



Antrim County Road Commission  
2014 Annual Report  
to the  
Antrim County Board of Commissioners

July 9, 2015



## TABLE OF CONTENTS

Introduction	3
Revenues	4
Expenses	6
Road Projects	7
County Road Pavement Conditions	8
County Road Needs	11
Equipment Status and Needs	12
Staff	12
Summary	12
Annual Financial Report for 2014 (Act 51 report)	Appendix A
Basic Financial Statements for 2014 (audit)	Appendix B

## Introduction

The Antrim County Road Commission (ACRC) maintains 210 miles of primary county roads and 663 miles of local county roads. Also, the Michigan Department of Transportation (MDOT) contracts with the ACRC to perform routine maintenance on 98 miles of state trunkline (M 32, M 66, M 88, US 31 and US 131). In the county system, approximately 700 miles are maintained year round; 556 miles are paved, 144 miles are gravel, leaving 173 miles of seasonal roads (not open to public travel for the months of November through April).

The ACRC's primary responsibility is to provide safe roads for the motoring public. As will be shown in detail in this report, we also work to make improvements where the townships desire to provide better roads for their constituents. In more recent years, townships are shifting money to preventive maintenance to preserve the investments they have made in these improvements. In an ideal world, there would be enough money provided to the ACRC through user fees so that the townships would not have to contribute to this preventive maintenance.

This report will expand on and discuss some of the major financial items that are reported through either audits or other mandated reporting. A short discussion on jobs completed during the year along with the current status and needs of our roads, equipment and facilities.

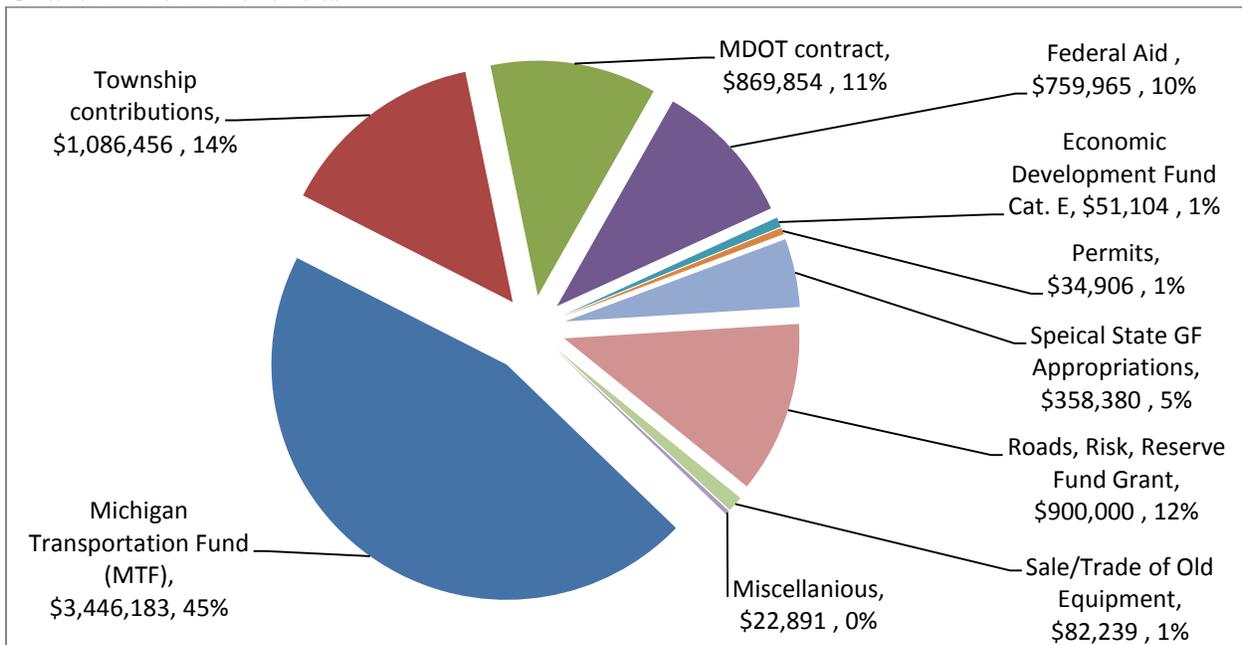
The revenue and expense information provided in the following pages can also be found in the Annual Financial Report that is filed with the MDOT as required by Act 51, Public Acts of 1951, as amended. This report is included as Appendix A. Also included in this report, as Appendix B, is the Basic Financial Statements for Year Ended December 31, 2014 (audit).



## Revenues

Total revenue received was \$7,611,978. The main source of revenue is the Michigan Transportation Fund (MTF) which is the primary fund used for all routine maintenance and operating expenses. Township contributions are the second largest source and amounted to 14% of the total. The MDOT contract amounts to 11% of total revenue. Federal Aid was 10%, not every year has Federal Aid revenue. An unprecedented source of revenue was from special one-time state appropriations, the Roads, Risk and Reserve Fund Grant contributed 12% and two other small General Fund appropriations contributed 5%. The revenues received in 2014 by the ACRC are shown in Chart 1 below.

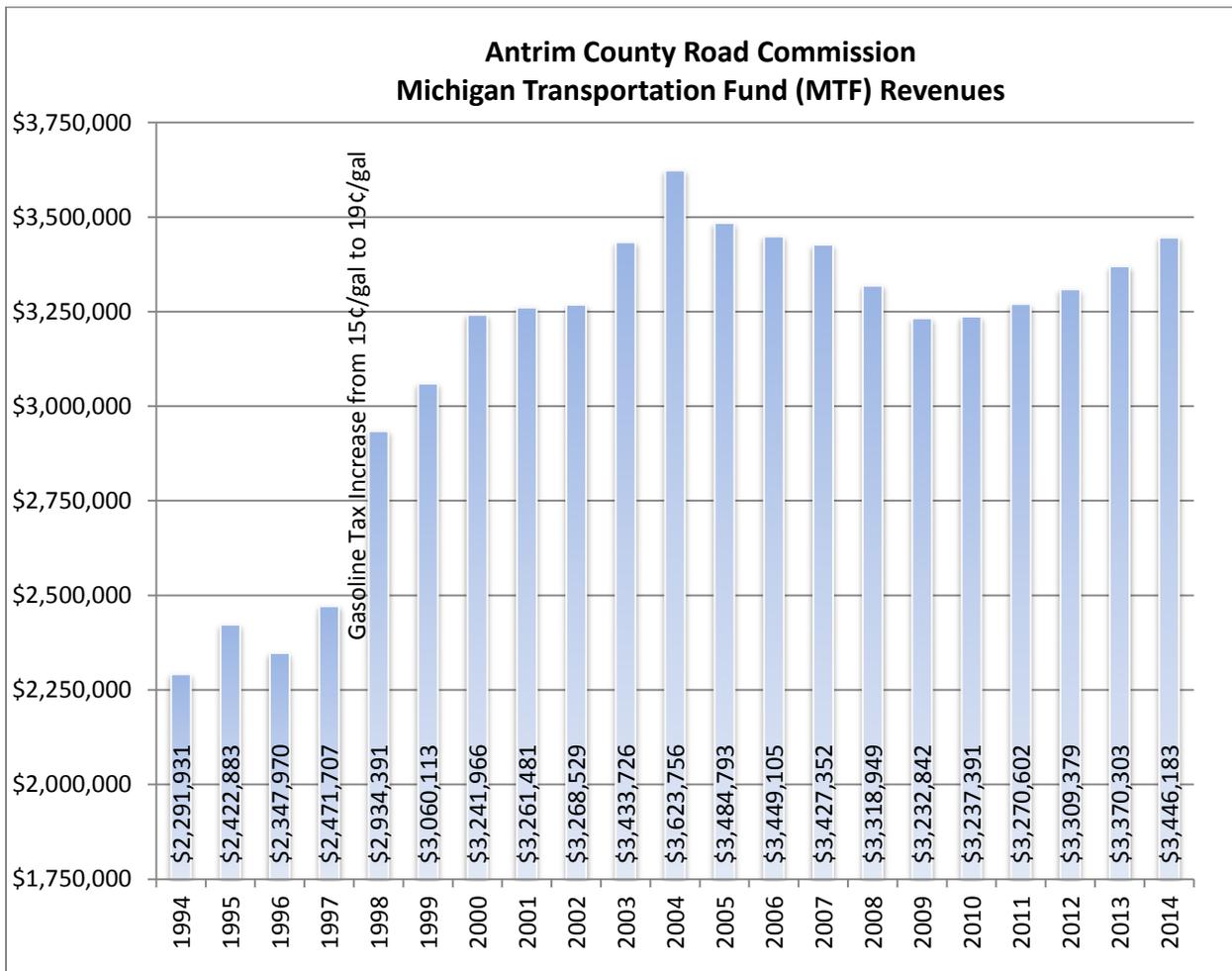
**Chart 1 – 2014 Revenues**



Total township contributions in 2014 amounted to \$1,086,456 as shown on Chart 1. There are fourteen of the fifteen townships with road millages, generating over \$1.2 million each year at current taxable values.

The MTF is the primary source of funding for all road agencies in Michigan. Revenues from gasoline tax, diesel fuel tax and vehicle registration fees make up most of the MTF which totaled almost \$1.959 billion in 2014, up 2.1% from the previous year's collection. Chart 2 below shows MTF revenues received by the ACRC since 1994.

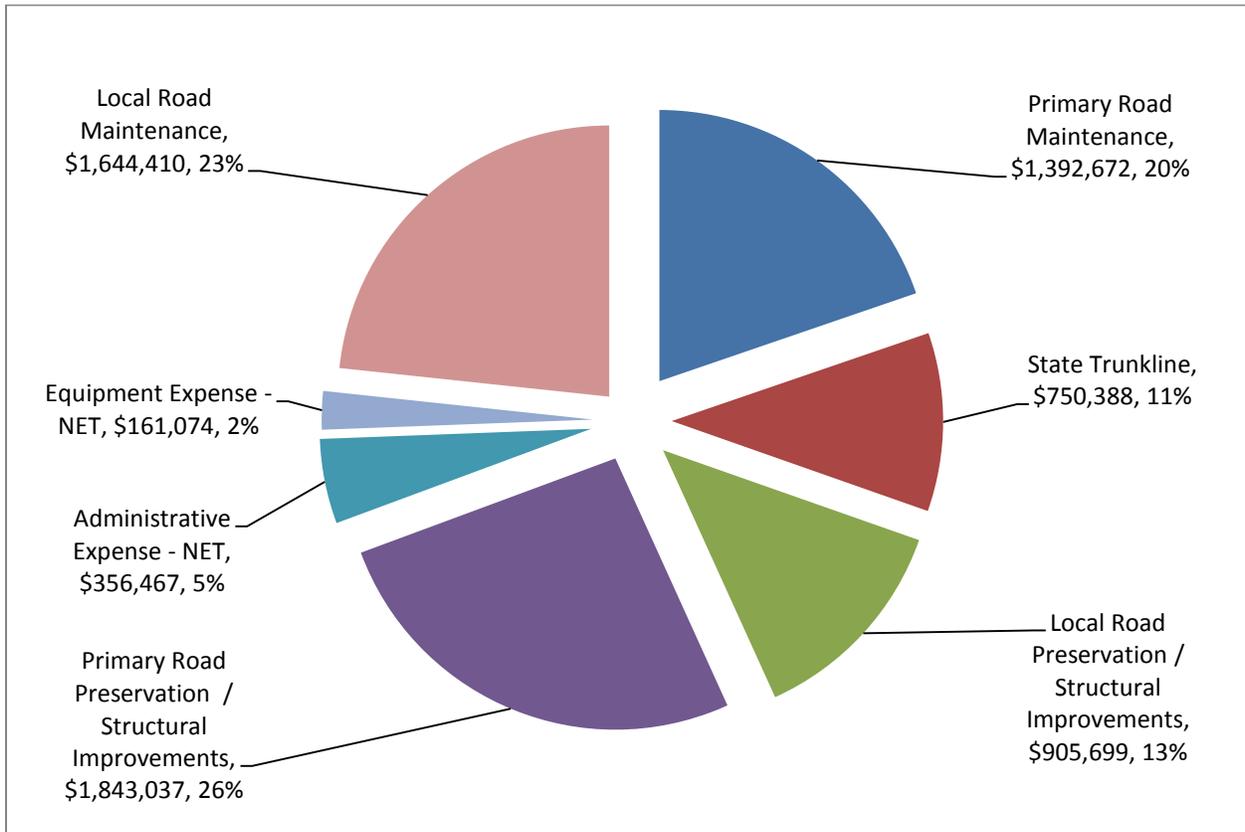
**Chart 2 – Michigan Transportation Fund Revenues, 1994 – 2014**



## Expenses

Total expenses for 2014 were \$6,946,648. Chart 3 shows the breakdown of major expense items.

**Chart 3 – 2014 Major Expense Categories**



Primary and Local Road Maintenance includes routine maintenance such as winter snow and ice control, pot hole patching, gravel road grading and dust control, roadside mowing, etc. Pavement preventive maintenance is included in this category and include such treatments as thin hot mix asphalt overlays, crack filling and chip sealing. Preservation/Structural Improvements include paving gravel roads, hot mix asphalt overlays thicker than one and one half inch, three inches or more of aggregate on a gravel road, etc.

Snow and ice control is one of the single largest expenses under the local and primary road maintenance expenditures and totals \$1,397,304 for 2014.

## **Road Projects**

Road projects completed in 2014 amounted to \$1,169,512 all of which were township requested projects. An additional \$1,414,296 from both the Roads, Risk and Reserve Fund grant and Federal funds were used to improve 3.3 miles of Old State Road from the Village of Central Lake to Derenzy Road. Preservation/structural improvement projects include: paving gravel roads, overlay of two inches or more and placing three or more inches of gravel. Preventive maintenance, which falls under the category of Maintenance in Chart 3, includes crack fill and chip seal. In accordance with current ACRC policy, funding for these projects is 10% ACRC and 90% townships when requested by a township.

## **State Trunkline**

This item totaled \$750,388. The MDOT contracts with the ACRC for all routine maintenance needs on the state trunklines in the county. The majority of this work, like in the county road system, is winter maintenance. ACRC also provides patching, shoulder maintenance, tree and vegetation control and other routine or reactive work. All work is paid for monthly as incurred and is audited to actual cost after the fiscal year.

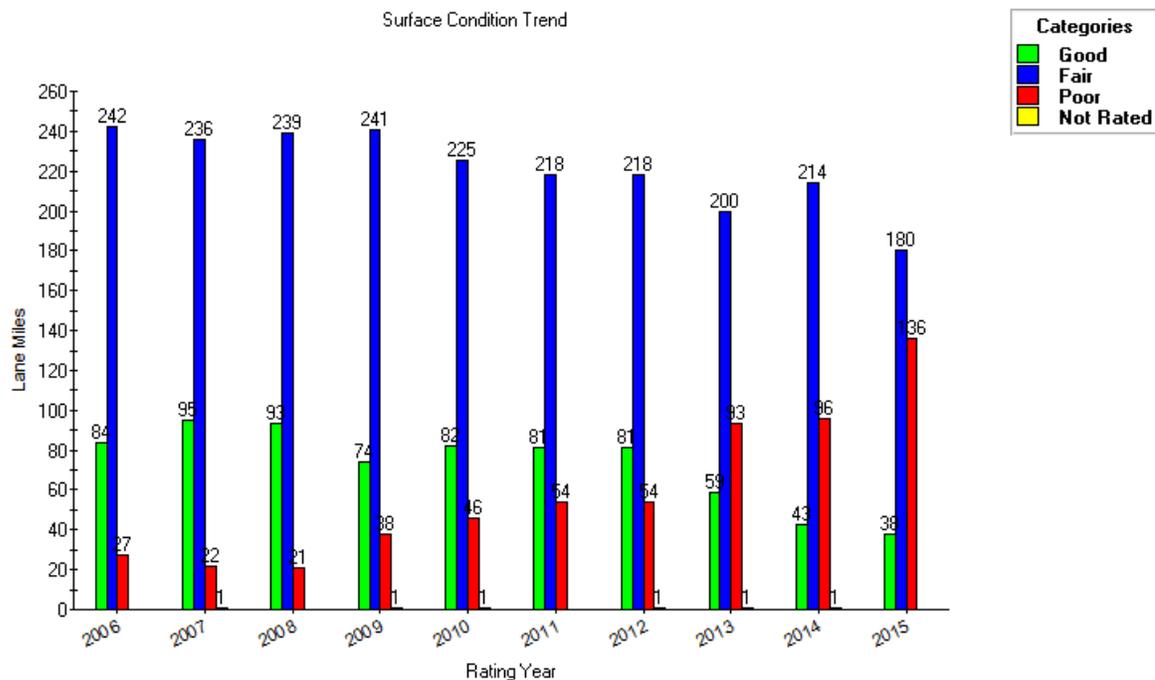


## County Road Pavement Conditions

The State of Michigan passed legislation that requires the use of an asset management system for public paved road maintenance. The Asset Management Council was established as a result of this legislation. Michigan is recognized nationally as leader in pavement asset management.

Since 2003 we have been evaluating and rating our Federal Aid eligible paved road system in Michigan. Since the start, the ACRC has been involved in this annual rating on the county primary roads and the state highway systems. Chart 6 shows the Federal Aid eligible county primary road pavement condition trends for years 2006 through 2014.

**Chart 6 – Federal Aid Eligible Primary County Road Surface Condition Trend**



Note: this chart is in lane miles of roads, not centerline miles.

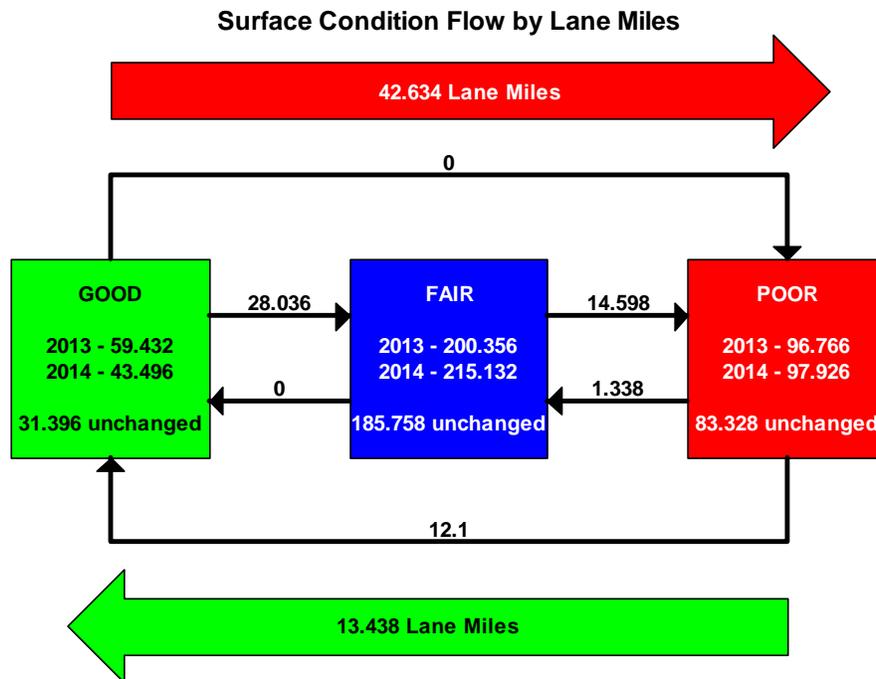
This chart represents 178 centerline miles of primary road, being only the roads that are eligible for federal aid and therefore have been rated every year since 2003. There are 32 miles of primary road that is not federal aid eligible.

If you look back to last year's annual report, you will find that the number of miles in the three condition categories for 2014 is different from what is shown on Chart 6 above. The reason for this is that these roads are rated in the spring of each year and there was resurfacing work completed later in the year. The conditions reflected in last year's report of 2014 ratings are prior to any improvements made, same as this year's report of 2015 ratings will change as we make improvements throughout the summer. For several years, the good condition has remained

fairly consistent, but the poor condition has been increasing since 2008. There has been a significant jump of miles in poor condition and a corresponding decrease of the good and fair miles from 2012 to 2015.

Chart 7 shows the lane miles that have changed from each rating, good, fair or poor, to the next either up or down.

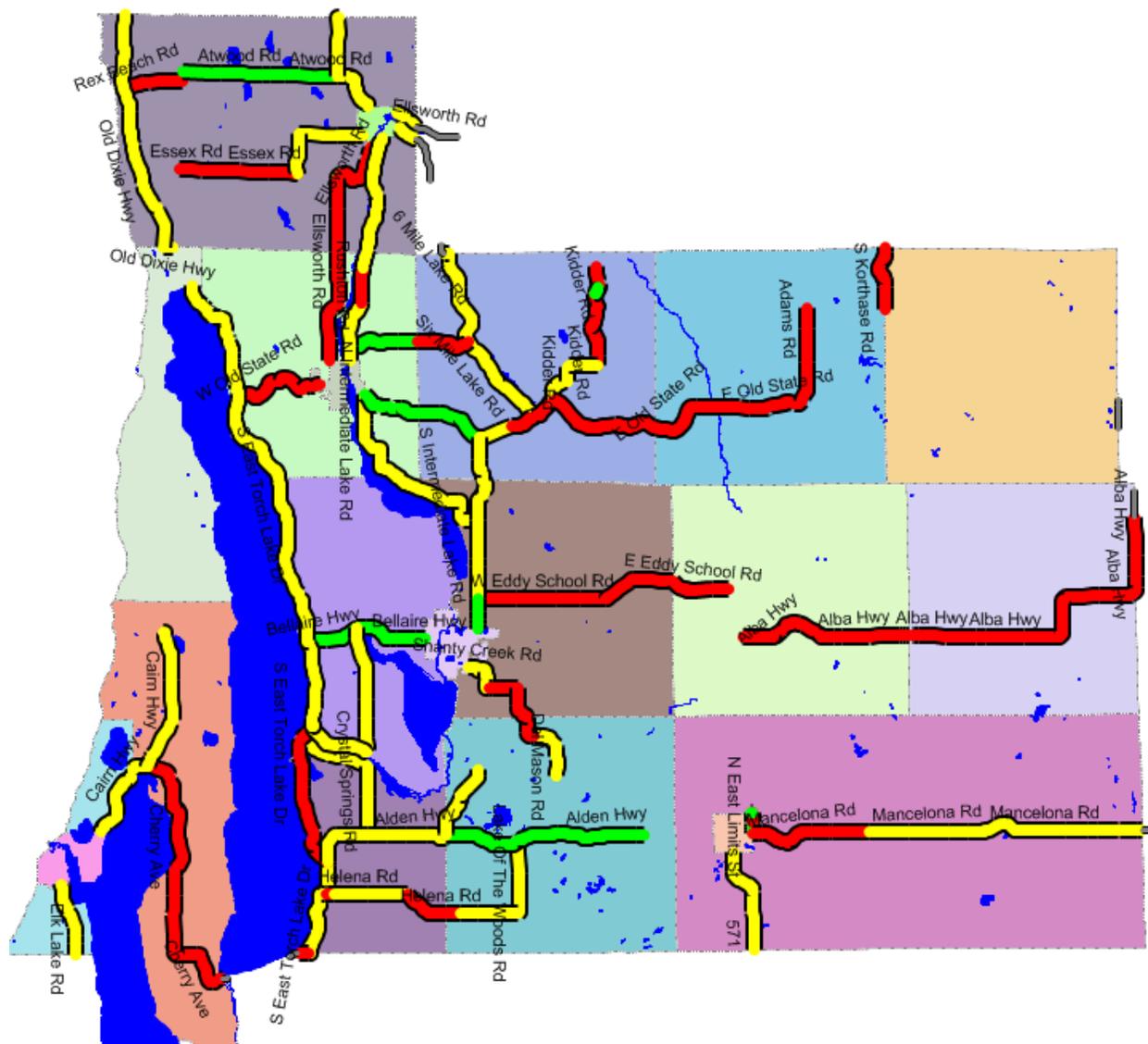
**Chart 7 – Federal Aid Eligible Primary County Road Surface Condition Flow**



The large red arrow at the top shows the number of lane miles of roads that have dropped in condition between the years 2013 and 2014. About 21 centerline miles of primary county roads have deteriorated, compared to 37 the year prior, while we have only upgraded less than 7 centerline miles, as shown by the large green arrow at the bottom. The smaller arrows show the exact changes from the different condition ratings.

Both 2013 and 2014 ratings reflect all work completed on the pavements thereby all improvements to ratings are included. The net change in pavement condition was a deterioration of almost 15 centerline miles even after an investment of over \$2,580,000. We are not keeping up with the needs and Chart 6 indicates an alarming acceleration of the deterioration.

The map on the next page shows the current condition of federal aid paved roads only. The green roads are good, yellow is fair and red is poor. These correlate to the data depicted in Charts 6 and 7.

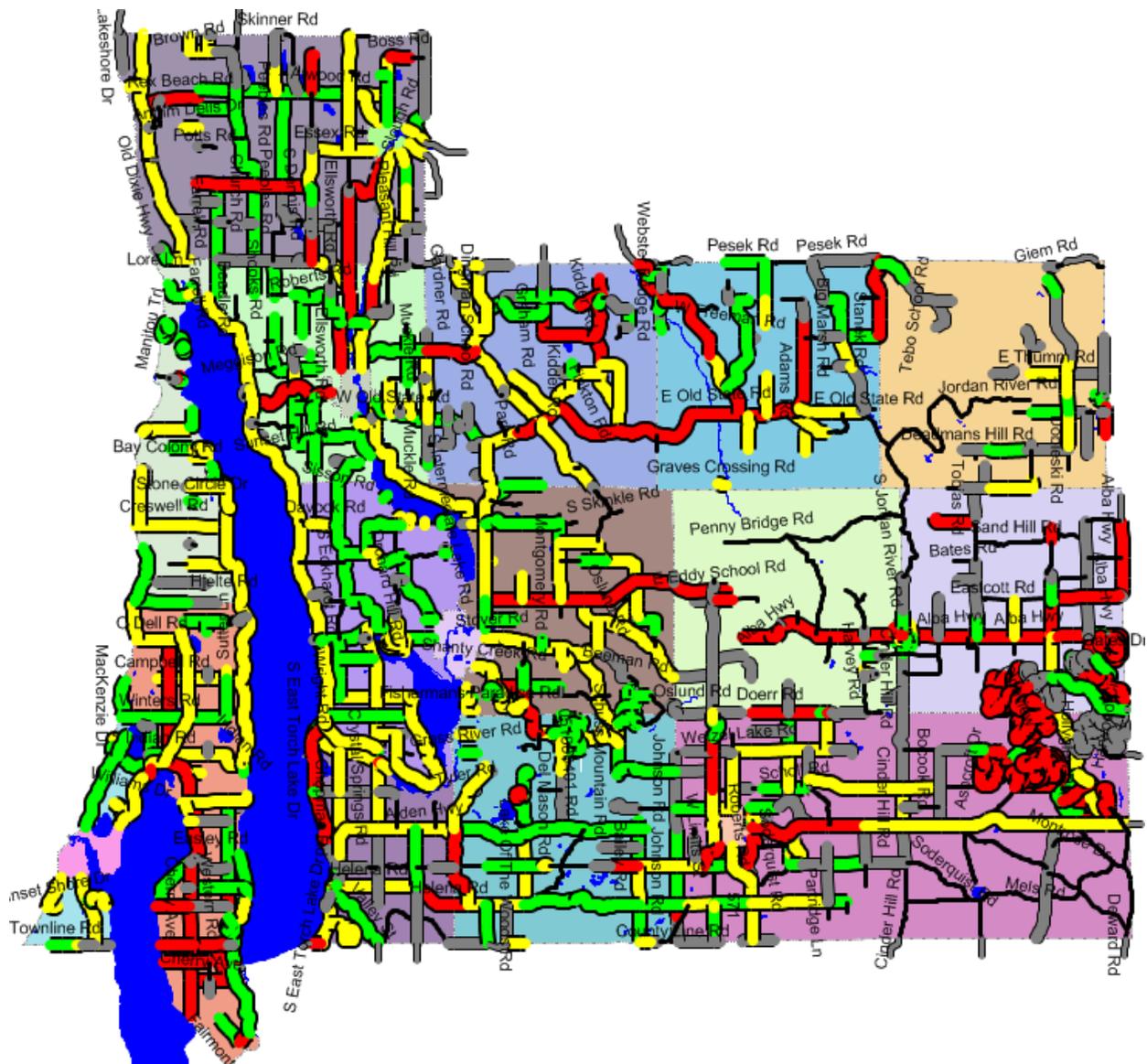


## County Road Needs



The latest estimate of needs for the paved county road system is almost \$34 million. Pavement rating data on all local county roads is being gathered and was last fully rated in 2010. This of course does not address the needs on the gravel and seasonal roads.

The map below is similar to the previous one except that this has all county roads including those that are federal aid eligible. This map includes the last rating entered on all paved roads. It is readily apparent the abundance of red, or poor condition.



## **Equipment**



One of the three motor graders in the ACRC fleet was replaced at a cost of \$218,000 less trade in of \$75,000. Two pickups were replaced at a total cost of \$55,776. Due to the high cost of winter maintenance during the previous winter, all other equipment replacements were held off. There remains a need to replace one to two trucks per year along with a piece of heavy equipment roughly every other year. Many other smaller vehicles

and equipment are in need of replacement as well.

## **Facility Needs**

The ACRC maintains garages in Mancelona, Central Lake and Kewadin. The administration offices are located at the main garage in Mancelona.

There continues to be a need to replace the truck storage garage in Central Lake where the original building was built in 1940. The current estimate is over \$1 million. There is no definite schedule for this replacement.

All other facilities are in good shape and we continue to perform routine maintenance to keep them in good shape.

## **Staff**

The ACRC employed 34 full time people during 2014, 23 truck drivers and equipment operators and three mechanics. The minimum efficient winter maintenance crew is 23 truck drivers and 3 mechanics. There is need for more employees at different times throughout the year and we do supplement our winter employees with temporary employees.

The vacant engineering technician position was filled in the fall and there were three retirements during the year, all of which were replaced.

## **Summary**

Although significant miles of roads were improved, the miles of roads that deteriorated is considerably larger. We are falling behind on road improvements at an accelerating rate. If there is not a significant increase in revenue in the near future, we will see a major decline in the overall condition of the paved county roads.

ACRC was fortunate to receive \$900,000 of the Roads, Risk and Reserve Fund set up by the State of Michigan. This grant was used to provide the required local match to Federal funds used on the Old State Road reconstruction and to extend this project from Muckle Road to Derenzy Road. Total cost of this project was \$1,414,000 and was completed on time and within budget.

Funding remains to be the largest issue for the ACRC as it does for all public road agencies in Michigan. We strive to provide the highest level of service with the limited resources available. As we continue without the proper funding, the level of service is going to be affected. Roads will continue to deteriorate faster than repairs can be made. Equipment will not be replaced as it should, to be capable of performing routine road maintenance at an acceptable level.

The townships of Antrim County have and continue to be a significant contributor to road improvement funding. However, the amount that the townships are able to generate is far below what is needed and historically the projects that have been selected by the townships only add to the future maintenance burden. Many have come to the realization that money needs to be invested in preventive maintenance and not just new asphalt on gravel roads. This has helped tremendously in reducing the future pavement replacement costs.

We cannot rely on township road millage money to make the needed repairs. Additional state level tax revenue must be created to fund roads properly. The legislature has continuously punted the ball on new transportation revenue and it appears history is repeating itself in the current legislative session.



2014  
FISCAL YEAR  
ANNUAL FINANCIAL REPORT  
BOARD OF COUNTY ROAD COMMISSIONERS

Antrim County

Michigan

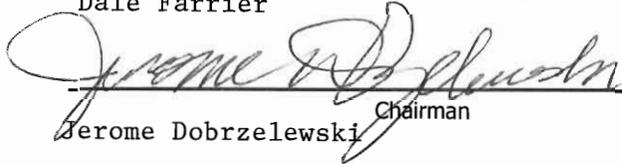
Year Ended 2014

The financial report accurately reflects the Revenues and Expenditures of all road work and funds by systems, and conforms with the requirements of Act 51, Public Acts of 1951, as amended

ATTEST



\_\_\_\_\_  
Dale Farrier Chief Financial Officer



\_\_\_\_\_  
Jerome Dobrzelewski Chairman

6/16/2015

\_\_\_\_\_  
Date

Year Ended - 2014

Start: 01/01/2014 End: 12/31/2014

**BALANCE SHEET****Assets****General Operating Fund**

1. Cash	\$1,888,671.95
2. Investments	0.00
3. Accounts Receivable	
a. Michigan Transportation Fund	490,970.44
b. State Trunkline Maintenance	65,478.22
c. State Transportation Department - Other	456.18
d. Due on County Road Agreement	27,576.25
e. Due on Special Assesment	0.00
f. Sundry Accounts Receivable	350,426.86

**Inventories/Pre-Paid Insurance/Other**

4. Deferred Expense State Aid	0.00
5. Road Materials	409,197.64
6. Equipment Materials and Parts	106,264.47
7. Prepaid Insurance	48,876.00
8. Deferred Expense - Federal Aid	0.00

**9. Other**

0.00

**10. TOTAL ASSETS****\$3,387,918.01**

Year Ended - 2014

Start: 01/01/2014 End: 12/31/2014

**Liabilities and Fund Balances****Liabilities**

11. Accounts Payable	\$355,738.09
12. Notes Payable ( Short Term	0.00
13. Accrued Liability	10,985.36
14. Advances	235,362.00
15. Deferred Revenue - Special Assessment District	0.00
16. Deferred Revenue - EDF Forest Rd.(E)	0.00
17. Deferred Revenue	912.47
18. Other	143,607.39

**Fund Balances**

19. Primary Road Fund	1,519,273.20
20. Local Road Fund	5,948.65
21. County Road Commission Fund	1,116,090.85
<b>22. Total Fund Balances</b>	<b>2,641,312.70</b>

**23. TOTAL LIABILITIES AND FUND BALANCES****\$3,387,918.01**

## Year Ended - 2014

Start: 01/01/2014 End: 12/31/2014

## CAPITAL ASSETS ACCOUNT GROUP

<u>Assets</u>	(A)	(B)	
24. Land		\$119,859.79	
25. Land Improvements	\$0.00		
25 a.Less: Accumulated Depreciation	0.00	0.00	
26. Depletable Assets	70,886.00		
26 a.Less: Accumulated Depreciation	(70,886.00)	0.00	
27. Buildings	2,482,738.85		
27 a.Less: Accumulated Depreciation	(1,159,301.94)	1,323,436.91	
28. Equipment - Road	6,849,815.82		
28 a.Less: Accumulated Depreciation	(6,074,912.68)	774,903.14	
29. Equipment - Shop	203,680.17		
29 a.Less: Accumulated Depreciation	(160,687.04)	42,993.13	
30. Equipment - Engineers	59,014.94		
30 a.Less: Accumulated Depreciation	(49,691.50)	9,323.44	
31. Yard and Storage Equipment	958,662.54		
31 a.Less: Accumulated Depreciation	(927,772.94)	30,889.60	
32. Office Equipment and Furniture	86,731.50		
32 a.Less: Accumulated Depreciation	(84,390.61)	2,340.89	
33. Infrastructure	45,121,895.00		
33 a.Less: Accumulated Depreciation	(18,523,549.00)	26,598,346.00	
34. Vehicles	0.00		
34 a.Less: Accumulated Depreciation	0.00	0.00	
35. Construction Work in Progress		0.00	
	<b>36. Total Assets</b>		<b><u>\$28,902,092.90</u></b>
 <u>Equities</u>			
37. Plant and Equipment Equity			
	37 a.Primary	0.00	
	37 b.Local	0.00	
	37 c.Co. Road Comm.	2,303,746.90	
	37 d.Infrastructure	26,598,346.00	
	<b>38. Total Equities</b>		<b><u>\$28,902,092.90</u></b>
 <u>Long Term Debt</u>			
39. Bonds Payable (Act 51)		0.00	
40. Notes Payable (Act 143)		0.00	
41. Vested Vacation and Sick Leave Payable		143,106.03	
42. Installment/Lease Purchase Payable		0.00	
43. Other		0.00	
	<b>44. Total Liabilities</b>		<b><u>\$143,106.03</u></b>
 <u>Fiduciary Fund</u>			
45. Deferred Compensation (Pension) Plan			<b><u>\$0.00</u></b>

Year Ended - 2014

Start: 01/01/2014 End: 12/31/2014

## STATEMENT OF REVENUES

	Primary Road Fund (P)	Local Road Fund (L)	Co. Road Comm. Fund (C)	Total (T)
<b><u>Taxes</u></b>				
46. County Wide Millage	\$0.00	\$0.00	\$0.00	\$0.00
47. Other	0.00	0.00	0.00	0.00
48. Total Taxes	0.00	0.00	0.00	0.00
<b><u>Licenses and Permits</u></b>				
49. Specify	0.00	0.00	34,906.35	34,906.35
<b><u>Federal Sources</u></b>				
50. Surface Tran. Program (STP)	741,411.22	0.00	0.00	741,411.22
51. C Funds - Federal	0.00	0.00	0.00	0.00
52. D Funds - Federal	0.00	0.00	0.00	0.00
53. Bridge	0.00	0.00	0.00	0.00
54. High Priority	0.00	0.00	0.00	0.00
55. Other	18,554.20	0.00	0.00	18,554.20
56. Total Federal Sources	759,965.42	0.00	0.00	759,965.42
<b>STATE SOURCES</b>				
<b><u>Michigan Transportation Fund</u></b>				
57. Engineering	5,911.97	4,088.03		10,000.00
58. Snow Removal	148,725.15	159,258.19		307,983.34
59. Urban Road	0.00	0.00		0.00
60. Allocation	1,849,381.69	1,278,817.56		3,128,199.25
61. Total MTF	2,004,018.81	1,442,163.78		3,446,182.59
<b><u>Other</u></b>				
62. Local Bridge	0.00	0.00		0.00
63. Other	899,087.53	0.00	358,380.26	1,257,467.79
64. Total Other	899,087.53	0.00	358,380.26	1,257,467.79
<b><u>Economic Development Fund</u></b>				
65. Target Industries (A)	0.00	0.00		0.00
66. Urban congestion (C)	0.00	0.00		0.00
67. Rural Primary (D)	0.00	0.00		0.00
68. Forest Road (E)	0.00	51,104.36		51,104.36
69. Urban Area (F)	0.00	0.00		0.00
70. Other	0.00	0.00		0.00
71. Total EDF	0.00	51,104.36		51,104.36
<b>72. Total State Sources</b>	<b>\$2,903,106.34</b>	<b>\$1,493,268.14</b>	<b>\$358,380.26</b>	<b>\$4,754,754.74</b>

Year Ended - 2014

Start: 01/01/2014 End: 12/31/2014

## STATEMENT OF REVENUES

	Primary Road Fund (P)	Local Road Fund (L)	Co. Road Comm. Fund (C)	Total (T)
<b>Contributions From Local Units</b>				
73. City and Village	\$0.00	\$0.00	\$0.00	\$0.00
74. Township Contr.	0.00	1,086,456.42	0.00	1,086,456.42
75. Other	0.00	0.00	19,212.47	19,212.47
76. Total Contributions	0.00	1,086,456.42	19,212.47	1,105,668.89
<b>Charges for Service</b>				
77. Trunkline Maintenance	0.00		865,325.64	865,325.64
78. Trunkline Non-maintenance	0.00		4,527.65	4,527.65
79. Salvage Sales	0.00	0.00	3,575.92	3,575.92
80. Other	0.00	0.00	0.00	0.00
81. Total Charges	0.00	0.00	873,429.21	873,429.21
<b>Interest and Rents</b>				
82. Interest Earned	794.88	3.34	216.17	1,014.39
83. Property Rentals	0.00	0.00	0.00	0.00
84. Total Interest/Rents	794.88	3.34	216.17	1,014.39
<b>Other</b>				
85. Special Assessments	0.00	0.00	0.00	0.00
86. Land and Bldg. Sales	0.00	0.00	0.00	0.00
87. Sundry Refunds	0.00	0.00	0.00	0.00
88. Gain (Loss) Equip. Disp.	0.00	0.00	82,238.60	82,238.60
89. Contributions from Private Sources	0.00	0.00	0.00	0.00
90. Other	0.00	0.00	0.00	0.00
91. Total Other	0.00	0.00	82,238.60	82,238.60
<b>Other Financing Sources</b>				
92. County Appropriation	0.00	0.00	0.00	0.00
93. Bond Proceeds	0.00	0.00	0.00	0.00
94. Note Proceeds	0.00	0.00	0.00	0.00
95. Inst. Purch./Leases	0.00	0.00	0.00	0.00
96. Total Other Fin. Sources	0.00	0.00	0.00	0.00
<b>97. TOTAL REVENUE AND OTHER FINANCING SOURCES</b>	<b>\$3,663,866.64</b>	<b>\$2,579,727.90</b>	<b>\$1,368,383.06</b>	<b>\$7,611,977.60</b>

Year Ended - 2014

Start: 01/01/2014 End: 12/31/2014

## STATEMENT OF EXPENDITURES

	Primary Road Fund (P)	Local Road Fund (L)	Co. Road Comm. Fund (C)	Total (T)
<b>Construction/Capacity Improvement</b>				
98. Roads	\$0.00	\$0.00		\$0.00
99. Structures	0.00	0.00		0.00
100. Roadside Parks	0.00	0.00		0.00
101. Special Assessments	0.00	0.00		0.00
102. Other	0.00	0.00		0.00
103. Total Construction/Cap. Imp.	0.00	0.00		0.00
<b>Preservation - Structural Improvements</b>				
104. Roads	1,829,420.40	905,699.04		2,735,119.44
105. Structures	13,616.10	0.00		13,616.10
106. Safety Projects	0.00	0.00		0.00
107. Roadside Parks	0.00	0.00		0.00
108. Special Assessments	0.00	0.00		0.00
109. Other	0.00	0.00		0.00
110. Total Preservation - Struct. Imp.	1,843,036.50	905,699.04		2,748,735.54
<b>Maintenance</b>				
111. Roads	686,109.13	883,385.05		1,569,494.18
112. Structures	2,378.71	2,465.44		4,844.15
113. Roadside Parks	0.00	0.00		0.00
114. Winter Maintenance	674,761.10	722,542.50		1,397,303.60
115. Traffic Control	29,422.94	36,016.53		65,439.47
116. Total Maintenance	1,392,671.88	1,644,409.52		3,037,081.40
117. Total Construction, Preservation And Maintenance.	3,235,708.38	2,550,108.56		5,785,816.94
<b>Other</b>				
118. Trunkline Maintenance	0.00		745,859.77	745,859.77
119. Trunkline Non-maintenance	0.00		4,527.64	4,527.64
120. Administrative Expense	199,353.52	157,113.39		356,466.91
121. Equipment - Net	43,016.83	87,814.20	30,243.10	161,074.13
122. Capital Outlay - Net	0.00	0.00	(107,097.53)	(107,097.53)
123. Debt Principal Payment	0.00	0.00	0.00	0.00
124. Interest Expense	0.00	0.00	0.00	0.00
125. Drain Assessment	0.00	0.00	0.00	0.00
126. Other	0.00	0.00	0.00	0.00
127. Total Other	242,370.35	244,927.59	673,532.98	1,160,830.92
<b>128. Total Expenditures</b>	<b>\$3,478,078.73</b>	<b>\$2,795,036.15</b>	<b>\$673,532.98</b>	<b>\$6,946,647.86</b>

Year Ended - 2014

Start: 01/01/2014 End: 12/31/2014

## STATEMENT OF CHANGES IN FUND BALANCES

	Primary Road Fund (P)	Local Road Fund (L)	Co. Road Comm. Fund (C)	Total (T)
129. Total Revenues And Other Financing Sources	\$3,663,866.64	\$2,579,727.90	\$1,368,383.06	\$7,611,977.60
130. Total Expenditures	3,478,078.73	2,795,036.15	673,532.98	6,946,647.86
131. Excess of Revenues Over (Under) Expenditures	185,787.91	(215,308.25)	694,850.08	665,329.74
132. Optional Transfers				
132 a. Primary to Local (50%)	(215,000.00)	215,000.00		0.00
132 b. Local to Primary (15%)	0.00	0.00		0.00
133. Emergency Transfers (Local to Primary)	0.00	0.00		0.00
134. Total Optional Transfers	(215,000.00)	215,000.00		0.00
135. Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(29,212.09)	(308.25)	694,850.08	665,329.74
136. Beginning Fund	1,548,485.29	6,256.90	421,240.77	1,975,982.96
137. Adjustment	0.00	0.00	0.00	0.00
138. Beginning Fund Balance Restated	1,548,485.29	6,256.90	421,240.77	1,975,982.96
139. Interfund Transfer(County to Primary and/or Local)	0.00	0.00	0.00	0.00
140. Ending Fund Balance	\$1,519,273.20	\$5,948.65	\$1,116,090.85	\$2,641,312.70

Year Ended - 2014

Start: 01/01/2014 End: 12/31/2014

**EQUIPMENT EXPENSE**

## Direct Equipment Expense

141. Labor and Fringe Benefits	\$235,061.88	
142. Depreciation	<u>399,441.16</u>	
143. Other	<u>321,603.36</u>	
<b>144. Total Direct</b>		<u>956,106.40</u>

145. Indirect Equipment Expense		<u>538,037.51</u>
---------------------------------	--	-------------------

## Operating Equipment Expense

146. Labor and Fringe Benefits	0.00	
147. Operating Expenses	<u>419,986.03</u>	
<b>148. Total Operating</b>		<u>\$419,986.03</u>

<b>149. TOTAL EQUIPMENT EXPENSE</b>	<u>\$1,914,129.94</u>
-------------------------------------	-----------------------

**Equipment Rental Credits:**

	<u>Primary</u>	<u>Local</u>	<u>County</u>	<u>Total</u>
150. Construction/Capacity Improvement	0.00	0.00		0.00
151. Preservation - Structural Improvement	25,698.17	136,855.18		162,553.35
152. Maintenance	442,476.95	818,873.67		1,261,350.62
153. Inventory Operations	0.00	0.00	20,535.18	20,535.18
154. MDOT	0.00		279,855.96	279,855.96
155. Other Reimbursable Charges	0.00	0.00	2,487.69	2,487.69
156. All Other Charges	0.00	0.00	26,273.01	26,273.01
157. Total Equipment Rental Credits	<u>468,175.12</u>	<u>955,728.85</u>	<u>329,151.84</u>	<u>1,753,055.81</u>
	(A)	(B)	(C)	(D)
158. (Gain) or Loss on Usage of Equipment				<u>161,074.13</u>

**PRORATION OF EQUIPMENT USAGE GAIN OR LOSS**

(Net Equipment Expense)

159. Equipment Rental Credits	<u>\$468,175.12</u>	<u>\$955,728.85</u>	<u>\$329,151.84</u>	<u>\$1,753,055.81</u>
	(A)	(B)	(C)	(D)
160. Percent of Total	26.71 %	54.52 %	18.78 %	100.00 %
161. Prorated Total Equipment Expense	<u>511,191.95</u>	<u>1,043,543.05</u>	<u>359,394.94</u>	<u>1,914,129.94</u>
162. Prorated Gain/Loss On Usage (Net Equipment Expense)	<u>43,016.83</u>	<u>87,814.20</u>	<u>30,243.10</u>	<u>161,074.13</u>



Year Ended - 2014

Start: 01/01/2014 End: 12/31/2014

**DISTRIBUTIVE EXPENSE - OVERHEAD**  
**Account No. 705 - 957**

	<b>Cost of Operations</b>	<b>Distributed Total</b>
187. Primary Construction/Cap. Imp.	\$0.00	\$0.00
188. Primary Preservation - Struct Imp.	1,810,940.08	32,096.42
189. Primary Maintenance	1,368,418.52	24,253.36
190. Local Construction/Cap. Imp.	0.00	0.00
191. Local Preservation - Struct. Imp.	889,926.31	15,772.73
192. Local Maintenance	1,615,772.21	28,637.31
193. Other	0.00	0.00
<b>194. TOTAL</b>	<b>\$5,685,057.12</b>	<b>\$100,759.82</b>

	<b>790 Small Road Tools</b>	<b>791 Inventory Adjustment</b>	<b>882 Liability</b>	<b>716 Health Insurance</b>	<b>Other</b>	<b>Total</b>
195. Expenses Distributed	5,873.48	(11,479.54)	(30,297.00)	0.00	136,662.88	\$100,759.82
196. Applicable Operation Cost	5,685,057.12	5,685,057.12	5,685,057.12	5,685,057.12	5,685,057.12	
197. Factor	0.001033	(0.002019)	(0.005329)	0.000000	0.024039	\$0.017724

Year Ended - 2014

Start: 01/01/2014 End: 12/31/2014

**ANALYSIS OF CONSTRUCTION AND MAINTENANCE**

Optional for noncontract counties

	Performed by County		Performed by Contractor		Totals	
	<u>Primary</u>	<u>Local</u>	<u>Primary</u>	<u>Local</u>	<u>Primary</u>	<u>Local</u>
198. Constr/Cap. Imp.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
199. Preser - Struct. Imp.	138,044.56	450,528.81	1,704,991.94	455,170.23	1,843,036.50	905,699.04
200. Special Assessment	0.00	0.00	0.00	0.00	0.00	0.00
201. Maintenance	1,385,814.73	1,641,987.02	6,857.15	2,422.50	1,392,671.88	1,644,409.52
<b>202. Total</b>	<u>\$1,523,859.29</u>	<u>\$2,092,515.83</u>	<u>\$1,711,849.09</u>	<u>\$457,592.73</u>	<u>\$3,235,708.38</u>	<u>\$2,550,108.56</u>

Year Ended - 2014

Start: 01/01/2014 End: 12/31/2014

**ANALYSIS OF ACCOUNTS RECEIVABLE**

Optional for noncontract counties

	<b>Trunkline Maintenance</b>	<b>MDOT Other</b>
203. Labor	\$157,200.48	\$0.00
204. Fringe Benefits	161,838.40	0.00
205. Equipment Rental	279,855.96	0.00
206. Materials	82,514.26	4,593.39
207. Handling Charges	0.00	0.00
208. Overhead	58,912.69	390.44
209. Other	0.00	0.00
<b>210. Total Charges for Current Yea</b>	<b>\$740,321.79</b>	<b>\$4,983.83</b>
211. Beginning Balance	154,573.52	0.00
212. Sub-Total	894,895.31	4,983.83
213. Less Credits	(829,417.09)	(4,527.65)
<b>214. Ending Balance</b>	<b>\$65,478.22</b>	<b>\$456.18</b>

## Year Ended - 2014

Start: 01/01/2014 End: 12/31/2014

## SCHEDULE OF CAPITAL OUTLAY

215. Land and Improvements (971 - 974)	\$0.00
216. Buildings (975)	3,468.00
217. Equipment Road (976, 981)	325,560.85
218. Equipment Shop (977)	15,442.52
219. Equipment Engineers (978)	8,493.77
220. Yard and Storage Equipment (979)	14,914.00
221. Equipment Office (980)	0.00
222. Depletable Assets (987)	0.00
223. Total Capital Outlay:	\$367,879.14

	Primary	Local	County	Total
224. Total Capital Outlay:	0.00	0.00	367,879.14	367,879.14
225. Less: Equipment Retirements 689	0.00	0.00	0.00	0.00
226. Sub-total	0.00	0.00	367,879.14	367,879.14
227. Less: Depreciation and Depletion 968	0.00	0.00	(474,976.67)	(474,976.67)
228. Net Capital Outlay Expenditure	\$0.00	\$0.00	\$(107,097.53)	\$(107,097.53)

## DISTRIBUTION OF GAIN OR LOSS ON DISPOSAL OF ASSETS

	Primary	Local	County	Total
229. Beginning Capital Asset Balance				
Prior Year's Report (Pg. 2)	0.00	0.00	2,734,219.29	2,734,219.29
230. Percentage of Total	0.00 %	0.00 %	100.00 %	100.00 %
231. Gain or (loss) on disposal of assets 693	0.00	0.00	82,238.60	82,238.60

Year Ended - 2014

Start: 01/01/2014 End: 12/31/2014

**MAINTENANCE EXPENDITURES - 90% OF MTF RETURNS**

(For Compliance with Section 12(16) of Act 51)

	<b>Primary Road Fund</b>	<b>Local Road Fund</b>	<b>Total</b>
232. Michigan Transportation Fund (MTF) Returns			<u>\$3,446,182.59</u>
<u>DEDUCTIONS</u>			
233. Administrative Expense (from Page 5 Expenditures)			<u>356,466.91</u>
234. Total Capital Outlay (from Capital Outlay)			<u>367,879.14</u>
235. Debt Principal Payment (from Page 5 Expenditures)			<u>0.00</u>
236. Interest Expense (from Page 5 Expenditures)			<u>0.00</u>
236 a. Total Deductions			<u>724,346.05</u>
236 b. Adjusted MTF Returns			<u>2,721,836.54</u>
237. Preser - Struct Imp (from Page 5 Expenditures)	<u>\$1,843,036.50</u>	<u>\$905,699.04</u>	<u>2,748,735.54</u>
238. Routine Maintenance (from Page 5 Expenditures)	<u>1,392,671.88</u>	<u>1,644,409.52</u>	<u>3,037,081.40</u>
239. Less Federal Aid for Preser - Struct Imp	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
240. TOTAL RD EXPENSE (Excluding Fed Aid)	<u>3,235,708.38</u>	<u>2,550,108.56</u>	<u>5,785,816.94</u>
241. 90% of Adjusted MTF Returns			<u>2,449,652.89</u>

**Year Ended - 2014**

**Start:** 01/01/2014 **End:** 12/31/2014

**TEN YEARS OF QUALIFIED EXPENDITURES  
FOR NON MOTORIZED IMPROVEMENTS**  
(for Compliance with Section 10K of Act 51)

<b>Fiscal Year</b>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Expenditures (\$)</b>	<u>0.00</u>	<u>233,477.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Fiscal Year</b>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Expenditures (\$)</b>	<u>0.00</u>	<u>68,000.00</u>	<u>0.00</u>	<u>80,000.00</u>	<u>322,701.65</u>
				<b>242. TOTAL</b>	<u>\$704,178.65</u>

Total must equal or exceed 1% of your Fiscal Year MTF returns multiplied by 10

$$\underline{3,446,182.59} \times .10 = \underline{344,618.26}$$

Year Ended - 2014

Start: 01/01/2014 End: 12/31/2014

**INDIRECT EQUIPMENT AND STORAGE EXPENSE**  
**Activity 511**

<b>Account Number</b>	<b>Account Name</b>	<b>Amount Recorded</b>
707	Wages - Shop and Garage	\$89,756.64
712-724	Fringe Benefits - Shop Employees	109,849.10
721	Drug Testing	3,829.44
728	Office Supplies - Shop	0.00
731	Janitor Supplies - Shop	5,272.28
733	Welding Supplies	6,765.81
734	Safety Supplies - Shop	0.00
736	Tire Shop Supplies	0.00
737	Shop Supplies	29,785.46
791	Equipment Material/Parts Inventory Adjustment	3,591.83
801	Contractual Services - Shop	0.00
805	Health Services	0.00
806	Laundry Services	6,847.40
807	Data Processing - Shop	0.00
810	Education Expense - Shop	297.66
850-859	Communications - Shop	0.00
861	Travel and Mileage - Shop Employees	0.00
862	Freight Costs	45.50
875	Insurance - Shop Buildings	14,735.00
876	Insurance - Boiler and Machine	0.00
878	Insurance - Fleet	58,910.50
883	Insurance - Underground Tank	0.00
921-923	Utilities - Shop and Storage Buildings	67,623.60
931	Buildings Repairs and Maintenance	33,180.07
932	Yard and Storage Repairs and Maintenance	17,890.47
933	Shop Equipment Repairs and Maintenance	286.54
934	Office Equipment Repairs and Maintenance	0.00
941	Equipment Rental - Shop Pickup/Wrecker	0.00
944-947	Underground Storage Tank Expense	0.00
956	Safety Expense - Shop	5,211.22
968	Depreciation - Shop Building	55,425.50
968	Depreciation - Storage Building	2,949.40
968	Depreciation - Shop Equipment	11,047.13
968	Depreciation - Stockroom Expense	0.00
707	Other:	14,736.96
	<b>243. TOTAL</b>	<b>\$538,037.51</b>

Year Ended - 2014

Start: 01/01/2014 End: 12/31/2014

**ADMINISTRATIVE EXPENSE SCHEDULE AND ALLOCATION**

(for Compliance with Section 14(4) of Act 51)

Account Number	Account Name	Amount Recorded
703-708	Salaries and Wages	\$168,694.69
709-714	Administrative Leave	0.00
724	Fringe Benefits	179,931.70
727	Postage	741.60
728	Office Supplies	4,473.60
730	Dues and Subscriptions	8,463.56
801	Contractual Services	0.00
803	Legal Services	1,195.60
804	Auditing and Accounting Services	4,762.25
807	Data Processing	10,308.87
810	Education	5,425.00
850-853	Communications	5,792.62
861	Travel and Mileage	10,816.89
862	Freight	0.00
873	Public Relations	0.00
874	Advertising	785.10
875	Insurance - Building and Contents	0.00
876	Insurance - Boiler and Machinery	0.00
877	Insurance - Bonds	0.00
880	Insurance - Umbrella	0.00
881	Insurance - Errors and Omissions	13,029.00
882	Insurance - General Liability	0.00
920-923	Utilities	6,742.33
931	Building Repair/Maintenance	125.57
934	Office Equipment Repair/Maintenance	0.00
942	Building Rental	0.00
955-956	Miscellaneous	5,725.32
966-967	Overhead	0.00
968	Depreciation - Buildings	0.00
968	Depreciation - Engineering Equipment	2,128.86
968	Depreciation - Office Equipment and Furniture	3,984.62
	Other:	2,880.26
	<b>244. TOTAL</b>	<b>\$436,007.44</b>
<b>Less: Credits to Administrative Expense</b>		
646	Handling Charges on Materials Sold	(4,143.73)
629	Overhead - State Trunkline Maintenance	(72,301.31)
691	Purchase Discounts	(3,095.49)
	Other:	0.00
	<b>Total Credits to Administrative Expense</b>	<b>\$(79,540.53)</b>
	<b>245. Net Administrative Expense</b>	<b>\$356,466.91</b>

Year Ended - 2014

Start: 01/01/2014 End: 12/31/2014

**Forest Road Report**

This information is required by Act 231, P.A. of 1987, as amended.

<u>Road Name</u>	<u>Location</u>	<u>Amount Spent (\$)</u>	<u>Project Type</u>
Bunker Hill Rd	Central Lake Twp	30,000.00	Resurfacing
Hejhal Rd	Jordan Twp	10,000.00	Resurfacing
Delwood Dr	Star Twp	6,104.36	Resurfacing
Cedar Rv Rd	Mancelona Twp	5,000.00	Resurfacing
	<b>246. Total</b>	<u>\$51,104.36</u>	

Year Ended - 2014

Start: 01/01/2014 End: 12/31/2014

**CONSTRUCTION / CAPACITY IMPROVEMENTS / STRUCTURAL IMPROVEMENTS  
Summary**

**CONSTRUCTION / CAPACITY IMPROVEMENTS**

	Primary System		Local System	
	*Unit	Expenditures	*Unit	Expenditures
<b>ROADS</b>				
247. New Construction, New Location	0.00 mi.	\$0.00	0.00 mi.	\$0.00
248. Widening	0.00 mi.	0.00	0.00 mi.	0.00
<b>BRIDGES</b>				
249. New Location	0.00 ea.	0.00	0.00 ea.	0.00
<b>250. TOTAL CONSTRUCTION/CAPACITY IMP</b>		<b>\$0.00</b>		<b>\$0.00</b>

**PRESERVATION - STRUCTURAL IMPROVEMENTS**

	Primary System		Local System	
	*Unit	Expenditures	*Unit	Expenditures
<b>ROADS</b>				
251. Reconstruction	3.32 mi.	\$1,536,674.52	0.00 mi.	\$0.00
252. Resurfacing	2.55 mi.	292,745.88	6.77 mi.	708,600.93
253. Gravel Surfacing	0.00 mi.	0.00	1.65 mi.	158,357.08
254. Paving Gravel Roads	0.00 mi.	0.00	0.38 mi.	38,741.03
<b>SAFETY PROJECTS</b>				
255. Intersection Improvements	0.00 ea.	0.00	0.00 ea.	0.00
256. Railroad Crossing Improvements	0.00 ea.	0.00	0.00 ea.	0.00
257. Other	0.00 ea.	0.00	0.00 ea.	0.00
<b>MISCELLANEOUS</b>				
258. Roadside Parks	0.00 ea.	0.00	0.00 ea.	0.00
259. Other	0.00 ea.	0.00	0.00 ea.	0.00
260. Subtotals		1,829,420.40		905,699.04
<b>BRIDGES</b>				
261. Replacement	1.00 ea.	13,616.10	0.00 ea.	0.00
262. Recondition or Repair	0.00 ea.	0.00	0.00 ea.	0.00
263. Replace with Culvert	0.00 ea.	0.00	0.00 ea.	0.00
<b>264. Bridge Subtotals</b>		<b>13,616.10</b>		<b>0.00</b>
<b>265. TOTAL PRESERVATION - STRUCT IMP</b>		<b>\$1,843,036.50</b>		<b>\$905,699.04</b>

\*All Units are to be reported in the Fiscal Year that the project is opened for use.

Year Ended - 2014

Start: 01/01/2014 End: 12/31/2014

**SCHEDULE OF TOWNSHIP MILEAGE AND POPULATION**

Township	Local Roads			Primary Roads				
	Miles Outside Municipalities		Funds Received (\$)	Miles Outside Municipalities		Funds Received (\$)	Population Outside Municipalities	Funds Received (\$)
	Total Local (mi)	Local Urban (mi)		Total Primary (mi)	Primary Urban (mi)			
BANKS	56.58	0.00	91,263.54	28.14	0.00	41,506.50	1,260	14,452.20
CENTRAL LAKE	37.13	0.00	59,890.69	20.11	0.00	29,662.25	1,246	14,291.62
CHESTONIA	32.30	0.00	52,099.90	5.94	0.00	8,761.50	511	5,861.17
CUSTER	45.41	0.00	73,246.33	14.93	0.00	22,021.75	1,136	13,029.92
ECHO	27.67	0.00	44,631.71	22.23	0.00	32,789.25	877	10,059.19
ELK RAPIDS	8.94	0.00	14,420.22	5.28	0.00	7,788.00	989	11,343.83
FOREST HOME	32.25	0.00	52,019.25	20.96	0.00	30,916.00	1,177	13,500.19
HELENA	25.40	0.00	40,970.20	17.16	0.00	25,311.00	1,001	11,481.47
JORDAN	28.79	0.00	46,438.27	10.95	0.00	16,151.25	992	11,378.24
KEARNEY	44.17	0.00	71,246.21	14.47	0.00	21,343.25	1,222	14,016.34
MANCELONA	145.74	0.00	235,078.63	17.64	0.00	26,019.00	3,010	34,524.70
MILTON	47.89	0.00	77,246.57	17.70	0.00	26,107.50	2,204	25,279.88
STAR	76.38	0.00	123,200.94	8.15	0.00	12,021.25	926	10,621.22
TORCH LAKE	19.36	0.00	31,227.68	5.05	0.00	7,448.75	1,194	13,695.18
WARNER	34.94	0.00	56,358.22	1.72	0.00	2,537.00	416	4,771.52
<b>266. Totals</b>	<b>662.95</b>	<b>0.00</b>	<b>\$1,069,338.36</b>	<b>210.43</b>	<b>0.00</b>	<b>\$310,384.25</b>	<b>18,161</b>	<b>\$208,306.67</b>

Local Road Rate Per Mile	<u>1613</u>	Primary Road Rate Per Mile	<u>1475</u>
Local Urban Road Rate Per Mile	<u>1412</u>	Primary Urban Road Rate Per Mile	<u>8470</u>
Population Rate Per Capita	<u>11.47</u>		

Year Ended - 2014

Start: 01/01/2014 End: 12/31/2014

**SCHEDULE OF TOWNSHIP EXPENDITURES AND CONTRIBUTIONS**  
**Expenditures**

<b>Township</b>	<b>Construction/ Capacity Improvement (\$)</b>	<b>Preservation - Struct Improvement (\$)</b>	<b>Total (\$)</b>	<b>Township Contributions* (\$)</b>
BANKS				
CENTRAL LAKE	0.00	1,027,353.42	1,027,353.42	173,700.00
CHESTONIA				
CUSTER	0.00	65,648.83	65,648.83	44,156.28
ECHO	0.00	758,194.52	758,194.52	54,697.00
ELK RAPIDS	0.00	0.00	0.00	0.00
FOREST HOME	0.00	39,861.87	39,861.87	30,000.00
HELENA	0.00	38,744.74	38,744.74	41,340.00
JORDAN	0.00	137,494.12	137,494.12	97,662.35
KEARNEY	0.00	82,613.49	82,613.49	139,545.43
MANCELONA	0.00	124,412.63	124,412.63	109,395.32
MILTON	0.00	178,109.22	178,109.22	145,178.62
STAR	0.00	121,214.88	121,214.88	106,551.25
TORCH LAKE	0.00	163,743.97	163,743.97	144,230.17
WARNER				
<b>267. Totals</b>	<b>\$0.00</b>	<b>\$2,737,391.69</b>	<b>\$2,737,391.69</b>	<b>\$1,086,456.42</b>

\*The Township Contributions Totals and the Funds expended for Construction and Preservation amount may not balance. The Township Contributions list all funds contributed by each township and will balance back to the amount reported on the Statement of Revenues, Line 74, Township Contributions.

The total funds expended are for Construction and Preservation only. They do not contain funds expended for Routine Preventative Maintenance.

**Year Ended - 2014**

**Start:** 01/01/2014 **End:** 12/31/2014

**ASSET MANAGEMENT**  
**Projects Completed During the County Fiscal Year**

**Work Type:**

<u>Project ID/Name</u>	<u>Total Project Cost</u>	<u>Date Open to Traffic</u>	<u>Pavement Type</u>
------------------------	---------------------------	-----------------------------	----------------------

# The Center for Local, State, and Urban Policy

Gerald R. Ford School of Public Policy >> University of Michigan

Michigan Public  
Policy Survey May 2015

## Michigan local leaders have positive views on relationships with county road agencies, despite some concerns

By Michael Q. Crawford and Thomas Ivacko

This report presents the opinions of Michigan local government leaders and officials from the state's county road agencies regarding the relationships between local governments and county road agencies, as well as local officials' ratings of road agency performance and related issues. The findings in this report are based on a statewide survey of local government leaders and county road commissions and departments in the Fall 2014 wave of the Michigan Public Policy Survey (MPPS).

>> The Michigan Public Policy Survey (MPPS) is a census survey of all 1,856 general purpose local governments in Michigan conducted by the Center for Local, State, and Urban Policy (CLOSUP) at the University of Michigan in partnership with the Michigan Municipal League, Michigan Townships Association, and Michigan Association of Counties. The MPPS takes place twice each year and investigates local officials' opinions and perspectives on a variety of important public policy issues. Respondents for the Fall 2014 wave of the MPPS include county administrators, board chairs, and clerks; city mayors and managers; village presidents, managers, and clerks; and township supervisors, managers, and clerks from 1,356 jurisdictions across the state.

For more information, please contact: [closup-mpps@umich.edu](mailto:closup-mpps@umich.edu) / (734) 647-4091. You can also follow us on Twitter @closup

**CLOSUP**

Center for Local, State, and Urban Policy

 Gerald R. Ford School of Public Policy



**GERALD R. FORD SCHOOL  
OF PUBLIC POLICY**  
UNIVERSITY OF MICHIGAN

## Key Findings

- Local leaders overall express positive opinions of the road commissions and road departments that maintain county primary and township roads in their jurisdictions.
  - » On five of seven statements about their road agencies—especially regarding working relationships, communications, and the quality of road work—large majorities of local leaders give positive assessments.
  - » On two statements—regarding financial matching requirements imposed on local governments by their road agencies, and the agencies' transparency—slim majorities of local leaders give positive evaluations.
- Despite the overall high approval ratings, local leaders from villages and cities are less likely to give positive ratings of the road agencies, compared to leaders from townships and county general purpose governments.
- In addition, local leaders from the Southwest, Southeast, and Upper Peninsula are less likely to give positive ratings, compared to their counterparts from the Northern and Central Lower Peninsula.
- In 78 of Michigan's 83 counties, road governance for county primary and township local roads is currently vested in "special purpose" road commissions. In the other five counties these duties have been transferred to the relevant general purpose county government. When asked on the MPPS, only 17% of local leaders statewide think their road commissions should be disbanded, with the road duties taken over by the general purpose county governments. This increases to 21% among village leaders and 36% among city leaders.
  - » Nearly three-quarters of local leaders (73%) prefer a special purpose road commission which focuses only on roads, instead of a general purpose county government. Overall 49% prefer elected road commissioners while 24% prefer an appointed board.

### Background

In Michigan, different classifications of roads and bridges are constructed and maintained by different kinds of governments. The Michigan Department of Transportation has responsibility for highways and state trunklines (roads designated with a prefix of I-, US-, or M-), while cities and villages have responsibility for most of the local roads within their boundaries. Meanwhile, Michigan's county primary and township local roads are governed in one of two ways. First, 78 counties have "road commissions" (governed by elected or appointed road commissioners) in charge of their county primary and township local roads (see *Figure 3*). These commissions are "special purpose" units of government—distinct from the state's general purpose county governments—that deal only with roads. This approach of using special purpose county-level governments is unique compared to any other state in the U.S.<sup>1</sup> Second, five counties in Michigan have disbanded and/or merged their special purpose road commissions and transferred their powers and responsibilities to the general purpose county government.

Among the special purpose road commissions, 36 are governed by elected leaders and 42 are governed by leaders appointed by their general purpose county board of commissioners. Michigan's county road agencies (whether commissions or departments) vary in terms of their structure, size, leadership, and priorities, but are collectively responsible for the care of more than 90,000 miles of roads, both paved and unpaved, spanning every corner of the state.<sup>2</sup>

Because county primary roads may be located within any kind of general purpose local jurisdiction (i.e., a township, city, or village), a great deal of intergovernmental cooperation and coordination is required between the special purpose road agencies and the general purpose local governments. For example, if the main street in a city, village, or township is actually a county primary road, then the work of the county road commission or department may have a significant impact on that general purpose local government and its wider community. Agreements may be required between the road authority and the local government concerning the funding, timing, type, and extent of the work to be done.

To learn more about the relationships between general purpose local jurisdictions—counties, townships, cities, and villages—and their special purpose road commissions or departments, the Michigan Public Policy Survey (MPPS) asked a series of questions on these topics in the Fall 2014 survey. In addition, a supplemental survey was sent to each county-level road agency in the state to learn more about the views of the county road commission or department leaders. This report explores the views and opinions from both sides of Michigan's road governance arrangements.



## Most local jurisdictions have positive views of county road agencies

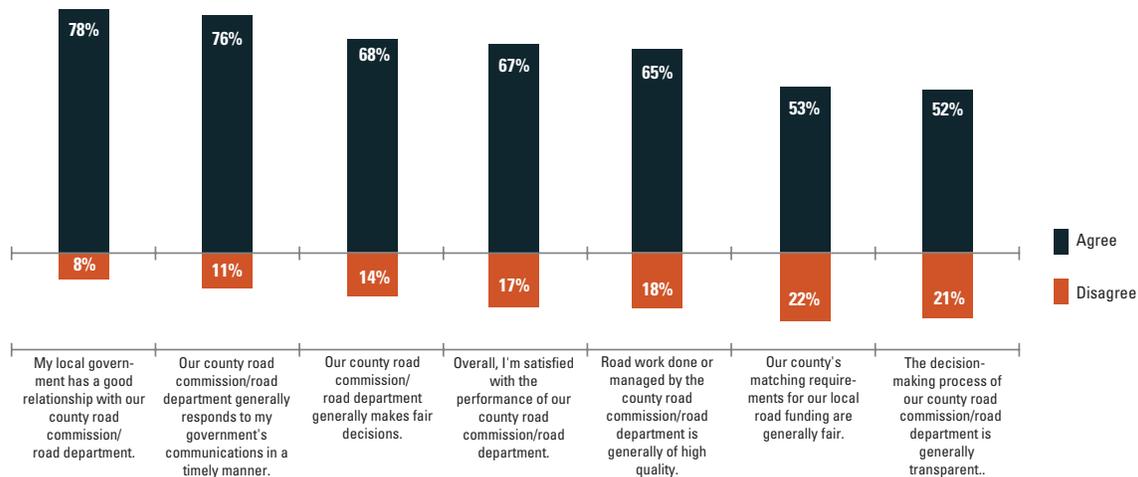
The Fall 2014 Michigan Public Policy Survey asked local government leaders from Michigan’s counties, townships, cities, and villages for their opinions on seven statements regarding their particular county’s road agency (i.e., road commission or department). Overall, large majorities of local leaders give positive ratings of their road agencies. In particular, 78% of local leaders agree that the relationship is good between their own jurisdiction and its road agency (see *Figure 1*). Large majorities also give favorable assessments when it comes to the timeliness of road agencies in responding to communications from the local governments (76%), the fairness of decisions made by the agencies (68%), the quality of road work done by the agencies (65%), and general satisfaction with the agencies overall (67%). Two statements have lower levels of support among local leaders, though both still have majority favorable ratings. The first of these has to do with financial matching requirements imposed by road agencies on local governments for road projects done within their borders. Here, a bare majority (53%) of local leaders agree that the agencies’ matching requirements are fair, while nearly one-in-four (22%) disagree. The second statement concerns the transparency of road agency decision-making, wherein a slim majority (52%) believes that road agency decision-making is generally transparent, while 21% of local leaders disagree.

Despite these overall affirmative ratings provided by local leaders, there are differences found when drilling deeper into the data. One trend is clear: on almost every issue raised, leaders from the county general purpose governments are the most likely to give positive assessments of their road agencies, followed by leaders from townships, then cities, with village leaders being the least likely to give positive ratings. For example, on the question of whether road agency matching requirements are fair, 70% of county leaders agree they are, compared to 56% of leaders from townships, 46% from cities, and just 37% from villages (see *Appendix A*).

Another trend is seen when the responses are examined by region of the state. In general, local leaders in the Southwest Lower Peninsula are least likely to give positive statements about their road agencies (see *Appendix B*). While somewhat less consistent, local leaders from Southeast Michigan, and from the Upper Peninsula, also tend to give lower ratings for their agencies compared to leaders from the Northern Lower Peninsula and the Central (both east and west) Lower Peninsula.

Nonetheless, even among the least satisfied groups of local leaders, majorities (including 64% of village leaders and 70% of leaders from all jurisdictions in the Southwest region) still give overall positive ratings of their relationships with their counties’ road agencies. In addition, majorities (including 58% of village leaders and 57% of all leaders in the Southwest) also give positive ratings for their satisfaction with the overall performance of the road agencies.

**Figure 1**  
Local officials’ views of their county road agency



Note: responses of “not applicable” are excluded from the analysis; responses for “neither agree nor disagree” and “don’t know” are not shown

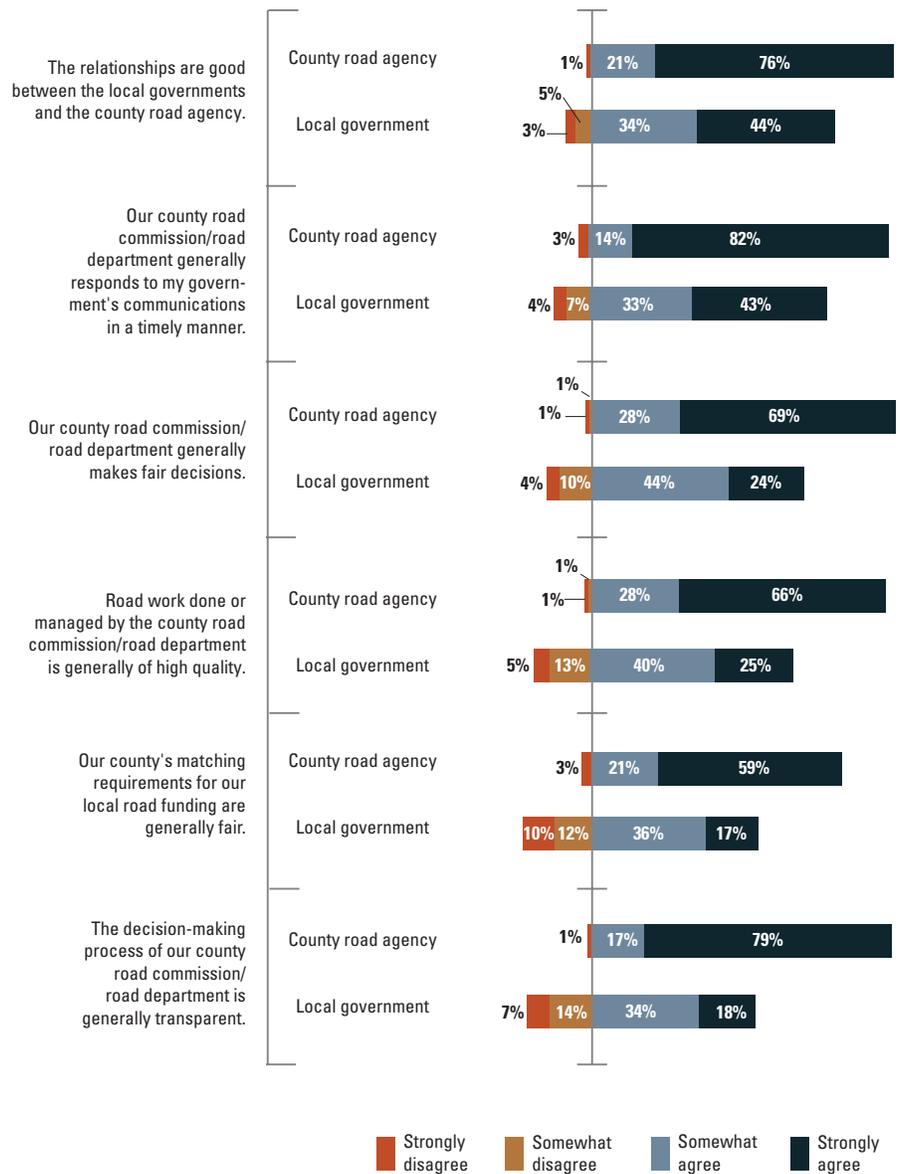
## The view from the other side

In a supplemental and simultaneous survey conducted of county road commissions and road departments across Michigan, the MPPS asked agency leaders for their own views on these same issues. Most road agency leaders thought even more highly of their own organization’s performance compared to the assessments provided by local government leaders from counties, townships, cities, and villages (see *Figure 2*). For example, while 76% of leaders from counties, townships, cities, and villages agree that their counties’ road agencies respond to communications in a timely manner, fully 96% of those county road agency leaders believe that their own organizations respond to communications from these local governments in a timely manner.

In fact, county road agency officials responding to the survey were nearly unanimous in their agreement with positive statements made about their own organizations, with most questions receiving over 95% agreement. On only one criterion did less than 90% of these officials agree. When asked whether the local road funding matching requirements they impose on local governments for road projects in their jurisdictions are generally fair, 80% of road agency leaders agree that they are. Despite these lower levels of agreement, only 3% of these respondents explicitly disagree with the statement (the remaining 17% neither agree nor disagree with the sentiment).

The MPPS also asked county road agency officials two questions about their views of the county, township, city, and village governments within their territories, and found agency leaders had quite high appraisals of the local governments with which they work. For example, 90% of road agency officials agree that local jurisdictions respond in a timely manner to communications from the road agencies. Similarly, when asked if they agree that the local governments generally make reasonable requests of the county road commission or road department, 86% of agency officials agree that they do.

**Figure 2**  
Comparison of road agency and local officials’ views of their county road agency



Note: responses of “not applicable” are excluded from the analysis; responses for “neither agree nor disagree” and “don’t know” are not shown



## Local leaders' views on how county roads should be governed

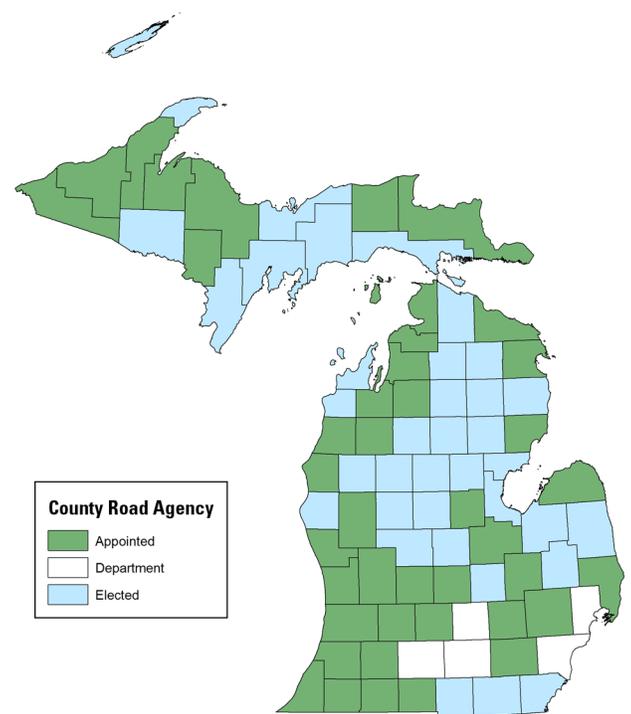
In 2011, Governor Rick Snyder proposed allowing the boards of general purpose county governments to disband county road commissions and transfer their powers and duties to the county government.<sup>3</sup> Governor Snyder's hope was to foster cost savings and improve efficiency and accountability through government consolidation. Public Act 15 of 2012 granted this authority until its expiration on January 1, 2015.<sup>4</sup> During that time period, only three counties (Calhoun, Ingham, and Jackson) transferred responsibilities for their roads to their county governments (see *Figure 3*). Prior to that time, two other counties (Macomb and Wayne, the only home rule charter counties in Michigan) had also disbanded their road commissions and transferred road governance to the general purpose county government through charter adoptions and amendments as approved by their voters.

Recently-introduced legislation seeks to remove the sunset of the P.A. 15 of 2012 and allow for the ongoing transfer of powers, at the discretion of the boards of general purpose county governments.<sup>5</sup> In the fall of 2014, the MPPS asked local government leaders how they think county and township roads in their counties (and therefore, in some cases, within their own jurisdictions) should be governed. Statewide, fewer than one in five local leaders (17%) think their county primary and township local roads should be overseen by the general purpose county government itself, instead of by a special purpose road commission. Leaders from townships are the least likely (12%) to believe the general purpose county governments should in fact take over the road duties from commissions. By comparison, 14% of leaders in general purpose county governments support disbanding road commissions and transferring their duties to the county governments, as do 21% of village leaders and 36% of city leaders.

Nearly three-quarters (73%) of local leaders think road commissions should be in charge of managing Michigan's county primary and township local roads, with 49% preferring elected commissioners and 24% preferring appointed boards. Support for elected commissions is strongest (70%) among leaders in counties that currently have elected commissions. However, even in counties with an appointed road commission as of the time of this writing, a slight plurality of local officials (38%) would prefer having elected commissions, while 35% support appointed commissions. Plurality support (39%) for disbanding road commissions and transferring their duties to general purpose county governments is found only among officials from the five counties where this has already happened. It is unclear if this support preceded or simply followed the dissolution of the five road commissions.

Finally, while there are no significant differences in these views based on the party identification of Michigan's local leaders, there are in fact large differences based on whether these local leaders themselves hold an elected or appointed position. Among local elected officials across the state, 54% believe the state's county primary and township local roads should be governed by elected road commissions. By comparison, only 27% of Michigan's local appointed officials feel the same way.

**Figure 3**  
Governance of Michigan's county road commissions and departments as of May 2015



## Conclusion

As Michigan roads have become one of the state's highest priority policy issues, the MPPS finds that most local government leaders have positive opinions of the special purpose road commissions (or, in a few cases, road departments) that maintain county primary and township local roads across the state. In many cases, these road commissions maintain critical roads that run through the state's cities, townships, and villages, and upon which so many Michigan residents rely. Majorities of local leaders give positive assessments regarding the special purpose road agencies on all seven statements presented to them on the survey. Particularly positive assessments are given in regard to relationships with the road agencies (78%), as well as the timeliness of their communications (76%), the fairness of their decisions (68%), the quality of their road work (65%), and overall satisfaction with the agencies (67%). Meanwhile, slim majorities of local leaders also give positive ratings when asked if their road agencies' financial matching requirements are fair (53%) and if their decision-making is transparent (52%).

Despite these high overall ratings, when breaking the data down further, important differences are found. For instance, local leaders from cities and villages tend to be less satisfied with the road commissions, compared to leaders from townships, and especially from general purpose county governments. In addition, local leaders from jurisdictions of all types in the Upper Peninsula and Southern Lower Peninsula regions tend to be less satisfied compared to their counterparts in the Northern and Central Lower Peninsula.

Despite the already high assessments provided by local leaders, leaders from road commissions themselves tend to have even higher opinions of their own agencies' performance. This results in some amount of mismatch in assessments of road commissions, compared with the views of local leaders.

Nonetheless, only 17% of local leaders from general purpose counties, townships, cities, and villages would prefer to disband their road commissions and have their duties taken over by the general purpose county government. Rather, nearly three out of four local leaders (73%) prefer a special purpose commission, though there remains some question of preference regarding whether the commissions should be governed by elected or appointed commissioners.

## Notes

1. Taylor, J. C. (2007). *Road ownership, classification and travel volumes*. Midland, MI: Mackinac Center for Public Policy. Retrieved from <http://www.mackinac.org/8420>
2. County Road Association of Michigan. (2013). *County Road Association of Michigan* [homepage]. Retrieved from <http://www.micountyroads.org>
3. Wurfel, Sara. (2011). *Governor says revitalized infrastructure is road to Michigan's success*. Retrieved from <http://michigan.gov/snyder/0,4668,7-277-57577-264676--,00.html>
4. *County Boards of Commissioners*. State of Michigan Act 156 (2012). Retrieved from <http://legislature.mi.gov/doc.aspx?mcl-46-11>
5. Senate Bill 0322. (2015). Retrieved from <http://legislature.mi.gov/doc.aspx?2015-SB-0322>  
Senate Bill 0323. (2015). Retrieved from <http://legislature.mi.gov/doc.aspx?2015-SB-0323>  
House Bill 4212. (2015). Retrieved from <http://legislature.mi.gov/doc.aspx?2015-HB-4212>  
House Bill 4215. (2015). Retrieved from <http://legislature.mi.gov/doc.aspx?2015-HB-4215>



## Survey Background and Methodology

The MPPS is a biannual survey of each of Michigan's 1,856 units of general purpose local government, conducted once each spring and fall. While the spring surveys consist of multiple batteries of the same "core" fiscal, budgetary and operational policy questions and are designed to build-up a multi-year time-series of data, the fall surveys focus on various other topics.

In the Fall 2014 iteration, surveys were sent by the Center for Local, State and Urban Policy (CLOSUP) via the internet and hardcopy to top elected and appointed officials (including county administrators and board chairs, city mayors and managers, village presidents, clerks, and managers, and township supervisors, clerks, and managers) from all 83 counties, 278 cities, 255 villages, and 1,240 townships in the state of Michigan. A supplementary survey was conducted at the same time as the standard fall MPPS, with surveys sent to the leaders of Michigan's 83 county road commissions and road departments.

The Fall 2014 wave was conducted from October 6 to December 11, 2014. A total of 1,356 jurisdictions in the Fall 2014 wave returned valid surveys (64 counties, 210 cities, 177 villages, and 905 townships), resulting in a 73% response rate by unit. The margin of error for the survey for the survey as a whole is +/- 1.4%. The supplemental survey returned valid surveys from 73 county road agencies, resulting in an 88% response rate by unit and a margin of error for the survey as a whole of +/- 4%. The key relationships discussed in the above report are statistically significant at the  $p < .05$  level or below, unless otherwise specified. Missing responses are not included in the tabulations, unless otherwise specified. Some report figures may not add to 100% due to rounding within response categories. Quantitative data are weighted to account for non-response. "Voices Across Michigan" verbatim responses, when included, may have been edited for clarity and brevity. Contact CLOSUP staff for more information.

Detailed tables of the data analyzed in this report broken down three ways—by jurisdiction type (county, city, township, or village); by population size of the respondent's community, and by the region of the respondent's jurisdiction—are available online at the MPPS homepage: <http://closup.umich.edu/mpps.php>.

*The survey responses presented here are those of local Michigan officials, while further analysis represents the views of the authors. Neither necessarily reflects the views of the University of Michigan, or of other partners in the MPPS.*

## Appendix A

### Local officials' views of their county road agency, by jurisdiction type

		County	Township	City	Village	Total
My local government has a good relationship with our county road commission/road department.	Agree	87%	81%	75%	64%	78%
	Disagree	6%	8%	8%	11%	8%
Our county road commission/road department generally responds to my government's communications in a timely manner.	Agree	86%	81%	68%	61%	76%
	Disagree	6%	10%	13%	14%	11%
Our county road commission/road department generally makes fair decisions.	Agree	81%	69%	64%	58%	68%
	Disagree	10%	15%	15%	14%	14%
Overall, I'm satisfied with the performance of our county road commission/road department.	Agree	75%	69%	62%	58%	67%
	Disagree	12%	17%	20%	18%	17%
Road work done or managed by the county road commission/road department is generally of high quality.	Agree	78%	66%	63%	57%	65%
	Disagree	8%	19%	18%	16%	18%
Our county's matching requirements for our local road funding are generally fair.	Agree	70%	56%	46%	37%	53%
	Disagree	4%	26%	16%	17%	22%
The decision-making process of our county road commission/road department is generally transparent.	Agree	68%	53%	43%	45%	52%
	Disagree	14%	21%	28%	17%	21%



## Appendix B

### Local officials' views of their county road agency, by region

		Upper Peninsula	Northern Lower Peninsula	West Central	East Central	Southwest	Southeast	Total
My local government has a good relationship with our county road commission/road department.	Agree	78%	87%	81%	75%	70%	78%	78%
	Disagree	8%	6%	7%	9%	13%	6%	8%
Our county road commission/road department generally responds to my government's communications in a timely manner.	Agree	69%	85%	81%	77%	69%	73%	76%
	Disagree	13%	8%	7%	8%	18%	13%	11%
Our county road commission/road department generally makes fair decisions.	Agree	69%	76%	70%	70%	56%	64%	68%
	Disagree	17%	11%	12%	12%	21%	17%	14%
Overall, I'm satisfied with the performance of our county road commission/road department.	Agree	64%	75%	71%	69%	57%	62%	67%
	Disagree	19%	12%	14%	13%	23%	22%	17%
Road work done or managed by the county road commission/road department is generally of high quality.	Agree	61%	70%	68%	68%	57%	59%	65%
	Disagree	20%	11%	16%	14%	24%	24%	18%
Our county's matching requirements for our local road funding are generally fair.	Agree	48%	52%	55%	59%	47%	56%	53%
	Disagree	29%	26%	18%	16%	24%	23%	22%
The decision-making process of our county road commission/road department is generally transparent.	Agree	50%	58%	56%	55%	43%	43%	52%
	Disagree	18%	17%	15%	20%	28%	30%	21%

## Previous MPPS reports

Michigan local government leaders say transit services are important, but lack of funding discourages their development (April 2015)

Michigan local leaders see need for state and local ethics reform (March 2015)

Local leaders say Michigan road funding needs major increase, but lack consensus on options that would raise the most revenue (February 2015)

Michigan local government leaders' views on employee pay and benefits (January 2015)

Despite increasingly formal financial management, relatively few Michigan local governments have adopted recommended policies (December 2014)

Most Michigan local officials are satisfied with their privatized services, but few seek to expand further (November 2014)

Michigan local governments finally pass fiscal health tipping point overall, but one in four still report decline (October 2014)

Beyond the coast, a tenuous relationship between Michigan local governments and the Great Lakes (September 2014)

Confidence in Michigan's direction holds steady among state's local leaders (August 2014)

Wind power as a community issue in Michigan (July 2014)

Fracking as a community issue in Michigan (June 2014)

The impact of tax-exempt properties on Michigan local governments (March 2014)

Michigan's local leaders generally support Detroit bankruptcy filing despite some concerns (February 2014)

Michigan local governments increasingly pursue placemaking for economic development (January 2014)

Views on right-to-work legislation among Michigan's local government leaders (December 2013)

Michigan local governments continue seeking, and receiving, union concessions (October 2013)

Michigan local government fiscal health continues gradual improvement, but smallest jurisdictions lagging (September 2013)

Local leaders evaluate state policymaker performance and whether Michigan is on the right track (August 2013)

Trust in government among Michigan's local leaders and citizens (July 2013)

Citizen engagement in the view of Michigan's local government leaders (May 2013)

Beyond trust in government: government trust in citizens? (March 2013)

Local leaders support reforming Michigan's system of funding local government (January 2013)

Local leaders support eliminating Michigan's Personal Property Tax if funds are replaced, but distrust state follow-through (November 2012)



Michigan's local leaders satisfied with union negotiations (October 2012)

Michigan's local leaders are divided over the state's emergency manager law (September 2012)

Fiscal stress continues for hundreds of Michigan jurisdictions, but conditions trend in positive direction overall (September 2012)

Michigan's local leaders more positive about Governor Snyder's performance, more optimistic about the state's direction (July 2012)

Data-driven decision-making in Michigan local government (June 2012)

State funding incentives increase local collaboration, but also raise concerns (March 2012)

Local officials react to state policy innovation tying revenue sharing to dashboards and incentive funding (January 2012)

MPPS finds fiscal health continues to decline across the state, though some negative trends eased in 2011 (October 2011)

Public sector unions in Michigan: their presence and impact according to local government leaders (August 2011)

Despite increased approval of state government performance, Michigan's local leaders are concerned about the state's direction (August 2011)

Local government and environmental leadership: views of Michigan's local leaders (July 2011)

Local leaders are mostly positive about intergovernmental cooperation and look to expand efforts (March 2011)

Local government leaders say most employees are not overpaid, though some benefits may be too generous (February 2011)

Local government leaders say economic gardening can help grow their economies (November 2010)

Local governments struggle to cope with fiscal, service, and staffing pressures (August 2010)

Michigan local governments actively promote U.S. Census participation (August 2010)

Fiscal stimulus package mostly ineffective for local economies (May 2010)

Fall 2009 key findings report: educational, economic, and workforce development issues at the local level (April 2010)

Local government officials give low marks to the performance of state officials and report low trust in Lansing (March 2010)

Local government fiscal and economic development issues (October 2009)

All MPPS reports are available online at: <http://closup.umich.edu/mpps.php>

# The Center for Local, State, and Urban Policy

---

University of Michigan

**Center for Local, State, and Urban Policy**

**Gerald R. Ford School of Public Policy**

Joan and Sanford Weill Hall

735 S. State Street, Suite 5310

Ann Arbor, MI 48109-3091

The **Center for Local, State, and Urban Policy (CLOSUP)**, housed at the University of Michigan's Gerald R. Ford School of Public Policy, conducts and supports applied policy research designed to inform state, local, and urban policy issues. Through integrated research, teaching, and outreach involving academic researchers, students, policymakers and practitioners, CLOSUP seeks to foster understanding of today's state and local policy problems, and to find effective solutions to those problems.

**web:** [www.closup.umich.edu](http://www.closup.umich.edu)

**email:** [closup@umich.edu](mailto:closup@umich.edu)

**twitter:** @closup

**phone:** 734-647-4091



## Regents of the University of Michigan

**Michael J. Behm**  
Grand Blanc

**Mark J. Bernstein**  
Ann Arbor

**Laurence B. Deitch**  
Bloomfield Hills

**Shauna Ryder Diggs**  
Grosse Pointe

**Denise Hlitch**  
Bingham Farms

**Andrea Fischer Newman**  
Ann Arbor

**Andrew C. Richner**  
Grosse Pointe Park

**Katherine E. White**  
Ann Arbor

**Mark S. Schlissel**  
(ex officio)