media provided by the Road Commission: _____

Record(s) You Requested: *(Listed here or see attached copy of original request)* _____

Reason(s) for Appeal:

The appeal must specifically identify how the required fee(s) exceed the amount permitted. You may use this form or attach additional sheets:

Requestor's Signature: _____ **Date:** _____

Road Commission Response:

The Road Commission must provide a response within 10 business days after receiving this appeal, including a determination or taking one 10-business day extension.

Road Commission Extension: We are extending the date to respond to your FOIA fee appeal for no more than 10 business days, until _____ (month, day, year). Only one extension may be taken per FOIA appeal.

Unusual circumstances warranting extension: _____

If you have any questions regarding this extension, contact: _____

Road Commission Determination: Fee Waived Fee Reduced Fee Upheld

Written basis for Road Commission determination: _____

Notice of Requestor's Right to Seek Judicial Review

You are entitled under Section 10a of the Michigan Freedom of Information Act, MCL 15.240a, to appeal a FOIA fee that you believe exceeds the amount permitted under the Road Commission's written Procedures and Guidelines to the Road Commission Board or to commence an action in the Circuit Court for a fee reduction within 45 days after receiving the notice of the required fee or a determination of an appeal to the Road Commission Board. If a civil action is commenced in court, the Road Commission is not obligated to complete processing the request until the court resolves the fee dispute. If the court determines that the Road Commission required a fee that exceeded the permitted amount, the court shall reduce the fee to a permissible amount. *(See back of this form for additional information on your rights.)*

Signature of FOIA Coordinator: _____ **Date:** _____

FREEDOM OF INFORMATION ACT (EXCERPT)
Act 442 of 1976

15.240a Fee in excess of amount permitted under procedures and guidelines or MCL 15.234.

Sec. 10a.

(1) If a public body requires a fee that exceeds the amount permitted under its publicly available procedures and guidelines or section 4, the requesting person may do any of the following:

(a) If the public body provides for fee appeals to the head of the public body in its publicly available procedures and guidelines, submit to the head of the public body a written appeal for a fee reduction that specifically states the word "appeal" and identifies how the required fee exceeds the amount permitted under the public body's available procedures and guidelines or section 4.

(b) Commence a civil action in the circuit court, or if the decision of a state public body is at issue, in the court of claims, for a fee reduction. The action must be filed within 45 days after receiving the notice of the required fee or a determination of an appeal to the head of a public body. If a civil action is commenced against the public body under this subdivision, the public body is not obligated to complete the processing of the written request for the public record at issue until the court resolves the fee dispute. An action shall not be filed under this subdivision unless one of the following applies:

(i) The public body does not provide for appeals under subdivision (a).

(ii) The head of the public body failed to respond to a written appeal as required under subsection (2).

(iii) The head of the public body issued a determination to a written appeal as required under subsection (2).

(2) Within 10 business days after receiving a written appeal under subsection (1)(a), the head of a public body shall do 1 of the following:

(a) Waive the fee.

(b) Reduce the fee and issue a written determination to the requesting person indicating the specific basis under section 4 that supports the remaining fee. The determination shall include a certification from the head of the public body that the statements in the determination are accurate and that the reduced fee amount complies with its publicly available procedures and guidelines and section 4.

(c) Uphold the fee and issue a written determination to the requesting person indicating the specific basis under section 4 that supports the required fee. The determination shall include a certification from the head of the public body that the statements in the determination are accurate and that the fee amount complies with the public body's publicly available procedures and guidelines and section 4.

(d) Issue a notice extending for not more than 10 business days the period during which the head of the public body must respond to the written appeal. The notice of extension shall include a detailed reason or reasons why the extension is necessary. The head of a public body shall not issue more than 1 notice of extension for a particular written appeal.

(3) A board or commission that is the head of a public body is not considered to have received a written appeal under subsection (2) until the first regularly scheduled meeting of that board or commission following submission of the written appeal under subsection (1)(a).

(4) In an action commenced under subsection (1)(b), a court that determines the public body required a fee that exceeds the amount permitted under its publicly available procedures and guidelines or section 4 shall reduce the fee to a permissible amount. Venue for an action against a local public body is proper in the circuit court for the county in which the public record or an office of the public body is located. The court shall determine the matter de novo, and the burden is on the public body to establish that the required fee complies with its publicly available procedures and guidelines and section 4. Failure to comply with an order of the court may be punished as contempt of court.

(5) An action commenced under this section and an appeal from an action commenced under this section shall be assigned for hearing and trial or for argument at the earliest practicable date and expedited in every way.

(6) If the requesting person prevails in an action commenced under this section by receiving a reduction of 50% or more of the total fee, the court may, in its discretion, award all or an appropriate portion of reasonable attorneys' fees, costs, and disbursements. The award shall be assessed against the public body liable for damages under subsection (7).

(7) If the court determines in an action commenced under this section that the public body has arbitrarily and capriciously violated this act by charging an excessive fee, the court shall order the public body to pay a civil fine of \$500.00, which shall be deposited in the general fund of the state treasury. The court may also award, in addition to any actual or compensatory damages, punitive damages in the amount of \$500.00 to the person seeking the fee reduction. The fine and any damages shall not be assessed against an individual, but shall be assessed against the next succeeding public body that is not an individual and that kept or maintained the public record as part of its public function.

(8) As used in this section, "fee" means the total fee or any component of the total fee calculated under section 4, including any deposit.

History: Add. 2014, Act 563, Eff. July 1, 2015



Otsego County Road Commission Agenda Item Report

FROM: Kirk Harrier, Managing Director
MEETING DATE: May 9, 2024
AGENDA ITEM: 8. D
SUBJECT: 2024 10 Hour Work Schedule

DESCRIPTION

Per the Collective Bargaining Agreement between the Otsego County Road Commission (OCRC) and the American Federation of State, County and Municipal Employees AFL-CIO (Union),

"The Employer may, at its discretion, implement a four (4) day ten (10) hour work schedule. The ten (10) hour schedule may not begin earlier than the Monday of the fourth full week in April and end no later than the Monday of the second week after Labor Day in September."

For 2024, the OCRC is implementing the (4) day ten (10) hour work schedule as follows:

- Start the ten (10) hour schedule on May 20.
- Reinstate the eight (8) hour schedule on September 16.

The OCRC utilizes a four (4) day ten (10) hour work schedule to improve operational efficiency for specific types of work where the extended hours reduce mobilization issues and allow greater efficiency. Specific projects the OCRC will be executing in the summer of 2024 utilizing in-house staff include surface re-graveling, culvert replacement, crack sealing, and re-graveling of shoulders. The scheduling of these projects is either dependent on certain weather conditions or the availability of the materials needed to start. The above-mentioned projects are all scheduled to begin on or after May 20 for these reasons, which is why the OCRC did not implement the (4) day ten (10) hour work schedule sooner. The OCRC did not believe it was prudent to implement the (4) day ten (10) hour work schedule sooner while the scheduled work was primarily routine maintenance. It's also worth noting that some types of work involving equipment repair/maintenance and office duties may have reduced efficiency during four (4) day ten (10) hour work schedules. Therefore, it is the intent of the OCRC to find an optimal balance when implementing the four (4) day ten (10) hour work schedule for overall efficiency of the organization.

Management is presenting this item to the Board, at the request of the Union, for discussion purposes to explain the rationale for implementing the ten (10) hour schedule. If the Board is not in agreement with the current planned schedule and would like an adjustment of the schedule, action by the Board may be taken via a motion and vote to direct staff to implement another direction.

SAMPLE MOTION

N/A



Otsego County Road Commission Agenda Item Report

FROM: Kirk Harrier, Managing Director
MEETING DATE: May 9, 2024
AGENDA ITEM: 8. E
SUBJECT: Hiring Procedure Review

DESCRIPTION

Staff would like to review the specific procedure currently in place with the Board regarding hiring positions covered under the Collective Bargaining Agreement between the Otsego County Road Commission (OCRC) and the American Federation of State, County and Municipal Employees AFL-CIO (Union). Staff will discuss advertising, review of applications, admin interview committee selection, interview question development and general methodology used in the process.

BUDGET ACTION REQUIRED

N/A

LEGAL REVIEW

N/A

SAMPLE MOTION

N/A



Otsego County Road Commission

Agenda Item Report

FROM: Kirk Harrier, Managing Director
MEETING DATE: May 9, 2024
AGENDA ITEM: 8. F
SUBJECT: Livingston Township Road Concerns

DESCRIPTION

Discussion with the Board related to specific roads located in Livingston Township that the Township Trustees have identified as priority projects.

ROAD	TYPE	LENGTH	NOTES	ESTIMATED COST
Morgan Rd	Local	5 mi	Needs front slop correction	\$2,050,000
Goslow Rd	Primary	4.04 mi	Needs new culvert	\$1,835,200
Al-Do-Ro-Va Dr.	Local	4,390'	Crush & Shape	\$315,400
Meadowview Ln	Local	1,400'	Crush & Shape	\$102,600
Brookview Ln	Local	1,707'	Crush & Shape	\$121,600
Highpoint Ln	Local	2,038'	Crush & Shape	\$148,200
Five Lakes Rd	Local	1,300'	Needs drainage correction	\$130,000, \$195,000, \$260,000

BUDGET ACTION REQUIRED

N/A

LEGAL REVIEW

N/A

SAMPLE MOTION

N/A



3205 US-23 South
Alpena, MI 49707
Ph: 989-356-6375
Fax: 989-354-8286

April 3, 2024

Mr. Kirk Harrier
Otsego County Road Commission
669 W. McCoy Rd
PO Box 537
Gaylord, MI 49735

Re: Five Lakes Road from Murner to Holly Lake (Approx 1300 ft in length)

Dear Mr. Harrier,

Huron Engineering and Surveying, Inc. (Huron) has reviewed Five Lakes Road for potential improvements. We understand that Five Lakes Road is a designated Natural Beauty Road, and as such natural vegetation must be maintained and preserved. However, this does not prevent the Otsego County Road Commission from following sound forest management principals or modifying road features to correct traffic hazards that pose a direct and on-going threat to motorists. Please consider the following potential rehabilitation options:

1. HMA Overlay – this option would place an HMA overlay on the existing paved surface, potholes and road imperfections would be filling in during this process. The wet soils adjacent to the road will continue to create a wet subbase and cause pre-mature road deterioration. In addition, the current road imperfections will reflect thru the overlay in 1-2 years. This option can be expected to cost approximately \$10,000 per 100 lineal feet and includes 2" of HMA. This option is anticipated to cost approximately \$130,000.
2. Crush and pave the existing surface – this option would crush the existing surface and place 2" of new pavement on top of the crushed surface. The wet soils adjacent to the road will continue to create a wet subbase and cause pre-mature road deterioration. Road imperfections will likely become evident in approximately 5 years+/- . This option can be expected to cost approximately \$15,000 per 100 lineal feet and includes 2" of HMA and an additional 2" of aggregate base. This option is anticipated to cost approximately \$195,000.
3. Crush and pave with Drainage Improvements – this option would crush the existing surface and place 2" of new pavement on top of the crushed surface. A small ditch would be added adjacent to the paved surface to help channel water away from the road. The small ditch would help keep water out of the road structure, extending the usable life of the new road. While early pavement cracking can be expected due to the wet soils adjacent to the road, the overall services life of this option is expected to be approximately 10 years +/- . This option can be expected to cost approximately \$20,000 per 100 lineal feet and includes 2" of HMA and an additional 2" of aggregate base. This option is anticipated to cost approximately \$260,000.



3205 US-23 South
Alpena, MI 49707
Ph: 989-356-6375
Fax: 989-354-8286

To provide additional drainage support a geofabric can be added to this option with additional aggregate base to provide additional support and help deter early road distresses. This option can be expected to cost approximately \$25,000 per 100 lineal feet and includes 2" of HMA, an additional 6" of aggregate base, and geo-fabric designed to wick water away from the road surface. This option is anticipated to cost approximately \$325,000.

Prior to beginning and work or projects along this road, a public meeting is required to be held and public comment should be solicited. No work can begin for 12 days after this public meeting.

If you have any questions or comments, please contact me at the number listed above.

Sincerely,
Huron Engineering and Surveying, Inc.

A handwritten signature in black ink that reads "Rebecca E Rivard".

Rebecca Rivard, P.E.
Project Engineer



Otsego County Road Commission Agenda Item Report

FROM: Scott Butkovich, Operations Manager
MEETING DATE: May 9, 2024
AGENDA ITEM: 8. G
SUBJECT: Bid Award (Franckowiak Rd. Re-Gravel Project)

DESCRIPTION

Bid award recommendation for the Franckowiak Rd. re-gravel project to supply, haul and deliver 23A aggregate to Rieth-Riley Construction Company, Inc. in the amount of \$14.25/Ton (estimated 5,500 Tons). Approximate project length, 1.5 miles.

BUDGET ACTION REQUIRED

N/A

LEGAL REVIEW

N/A

SAMPLE MOTION

Motion to **approve/deny** engineers bid award recommendation for the Franckowiak Rd. Re-Gravel Project in the amount of \$14.25/Ton to Rieth-Riley Construction Company, Inc.

OTSEGO COUNTY ROAD COMMISSION
TABULATION OF BIDS
Monday, April 22, 2024
9:00 a.m.

Franckowiak Road and Skop Road
(From Alba Road to Mt Jack Road)

COMPANY	BID
Rieth-Riley Construction Co., Inc.	\$14.25 /ton
J & N Construction, LLC	\$14.50 /ton
Poquette Leasing Company, Inc.	\$15.79 /ton
Lewiston Sand & Gravel, Inc.	\$16.00 /ton
KEO Rental & Service LLC	\$20.00 /ton
Dozer Construction	\$21.00 /ton
Siwecki Construction	\$26.00 /ton

Tittabawassee Trail
(From Mancelona Road to Mt Fredrick Road)

COMPANY	BID
Poquette Leasing Company, Inc.	\$22.97 /ton
J & N Construction, LLC	\$23.50 /ton
Rieth-Riley Construction Co., Inc.	\$24.30 /ton
KEO Rental & Service LLC	\$27.00 /ton
Dozer Construction	\$36.75 /ton
Siwecki Construction	\$44.00 /ton



Otsego County Road Commission Agenda Item Report

FROM: Scott Butkovich, Operations Manager
MEETING DATE: May 9, 2024
AGENDA ITEM: 8. H
SUBJECT: Bid Award (Tittabawassee Tr. Re-Gravel Project)

DESCRIPTION

Bid award recommendation for the Tittabawassee Tr. re-gravel project to supply, haul and deliver 23A (Afton Stone) aggregate to Poquette Leasing Company, Inc. in the amount of \$22.97/Ton (estimated 7,500 Tons). Approximate project length, 2.0 miles.

BUDGET ACTION REQUIRED

N/A

LEGAL REVIEW

N/A

SAMPLE MOTION

Motion to **approve/deny** engineers bid award recommendation for the Tittabawassee Tr. Re-Gravel project in the amount of \$22.97/Ton to Poquette Leasing Company, Inc.