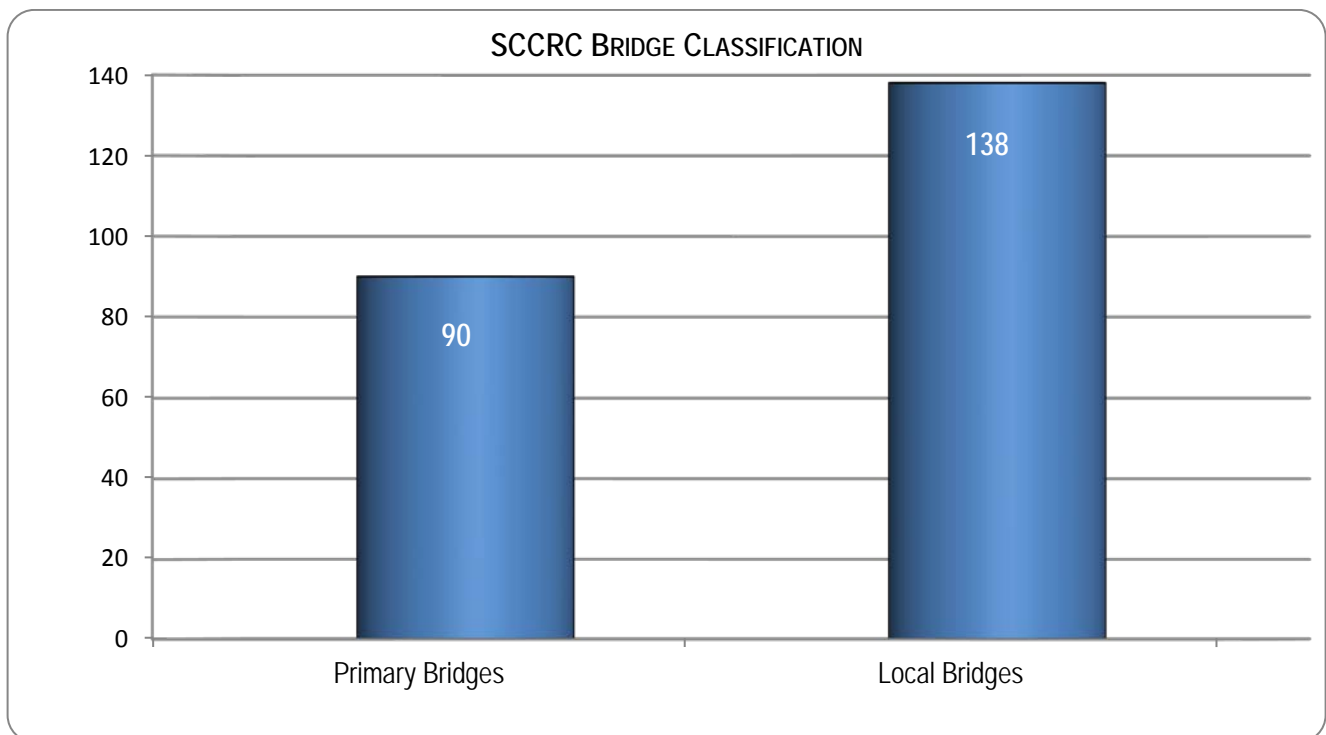
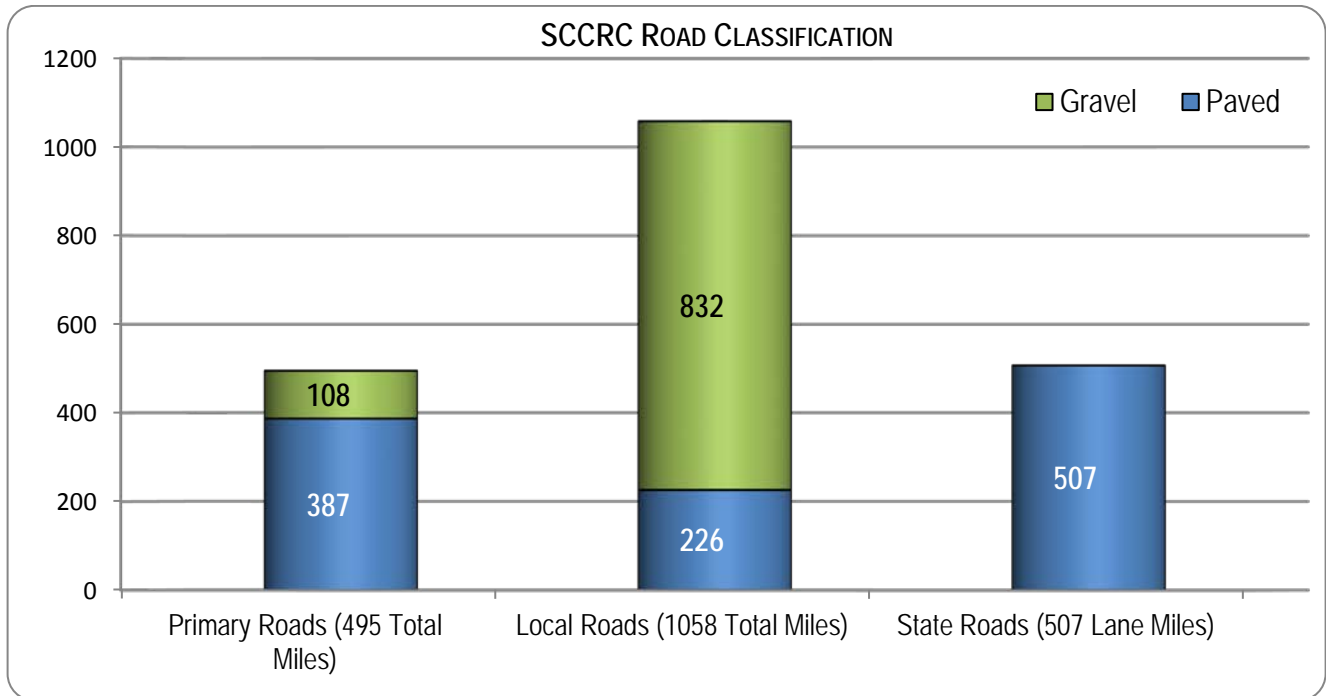


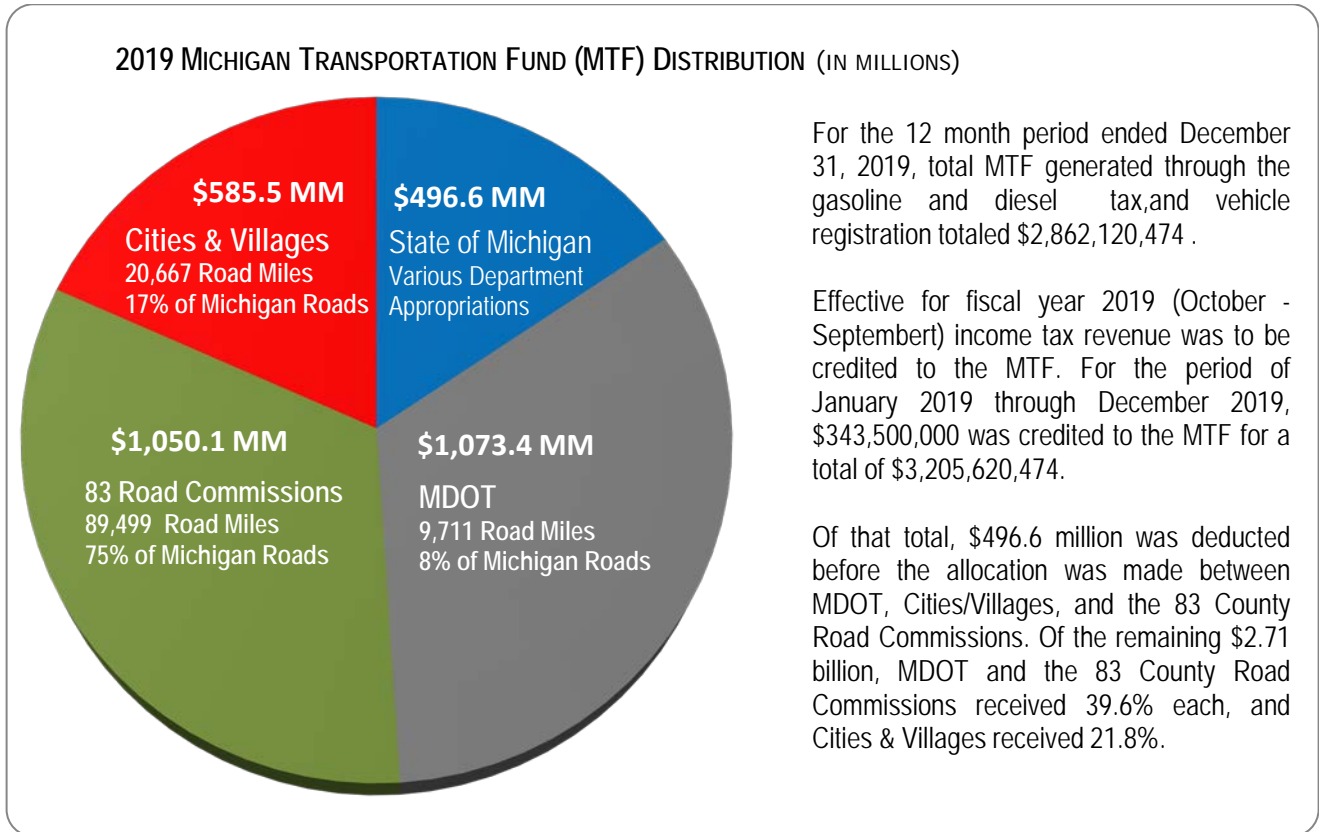
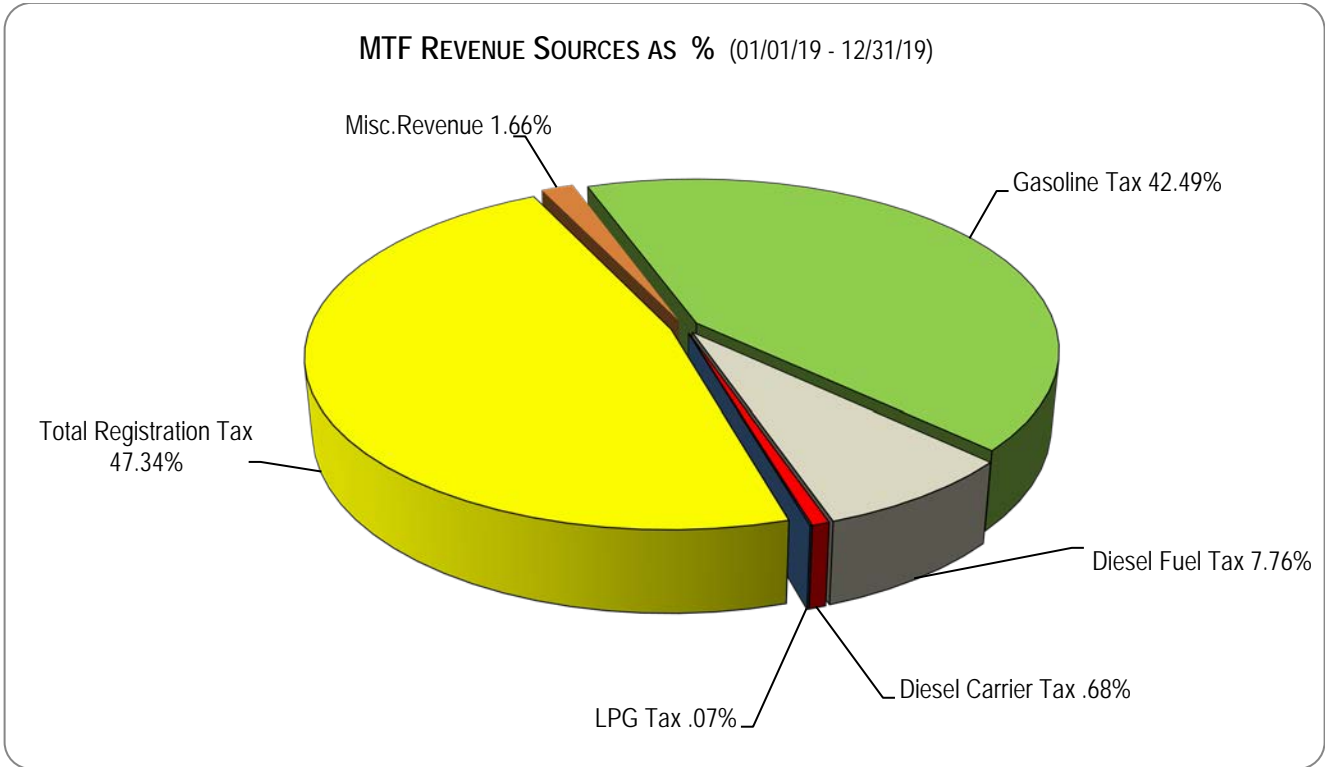
ST. CLAIR COUNTY ROAD COMMISSION DASHBOARD

The St. Clair County Road Commission (SCCRC) has created this dashboard as a way to assist our residents in understanding the financial and operational demands placed upon us and our responses to those ever-changing demands.

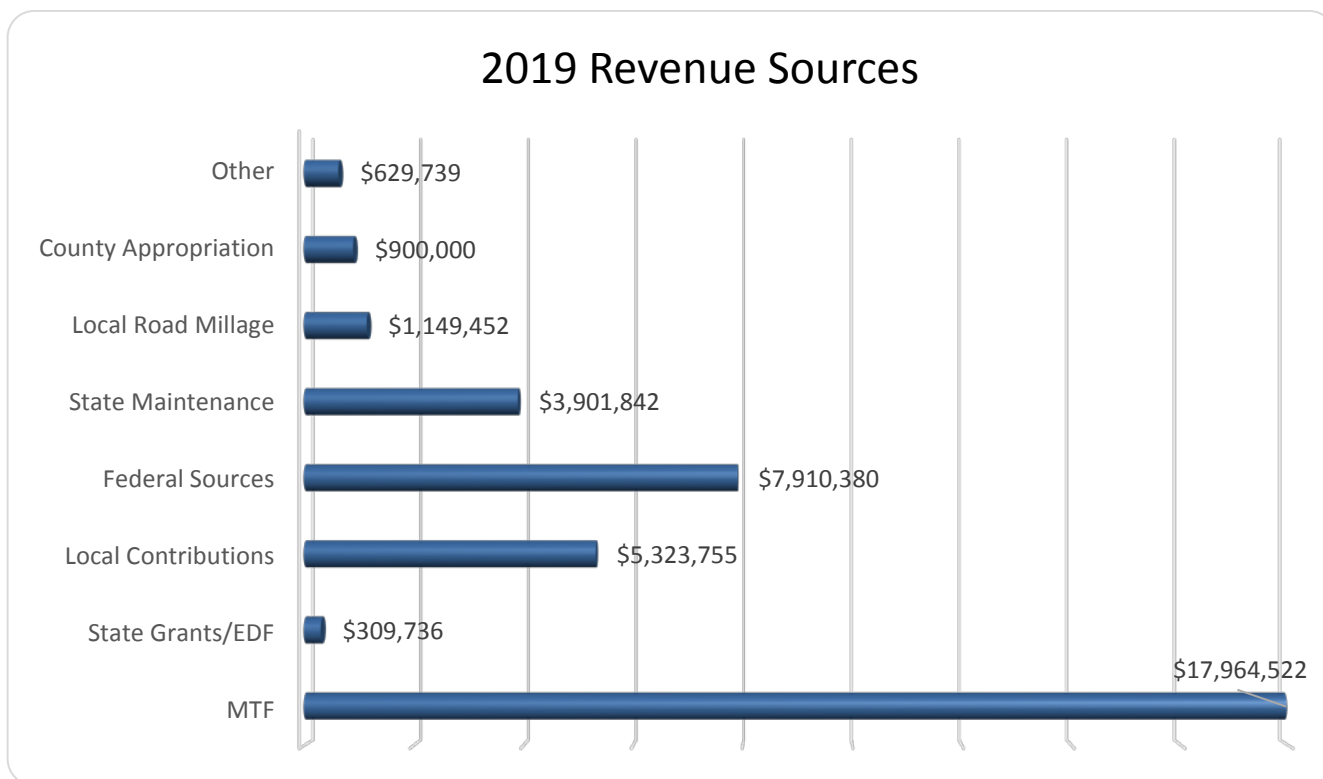
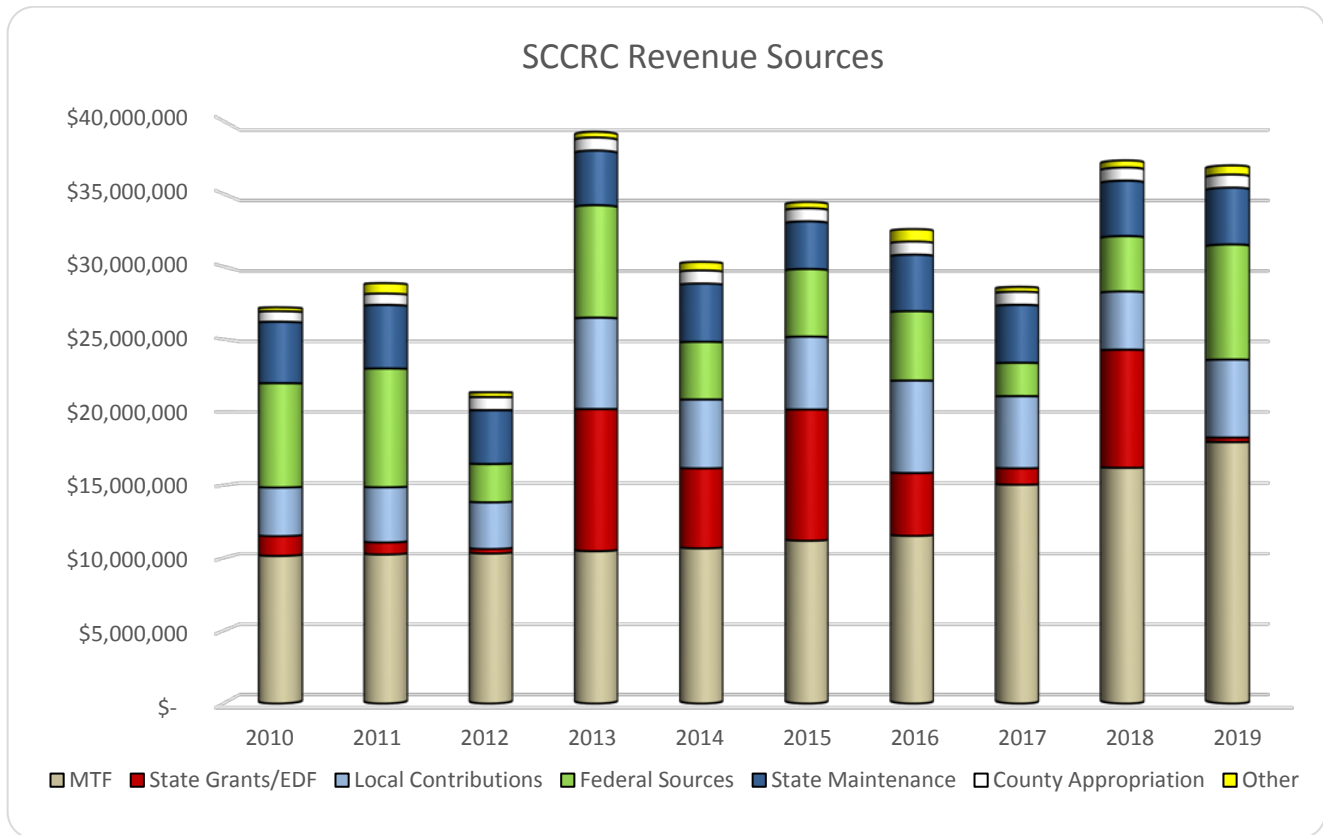
The SCCRC is responsible for maintaining 2,060 miles of road and 230 bridges (which is the **second highest bridge count in the State of Michigan**).



Where our money comes from: The major source of revenue for the SCCRC is MTF dollars received from the State tax collections are then distributed to the State of Michigan, the 83 county road commissions and to the cities & villages.



The SCCRC also receives money from the County and the Townships to assist in various road maintenance projects. Federal and State Funds are also received and matched by SCCRC dollars for major road and bridge construction projects. The SCCRC also received reimbursement from the State for performing maintenance on the various state trunklines within our county (I94, I69, M19, M25, M29, M136, and M154).

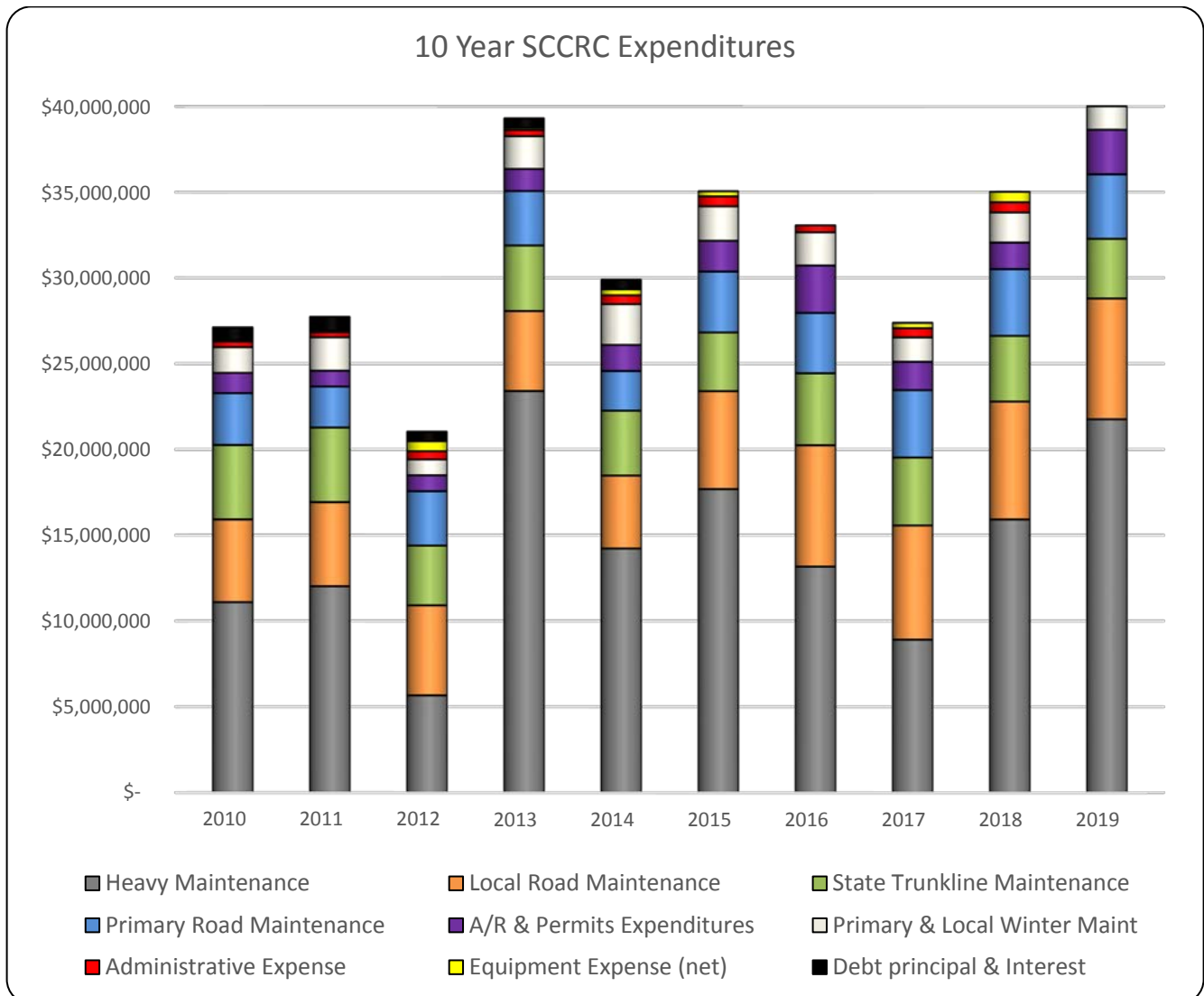


COUNTY ROAD MILLAGE/MATCHING FEDERAL FUNDS:

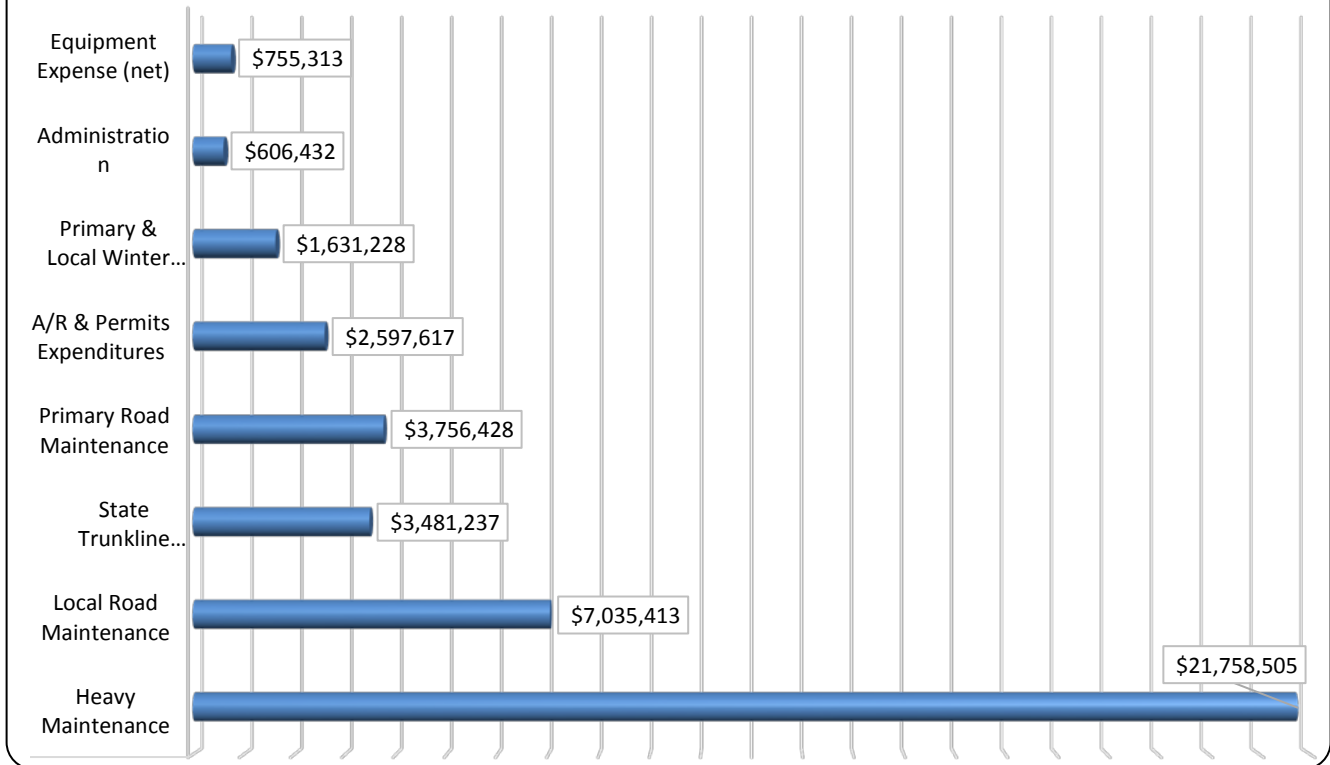
There are federal aid eligible roads/bridges throughout the county that qualify for the 95%/5% match on bridges and the 80%/20% match on roads. On eligible projects, the Road Commission seeks federal funding. Since 2009, for every dollar invested by the Road Commission, approximately five dollars and fifty cents (\$5.63) of federal funds are received. Our staff has been very aggressive and successful in securing these types of funds, and is constantly seeking any additional available federal and state funding sources to help enhance our investment in our road and bridge systems.

Thanks to our voting citizens, in 2012 a county-wide millage was passed (and renewed again in 2016) that generates approximately \$1.1 million for the SCCRC. These additional funds are used to match federal funds which “frees-up” funds that were previously used to match Federal Funds which we now use to increase the funding levels for our Local Road Funding Assistance Program, Local and Primary Limestone Programs, Local Ditching Program, and the Paved Surface Maintenance Program.

For the ten year period ended 2019, the SCCRC leveraged \$17.95 million dollars to match \$85.36 million dollars of Federal funds, to complete \$103.32 million dollars of road and bridge improvements in the county



SCCRC 2019 Expenditures



INCREASED FUNDING

Beginning in 2004, Road Commissions throughout the State of Michigan had seen a reduction in their main source of revenue for road and bridge maintenance, the Michigan Transportation Fund (MTF). As a result of the gas tax being a flat 19 cents per gallon, combined with the effects to the economy from the recession of 2008 and a reduction in the gallons of fuel purchased by the public (due to more fuel efficient vehicles, increased popularity of hybrids/alternative fuel vehicles, and higher costs at the pump), MTF revenue was negatively impacted.

In 2015, Public Act 176 was signed into law which increased MTF revenues beginning in 2017 by increasing the fuel tax and increasing vehicle registration fees. Effective January 1, 2017, vehicle registration fee rates increased 20% while the tax on diesel fuel and gasoline fuel increased from 15 cents per gallon and 19 cents per gallon respectively, to a new single rate of 26.3 cents per gallon. The 7.3 cent increase in gasoline and 11.3 cent increase in diesel generated additional revenues which were distributed to MDOT, 83 county road agencies and the various cities and villages throughout the state of Michigan.

In preparation for the possibility of these additional MTF revenues, staff prepared an analysis of our complete bridge system and it was determined that we will need to spend approximately \$40,000,000 over the next ten years to replace and/or rehabilitate our Primary Bridge System. As a result of this analysis our Board of County Road Commissioners decided to use any additional new funding to repair or replace the aging bridges on our Primary Road system.

We have worked diligently to achieve and maintain a great working relationship with all of our Townships, and our County Board. The County Board provides \$900,000 to be matched by the Townships to perform maintenance on their local road system. The SCCRC also has a Local Road Funding Assistance Program where we have provided in excess of \$1,000,000 annually in matching

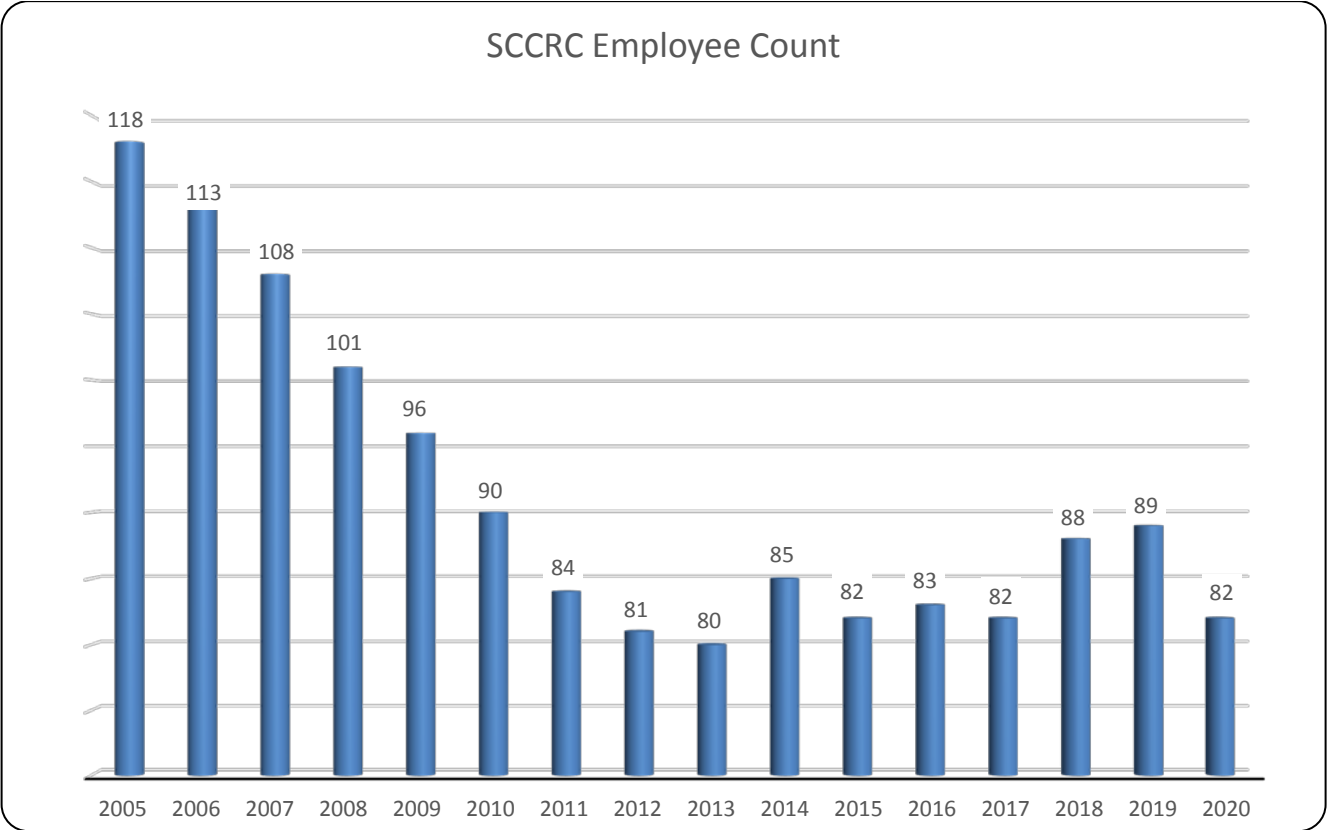
funds for local heavy maintenance projects. In 2015 the SCCRC added \$230,000 to the local budget to provide additional ditching assistance to the townships local road system. In 2016 the SCCRC added \$460,000 to the local budget to provide the application of additional limestone on our local road system, and in 2019 the SCCRC will add an additional \$150,000 each to the primary and local road budgets for additional boom axe mowing.

ELIMINATION OF DEBT

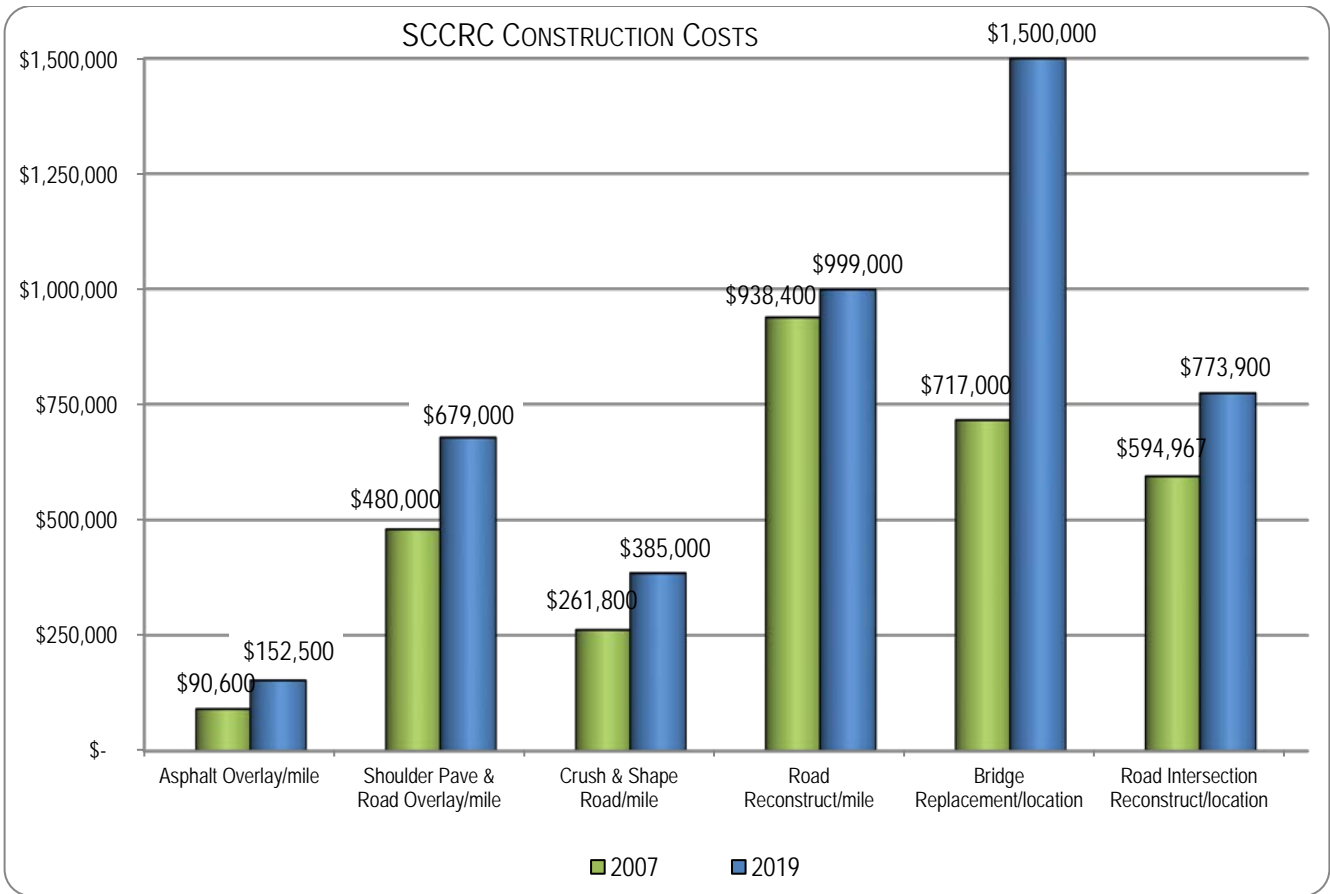
Even during a period of declining revenues and escalating costs for material and equipment, the SCCRC has been debt free since the end of 2014.

REDUCED STAFFING LEVELS

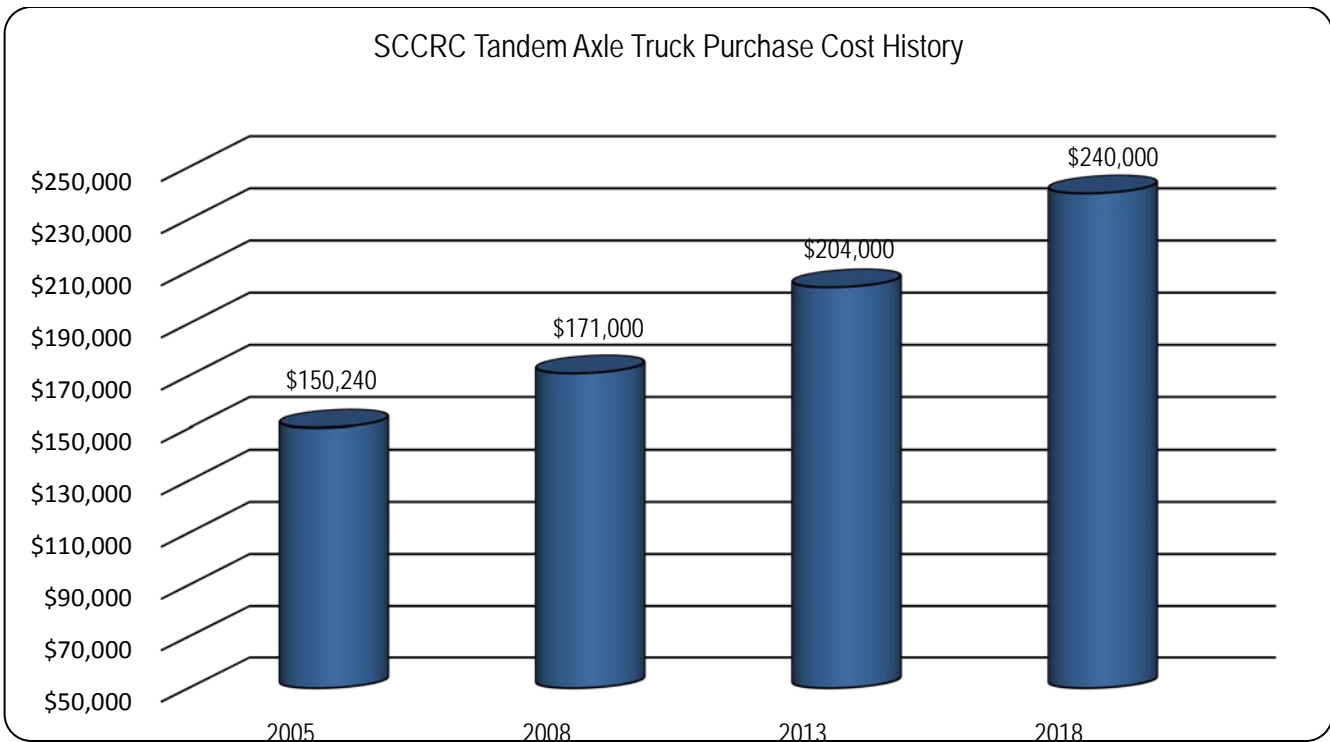
As a result of declining revenues, the SCCRC had to make some tough choices to ensure that limited revenues were being spent in an efficient and effective manner. A majority of the factors affecting our revenues were out of our direct control, so we needed to look at areas where we could directly control costs. Since 2005, we have reduced our headcount through attrition by 36 full time employees (30% of our workforce) down to our current level of 82 full-time employees; annual wage increases were frozen for five years from 2006 through 2010; wage increase were limited under 1% for the period of 2011 through 2013, and through negotiations we capped annual wage increases not to exceed 2.5% through 2024.



Increased Construction costs: Due to the increases in steel and concrete prices, the cost to replace a typical bridge has more than doubled since 2007. Due to the number of bridges on our system (226, second highest in the state), the SCCRC tries to replace/rehab two to three bridges per year, dependent upon the need, and available Federal/State matching funds.



INCREASING COST OF NEW EQUIPMENT:



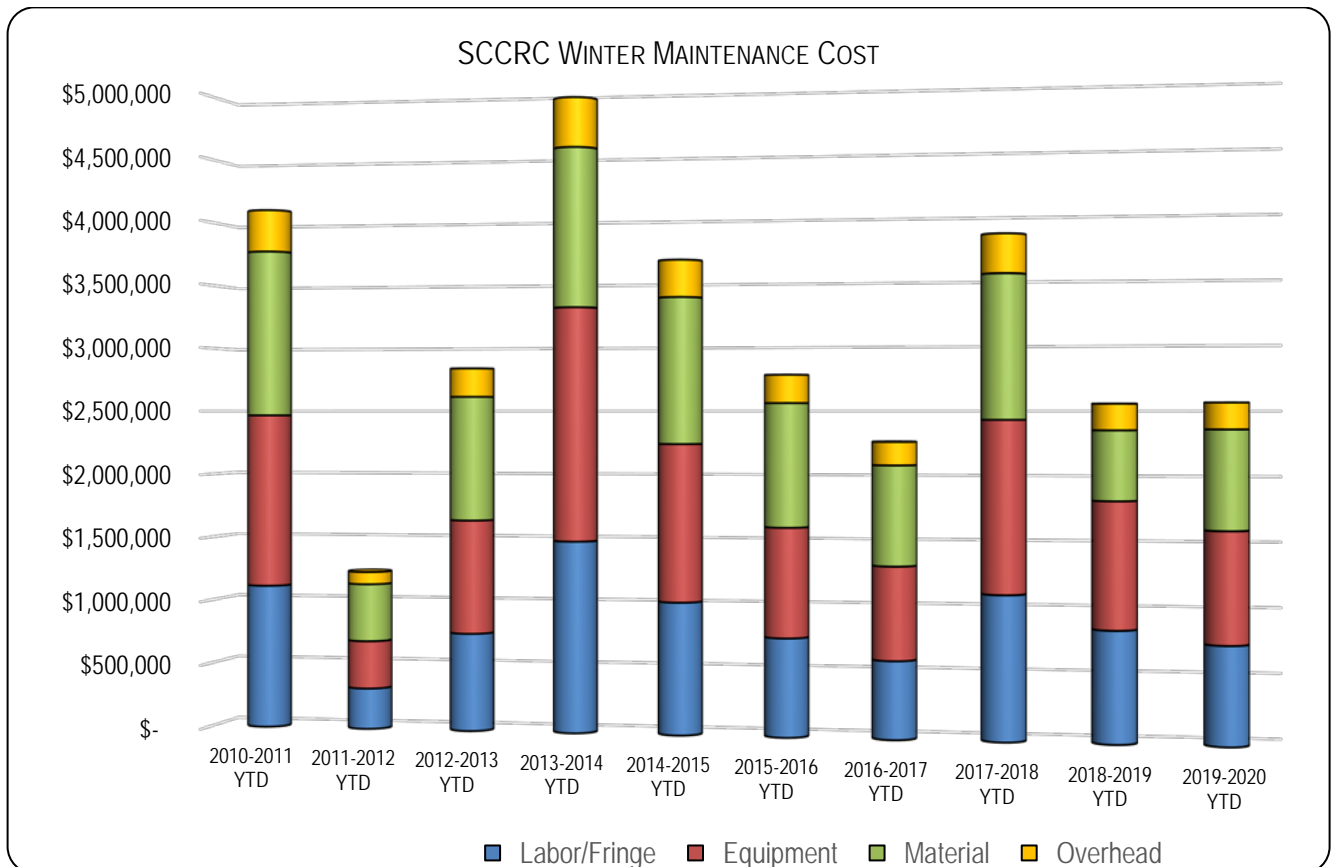
Since 2005, the cost of a new Tandem Axle Truck, the workhorse of our fleet, has increased over \$80,000 to a cost in excess of \$239,000 per truck. The SCCRC has to acquire and maintain a very diverse fleet of equipment, including Tandem Axle Trucks, Graders, Excavators, Pickups, Tractors,

Loaders, and numerous various other pieces of equipment. In order to maintain winter maintenance fleet efficiency, the SCCRC needs to invest in 3-4 tandems per year (\$750,000-\$1,000,000). Due to the increasing cost of equipment, in 2007 the SCCRC started purchasing quality pre-owned equipment, along with new equipment, in an attempt to stretch our limited dollars while still maintaining our fleet availability and readiness.

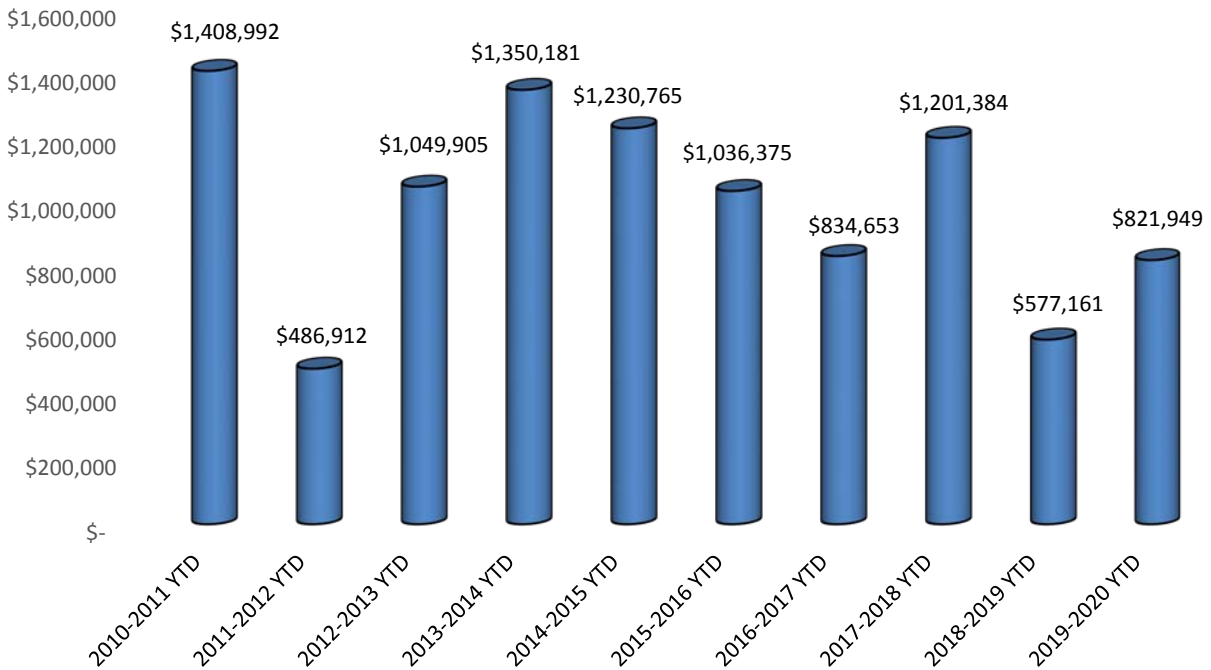
In 2013, we began taking advantage of purchasing military surplus equipment, thereby supplementing our fleet needs by acquiring various equipment with very low miles and hours at significant cost savings. The cost for a recently acquired Western Star Tandem was approximately \$230,000. A refurbished military tandem with under 5,000 miles cost the SCCRC \$117,000, or a savings of \$113,000 per truck. By the end of 2017, we had purchased 10 of these refurbished military trucks, saving in excess of \$1,000,000. In recognition of our efforts, at the annual 2018 County Road Association Highway conference, the SCCRC was awarded the County Road Association Operations Impress Award.

Winter maintenance is a major component of the SCCRC's many responsibilities. Ensuring the safety of the motoring public is our main priority. Increased costs in fuel, salt and road equipment, combined with a reduction in our workforce have placed increasing demands on the SCCRC to come up with ways to increase efficiencies. One of the ways SCCRC increased its winter maintenance efficiencies was to invest in wing plows that were added to most of our fleet allowing our drivers to clear roads more efficiently.

The SCCRC also started hiring experienced seasonal drivers to provide needed assistance in responding to snow events. The majority of these seasonal hire are construction workers who have been laid off for the winter and return to their respective employers in the spring. This arrangement provides the SCCRC with experienced drivers without incurring the long term financial commitments associated with hiring full-time employees.

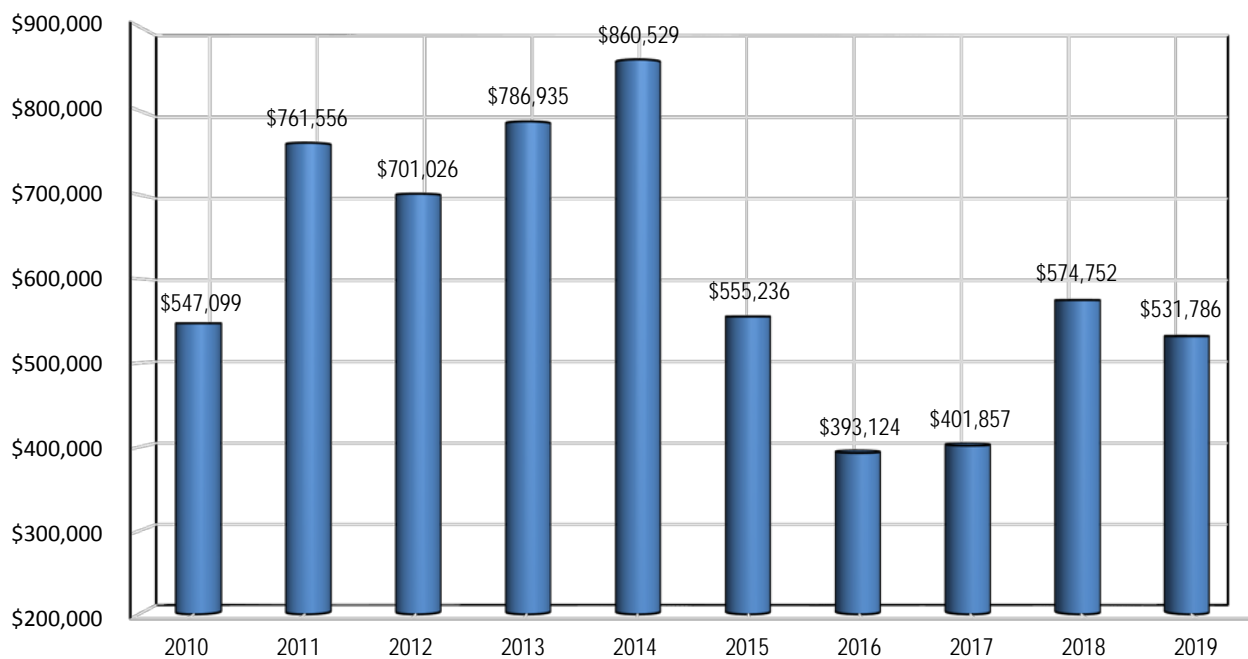


SCCRC Seasonal Salt Cost (October - April)



When fuel costs rise, the SCCRC gets hit both ways. When fuel prices go up, less fuel is purchased by consumers which in turn reduces our MTF Revenue (our major source of revenue). When fuel prices go up, our equipment operational expenses increase due to the daily required use of fuel at the SCCRC. The SCCRC uses on average, in excess 250,000 gallons of fuel per year, so for every ten cent per gallon increase in fuel prices, our annual fuel expense increases \$25,000; for every fifty cent per gallon increase in fuel prices our annual fuel expense increases \$125,000.

SCCRC ANNUAL TOTAL COST OF FUEL



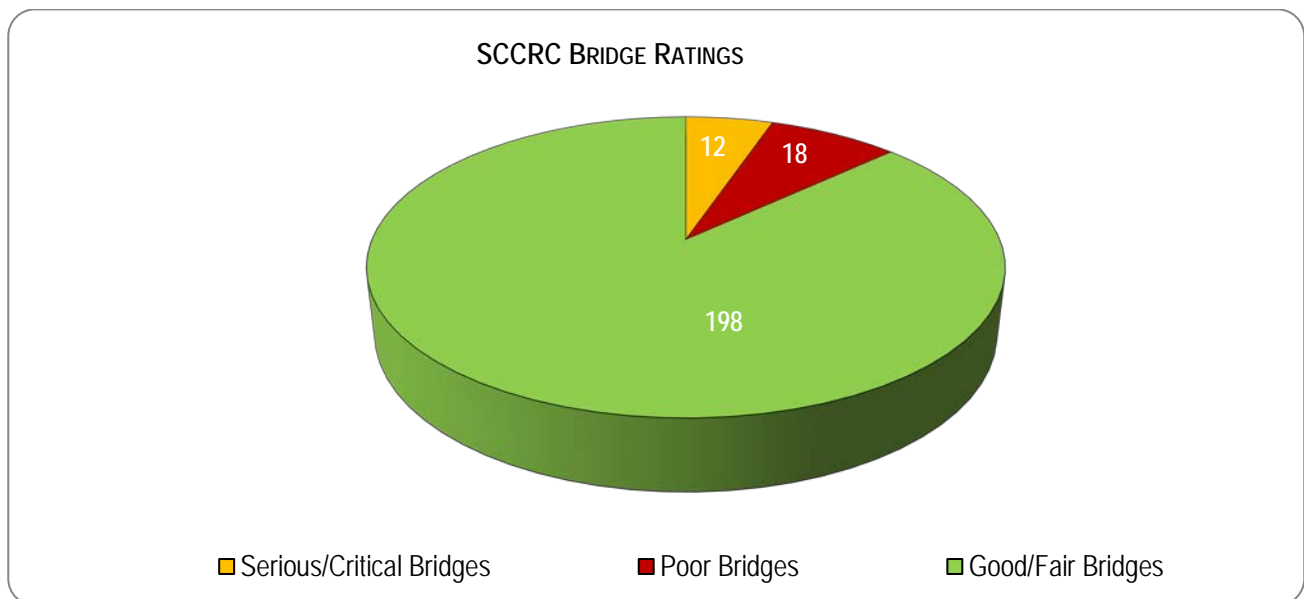
BRIDGE SYSTEM:

St. Clair County has 228 bridges on its system, the **second highest in the state**. Due to the high cost to efficiently and effectively maintain all of its bridges, the SCCRC applies for the maximum amount of federal funding available each year.

Any structure (including culverts) that has a span in excess of twenty feet is classified as a bridge. The cost to replace a bridge can vary greatly, but the average cost to replace a smaller bridge runs between \$500,000 to \$750,000, whereas a larger bridge will cost between \$1,000,000 and \$2,500,000.

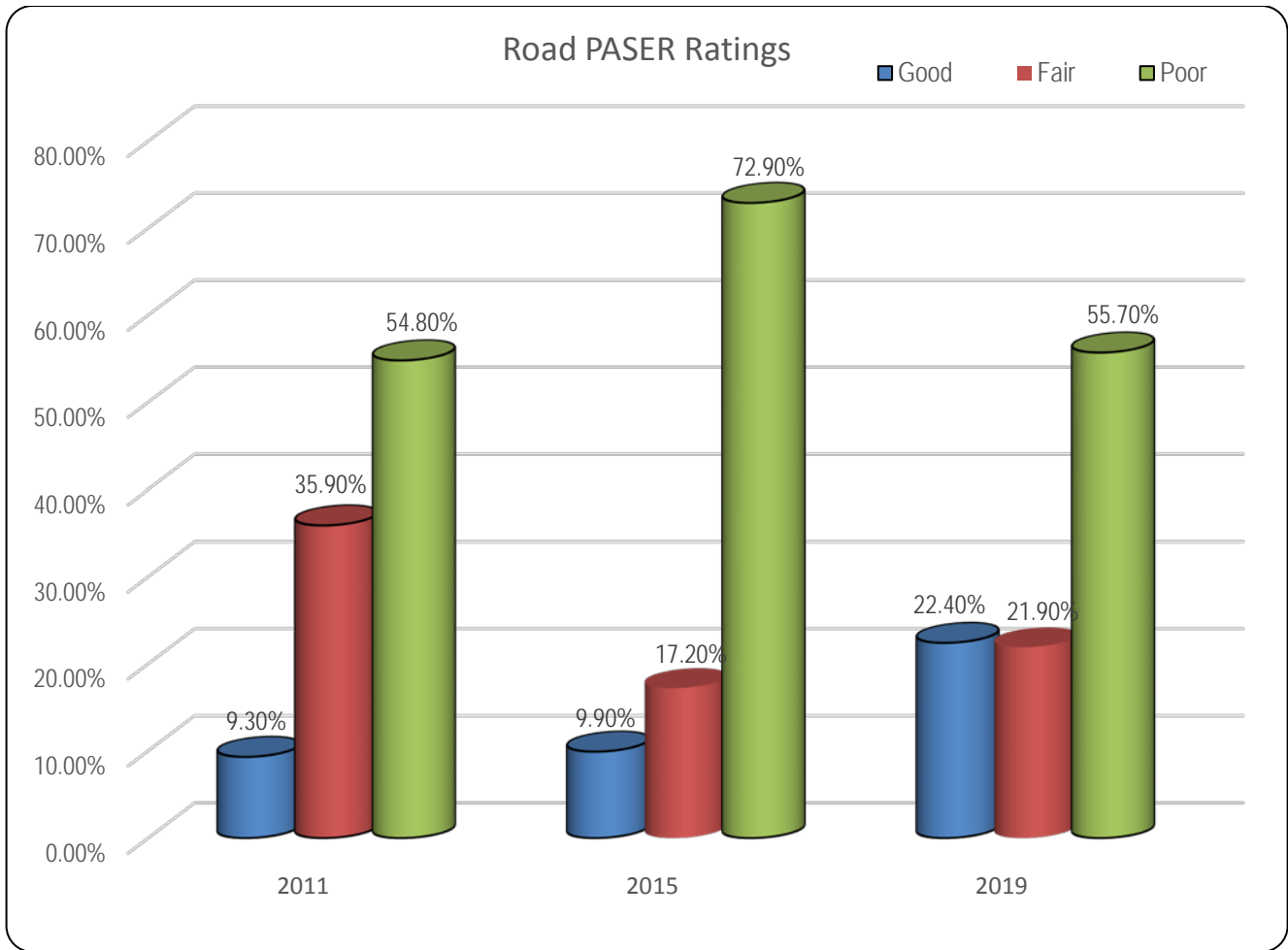
Bridges are rated on a 0 (closed) to a 9 (new) scale. A Good/Fair rating means that the bridge has no postings and all legal loads can use the bridge. A Poor rating means that the bridge has a load posting and has some deterioration, but is able to handle loads below the posted limits for an unspecified period of time. A Serious/Critical rating means that the bridge has a load posting lower than poor and has advanced deterioration and needs to be repaired or replaced as soon as possible.

Currently the SCCRC has 193 Good/Fair Bridges, 18 Poor Bridges, and 15 Serious or Critical Bridges.



PASER ROAD RATINGS:

The SCCRC implemented an asset management program using a Bridge Management program and the PASER road rating system to determine optimal use of funds for road system planning and improvement purposes. This rating system is recognized by the Federal and State governmental agencies as a proper format to use in determining effective/efficient road system enhancements. Due to staff reductions, PASER ratings are performed on a bi-annual basis.



A **“Good”** PASER rating indicates that a road surface was recently reconstructed or rehabilitated. These roads show very little or no sign of distress and require only routine maintenance such as sweeping and light crack sealing.

A **“Fair”** PASER rating indicates a road is still structurally sound but the surface is beginning to deteriorate. These roads require preventative maintenance (crack sealing, chip sealing, or overlays).

A **“Poor”** PASER rating indicates that a road has failed structurally and needs to be rehabilitated or reconstructed.

The goal of asset management is to properly utilize preventative maintenance to prevent roads from deteriorating to a point where they need structural improvement.