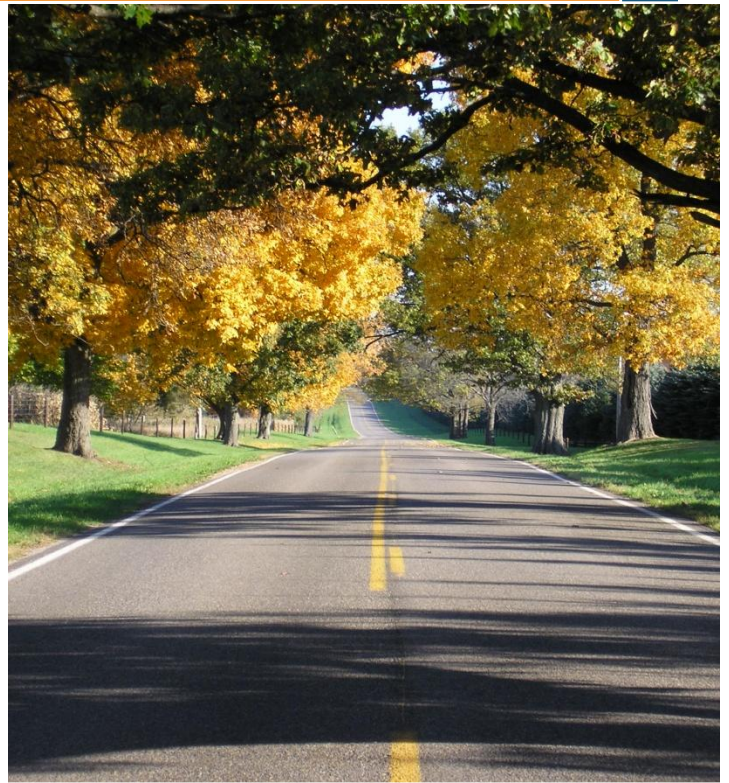


2009 Annual Report

Barry County Road Commission



Barry County Road Commission
P.O. Box 158
1725 W. M-43 Hwy
Hastings, MI 49058
(269) 945-3449
Administration@barrycrc.org
www.barrycrc.org

Barry County Road Commission
2009 Annual Report

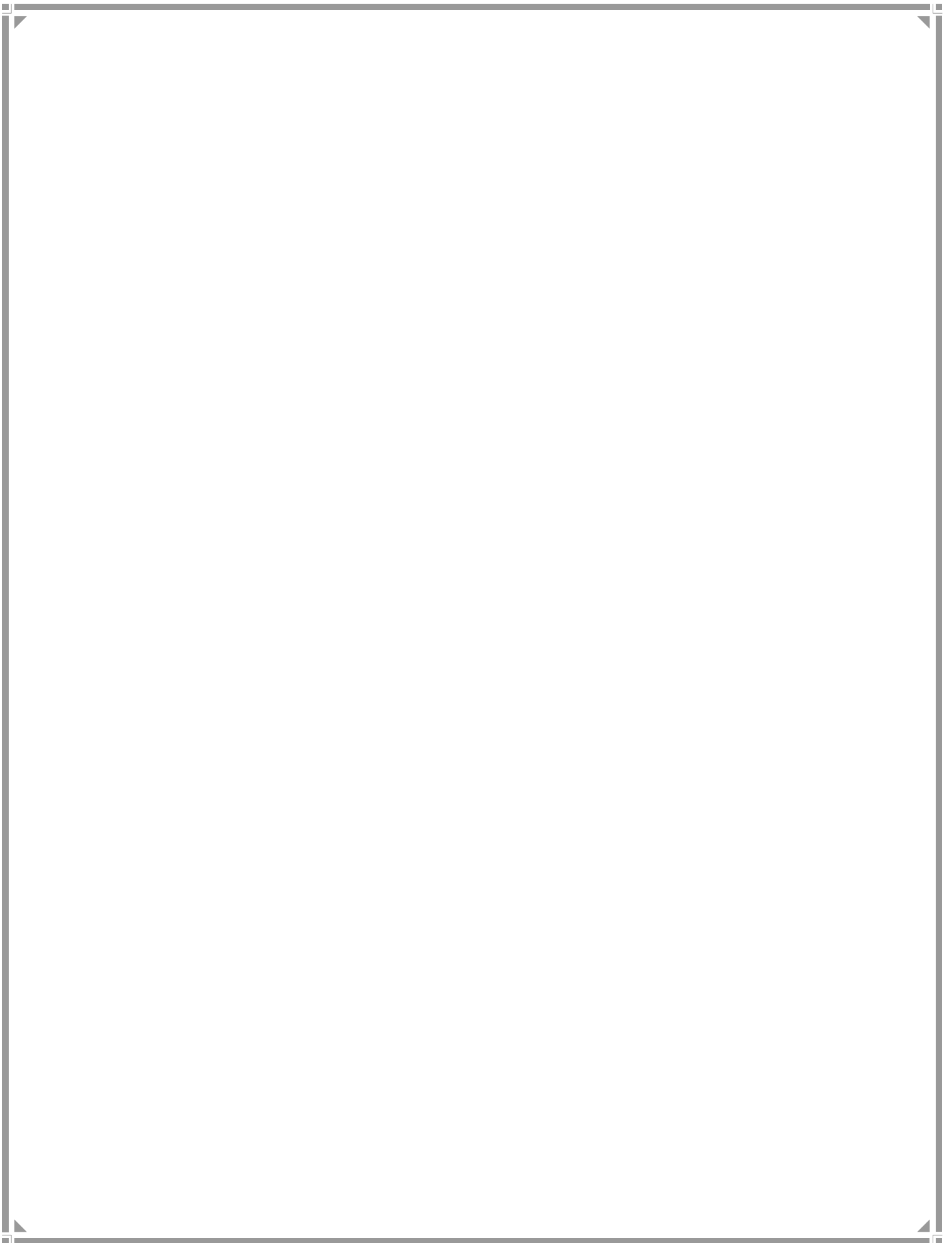


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INTRODUCTION

The conclusion of 2009 marked another successful year at the Barry County Road Commission. Construction projects were completed successfully. Most importantly, the employees completed the work safely without significant accidents or injuries. The primary objective of the Barry County Road Commission remained unchanged: to maintain all Barry county roads and bridges in a safe and convenient condition for public travel while practicing sound financial management, respect for the environment, and sensitivity to community concerns. Through the use of an extremely dedicated, skilled workforce and professional staff, the Barry County Road Commission was able to further increase our responsiveness to the needs of our community. In spite of increasing demands, inclement weather and funding shortages the Barry County Road Commission believes it has provided one of the best county road systems in Michigan. This report documents the revenues, expenditures, as well as the completed projects which allowed us to strive toward our objectives in 2009.

"to maintain all Barry County road and bridges in a safe and convenient condition for public travel, while practicing sound financial management."

REVENUES

The main source of funding for county road commissions is the Michigan Transportation Fund. The Michigan Transportation Fund is comprised of the state fuel taxes and vehicle registration fees. The funds are distributed by the Michigan Department of Treasury using the following formula: 39.1% Michigan Department of Transportation, 39.1% County Road Commissions, 21.8% Cities and Villages. The 39.1% that all county road commissions receive is further split through a somewhat complex, state legislated formula based on road mileage, population and vehicle registration fees. The result is the Barry County Road Commission annually receives approximately 0.297% of the total Michigan Transportation Fund. Revenue from the Michigan Transportation Fund decreased by 3.25% in 2009 compared to the previous year and is expected to decrease another 4-5% in 2010. See **Figure A** for the last 11 years of MTF Revenue.

The second largest revenue source for 2009 was received from Federal Aid Sources. The Federal Aid Funding received is designated to the Finkbeiner Road Project and cannot be use for routine maintenance activities such as sealcoating, placing gravel, cutting brush, etc.

Revenue from the townships is considered the key source of funding to the Barry County Road Commission. Township contributions are by far the largest non-mandated revenue source, and without it the Road Commission would only be able to provide routine maintenance. Maintaining a strong working relationship with all the townships has and will continue to be an important part of daily life at the Barry County Road Commission.

Another notable source of revenue in 2009 was FEMA funds. Damage caused to roads due to the heavy rain storms in 2008 was partially reimbursed in 2009 with the remaining reimbursement coming in 2010. As a result of the FEMA funding, the BCRC was able to replace 57,799 cubic yards of material countywide in 2009 that was washed away on the gravel roads in 2008.

Please refer to page 4 for a detailed chart of 2009 revenues.

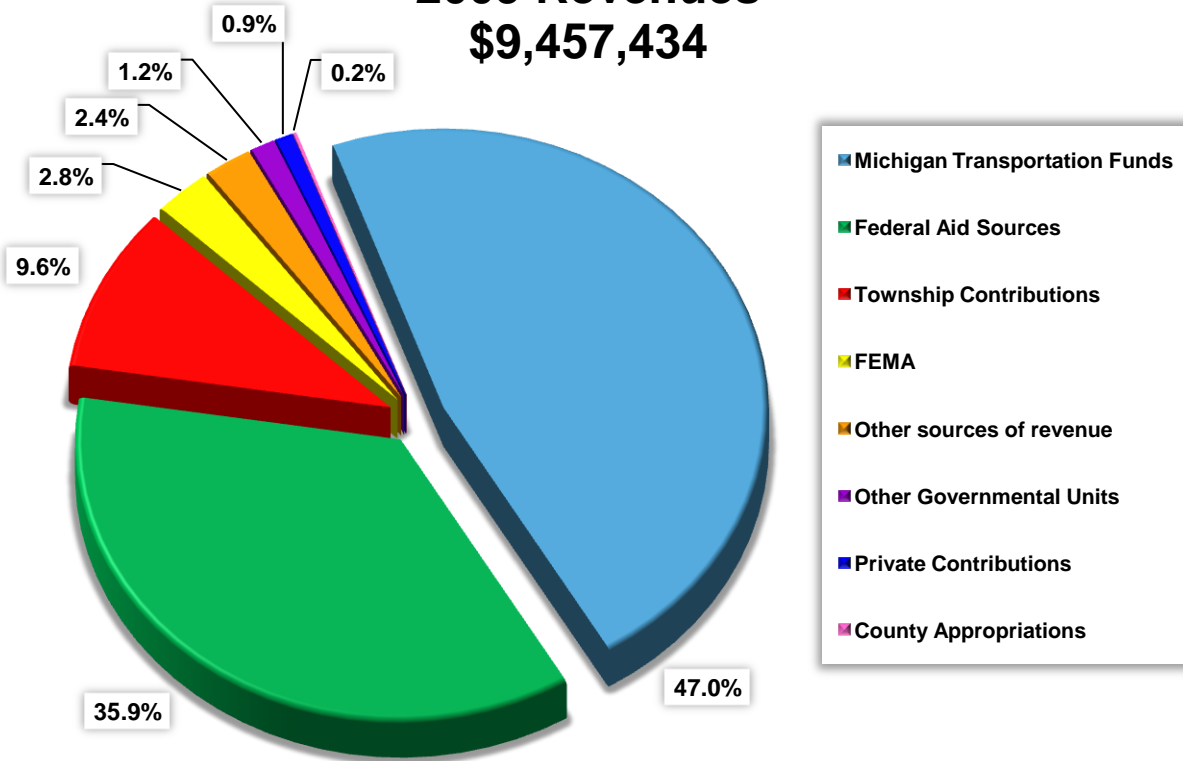
EXPENDITURES

Various types and amounts of expenditures can be seen in the chart of expenditures on page 4. A brief explanation of what each expenditure category includes is listed below. The next section in this report titled “The Roadwork Selection Process” will explain the details of how these expenditures are determined. See **Figures B, C, & D** for the trends of some major expenditures over the past 10 years.

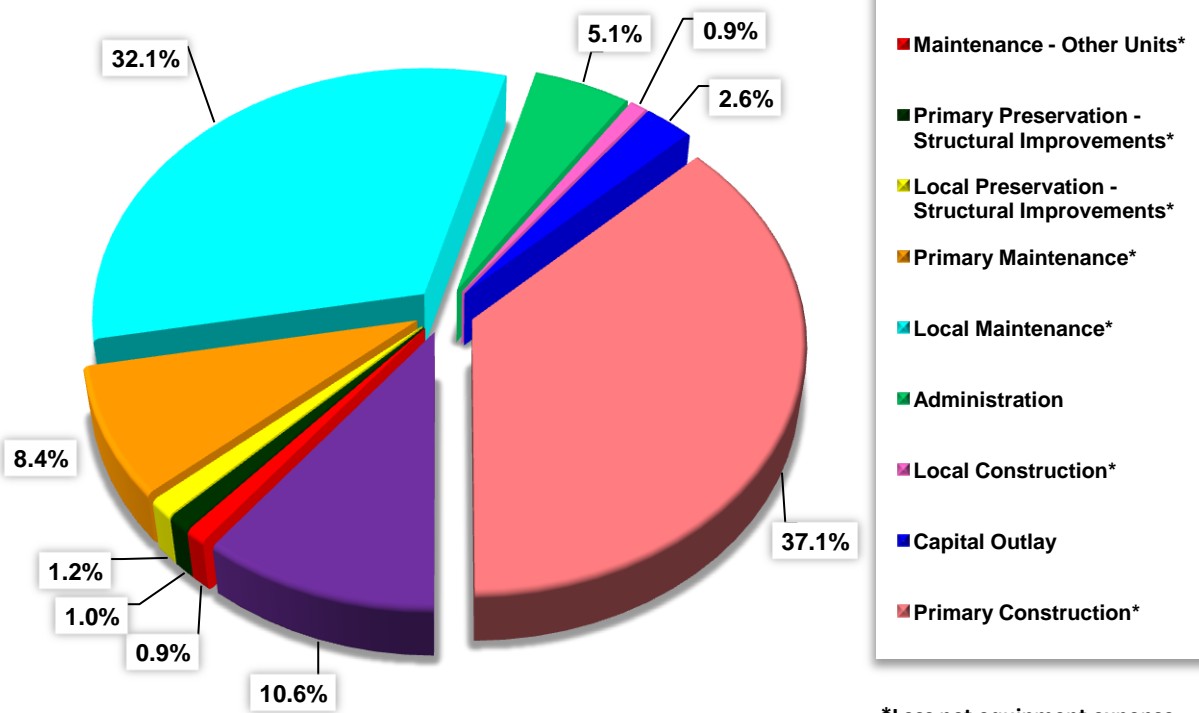
Winter Maintenance	labor and equipment expenses, sand and salt, other snow removal expenses
Maintenance - Other Units	crack sealing for the Kent County Road Commission
Primary Preservation - Structural Improvements	labor, equipment and materials for primary road and bridge construction, asphalt overlays and large drainage projects
Local Preservation - Structural Improvements	labor, equipment and materials for local road and bridge construction, asphalt overlays and large drainage projects
Primary Maintenance	labor, equipment and materials for primary road sealcoating, grading, shoulder work, signing, center and edge line striping, and minor drainage projects
Local Maintenance	labor, equipment and materials for local road sealcoating, grading, shoulder work, signing, center and edge line striping, and minor drainage projects
Administration	office supplies, office/survey equipment, utility expenses, training, advertising, public information, county maps, labor expenses for administrative staff and road commissioners, etc.
Local Construction	construction of new local roads, primarily subdivisions
Capital Outlay	the purchasing of equipment
Primary Construction	new construction or upgrades of primary roads (additional lanes, etc.)
Net Equipment Expense	equipment expenses less rental rates

Please refer to page 4 for a detailed chart of 2009 expenditures.

2009 Revenues \$9,457,434



2009 Expenditures \$9,362,608



*Less net equipment expense

THE ROADWORK SELECTION PROCESS

This section of the 2009 annual report will explain the process used for selecting which roads will receive which type of roadwork, from routine maintenance and snow removal to major reconstruction. The staff of the Barry County Road Commission takes this process very seriously. The proper and efficient expenditure of public funds is one of the most crucial aspects of working for a government agency. While numerous specific variables come into play to differing degrees, three general factors are always present: sound judgment, outside input from elected officials and citizens, and available funds. Each of these factors alone often yields a different answer. As you will see below, the Road Commission strives diligently to balance these three factors.

Routine maintenance requests for such things as grading, brush control, dust control, patching, snow removal, etc. are responded to promptly by the staff at the Road Commission. These requests come from residents over the phone, in person and also at board meetings. Scheduling these repairs often depends on availability of products, time of year, funding, and weather conditions.

Both primary and local road preservation & structural improvements as well as a significant portion of the primary and local road maintenance are selected largely through input from local elected officials and citizens. These projects include such things as major reconstruction, bridge projects, paving of gravel roads, asphalt overlays, sealcoating, gravel road needs and major drainage projects. Each fall the engineering staff at the Road Commission assesses the condition of every paved county road in Barry County. A “paved road condition report” is compiled for each township for roads within their boundaries. These reports contain repair recommendations as well as costs and past histories for every section of paved road.

By December this paved road condition report, a center and edge line paint report, dust control maps, and miscellaneous other statistics and information are mailed to each township. Generally the second week of January the Board of County Road Commissioners and management staff hold individual, two-hour meetings with all 16 Townships. The paved road condition report is presented formally to the townships and thoroughly discussed. Gravel road needs including gravel and dust control, road side mowing, snow removal, brush cutting and any other concerns that may come up are also addressed. Management staff and the Board of County Road Commissioners use these suggestions and input when amending or formulating future policies for the Road Commission.

Usually around April, the Road Commission offers a “spring gravel road tour” to each township. In a small passenger van, staff of the road commission along with township board members and citizens, travel the gravel roads within each township. Gravel road needs are pointed out and discussed. Often other road related issues are looked at and addressed at this time.

Throughout the spring, all sixteen townships send a resolution to the Road Commission stating which roads and repairs they will help fund. The Road Commission bids materials, hires contractors and performs much of the work itself throughout the upcoming summer and early fall months. If all goes well and Mother Nature cooperates, work is completed just prior to starting the process all over again.

**BARRY COUNTY ROAD COMMISSION
2009 CONSTRUCTION
QUANTITIES BY TOWNSHIP**

County Wide Gravel			
<u>TOWNSHIP</u>	<u>GRAVEL (CYD)</u>	<u>FEMA GRAVEL (CYD)</u>	<u>TOTAL (CYD)</u>
Assyria	2359	3470	5829
Baltimore	5390	3460	8850
Barry	2605	3370	5975
Carlton	4287	3929	8216
Castleton	2336	3500	5836
Hastings	1844	3330	5174
Hope	2815	4100	6915
Irving	4925	4220	9145
Johnstown	1729	3930	5659
Maple Grove	3902	2770	6672
Orangeville	3913	3920	7833
Prairieville	1520	3230	4750
Rutland	2500	4760	7260
Thornapple	3114	3040	6154
Woodland	4068	3410	7478
Yankee Springs	2446	3360	5806
TOTAL	49753	57799	107552

County Wide Crack Seals

			<u>Length</u>
<u>TOWNSHIP</u>	<u>Road Name</u>	<u>Limits</u>	<u>(Miles)</u>
Assyria	North Ave	Baseline to Lacey	5.24
Barry	Pifer Rd	Kingsbury east to Township Line	2.99
Carlton	Gaskill Rd	Barber to Dead End	0.50
	N. Broadway	M-43 to County Line	3.35
Castleton	East State Rd	Durkee to M-66	5.60
	Castleton Township Hall	Nashville Rd	0.01
Hastings	Woodland & Barber Rd	City Limits to Coats Grove & curve	2.22
	East State Rd	City Limits to Durkee	4.02
	Terry Lane	Off Star School	0.47
	Meadow, Venture & Boulder	Hastings Twp	1.11
	Nashville Rd	City Limits to M-79 Hwy	2.52
Hope	Ackers Point	Off M-43 Hwy	0.36
	Beechwood Point	Off Eddy	0.27
Irving	Ethel Drive	Off Barnum Rd	0.52
	Woodschool Rd	W. State to Eckert	5.47
	607 – Middleville Freeport Rd	W. State Rd to County Line	8.21
Johnstown	North Ave	Baseline to Lacey	5.24
Orangeville	Corey Dr	Off Bever	0.57
	Norris Rd	Keller to Mullen & Pine Lake to Guernsey	3.61
	Wildwood Rd	Norris to Twp Line	0.37
	Wildwood Rd	Marsh Rd East to Town Line	2.78
Rutland	Arthur Dr	Off Cook Rd	0.21
	Kathryn Dr	Off Tanner Lake Rd	0.20
	Scenic Dr	Off M-37 Hwy	0.30
	Loehrs Landing	Off M-43 Hwy	0.43
Thornapple	West State Rd	Village Limits to Robertson	1.07
	Boulder Creek	Off Finkbeiner	1.62
	Whitneyville Rd	Crane to 108 th	3.04
	Oxbow at Farm Village	Off M-37 Hwy	1.09

Woodland	Martin Rd	Brown to Vedder	1.00
	Ottland Shores	Off Vedder	0.62
Yankee Springs	Payne Lake Rd	M-179 Hwy to Bass Rd	3.50
	Hastings Point Rd	Gun Lake to Shady Lane	1.69
	Archwood Dr	M-179 to Valley Dr	0.69
	Trails End & Shady Lane	Off Hastings Point Rd	0.39
	Oakwood Dr	Off Fredrick	0.75
	Bayview Dr	Off Parker Dr	0.26
	Pleasant Valley	Off Patterson & M-179 Hwy	1.04
	Gun Lake Rd	Yankee Springs to Shaw	1.60
	Wildwood Rd	Norris to Twp Line	0.37
		TOTAL	69.34

County Wide Asphalt Paving

<u>TOWNSHIP</u>	<u>Road Name</u>	<u>Limits</u>	<u>Length</u> <u>(Miles)</u>
Barry	Orchard Rd	Across from fire barns	0.01
Hope	Dowling Rd	Kingsbury to Cedar Creek	0.19
	Wall Lake Dr, 1 st , 2 nd etc	Wall Lake	0.74
Hastings	Thornapple Lake	M-79 to Township Line	0.35
Woodland	Martin Rd	Coats Grove to Davenport	1.00
	Davenport Rd	M-66 to Eaton County Line	1.02
		TOTAL	3.31

UPCOMING FEDERAL AID PROJECTS

Finkbeiner/Crane Road & Bridge Project (2010-2011)

Thornapple Township -Phase 2 (from 1000' east of Cherry Valley Rd to Whitneyville) bids will be opened May 21, 2010 and construction to begin in late June or early July, 2010.

BCRC EFFICIENCIES

The BCRC is continually working to improve the efficiency of our operations. The list below contains many of the improvements that have been made.

One of the most noticeable changes that took place in 2009 was alternating the construction activities of placing gravel and sealcoating. In 2009, the BCRC crews worked throughout the summer spreading 2 year's worth of gravel and in 2010 the BCRC will spend the summer sealcoating 2 years worth of projects.

Another change worth mentioning is the Healthcare Reform that took place at the BCRC in 2002 resulting in a 2010 healthcare expenditure still remaining less than it was in 2002.

- Tandem Axle Trucks with Snow wings
- Reduction of Blade Runs/Employees/Equipment
- Prewetting Ice Control Materials
- Reduction of administrative employees by distributing the duties of stock clerk & safety supervisor
- Crack Sealing in house
- Working 4 - 10 hour days
- Sealcoating with multiple automated distributors
- Use of serrated and sand viks blades
- Alternating years of Gravel Hauling and Sealcoating
- Utilizing community service workers and jail crews
- Healthcare Eduation/Reform
- Use of contractors where financially beneficial
- Use of Comp Time on rainy days
- Larger salt shed for bulk quantities
- Sealcoating for Kent County and other municipalities

CLOSING COMMENTS

The county road system in Barry County is in fair to good condition; however, many roads need immediate attention. Preventative maintenance, done at the optimal time while the road is in good condition, will prolong the life of the roadway. The cost effective preventative maintenance type repairs are no longer an option when road conditions warrant structural improvements. We are experiencing this at many locations throughout the county. The roads in Barry County are aging and the seal coats are not lasting the anticipated 6-10 years. More and more roads are falling into the more costly repair category of asphalt overlays and even reconstruction. Despite the Townships' and Road Commission's best efforts, the gap between what needs to be done and what can be done continues to grow and is now approximately \$6,900,000. The townships of Barry County are a major contributor to Barry County roads, but they can no longer keep up with the growing road demands. Due to rising material costs and decreased funding, less and less road work can be done each year (see **Figures A-D**).

The primary funding source for roads in Michigan is the Michigan Transportation Fund which is comprised of the state gas tax and vehicle registration fees. The current gas tax does not provide near enough revenue to meet the needs of the county road system in Barry County. This tax is per gallon and with higher gasoline prices, people are attempting to conserve, which actually is a detriment to revenues. The Townships in Barry County have typically come through and helped the Barry County Road Commission fund its annual shortfalls by contributing to road projects. However many townships are finding it more and more difficult to meet the requests of the Barry County Road Commission. The Barry County Road Commission requested nearly \$7.0 million from the Townships in paved road repairs for 2010. The Townships average contribution to paved roads is about \$1.2 million (**Figure E**).

The last state gas tax increase was in 1997. A gas tax increase is drastically needed to maintain Michigan's highways and roads, at the state, city and county levels. For years now a transportation funding initiative known as "Drive Michigan" has been working hard to increase transportation funding. Transportation agencies have not been successful in gaining enough support to increase road funding through the legislature.

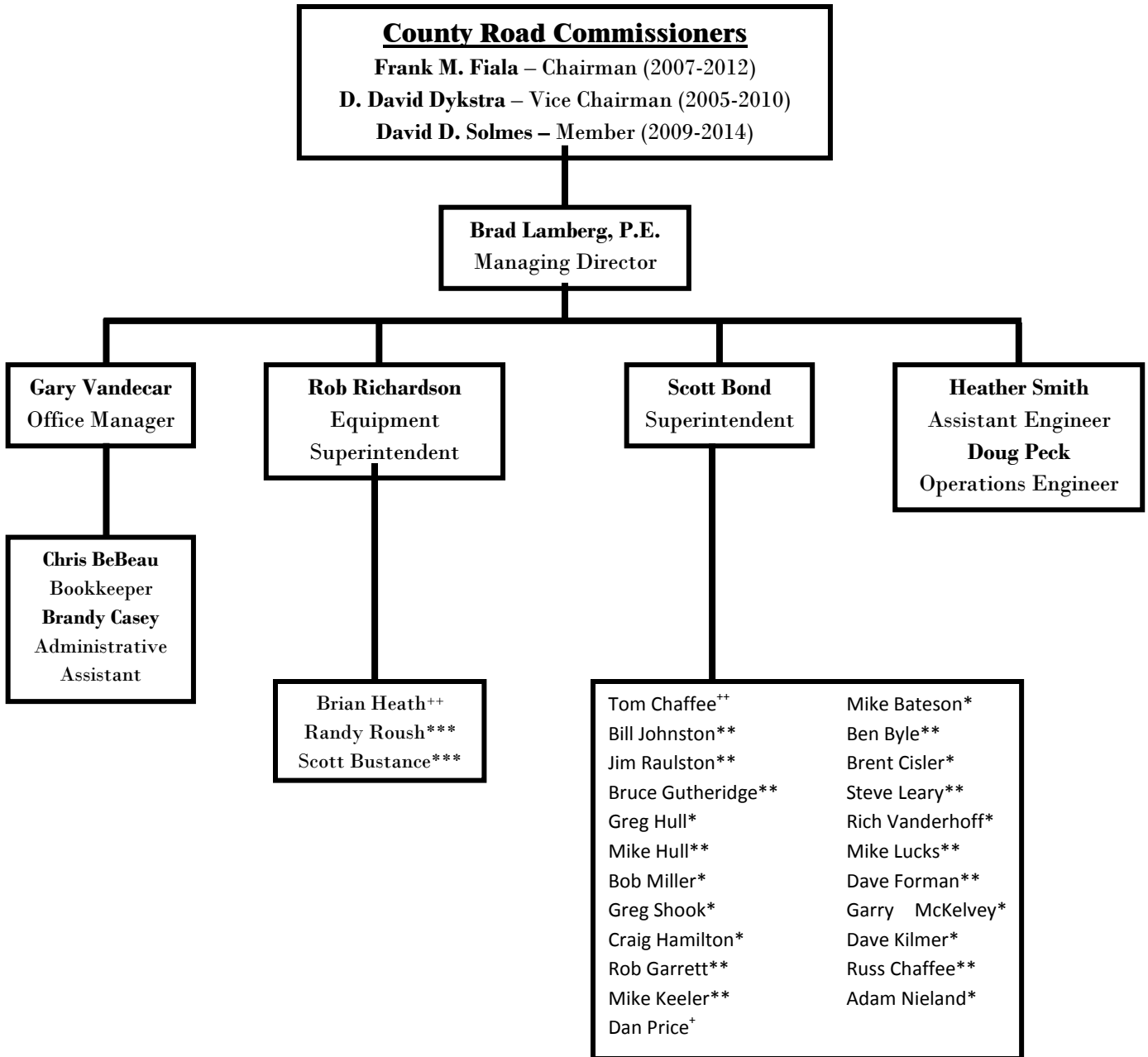
In November 2008, the governor's Transportation Funding Task Force, a non-partisan group made up of four state legislators and nine business, labor and community leaders from across the state, came to the same conclusion as the road agencies. The Task Force, after closely studying roads and road funding for six months, concluded that Michigan needs to double its level of annual road funding just to maintain the existing road system in "good" condition. The Task Force concluded this would result in spending an additional \$3 billion per year on Michigan's roads.

Due to political reluctance and the economy in Michigan, any kind of tax or user fee increase is very unlikely. A state gas tax increase with the current fuel prices would be unacceptable to most citizens. However, the Barry County Road Commission believes that a user fee, such as the state gas tax, is the most equitable way to fund roads. The more you use the service, the more you pay.

The current state gas tax is 19 cents/gallon regardless of the actual cost of a gallon of gasoline. Assuming an average fuel economy of 19 miles per gallon, it would cost 1 cent/mile in State gas tax to use the public roads in Michigan. A citizen that drives 30,000 miles per year and gets 19 miles per gallon would pay \$300 annually in state gas tax for the use of Michigan roads. Almost everyone believes they pay enough taxes, but no one knows where they all go. With regard to roads - the taxes, costs and direct benefits are so simple to explain and comprehend that it is a shame that everyone doesn't understand. Educating the public and particularly our obstinate legislators on the high costs of infrastructure and the relatively low individual cost for the use of it, is what the Barry County Road Commission believes to be the beginning of a solution to Michigan's Transportation problem.

The dirty little secret that our legislators choose to completely disregard is that their inactivity on road funding will cause the future cost of repairs to be drastically higher than they are currently. Instead of performing optimally timed cost effective repairs, this neglect will cause many more roads to fall into the categories of rehabilitation and reconstruction; which are often 300% to 500% more expensive. The total repair costs will continue to accumulate, see the evidence of this Figure E: BCRC Paved Road Repair Shortfalls.

Barry County Road Commission



⁺⁺ Foreman	* Truck Driver
⁺ Sign Man	** Operator
^{***} Mechanic	

BOARD OF COUNTY ROAD COMMISSIONERS of BARRY COUNTY

Frank M. Fiala, Chairman
D. David Dykstra, Vice Chairman
David D. Solmes, Member
Bradley S. Lamberg, P.E., Managing Director

Year Ending December 31, 2009

FACTS AND FIGURES

PEOPLE

BCRC Employees: 34

FACTS

Primary Road	344.58 Miles
Local Road Miles	723.94 Miles
Paved Road Miles	592.74 Miles
Gravel Road Miles	475.78 Miles
All Season Roads	62.31 Miles
Subdivisions/Plat Roads	76.33 Miles

Total Bridges	26
Restricted Bridges	5
Closed Bridges	3
No Thru Truck Roads	13

CONSTRUCTION & MAINTENANCE FIGURES

Overlay	3.31 Miles
Full Width Seal Coat	0 Miles
Crack Seal	69.34 Miles
Total Gravel Placed	107,552 Cyd
Tons of Salt Used	3,554 Tons

Appendix

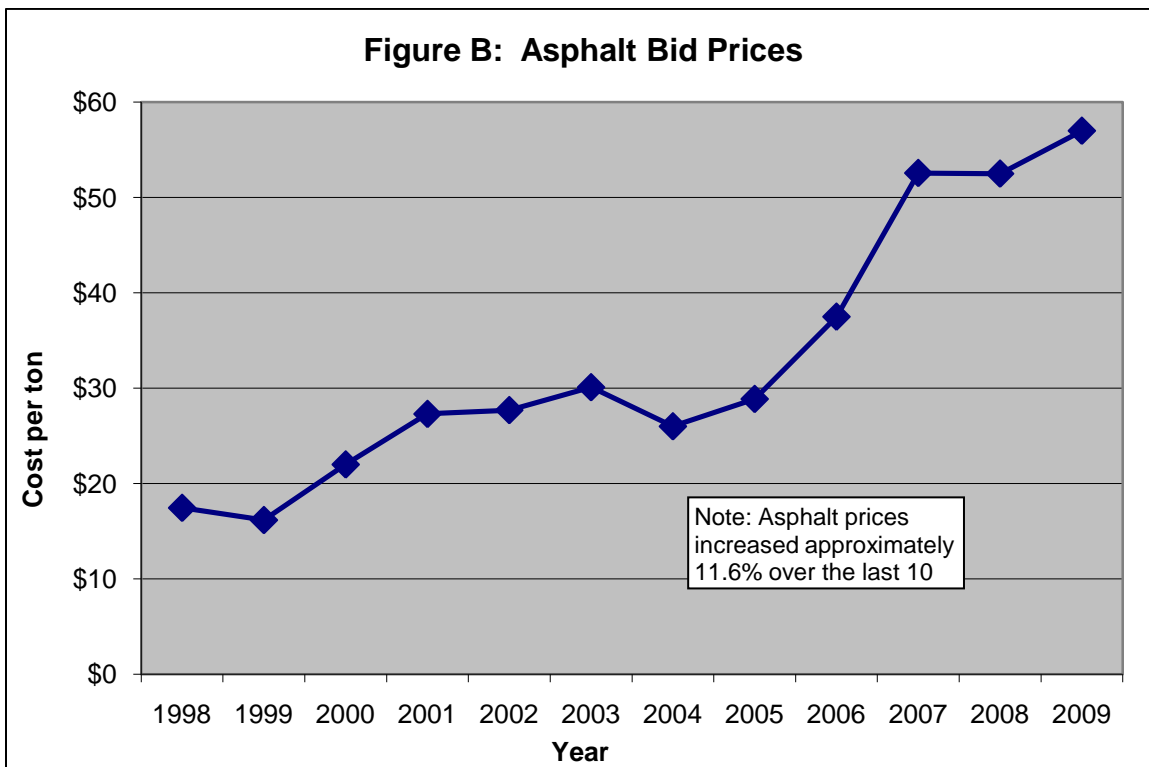
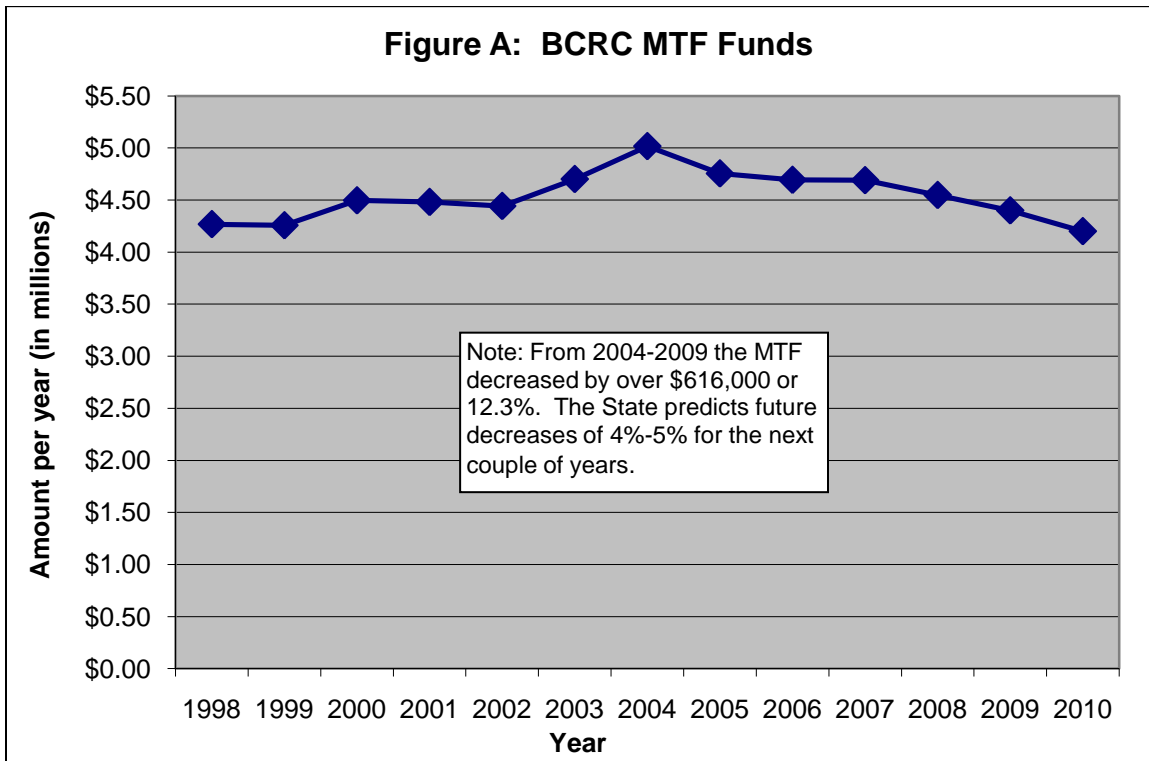


Figure C: Asphalt Emulsion Bid Prices - HFE 150

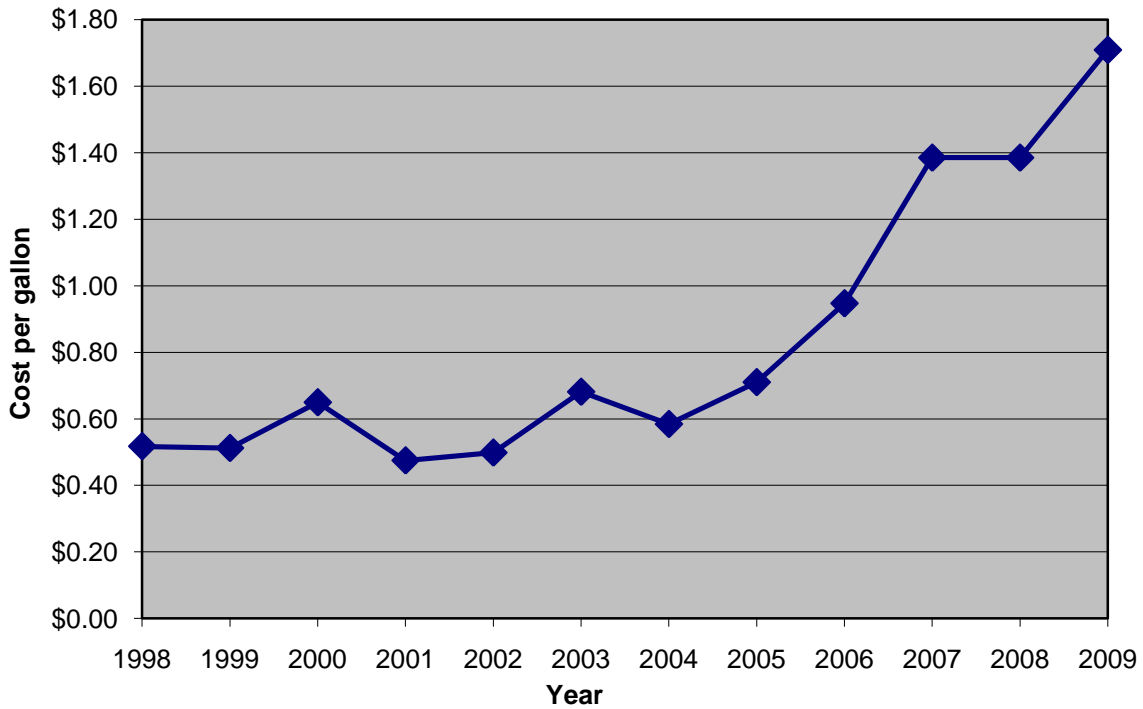


Figure D: Diesel Fuel Prices (per gallon)

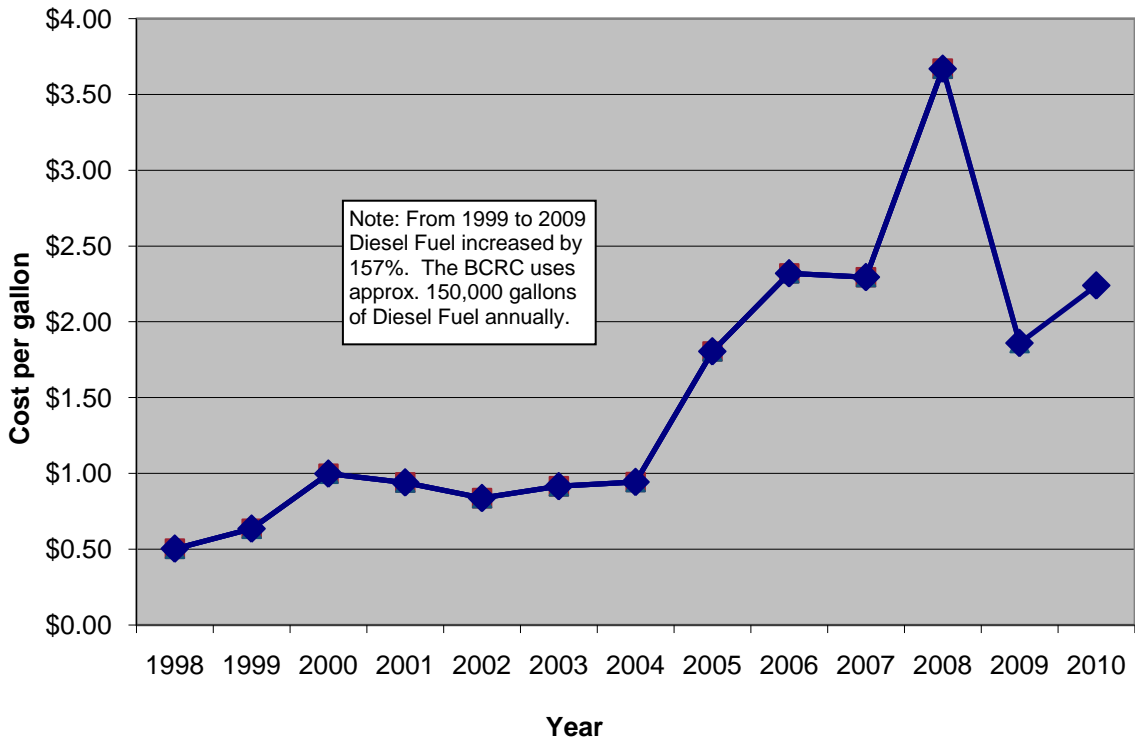
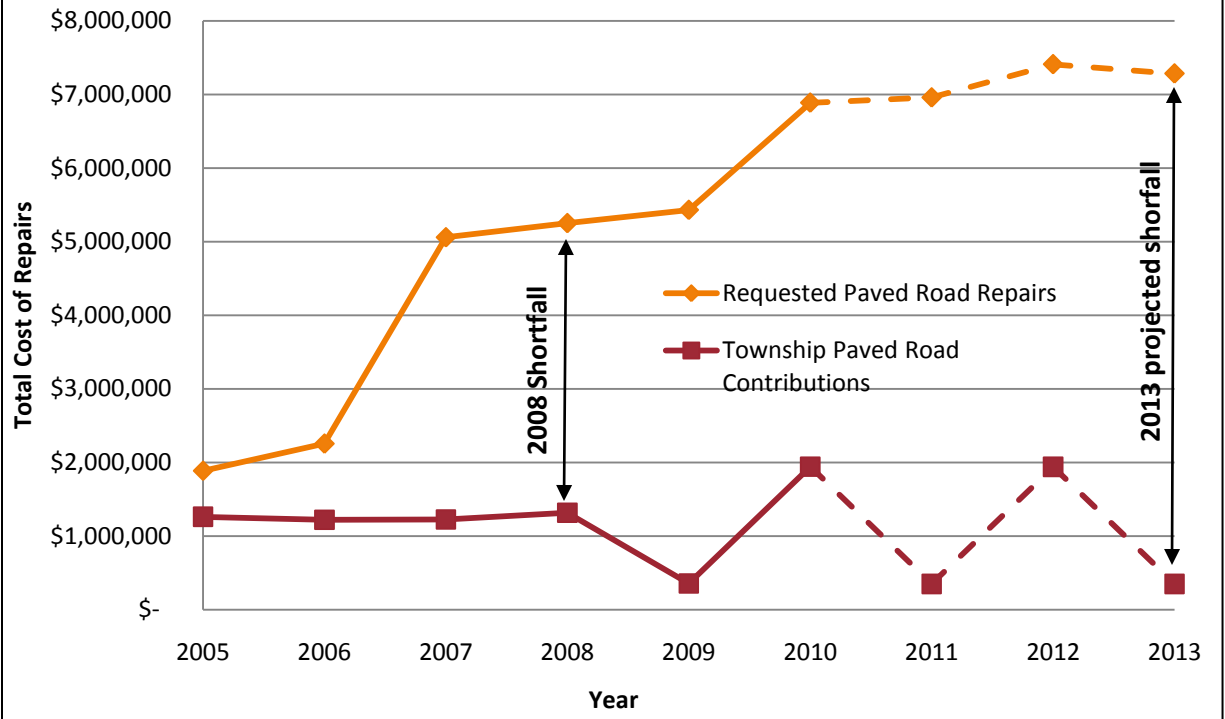


Figure E: BCRC Paved Road Repair Shortfalls



Note: Years 2011 – 2013 totals are estimates only and assume that material prices and township contributions remain the same.