

**August 10, 2011 (HOT MIX Study) at various dates following participated:**  
**Supervisors: Tom Winker, Tom Richart, and Pat Marchese. Staff: Bob Dreblow, Andy Lamb, Dennis Kenealy, & Tom Meaux.**

**No agenda, but interested in learning about operations to benefit taxpayers of Ozaukee County and principles:**

- 1. Honor commitment employees have made to County.**
- 2. Will we be able to deliver services taxpayers want?**
- 3. Goal: Positive return to taxpayers.**

**Reviewed Management Audit of Highway Dept:**

- 1. Noted operating loss in 2010, co-wide experience was positive**
- 2. Other bus units have borrowed from general fund as needed, i.e. Parks golf, Lasata, etc.**
- 3. 2012 budgeting for outcomes showed positive tangible measurements of Highway Dept.**

**Fundamental questions: do we want to be in hot mix business? If no, need to show compelling case why not?**

**If yes, how do we optimize cash to our business? Need to be open to options.**

**Discussed issues such as:**

- 1. Towns not using Highway for summer work. Ozaukee County never required guaranteed minimums, rather specific tasks by contracts. Highway Dept has successfully gotten outside work to supplement the work crews during course of year. Should not assume linkage of work force to snowplowing.**
- 2. Where is marketing plan to get outside work?**
- 3. What is value of Plant?**

**Questions re factors of quality roads?**

- 1. i.e. road conditions,**
- 2. \$ available,**
- 3. capacity of Hot Mix Plant?**

**Each county is unique; some are “construction vs. maintenance” counties**

- 1. Ozaukee/Construction, doing work for townships;**
- 2. Washington/Maintenance, no work for towns, levy same for both, but Wash Co gets \$1M sales tax allocation**
- 3. Prior to upgrade, Hot Mix limitations of 100 tons/hour, now 170 tons/hour.**

4. Will need to detail assumptions/constraints from legal perspective, particularly regarding our agreement with Town of Saukville, building permit, laws on public entities.

**Options to consider?**

1. (Sell, contract options),
2. Who do we want to talk to? (Firm in hot mix business or would like to be?)
3. Resources: Auditor, private operators, knowledgeable re Depts. in State

**Some will Tour Plant while operating, Wed August 24, 2011**

**August 24, 2011**

Toured Hot Mix Facility from approx 800am-845am, walking the surrounds, observing the mixing of the various gravel loads, filling the trucks of the Highway Dept, the computerized controlled equipment that determines the blend, mix, temperature, amount, etc.

**Key resources:**

1. Outline of issues, gravel pits, rolling stock, Hot Mix Plant
2. Report of Hot Mix Asphalt Mixture Properties by Bitumix Solutions 7/5/11
3. Draft Hot Mix Plant Cost & Benefit Analysis 9/28/2007

**October 5, 2011**

Information gathering: regarding Town of Saukville agreement, potential private business partners, constraints on status quo, selling facility, potentially adding business partners, considering "time-share" lease, whether cities, villages or towns had any incentive to use county hot-mix plant. Requested Corporation Counsel to review the ability to sell to private industry.

DK legal opinion 10/13/11 (attached.)

**11/23/11**

**Review with Stark Asphalt to discuss county's facility**

1. Max output of County facility 200 tons/hour
2. Doesn't work for rate/mix of material for DOT
3. Might be sufficient for small operator
4. 2-12% is typical profit of private operations
5. Providing hot mix to any/all would be very hard to manage.
6. Could develop a list of preferred customers, i.e. driveway, parking lot guys in County

7. Stark would be interested in buying if County were to offer to sell the facility, but only if could increase production. They would have limited utility of leasing it or operating unless they were able to significantly increase production by increasing bins, production rate, capacity, etc.

12/7/11

Met with Payne & Dolan representatives

State specifications on material govern their operations, could not utilize county facility due to material constraints, similar to Stark and other large suppliers.

County identified 6-10 yr supply of gravel.

1/17/11

Phone conference with Gierach Paving

2011 Ave price (no volume discounts)

\$42/ton for 1/2" top \$44/ton for 3/8" top \$37/ton for binder

2/1/11

1. Inquiries of Sheboygan County; their Highway Dept. has sold some product to small vendors, collected sales tax
2. Ozaukee County accounting system could accommodate private sells
3. Opportunity to target small businesses needing product, not material change to county operations
4. Any revenues would stay with Hot Mix enterprise, potential charge, \$47/ton
5. Would need to work on Pro-forma, recognize constraint of limited gravel, optimize excess capacity
6. Long term source of gravel, rock needs to be considered

2/10/12

TW presented DRAFT report to PW Committee including findings and report on history of facility. (Attached)

Will be on March PW agenda for formal review, consideration of approval

Handouts: Hot Mix Plant History, 7/5/11 bitumix solutions report on product, hot mix equipment report, Draft Cost/Benefit Analysis, Corporation Counsel Opinion of October 13, 2011 re private sales, Draft report from TM to PW Committee.

2011

# Ozaukee County Asphalt Plant



Mark Banton

Ozaukee County

11/21/2011



**OZAUKEE COUNTY ANNUAL ASPHALT PRODUCTION**

YEAR	TONS MADE	UNIT COSTS PER TON
1967	68,748	UNKNOWN
1968	68,461	\$3.00
1969	58,560	UNKNOWN
1970	65,352	UNKNOWN
1971	72,885	UNKNOWN
1972	62,153	\$3.90
1973	66,904	\$4.25
1974	48,452	\$7.60
1975	36,350	\$7.50
1976	28,179	\$8.20
1977	23,102	\$8.60
1978	40,620	\$9.35
1979	26,154	\$10.40
1980	30,993	\$15.10
1981	17,063	\$16.00
1982	21,195	\$16.00
1983	19,266	\$18.20
1984	26,489	\$19.00
1985	17,953	\$18.50
1986	23,119	\$16.50
1987	25,021	\$14.10
1988	12,471	\$14.18
1989	27,764	\$16.10
1990	24,484	\$16.40
1991	31,579	\$16.40
1992	19,389	\$14.20
1993	31,583	\$16.00
1994	30,295	\$16.50
1995	38,115	\$17.50
1996	30,269	\$17.50
1997	35,089	\$18.80
1998	36,258	\$18.85
1999	36,130	\$18.30
2000	37,905	\$22.80
2001	33,603	\$23.00
2002	53,870	\$22.50
2003	46,439	\$23.70
2004	40,999	\$24.75
2005	30,212	\$24.75
2006	38,395	\$34.00
2007	38,300	\$35.75
2008	40,027	\$38.00
2009	36,728	\$45.00
2010	51,517	\$43.00
2011		\$47.00



	Parcel Areas		Ozaukee Address Points
	Ozaukee Floodplain		Easements
	Sections		Easement Arcs
	Quarter Sections		Original Plat Lines
			Ozaukee Centerline

**Ozaukee County LIO**

1 inch equals 400 feet



Ozaukee County Highway Department owns and operates an Asphalt Plant in the Town of Saukville by permitted use. The property is located on a 60.83 acres site situated in the southeast one-quarter of the northeast one-quarter of Section 17 and the west ½ of the southwest one-quarter of the northwest one-quarter of Section 16, all in the Town of Saukville, Ozaukee County, Wisconsin. Ozaukee County also owns and operates a crusher on the same site as described above.

Our Asphalt Plant consists of the following pieces of equipment:



**Astec OCH-12 Observer Control Center:** The observer (control house) is 11'6" wide x 12'9" long. The house sets on a basement to house all wiring from power source. The house includes a computer system with a PMII – B continuous mix blending controls. The PMII-B controls and monitors proportional control of aggregate feeders, the blending of asphalt, asphalt pump and aggregate virgin belt scale. **The control house placed in service in 2009**



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**Kolberg series 1900, model 1930-3P Cold Feed Bins**; consists of three (3) 11' by 9' wide top opening having a 15 ton capacity with a 30" collecting conveyor. **The bins were put into service in 1983**



**Astec SS-308-1 Scalping screen:** The screen is 3' x 8' single deck screen with 5hp drive motor. The screen was placed in service in 2009



**Astec RIC – 2460 Inclined Conveyor:** The 24" x 60' inclined I-beam frame conveyor with 10 hp motor, weigh idler and load cell. **The conveyor was placed in service in 2009**



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**Astec AD-633C 6' x 33' Aggregate Dryer**; the aggregate dryer includes bolt –in flights, Whisper Jet 50 MBTU/hr LP burner, saddle chain drive with 50 hp motor, 4" pitch chain, 15" diameter x 11" wide face adjustable steel trunnions hardened to 450 Brinell, 5 11/16" railroad – duty roller bearings, leaf mounted 7" wide x 3" thick drum tires. The intake and discharge breachings include flop-gate air seals. **The aggregate dryer placed in service in 2009**



**Astec RAM-72200 Twin shaft asphalt mixer;** The twin shaft mixer is designed to mix aggregate. The mixer has a mixing zone 72" wide and 104" long and production capabilities up to 250 Tph for virgin mix. The mixer is powered by 2 25HP motors driving through shaft-mounted gear reducers. **The asphalt mixer placed in service in 2009**



**Astec Model DC-2484-1 24" Main Drag Conveyor** ; The 200 ton per hour conveyor is a 24" wide x 43" deep self supporting single chain drag conveyor is equipped with 60 Hp motor with concentric reducer, 6" pitch roller chain, 7" deep x ¾" thick x 22" long flights, Hi-chrome liners on the bottom and 8" high on the sides, segmented head sprocket, hot oil heating channels on the bottom, 1" fiberglass insulation on the bottom, hinged 11 gauge steel plate covers, and a clean-out door near the base. The idler rolls are 16" diameter x 8" wide x 3/8" thick floating-type with double ¼" thick diaphragms. Idler shafts are 2-7/16" in diameter and conveyor headshaft is 5-9/16" in diameter AISI 4150 cold rolled steel. The conveyor tailshaft is 4-7/16" diameter AISI 4150 cold rolled steel. The service platform near the drag head shaft includes a caged ladder from the top of the silo. The Drag conveyor also has a stairway on one side. **The Drag conveyor was assembled and placed in service in 2010**

**See Picture above (show drag and silo)**

**Asphalt storage silo**; this is an Astec 150 ton heated storage silo with a truck scale under the silo for load out control. **The silo was placed in service in 1997**



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**Asphalt oil storage tank**; This is a Heatec 25,000 gallon dual tank (12,500 per tank) with a heatec LP heater **The storage tank was placed in service in 1997**



**Propane Tank**; this is 30,000 gallon propane tank set up for transport drop, liquid service to hot mix burner and vapor service to the asphalt oil storage burner. **The propane tank was placed in service in 2009**



**Astec Baghouse Model RBH-34**; this is a 34,000 CFM relocatable pulse jet baghouse with 512 aramid fiber bags and cages, 50 hp air compressor, primary inertial dust collector with 46" ductwork from the drum. **Placed in service in 2011**



—Journal Photo by Carol Washen

This Ozaukee County plant produces up to 100 tons of hot mix an hour for repaving and repairing roads

## Business is bubbling at Ozaukee's hot mix plant

By Carol Washen  
of The Journal Staff

**Town of Saukville** — Except for the faint scent of tar, Ozaukee County's hot mix paving material plant on a 60-acre parcel here could go unnoticed and undetected.

Located north of State Highway 33 and west of Lakeland Rd., the plant is accessible only by a long, winding, private road.

From June through October, three full-time County Highway Department workers mix crushed gravel with asphalt to produce up to 100 tons of hot mix an hour.

At present, the County Highway Department is using the hot mix to repave 2.3 miles of County Highway N in the Town of Cedarburg.

However, the county also sells hot mix to local municipalities for road repair. In addi-

tion, the County Highway Department uses the hot mix to do road work under contracts awarded by the state or local townships.

### Competitive edge

Cutbacks in roadwork by local municipalities as a result of the recession prompted the County Board's Highway Committee last year to question whether it should remain in the hot mix business. However, when Supervisor James Swan, chairman of the Highway Committee, asked town representatives if the county should continue making hot mix, he got a resounding yes.

Tom Gessle, county highway construction superintendent, said he believed that the county hot mix program helped to keep the price of hot mix down by providing competition to private industry.

Swan has said that if the municipalities want the county to remain in the hot mix business, they should use the county's plant for such work.

In September, the County Board made sure that the towns will do just that. Acting on the Highway Committee's recommendation, the board amended an ordinance to require that the six county townships hire the County Highway Department for roadwork if they want to be eligible for aid from the county's town road improvement fund.

### Tax equalizer

The fund was started in the 1960s to equalize the amounts paid for road upkeep by township property taxpayers and property taxpayers in other Ozaukee County municipalities.

The Highway Committee has recommended that \$131,000 be allocated for the town road improvement fund in 1984, the same as in 1983.

Under the amended ordinance, the money in the fund is payable to townships for asphalt paving only if the work is done by the County Highway Department.

In the past, townships could use the money in the fund for constructing, reconstructing or improving town roads and could hire whomever they chose to perform the work.

Sylvester Weyker, county highway commissioner, said he had heard no objections from the towns regarding the new requirement.

## Ad Hoc Study of Hot Mix Operations

- History
  - Original land purchased in 1939
  - Additional land purchased in 1959
  - Approximately \$3 million historically invested in hot mix plant and rolling stock
  - Underutilization of expensive asset
  - Problem v. Opportunity
- 2011 Survey Results
  - Of 72 counties, 14 still operate hot mix/gravel crushing
  - Waupaca County accepts bids to crush gravel/operate hot mix plant
  - Results: Committee Chair/Road Commissioner
- Two studies in recent history exploring closing of Ozaukee County gravel pit/hot mix
  - 2001/2007
  - Results: \$518,000 cost to tax levy
  - Currently operates approximately 15 weeks per year
- Currently three operations/hot mix plants in Milwaukee, Ozaukee, and Washington Counties
- Two major private players
  - Payne and Dolan operates in Jackson
  - Michels Corporation in Brownsville
  - Other players
- Two things toughest to get citing for are gravel pit and hot mix sites
- County is not required to have conditional use permit/prior to ordinance
- Focus of study
  - Explore possibility of closing hot mix/gravel operations
  - Forming public/private partnership for use of supplies or more
- Partnership model
  - Modeled after county jail
  - Shared use of expensive assets to avoid underutilization
  - Revenue source vs. draw from revenue

- Other big question
  - Town of Port Washington bidding out services
  - Grass cutting/culverts/paving
  - Results: supervisors/other townships
- Three guiding philosophies for study
  - Honor employees commitment
  - Minimal impact on services being delivered (end user)
  - Positive result to tax levy, i.e. tax payer
- Future possibilities
  - Position county highway to compete and survive
  - Create leaner highway department

➤ Two studies to be completed by end of fiscal year

- 2001, 2002
- Results \$30,000
- Currently working approximately 2 weeks per year

➤ Current study on cost analysis and performance of highway department

- Two main studies to be completed
- Study on cost analysis and performance of highway department
- Study on organizational structure and management of highway department

➤ Study on cost analysis and performance of highway department

- Factors to be considered
- Cost-effectiveness of doing business with private contractors
- Forming a non-profit partnership with private contractors

- Partnership models
- Model 1 - Jointly owned
- Shared use of expertise
- Revenue source vs. draw from revenue

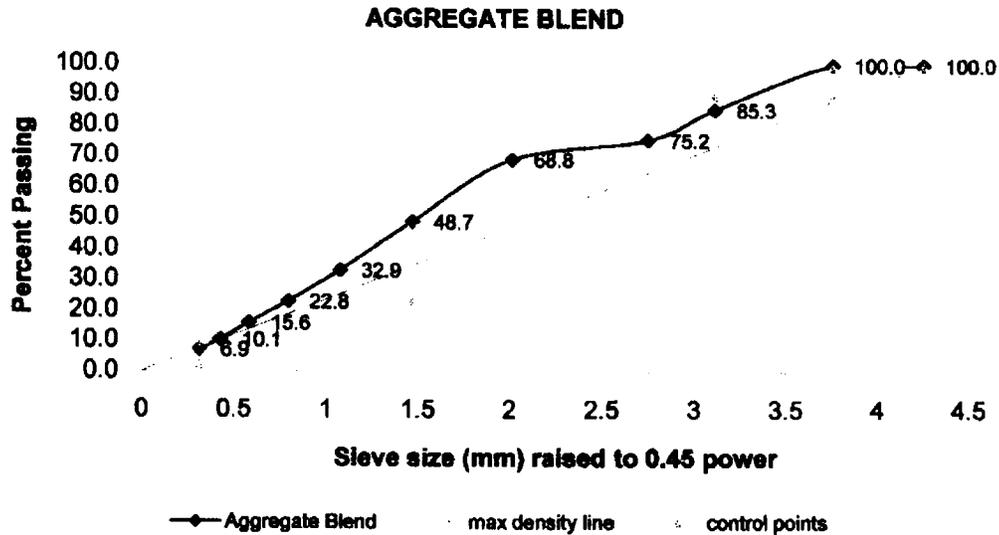




2.592 x 62.4 =

1220 Superior Street • Portage, WI 53901  
 Office: (608) 742-5354 • Phone: (800) 362-1440 • Fax: (608) 742-1805

MIX PROPERTIES @ STATED BINDER CONTENT			
PROPERTY	VALUE	SPECIFICATION	
		MIN	MAX
<b>BINDER CONTENT</b>			
TOTAL:	4.6%	---	---
EFFECTIVE BINDER CONTENT, %, (Pbe):	3.4%	---	---
MAX SPECIFIC GRAVITY (Gmm):	2.592	---	---
BULK SPECIFIC GRAVITY (Gmb):	2.486	---	---
AIR VOIDS, %, (Va):	4.1	4.0	4.0
VOIDS IN MINERAL AGGREGATE, %, (VMA):	13.4	13.0	
VOIDS FILLED WITH BINDER, %, (VFB):	66.9%	65.0	78.0
DUST PROPORTION, (DP):	0.6	0.6	1.2
RECOMMENDED MIXING TEMPERATURE, °F:	291-302	---	---



NOTE: THE DATA CONTAINED IN THIS REPORT DOES NOT MEET THE SPECIFICATION FOR AN E-1 19.0MM MIX. THE TEST DATA SHOWN HERE PERTAINS ONLY TO THE MATERIALS SUBMITTED FOR EVALUATION. DATA WAS OBTAINED UNDER LABORATORY CONDITIONS. NO GUARANTEE IS OFFERED OR IMPLIED.

*Megan J Schroeder*

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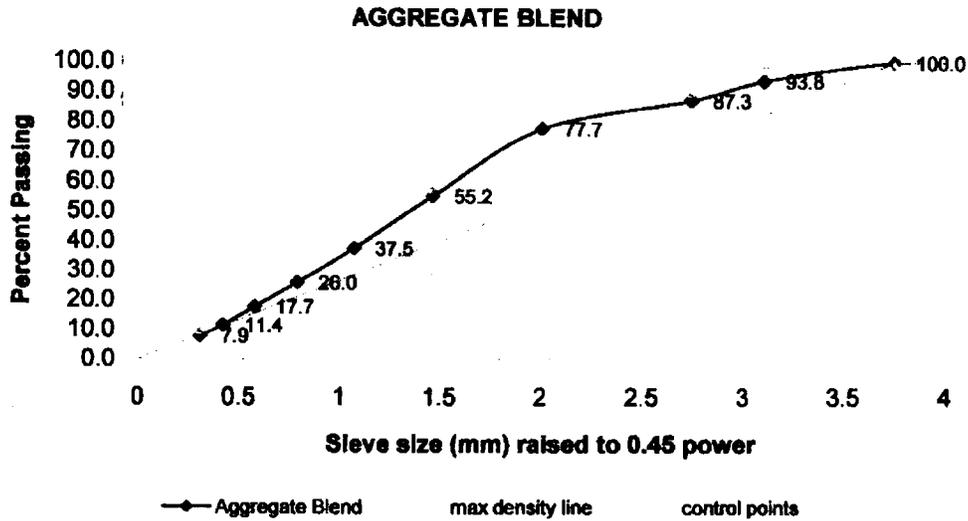




2.558 x 102.4

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MIX PROPERTIES @ STATED BINDER CONTENT			
PROPERTY	VALUE	SPECIFICATION	
		MIN	MAX
<b>BINDER CONTENT</b>			
TOTAL:	5.5%	—	—
EFFECTIVE BINDER CONTENT, %, (Pbe):	4.25%	—	—
MAX SPECIFIC GRAVITY (Gmm):	2.558	—	—
BULK SPECIFIC GRAVITY (Gmb):	2.480	—	—
AIR VOIDS, %, (Va):	—	4.0	4.0
VOIDS IN MINERAL AGGREGATE, %, (VMA):	14.0%	14.0	—
VOIDS FILLED WITH BINDER, %, (VFB):	72.9%	65.0	78.0
DUST PROPORTION, (DP):	—	0.6	1.2
RECOMMENDED MIXING TEMPERATURE, °F:	291-302	—	—



NOTE: THE DATA CONTAINED IN THIS REPORT DOES NOT MEET THE SPECIFICATION FOR AN E-1 12.5MM MIX. THE TEST DATA SHOWN HERE PERTAINS ONLY TO THE MATERIALS SUBMITTED FOR EVALUATION. DATA WAS OBTAINED UNDER LABORATORY CONDITIONS. NO GUARANTEE IS OFFERED OR IMPLIED.

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**Equipment List    Hot Mix Related    Gravel Related**

Equipment ID	Name
00005	Surveyor Truck
00009	Ford Truck
00013	GMC Truck
00014	GMC Truck
00015	GMC Truck
00050	2011 FORD F350 1-Ton Truck
00051	2011 FORD F350 1-Ton Truck
00057	Ford 1-Ton Truck
00059	Ford 1-Ton Truck
00060	Dodge 1-ton Ram Truck
00061	FORD F350 CREW CAB TRUCK
00088	4x4 Pickup Truck
00089	4x4 Pickup Truck
00090	4x4 Pickup Truck
00017	GMC Truck
00019	Ford Truck
00021	Freightliner Truck
00022	Freightliner Truck
00023	Freightliner Truck
00024	Freightliner Truck
00025	Freightliner 5 Yard Truck
00026	Ford Truck
00027	Ford Truck
00029	International 5 Yard Truck
00031	International Truck
00032	Ford Truck
00033	Freightliner 5-Yard Patrol Tru
00034	International Truck
00035	International Truck
00037	International Truck
00041	International Truck
00042	International Truck
00043	International 5 Yard Truck
00044	International Truck
00052	Sterling Truck
00053	Sterling Truck
00054	International Truck
00199	1970 CHEVY FIRE TRUCK
00062	Sterling Tri-Axle Truck
00067	International Tri-Axle Truck
00068	Sterling Tri-Axle Truck

00071	Sterling Tri-Axle Truck
00073	Ford Tri-axle Truck
00074	Freightliner Tri-axle Truck
00075	Volvo Tri-axle Truck
00077	Sterling Tri-axle Truck
00079	Sterling Tri-Axle Truck
00080	Sterling Tri-Axle Truck
00082	Freightliner Tri-Axle Truck
<b>00083</b>	Ford Tri-axle Truck
<b>00084</b>	Ford Tri-axle Truck
00085	Volvo Tri-axle Truck
00049	Mack 4x4 Truck
00055	Mack 4x4 Truck
00056	FWD 4x4 Truck
00063	Oshkosh 4x4 Truck
00064	Oshkosh 4x4 Truck
00065	Oshkosh 4x4 Truck
00069	Oshkosh 4x4 Truck
00002	Ford Expedition
00008	Oshkosh Wrecker
00070	Used 2006 International Semi
<b>00081</b>	<b>International Tandem Truck</b>
00010	Dodge Van
00092	Ford E550 Sign Van
00094	Ford Sign Van
00004	New Patrol Supt Vehicle
00301	Ford Tractor Loader
00312	Case Mower Tractor
00322	Tiger Mower Tractor
00323	Tiger Mower Tractor
00326	Ford Mower Tractor
00327	Tiger Mower Tractor
00328	Tiger Tractor
00334	NEW HOLLAND SKID STEER
00335	NEW HOLLAND SKID STEER
00302	Case Tractor Loader
00305	Case Tractor Loader
00303	Used John Deere Wheel Loader
<b>00307</b>	Volvo Tractor Loader
<b>00306</b>	Volvo Tractor Loader
00332	John Deere Tracked Dozer
<b>00343</b>	<b>Used John Deere Dozer Tractor</b>
00344	Fiat Allis Tracked Loader
00331	New Holland Skid Steer Loader
00308	John Deere Mower Tractor

00309	John Deere Mower Tractor
00310	John Deere Tractor Mower
00315	New Holland Mower Tractor
00329	New Holland Mower Tractor
00203	Champion Grader
00204	Champion Motor Grader
00201	Dresser Motor Grader
00206	Champion Motor Grader
00209	Champion Motor Grader
00205	Volvo Grader
00905	Topcon Slope Control #205
00909	Topcon Slope Controller #209
00903	Champion Maintainer/Grader#203
00904	Champion Maintainer #204
00101	Sullair Air Compressor
00104	Ingersol Rand Air Compressor
00801	Sullair Air Compressor
00851	New Holland Lawn Mower
00852	Kubota Lawn Mower
00854	Kubota Lawn Mower
00902	Diamond Side Rotary Mower #312
00911	Tiger Side Flail Mower - #310
00912	Tiger Rear Flail Mower - #310
00915	Tiger Side Flail Mower #315
00922	Tiger Side Rotary Mower #322
00923	Tiger Side Rotary Mower #323
00925	Tiger Rear Flail Mower #315
00926	Alamo Side Rotary Mower #326
00927	Tiger Side Rotary Mower #327
00928	Tiger Side Rotary Mower #328
00929	Tiger Side Flail Mower #329
00930	Tiger Rear Flail Mower #329
00938	Diamond Side Rotary Mower #308
00939	Diamond Side Rotary Mower #309
00948	Diamond Rear Flail Mower #308
00949	Diamond Rear Flail Mower #309
00721	Monroe Tailgate Spreader-on#21
00722	Monroe Tailgate Spreader-on#22
00723	Monroe Tailgate Spreader-on#23
00724	Monroe Tailgate Spreader-on#24
00725	Monroe Tailgate Spreader-on#25
00729	Tailgate Sprdr/Prewet Sys #29
00731	Flink Tailgate Spreader-on#31
00733	Tailgate Sprdr/Prewet on #33
00734	Monrow Tailgate Spreader-on#34

00735	Monroe Tailgate Spreader-on#35
00741	Flink Tailgate Spreader-on#41
00742	Flink Tailgate Spreader-on#42
00744	Flink Tailgate Spreader-on#44
00745	Monroe Tailgate Spreader-on#26
00752	Swenson Tail Spreader-on#52
00753	Swenson Tail Spreader-on#53
00754	Flink Tailgate Spreader-on#54
00757	Flink Tailgate Spreader-on#37
00762	Monroe Tailgate Spreader-on#43
00779	Swenson Tail Spreader-on#79
00774	V-box Sprdr/prewet syst on #74
00780	Swenson Hopper Spreader-on#80
00782	Hopper Spreader-on#82
00709	Swenson Hopper Spreader-on#17
00727	Monroe Tailgate Spreader-on#27
00758	Flink Tailgate Spreader-on#32
00768	Swenson Hopper Spreader-on#68
00771	Swenson Hopper Spreader-on#71
00773	Swenson Hopper Spreader-on#73
00785	Monroe Hopper Spreader-on#77
	<b>SWEEPSTER POWER BROOM</b>
00133	<b>ATTACH.</b>
00341	Broce Broom
00342	Broce Broom
00399	Elgin Sweeper/Vacuum
00160	Etnyre Chip Spreader
00910	Shoulder Reclaimer
00169	Blaw Knox Shouldering Machine
00183	Johnson Mower TRLR
00186	Dyna Weld TRLR-3 ton
00190	2010 PACE Trailer
00151	Rex Culvert TRLR/5 ton
00180	REDI-HAUL TRLR
00181	Wisconsin 12 Ton TRLR
00184	E-Z Trail Culvert TRLR
00185	Cronkite TRLR-5 ton
00187	Millar Tilt Bed TRLR-6 ton
00188	Felling Tilt Bed TRLR
00189	Trail-Eze TRLR-35 ton
00155	Hyster Rubber Tire Roller
00153	Wacker Vibratory Patch Roller
00152	Rexworks Vibratory Roller
00154	Bomag 2.5 Ton Asphalt Roller
00159	Caterpillar 7.5 Ton Vib Roller

00168	<b>Terex Scraper</b>
00314	Volvo Mini-excavator
00313	Caterpillar Excavator
00316	<b>Used Linkbelt Track Excavator</b>
00501	Dresser Wing Plow-on#201
00505	Volvo Wing-on#205
00506	Champion Wing Plow-on#206
00509	Champion Wing Plow-on#209
00405	Volvo V-Plow-on#205
00409	Champion V-Plow-on#209
00411	Wabco V-on Plow #201
00415	Wausau V-Plow-on#206
00449	Wausau V-Plow-on#49
00455	Viking V-Plow-on#55
00456	Wausau V-Plow-on#56
00463	Oshkosh V-Plow-on#63
00464	Schmidt V-Plow-on#64
00465	Wausau V-Plow-on#65
00469	Wausau V-Plow-on#69
00621	Monroe Plow-on#21
00622	Monroe Plow-on#22
00623	Monroe Plow-on#23
00624	Monroe Plow-on#24
00625	Monroe Plow-on#25
00626	Monroe Plow-on#26
00627	Monroe Plow-on#27
00629	Monroe Reversible Plow on # 29
00631	Monroe Plow-on#31
00632	Monroe Plow-on#32
00633	Monroe Reversible Plow on #33
00635	Monroe Plow-on#35
00640	Monroe Plow-on#40
00641	Henke Plow-on#41
00642	Henke Plow-on#42
00643	Reversible Plow on #43
00644	Monroe Plow-on#44
00652	Henke Plow-on#52
00653	Henke Plow-on#53
00657	Monroe Plow-on#37
00662	Henke Plow-on#62
00667	Reversible Plow on #67
00668	Henke Plow-on#68
00671	Henke Plow-on#71
00674	Henderson Reversibl Plow on#74
00677	Monroe Reversible Plow on #77

00679 Henke Plow-on#79  
00680 Monroe Plow-on#80  
00682 Plow-on#43  
00684 Monroe Plow-on#34  
00685 Henke Plow-on#85  
00694 Monroe Plow-on#54  
00654 Wausau One-Way Plow-on#69  
00655 Viking One-Way Plow-on#55  
00656 Monroe One-Way Plow-on#56  
00660 Wausau One-Way Plow-on#63  
00664 Monroe One-Way Plow-on#64  
00665 Drott One-Way Plow-on#65  
00513 Wausau Left Wing-on#53  
00520 Wausau Left Wing Plow on # 29  
00521 Schmidt Wing-on#21  
00522 Schmidt RH Wing-on#22  
00523 Schmidt RH Wing-on#23  
00524 Schmidt RH Wing-on#24  
00525 Schmidt RH Wing-on#25  
00526 Schmidt Wing-on#26  
00527 Schmidt Wing-on#27  
00529 Wausau Right Wing Plow on #29  
00531 Schmidt Wing-on#31  
00532 Schmidt Wing-on#32  
00533 Monroe Rt-Wing Plow on #33  
00540 Schmidt Right Wing-on#40  
00541 Schmidt Wing-on#41  
00542 Schmidt Wing-on#42  
00544 Schmidt Wing-on#44  
00549 Wausau Wing-on#49  
00552 Wausau Right Wing-on#52  
00553 Wausau Right Wing-on#53  
00554 Schmidt Wing-on#54  
00555 Viking Wing-on#55  
00556 Wausau Wing-on#56  
00557 Schmidt Wing-on#37  
00562 Wausau Wing-on#62  
00563 Oshkosh Wing-on#63  
00564 Monroe Wing-on#64  
00565 Wausau Wing-on#65  
00567 Right-Hand Wing Plow on #67  
00568 Wausau Right Wing-on#68  
00569 Wausau Wing-on#69  
00571 Wausau Right Wing-on#71  
00573 Schmidt Wing-on#73

00574	Wausau Right Wing Plow on #74
00577	Wausau Right Wing Plow on #77
00579	Schmidt Right Wing Plow-on#79
00580	Schmidt Wing-on#80
00582	Schmidt Wing-on#42
00583	Right Wing-on#82
00584	Schmidt Right Wing-on#34
00588	Monroe Left-Wing Plow on #33
00589	Schmidt Left Wing-on#79
00591	Schmidt Wing-on#21
00592	Schmidt LH Wing-on#22
00593	Schmidt LH Wing-on#23
00594	Schmidt LH Wing-on#24
00595	Schmidt Wing-on#35
00596	Schmidt LH Wing-on#25
00118	Falcon Hot Patcher
00119	Spalding Asphalt Patcher
00117	Crafco Crackfilling Machine
00130	Crafco Tar Kettle
00170	LeeBoy Paver
00171	Caterpillar Asphalt Paver
00020	Ford Distributor
00136	30" Cold Planer/Profiler
00137	18" Cold Planer/Profiler
00842	WACKER 5000 WATT GENERATOR
00846	Kohler Generator
00141	Ford Backhoe on#301
00113	Honda Pro Chopper
00884	Shindaiwa Power Broom
00105	Asphalt Cutter
00844	Woodchuck Brush Chipper
00845	Morbark Brush Chipper
00847	Graco Paint Sprayer
00882	Gilson Concrete Mixer
00158	Grove Crane
00131	Kent Hydraulic Hammer
00858	Wacker Mechanical Tamper
00859	Wacker Mechanical Tamper
00145	Caterpillar Ripper on#344
00146	Landscape Box Scraper
00611	Snowblast Rotary Plow-on#306
00822	Trafcon Arrow Board
00833	Hi-Vu Arrow Board
00834	Flex-O-Lite Arrow Board
00139	Wirtgen Self-Prop. Cold Planer

00150	Bradco 73" Vibratory Roller
00881	Howard Rotovator
00950	Sign Making System
00115	Hydraulic Auger Attachment
00901	Nikon Total Station
00900	Trimble GPS Survey Equipment
00894	Trailmobile Tool Wagon
00829	Graco Water/Sandblaster
00831	Sanstrom Sandblaster
00861	Schmidt Sandblaster
00116	Cleaver Brooks Steamer
<b>00819</b>	<b>Wacker 6" Pump</b>
00109	Lark Weed Sprayer
00110	Walsh Weed Sprayer
00198	Lochen
00132	Bradco Trencher
00843	Bobcat 225G Welder
00883	Wacker Concrete Breaker
00114	Hydro Seeder - Turfmaker
00812	Husqvarna Concrete Saw
00814	Partner Concrete Saw
00821	Partner Concrete Saw
00830	Target Concrete Saw
00815	Target Concrete Saw
00816	Target Concrete Saw
00134	L A Hot Air Lance
00106	Crafco Pavement Router
00108	Crafco Pavement Router
00197	Water Tank
00091	Used International Bucket Trk
00890	MB Paint Truck
00016	GMC Truck-Shop
00095	Freightliner Sign Trk w/Auger
00828	Addco Message Board
00838	Addco Message Board
00860	Addco Message Board

# DRAFT

First Draft, September 28, 2007

## Hot Mix Plant Cost and Benefit Analysis

### Assumptions:

- Current Fleet uses 7 tri-axle trucks, each carries about 20 tons of material in a single load
- The 2007 charge out rate is \$47.30/hr for a tri-axle truck, plus an operator at \$38.62, for a total rate of \$85.92/hr
- Analysis assumes that the cost of the material is not the same. Outside vendor charges for hot mix are typically higher and vary by the type of material and time of year that it is purchased. For this analysis, it is assumed that an outside vendor as a supplier will charge about \$1.00 per ton more for the product than the County produced material.
- Our current paving operation requires 6 to 7 trucks per hour.
- Currently, a one-way trip to our plant is about 20 minutes, depending on job location. If material is brought in from an existing plant located outside of the county, the nearest plant that could serve us is a one-way trip of about 1 hour and 15 minutes.
- Annual usage is about 35,000 tons of hot mix, with about 50,000 tons of gravel. Of that, about 25,000 tons is used in the production of hot mix.
- Analysis assumes that if the county ceases its hot mix operation, it would also end its gravel crushing as well. Gravel costs for the material are assumed to be equal, whether the material comes from the County facility or an outside vendor.
- This analysis also assumes that the Payne and Dolan plant in the Town of Saukville has ceased its operation as called for in their conditional use permit.
- Analysis assumes that County vehicles and County Employees would do all work. An evaluation using private vendors to supplement County forces is provided as one alternative for consideration.
- For the purpose of this analysis, 2007 cost information is being used.

### Other Considerations:

- Increased overtime was included in the analysis. The nearest plant is over an hour away, overtime will be necessary, with drivers beginning at 5 AM or earlier in order to be at the paver with the first load by 7 AM.
- Material availability will be an issue. If the private vendor is producing surface material, and our needs are for binder, paving will be delayed.
- Hauling times may be even longer than used for this analysis. Many times, at a private vendor's facility, you wait 'in line' to be filled at the plant. The travel times used for this analysis assume that the ability to load is immediate, and no waiting is assumed.

- Product quality may be lower. In the early and later stages of the paving season, the long haul will result in the product losing temperature while being transported to the paving site. Loss of temperature will result in a lower quality product being used and a poorer pavement being installed.

#### Analysis:

Using our hot mix facility, one truck will be able to provide 1.5 loads per hour, assuming a 20-minute haul time for a one-way trip. If we haul from an outside vendor, and the same one-way trip takes 1:15, then that same truck is able to provide 0.4 loads per hour. In order to match our current rate, 3.75 more trucks would be needed to increase the 0.4 loads per hour to match the rate of 1.5 loads per hour. To operate efficiently now, 6 trucks are used, so to match this using an outside vendor for hot mix material, 22 trucks would be required (6 x 3.75). Our present fleet allows for as many as 11 tri-axes available for hauling material, so we would need to add by purchase an additional 11 tri-axle dump trucks. **A typical tri-axle truck costs about \$145,000. So a capital investment of \$1,595,000 would be needed. Assuming that the trucks have a 10-year life, and an interest value on money at 4%, the annual equivalent cost would be \$196,648.**

Overtime costs will be incurred under this analysis. With the nearest hot mix plant over an hour away, approximately one third of the drivers would need to begin work at 5 AM in order to get the first load to the paver by 7 AM. **Assuming that the paving 'season' is about 15 weeks long, and that the crew is working the 4-10 hour/day work week, about 48 hours of overtime would occur each week. This would result in about 720 hours of overtime, at a cost of \$41,710**

With the elimination of the gravel and hot mix operations, six employees would be freed up to serve as equipment operators to haul hot mix and gravel. **With the acquisition of 11 tri-axes, we would need to hire an additional 5 employees to operate those vehicles.**

Assuming the 1.5 loads per hour for our current operation and a need to haul 35,000 tons annually at a rate of 20 tons per load yields a total of 1750 loads. 1750 loads per year at 1.5 loads per hour equates to 1166.67 hrs. At our 2007 rate of \$85.92/hr yields a current 2007 cost of \$100,240.

At the private vendor source alternative, providing 0.4 loads per hour and 1750 loads annually equates to 4375 hours. **At the current rate of \$85.92 per hour, a total of \$375,900 would be spent, or \$275,660 more than we currently spend each year. With the material costing about \$1.00 per ton more, an added \$35,000 would be required for purchase of the material.**

Without a gravel operation, we would need to truck in about 25,000 tons annually. A tri-axle can haul about 15 tons of gravel per load. **To provide 25,000 tons, 1666.67 loads would be needed. Assuming 0.4 loads per hour results in 4167 hours, at a cost of \$358,029.**

Total man hours for hauling hot mix would be 4375, and for hauling gravel would be 4167, for a grand total of 8542, or 4.1 full time equivalents. If five employees were added to the payroll, approximately 0.9 FTE would be available for 'other' work.

Annual Additional Cost to the Highway Department if the existing hot mix/gravel facility is shut down and private vendors are used to provide the products needed:

➤ Equipment Cost	\$ 196,648
➤ Labor and Trucking (hot mix)	\$ 275,660
➤ Labor and Trucking (gravel)	\$ 358,029
➤ Overtime (hot mix)	\$ 41,720
➤ Material Cost (hot mix)	\$ 35,000
<b>Total Annual Increased Cost</b>	<b>\$ 907,057</b>

Note: A similar analysis was completed in December 2001. The results of that analysis indicated the annual increased cost in 2001 dollars would be \$749,396. This increase for the 6-year period from 2001 to 2007 represents an annual increase of approximately 3.3%.

### Financial Impacts

Of the amount of hot mix produced annually by the County facility, approximately 15,000 tons annually is used by townships on their roads. If the increase in cost of material is \$907,057 for 35,000 tons, this equates to approximately \$25.92 per ton. If municipalities use an average of 15,000 tons **the resulting increased cost to those entities would be approximately \$388,800 annually.** That amount would be recovered by the Highway Department as revenues from the municipalities.

***The balance of the increased costs that result from a closure of the hot mix and gravel operations is estimated at an annual cost of \$518,257 (\$907,057- \$388,800). That amount is equivalent to an increase in the County tax levy of approximately \$0.05/1000***

### Alternative Analysis (Private Vendor Trucking)

As an alternative to the purchase of 11 tri-axle dump trucks and adding 5 new employees, private vendors could be used to supplement the current County operations. As noted earlier, to meet the needs for hauling hot mix, an added 11 tri-axle trucks could supplement the current County-owned fleet of 11 vehicles. In the prior analysis, about 4375 trucking hours would be performed annually. Of that amount, 2188 hours could be provided for by private vendors. **Assuming a current charge out rate of \$75/hour from the private vendor, the annual added cost would be \$164,100.** By using private vendors for the added trucking that results from purchasing material from an out of County vendor, the capital investment cost is avoided.

Under this scenario, the added costs to the Highway Department would be as follows:

➤ Private Vendor Trucking (hot mix)	\$ 164,100
➤ Labor and Trucking (gravel)	\$ 358,029
➤ Overtime (hot mix)	\$ 41,720
➤ Material Cost (hot mix)	<u>\$ 35,000</u>
<b>Total Annual Increased Cost</b>	<b>\$ 598,849</b>

As noted earlier, for annual production of 35,000 tons, this would add about \$17.11 per ton annually. Assuming municipalities use about 15,000 tons annually, **the resulting increased cost under this scenario to those entities would be approximately \$256,650.** That amount would be recovered by the Highway Department as revenues from the municipalities.

***The balance of the increased costs that result from a closure of the hot mix and gravel operations and using private trucking to supplement County forces is estimated at an annual cost of \$342,199 (\$598,849-\$256,650). That amount is equivalent to an increase in the County tax levy of approximately \$0.03/1000***

**Draft –September 28,2007**

**Hot Mix Plant  
Cost Benefit Analysis**

Summary of Financial Impact

Assuming that Ozaukee County ceases the operation of its hot mix facility, it is also assumed that the gravel production operation would be discontinued as well. In order to continue constructing, maintaining and re-building the transportation system in the county, materials would need to be obtained from private vendors, all of which would be located outside of the county. Two alternatives were examined and their financial impacts are summarized below.

**Provide hauling of gravel and hot mix by using County employees and equipment**

- Increased Overtime
- Material availability and quality problems
- Requires hiring 5 additional employees
- Require purchase of 11 added trucks

**COSTS:**

Annual equivalent equipment costs	\$196,648
Overtime costs	\$ 41,720
Hot mix labor & trucking	\$275,660
Gravel labor & trucking	\$358,029
Added material cost	\$ 35,000
<b>TOTAL</b>	<b>\$907,057</b>

**FINANCIAL IMPACTS**

TOWNSHIPS \$388,800  
*Average of \$64,800 per township*

COUNTY

*Additional \$518,257 of levy  
Tax increase of \$0.05/1000*

**Provide hauling of gravel and hot mix by using private contractors**

- Increased Overtime
- Material availability and quality problems
- No new employees
- No new equipment purchases

**COSTS:**

Private vendor trucking costs	\$164,100
Overtime costs	\$ 41,720
Gravel labor & trucking	\$358,029
Added material cost	\$ 35,000
<b>TOTAL</b>	<b>\$598,849</b>

**FINANCIAL IMPACTS**

TOWNSHIPS \$256,650  
*Average of \$42,775 per township*

COUNTY

*Additional \$342,199 of levy  
Tax increase of \$0.03/1000*



OFFICE OF CORPORATION COUNSEL

**Dennis E. Kenealy**  
Corporation Counsel  
**Rhonda K. Gorden**  
Assistant Corporation Counsel

DATE: October 13, 2011

TO: Tom Meaux  
Bob Dreblow

FROM: Dennis E. Kenealy  
Corporation Counsel

RE: Ad Hoc Committee Options for Asphalt Plant

Dear Tom and Bob --

The ad hoc committee studying county options for the use of the county asphalt plant in the Town of Saukville asked about some legal issues regarding possible sale or lease of the plant's operations and product. In regard to that, I have distinguished two areas of discussion for the ad hoc committee. You can share this memo with the committee or whoever else is appropriate.

#### CONTINUING NON CONFORMING USE

The first question was whether the current operation of the plant could continue if there is a sale or lease. The plant's current legal status is a legal nonconforming use in the Town of Saukville. The plant would not be allowed today under the town's zoning. However, since the plant was operating before the zoning restrictions were imposed it is allowed to continue its current operation under the current town zoning. When that operation is discontinued, the county will not be allowed to rebuild or restart that use. The current use can continue at its current level of operation, the county cannot change or significantly increase the use, that would be a change in the status of the allowable operation. The county may continue the current operation but cannot change or expand that to a significant degree.

The important fact is not who is operating the plant but how it is operated. The county can lease its property, (Sec. 58.52 (6)). However, the operation of the plant cannot be significantly changed by the county or a private party. The legal standards as to what constitutes an improper expansion or change of use depend entirely on each situation. There is no set standard that applies across the board. The standard is that an increase in volume, intensity or frequency of a nonconforming use would not be sufficient

to invalidate that nonconforming use. However, if the increase in volume, intensity or frequency of the use is coupled with some element of an identifiable change or extension of the use, that can invalidate the legal nonconforming use. As you can see, this is fact specific. The court cases define an allowable use as “a nonconforming use is an active and actual use of land and buildings which existed prior to the existence of the zoning ordinance and which has continued in the same or related use until the present.”

The idea of zoning is to restrict a nonconforming use and to eventually eliminate such use as quickly as possible. The nonconforming use is not favored and if the use is changed, it is the intent that the use be discontinued. An expansion or enlargement which results in a change of the use will invalidate the legal nonconforming use. The test is based on the use at the time the zoning ordinance was passed which made that use nonconforming. Based on the use at that time the zoning law was enacted, that existing use is allowed to grow but it cannot change, if it changes, then it is no longer a legal nonconforming use and the entire use becomes illegal. The key is the use at the time that it became nonconforming, has it changed, either in use or have other uses been added to change the nature of the original use that was in existence at the time of the zoning change. If the business has simply grown in volume or intensity, it would likely retain its status as a legal nonconforming use. There does become the question of how much it can grow before it has substantially changed its use from the initial timing of the zoning enactment so as to become an improper use. A mere increase in hours, volume, truck traffic, etc. would very likely be allowable as an increase in growth, not a substantial change in use. However, using different materials, expanding the plant capacity or other items of that nature would very likely be a change in use and would not be allowed.

#### PUBLIC PURPOSE DOCTRINE

The second area of inquiry when a county produces a product for sale or leases its property is whether it competes with the private sector in a way that would conflict with what is generally called the public purpose doctrine. In generally terms, that doctrine states that the investing of public funds should and must be for a public purpose. A county cannot invest public funds to sell, lease, build, etc. unless it is related to a public purpose. That doctrine used to be fairly strict, however, due to the involvement of government in almost every aspect of life, the public purpose doctrine has been loosely interpreted; there is almost always some reason to find that the public funds are being invested for a public purpose. The county competes with private business in many areas such as the golf course, nursing home, leasing space for private gatherings, etc. so there is a very broad interpretation of what is a public purpose when leasing county property. Courts have given wide latitude in the public purpose doctrine area as stated: “As briefly discussed earlier, although there is no specific language in the state constitution establishing the public purpose doctrine, this court has recognized that the doctrine is firmly accepted as a basic constitutional tenant mandating that public appropriations

may not be used for other than public purposes. . . . the public purpose demands that public funds be used for only public purpose. That concept of public purpose is a fluid one and varies from time to time, from age to age, as the government and its people change. Essentially, public purpose depends on what the people expect and want their government to do for the society as a whole. As a result, it is a well-settled rule that the legislative body determines what constitutes a public purpose, . . . consequently, the court will conclude that there is no public purpose, only if it is 'clear and palpable that there can be no benefit to the public.'

"In determining whether public purpose exists, courts have considered whether the subject matter or commodity of the expenditure is one of 'public necessity, convenience or welfare,' as well as the difficulty private individuals have in providing the benefit for themselves. The courts also look to see if the benefit to the public is direct or remote. Additionally, provided that the primary purpose of the expenditure is designed for public purpose, any direct or incidental private benefit does not destroy the public purpose and render the expenditure unconstitutional.

"A review of Wisconsin case law illustrates that the trend of Wisconsin courts is to extend the concept of public purposes."

The courts have found public purposes for almost everything including such things as construction of parking lots to promote rehabilitation, the Milwaukee Brewers ball park, etc. The court also found that the purpose of increasing the tax base, creation of new jobs and other such efforts serve as legitimate and valid public purposes. In a matter related directly to Ozaukee County the court found in the Heimarl case, that Ozaukee County could not enter into a contract to build private driveways using county employees and resources, the court states "however, as noted by the court of appeals, there is nothing in Heimarl to suggest that municipalities such as 'Ozaukee County,' may never engage in traditionally private businesses; rather, in that case the court found that no public purpose was satisfied by Ozaukee County's expenditure of public funds to construct private driveways. As long as the primary purpose of the expenditure is for public purpose, the fact that private individuals directly or indirectly benefit does not render the expenditure unconstitutional. The town is not attempting to promote the expansion of a particular industry which is prohibited, nor is the town constructing a subdivision solely for the benefit of private owners, as is prohibited in Heimarl vs. Ozaukee County. Additionally, any profit realized from the sale would in fact benefit the town and the property would go into the town treasury and ultimately benefit all of the citizens of the town by way of decreased taxes and reduced debt." That is a very concise summary of the public purpose doctrine. In the situation the ad hoc committee is looking at, the lease of the property would have to result in some benefit to the county, that can be very broad but it would have to be of some benefit. Potentially there could even be a benefit from the county's private sale of the hot mix product.

Regarding the sale of materials, it should be noted that one of the tests is whether it is something the individuals or private parties would have

difficulty in providing for themselves. There is also one other consideration, if the county sells materials as a business from its plant, the county property which is currently exempt from taxation, could be subject to some tax considerations. In general if the property is owned by a county, it is exempt from property taxes; leasing any property that is exempt, regardless of whom it is leased to and the use of the income, does not make the property taxable, particularly if the county uses all of the income for maintenance of the property or other costs. The law §70.11 states a property exempt from taxation includes property owned by any county and also states “leasing the property exempt under this subsection, regardless of the lessee and the use of the leasehold income, does not render that property taxable.” However, if the county operated this facility strictly for sale of the product to private parties then §70.1105 of the statutes may apply. That section states that taxes are owed on part of a property exempt under §70.11 if used in part in a trade or a business for which the owner of the property is subject to taxation of the Internal Revenue Code. The owner could be assessed taxation of that portion of the fair market value of the property that is attributable to a part of the property that is used in the unrelated trade or business. That may not apply to property that is leased by an exempt organization to another person. In general the county can lease its property to a for-profit entity and does not lose its tax exemption. However, if the county itself, which is an exempt organization, engages in for-profit activities, the county could potentially have some taxation assessed under §70.1105. Any such tax under §70.1105 would be for unrelated business income which could potentially be income from the sale of the hot mix plant product as that could be considered an unrelated business item for Ozaukee County. Those standards follow the Internal Revenue Code standards for taxation and what is considered unrelated.

In summary, the public purpose doctrine is very broad and if the leasing is done for the purposes within that doctrine, such leases are allowable to private parties, there would be no tax implications for such a lease as our property is exempt; there may be some minor tax implications if the county sells its product directly to private parties.

Dennis

DEK:bae

**Summary of our Ad Hoc findings: (Aug 2011-Feb 2012)**

1. **Our existing Hot Mix plant in Saukville is a valuable asset to Ozaukee County.**

With recent upgrades the facility should remain productive for many years.

Considering the closure of Payne & Dolan site in Saukville, our facility is the only hot mix plant In Ozaukee County. Key features: convenient geographic location within county, reasonable local property constraints, buffered location, state of art “quiet” operation, with a county determined life.

2. **The plant is efficiently run and with current configuration enjoys apprx 20-30% excess capacity.**

The upgraded facility is rated at a production rate of 200 tons per hour; however the current equipment only allows for the manufacture of two types of asphalt mixes, neither of which meet WI DOT requirements. The plant is not set up to use recycled material in the mixes and there is only one hot mix storage silo which limits the ability to provide the two mixes at the same time. These limitations severely limit the County ability to serve a potentially larger market. Normal production rate has been in the range of 170-180 tons per hour due to the size and capacity of the feed bins. During the summer paving season, the plant typically runs for 10 hours/day for four days per week. Additional production could be achieved by operating Fridays or by expanding the work day.

3. **It is not a good idea to sell or lease the facility.** Ad Hoc reviewed operational alternatives including selling and/or leasing facility. Those operational alternatives were rejected due to practical reasons. A sell or lease would entail a private vendor upgrading equipment with large expansions of capacity, contrary to our production constraints with the Town. Our upgraded hot mix plant remains a small player and not suitable for the large capacity producers such as Payne and Dolan, Stark Asphalt and the like. Loss of direct production control would also likely impair our productivity in addressing our local road building efforts.

4. **A limited private market is available for our product.** It appears that up to about a dozen or more local contractors could utilize our facility and product due to the geographic proximity of their clients within county. Legal review has determined private sells are possible under Public Purpose Doctrine. Other Counties, i.e. Sheboygan indicated limited sales of 3/4" stone this past year. Sheboygan’s Counsel opined that charging sales tax was necessary. Implementation may generate sales tax implications since Ozaukee County operations are currently tax exempt.

5. **Selling our product to the private sector is a “double-edged” sword.** Selling hot mix to small private contractors could generate additional gross revenues, estimated from \$50-150k/annually. Those monies would accrue to the Highway Dept. Hot Mix Cost Center for future maintenance and building of roads within the County. The primary concern is the limited amount of aggregate gravel currently in hand, about 6-10 yrs of supply based on current production of 40-50,000 tons/year. Providing our product to the private sector will draw from our limited gravel reserves.

**AD HOC RECOMMENDATIONS:**

1. **PROVIDE OUR FACILITY AND PRODUCT TO THE PRIVATE SECTOR DURING 2012 PAVING SEASON**
  - a. “Dip our toe in the Water” providing hot mix to private sector in 2012
  - b. Limited availability as County, local government road building is primary
  - c. Screen and register private applicants (credit issues)
  - d. Obtain any waivers or other legal needs, tax, etc.
2. **RAMP UP THE EFFORTS TO IDENTIFY, PROIORITIZE, NEGOTIATE AND OBTAIN GRAVEL SUPPLIES FOR FUTURE ROAD BUILDING NEEDS WITHIN COUNTY**
  - a. Lots of gravel underground within county, need to find willing sellers
  - b. County’s Eminent Domain Authority could come into play
  - c. 100 yr. supply of Limestone identified in Belgium if quarry is developed

**NEXT STEPS:**

1. County Administrator leads an internal work team of Highway Commissioner, Corporation Counsel, Finance Director and any other staff necessary to prepare a report for review/approval by Public Works Committee. The report will detail the operational, legal, and financial steps that will be taken for recommendation #1. The report will include a depreciation schedule and estimate of useful life of equipment.
2. Over the next year or so, the Public Works committee should develop a gravel plan, with short and long term goals targeting specific locations and strategies to insure product for Ozaukee road production for the next 25-50 years. Staff will work with the members and bring the necessary resources to support recommendation #2.

We deeply appreciate the time, expertise, and guidance of Supervisors Winker, Marchese and Richart, along with staff of Bob Dreblow, Andy Lamb in this learning experience. Collectively we have lived up to Supervisor Tom Winker’s key principles re this exercise; honor commitment employees have made to County, continue to deliver services taxpayers want and need and keep our goal with a very positive return to taxpayers.