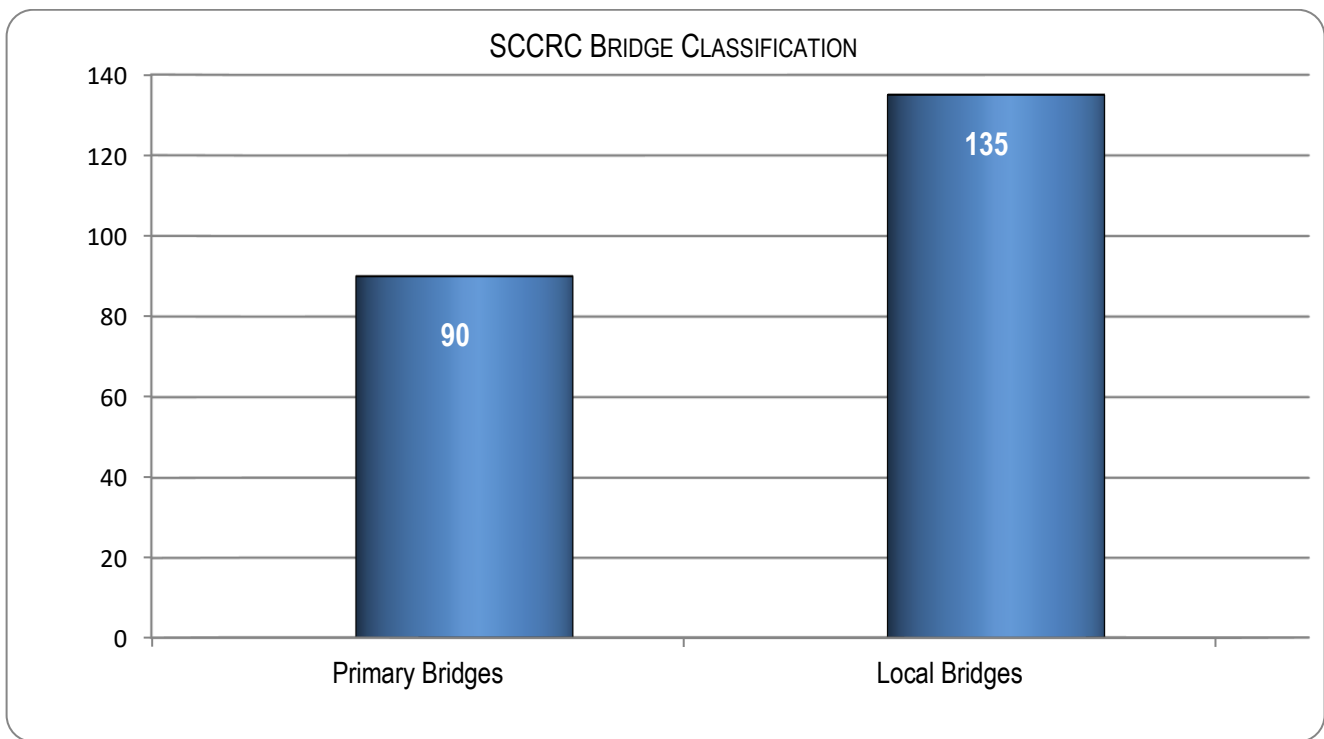
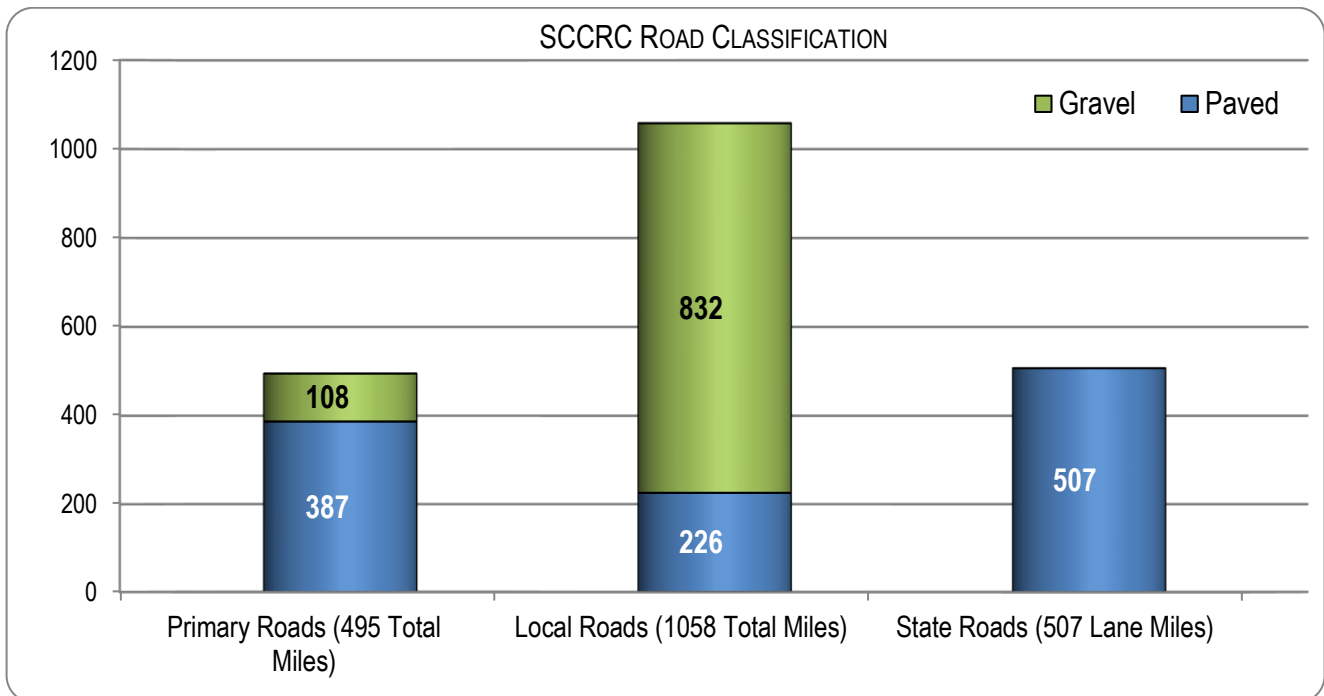


ST. CLAIR COUNTY ROAD COMMISSION DASHBOARD

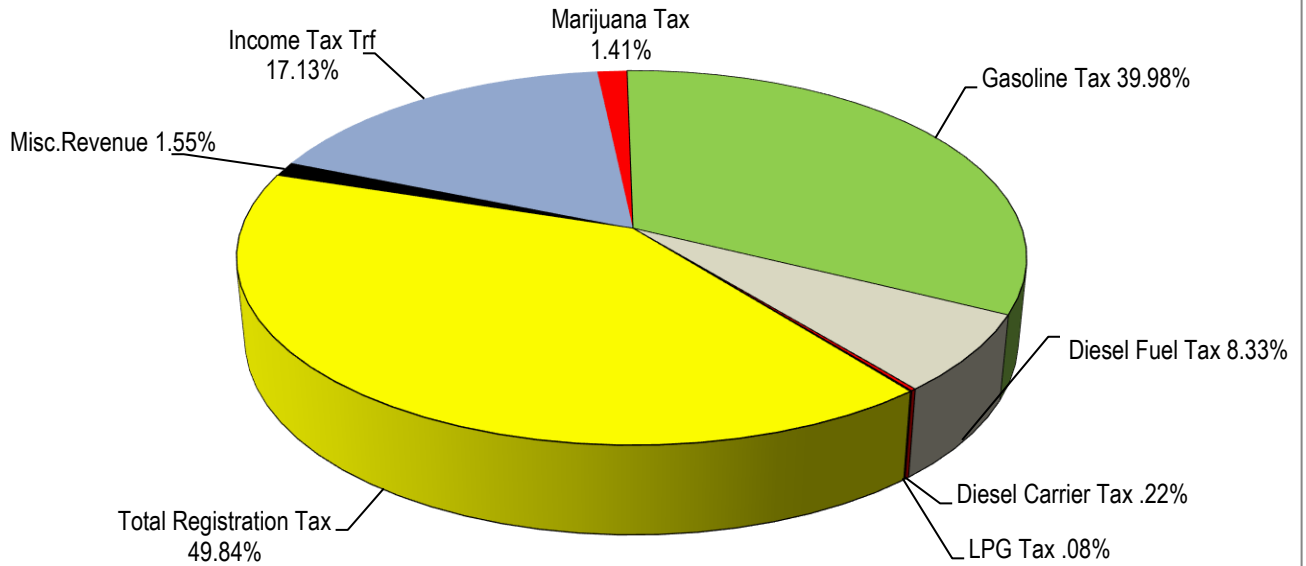
The St. Clair County Road Commission (SCCRC) has created this dashboard as a way to assist our residents in understanding the financial and operational demands placed upon us, and our responses to those ever-changing demands.

The SCCRC is responsible for maintaining 2,060 miles of road and 225 bridges (which is the **second highest bridge count in the State of Michigan**).

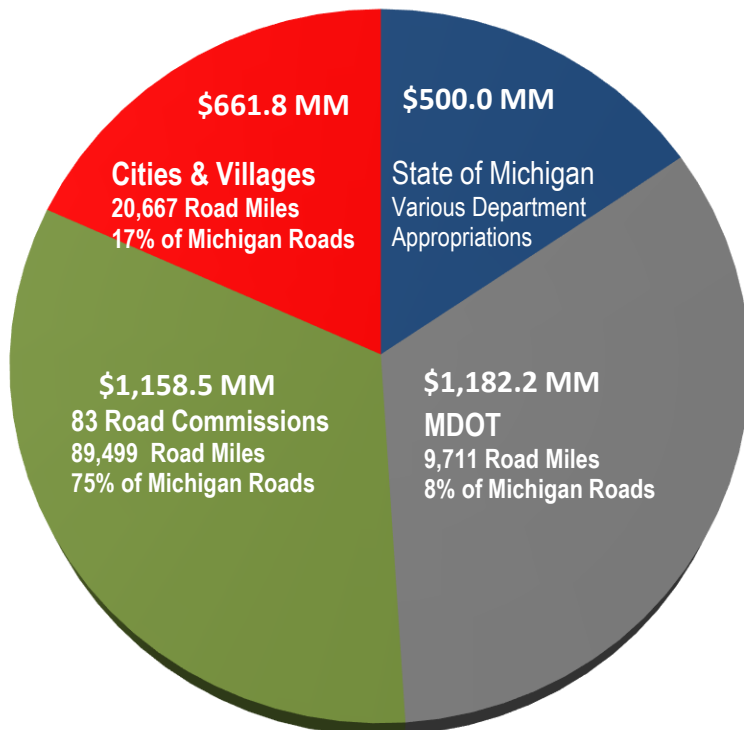


Where our money comes from: The major source of revenue for the SCCRC are MTF dollars, received from the State gas tax and vehicle registration collections which are then distributed to the State of Michigan, the 83 county road commissions and to the cities & villages in Michigan.

MTF REVENUE SOURCES AS % (01/01/21 - 12/31/21)



2021 MICHIGAN TRANSPORTATION FUND (MTF) DISTRIBUTION (IN MILLIONS)

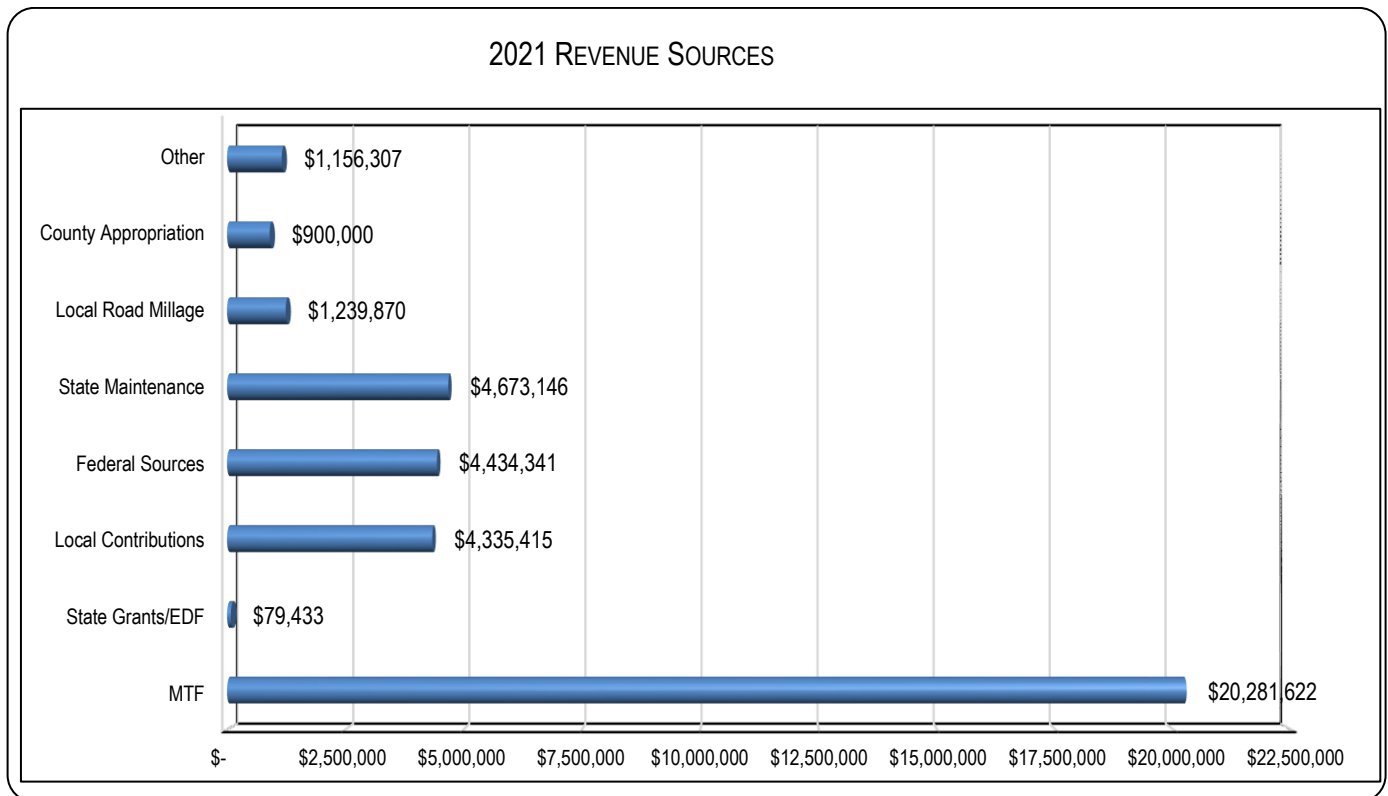
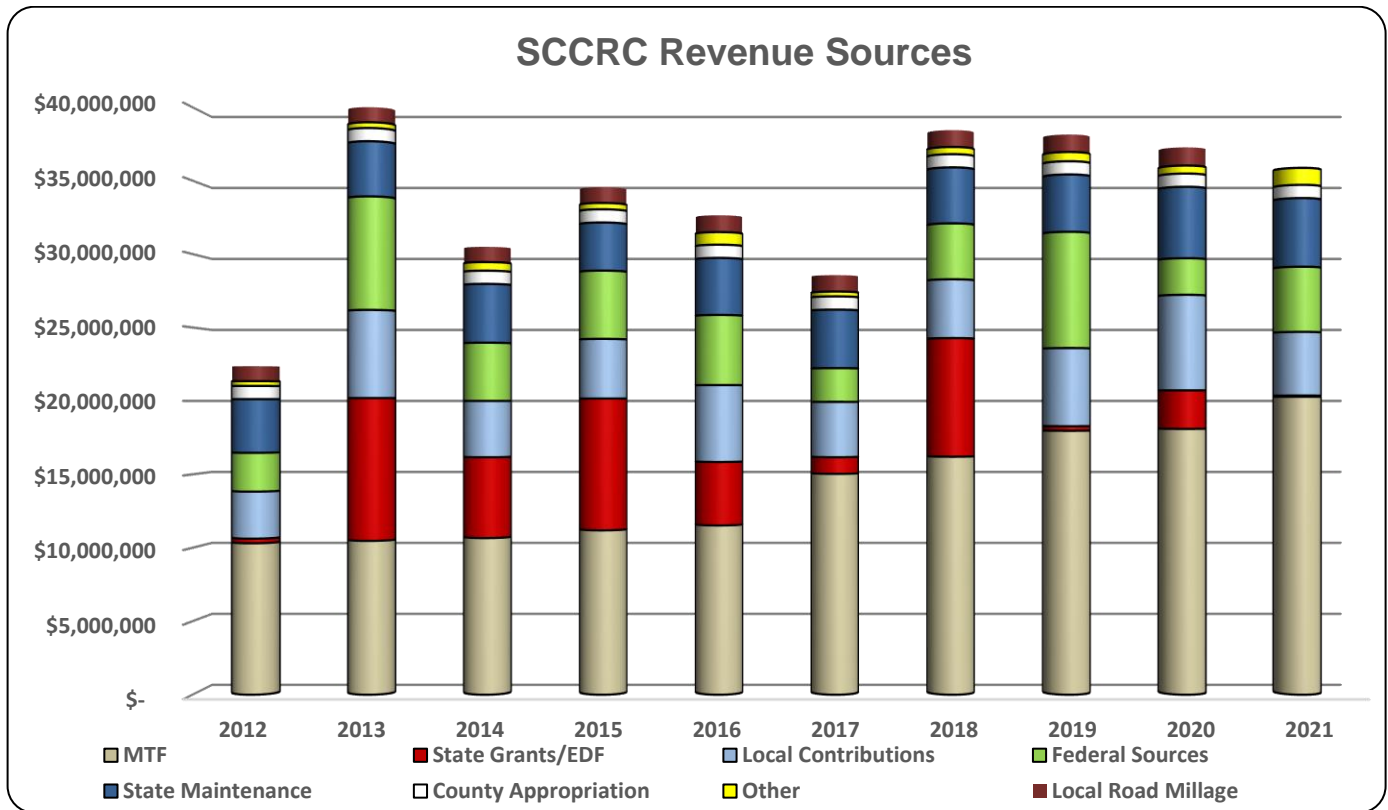


For the 12 month period ended December 31, 2021, total MTF generated through the gasoline and diesel tax, vehicle registration, and miscellaneous revenues totaled \$2,853,193,521 .

Beginning in the State of Michigan's 2020 fiscal year (October -September) income tax revenue was to be credited to the MTF. For the period of January 2021 through December 2021, \$600,000,000 was credited to the MTF. Also in 2021 the Marijuana Tax took effect resulting in \$49,265,038 in additional tax revenue for a total 2021 MTF revenues of \$3,502,458,559.

From that total, \$499,971,449 was deducted for various State departmental appropriations before the allocation was made between MDOT, Cities/Villages, and the 83 County Road Commissions. Of the remaining \$3,002,487,110, MDOT and the 83 County Road Commissions received 39.1% each, and Cities & Villages received 21.8%.

The SCCRC also receives money from the County and the twenty-three Townships located in St. Clair County to assist in financing 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 receives reimbursement from the State for performing maintenance on the various state trunklines within our county (I-94, I-69, M-19, M-25, M-29, M136, and M154).

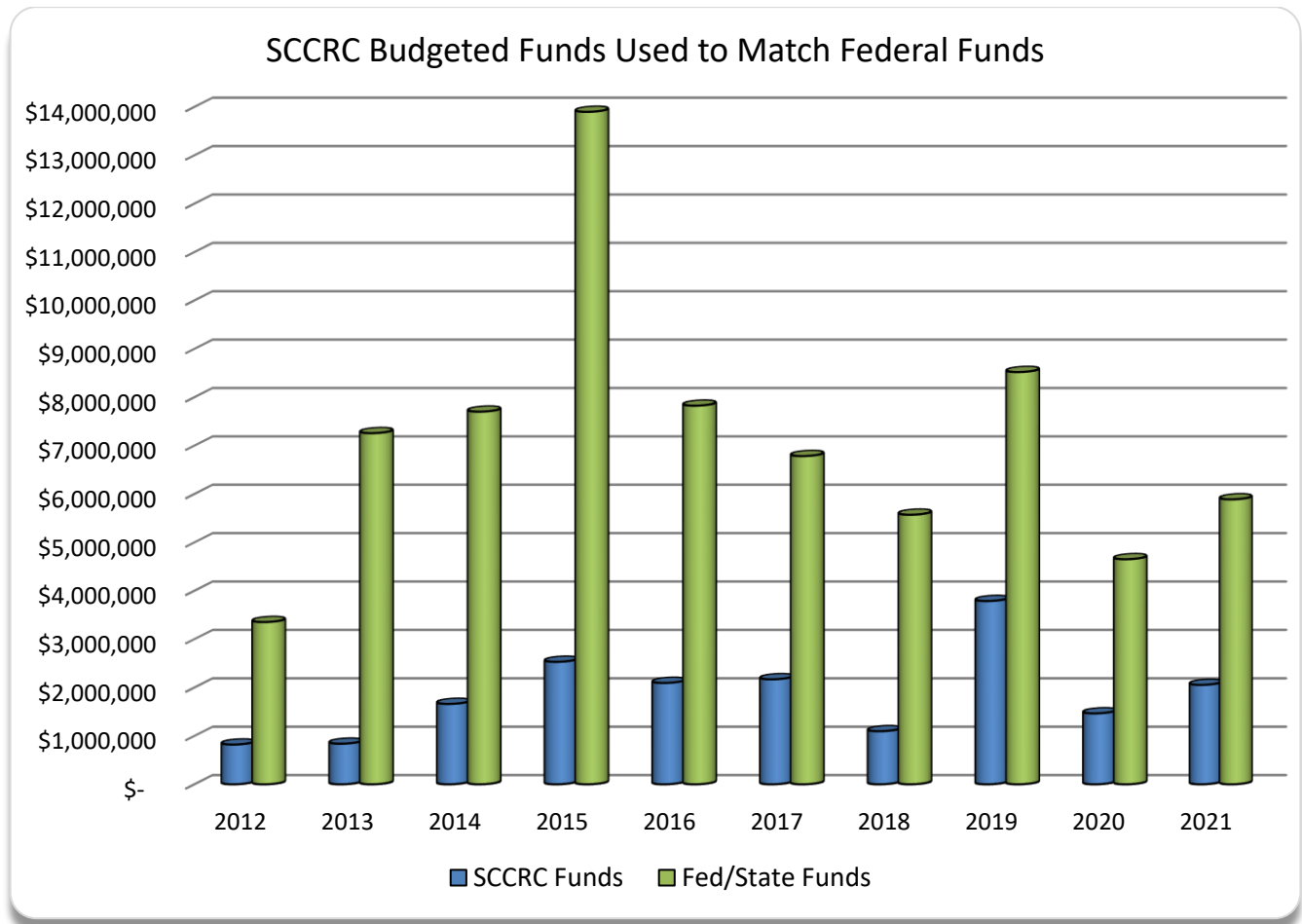


COUNTY ROAD MILLAGE/MATCHING FEDERAL FUNDS:

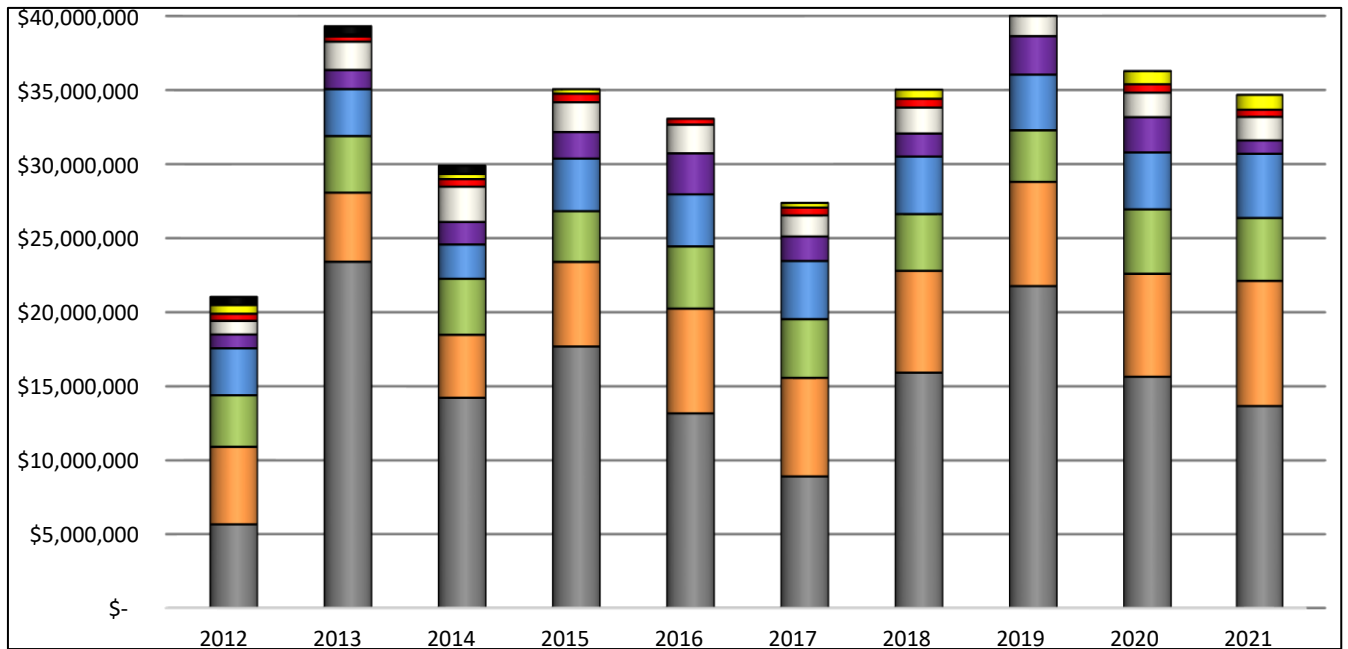
There are federal aid eligible roads/bridges throughout the county that qualify for the 95% - 5% match on bridges and the 80% - 20% match on roads. On eligible projects, the Road Commission seeks federal funding. Since 2012, for every dollar invested by the Road Commission, approximately three dollars and eighty-five cents (\$3.85) of federal funds were 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 and again in 2020) that generates approximately \$1.2 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 can 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 2021, the SCCRC leveraged \$18.53 million dollars to match \$71.46 million dollars of Federal funds, to complete \$89.99 million dollars of road and bridge improvements in the county.

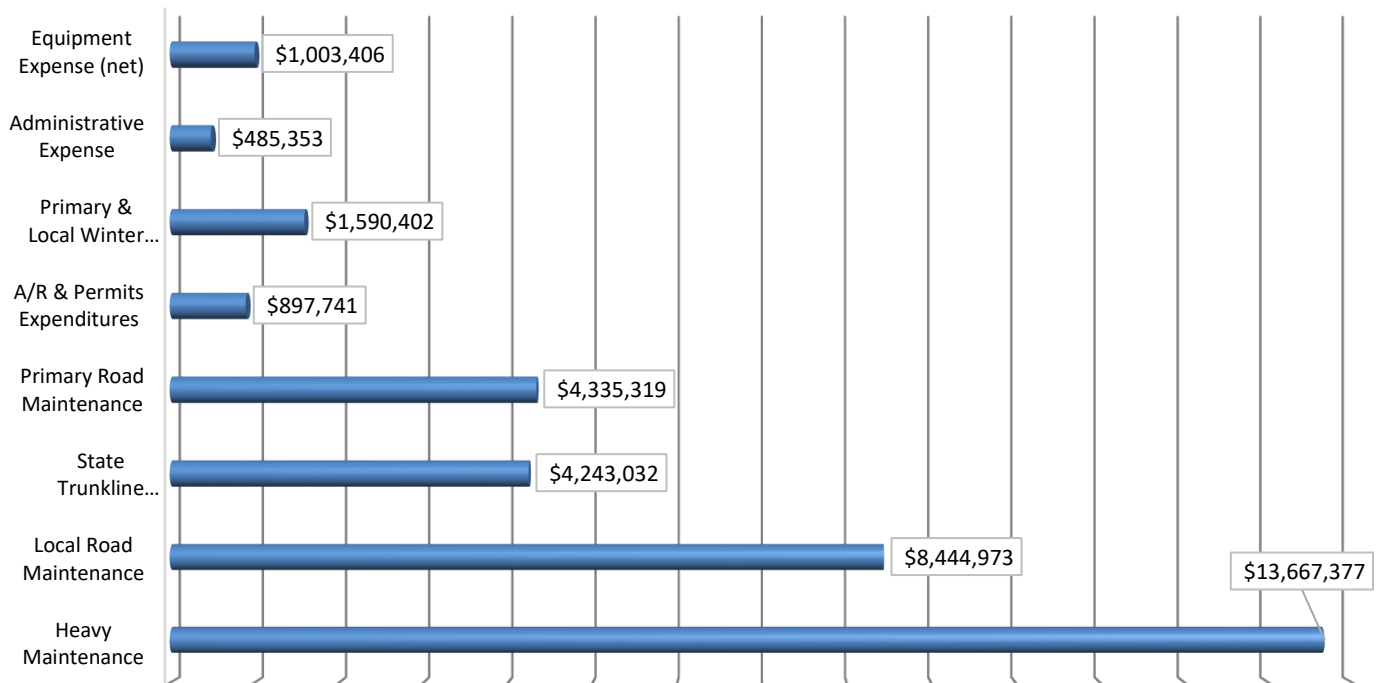


10 Year SCCRC Expenditures



- Heavy Maintenance
- Local Road Maintenance
- State Trunkline Maintenance
- Primary Road Maintenance
- A/R & Permits Expenditures
- Primary & Local Winter Maint
- Administrative Expense
- Equipment Expense (net)
- Debt principal & Interest

SCCRC 2021 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. Effective January 1, 2022, the tax for diesel and gasoline increased to 27.2 cents per gallon. These increases 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 additional MTF revenues, staff prepared an analysis of our bridge system (which is the second highest number of bridges in the State of Michigan) and it was decided by our Board of County Road Commissioners to initially use any additional new funding to repair or replace the aging bridge structures on our Primary Road system. Since 2017, \$5,766,500 was spent on replacing 32 primary structures.

The SCCRC has 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 added an additional \$150,000 each to the primary and local road budgets for additional boom axe mowing.

ELIMINATION OF DEBT

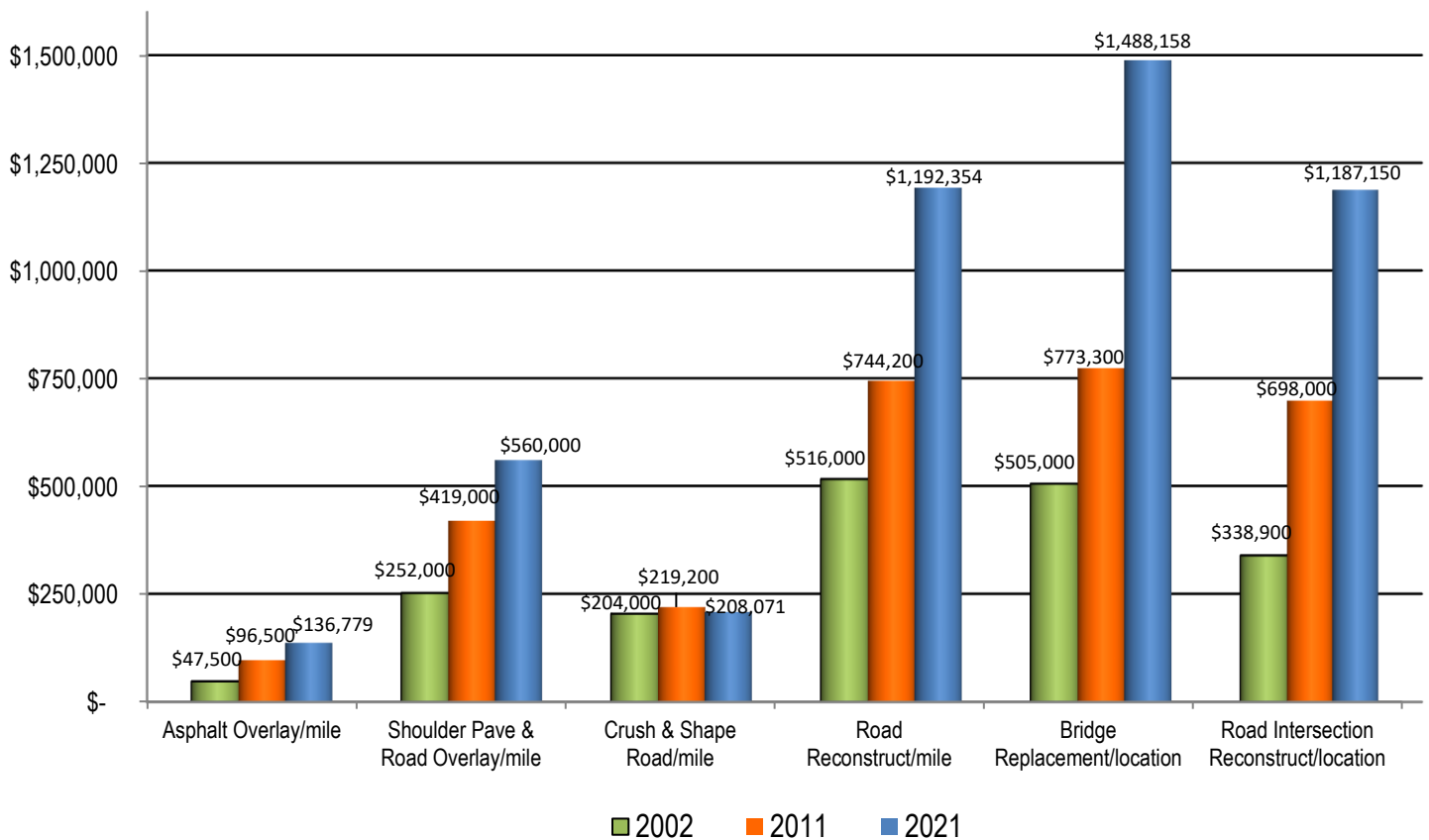
Even during the period of declining revenues and escalating costs for material and equipment, the SCCRC has been debt free since the end of 2014.

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 32 full time employees (30% of our workforce) down to our current level of 84 full-time employees

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.

SCCRC CONSTRUCTION COSTS

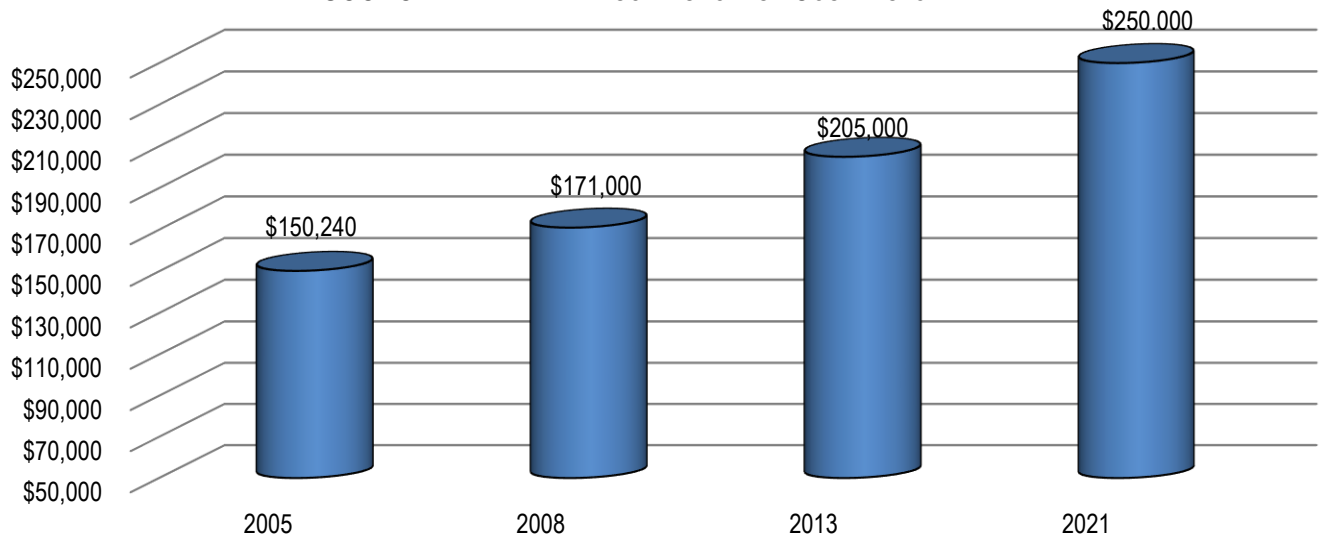


INCREASING COST OF NEW EQUIPMENT:

Since 2005, the cost of a new Tandem Axle Truck (the workhorse of our fleet) has increased \$100,000 to a cost of \$250,000 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 Western Star Tandem was approximately \$205,000. A refurbished military tandem with under 5,000 miles cost the SCCRC \$115,000, or a savings of \$90,000 per truck. By the end of 2017, we had purchased 10 of these refurbished military trucks, saving approximately \$900,000. 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.

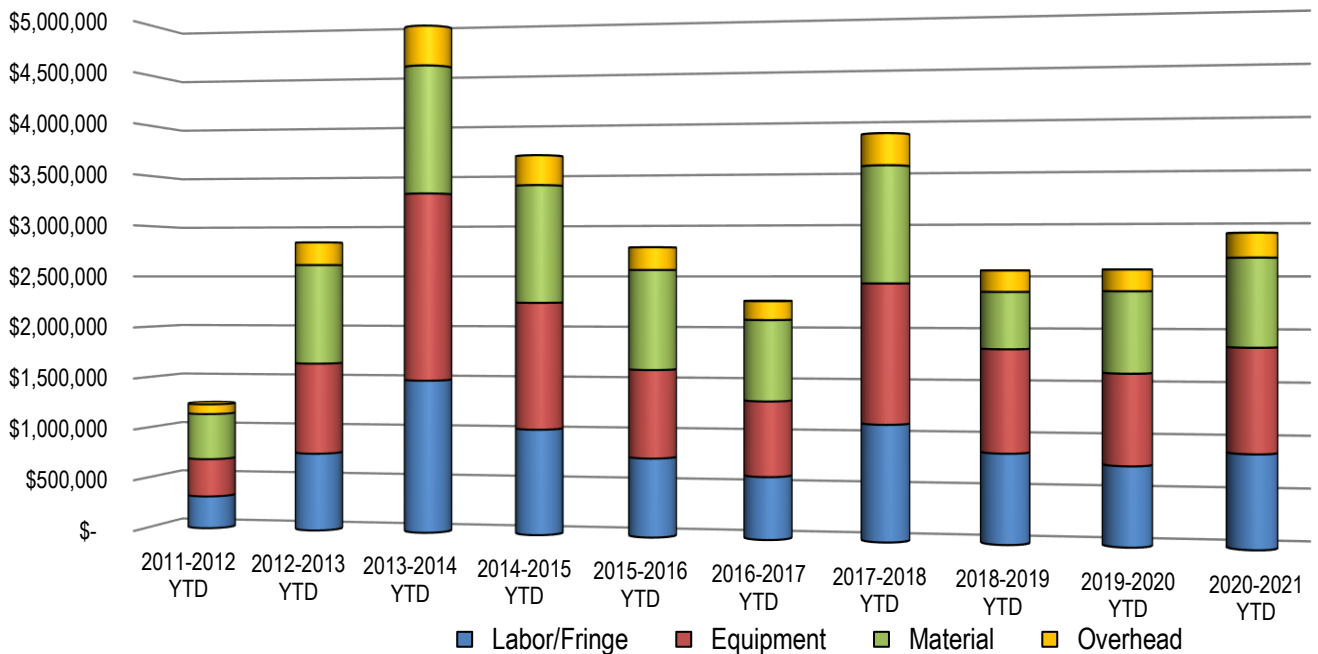
SCCRC TANDEM AXLE TRUCK PURCHASE COST HISTORY



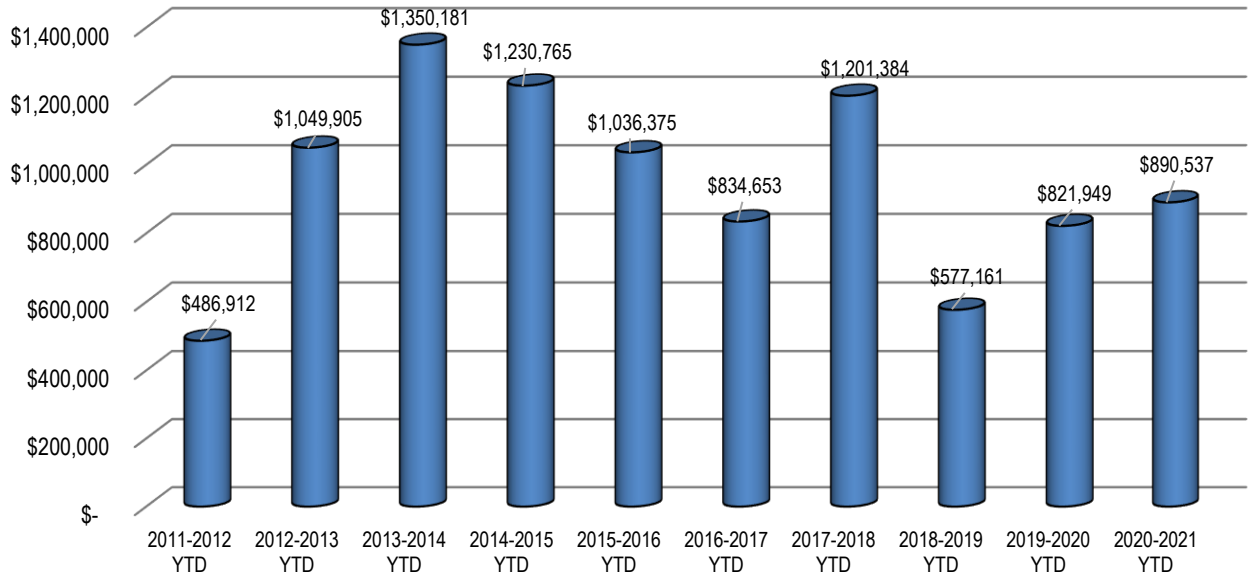
Winter maintenance is a major component of the SCCRC’s many responsibilities. Ensuring the safety of the motoring public is our main priority. Increased costs in fuel, salt, and road equipment, combined with a reduction in our workforce have placed increasing demands on the SCCRC to come up with ways 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 quickly and efficiently.

The SCCRC also started hiring experienced seasonal drivers to provide needed assistance in responding to snow events. The majority of these seasonal hires 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 WINTER MAINTENANCE COST

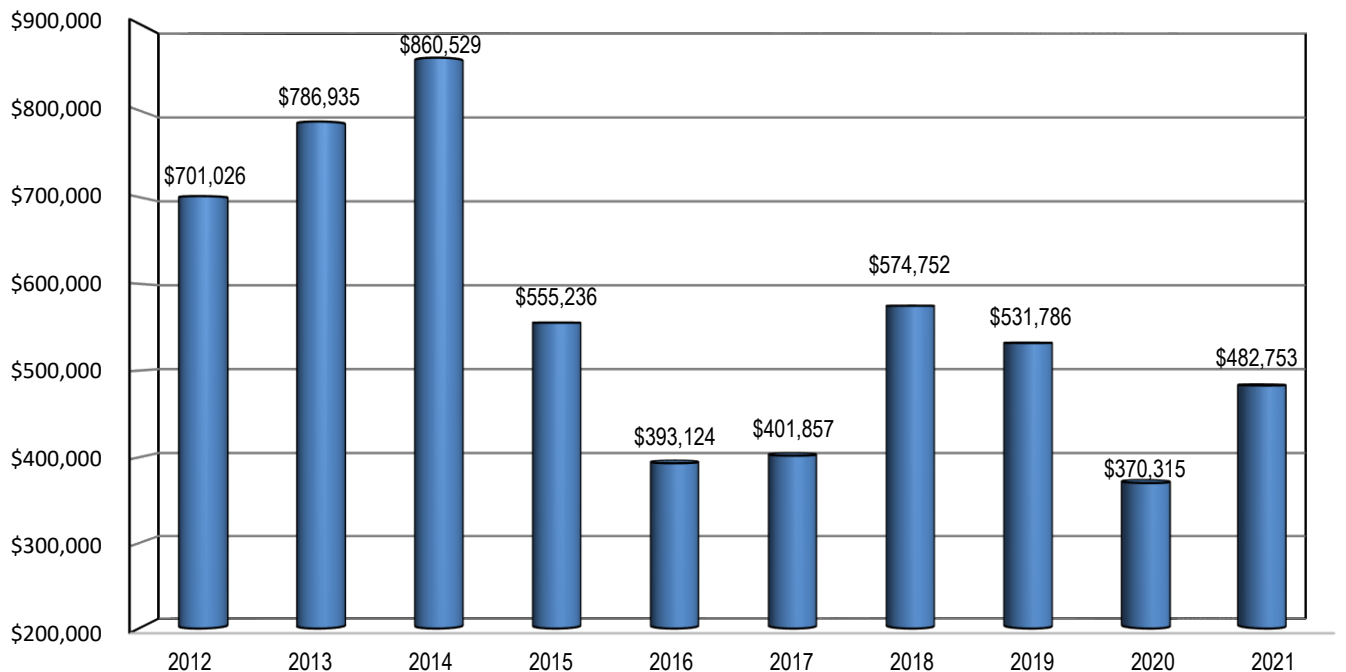


SCCRC SEASONAL SALT COST (OCTOBER - APRIL)



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 cents (\$0.10) per gallon increase in fuel prices, our annual fuel expense increases approximately \$25,000.

SCCRC ANNUAL TOTAL COST OF FUEL



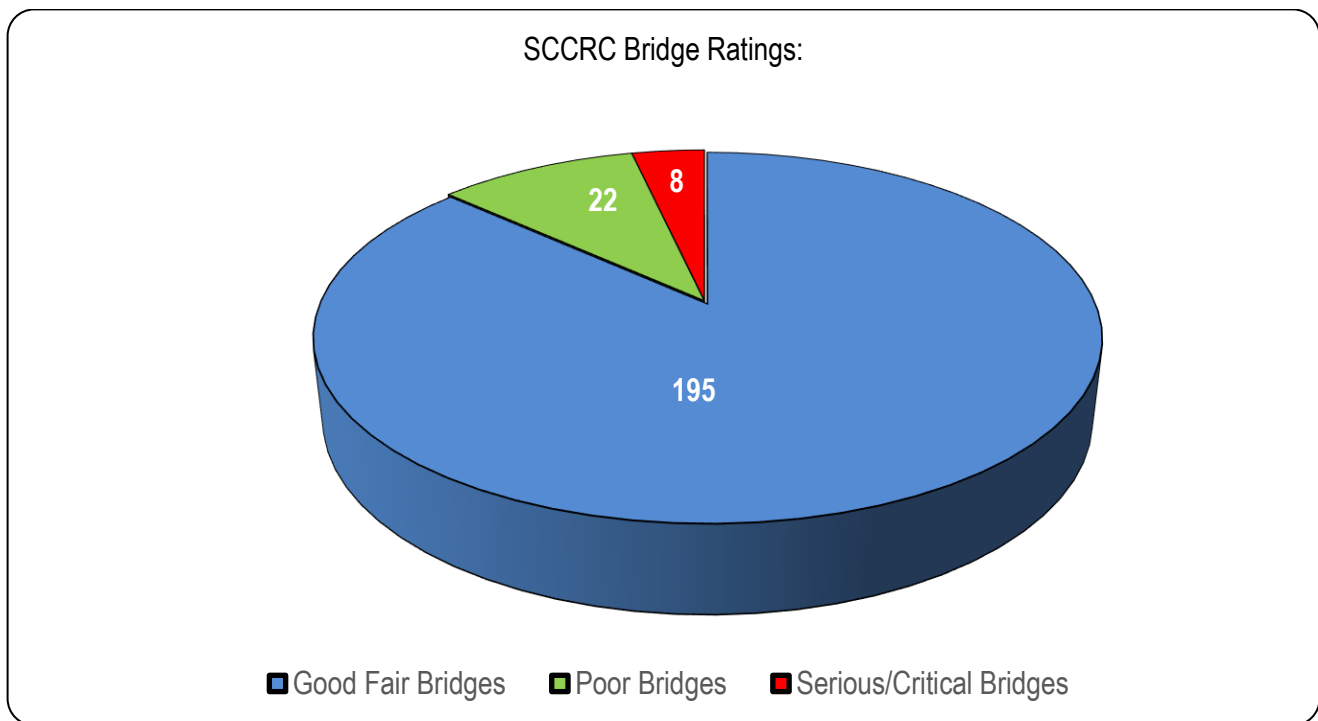
BRIDGE SYSTEM:

St. Clair County has 225 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.

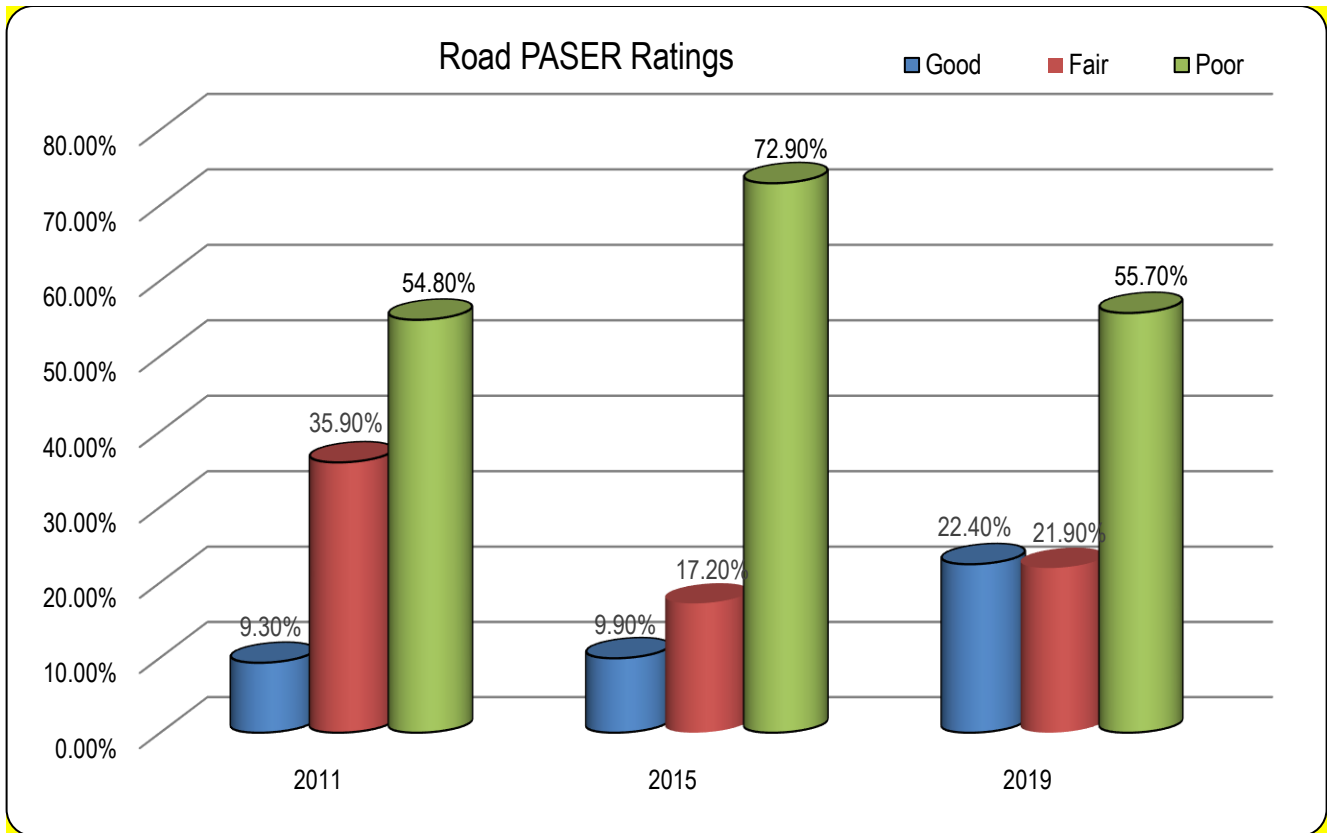
Bridges are rated on a scale of 0 (closed) to a 9 (new). A Good/Fair rating means that the bridge has no postings and all legal loads can use the bridge. A Poor rating means that the bridge has a load posting and has some deterioration, but is able to handle loads below the posted limits for an unspecified period. 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 195 Good/Fair Bridges, 22 Poor Bridges, and 8 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.