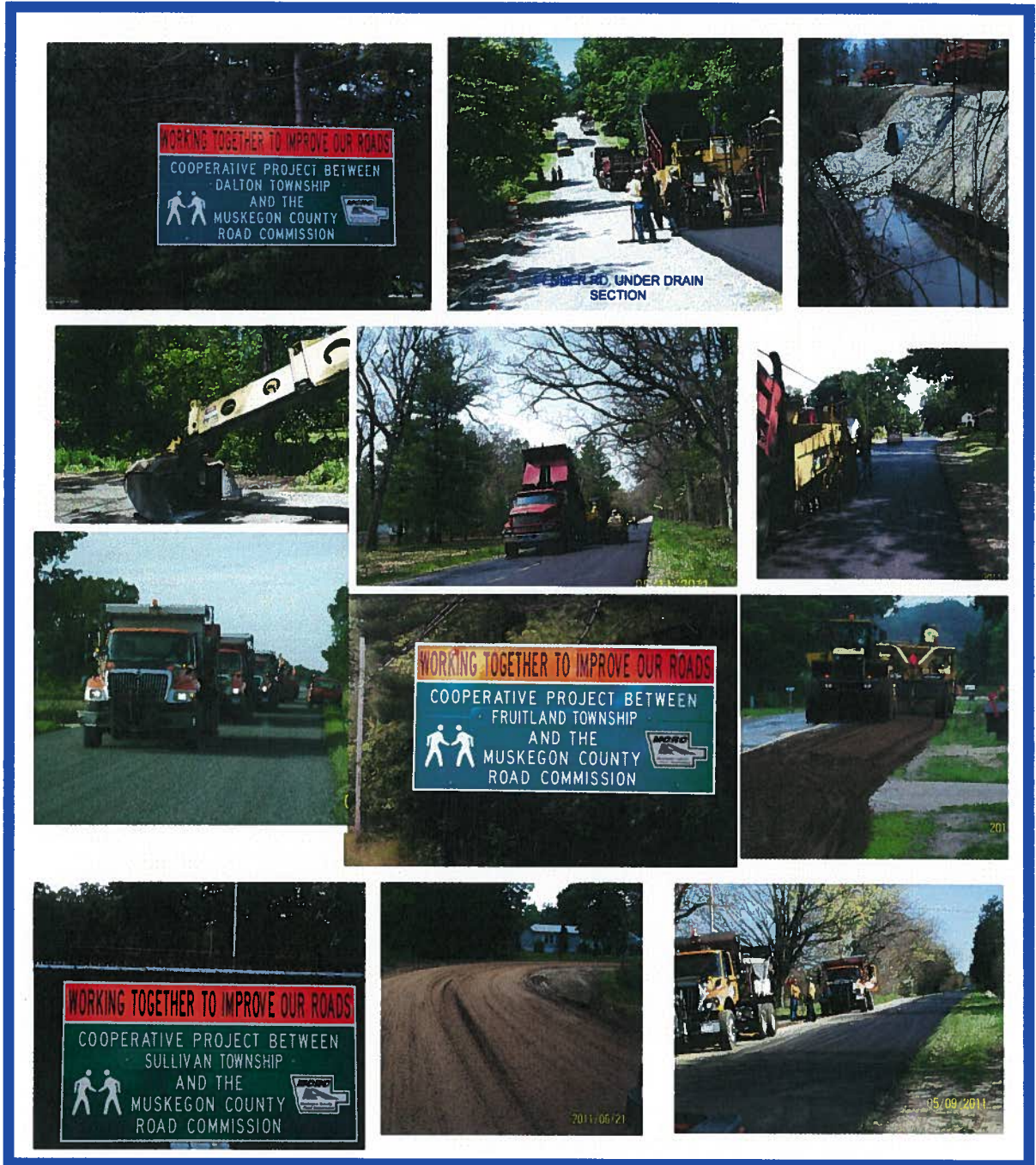


MUSKEGON COUNTY ROAD COMMISSION



ADOPTED BUDGET

2011 – 2012



Muskegon County Road Commission

7700 East Apple Avenue
Telephone (231) 788-2381

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

Joan M. Santes
Chair

Jack E. Kennedy
Vice Chair

Melvin L. Black
Commissioner

John J. DeWolf
Commissioner

Terry J. Sabo
Commissioner

TO: Road Commissioners Santes, Kennedy, Black, DeWolf and Sabo

FROM: Kenneth J. Hulka, Managing Director

DATE: October 1, 2011

SUBJECT: Adopted 2011 - 2012 Operating Budget

Developing the annual budget is perhaps one of the most significant tasks 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 pavement preservation of the existing system utilizing asset management concepts and the mix of fixes through superior routine and heavy maintenance utilizing best industry practices.

The 2011/2012 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 seventh consecutive year of flat or 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 the primary road construction and preservation projects, an increase in the number of miles to be chip sealed on the primary and local 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 statutory ability to fix or change the system to do so while we still have something to work with.

**MUSKEGON COUNTY ROAD COMMISSION
2011 - 2012 OPERATING BUDGET
TABLE OF CONTENTS**

General Operating Budget	1
General Appropriation Budget	2
Primary Road System: Supportive Data and Schedules	3
Primary Road Routine Maintenance Budget	4
Primary Routine Maintenance Projects	5
Primary Routine Maintenance Project - Chip Seal Program	6
Primary Routine Maintenance Project - Miscellaneous Safety Upgrades	7
Primary Routine Maintenance Project - Trent Road Bridge	8
Primary Construction and Preservation Projects	9
Primary Preservation Project - Pontaluna Road Bridge	10
Primary Preservation Project - River Road	11
Primary Preservation Project - Sherman Boulevard	12
Primary Preservation Project - Maple Island Road	13
Primary Preservation Project - Whitehall Road	14
Primary Preservation Project - Giles Road	15
Local Road System: Supportive Data and Schedules	16
Local Road Routine Maintenance Budget	17
Local Routine Maintenance Projects	18
Local Preservation Project - Meinert Road at Ruper Drain	19

**MUSKEGON COUNTY ROAD COMMISSION
2011 - 2012 OPERATING BUDGET
TABLE OF CONTENTS**

Local Preservation Project - Rollenhagen Road	20
Local Preservation Project - Pontaluna Road at Seba Road	21
Capital Outlay	22
Schedule of Capital Outlay: Supportive Data	23
Schedule of Capital Outlay	26
Administrative Expense: Supportive Data and Schedules	27
Administrative Expense Comparison	28
Schedule of Legal and Professional Services: Supportive Data	29
Schedule of Legal and Professional Services	31

General Operating Budget

Fiscal Year 2011 - 2012

**Muskegon County Road Commission
General Appropriation Budget
Fiscal Year Beginning 10/01/11 and Ending 09/30/12
(In 00's)**

Account Description	Actual Revenues & Expenditures 09/30/09	Actual Revenues & Expenditures 09/30/10	2010 - 2011 Adopted Budget	2011 - 2012 Proposed Budget
Revenues:				
Mich Transportation Fund				
Primary Fund	\$ 6,197,160	\$ 6,302,972	\$ 5,943,000	\$ 5,979,000
Local Fund	2,221,472	2,235,863	2,120,000	2,138,800
Build Michigan Funds	321,005	323,129	321,000	321,000
Sub Total	<u>\$ 8,739,637</u>	<u>\$ 8,861,964</u>	<u>\$ 8,384,000</u>	<u>\$ 8,438,800</u>
Fed Aid, EDF Funds, State	2,067,698	2,213,095	3,308,988	3,284,800
State Trunkline Mtnce	2,643,538	1,875,613	1,900,000	1,900,000
TWP Contributions and Other	4,297,191	389,957	310,000	510,000
Interest Income	71,767	28,414	30,000	16,000
Miscellaneous Receipts	43,524	101,250	100,000	110,000
Snow Funds	85,444	83,239	85,000	85,000
Reimbursements	488,788	544,491	250,000	300,000
Grand Total Revenues	<u>\$ 18,437,587</u>	<u>\$ 14,098,023</u>	<u>\$ 14,367,988</u>	<u>\$ 14,644,600</u>
***** **				
Expenditures:				
Maintenance - Primary Routine	\$ 4,154,616	\$ 3,929,163	\$ 4,125,200	\$ 4,121,715
Construction - Primary	-	-	-	947,100
Maintenance - Primary Preservation	3,903,448	3,072,096	2,841,900	3,589,520
Maintenance - Local Routine	3,525,469	3,698,650	3,308,670	3,558,468
Maintenance - Local Preservation	3,579,587	366,342	124,400	-
Construction - Local	1,190	-	385,000	-
State Trunkline Mtnce	2,635,578	1,930,569	1,900,000	1,900,000
Service for Other Entities	2,769	-	1,123,238	-
Debt Retirement and Interest	285,759	277,139	250,000	265,000
Administrative Expense - Net	390,737	463,314	500,000	484,750
Equip Expense - Parts & Labor	956,800	865,638	850,000	865,000
-Indirect Storage	1,185,419	1,294,308	1,100,000	1,300,000
-Operating	448,214	445,820	450,000	465,000
-Depreciation	643,518	771,262	660,000	775,000
Less: Rental Credits	(3,499,067)	(3,051,319)	(3,000,000)	(3,000,000)
Other Receivables (A/R's)	413,846	355,488	250,000	300,000
Capital Expenditures				
Road Equipment	473,191	1,206,160	909,000	875,000
Office, Bldg & Land	940,587	43,783	74,750	74,000
Less: Depr. & Depletion	(922,710)	(1,049,593)	(900,000)	(1,000,000)
Grand Total Expenditures	<u>\$ 19,118,951</u>	<u>\$ 14,618,820</u>	<u>\$ 14,952,158</u>	<u>\$ 15,520,553</u>
Change In Available Operating Funds	<u>\$ (681,364)</u>	<u>\$ (520,797)</u>	<u>\$ (584,170)</u>	<u>\$ (875,953)</u>
Total Expenditures and CAOF	<u>\$ 18,437,587</u>	<u>\$ 14,098,023</u>	<u>\$ 14,367,988</u>	<u>\$ 14,644,600</u>

Primary Road System

Supportive Data and Schedules

Fiscal Year 2011 - 2012

Muskegon County Road Commission
Supportive Date to 2011 - 2012 County Road Budget
Primary Road Routine Maintenance

380.10 Primary Road Miles

<u>Routine Maintenance</u>	2009 - 2010 Actual	2010 - 2011 Adopted Budget	2011 - 2012 Proposed Budget
101 Surface Crack Filling	\$ 256,058	\$ 200,000	\$ 150,000
102 Berm Removal	94,856	150,000	230,215
103 Surface Dura Patching	113,281	120,000	70,000
104 Chip Seal	721,960	502,500	1,005,000
105 Bituminous Wedging	21,836	90,000	64,000
106 General Engineering/Road Estimates	2,361	3,000	2,500
109 Surface Maintenance	179,102	250,000	160,000
110 Asphalt Overlay	-	-	-
111 Crack Pour Shoulder	-	8,000	6,000
113 Dura Patch Shoulder	1,616	5,000	3,000
114 Chip Seal Shoulder	51,452	50,000	90,000
119 Shoulder Maintenance	356,258	125,000	90,000
120 Tree Removal	112,819	225,000	80,000
121 Tree Trimming/Shrub Removal	94,073	100,000	90,000
122 Drainage/Culverts	129,672	80,000	60,000
123 Ditching Operations	117,243	225,000	80,000
124 Roadside Cleanup	3,325	7,000	3,000
126 Grass and Weed Mowing	90,803	90,000	80,000
127 Brush Control	33,623	45,000	28,000
130 Guardrails and Guard Posts	33,328	50,000	9,000
132 Sweeping - Curbs & Gutter	19,860	20,000	25,000
137 Right of Way Fence	40	-	-
141 Snow and Ice Control	660,699	1,007,200	1,000,000
149 Other Winter Maintenance	26,765	30,000	25,000
151 Structure Maintenance	3,304	-	-
159 Other Bridge Mtce & Evaluation	2,771	2,000	2,000
185 Field Supervision	411,458	355,000	410,000
	<u>\$ 3,538,563</u>	<u>\$ 3,739,700</u>	<u>\$ 3,762,715</u>
<u>Traffic Services</u>			
160 & 172 Traffic Signs & Services & Clear Vision	\$ 62,512	\$ 77,000	\$ 60,000
161 Traffic Signals - Maintenance	65,855	65,000	60,000
162 - 167 Pavement Marking	161,090	154,500	162,000
163 & 171 Construction Signs & Detours & Closures	26,486	20,000	25,000
168 Traffic Signals - Energy	37,541	37,000	20,000
169 & 170 New Traffic Signs & MUTCD Upgrades	37,116	32,000	32,000
	<u>\$ 390,600</u>	<u>\$ 385,500</u>	<u>\$ 359,000</u>
Grand Total	<u>\$ 3,929,163</u>	<u>\$ 4,125,200</u>	<u>\$ 4,121,715</u>

Muskegon County Road Commission
Primary Maintenance Projects
2011 - 2012 Budget
(In 00's)

The following is a summary list of projects/funds included in the 2011-2012 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	
Chip Seal Program			40 miles	1,005,000	-	-	-	1,005,000
Safety Upgrades	Various Locations	Signing & Pavement Markings		5,800		9,600		15,400
Trent Road Bridge	Over Crockery Creek	Scour & Abutment Repairs		5,000	-	-	-	5,000
Total Primary Maintenance Projects				1,015,800	-	9,600	-	1,025,400

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

**MUSKEGON COUNTY ROAD COMMISSION
SUPPORTIVE DATA TO THE
2011 – 2012 COUNTY ROAD BUDGET**

PRIMARY ROAD SYSTEM

Project Name: Chip Seal Program

Location: Various Primary Roads, Countywide; Various Townships

Description: Application of single chip seals

Funding: 100% MCRC

Total Miles: 40 miles

Estimated Cost: \$1,005,000

**MUSKEGON COUNTY ROAD COMMISSION
SUPPORTIVE DATA TO THE
2011 – 2012 COUNTY ROAD BUDGET**

PRIMARY ROAD SYSTEM

Project Name: Safety Upgrades

Location: Various Intersections, Countywide; Various Townships

Type of Work: Signing and Pavement Markings

Funding:

Federal	\$ 9,600
MCRC Construction	2,400
MCRC Engineering	2,000
MCRC Overhead	<u>1,400</u>
Total MCRC	\$ 5,800
Total Project	<u>\$15,400</u>

Notes: Small MDOT Safety Grant. Includes federal funding for preliminary engineering up to \$600.

**MUSKEGON COUNTY ROAD COMMISSION
SUPPORTIVE DATA TO THE
2011 – 2012 COUNTY ROAD BUDGET**

PRIMARY ROAD BRIDGE

Project Name: Trent Road Bridge
Location: Bridge #7666 over Crockery Creek, Casnovia Township
Type of Work: Scour Repair and Abutment Repairs
Funding: Total MCRC \$ 5,000

Muskegon County Road Commission
Primary Construction-Capacity Improvement and Preservation-Structural Improvement Projects
2011 - 2012 Budget
(In 00's)

The following is a summary list of projects/funds included in the 2011 - 2012 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		State	Total Project Cost
					Other	Federal		
Pontaluna Road Bridge	Norris Crk E. of Johnson	Replacement of Triple Culvert		177,100	-	648,000	122,000	947,100
Total Primary Construction - Capacity Improvements				<u>177,100</u>	<u>-</u>	<u>648,000</u>	<u>122,000</u>	<u>947,100</u>
River Road	Whitehall Rd to Getty St	Resurfacing, Crush & Shape	1.91 mi.	255,700	-	225,000	-	480,700
Sherman Boulevard	Worden St to Black Crk	Resurfacing	.79 mi.	328,000	-	519,000	-	847,000
Maple Island Road	Ryerson Rd to M-120	Resurfacing, Mill & Overlay	4.15 mi.	271,240	-	735,358	107,042	1,113,640
Whitehall Road	Giles Rd to River Rd	Left Turn Lane Construction	.20 mi.	8,500	25,000	60,000	-	93,500
Carryover Projects from 2010 - 2011 Budget:								
Giles Road	M-120 to Whitehall Rd.	Reconstruction	1.44 mi	195,880	-	380,000	478,800	1,054,680
Total Primary Preservation - Structural Improvements				<u>1,059,320</u>	<u>25,000</u>	<u>1,919,358</u>	<u>585,942</u>	<u>3,589,520</u>

**MUSKEGON COUNTY ROAD COMMISSION
SUPPORTIVE DATA TO THE
2011 – 2012 COUNTY ROAD BUDGET**

PRIMARY ROAD BRIDGE

Project Name: Pontaluna Road Bridge

Location: Bridge #13473 over Norris Creek, 0.1 miles, Fruitport Township

Type of Work: Bridge Replacement

Funding:

Federal	\$ 648,000
State	122,000
MCRC Engineering	50,000
MCRC Construction	41,000
MCRC Overhead	<u>86,100</u>
Total MCRC	\$ 177,100
Total Project	<u>\$ 947,100</u>

Notes: Replacement of triple culverts with single span bridge

**MUSKEGON COUNTY ROAD COMMISSION
SUPPORTIVE DATA TO THE
2011 - 2012 COUNTY ROAD BUDGET**

PRIMARY ROAD SYSTEM

Project Name: River Road

Location: Whitehall Road to Getty Street, 1.91 miles, Muskegon and Dalton Townships

Type of Work: Resurfacing, Crush & Shape

Funding:	Federal, STP-R	\$ 225,000
	MCRC Construction	167,000
	MCRC Engineering	45,000
	MCRC Overhead	<u>43,700</u>
	Total MCRC	\$ 255,700
	Total Project	<u>\$ 480,700</u>

**MUSKEGON COUNTY ROAD COMMISSION
SUPPORTIVE DATA TO THE
2011 - 2012 COUNTY ROAD BUDGET**

PRIMARY ROAD SYSTEM

Project Name: Sherman Boulevard

Location: Worden Street to Black Creek Road, 0.79 miles, City of Muskegon and City of Norton Shores

Type of Work: Resurfacing

Funding:

Federal, STP-U	\$ 519,000
MCRC Construction	221,000
MCRC Engineering	30,000
MCRC Overhead	<u>77,000</u>
Total MCRC	\$ 328,000
Total Project	<u>\$ 847,000</u>

Note: Carry over of FY 10-11 Federal STP-U Funds of \$380,000.
FY11-12 Federal Funds of \$139,000

**MUSKEGON COUNTY ROAD COMMISSION
SUPPORTIVE DATA TO THE
2011 - 2012 COUNTY ROAD BUDGET**

PRIMARY ROAD SYSTEM

Project Name: Maple Island Road

Location: Ryerson Road to M-120, 4.15 miles, Cedar Creek and Holton Townships

Type of Work: Resurfacing, Overlay

Funding:

Federal, STP-U		\$ 735,358
State		107,042
MCRC Construction		120,000
MCRC Engineering		50,000
MCRC Overhead		<u>101,240</u>
	Total MCRC	\$ 271,240
	Total Project	<u>\$1,113,640</u>

Notes: State "D" Funds used as portion of local match against federal funds.

**MUSKEGON COUNTY ROAD COMMISSION
SUPPORTIVE DATA TO THE
2011 - 2012 COUNTY ROAD BUDGET**

PRIMARY ROAD SYSTEM

Project Name: Whitehall Road

Location: Giles Road to River Road, 0.2 miles, Muskegon and Laketon Townships

Type of Work: Left Turn Lane Construction

Funding:	State	\$ 60,000
	Other	25,000
	MCRC Overhead	<u>8,500</u>
	Total MCRC	\$ 8,500
	Total Project	<u>\$ 93,500</u>

Notes: Category "A" Grant to assist with roadwork on Whitehall Road in conjunction with Fortu development. Engineering design by Developer.

**MUSKEGON COUNTY ROAD COMMISSION
SUPPORTIVE DATA TO THE
2011 - 2012 COUNTY ROAD BUDGET**

PRIMARY ROAD SYSTEM

Project Name: Giles Road

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

Type of Work: Reconstruction, Culvert Replacements

Funding:

Federal, STP-U	\$ 380,000
State	478,800
MCRC Construction	25,000
MCRC Engineering	75,000
MCRC Overhead	<u>95,880</u>
Total MCRC	\$ 195,880
Total Project	<u>\$1,054,680</u>

Note: Includes additional easements for ditch relocation.

Local Road System

Supportive Data and Schedules

Fiscal Year 2011 - 2012

Muskegon County Road Commission
Supportive Data to the 2011 - 2012 County Road Budget
Local Road Routine Maintenance

Routine Maintenance	Paved Roads			Gravel & Unimproved Roads			Total Local Road Routine Maintenance		
	2009 - 2010	2010 - 2011	2011 - 2012	2009 - 2010	2010 - 2011	2011 - 2012	2009 - 2010	2010 - 2011	2011 - 2012
	Actual	Adopted Budget	Budget	Actual	Adopted Budget	Budget	Actual	Adopted Budget	Budget
100 Dust Control	\$ -	\$ -	\$ -	\$ 147,345	\$ 150,000	\$ 130,000	\$ 147,345	\$ 150,000	\$ 130,000
101 Surface Crack Filling	47,381	20,000	60,000	-	-	-	47,381	20,000	60,000
102 Berm Removal	101,037	20,000	50,000	30,142	85,000	70,000	131,179	105,000	120,000
103 Surface Dura Patching	329,794	150,000	85,000	-	-	-	329,794	150,000	85,000
104 Chip Seal	145,025	300,000	325,000	-	-	-	145,025	300,000	325,000
105 Bituminous Wedging	53,430	-	50,000	-	-	-	53,430	-	50,000
106 General Engineering-Road Est	8,231	-	3,000	2,232	-	-	10,463	-	3,000
109 Surface Maintenance	251,484	160,000	89,000	592,752	560,000	450,000	844,236	720,000	539,000
111 Crack Pour Shoulder	-	1,000	1,000	-	-	-	-	1,000	1,000
113 Dura Patch Shoulder	-	2,000	1,000	-	-	-	-	2,000	1,000
114 Seal/Patch Shoulder	-	-	1,000	-	-	-	-	-	1,000
119 Shoulder Maintenance	81,949	35,000	40,000	32,395	30,000	25,000	114,344	65,000	65,000
120 Tree Removal	13,139	20,000	20,000	106,462	60,145	90,000	119,601	80,145	110,000
121 Tree Trimming/Shrub Removal	57,279	15,000	16,000	68,092	40,000	60,000	125,371	55,000	76,000
122 Drainage/Culverts	92,292	60,000	285,400	22,155	40,000	71,000	114,447	100,000	356,400
123 Ditching Operations	110,390	70,000	30,500	43,190	40,000	67,000	153,580	110,000	97,500
124 Roadside Cleanup	1,278	1,000	500	1,171	1,000	300	2,449	2,000	800
126 Grass and Weed Mowing	41,959	20,000	20,000	40,952	30,000	27,000	82,911	50,000	47,000
127 Brush Control	29,139	28,000	28,000	21,187	15,000	6,000	50,326	43,000	34,000
130 Guardrail and Guard Posts	79	100	100	47	-	-	126	100	100
132 Sweeping and Flushing	10,210	5,000	3,000	-	-	-	10,210	5,000	3,000
137 Right of Way Fence	-	-	-	-	-	-	-	-	-
141 Snow and Ice Control	575,616	700,000	800,605	251,962	350,000	340,000	827,578	1,050,000	1,140,605
149 Other Winter Maintenance	1,819	3,800	2,500	912	2,000	938	2,731	5,800	3,438
151 Structure Maintenance	-	-	-	1,513	-	-	1,513	-	-
159 Other Bridge Mtce & Evaluation	1,690	-	-	2,060	-	-	3,750	-	-
185 Field Supervision	91,591	75,000	92,500	90,161	95,000	92,500	181,752	170,000	185,000
	<u>\$ 2,044,812</u>	<u>\$ 1,685,900</u>	<u>\$ 2,004,105</u>	<u>\$ 1,454,730</u>	<u>\$ 1,498,145</u>	<u>\$ 1,429,738</u>	<u>\$ 3,499,542</u>	<u>\$ 3,184,045</u>	<u>\$ 3,433,843</u>
Traffic Services									
160/172 Traffic Signs/Serv/Clear Vis	\$ 40,836	\$ 45,000	\$ 45,000	\$ 12,983	\$ 26,000	\$ 26,000	\$ 53,819	\$ 71,000	\$ 71,000
161 Traffic Signals - Maint.	4,165	4,000	4,000	349	-	-	4,514	4,000	4,000
162-167 Pavement Marking	48,240	25,000	25,000	-	-	-	48,240	25,000	25,000
163/171 Const Signs/Detour/Closure	4,283	6,500	6,500	3,766	1,500	1,500	8,049	8,000	8,000
168 Traffic Signals - Energy	-	425	425	-	200	200	-	625	625
169/170 New Traffic Signs-MUTCD	23,614	15,000	15,000	4,828	1,000	1,000	28,442	16,000	16,000
	<u>\$ 121,138</u>	<u>\$ 95,925</u>	<u>\$ 95,925</u>	<u>\$ 21,926</u>	<u>\$ 28,700</u>	<u>\$ 28,700</u>	<u>\$ 143,064</u>	<u>\$ 124,625</u>	<u>\$ 124,625</u>
Grand Total	<u>\$ 2,165,950</u>	<u>\$ 1,781,825</u>	<u>\$ 2,100,030</u>	<u>\$ 1,476,656</u>	<u>\$ 1,526,845</u>	<u>\$ 1,458,438</u>	<u>\$ 3,642,606</u>	<u>\$ 3,308,670</u>	<u>\$ 3,558,468</u>

Muskegon County Road Commission
Local Maintenance Projects
2011 - 2012 Budget
(In 00's)

The following is a summary list of projects/funds included in the 2011-2012 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	Township	State	
Meinert Road	At Ruper Drain	Culvert Repair & Stream Reloc		5,775	-	-	-	5,775
Rollenhagen Road	S of Farr Road	Culvert Replacement		6,325	-	-	-	6,325
Pontaluna Road	At Seba Road	Culvert Replacement		63,300	50,000	110,000	-	223,300
Total Local Maintenance Projects				<u>75,400</u>	<u>50,000</u>	<u>110,000</u>	<u>-</u>	<u>235,400</u>

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

**MUSKEGON COUNTY ROAD COMMISSION
SUPPORTIVE DATA TO THE
2011 - 2012 COUNTY ROAD BUDGET**

LOCAL ROAD SYSTEM

Project Name: Meinert Road at Ruper Drain

Location: West of Schow Road, Holton Township

Description: Culvert Repair

Funding:

MCRC Construction	\$ 5,000
MCRC Engineering	250
MCRC Overhead	<u>525</u>
Total MCRC	<u>\$ 5,775</u>

Notes: Stream relocation to stabilize structure.

**MUSKEGON COUNTY ROAD COMMISSION
SUPPORTIVE DATA TO THE
2011 - 2012 COUNTY ROAD BUDGET**

LOCAL ROAD SYSTEM

Project Name: Rollenhagen Road

Location: South of Farr Road, Ravenna Road

Description: One-lane bridge, narrow culvert

Funding:	MCRC Construction	\$ 5,000
	MCRC Engineering	750
	MCRC Overhead	<u>\$ 575</u>
	Total MCRC I	<u>\$ 6,325</u>

Notes: Existing bridge required to be closed due to poor condition

**MUSKEGON COUNTY ROAD COMMISSION
SUPPORTIVE DATA TO THE
2011 - 2012 COUNTY ROAD BUDGET**

LOCAL ROAD SYSTEM

Project Name: Pontaluna Road at Seba Road

Location: Near Intersection, Ravenna Township

Type of Work: Culvert Replacement

Funding:

Local, Township	\$ 110,000
MCRC Construction	50,000
MCRC Engineering	3,000
MCRC Overhead	10,300
Other	<u>50,000</u>
Total MCRC	\$ 63,300
Total Project	<u>\$ 223,300</u>

Notes: Will require successful County Drain petition and drain extension

Capital Outlay

Fiscal Year 2011 - 2012

Muskegon County Road Commission
Supportive Data
Budget Year 2011 – 2012
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. For planning purposes we have been advised that 5 – 6 years is usually the maximum life for servers. With that in mind we will be having our network system evaluated during this fiscal year and will then know what we will need to budget for future upgrades.

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 -- \$56,000

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.
- 2.) Miscellaneous Other Equipment – A total of \$6,000 is being requested as contingency funds to cover small-unexpected expenditures by various departments and garages.
- 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. This item was carried over from last year's budget.

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. These items were carried over from last year's budget.

Fleet Equipment -- \$875,000

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 \$875,000.

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.

This year's budget includes the purchase of 4 dump trucks, which is in line with our replacement policy for each budget year. The bucket truck used in Traffic Services is also slated for replacement in 2011 – 2012.

Other amounts are self explanatory, however, if there is 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 2011 - 2012
(In 00's)**

Description:	Amount Requested	A Computers	B Office Equipment	C Other Equipment	D General Building	E Fleet Equipment
Traffic:						
Contingency	\$ 1,000	\$ -	\$ -	\$ 1,000	\$ -	\$ -
Traffic Total	\$ 1,000					
Maintenance:						
Twin Lake:						
Building Improvements	\$ 4,500	-	-	-	4,500	-
Contingency	1,000	-	-	1,000	-	-
Twin Lake Total	\$ 5,500					
Whitehall:						
Equipment Storage off Main Building	\$ 8,500	-	-	-	8,500	-
Contingency	1,000	-	-	1,000	-	-
Whitehall Total	\$ 9,500					
Muskegon:						
Contingency	\$ 1,000	-	-	1,000	-	-
Muskegon Total	\$ 1,000					
Sign Shop						
Contingency	\$ 1,000	-	-	1,000	-	-
Sign Shop Total	\$ 1,000					
New Equipment:						
1 - 58,000 GVW Truck inc scraper/wing/setup	\$ 137,000	-	-	-	-	137,000
2 - 35,000 GVW Dump inc box/scraper/wing/setup	250,000	-	-	-	-	250,000
1 - 39,000 GVW Do-al, inc scraper and setup	125,000	-	-	-	-	125,000
1 - Bucket Truck - Traffic Services	150,000	-	-	-	-	150,000
1 - Tractor w/side and boom	80,000	-	-	-	-	80,000
1 - Repeater, Narrow Band	9,000	-	-	-	-	9,000
3 - Pickups 2 Ext. Cab	68,000	-	-	-	-	68,000
1 - 12' Do-Al Box	28,000	-	-	-	-	28,000
1 - 9' Do-Al Box	25,000	-	-	-	-	25,000
6 - Chain Saws & Weed whips	3,000	-	-	-	-	3,000
Miscellaneous Tools	5,000	-	-	5,000	-	-
Equipment Total	\$ 880,000					
Engineering:						
Total Station - Surveying Equipment	\$ 45,000	-	-	45,000	-	-
Contingency	1,000	-	-	1,000	-	-
Engineering Total	\$ 46,000					
Finance/Administrative Services:						
Contingency	\$ 5,000	5,000	-	-	-	-
Finance/Administrative Services Total	\$ 5,000					
Total	\$ 949,000	\$ 5,000	\$ -	\$ 56,000	\$ 13,000	\$ 875,000
		A	B	C	D	E

Proposed Budget:	
Road Equipment Total (Column E)	\$ 875,000
Office, Buildings and Land (Columns A,B,C and D)	74,000
Grand Total	\$ 949,000

Administrative Expense

Supportive Data and Schedules

Fiscal Year 2011 - 2012

**Muskegon County Road Commission
Administrative Expense Comparison
Fiscal Year 2011 - 2012
(in 00's)**

Description	2009 - 2010 Actual	2010 - 2011 Adopted Budget	2011 - 2012 Proposed Budget
Salaries and Wages	\$ 300,312	\$ 355,000	\$ 305,000
Fringe Benefits	239,089	215,550	235,000
Postage	488	1,000	500
Office Supplies	1,584	800	1,600
Dues and Publications	1,813	3,000	1,750
Contractual Services	3,605	2,000	3,700
Data Processing	3,429	6,000	3,750
Legal and Professional	-	500	-
Education and Training	15,691	13,000	16,000
Communications	6,791	7,500	6,900
Travel Expense	684	3,500	750
Advertising/Public Relations	75	400	100
Insurance	12,401	11,000	12,500
Utilities	7,103	10,000	8,000
Building Repair and Maintenance	5,644	4,500	5,700
Office Equipment Repair/Maintenance	896	4,000	1,000
Miscellaneous	-	250	100
Depreciation - Office Equipment	9,769	9,250	9,800
Depreciation - Office Building	19,336	18,200	19,500
Other:			
Random Drug Testing	61	250	100
License Fees	-		
Total	\$ 628,771	\$ 665,700	\$ 631,750
Credits to Administrative Expense			
Handling Charges on Materials Sold	\$ 5,360	\$ 5,500	\$ 5,500
Overhead - State Trunkline Maintenance	153,152	160,000	140,000
Purchase Discounts	6,945	200	1,500
Other	-		
Total	\$ 165,457	\$ 165,700	\$ 147,000
Net Total Administration	\$ 463,314	\$ 500,000	\$ 484,750

**Muskegon County Road Commission
Supportive Data
Budget Year 2011 - 2012**

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 -- \$56,500

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 \$10,500 provided for the biennial bridge inspections that are required every two years. Engineering is also requesting funds of \$9,000 to upgrade their AutoCAD software and provide training in same.

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 -- \$ 34,400 (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 -- \$12,000

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 2011 - 2012
(in 00's)**

Description	2011 - 2012 Proposed Budget
Traffic:	
Consulting	\$ 5,000
Legal Fees	2,000
Contingency	2,000
Traffic Total	9,000
Engineering:	
Testing Services	5,000
Title Searches	2,000
Legal Services	10,000
Stormwater Discharge Permit Program Administration	20,000
Bridge & Engineering Consultants - Biennial Inspection	10,500
Upgrade AutoCAD Software and Training	9,000
Engineering Total	56,500
Finance:	
Annual Software License	10,000
Annual Audit	12,800
Computer Support/Training	5,000
Finance Total	27,800
Safety/Building Maintenance:	
Safety Consultants	5,000
Safety Seminars	5,000
HVAC Contract (Continuing)	34,400
Other Miscellaneous Professional Services	10,000
Safety/Building Maintenance Total	54,400
Administrative/Personnel:	
Labor/Mgmt - Supervisory/Union Rep Training	4,000
Drug Testing Program - (Collect/Test/Evaluate)	3,000
Attorney Fees	12,000
Miscellaneous	5,000
Administrative/Personnel	24,000
Total Legal and Professional	\$ 171,700