

**BUDGET WORK SESSION
HARRIS TOWN BOARD
Wednesday, February 5, 2014, 7:30pm**

The Harris Town Board met at 7:30pm on Wednesday, February 5, 2014 at the Harris Town Hall for a budget work session. The following officers of the board were present: Supervisors Gary Rosato, Dennis Kortekaas & Larry Key, Clerk Michele Smith and Treasurer Becky Adams. *Absent*: none.

Also in attendance was Glen Hodgson – SEH road engineer.

The purposes of this work session were:

- Roads: Discuss possible road improvement projects for 2014 based on adopted budget and the repair priority based on 2013 road inspections. Also, to review possible road improvement projects for 2015 and beyond.
- Continue review of past, current, and projected expenses and balances for funds, and consider a recommended 2015 levy for each fund.

1. Pledge to the flag, followed by the reading of the Harris Township mission statement

2. Roads - Glen Hodgson, SEH Engineer

- Discuss Gravel Road Project considerations:

- 2014 Gravel: Bear Creek Road (only) – est. \$43,000

In accordance to gravel 5-year rotation cycle, Bear Creek Road is the only road that is scheduled for class 5 in 2014. This road is 1.71 miles long, so based on paying \$25,000/mile for gravel in 2013, the estimate for Bear Creek in 2015 is \$42,750.

- 2015 Gravel: Carol Street, Hauser Rd, Pine Crest, Sunset Drive, Root Road, and Sunset Lane – est. \$35,000

These 6 smaller roads total 1.39 miles in length. Hodgson reminded the board that his estimates do *not* include any engineering, contingency or testing fees for compaction, grade, etc.

- Discuss Pavement Road Project considerations: 2014 – 2018

Hodgson shared his recommendation for paved road improvements, based on road inspections done in 2013, as well as estimates for the projects. A spreadsheet was in the agenda packet for the boards review:

- 2014 pavement projects:

- Cemetery Road: \$ 45,000 reclaim est. (spreadsheet amt of \$54,054 was adjusted down per Hodgson).

Treasurer Adams noted there is \$20,000 budgeted in the Cemetery Fund for the road improvement project so only \$25,000 would need to come out of the Road Fund.

- Underwood Road – eastern portion only: \$138,600 reclaim est. (from Park Rd to Wendigo Park Rd)

Hodgson noted that due to the close proximity of the cemetery to Underwood Road, the township could save on mobilization if bid at the same time.

Supervisor Key noted there is a drainage problem on the East end of Underwood Road, near Kelly's, that will need to be fixed. The ROW area will not be enough to correct the issue, so the resident who owns the swamp will need to be consulted. Hodgson will meet with Key to review the drainage issue, and also recommended Intertec do borings on the east end. The board agreed.

2014 TOTAL for both paved roads: \$183,600 based on above figures – for *construction only*; the estimates do *not* including costs for engineering or contingencies.

Note: \$20,000 of this would come from Cemetery Fund, so apx \$163,600 needed from Road Fund.

- 2015 pavement projects:

- Lakeview: \$75,768 reclaim est.

The board discussed that residents expressed that they just wanted an *overlay* – with a low spot dredged out for drainage; they do not want ditches. Also, there is one bad corner that, with thaw

freeze cycle, has water over the road which freezes and is dangerous. However, that area is marked, is short lived, and is known by residents who drive the road.

The board asked Hodgson to bring estimates to the next budget meeting for drainage correction and an overlay on Lakeview.

- Harbor Heights – \$42,240 overlay est.

The board agreed an overlay would be enough, but that there is a turnaround issue. The current turn around area on Harbor Heights does not belong to the township, and the land owner who verbally agreed to let township to maintain it is now deceased. However, the township has maintained it for many years, as it's needed for school buses, boats, and emergency vehicles. The township may be able to claim it for those reasons, since it's been maintained by them for more than 6 years.

The board asked Hodgson to bring estimates to the next board meeting to include the paving of the turnaround on Harbor Heights.

- Isleview – \$42,240 overlay est.

The board commented that this should be Isleview/Birch Street as Birch is the part that is really bad due to stumps buried beneath it. (Isleview turns into Birch).

- Sunny Lane - \$34,848 mill & overlay est.

No comments by the board

- Woodbine Road - \$23,730 overlay est.

No comments by the board

2015 TOTAL for all 5 paved roads: \$217,536 based on above figures – for *construction only*; the estimates do *not* including costs for engineering or contingencies.

- The west end of Underwood was discussed, as this section of the road is a big problem; Hodgson found old soil borings, revealing 10-12 feet of muck. There is also top soil under the road bed.

Hodgson and the board agreed that it's not worth putting an overlay on top of the west end of Underwood. Maybe they could dig up, reconstruct, and leave gravel – with dust guard to make a hard surface. An estimate for turning this section of Underwood back to gravel was not available.

The board talked about having a community meeting with residents of Underwood, to get their input on turning the west end of the road back to gravel; at least then, a rough surface could be graded down - not an option now, being paved. It was also noted that there is very little traffic on this dead-end road.

The board asked Hodgson to bring an estimate to the next budget meeting, to turn the west end of Underwood back to gravel.

- Preventive maintenance of newly paved road was discussed. Hodgson commented that crack filling should be done in 2014 for all roads paved in 2013. This is important to protect the investment made in the roads. The board agreed, but noted it is a costly process.

Overall, Hodgson recommended improving the cemetery & east end of Underwood in 2014, and then do communities meetings for Harbor Heights/Lakeview Roads and for the west end of Underwood. He agreed to bring more numbers to work session on February 19th to help determine the 2014 & 2015 road budgets, including revised estimates for Underwood Road east & west ends, Lakeview/Harbor Heights Roads.

The board also asked Hodgson to check on the status of an asset allocation project the ICC Engineering students had worked on, to determine the value of all the township roads. This is something the outside auditor of the township has requested, and Julie Kennedy had the interns work on – but a finished project was not shared with the board.

3. 2015 Budget / Levy Discussions for:

- Road Fund: \$460,000
 - Clerk Smith had proposed a 2015 levy of \$430,000, same as the past couple years. However, given the road projects needs, the board agreed to consider a \$460,000 levy in the road fund – and increase of \$30,000

over last year's levy. This amount was to be added to the proposed budget for line item 224, Major Construction – for a total of \$259,500 (rather than 229,500).

- The income received in the Road Fund from State Aid and Town Road Allotment was discussed, as that is not budgeted for but apx \$50,000 was received in 2013. Adams commented that we do not count on getting that money, but the allotment is from gas tax and license plates fees – so she projected some income would again be received in 2014 from town road allotment, though an amount was not known.
- Line item codes #230-231-232 for rubberized crack fill-road patching-road shouldering were discussed. Could they be lumped together, or combined with the major construction line item? Did any of these contain labor costs for the maintenance crew?

The board and Hodgson agreed that these should be kept separate, but that the levy amounts for these funds should be realigned as follows for 2015:

- 233: Major Repair: \$0 (no longer valid account, given the following 3 line items)
- 230: Rubberized crack fill: \$35,000 (will need, for preventive maintenance of newly paved roads)
- 231: Road patching: \$10,000 (for emergency road blow outs)
- 232: Road shouldering (material): \$5,000 (\$1,300 spent in 2013)

Overall, there was no change to the total proposed budget – just realignment of dollars (of these line items).

- Recreation Fund: \$40,000

- The board reviewed the draft minutes of the Jan 29th P&D meeting, and the proposed budget consideration projects as suggested by Mike Hendricks, township recreational advisor.
- The clerk noted that the cost for the tennis courts would be coming out of the Cap Imp fund – not the recreational operating fund for 2014.
- After reviewing the proposed levy spreadsheets and projected year end balances of the Recreational Fund, the Treasurer noted that there would be enough in operating fund to replace the basketball and game court at Wendigo, for \$7,300 total. This would be a good idea, as Hendricks noted this area is becoming a safety hazard.
- The board agreed with the \$40,000 proposed levy; any other projects – if considered – would have to come out of the capital improvement fund.

- Building & Grounds Fund: \$50,000

- The clerk shared items the board had discussed during 2013, for consideration at budget time. These included a new ramp at the town hall, new flooring at the town hall, and the clearing of the trees at Mishawaka boat landing, to make more room for parking.
- The board agreed the new ramp at the town hall was definitely needed, but an estimate was not known. Key commented it could be anywhere from \$5,000-\$20,000.
- Smith noted that costs for B&G projects will need to come out of the Capital Impv fund, as the B&G fund balance is kept lean, at about 25% of the annual operating costs.

- Capital Improvement Fund: \$140,000 (\$30K equipment, \$10K serv ctr, \$100K roads)

- Bal at the end of 2013 is \$652,004; need to watch balance – don't want too high, per auditor.
- Equipment fund disbursements in 2014 will \$10,000 to replace the John Deere and Gravely riding lawnmowers
- Non dedicated fund disbursements in 2014 will be \$25,000 for the tennis court improvements at Wendigo/Crystal Parks
- Road fund disbursement for 2014 are yet to be determined

- Overall Levy for 2015 (all funds): \$930,000

- Clerk Smith will update the proposed 2015 levy figures and projections as discussed (adding \$30,000 to the Road & Bridge fund), and bring back to the board at the next budget meeting. She will also contact the county to request the effect of a township levy increase of both \$35,000 and \$65,000 over 2014's levy, on resident's property taxes.

- It was noted that the adopted levy for 2008-2013 was \$845,000; the Clerks' proposed levy of \$900,000 was only 6.5% over that of 2008 – very reasonable over 7 years time. And even with another \$30,000 added to R&B, a \$930,000 levy would be 10% over 2008 - which still is pretty good.

4. Adjourn

Motion to adjourn at 9:55pm by Supervisor Rosato, second by Supervisor Key. Meeting adjourned.

Respectfully submitted,

Michele Smith – Harris Twp Clerk

Next budget work session:

- Wednesday, February 19th, 2014.....7:30pm Harris Town Hall.....Final review of all funds for 2015 proposed levy