

ROAD COMMISSION for MONTCALM COUNTY
PRELIMINARY 2012 BUDGET
BUDGET NOTES

These notes include additional information regarding the Preliminary Budget for fiscal year 2012 to be considered on September 21, 2011. The budget is being balanced by transferring approximately \$141,000 from fund balance. In addition, we continue to leave several positions unfilled and we continue to put off replacement of heavy equipment and other smaller equipment, such as tractors and mowers, in order to balance the budget.

REVENUES – Budget Amount: \$12,624,860

Michigan Transportation Funds – We have budgeted an increase in our share of state gas tax and license plate receipts for 2012. Revenues for next year are projected to be \$148,055 more than the current year (2011), but still less than what the Road Commission received in 2003.

State and Federal Aid – We have budgeted State and Federal aid for the following projects proposed for 2012: 1) Fleck Road Bridge over Flat River; 2) Overlay Stanton Road from Cedar Lake Road to Crystal Road; 3) Seal-coat and fog-coat Federal Road from M-46 to North County Line Road; 4) Seal-coat and fog-coat several primary roads to be determined; 5) Construct a passing flare on eastbound Stanton Road at Wyman Road; and 6) Upgrade guardrail on Dagget Road Bridge over Little Muskegon River.

State Trunkline Maintenance – As of September 21st we have not yet received a trunkline maintenance budget from the Michigan Department of Transportation. We have budgeted \$1,000,000, which is a reduction of approximately \$165,000 compared to the current year.

Township Contributions – We have budgeted a decrease in township contributions due to economic uncertainty. In the spring as the townships return signed contracts for local road projects, this number will be adjusted up or down.

EXPENDITURES – Budget Amount: \$12,766,080

Road and Bridge Maintenance (Routine, Preventive and Winter) – We have budgeted close to estimated 2011 budget levels. Since maintenance work is heavily dependent on the weather and conditions beyond our control, these expenditures may need to be adjusted up or down later in the year—usually after we get through winter and see what actual costs are.

Road and Bridge Preservation & Improvement – We have budgeted expenditures based on expected State and Federal aid. These numbers could change if this aid is not forthcoming next spring and summer—this depends on whether or not the State is able to match Federal dollars. We have also budgeted to gravel resurface several miles of primary gravel roads—something we have not done in many years, and while it is not a large amount at least it is a start.

Equipment Expense (Direct, Indirect and Operating) – We have budgeted a very small increase in these costs—altogether we feel these costs will remain relatively flat. Since 2009, when equipment repair costs were higher than normal, costs other than fuel have stayed relatively stable.

Capital Outlay – In the past several years we have purchased three used float trucks; however, other than the MDOT truck, which is strictly used on state trunk lines, we have not purchased any new float trucks. This year we have budgeted for one new float truck, a new side plow for truck #30, and a new v-box and wing for truck #73. Due to the aging of our fleet, we have also budgeted for 3 engine overhauls and 3 transmission overhauls

Long-Term Debt Principal and Interest – We have budgeted \$213,300 for the annual principal and interest payment on the PA143 bonds, which we sold in 2003. This long-term debt will be paid off in 2013.