

2023 ANNUAL REPORT OF THE
MASON COUNTY ROAD COMMISSION
TO THE
MASON COUNTY BOARD OF COMMISSIONERS



Culvert Replacement on Hawley Road

Mason County Road Commissioners

Mike Ingison, Chair

Jeff Conklin, Vice Chair

Deb Del Zoppo, Member

Staff

Mary Samuels, Manager/Director

Heather Braginton, Finance Director

Eric Nelson, County Highway Engineer



MASON COUNTY ROAD COMMISSION

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August 15, 2023

The Honorable Board of County Commissioners
County of Mason, Michigan
County Courthouse
Ludington, Michigan 49431

Dear Commissioners,

With the enactment of Public Act 283 of 1909, the legislation enabled the establishment of Road Commissions and charged them by law with the duty “to keep in reasonable repair, so that they shall be reasonably safe and convenient for public travel, all county roads, bridges and culverts that are under their care and control, and which are open to public travel.”

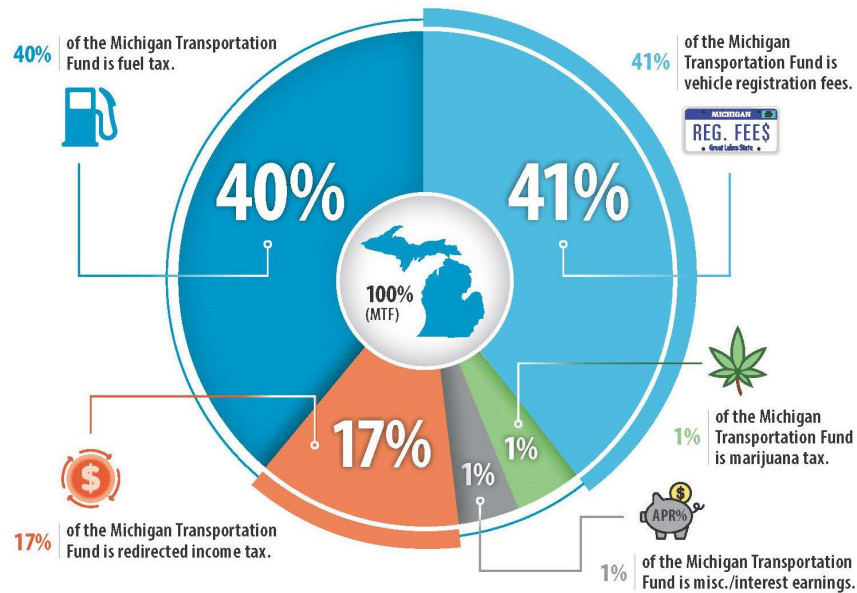
It is the Mission of the Mason County Road Commission to construct, manage, and maintain the publicly held roadways in the safest and best condition in the most cost-effective manner with the resources provided.

The Mason County Road system has grown to include 16 bridges and 239 miles (478 lane miles) that are designated as County Primary roads. Passage of the McNitt Act in 1931 abolished the old township road system and transferred all miles of township roads to the Road Commission during the 1930’s. These old township roads, together with new roads built since then make up what is now the 23 bridges and 703 miles (1,406 lane miles) of County Local roads.

The Michigan Transportation Fund (MTF) is the depository of fuel taxes and vehicle registration fees collected by the state and the principal source of road commission funding. The collected funds are distributed by a complicated, yet transparent and verifiable formula to the Michigan Department of Transportation (MDOT), 535 cities and villages, and 83 county road agencies. Fluctuating fuel prices, higher fuel efficiency, hybrid and electric vehicles have stifled growth in fuel tax collections over the past several years. Our total MTF revenues for 2022 increased by \$199,150 from 2021

In November of 2015, the Legislature passed, and the Governor signed a major transportation funding package – the first since 1997. We are pleased that the funding issue has finally been addressed by the State. Revenues have been incrementally increased with the full revenue now being seen in 2022. With full implementation of the 2015 Transportation Package in FY2021, there’s a new mix of sources for MTF money. The new 2022 MTF gross revenue breakdown is 40% fuel tax + 41% vehicle registration fees + 17% redirected income tax + 1% misc./interest earnings + 1% marijuana tax.

The new 2021 MTF gross revenue breakdown is 40% fuel tax + 41% vehicle registration fees + 17% redirected income tax + 1% misc./interest earnings + 1% marijuana tax.



The chart below shows how the new allocation percentages translate to Mason County's 2022 distribution of Michigan Transportation Funds.

2021 MTF SOURCE BY PERCENTAGE	
FUEL TAX (40%)	\$ 2,658,177
VEHICLE REGISTRATION FEES (41%)	\$ 2,724,632
REDIRECTED INCOME TAX (17%)	\$ 1,129,725
MARIJUANA TAX (1%)	\$ 66,454
MTF INTEREST EARNED (1%)	\$ 66,454
	\$ 6,645,443

The increase that was passed in 2015 was certainly helpful and has allowed us to complete much more road work than what we were able to do prior to receiving the new revenues, but it is not enough to fix all the roads. The condition of our road system continues to decline and the funding we are seeing now will not allow us to catch up and get ahead of the curve, but we are continuing to make repairs in a strategic manner, to keep our roads in the best possible condition with the funding that we have available to us.

With the implementation of our 10-year plan we have been able to track the number of failed culverts repaired, time spent in each township shoulder pulling, working on drainage issues and tree and shrub removal in the right of ways. In addition, we are tracking repairs made to our roads with Paser ratings of Good, Fair and Poor based on a percentage in each category. As we reach our goals in these areas, it will progressively reduce certain maintenance activities, resulting in time and cost savings that can then be put into other road improvements.

At the end of Fiscal Year 2022, The Road Commission transferred \$1.2 million from the Primary Road Fund to the Local Road Fund to cover the additional maintenance costs that are being concentrated on local roads to meet these goals.

Substantial Township financial participation in addition to the Local Road Match Program was reflected in **59** local projects totaling \$2.1 million of improvements on the local road system. There were several local road chipseal projects scheduled that were not completed by the contractor in 2021 and were completed in 2022. Without this partnership, most local roads would see little to no improvements.

Federal-aid projects completed in 2022 included replacement of two bridges over the Lincoln River located on Tuttle Road, between Fountain and Beyer and located on Fountain Road, between Darr & Ordway. The total cost for both bridge replacements was \$2.2 million and we received grant funding of \$1.8 million, costing the Road Commission \$400k. MCRC also completed 2 reconstruction/paving projects totaling 3.5 miles utilizing federal aid funds. Hansen Rd from Stiles Rd to Amber Rd was reconstructed for a cost of \$872k and received federal aid funds of \$619k, costing the road commission \$253k. Hoague & Darr Rds between US-31 and Countyline Rd received a course of new Asphalt at a cost of \$990k. We received federal aid funds of \$745k, resulting in a cost to MCRC of \$245k. An additional \$1.1 million was spent on miscellaneous HMA Wedging, Chipseal projects, Culvert replacements and Pavement Markings on Primary Roads.

The Road Commission strives to continue to improve its communication (internally, with its Township partners and the public), to review its use of technology and moving forward with incorporating and expanding asset management software. We will continue to review and expand the use of our current GPS tracking equipment along with Snow Paths for tracking snowplow routes and our newest addition of Dust Paths.

Our employees are a vital element of our operation. We appreciate their hard work, dedication, and ingenuity, allowing us to complete a tremendous amount of work, with limited staff. Even though the public demands and expectations have increased over the years, they continue to work hard and provide a reasonable level of service to you, county residents and the motoring public. The Mason County Road Commission and its employees, your local road professionals, are faithfully working to fulfill the commission's mandate to provide safe and convenient roads.

Respectfully submitted on behalf of the Board of Road Commissioners for Mason County,

Mary Samuels
Manager/Director
Mason County Road Commission

MASON COUNTY ROAD COMMISSION

OVERVIEW

1. 40 Full Time Employees
 - 10 Staff Employees
 - 30 Union Employees
 - 2 Retirements in 2022
2. One (1) Part Time Employee
3. Three (3) Seasonal
4. Three (3) Board Members – Appointed by the County Board of Commissioners for Six (6) year terms.
5. Coverage – 239 Miles of Primary Roads
 - 703 Miles of Local Roads
 - 164 Lane Miles of State Highway.
6. One (1) Location – 510 East State Street, Scottville

ACCOMPLISHMENTS OF 2022

ORGANIZATIONAL

1. Completed 2022 Fiscally solid with a \$14.8M budget and ending fund balance of \$3.9M.
 - MCRC Local Road Match program to Townships of \$400,000
 - Purchased a used Lowboy Trailer to increase our efficiency moving equipment from one job to the other and eliminate wear and tear on the larger equipment.
 - Purchased a new Sander Box to replace an older unit.
 - Purchased two new JD Cab Tractors-Fire replacement and to expand capacity for mowing 2000 lane miles.
 - Purchased misc. new Under Body Blades to replace old worn-out blades for better efficiency.
 - Purchased two used Sterling Blade Trucks with stainless steel boxes to swap out with two older units that have rusted out.
 - Purchased a new Western Star Dump Truck to increase plowing capacity by 33%.
 - Purchased a new right and left wing for the new Western Star that covers more roadway with one pass.
 - Purchased a used Forklift for the shop and a new Welder.
 - Built a new Cold Storage Building 120'x100'to preserve the conditions of our assets.
 - Purchased property for the new access road west of PM Hwy for future expansion.

- Purchased Right of Way property on Weaver Road
 - Made land improvements to the Custer Property
2. Hired 2 maintenance (Union) employees.
 3. Hired 3 seasonals for summer help.
 4. Contributed an additional \$480,000 to the MERS pension unfunded liability. Funding increased 5% in 2022 to 78%, despite the downturn in the market. We doubled our additional contributions starting in 2021, based on actuarial projections that indicate we would achieve 100% funding by the end of 2025. Projections show that once we achieve 100% funding, our minimum required contributions will decrease drastically because the market returns will be able to support the fund almost completely. This will free up a large amount of money to put back into roads and cover our new facility mortgage payments.
 5. MCRC's Commissioners, Staff, and various union members continued to evaluate needs vs. wants for our future facility, compiled a list of necessary factors and formulated a rough draft design of a facility that will function efficiently and cost-effectively for many years. We have hired a consultant to guide us through the USDA application process and oversee the project from start to finish. The Site Plan has been completed and we are currently working on completing USDA requirements for our application.
 6. Continued to improve the SnowPath GPS tracking system for Road Commission vehicles to improve efficiency and provide another layer of safety for employees working throughout the county. The Public has responded very well to this application being available for them to use, especially to monitor winter maintenance activities.
 7. MCRC constructed a cold storage pole building in 2022 on our Custer property to help alleviate some of the space issues that we have at the current Scottville facility.
 8. Safety Goals were accomplished ahead of time, reviewing data for areas that can be improved through processes, procedures and technology for increased public safety, develop and implement safety self-inspection program to ensure safety and regulatory compliance, increase coordination with Mason County Emergency Management for Emergency Response Actions, review and revise the MCRC safety training program and review, revise and procure PPE and other safety equipment based on safety training.
 9. Public Relations-We have redesigned our website to increase useable content and improved navigation, established a social media presence for faster notifications of road conditions and news.

PRIMARY ROAD SYSTEM

Roadway Improvements – Completed

1. Hansen Road from Stiles Road to Amber Road.
2. Hoague and Darr Road Reconstruction from US-31 to Countyline.
3. Chauvez and Stiles Roads Wedge and Chipseal for 9 miles.
4. Bryant Road HMA Paving by New Elementary School.

5. County-wide asphalt paving, wedging and chip sealing
 6. Pavement Marking – North half of county local roads.
 7. Complete West Forest Trail Reconstruct
 8. Started Hansen Road from Meyers to Dennis Road
 9. Custer Road from Hansen Road to Sugar Grove Road
 10. Purchase of land for new access road off Jebavy Drive
 11. Custer Road HMA Paving
 12. Tuttle Road Bridge Replacements
 13. Scottville Road Culvert Replacement
- Total Cost - \$5,176,983.63**

LOCAL ROAD SYSTEM

Roadway Improvements – Completed

1. Fifty-seven (57) Township partnered Local Road Projects.
2. Local Road Match Program: \$400,000

Total Cost - \$5,445,315

Transfer from Primary Road Funds to Local Road Funds: \$1,200,000

STATE TRUNKLINE

Under a 5-year Maintenance contract with the State of Michigan, MCRC maintains 164 lane miles of State Highway on US-31, US-10, Business Route 31, and M-116. During 2022, MDOT expended \$1.17 M on State Trunkline Routine Maintenance and \$267,000 on State Trunkline Heavy Maintenance. MCRC generated \$112,205 in overhead revenue from that work in 2022.

WINTER MAINTENANCE

Total Cost of Winter Maintenance activities on Primary and Local County Roads totaled \$903,000.

GOALS FOR 2023

ORGANIZATIONAL

1. Screen and process Gravel, topsoil, sand and 6a stone for our use. Seeking properties for new gravel pit, as current resources are limited.
2. Continue existing road improvement programs both on the Primary and Local system – subject to available funding.
3. Continued efficient and effective delivery of services by addressing personnel, equipment, administrative operations and utilizing technology.
4. Addressing and re-establishing seasonal road reviews and maintenance.
5. Work on scanning old documents and placing them on shared file.
6. Updating the Certification Maps.

PRIMARY ROAD SYSTEM

Scheduled Improvements:

1. Bridge Replacement on Fisher Rd, over the Lincoln River – Estimate: \$1.675 million.
2. Jebavy Drive US-10 to Bryant Road, add right-turn lane at Johnson Road, and lengthen right-turn lane at Bryant. Mill and HMA paving. \$665,000.
3. Complete Reconstruction of Hansen Rd, Meyers to Dennis – Estimate: \$908,000 – 1.9 Miles.
4. Move electrical for bypass road. \$100,000.
5. Pavement Marking Program – South half of County – Estimate \$92,000.

LOCAL ROAD SYSTEM

Scheduled Improvements:

1. Repair poor drainage areas on local roads, ditching.
2. Replace culverts in poor condition.
3. Pull shoulders to reclaim gravel lost during blading.
4. Prepare agreements with each township for requested local road improvements and brine application. **Programmed at \$3.25 million.**

WINTER MAINTANENCE COSTS – CALENDAR YEAR

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
State Highway	\$ 303,349	\$ 325,504	\$ 201,485	\$ 240,906	\$ 240,000
Primary	413,156	530,771	299,478	328,587	410,000
Local	243,199	376,503	256,638	335,595	493,000

FUNDING

BUDGET

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Operational Budget	\$11.8 M	\$10.8 M	\$11.8 M	\$12.6 M	\$14.8M
Maintenance	1.4 M	2.8M	4.0 M	4.03M	4.2M
Improvements	5.4 M	4.0M	3.9M	4.0 M	7.5M

FUNDING SOURCES

Michigan Transportation Fund (MTF) - \$7.1M
MDOT Trunkline Maintenance Contract – \$1.05M
Federal & State Aid - \$2.06M
Improvements (Local Road Program, etc.)
 Federal & State Aid - \$579K
 Township Contributions - \$1.8M

AVERAGE MAINTENANCE FUNDING AVAILABLE:

Primary System	- \$ 17,693 per mile
Local System	- \$ 3,730 per mile

AVERAGE MAINTENANCE COST INCURRED:

Primary System	- \$ 4,605 per mile
Local System	- \$ 4,618 per mile

FUNDING TRENDS

MTF revenues were as expected for 2022. We do not expect to see any additional increases going forward from the 2015 road funding bill. We will likely see an annual inflation increase, but revenues should remain steady until additional road funds are allocated. The County Road Association is working closely with the State of Michigan to address the impending loss of fuel tax revenues due to the growing transition to electric vehicles.

LEGISLATION

ENACTED

Public Act 202 of 2017, known as the Protecting Local Government Retirement and Benefits Act, set allowable levels of “fundedness” for local governments. The goal is to avoid unanticipated defaults on promised pensions and benefits. The requirements are 40% fundedness for OPEB (retiree healthcare) funds and 60% for pensions.

2022 MCRC OPEB: 348%

2022 MCRC Pension: 78%