

# **MUSKEGON COUNTY ROAD COMMISSION**



**ADOPTED BUDGET**

**2010 - 2011**



# Muskegon County Road Commission

7700 East Apple Avenue  
Telephone (231) 788-2381

Muskegon, MI 49442-4999  
Fax (231) 788-5793

Gary R. Conrad  
Chair

Joan M. Santes  
Vice Chair

Jack E. Kennedy  
Commissioner

Melvin L. Black  
Commissioner

John J. DeWolf  
Commissioner

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

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

**DATE: October 1, 2010**

**SUBJECT: Adopted 2010 - 2011 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. This budget attempts to focus on and optimize preservation of the existing system through routine and heavy maintenance utilizing best industry practices.

The 2010/2011 budget as presented reflects a continued trend of declining or stagnant revenue. In consultation with MDOT and the County Road Association of Michigan we are anticipating a revenue decrease of 3%, which will be the sixth consecutive year of diminished revenue. In fact the revenue we anticipate is less than what we received in 1997, the year of the last gas tax increase. On the expense side we again anticipate price increases greater than the rate of inflation for many of the high volume items used in our business, 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 optimize 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, a decrease in the number of miles to be chip sealed on the primary system, and an increase in maintenance efforts at removing standing water on road surfaces through berm removal, increased ditching operations and tree removal.

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. I urge you to renew 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.

**MUSKEGON COUNTY ROAD COMMISSION  
2010 - 2011 OPERATING BUDGET  
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2010 - 2011 OPERATING BUDGET  
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# **General Operating Budget**

**Fiscal Year 2010 - 2011**

**Muskegon County Road Commission  
General Appropriation Budget  
Fiscal Year Beginning 10/01/10 and Ending 09/30/11  
(In 00's)**

Account Description	Actual Revenues & Expenditures 09/30/08	Actual Revenues & Expenditures 09/30/09	2009 - 2010 Amended Budget	2010 - 2011 Proposed Budget
<b>Revenues:</b>				
Mich Transportation Fund				
Primary Fund	\$ 6,417,376	\$ 6,197,160	\$ 5,888,600	\$ 5,943,000
Local Fund	2,323,471	2,221,472	2,122,000	2,120,000
Build Michigan Funds	320,117	321,005	320,737	321,000
Sub Total	<u>\$ 9,060,964</u>	<u>\$ 8,739,637</u>	<u>\$ 8,331,337</u>	<u>\$ 8,384,000</u>
Fed Aid, EDF Funds, State	3,164,121	2,067,698	2,973,250	3,308,988
State Trunkline Mtnce	2,303,248	2,643,538	1,900,000	1,900,000
TWP Contributions and Other	889,499	4,297,191	150,000	310,000
Interest Income	162,133	71,767	50,000	30,000
Miscellaneous Receipts	328,405	43,524	100,000	100,000
Snow Funds	86,275	85,444	83,239	85,000
Reimbursements	352,888	488,788	225,000	250,000
Grand Total Revenues	<u><u>\$ 16,347,533</u></u>	<u><u>\$ 18,437,587</u></u>	<u><u>\$ 13,812,826</u></u>	<u><u>\$ 14,367,988</u></u>
*****				
<b>Expenditures:</b>				
Maintenance - Primary Routine	\$ 4,522,573	\$ 4,154,616	\$ 4,212,539	\$ 4,125,200
Construction - Primary	-	-	-	-
Maintenance - Primary Preservation	2,542,878	3,903,448	3,767,900	2,841,900
Maintenance - Local Routine	3,643,821	3,525,469	2,920,600	3,308,670
Maintenance - Local Preservation	2,039,775	3,579,587	440,000	124,400
Construction - Local	-	1,190	-	385,000
State Trunkline Mtnce	2,219,558	2,635,578	1,900,000	1,900,000
Service for Other Entities	320,158	2,769	-	1,123,238
Debt Retirement and Interest	293,510	285,759	255,000	250,000
Administrative Expense - Net	420,865	390,737	497,575	500,000
Equip Expense - Parts & Labor	938,725	956,800	850,000	850,000
-Indirect Storage	1,153,204	1,185,419	1,100,000	1,100,000
-Operating	744,068	448,214	650,000	450,000
-Depreciation	644,108	643,518	660,000	660,000
Less: Rental Credits	(3,755,489)	(3,499,067)	(2,900,000)	(3,000,000)
Other Receivables (A/R's)	353,441	413,846	225,000	250,000
Capital Expenditures			-	
Road Equipment	666,932	473,191	1,202,082	909,000
Office, Bldg & Land	28,791	940,587	78,000	74,750
Less: Depr. & Depletion	(902,714)	(922,710)	(900,000)	(900,000)
Grand Total Expenditures	<u>\$ 15,874,204</u>	<u>\$ 19,118,951</u>	<u>\$ 14,958,696</u>	<u>\$ 14,952,158</u>
Change In Available Operating Funds	\$ 473,329	\$ (681,364)	\$ (1,145,870)	\$ (584,170)
Total Expenditures and CAOF	<u><u>\$ 16,347,533</u></u>	<u><u>\$ 18,437,587</u></u>	<u><u>\$ 13,812,826</u></u>	<u><u>\$ 14,367,988</u></u>

# **Primary Road System**

**Supportive Data and Schedules**

**Fiscal Year 2010 - 2011**

**Muskegon County Road Commission**  
**Supportative Data to the 2010 - 2011 County Road Budget**  
**Primary Road Routine Maintenance**

378.01 Primary Road Miles

<u>Routine Maintenance</u>	<u>2008 - 2009 Actual</u>	<u>2009 - 2010 Amended Budget</u>	<u>2010 - 2011 Budget</u>
101 Surface Crack Filling	\$ 185,275	\$ 132,000	\$ 200,000
102 Berm Removal	20,536	100,000	150,000
103 Surface Dura Patching	153,176	130,000	120,000
104 Chip Seal	690,490	973,750	502,500
105 Bituminous Wedging	23,880	110,000	90,000
106 General Engineering/Road Estimates	1,599	3,000	3,000
109 Surface Maintenance	245,748	250,000	250,000
111 Crack Pour Shoulder	-	10,000	8,000
113 Dura Patch Shoulder	3,088	5,000	5,000
114 Chip Seal Shoulder	83,007	75,000	50,000
119 Shoulder Maintenance	259,760	200,000	125,000
120 Tree Removal	49,429	150,000	225,000
121 Tree Trimming/Shrub Removal	81,958	100,000	100,000
122 Drainage/Culverts	128,044	180,300	80,000
123 Ditching Operations	240,745	180,000	225,000
124 Roadside Cleanup	10,151	9,000	7,000
126 Grass and Weed Mowing	105,441	80,000	90,000
127 Brush Control	20,626	40,000	45,000
130 Guardrails and Guard Posts	158,077	75,000	50,000
132 Sweeping - Curbs & Gutter	22,432	20,000	20,000
137 Right of Way Fence	101	-	-
141 Snow and Ice Control	964,451	639,989	1,007,200
149 Other Winter Maintenance	27,888	30,000	30,000
151 Structure Maintenance	1,166	-	-
159 Other Bridge Mtce & Evaluation	-	-	2,000
185 Field Supervision	313,604	350,000	355,000
	<u>\$ 3,790,672</u>	<u>\$ 3,843,039</u>	<u>\$ 3,739,700</u>
 <u>Traffic Services</u>			
160 & 172 Traffic Signs & Services & Clear Vision	\$ 101,355	\$ 77,000	\$ 77,000
161 Traffic Signals - Maintenance	21,235	55,000	65,000
162 - 167 Pavement Marking	179,623	154,500	154,500
163 & 171 Construction Signs & Detours & Closures	19,674	14,000	20,000
168 Traffic Signals - Energy	36,898	37,000	37,000
169 & 170 New Traffic Signs & MUTCD Upgrades	5,159	32,000	32,000
	<u>\$ 363,944</u>	<u>\$ 369,500</u>	<u>\$ 385,500</u>
Grand Total	<u>\$ 4,154,616</u>	<u>\$ 4,212,539</u>	<u>\$ 4,125,200</u>



**Muskegon County Road Commission**  
**Primary Maintenance Projects**  
**2010 - 2011 Budget**  
(In 00's)

The following is a summary list of projects/funds included in the 2010-2011 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			20 miles	502,500	-	-	502,500
Misc. Locations		Culvert Replacement		75,900	-	-	75,900
				-	-	-	-
				<u>578,400</u>	<u>-</u>	<u>-</u>	<u>578,400</u>

**Total Primary Maintenance Projects**

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

**MUSKEGON COUNTY ROAD COMMISSION  
SUPPORTIVE DATA TO THE  
2010 - 2011 COUNTY ROAD BUDGET**

**PRIMARY ROAD SYSTEM**

<b>Project Name:</b>	Chip Seal Program
<b>Location:</b>	County Roads
<b>Description:</b>	Application of single chip seals
<b>Funding:</b>	100% MCRC
	Total Miles: 20 miles
	Estimated Cost: \$502,500

**MUSKEGON COUNTY ROAD COMMISSION  
SUPPORTIVE DATA TO THE  
2010 – 2011 COUNTY ROAD BUDGET**

**PRIMARY ROAD SYSTEM**

**Project Name:** Miscellaneous Culverts

**Location:** Various

**Type of Work:** Large Culvert Replacement, Primary

**Funding:**

MCRC Engineering	\$ 4,000
MCRC Construction	65,000
Overhead	<u>6,900</u>
Total MCRC	<u>\$ 75,900</u>

**Muskegon County Road Commission**  
**Primary Construction-Capacity Improvement and Preservation-Structural Improvement Projects**  
**2010 - 2011 Budget**  
(In 00's)

The following is a summary list of projects/funds included in the 2010 - 2011 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	MCRC	Funding Sources			Total Project Cost
					Other	Federal	State	
<b>Total Primary Construction - Capacity Improvements</b>								
				-	-	-	-	-
Airline Road	Farr Rd. to US-31	Resurfacing & Overlay	3.71 mi	265,000	-	560,000	-	825,000
Giles Road	M-120 to Whitehall Rd.	Rehabilitation Crush & Shape	1.44 mi	203,000	-	380,000	-	583,000
Sherman Boulevard	Worden St to Black Crk.	Preliminary Engineering	1.05 mi	16,500	-	-	-	16,500
Maple Island Road	Sweeter to Ryerson Rd.	Resurfacing, Mill & Overlay	2.91 mi	224,000	-	260,000	-	484,000
Laketon Avenue	Laketon Ave at Quarterline	Traffic Signal Replacement		33,900	-	75,000	-	108,900
<b>Carryover Projects from 2009 - 2010 Budget:</b>								
								-
Mill Iron Road	Hts. Ravenna to Broadway	Resurfacing Crush & Shape	1.02 mi	103,500	-	232,000	-	335,500
E. Fruitport Road	Brooks Rd. to Haney Rd.	Resurfacing	.79 mi	78,000	-	180,000	-	258,000
Moorland Road Bridge	Over Crockery Creek	Rehabilitation		41,000	-	160,000	30,000	231,000
<b>Total Primary Preservation - Structural Improvements</b>				<b>964,900</b>	<b>-</b>	<b>1,847,000</b>	<b>30,000</b>	<b>2,841,900</b>

**MUSKEGON COUNTY ROAD COMMISSION  
SUPPORTIVE DATA TO THE  
2010 - 2011 COUNTY ROAD BUDGET**

**PRIMARY ROAD SYSTEM**

**Project Name:** Airline Road

**Location:** Farr Road to US-31, 3.71 miles, Fruitport Township

**Type of Work:** Resurfacing, Overlay

**Funding:**

Federal, STP-U	\$ 560,000
MCRC Construction	140,000
MCRC Engineering	50,000
Overhead	<u>75,000</u>
Total MCRC	\$ 265,000
Total Project	<u>\$ 825,000</u>

**MUSKEGON COUNTY ROAD COMMISSION  
SUPPORTIVE DATA TO THE  
2010 - 2011 COUNTY ROAD BUDGET**

**PRIMARY ROAD SYSTEM**

**Project Name:** Giles Road

**Location:** M-120 to Whitehall Road, 1.44 miles, Muskegon Township

**Type of Work:** Rehabilitation, Crush & Shape

**Funding:**

Federal, STP-U	\$ 380,000
MCRC Construction	95,000
MCRC Engineering	55,000
Overhead	<u>53,000</u>
Total MCRC	\$ 203,000
Total Project	<u>\$ 583,000</u>

**Note:** Waiting for possible Category A grant for reconstruction, possible construction cost \$875,000.

**MUSKEGON COUNTY ROAD COMMISSION  
SUPPORTIVE DATA TO THE  
2010 - 2011 COUNTY ROAD BUDGET**

**PRIMARY ROAD SYSTEM**

**Project Name:** Sherman Boulevard

**Location:** Worden Street to Black Creek Road, 1.05 miles, City of Muskegon and City of Norton Shores

**Type of Work:** Resurfacing

**Funding:**

MCRC Engineering	\$ 15,000
Overhead	<u>1,500</u>
Total Project	<u>\$ 16,500</u>

**Note:** Preliminary Engineering for early FY 2011-2012 Construction

**MUSKEGON COUNTY ROAD COMMISSION  
SUPPORTIVE DATA TO THE  
2010 - 2011 COUNTY ROAD BUDGET**

**PRIMARY ROAD SYSTEM**

**Project Name:** Maple Island Road

**Location:** Sweeter Road to Ryerson Road, 2.91 miles, Cedar Creek Township

**Type of Work:** Resurfacing, Mill & Overlay

**Funding:**

Federal, STP-U	\$ 260,000
MCRC Construction	140,000
MCRC Engineering	40,000
Overhead	<u>44,000</u>
Total MCRC	\$ 224,000
Total Project	<u>\$ 484,000</u>



**MUSKEGON COUNTY ROAD COMMISSION  
SUPPORTIVE DATA TO THE  
2010 - 2011 COUNTY ROAD BUDGET**

**PRIMARY ROAD SYSTEM**

**Project Name:** Laketon Avenue

**Location:** Laketon Avenue at Quarterline Road, Muskegon Township & City of Muskegon

**Type of Work:** Traffic Signal Replacement

**Funding:**

CMAQ (Federal)	\$ 75,000
MCRC Construction	12,000
MCRC Engineering	12,000
Overhead	<u>9,900</u>
Total MCRC	\$ 33,900
Total Project	<u>\$108,900</u>

**MUSKEGON COUNTY ROAD COMMISSION  
SUPPORTIVE DATA TO THE  
2010 - 2011 COUNTY ROAD BUDGET**

**PRIMARY ROAD SYSTEM**

**Project Name:** Mill Iron Road

**Location:** Hts. Ravenna Road to Broadway Avenue, 1.02 miles, Fruitport Township

**Type of Work:** Resurfacing

**Funding:**

Federal, STP-U	\$ 232,000
MCRC Construction	58,000
MCRC Engineering	15,000
Overhead	<u>30,500</u>
Total MCRC	\$ 103,500
Total Project	<u>\$ 335,500</u>

**Note:** Carryover from 2009 – 2010 Budget

**MUSKEGON COUNTY ROAD COMMISSION  
SUPPORTIVE DATA TO THE  
2010 - 2011 COUNTY ROAD BUDGET**

**PRIMARY ROAD SYSTEM**

**Project Name:** East Fruitport Road

**Location:** Brooks Road to Haney Road, 0.79 miles, Fruitport Township

**Type of Work:** Resurfacing

**Funding:**

Federal, STP-U	\$ 180,000
MCRC Construction	40,000
MCRC Engineering	15,000
Overhead	<u>23,000</u>
Total MCRC	\$ 78,000
Total Project	<u>\$ 258,000</u>

**Note:** Carryover from 2009 – 2010 Budget

**MUSKEGON COUNTY ROAD COMMISSION  
SUPPORTIVE DATA TO THE  
2010 – 2011 COUNTY ROAD BUDGET**

**PRIMARY ROAD BRIDGE**

**Project Name:** Moorland Road Bridge

**Location:** Bridge #7661 over Crockery Creek, Ravenna Township

**Type of Work:** Bridge super-structure rehabilitation - deck resurfacing, expansion joint replacement, structural steel repairs, drainage repairs.

**Funding:**

Federal	\$ 160,000
State	30,000
MCRC Engineering	10,000
MCRC Construction	10,000
Overhead	<u>21,000</u>
Total MCRC	\$ 41,000
Total Project	<u>\$ 231,000</u>

**Note:** Carryover from 2009 – 2010 Budget

# **Local Road System**

**Supportive Data and Schedules**

**Fiscal Year 2010 - 2011**

**Muskegon County Road Commission**  
**Supportative Data to the 2010 - 2011 County Road Budget**  
**Local Road Routine Maintenance**

723.83 Local Road Miles Combined

Routine Maintenance	Paved Roads			Gravel & Unimproved Roads			Total Local Road Routine Maintenance		
	2008 - 2009	2010 - 2011	2009 - 2010	2008 - 2009	2010 - 2011	2009 - 2010	2008 - 2009	2010 - 2011	2009 - 2010
	Actual	Budget	Amended Budget	Actual	Budget	Amended Budget	Actual	Budget	Amended Budget
100 Dust Control	\$ -	\$ -	\$ -	\$ 177,008	\$ 150,000	\$ 150,000	\$ 177,008	\$ 150,000	\$ 150,000
101 Surface Crack Filling	17,671	20,000	-	-	-	-	17,671	10,000	10,000
102 Berm Removal	14,468	20,000	60,000	51,651	85,000	-	66,119	75,000	105,000
103 Surface Dura Patching	141,481	150,000	-	-	-	-	141,481	150,000	150,000
104 Chip Seal	181	300,000	-	531	-	-	712	-	300,000
105 Bituminous Wedging	17,833	-	-	-	-	-	17,833	-	-
106 General Eng - Road Est.	282	-	-	9,117	-	-	9,399	-	-
109 Surface Maintenance	261,115	160,000	600,000	726,053	560,000	-	987,168	760,000	720,000
111 Crack Pour Shoulder	-	1,000	-	-	-	-	-	5,000	1,000
113 Dura Patch Shoulder	391	2,000	-	-	-	-	391	5,000	2,000
114 Chip Seal Shoulder	-	-	-	-	-	-	-	-	-
119 Shoulder Maintenance	50,803	35,000	35,000	40,275	30,000	35,000	91,078	75,000	65,000
120 Tree Removal	23,164	20,000	30,000	45,346	60,145	30,000	68,510	50,000	80,145
121 Tree Trimming/Shrub Rem	50,947	15,000	20,000	39,851	40,000	20,000	90,798	40,000	55,000
122 Drainage/Culverts	142,737	60,000	60,000	31,748	40,000	60,000	174,485	185,000	100,000
123 Ditching Operations	73,952	80,000	100,000	79,389	40,000	100,000	153,341	180,000	110,000
124 Roadside Cleanup	3,454	2,500	1,500	988	1,000	1,500	4,442	4,000	2,000
126 Grass and Weed Mowing	58,817	25,000	30,000	49,215	30,000	30,000	108,032	55,000	50,000
127 Brush Control	6,467	28,000	15,000	30,731	15,000	15,000	37,198	43,000	43,000
130 Guardrail & Guard Posts	1,581	500	-	-	-	-	1,581	500	100
132 Sweeping and Flushing	9,794	5,000	-	47	-	-	9,841	5,000	5,000
137 Right of Way Fence	-	-	-	-	-	-	-	-	-
141 Snow and Ice Control	781,963	700,000	220,000	305,383	350,000	220,000	1,087,346	800,000	1,050,000
149 Other Winter Maintenance	4,099	3,800	2,000	-	2,000	-	4,099	6,000	5,800
151 Structure Maintenance	181	-	-	-	-	-	181	-	-
159 Other Bridge Mtce & Eval	-	-	-	-	-	-	-	-	-
185 Field Supervision	86,481	75,000	75,000	86,137	95,000	75,000	172,618	150,000	170,000
	<b>\$ 1,747,862</b>	<b>\$ 1,350,000</b>	<b>\$ 1,685,900</b>	<b>\$ 1,673,470</b>	<b>\$ 1,498,145</b>	<b>\$ 1,398,500</b>	<b>\$ 3,421,332</b>	<b>\$ 2,748,500</b>	<b>\$ 3,184,045</b>
<b>Traffic Services</b>									
160/172 Traffic Signs/Serv/Clear Vis	\$ 42,525	\$ 40,600	\$ 26,000	\$ 20,975	\$ 26,000	\$ 26,000	\$ 63,500	\$ 66,600	\$ 71,000
161 Traffic Signals - Maint.	2,875	38,000	-	562	-	-	3,437	38,000	4,000
162-167 Pavement Marking	18,139	3,000	-	-	-	-	18,139	3,000	25,000
163/171 Const Signs/Detour/Closure	1,629	-	1,500	-	1,500	-	1,629	1,500	8,000
168 Traffic Signals - Energy	390	-	-	-	200	-	390	-	625
169/170 New Traffic Signs-MUTCD	5,480	62,000	1,000	1,368	1,000	1,000	6,848	63,000	16,000
	<b>\$ 71,038</b>	<b>\$ 143,600</b>	<b>\$ 95,925</b>	<b>\$ 22,905</b>	<b>\$ 28,500</b>	<b>\$ 28,500</b>	<b>\$ 93,943</b>	<b>\$ 172,100</b>	<b>\$ 124,625</b>
<b>Grand Total</b>	<b>\$ 1,818,900</b>	<b>\$ 1,493,600</b>	<b>\$ 1,781,825</b>	<b>\$ 1,696,375</b>	<b>\$ 1,526,845</b>	<b>\$ 1,427,000</b>	<b>\$ 3,515,275</b>	<b>\$ 2,920,600</b>	<b>\$ 3,308,670</b>

**Muskegon County Road Commission**  
**Local Construction - Capacity Improvement and Preservation - Structural Improvement Projects**  
**2010 - 2011 Budget**  
(In 00's)

The following is a summary list of projects/funds included in the 2010 - 2011 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 State	
Schow Road Bridge	Over Skeels Creek	Replacing bridge with culvert		76,250	260,000	48,750	385,000
<b>Total Local Construction - Capacity Improvements</b>				<u>76,250</u>	<u>260,000</u>	<u>48,750</u>	<u>385,000</u>
Indian Point Road	Old Channel Trail to end	Resurface - Crush & Shape .60 mi		14,400	-	-	124,400
<b>Total Local Preservation - Structural Improvements</b>				<u>14,400</u>	<u>-</u>	<u>-</u>	<u>124,400</u>

**MUSKEGON COUNTY ROAD COMMISSION  
SUPPORTIVE DATA TO THE  
2010 - 2011 COUNTY ROAD BUDGET**

**LOCAL ROAD BRIDGE**

**Project Name:** Schow Road Bridge

**Location:** Bridge #7677 over Skeels Creek, Holton Township

**Type of Work:** Replacement

**Funding:**

Federal	\$ 260,000
State	48,750
MCRC Engineering	25,000
MCRC Construction	16,250
MCRC Overhead	<u>35,000</u>
Total MCRC	\$ 76,250
Total Project	<u>\$ 385,000</u>

**Note:** Carryover from 2009 – 2010 Budget



**MUSKEGON COUNTY ROAD COMMISSION  
SUPPORTIVE DATA TO THE  
2010 - 2011 COUNTY ROAD BUDGET**

**LOCAL ROAD SYSTEM**

**Project Name:** Indian Point Road

**Location:** Old Channel Trail to End, 0.6 miles, White River Township

**Type of Work:** Resurface, Crush & Shape

**Funding:**

Local, Township	\$ 110,000
MCRC Engineering	4,000
MCRC Overhead	<u>10,400</u>
Total MCRC	\$ 14,400
Total Project	<u>\$ 124,400</u>

**MUSKEGON COUNTY ROAD COMMISSION  
SUPPORTIVE DATA TO THE  
2010 – 2011 COUNTY ROAD BUDGET**

**SERVICE FOR OTHER ENTITIES**

<b>Project Name:</b>	Berry Junction Trail	
<b>Location:</b>	Fruitland and Dalton Townships	
<b>Type of Work:</b>	Non-motorized trail construction	
<b>Funding:</b>	Federal	\$ 541,619
	State	89,879
	Berry Junction Trail Committee	9,500
	West Michigan Trails & Greenways	<u>482,240</u>
	Total Project	<u>\$1,123,238</u>

# **Capital Outlay**

**Fiscal Year 2010 - 2011**

**Muskegon County Road Commission  
Supportive Data  
Budget Year 2010 – 2011**

**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 -- \$5,000**

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.

### **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 -- \$56,750**

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
- 2.) Miscellaneous Other Equipment – A total of \$6,000 is being requested as contingency funds to cover small unexpected expenditures by various departments.
- 3.) Engineering Department – Engineering has requested funds in the amount of \$45,000 to purchase a Total Station to replace the current station. The current piece of equipment is in constant need of repair and its operating system is obsolete. The new Station would be robotic which would accommodate operation by one person instead of two, as the current system requires. In addition the onboard data collection system would provide far superior functionality as compared to our current capabilities.

### **General Building --\$13,000**

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 previous 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 improvements such as replacing the flooring in the kitchen and office areas at the Twin Lake garage and adding on an equipment storage unit at the Whitehall garage. The projected cost of these improvements is \$13,000.

### **Fleet Equipment -- \$909,000**

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 \$909,000.

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.

Typically in line with our replacement policy we purchase 4 dump trucks in each budget year. In this budget in order to free up funds we have only requested 3. The lease on the Excavator ends in 2011 and we have the option to purchase the unit at the end for \$75,000. The Excavator has a projected life span of an additional 8 – 10 years and this would prevent us from having to purchase or lease a new unit.

We also have the opportunity to purchase a used 55' bucket truck for \$30,000. The truck would be used for sign installation and tree work. To increase our crack filling capabilities we have requested funds to purchase a used crack pour unit for \$20,000. Funds have also been requested to purchase a Asphalt recycling unit to provide the necessary hot patch mix used to repair potholes. This material would be used in lieu of cold patch and provide a more durable patch.

As the Board has been previously notified the Muskegon garage is in the process of cleaning up free product releases associated with the old fueling system. The remediation costs are being partially covered by insurance but our environmental engineering consultant has advised us that due to the length of time that the remediation process will last that it would be more cost effective to purchase the Soil Vapor Extraction / Air Sparge unit and rent it to the insurance company. The remediation efforts are projected to last approximately 5 years and the rental income would offset our purchase in 3 three years.

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 2010 - 2011  
(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	-
Contingency	1,000	-	-	1,000	-	-
<b>Twin Lake Total</b>	<u>\$ 5,500</u>					
<b>Whitehall:</b>						
Equipment Storage off Main Building	\$ 8,500	-	-	-	8,500	-
Contingency	1,000	-	-	1,000	-	-
<b>Whitehall Total</b>	<u>\$ 9,500</u>					
<b>Muskegon:</b>						
Contingency	\$ 1,000	-	-	1,000	-	-
<b>Muskegon Total</b>	<u>\$ 1,000</u>					
<b>Sign Shop</b>						
Contingency	\$ 1,000	-	-	1,000	-	-
<b>Sign Shop Total</b>	<u>\$ 1,000</u>					
<b>New Equipment:</b>						
1 - 58,000 GVW Truck inc scraper/wing/setup	\$ 133,000	-	-	-	-	133,000
2 - 35,000 GVW Dump inc box/scraper/wing/setup	236,000	-	-	-	-	236,000
1 - Excavator - purchase at end of lease	75,000	-	-	-	-	75,000
1 - Bucket Truck 55' (Used)	30,000	-	-	-	-	30,000
2 - Pickups Ext. Cab	46,000	-	-	-	-	46,000
1 - 9' Do-Al Box	21,500	-	-	-	-	21,500
6 - Chain Saws & Weed whips	2,000	-	-	-	-	2,000
1 - Asphalt Recycler	190,000	-	-	-	-	190,000
1 - Soil Vapor Extraction/Air Sparge Trailer	147,000	-	-	-	-	147,000
1 - Crack Pour Machine (Used)	20,000	-	-	-	-	20,000
1 - Berm Disc Front Mount for Grader	8,500	-	-	-	-	8,500
Miscellaneous Tools	5,000	-	-	5,000	-	-
<b>Equipment Total</b>	<u>\$ 914,000</u>					
<b>Engineering:</b>						
Total Station - Surveying Equipment	\$ 45,000	-	-	45,000	-	-
Video Camera	750	-	-	750	-	-
Contingency	1,000	-	-	1,000	-	-
<b>Engineering Total</b>	<u>\$ 46,750</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>\$ 983,750</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 56,750</u>	<u>\$ 13,000</u>	<u>\$ 909,000</u>
		A	B	C	D	E
<b>Proposed Budget:</b>						
Road Equipment Total (Column E)			\$ 909,000			
Office, Buildings and Land (Columns A,B,C and D)			74,750			
<b>Grand Total</b>			<b>\$ 983,750</b>			



# **Administrative Expense**

**Supportive Data and Schedules**

**Fiscal Year 2010 - 2011**

**Muskegon County Road Commission  
Administrative Expense Comparison  
Fiscal Year 2010 - 2011  
(in 00's)**

<u>Description</u>	<u>Actual 09/30/09</u>	<u>Adopted Budget 2009 - 2010</u>	<u>2010 - 2011 Budget</u>
Salaries and Wages	\$ 343,231	\$ 325,000	\$ 355,000
Fringe Benefits	182,326	248,000	215,550
Postage	689	1,000	1,000
Office Supplies	610	800	800
Dues and Publications	1,939	3,000	3,000
Contractual Services	1,418	2,000	2,000
Data Processing	4,361	6,000	6,000
Legal and Professional	-	500	500
Education and Training	12,049	11,500	13,000
Communications	6,475	7,500	7,500
Travel Expense	1,260	3,500	3,500
Advertising/Public Relations	366	400	400
Insurance	10,920	8,500	11,000
Utilities	7,773	10,000	10,000
Building Repair and Maintenance	1,804	4,500	4,500
Office Equipment Repair/Maintenance	4,246	3,000	4,000
Miscellaneous	2	250	250
Depreciation - Office Equipment	9,043	9,250	9,250
Depreciation - Office Building	17,562	18,200	18,200
Other:			
Random Drug Testing	58	250	250
Administrative Auto Expense	-		
License Fees	-		
<b>Total</b>	<b>\$ 606,132</b>	<b>\$ 663,150</b>	<b>\$ 665,700</b>
<b>Credits to Administrative Expense</b>			
Handling Charges on Materials Sold	\$ 6,068	\$ 5,500	\$ 5,500
Overhead - State Trunkline Maintenance	208,990	160,000	160,000
Purchase Discounts	337	75	200
Other	-		
<b>Total</b>	<b>\$ 215,395</b>	<b>\$ 165,575</b>	<b>\$ 165,700</b>
<b>Net Total Administration</b>	<b>\$ 390,737</b>	<b>\$ 497,575</b>	<b>\$ 500,000</b>

**Muskegon County Road Commission  
Supportive Data  
Budget Year 2010 - 2011**

**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 -- \$45,000**

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 \$28,000 provided for specialized engineering assistance on two bridge projects (Moorland and Schow Roads) that were carried over from last year's budget.

**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 -- \$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 -- \$ 33,900 (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 Capital Improvement project that we partnered with Johnson Control on we 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 2010 - 2011  
(in 00's)**

Description	2010 - 2011 Budget
<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	-
Moorland Bridge Rehab	8,000
Schow Bridge Replacement	20,000
Engineering Total	<u>45,000</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)	33,900
Other Miscellaneous Professional Services	10,000
Safety/Building Maintenance Total	<u>53,900</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>\$ 172,700</u></u>