

**IONIA COUNTY ROAD DEPARTMENT
RECOMMENDED BUDGET
FISCAL YEAR 2024**

DRAFT 2024 Budget
Board Detail
09/21/2023

SUPPORTING SCHEDULE - REVENUES (AND OTHER SOURCES)

REVENUE DETAIL	2022 ACTUAL PRIOR	2023 CURRENT w/Amendment #1	2024 RECOMMENDED BUDGET
Current Property Taxes/County Appr/Millage	1,246,877	1,527,634	1,525,000
Licenses and Permits	100,974	91,500	91,500
Federal Grants			
Surface Transportation Program CMAQ	1,508,371	320,000	2,389,263
Federal TAP Funds			
Federal Bridge Funds	3,391,626	351,566	
ARPA Funds	156,553	1,049,000	
	<u>5,056,550</u>	<u>1,720,566</u>	<u>4,005,763</u>
Michigan Transportation Funds	9,435,896	9,551,540	9,800,000
STL Maintenance\Non Maintenance	3,090,611	2,575,000	2,500,000
	<u>3,090,611</u>	<u>2,575,000</u>	<u>2,500,000</u>
Other State Funds			
TEDF - D			
TEDF - A			
State Bridge Funds	1,969,950	65,918	
Michigan Strategic Funds			
General Fund Appropriation			
	<u>1,969,950</u>	<u>65,918</u>	<u>-</u>
Contributions from Local Units			
City & Village Contributions			
County Contributions			
Township Contributions	2,554,482	1,100,000	1,100,000
Other Governmental Contributions	125,173	75,000	75,000
	<u>2,679,655</u>	<u>1,175,000</u>	<u>1,175,000</u>
Interest Earned	76,939	50,000	50,000
Other Revenues			
Asset Sales/Other	45,631		
Miscellaneous Revenues	27,037	477,496	25,000
	<u>72,668</u>	<u>477,496</u>	<u>25,000</u>
Total Revenues and Other Financing Sources	<u>23,730,120</u>	<u>17,234,654</u>	<u>19,172,263</u>

**IONIA COUNTY ROAD DEPARTMENT
RECOMMENDED BUDGET
FISCAL YEAR 2024**

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SUPPORTING SCHEDULE - EXPENDITURES (AND OTHER USES)

EXPENDITURE DETAIL	2022 ACTUAL PRIOR	2023 CURRENT w/Amendment # 1	2024 ESTIMATED CURRENT
Construction/Capacity Improvements - Primary			
451 Roads	-	-	-
Preservation/Structural Improvements - Primary			
459 Roads	1,998,289	2,700,000	4,093,523
460 Bridges and Structures	1,451,077	15,000	15,000
462 Non-Motorized			
	3,449,366	2,715,000	4,108,523
Routine and Preventative Maintenance - Primary			
467 Roads	1,564,047	1,600,000	1,600,000
468 Bridges and Structures	16,224	15,000	15,000
472 Winter	560,836	550,000	550,000
473 Traffic Control			
474 Sealcoat	2,477,122	2,400,000	2,600,000
475 Other Preventative Maintenance	-		
	4,618,229	4,565,000	4,765,000
Construction/Capacity Improvements - Local	-		
Preservation/Structural Improvements - Local			
489 Roads	2,172,391	2,500,000	2,200,000
490 Bridges and Structures	4,249,902	450,000	15,000
	6,422,293	2,950,000	2,215,000
Routine and Preventative Maintenance - Local			
497 Roads	2,946,782	2,200,000	2,200,000
498 Bridges and Structures	2,236	10,000	10,000
502 Winter	616,765	550,000	550,000
503 Traffic Control			
504 Other	947,552	750,000	750,000
	4,513,335	3,510,000	3,510,000
469 Gravel Pits	-		
471 Inventory Road Materials	-		
505 Sundry Accounts	124,409	75,000	75,000
	124,409	75,000	75,000
Equipment Expense			
510 Direct	1,517,566	1,525,000	1,525,000
511 Indirect	532,695	525,000	525,000
512 Operating	515,008	450,000	450,000
Equipment Rental Credits	(3,091,447)	(2,500,000)	(2,500,000)

**IONIA COUNTY ROAD DEPARTMENT
RECOMMENDED BUDGET
FISCAL YEAR 2024**

	(526,178)	-	-
Administrative Expense	583,559	675,000	675,000
Less STL OH, Purchase Discounts	(258,237)	(225,000)	(225,000)
Administrative Engineering	-	50,000	50,000
	<u>325,322</u>	<u>500,000</u>	<u>500,000</u>
State Trunkline			
517 Maintenance	2,175,338	2,386,710	2,424,000
518 Non Maintenance	915,273	188,290	76,000
	<u>3,090,611</u>	<u>2,575,000</u>	<u>2,500,000</u>
Maintenance Service for Other Units			
513 Additional Pension Contributions (Distributive)		1,000,000	2,000,000
Capital Outlay			
Buildings			
Road Equipment	72,255	1,940,070	2,255,000
Other Equipment	16,142	63,200	63,500
Technology		30,000	30,000
Capital Asset Retirements			
Depreciation and Depletion Credits	(646,137)	(675,000)	(675,000)
	<u>(557,740)</u>	<u>1,358,270</u>	<u>1,673,500</u>
Debt Service			
Interest	6,272	4,216	4,216
Principal	120,906	122,962	122,962
	<u>127,178</u>	<u>127,178</u>	<u>127,178</u>
Total Expenditures and Other Uses	<u><u>21,586,825</u></u>	<u><u>19,375,448</u></u>	<u><u>21,474,201</u></u>

**IONIA COUNTY ROAD DEPARTMENT
RECOMMENDED BUDGET
FISCAL YEAR 2024**

BUDGET SUMMARY

	2022	2023	2024
	ACTUAL PRIOR	ESTIMATED CURRENT w/Amendment #1	RECOMMENDED BUDGET
REVENUES			
Current Property Taxes	1,246,877	1,527,634	1,525,000
Permit Revenue	100,974	91,500	91,500
Intergovernmental:			
Federal Sources	5,056,550	1,720,566	4,005,763
Michigan Transportation Funds	9,435,896	9,551,540	9,800,000
STL Maintenance/Non-Maintenance	3,090,611	2,575,000	2,500,000
Other State Sources	1,969,950	65,918	
Township Contributions	2,554,482	1,100,000	1,100,000
Other Local Sources	125,173	75,000	75,000
Interest and Rentals	76,939	50,000	50,000
Other Revenue	72,668	477,496	25,000
Total Revenue	23,730,120	17,234,654	19,172,263
Other Sources	-	-	-
Total Revenues and Other Sources	23,730,120	17,234,654	19,172,263
EXPENDITURES			
Primary Roads			
Construction/Capacity Improvements	-	-	
Preservation/Structural Improvements	3,449,366	2,715,000	4,108,523
Routine & Preventative Maintenance	4,618,229	4,565,000	4,765,000
Local Roads			
Construction/Capacity Improvements	-	-	-
Preservation/Structural Improvements	6,422,293	2,950,000	2,215,000
Routine & Preventative Maintenance	4,513,335	3,510,000	3,510,000
Sundry Accounts	124,409	75,000	75,000
Equipment Expense	(526,178)	-	-
Administration (net)	325,322	500,000	500,000
Statetrunk Line Maintenance/NonMaintenance	3,090,611	2,575,000	2,500,000
Maintenance Service for Other Units	-	-	-
Additional Pension Contributions (Distributive)	-	1,000,000	2,000,000
Capital Outlay (net)	(557,740)	1,358,270	1,673,500
Debt Service	127,178	127,178	127,178
Drain Assessment	-	-	-
Total Expenditures	21,586,825	19,375,448	21,474,201
Amounts Needed for Contingencies	-	-	-
Total Expenditures	21,586,825	19,375,448	21,474,201
Net Revenues (Expenditures)	2,143,295	(2,140,794)	(2,301,938)
Fund Balance at Beginning of Year	4,969,462	7,112,757	4,971,963
Fund Balance at End of Year	7,112,757	4,971,963	2,670,025

**IONIA COUNTY ROAD DEPARTMENT
GENERAL APPROPRIATIONS ACT
FISCAL YEAR 2024**

REVENUES

Current Property Taxes	\$	1,525,000
Permit Revenue	\$	91,500
Intergovernmental:		
Federal Sources	\$	4,005,763
Michigan Transportation Funds	\$	9,800,000
STL Maintenance/Non-Maintenance	\$	2,500,000
Other State Sources		
Township Contributions	\$	1,100,000
Other Local Sources	\$	75,000
Interest and Rentals	\$	50,000
Other Revenue	\$	25,000
 Total Revenue		 19,172,263
Other Sources		-
 Total Revenues and Other Sources	 \$	 19,172,263

EXPENDITURES

Primary Roads		
Construction/Capacity Improvements		
Preservation/Structural Improvements	\$	4,108,523
Routine & Preventative Maintenance	\$	4,765,000
Local Roads		
Construction/Capacity Improvements	\$	-
Preservation/Structural Improvements	\$	2,215,000
Routine & Preventative Maintenance	\$	3,510,000
Sundry Accounts	\$	75,000
Equipment Expense	\$	-
Administration (net)	\$	500,000
STL Maintenance/Non-Maintenance	\$	2,500,000
Maintenance Service for Other Units	\$	-
Distributive Expense (Add'l Pension Contribution)	\$	2,000,000
Capital Outlay (net)	\$	1,673,500
Debt Service	\$	127,178
Drain Assessment	\$	-
 Total Expenditures		 21,474,201
Amounts Needed for Contingencies		-
 Total Expenditures	 \$	 21,474,201

Net Revenues (Expenditures)	\$	(2,301,938)
Fund Balance at Beginning of Year		4,971,963
Fund Balance at End of Year	\$	2,670,025

**IONIA COUNTY ROAD DEPARTMENT
CAPITAL OUTLAY BUDGET DETAIL**

DRAFT

2024

Road Equipment:

Total

2023 Carry Over

2 - Dump Trucks	\$	600,000.00	
1-Bucket Truck- Tree Crew		350,000.00	
1-Refurbished Dump Truck		165,000.00	

		<u>1,115,000.00</u>	<u>1,115,000.00</u>
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2024

2 - Dump Trucks	\$	600,000.00	
1- Motor Grader		400,000.00	
Light Vehicles		140,000.00	

Subtotal	\$	<u>1,140,000.00</u>	<u>1,140,000.00</u>
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Building and Grounds

2024

Miscellaneous equipmnet/small tools		63,500.00	
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			<u>\$ 63,500.00</u>
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Subtotal	\$	<u>63,500.00</u>	<u>-</u>
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Engineering/Shop/Office:

Technology		30,000.00	
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	\$	<u>30,000.00</u>	<u>30,000.00</u>
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Grand Total	\$	<u><u>2,348,500.00</u></u>	<u><u>2,348,500.00</u></u>
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Ionia County Road Department

Capital Equipment Schedule

Draft-For 2023 Budget Discussion

5 years 2023 Thru 2027

Year Item/Description	2023	2024	2025	2026	2027
Dump Trucks-New	\$1,220,996 * \$630,974**	\$650,000	\$650,000	\$650,000	\$650,000
Dump trucks-refurbish	\$165,000	\$165,000	\$120,000	\$120,000	\$120,000
H/E Motor Grader		\$400,000		\$400,000	\$425,000
H/E Loader			\$345,000		
H/E Gradall	\$449,073.60**				
Sign Truck					
Bucket Truck-Tree crew	\$350,000				
Tractor/Mowers					
Light Vehicles	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000
Hot Patcher/chipper	\$150,000				
Mobil Radios	\$10,000	\$5,000	\$5,000	\$5,000	\$5,000
Chainsaws	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200
Misc/As Needed	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Total (this is accounting for other funding sources)	\$868,200	\$1,413,200	\$1,313,200	\$1,368,200	\$1,393,200

*This is being paid for with carry over money from the 2022 budget year.

**This is being paid for with ARPA money (\$600,000 for two trucks)

Equipment prices have been increasing at an alarming rate. This makes it difficult to budget years down the road. While its unlikely prices will decrease, their rate of increase could slow if there is a slowdown in the industry. We saw an increase in truck chassis prices of approximately twenty percent between 2020 and the end of 2022. We received new equipment in 2020 that was order in 2019. We did not order any equipment in 2020 or 2021. This created a gap in our equipment replacement schedule. The impact of this is not seen immediately but does surface years down the road. We ordered four dump trucks and an F450 in 2022. This caught us up on our dump truck replacement schedule but we are still lacking in all other areas of equipment replacement. When looking at the budget you can see the goal is to replace two dump trucks a year. I believe if prices continue to increase at this rate going forward this is going to get more challenging on a budgetary level. We know there will never be a time when we can function without any new trucks but I believe there is a sweet spot between purchasing new trucks and refurbishing older trucks. There are many variables that go into deciding which trucks can be refurbished and whether it makes sense to refurbish certain trucks. Because of this we will not be able to refurbish every truck or necessarily refurbish trucks every year. This will have to be handled year to year. I believe it will be practical in some years to refurbish a truck or two and buy one new truck instead of two. There are multiple reasons this could be beneficial besides the cost savings.

By being able to utilize ARPA funds, we have an opportunity to close our equipment replacement gap. Normally we would have to use half our yearly equipment budget to pay for two dump trucks. By using the ARPA funds for this, it allows us to allocate those funds to go towards other equipment. I believe the budget provided will help compensate for the previous two years when we did not replace any equipment and therefore likely we will not see the negative results from these actions. These budget figures are based on purchases and quotes we have received, industry trends, speaking with vendors, and speaking with people doing similar work.