

# MUSKEGON COUNTY ROAD COMMISSION



**ADOPTED BUDGET**

**2009 - 2010**

**MUSKEGON COUNTY ROAD COMMISSION  
PROPOSED 2009 - 2010 OPERATING BUDGET  
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**MUSKEGON COUNTY ROAD COMMISSION  
PROPOSED 2009 - 2010 OPERATING BUDGET  
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# Muskegon County Road Commission

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Gary R. Conrad  
Chair

Joan M. Santes  
Vice Chair

Jack E. Kennedy  
Commissioner

M. Kevin Woods  
Commissioner

Melvin L. Black  
Commissioner

**TO: Road Commissioners Conrad, Santes, Kennedy and Black**

**FROM: Kenneth J. Hulka, Managing Director**

**DATE: October 1, 2009**

**SUBJECT: Adopted 2009 - 2010 Operating Budget**

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Developing the annual budget is perhaps the most significant task that the Road Commissioners and Road Commission Staff perform on a yearly basis. The budget serves as a statement to the community of our priorities, and can be viewed as the major overall policy document. The budget, in general, denotes which services the Board deems most significant and important to the motoring public. Out of necessity the major emphasis of this budget is preservation of the existing system through routine and heavy maintenance.

The 2009/2010 budget as presented reflects a continued and disturbing trend of declining revenue. In consultation with MDOT and the County Road Association of Michigan we are anticipating a revenue decrease of 5.25%, which will be the fifth consecutive year of diminished revenue. On the expense side we again anticipate price increases greater than the rate of inflation which also continues a pattern established several years ago. Pressures on both sides of the financial ledger continue to diminish our ability to enhance and maintain the public highway system in Muskegon County and force us to make choices that are less than desirable on many levels. Quite simply put, the public highway system continues to degrade faster than our ability to repair, maintain and rebuild it, primarily due to lack of revenue.

The budget as presented is our best attempt to maximize the financial resources that we do get to preserve and maintain the system. Several items to highlight in the proposed budget include decreases in the quantity and miles of engineering reconstruction projects, the use of one time ARRA funds for surface improvements, federal and state critical bridge dollars for the replacement of a bridge on Schow Road in Holton Township, and a decrease in the number of miles to be chip sealed.

Given the tremendous need and continued deterioration of the system, and despite our continued best efforts at preservation, there is clear evidence that the system of financing our public highway system in Michigan is severely broken. We must renew our efforts at educating and convincing those elected officials federal, state, and local that hold the power to fix or change the system to do so while we still have something to work with.

# **General Operating Budget**

**Fiscal Year 2009 - 2010**

**Muskegon County Road Commission  
General Appropriation Budget  
Fiscal Year Beginning 10/1/09 and Ending 09/30/10  
(In 00's)**

<u>Account Description</u>	<u>Actual Revenues &amp; Expenditures 09/30/07</u>	<u>Actual Revenues &amp; Expenditures 09/30/08</u>	<u>2008 - 2009 Adopted Budget</u>	<u>2009 - 2010 Proposed Budget</u>
<b>Revenues:</b>				
Mich Transportation Fund				
Primary Fund	\$ 6,588,942	\$ 6,417,376	\$ 6,327,300	\$ 5,888,600
Local Fund	2,420,199	2,323,471	2,302,400	2,122,000
Build Michigan Funds	317,961	320,117	318,000	320,737
Sub Total	<u>\$ 9,327,102</u>	<u>\$ 9,060,964</u>	<u>\$ 8,947,700</u>	<u>\$ 8,331,337</u>
Fed Aid, EDF Funds, State	3,470,120	3,164,121	3,153,602	2,973,250
State Trunkline Mtnce	1,958,475	2,303,248	2,238,200	1,900,000
TWP Contributions and Other	344,955	889,499	100,000	150,000
Interest Income	298,022	162,133	150,000	80,000
Miscellaneous Receipts	117,814	328,405	100,000	100,000
Snow Funds	86,483	86,275	85,444	86,000
Capital Improvement Financing	-	-	-	-
Reimbursements	375,945	352,888	250,000	225,000
Grand Total Revenues	<u>\$ 15,978,916</u>	<u>\$ 16,347,533</u>	<u>\$ 15,024,946</u>	<u>\$ 13,845,587</u>
*****				
<b>Expenditures:</b>				
Maintenance - Primary Routine	\$ 5,232,471	\$ 4,522,573	\$ 4,616,490	\$ 4,451,300
Construction - Primary	-	-	-	-
Maintenance - Primary Preservation	4,608,824	2,542,878	3,190,442	3,767,900
Maintenance - Local Routine	2,971,981	3,643,821	2,972,000	3,120,600
Construction - Local	-	-	-	440,000
Maintenance - Local Preservation	180,813	2,039,775	680,200	-
State Trunkline Mtnce	1,981,986	2,219,558	2,238,200	1,900,000
Service for Other Entities - Turtle Barrier	-	320,158	-	-
Debt Retirement and Interest	260,912	293,510	250,000	255,000
Administrative Expense - Net	417,333	420,865	455,000	497,575
Equip Expense - Parts & Labor	891,443	938,725	850,000	850,000
-Indirect Storage	1,178,822	1,153,204	1,100,000	1,100,000
-Operating	532,014	744,068	750,000	650,000
-Depreciation	696,705	644,108	650,000	660,000
Less: Rental Credits	(3,121,355)	(3,755,489)	(2,900,000)	(2,900,000)
Other Receivables (A/R's)	303,173	353,441	250,000	225,000
Capital Expenditures	-	-	-	-
Road Equipment	540,765	666,932	683,150	796,082
Office, Bldg & Land	197,909	28,791	948,932	78,000
Less: Depr. & Depletion	(947,468)	(902,714)	(900,000)	(900,000)
Grand Total Expenditures	<u>\$ 15,926,328</u>	<u>\$ 15,874,204</u>	<u>\$ 15,834,414</u>	<u>\$ 14,991,457</u>
Change In Available Operating Funds	<u>\$ 52,588</u>	<u>\$ 473,329</u>	<u>\$ (809,468)</u>	<u>\$ (1,145,870)</u>
Total Expenditures and CAOF	<u>\$ 15,978,916</u>	<u>\$ 16,347,533</u>	<u>\$ 15,024,946</u>	<u>\$ 13,845,587</u>

# **Primary Road System**

**Supportive Data and Schedules**

**Fiscal Year 2009 - 2010**

**Muskegon County Road Commission**  
**Supportive Data to the 2009 - 2010 County Road Budget**  
**Primary Road Routine Maintenance**  
(In 00's)

378.01 Primary Road Miles

<u>Routine Maintenance</u>		<u>2007 - 2008</u> Actual	<u>2008 - 2009</u> Amended Budget	<u>2009 - 2010</u> Recommendation
101	Crack Pour	\$ 149,340	\$ 300,000	\$ 132,000
102	Berm Removal	42,698	70,000	100,000
103	Dura Patch	296,792	300,000	130,000
104	Chip Seal Road Surface	591,279	682,500	752,500
105	Bituminous Wedging	70,809	154,000	110,000
106	General Engineering	8,185	-	3,000
109	Surface Maintenance	246,381	400,000	250,000
111	Crack Pour Shoulder	-	10,000	10,000
113	Dura Patch Shoulder	4,946	10,000	5,000
114	Chip Seal Shoulder	86,270	20,000	75,000
119	Shoulder Maintenance	473,974	210,000	200,000
120	Tree Removal	37,568	90,000	150,000
121	Tree and Shrub Removal	76,848	90,000	100,000
122	Drainage and Backslopes	219,507	194,300	180,300
123	Ditch Cleanout	126,222	90,000	180,000
124	Roadside Cleanup	18,407	13,000	9,000
126	Grass and Weed Mowing	97,639	82,000	80,000
127	Brush Control	30,800	35,000	40,000
130	Guardrails and Guard Posts	93,487	65,000	75,000
132	Sweeping and Flushing	32,879	25,000	20,000
137	Right of Way Fence	159	-	-
141	Snow and Ice Control	1,132,293	975,790	1,100,000
149	Other Winter Maintenance	25,964	30,000	30,000
151	Structure Maintenance	1,505	400	-
185	Field Supervision	322,502	400,000	350,000
		<u>\$ 4,186,454</u>	<u>\$ 4,246,990</u>	<u>\$ 4,081,800</u>
<u>Traffic Services</u>				
160	Traffic Signs & Services	76,312	77,000	77,000
161	Traffic Signals - Maintenance	13,688	85,000	55,000
162 -167	Pavement Marking	182,655	154,500	154,500
163	Construction Signs	23,784	14,000	14,000
168	Traffic Signals - Energy	38,012	37,000	37,000
169	New Traffic Signs	1,667	2,000	32,000
		<u>\$ 336,118</u>	<u>\$ 369,500</u>	<u>\$ 369,500</u>
<b>Grand Total</b>		<u><u>\$ 4,522,572</u></u>	<u><u>\$ 4,616,490</u></u>	<u><u>\$ 4,451,300</u></u>



**Muskegon County Road Commission  
Primary Maintenance Projects  
2009 - 2010 Budget  
(In 00's)**

The following is a summary list of projects/funds included in the 2009-2010 Fiscal Year Budget. Projects will be completed/implemented during the year subject to availability of fund/resources and Board approval.

Project Location	Project Boundaries	Project Description	Project Length	Funding Sources			Total Project Cost
				MCRC	Other	Federal	
Chip Seal Program			30 miles	752,500	-	-	752,500
Hts. Ravenna Road	Hts. Ravenna at Norris Crk	Culvert Replacement		80,300	-	-	80,300
<b>Total Primary Maintenance Projects</b>				<b>832,800</b>	<b>-</b>	<b>-</b>	<b>832,800</b>

These are noteworthy projects that are included in the Primary Routine Maintenance Budget.

**MUSKEGON COUNTY ROAD COMMISSION  
SUPPORTIVE DATA TO THE  
2009 - 2010 COUNTY ROAD BUDGET**

**PRIMARY ROAD SYSTEM**

**Project Name:** Chip Seal Program  
**Location:** County Roads  
**Description:** Application of single chip seals.  
**Funding:** 100% MCRC

Total Miles: 30 miles  
Estimated Cost: \$752,500

**MUSKEGON COUNTY ROAD COMMISSION  
SUPPORTIVE DATA TO THE  
2009 - 2010 COUNTY ROAD BUDGET**

**PRIMARY ROAD SYSTEM**

<b>Project Name</b>	Hts. Ravenna Road		
<b>Location</b>	Hts. Ravenna Road at Norris County Drain, Sullivan Township		
<b>Type of Work</b>	Culvert Replacement		
<b>Funding</b>	MCRC Construction		\$ 65,000
	MCRC Engineering		8,000
	Overhead		<u>7,300</u>
	<b>Total Project</b>		<b><u>\$ 80,300</u></b>

**Muskegon County Road Commission**  
**Primary Construction-Capacity Improvement and Preservation-Structural Improvement Projects**

**2009 - 2010 Budget**  
(In 00's)

The following is a summary list of projects/funds included in the 2009 - 2010 Fiscal Year Budget. Projects will be completed/implemented during the year subject to availability of fund/resources and Board approval.

Project Location	Project Boundaries	Project Description	Project Length	Funding Sources			Total Project Cost
				MCRC	Other	Federal	
<b>Total Primary Construction - Capacity Improvements</b>							
Maple Island Road	Messenger to Sweeter	Resurfacing	2.00 mi	230,000	-	430,000	660,000
Mill Iron Road	Hts. Ravenna to Broadway	Resurfacing Crush & Shape	1.02 mi	125,500	-	232,000	357,500
Moorland Road Bridge	Over Crockery Creek	Rehabilitation		53,000	-	160,000	243,000
E. Fruitport Road	Brooks Rd. to Haney Rd.	Resurfacing	.79 mi	86,400	-	160,000	246,400
White Lake Drive	Whitehall Rd. to Hyde Park	Resurfacing	.79 mi	65,000	-	105,000	170,000
Scenic Drive	Memorial Dr. to Fenner Rd.	Resurfacing	1.71 mi	132,000	-	320,000	452,000
Scenic Drive	Fenner to South Shore Dr.	Resurfacing / Replace Culvert	7.82 mi	459,000	-	1,180,000	1,639,000
<b>Total Primary Preservation - Structural Improvements</b>				<b>1,150,900</b>	<b>-</b>	<b>2,587,000</b>	<b>3,767,900</b>

**MUSKEGON COUNTY ROAD COMMISSION  
SUPPORTIVE DATA TO THE  
2009 - 2010 COUNTY ROAD BUDGET**

**PRIMARY ROAD SYSTEM**

<b>Project Name</b>	Maple Island Road		
<b>Location</b>	Messenger Road to Sweeter Road, 2.0 miles, Cedar Creek Township		
<b>Type of Work</b>	Resurfacing		
<b>Funding</b>	STP-R (Federal)		\$ 430,000
	MCRC Construction		120,000
	MCRC Engineering		50,000
	Overhead		<u>60,000</u>
		<b>Total MCRC</b>	<b>\$ 230,000</b>
		<b>Total Project</b>	<b><u>\$ 660,000</u></b>

**MUSKEGON COUNTY ROAD COMMISSION  
SUPPORTIVE DATA TO THE  
2009 - 2010 COUNTY ROAD BUDGET**

**PRIMARY ROAD SYSTEM**

<b>Project Name</b>	Mill Iron Road		
<b>Location</b>	Hts. Ravenna Road to Broadway Avenue, 1.02 miles, Fruitport Township		
<b>Type of Work</b>	Resurfacing		
<b>Funding</b>	STP-U (Federal)		\$ 232,000
	MCRC Construction		58,000
	MCRC Engineering		35,000
	Overhead		<u>32,500</u>
		<b>Total MCRC</b>	<b>\$ 125,500</b>
		<b>Total Project</b>	<b><u>\$ 357,500</u></b>

**MUSKEGON COUNTY ROAD COMMISSION  
SUPPORTIVE DATA TO THE  
2009 – 2010 COUNTY ROAD BUDGET**

**PRIMARY ROAD BRIDGE**

<b>Project Name</b>	Moorland Road Bridge	
<b>Location</b>	Bridge #7661 over Crockery Creek, Ravenna Township	
<b>Type of Work</b>	Bridge super-structure rehabilitation - deck overlay, expansion joint replacement, structural steel repairs	
<b>Funding</b>	Federal	\$ 160,000
	State	30,000
	MCRC Engineering	20,000
	MCRC Construction	10,000
	Overhead	<u>23,000</u>
	Total MCRC	\$ 53,000
	Total Project	<u>\$ 243,000</u>

**MUSKEGON COUNTY ROAD COMMISSION  
SUPPORTIVE DATA TO THE  
2009 - 2010 COUNTY ROAD BUDGET**

**PRIMARY ROAD SYSTEM**

<b>Project Name</b>	East Fruitport Road		
<b>Location</b>	Brooks Road to Haney Road, 0.79 miles, Fruitport Township		
<b>Type of Work</b>	Resurfacing		
<b>Funding</b>	STP-U (Federal)		\$ 160,000
	MCRC Construction		40,000
	MCRC Engineering		24,000
	Overhead		<u>22,400</u>
		<b>Total MCRC</b>	<b>\$ 86,400</b>
		<b>Total Project</b>	<b><u>\$ 246,400</u></b>



**MUSKEGON COUNTY ROAD COMMISSION  
SUPPORTIVE DATA TO THE  
2009 - 2010 COUNTY ROAD BUDGET**

**PRIMARY ROAD SYSTEM**

<b>Project Name</b>	White Lake Drive		
<b>Location</b>	Whitehall Road to Hyde Park Road, 0.79 mi, Whitehall Township		
<b>Type of Work</b>	Resurfacing		
<b>Funding</b>	ARRA (Federal)		\$ 105,000
	MCRC Construction		35,000
	MCRC Engineering		15,000
	Overhead		<u>15,000</u>
		<b>Total MCRC</b>	<b>\$ 65,000</b>
		<b>Total Project</b>	<b><u>\$ 170,000</u></b>

**MUSKEGON COUNTY ROAD COMMISSION  
SUPPORTIVE DATA TO THE  
2009 - 2010 COUNTY ROAD BUDGET**

**PRIMARY ROAD SYSTEM**

<b>Project Name</b>	Scenic Drive		
<b>Location</b>	Memorial Drive to Fenner Road, Laketon Township, 1.71 miles		
<b>Type of Work</b>	Resurfacing		
<b>Funding</b>	STP-U (Federal)		\$ 320,000
	MCRC Construction		80,000
	MCRC Engineering		12,000
	Overhead		<u>40,000</u>
		<b>Total MCRC</b>	<b>\$ 132,000</b>
		<b>Total Project</b>	<b><u>\$ 452,000</u></b>

**Note:** Speculative, based on possible grant through MDNR

**MUSKEGON COUNTY ROAD COMMISSION  
SUPPORTIVE DATA TO THE  
2009 - 2010 COUNTY ROAD BUDGET**

**PRIMARY ROAD SYSTEM**

<b>Project Name</b>	Scenic Drive		
<b>Location</b>	Fenner Road to South Shore Drive, Laketon Township (2.7 miles) and Fruitland Township (5.12 miles). Total 7.82 miles		
<b>Type of Work</b>	Resurfacing, replace culvert		
<b>Funding</b>	ARRA (Federal)		\$ 1,180,000
	MCRC Construction		250,000
	MCRC Engineering		60,000
	Overhead		<u>149,000</u>
		<b>Total MCRC</b>	<b>\$ 459,000</b>
		<b>Total Project</b>	<b><u>\$ 1,639,000</u></b>

**Local Road System**

**Supportive Data and Schedules**

**Fiscal Year 2009 - 2010**

**Muskegon County Road Commission**  
**Supportive Data to The 2009 - 2010 County Road Budget**  
**Local Road Routine Maintenance**  
(In 00's)

	Paved Roads			Gravel & Unimproved Roads			Total Local Road Routine Maintenance		
	2007 - 2008 Actual	2008 - 2009 Budget	2009 - 2010 Recommendation	2007 - 2008 Actual	2008 - 2009 Budget	2009 - 2010 Recommendation	2007 - 2008 Actual	2008 - 2009 Budget	2009 - 2010 Recommendation
100 Dust Control	\$ -	\$ -	\$ -	\$ 143,487	\$ 150,000	\$ 150,000	\$ 143,487	\$ 150,000	\$ 150,000
101 Crack Pour	9,610	7,000	10,000	-	-	-	9,610	7,000	10,000
102 Berm Removal	9,504	9,000	15,000	71,226	75,000	60,000	80,730	84,000	75,000
103 Dura Patch	214,887	40,500	150,000	-	-	-	214,887	40,500	150,000
104 Chip Seal	67,347	10,000	-	-	-	-	67,347	10,000	-
105 Bituminous Wedging	71,231	-	-	-	-	-	71,231	-	-
106 General Engineering	4,980	-	-	21,639	-	-	26,619	-	-
109 Surface Maintenance	293,032	152,000	160,000	671,682	660,000	600,000	964,714	812,000	760,000
111 Crack Pour Shoulder	465	2,500	5,000	-	-	-	465	2,500	5,000
113 Dura Patch Shoulder	942	2,500	5,000	-	-	-	942	2,500	5,000
114 Chip Seal Shoulder	11,301	2,500	-	-	-	-	11,301	2,500	-
119 Shoulder Maintenance	73,427	42,000	40,000	38,193	35,000	35,000	111,620	77,000	75,000
120 Tree Removal	10,414	17,000	20,000	11,493	32,000	30,000	21,907	49,000	50,000
121 Tree and Shrub Removal	47,289	15,000	20,000	32,443	21,000	20,000	79,732	36,000	40,000
122 Drainage & Backslopes	48,054	66,000	125,000	38,629	44,000	60,000	86,683	110,000	185,000
123 Ditch Cleanup	30,366	20,000	80,000	54,620	90,000	100,000	84,986	110,000	180,000
124 Roadside Cleanup	6,206	4,500	2,500	2,893	2,500	1,500	9,099	7,000	4,000
126 Grass and Weed Mowing	58,496	25,000	25,000	63,927	39,000	30,000	122,423	64,000	55,000
127 Brush Control	29,192	28,000	28,000	5,824	15,000	15,000	35,016	43,000	43,000
130 Guardrail and Guard Posts	482	600	500	120	500	-	602	1,100	500
132 Sweeping and Flushing	13,301	4,500	5,000	-	-	-	13,301	4,500	5,000
137 Right of Way Fence	-	-	-	-	-	-	-	-	-
141 Snow and Ice Control	837,699	647,000	700,000	337,626	396,000	300,000	1,175,325	1,043,000	1,000,000
149 Other Winter Maintenance	7,018	5,000	4,000	1,575	2,000	2,000	8,593	7,000	6,000
151 Structure Maintenance	-	-	-	-	-	-	-	-	-
185 Field Supervision	101,365	110,000	75,000	95,420	85,000	75,000	196,785	195,000	150,000
	<b>\$ 1,946,608</b>	<b>\$ 1,210,600</b>	<b>\$ 1,470,000</b>	<b>\$ 1,590,797</b>	<b>\$ 1,647,000</b>	<b>\$ 1,478,500</b>	<b>\$ 3,537,405</b>	<b>\$ 2,857,600</b>	<b>\$ 2,948,500</b>
160 Traffic Signs & Services	\$ 28,837	\$ 40,600	\$ 40,600	\$ 20,472	\$ 26,000	\$ 26,000	\$ 49,309	\$ 66,600	\$ 66,600
162 Pavement Marking	30,550	38,000	38,000	-	-	-	30,550	38,000	38,000
163 Construction Signs	1,075	3,000	3,000	1,915	1,500	1,500	2,990	4,500	4,500
169 New Traffic Signs	4,154	4,300	62,000	1,363	1,000	1,000	5,517	5,300	63,000
	<b>\$ 64,616</b>	<b>\$ 85,900</b>	<b>\$ 143,600</b>	<b>\$ 23,750</b>	<b>\$ 28,500</b>	<b>\$ 28,500</b>	<b>\$ 88,366</b>	<b>\$ 114,400</b>	<b>\$ 172,100</b>
<b>Grand Total</b>	<b>\$ 2,011,224</b>	<b>\$ 1,296,500</b>	<b>\$ 1,613,600</b>	<b>\$ 1,614,547</b>	<b>\$ 1,675,500</b>	<b>\$ 1,507,000</b>	<b>\$ 3,625,771</b>	<b>\$ 2,972,000</b>	<b>\$ 3,120,600</b>

**Muskegon County Road Commission**  
**Local Construction - Capacity Improvement and Preservation - Structural Improvement Projects**  
**2009 - 2010 Budget**  
**(In 00's)**

The following is a summary list of projects/funds included in the 2009 - 2010 Fiscal Year Budget. Projects will be completed/implemented during the year subject to availability of fund/resources and Board approval.

Project Location	Project Boundaries	Project Description	Project Length	Funding Sources			Total Project Cost
				MCRC	Federal	Townships	
Schow Road Bridge	Over Skeels Creek	Replace superstructure		83,750	300,000	-	440,000
<b>Total Local Construction - Capacity Improvements</b>				<b>83,750</b>	<b>300,000</b>	<b>-</b>	<b>440,000</b>
<b>Total Local Preservation - Structural Improvements</b>				<b>83,750</b>	<b>300,000</b>	<b>-</b>	<b>440,000</b>

**MUSKEGON COUNTY ROAD COMMISSION  
SUPPORTIVE DATA TO THE  
2009 - 2010 COUNTY ROAD BUDGET**

**LOCAL ROAD BRIDGE**

<b>Project Name</b>	Schow Road Bridge	
<b>Location</b>	Bridge #7677 over Skeels Creek, Holton Township	
<b>Type of Work</b>	Replacement	
<b>Funding</b>	Federal	\$ 300,000
	State	56,250
	MCRC Engineering	25,000
	MCRC Construction	18,750
	MCRC Overhead	<u>40,000</u>
	Total MCRC	\$ 83,750
	Total Project	<u>\$ 440,000</u>

**Capital Outlay**

**Fiscal Year 2009 - 2010**



**Muskegon County Road Commission  
Supportive Data  
Budget Year 2009 – 2010**

**Schedule of Capital Outlay**

The Capital Outlay portion of the budget is divided into five basic groups: Computers, Office Equipment, Other Equipment, General Building and Fleet Equipment. These groups, and the items contained therein, are listed on the chart in this budget document entitled **Schedule of Capital Outlay**. The following supportive data is submitted to assist in the Commission's review of the budget document with background information to explain the purpose of each group, and to explain some of the larger components within said group. Additional data pertaining to smaller items requested is available from the Finance Department.

The Capital Outlay section of the budget document, as proposed, includes the requests of the various departments that remain after final review. Budget expenditures, although initially authorized through the budget document, are still subject to change throughout the year, which may be necessitated by changes in economic conditions or changes in the focus (goals and objectives) of the Commission. Therefore, all major departmental capital expenditures are subject to an authorization or approval at the point of purchase during the year. This procedure will include verification of funds and final verification(s) for expenditures and will include the Managing Director and where appropriate, the Board.

**Computer Equipment -- \$7,000**

Computer technology has continued to advance. We are now able to purchase significantly more processing power for less money. For that reason and the fact that due to rapidly changing technology computers are not meant to have long lives, fewer computers are being capitalized. Computers and other office equipment valued at less than \$1,000 are no longer capitalized. Therefore only specialized computers or printers will appear in this category.

The Road Commission's entire financial and networking computer system (hardware and software with the exception of printers) was upgraded at the end of the 2006 – 2007 fiscal year due to numerous service interruptions caused by inadequate system capacity. Due to this upgrade we anticipate that need for "emergency" funds will be considerably less in the coming years so this contingency was reduced to \$5,000.

Originally two separate machines handled our networked printing needs: one for color and the other for black and white. Due to the ever changing and improved technology our new copier is now handling our printing needs at a far more cost effective rate. The copier is capable of performing functions that originally required four separate machines. It can copy, print (color and black and

white), scan and email. The upgrade in both our computer network and printer capabilities should serve us well for at least the next 5 years.

Engineering is requesting \$2,000 to upgrade their equipment.

### **Office Equipment**

This capital outlay group contains items used in the offices of the Road Commission. The grouping includes items such as desks, file cabinets, tables and copy machines. As mentioned above the monetary threshold for capitalizing these purchases has increased to \$1,000 so fewer items will be included in this category. No items exceeding the capital limit of \$1,000 have been requested for this budget year.

### **Other Equipment -- \$20,000**

The category of Other Equipment is comprised of equipment that is, as a rule, not motorized, does not have a Schedule "C" rental rate and is not easily classified elsewhere. Examples of equipment that would be included under this category are: shop equipment such as drills, hoists and other tools used by the Equipment Maintenance department. Examples of current requests in this group are as follows:

1.) Equipment Maintenance Department – This department is requesting funds for a variety of purchases. While our Equipment Repair Technicians are required to have their own personal set of tools the Road Commission is responsible to purchase the more specialized tools. Requested funds in the amount of \$5,000 will be used to purchase such tools as the need arises. In addition, the purchase of a tire changer and wheel balancer at a cost of \$9,000 has also been requested.

2.) Miscellaneous Other Equipment – A total of \$6,000 is being requested as contingency funds to cover small unexpected expenditures by various departments.

### **General Building --\$51,000**

The General Building capital outlay group is comprised of those items directly related to the buildings and grounds of the Commission. Examples of items included in this group would be facility, land and building purchases, repairs generally exceeding \$1,000, building and site improvements.

As mentioned in last year's budget the Road Commission allocated an unprecedented amount of funds to perform much needed capital improvements to our physical facilities. With these improvements accomplished the next step is to perform some additional plumbing and sundry improvements to the Twin Lake and Whitehall garages. The projected cost of these improvements is \$19,000.00.

Additional funding of \$32,000 was also requested to replace the second in ground hoist in the equipment maintenance area. This hoist is one of two that were installed in 1977 when this facility was built. The amount requested for this upgrade is less than requested last year for the other hoist because these hoists share the same power supply so only the hoist itself will be replaced.

**Fleet Equipment -- \$796,082**

The last grouping of capital outlay expense is for "fleet equipment". This is an important section because the vehicles and equipment included in the category represents the equipment required to deliver our service to the motoring public. Examples of equipment included in this grouping are: trucks, graders, tractors, rollers, etc. The list of equipment proposed by the Vehicle and Equipment Maintenance Department for this fiscal year is contained on the Capital Outlay form and totals \$796,082.

This budget reflects the Commission's general equipment replacement policy. While funds are declining the Commission staff continues to strive to maintain a prudent balance so that current purchasing decisions do not adversely affect our ability to respond to future operational needs.

Included in this category is \$130,582 of equipment that is a carryover from the 2008 – 2009 budget.

With the Board's approval the 4 dump trucks included in this budget were ordered in May, 2009 at the current year's price and model year to avoid purchasing 2010 models that must comply with new emission standards and therefore would include a substantial price increase over the current year's model. The equipment has been ordered but will not be delivered until October or November. Other amounts are self explanatory, however, if there are any questions, please contact the Finance Department.

Please be advised that no expenditures will be made without prior approval from the Managing Director and in all cases from the Commission.

**Muskegon County Road Commission**  
**Schedule of Capital Outlay**  
**Budget Year 2009-2010**  
(In 00's)

Description:	Amount Requested	A Computers	B Office Equipment	C Other Equipment	D General Building	E Fleet Equipment
<b>Traffic:</b>						
Contingency	\$ 1,000	\$ -	\$ -	\$ 1,000	\$ -	\$ -
<b>Traffic Total</b>	<u>\$ 1,000</u>					
<b>Maintenance:</b>						
<b>Twin Lake:</b>						
Building Improvements	\$ 4,500				4,500	
Storage Cabinet	1,500				1,500	
Contingency	1,000	-	-	1,000	-	-
<b>Twin Lake Total</b>	<u>\$ 7,000</u>					
<b>Whitehall:</b>						
Plumbing & Building Improvements	\$ 13,000.00				13,000	
Contingency	1,000	-	-	1,000	-	-
<b>Whitehall Total</b>	<u>\$ 14,000</u>					
<b>Muskegon:</b>						
In Ground Hoist	\$ 32,000				32,000	
Contingency	1,000	-	-	1,000	-	-
<b>Muskegon Total</b>	<u>\$ 33,000</u>					
<b>Sign Shop</b>						
Contingency	\$ 1,000	-	-	1,000	-	-
<b>Sign Shop Total</b>	<u>\$ 1,000</u>					
<b>New Equipment:</b>						
1 - 54,000 GVW Truck inc scraper/wing/setup	\$ 127,000	-	-	-	-	127,000
2 - 35,000 GVW Dump inc box/scraper/wing/setup	222,000	-	-	-	-	222,000
1 - 39,000 GVW Do-al box inc scraper/setup	104,000	-	-	-	-	104,000
1 - Shoulder Reclaimer	18,000	-	-	-	-	18,000
2 - Pickups Ext. Cab	46,000	-	-	-	-	46,000
1 - 12' Do-Al Box	24,000	-	-	-	-	24,000
1 - 9' Do-Al Box	21,500	-	-	-	-	21,500
6 - Chain Saws & Weed whips	3,000	-	-	-	-	3,000
1 - Mowing Tractor w/ side deck and boom	75,000	-	-	-	-	75,000
1 - V Box Slip In Spreader (Stainless)	10,000	-	-	-	-	10,000
1 - Front Plow (swing hydraulic)	8,000	-	-	-	-	8,000
1 - Tag Mover	7,000	-	-	-	-	7,000
1 - Tire Changer & Wheel Balancer	9,000	-	-	9,000	-	-
Carryovers from 08 - 09:						
1 - Eq #1405 - Setup/snow wings/scraper/spreader box	73,533	-	-	-	-	73,533
1 - Eq #1314 - Setup/scraper/spreader box	57,049	-	-	-	-	57,049
Miscellaneous Tools	5,000	-	-	5,000	-	-
<b>Equipment Total</b>	<u>\$ 810,082</u>					
<b>Engineering:</b>						
Computer Upgrades	\$ 2,000	2,000	-	-	-	-
Contingency	1,000	-	-	1,000	-	-
<b>Engineering Total</b>	<u>\$ 3,000</u>					
<b>Finance/Administrative Services:</b>						
Contingency	\$ 5,000	5,000	-	-	-	-
<b>Finance/Administrative Services Total</b>	<u>\$ 5,000</u>					
<b>Total</b>	<u>\$ 874,082</u>	<u>\$ 7,000</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 51,000</u>	<u>\$ 796,082</u>
		A	B	C	D	E
<b>Proposed Budget:</b>						
Road Equipment Total (Column E)			\$ 796,082			
Office, Buildings and Land (Columns A,B,C and D)			78,000			
<b>Grand Total</b>			<u>\$ 874,082</u>			

# **Administrative Expense**

**Supportive Data and Schedules**

**Fiscal Year 2009 - 2010**

**Muskegon County Road Commission  
Administrative Expense Comparison  
Fiscal Year 2009 - 2010  
(in 00's)**

<u>Description</u>	<u>Actual 09/30/08</u>	<u>Adopted Budget 2008 - 2009</u>	<u>2009 / 2010 Recommendation</u>
Salaries and Wages	\$ 341,434	\$ 329,000	\$ 325,000
Fringe Benefits	177,540	195,000	248,000
Postage	670	1,050	1,000
Office Supplies	765	3,300	800
Dues and Publications	3,275	3,500	3,000
Contractual Services	4,019	6,900	2,000
Data Processing	3,177	6,300	6,000
Legal and Professional	3,646	500	500
Education and Training	7,333	17,000	11,500
Communications	6,371	6,500	7,500
Travel Expense	2,009	1,300	3,500
Advertising/Public Relations	75	300	400
Insurance	9,437	8,200	8,500
Utilities	8,070	8,000	10,000
Building Repair and Maintenance	5,997	3,300	4,500
Office Equipment Repair/Maintenance	5,231	2,600	3,000
Miscellaneous	528	450	250
Depreciation - Office Equipment	8,568	5,600	9,250
Depreciation - Office Building	15,077	15,100	18,200
Other:			
Random Drug Testing	565	150	250
Administrative Auto Expense	-	2,000	
License Fees	-	-	
<b>Total</b>	<b>\$ 603,787</b>	<b>\$ 616,050</b>	<b>\$ 663,150</b>
<b>Credits to Administrative Expense</b>			
Handling Charges on Materials Sold	\$ 7,712	\$ 6,000	\$ 5,500
Overhead - State Trunkline Maintenance	174,809	155,000	160,000
Purchase Discounts	401	50	75
Other	-		
<b>Total</b>	<b>\$ 182,922</b>	<b>\$ 161,050</b>	<b>\$ 165,575</b>
<b>Net Total Administration</b>	<b>\$ 420,865</b>	<b>\$ 455,000</b>	<b>\$ 497,575</b>

**Muskegon County Road Commission  
Supportive Data  
Budget Year 2009 - 2010**

**Schedule of Legal and Professional Services**

The following information is submitted as explanation and justification for the proposed expenditures classified as "Professional and Consultant Services" in the Administrative Expense section of the budget document and in the Schedule of Legal and Professional Services form. These funds are provided for the Commission and/or its staff, to engage individuals, firms or businesses for the purpose of obtaining selected professional and/or consulting services, expertise and advice in order to conduct the various responsibilities, affairs and activities of the Commission. Amounts not selected for inclusion in this document were deemed to be self-explanatory. Additional information on items not included here is available from the Finance Department.

**Traffic Services -- \$9,000**

In prior years, the Traffic Department has had to utilize professional services for various projects and/or studies that occur throughout the year. Generally, these projects cannot be identified during the budget process. However, such services normally fall into the categories of Traffic Engineering/Operations and Legal issues. These funds will provide for projects or legal advice that may be necessary during the year.

**Engineering -- \$52,000**

The Engineering Department contracts for the testing of bituminous material, concrete and other testing during the year that is required on projects. This amount is being provided for these professional services and any other testing services that may be required during the year.

Additionally, there is \$7,000 provided for a bridge consultant to perform our required bi-annual bridge inspections and \$28,000 for specialized engineering assistance on two bridge projects (Moorland and Schow Roads).

**Finance -- \$27,800**

Finance will pay the annual license (\$10,000) on our financial reporting software from these funds with the remainder of the funds being used for programming support throughout the year.

The cost of the annual financial audit (\$12,800) is included in this line item.

**Safety/Building Maintenance -- \$20,000**

These funds are for the acquisition of consultant services and educational materials to assist in the development and implementation of various employee and operational safety programs. Examples of the types of programs are lockout

procedures, chain saw safety, first aid training, safety seminars, etc. These programs and activities will focus on statutorily required programs, injury cost control activities, and informational/educational programs or requirements.

In addition, staff will continue to implement the extensive training program that the Board authorized in the 1999-2000 fiscal year.

**H.V.A.C. Contract -- \$ 32,900 (Continuing)**

This budget line item provides for routine and regular preventive maintenance services for specific heating, air conditioning and ventilation equipment located at the Muskegon, Twin Lake and Whitehall facilities. Replacement parts, installation and labor are extra costs outside the contract.

As part of the Performance Contract outlined in the Capital Outlay section the Road Commission has entered into a 15 year maintenance agreement with Johnson Controls. For the first 5 years of the agreement the service contract is higher than usual as there are several upfront costs that will not occur in the last 10 years. Costs to send 1 person to a week long training session to learn how to monitor and operate the new control systems and monitoring by Johnson Control personnel of our utility bills are some of the upfront costs in the first 5 years.

**Drug Testing Administration (Collect/Test/Evaluate) -- \$3,000**

These budgeted funds will be used in the acquisition of consultant services for continuing training of supervisors and employees regarding the drug policy adopted by the Board in early 1992 and revised in 1994. Federal statutes have made it mandatory that training of supervisors and testing of staff be done during the year.

**Attorney Services -- \$25,000**

Through the year, funds are needed by management to consult with labor counsel and other professionals in the furtherance of Road Commission business.

**Contingency -- \$5,000**

It is common practice in budgeting to provide extra resources for unforeseen problems or those instances where an exact dollar figure cannot be determined in advance of the expenditure. Therefore, the amount of funds allocated to this account will provide for Professional and Consulting services, such as our labor attorney, and other legal research during the year that we cannot anticipate or estimate with any degree of assurance during the budget process. These funds will be subject to the same rules and procedures as other funds in this account.



**Muskegon County Road Commission**  
**Schedule of Legal and Professional Services**  
**Fiscal Year 2009 - 2010**  
**(in 00's)**

<u>Description</u>	<u>2009 - 2010 Recommendation</u>
<b>Traffic:</b>	
Consulting	\$ 5,000
Legal Fees	2,000
Contingency	2,000
Traffic Total	<u>9,000</u>
<b>Engineering:</b>	
Testing Services	5,000
Title Searches	2,000
Legal Services	10,000
Bridge & Engineering Consultants	
Bi-annual Bridge Inspections	7,000
Moorland Bridge Rehab	8,000
Schow Bridge Replacement	20,000
Engineering Total	<u>52,000</u>
<b>Finance:</b>	
Annual Software License	10,000
Annual Audit	12,800
Computer Support/Training	5,000
Finance Total	<u>27,800</u>
<b>Safety/Building Maintenance:</b>	
Safety Consultants	5,000
Safety Seminars	5,000
HVAC Contract (Continuing)	32,900
Other Miscellaneous Professional Services	10,000
Safety/Building Maintenance Total	<u>52,900</u>
<b>Administrative/Personnel:</b>	
Labor/Mgmt - Supervisory/Union Rep Training	4,000
Drug Testing Program - (Collect/Test/Evaluate)	3,000
Attorney Fees	25,000
Miscellaneous	5,000
Administrative/Personnel	<u>37,000</u>
<b>Total Legal and Professional</b>	<u><u>\$ 178,700</u></u>