

**CALHOUN COUNTY  
BOARD OF COMMISSIONERS  
POLICY STATEMENT**

<b>SUBJECT:  LOCAL ROAD IMPROVEMENT FUNDING PROGRAM</b>	<b>DATE APPROVED:  6/1/17</b>	<b>EFFECTIVE: Immediately</b>	<b>POLICY NO. 509</b>
		<b>REPLACES: Former Policy 509 (as adopted 11/1/2012, revised 2/20/14)</b>	

**I. POLICY STATEMENT**

The Board of Commissioners realizes the significance and importance of the need for a partnership between Calhoun County’s township boards and the Calhoun County Road Department. Funding and economics related to road improvements and maintenance are constant concerns of the County Board of Commissioners when setting fair and reasonable policies. This policy is being adopted to fully inform all townships of the required participation in local road improvement projects, and to allow for township matching contributions towards county primary road improvements

**II. PURPOSE**

To provide a uniform method to allocate matching funds used to construct, reconstruct, or improve roadways located on the local and primary road systems within Calhoun County.

**III. LEGAL REFERENCE: MCL 247.662, Sections (9) – (15)**

Effective with the adoption of this policy, the Board of Commissioners will provide local road matching funds pursuant to the above legal reference and in accordance with the following: The Road Department will provide the percentage of matching funds set forth below for road construction, reconstruction or improvement activities. Those activities shall include, but shall not be limited to, the following:

**A. Road Construction and Reconstruction (including paving gravel roads) –** includes clearing, tree removal/trimming, deberming, driveway corrections and tie-ins, drainage corrections/improvements, crushing/pulverizing, milling, benching/widening, stormsewer and utility structures and adjustments, stormsewer pipe and culvert replacements/installations, grading, sub-base, bituminous asphalt and/or concrete pavement, striping, signage, erosion control, slope/lawn restoration, gravel shoulders, design and construction engineering (includes construction administration, inspection, and quality assurance testing), and any other costs required to complete the project in its entirety as recommended by the Managing Director.

1. Participation in this program requires that a Township and/or residents share 70% of the project costs.

- B. Resurfacing (overlaying/repaving hard surface roads)** – includes clearing, tree removal/trimming, deberming, milling, driveway corrections and tie-ins, drainage corrections/improvements, stormsewer and utility structures and adjustments, stormsewer pipe and culvert replacements/installations, grading, selective milling/pulverizing and subbase replacement work, bituminous wedging, placement of bituminous asphalt pavement , striping, signage, erosion control, slope/lawn restoration, gravel shoulders, design and construction engineering (includes construction administration, inspection, and quality assurance testing), and any other costs required to complete the project in its entirety as recommended by the Managing Director.
1. Participation in this program requires that a Township and/or residents share 70% of the project costs.
- C. Heavy Maintenance (wedging and chip sealing or microsurfacing paved roads)** – includes clearing, tree removal/trimming, deberming, draining corrections/improvements, stormsewer and utility structures and adjustments, selective milling/pulverizing and subbase replacement work, bituminous wedging, chip seal, microsurfacing, signage, striping, gravel shoulders, design and construction engineering (includes construction administration, inspection, and quality assurance testing), and any other costs required to complete the project in its entirety as recommended by the Managing Director.
1. Participation in this program requires that a Township and/or residents share 70% of the project costs.
- D. Re-graveling** – includes adding gravel to a full length section of existing gravel road, including application of approved road aggregate material, grading, compaction, signage, clearing, tree removal/trimming, drainage corrections/improvements, culvert replacements/installations, signage, design and construction engineering (as needed for drainage, geometric changes, and/or permits), and any other costs required to complete the project in its entirety as recommended by the Managing Director.
1. Participation in this program requires that a Township and/or residents share 50% of the project costs.
- E. Option in lieu of chip sealing (microsurfacing, “Cape Seal”, and similar treatments)** – includes all costs associated with the application of a thin overlay material to maintain and extend the useful life of local bituminous roads (instead of just applying chip seal), clearing and tree trimming, signage, striping, drainage and utility structure adjustments/corrections, design and construction engineering (includes construction administration, inspection, and quality assurance testing), other items as listed above in “Heavy Maintenance,” and any other costs required to complete the project in its entirety as recommended by the Managing Director.
1. This option is being made available for those residents that choose, through their respective townships, to apply a thin microsurface

treatment over a chip seal or an existing bituminous road instead of just a chip seal surface treatment.

2. Participation in this program requires that a Township and/or residents share 70% of the project costs.

**F. Bridge Replacement** – includes repair or replacement of any structurally deficient bridge.

1. Bridge replacements are generally funded partially through the Michigan Department of Transportation's Local Bridge Replacement Grant Program with remaining construction, engineering, inspection, testing, and administration costs being paid for by the Road Department. Local bridge repair/replacement may require the Township to participate at a cost share of 50% if other revenue sources are not available.

**G. Culvert and Drainage Structure Replacements** – not part of a road improvement project with a *replacement size* of or exceeding forty-eight inches (48") in diameter.

1. Participation in this program requires that the Township, affected property owners and/or other interested parties share 50% of the project costs.
2. Culverts with a diameter of less than forty-eight inches (48") will be replaced by the Road Department under normal routine maintenance procedures provided that the replacement size is also less than 48".
3. For road improvement projects, all culverts less than 48" in diameter replaced as part of a project defined elsewhere in this policy shall be cost-shared in accordance with the general terms of that particular project. Culverts or structures with a replacement size exceeding 48" on these projects will be cost-shared at 50% as stipulated herein.
3. The size defined herein shall be determined as the required replacement size, or hydraulically equivalent size if not circular in shape, as determined by the Michigan Department of Environmental Quality (MDEQ), the County Water Resource Commissioner, or the Managing Director.

**H. Preliminary Estimates, Design Engineering, Construction Inspection/Testing, and Project Management/Administration** – includes surveying, design engineering, plan and specification preparation, permits, and bid documents on all local road improvement projects.

1. Preliminary estimates will be provided to a township upon request in writing from the township board, and will be provided at no cost.

2. Preliminary estimates will be provided to individuals upon request, and the individual will be billed for the actual cost of preparing the estimate(s).
3. All costs for surveying, design, engineering, plan and specification preparation, permits, and bid documents on local road improvement projects will be included in the overall project costs for the respective project and will generally be counted as part of the Road Department's in-kind services and contributions toward the project match.

**I. Right of Way** – includes negotiation and purchase of right of way for all local road projects.

1. Purchase or acquisition of right of way for local road improvement projects requires that a Township, affected property owners, and/or other interested parties, but not the Board, pay 100% of the acquisition costs.

**J. Administrative Overhead** – includes the cost of advertising, bidding, contract award, procurement of materials, accounting, and billing for the project.

1. Costs for overhead on work performed by Road Department and County employees will be paid based on the preceding cost sharing at 8.5% of the project costs. Administrative overhead costs for material invoices and contracted work items will be absorbed by the Road Department.

**K. Primary Road Improvement Prioritization** – includes all costs required for constructing or improving county primary roads (as described herein for local road projects).

1. Participation in this program requires that a Township and/or residents share at least 30% of the total project costs for improving a county primary road within a township.
2. The Road Department will commence design and bidding as soon as feasibly possible, with construction of the project prioritized as stipulated in the project agreement between the township and the Road Department.
3. This program is subject to the availability of Road Department funds for primary road construction projects.

**L. Comprehensive Local Road Improvement Program** – includes all project costs required for constructing and improving *all* of the local hard surface roads (or as many as feasibly possible given the match requirements listed below) within a township within a 3 year period (typically accomplished through the issuance of bonds).

1. Participation in this program requires that a Township and/or residents provide a share of:

- a. 70% of all project costs (if the annual revenue generated from 3 mills would exceed 70% of the total project costs over the life of the bond); or
  - b. The dollar amount generated from a millage for road improvements, or general obligation debt for road improvements, of 3 mills per year over the life of the bond, as approved by the township board and/or its voters; or
  - c. The total dollar amount generated from a special assessment district (presumably township-wide, or at least covering the intended project area and benefited properties) as approved by the township board that meets or exceeds the revenues anticipated from a 3 mill levy per year over the life of the bond;
  - d. In all cases, the total township share of the project must comprise *at least* 50% of the total project cost in accordance with MCL 247.662, Sections (9) – (15);
2. The project may include improvements to gravel roads, including construction and paving thereof, depending on the availability of matching funds from the Road Department.
  4. The Road Department will commence design and bidding as soon as feasibly possible, with construction of the project prioritized as stipulated in the project agreement between the township and the Road Department.
  5. This program is offered on a first come, first serve basis, and depends on the availability of matching funds from the Road Department. Townships may elect to fund 100% of project costs.

#### **IV. GUIDELINES**

An agreement will be prepared by the Road Department for all projects, which includes the opinion of probable project cost, project specific match requirements, anticipated project schedule, and payment terms. This agreement must be approved and signed by the township board, with subsequent approval by the Managing Director after final verification of available matching funds and project scheduling commitments. Deposits will be required before project construction commences to assist with the purchase of materials, and progress payments may be required for projects under construction for more than 30 days. The deposit and payments shall be due as stipulated in the agreement. The costs contained in project agreements are merely an opinion of probable project cost, and shall not be construed as the actual project cost or share dollar amount for either party. Upon completion of the project, the Road Department will finalize the project and compute the total actual project cost. A final invoice will then be issued indicating any underage or overage, and the matching percentages determined in the agreement will be used to compute final dollar amounts due from, or credited to, either party. Townships may elect to carry credits forward to apply towards current or future projects.

Township share of construction projects may be spread over a two-year payment schedule if stipulated as such in the project agreement. The Board may approve, upon the recommendation of the Managing Director and the Administrator/Controller, an installment loan for the township share of a project for a term not to exceed 10 years (in accordance with MCL 46.11, Section 11(v) (Act 156 of 1851, as amended)). In the event a township board determines it to be in its best interest to bond for local road construction projects, a repayment period may be arranged to be commensurate with the bonding repayment schedules.

Calhoun County encourages advance planning for local road construction, reconstruction, or improvement projects in each township. Because there are limited available Road Department matching dollars available each year, project agreements not executed and approved prior to completion of the year end budget planning process of the Road Department will only be constructed during the following year if approved by the Managing Director and will require payment by the township at 100% of the project cost if matching funds are exhausted.

All matching dollars listed herein are only available for project work coordinated and completed by the Road Department or its contracted agents.

Roadways eligible for matching fund allocations shall include local and urban roadways not part of a platted subdivision, as well as for local roadways and streets part of platted subdivisions in which the street or roadway provides a through access or a connector function.

The Road Department will retain the right to deny the allocation of matching funds to any proposed local roadway or street construction project located within a platted subdivision when the allocation of matching funds would delay completion of a higher priority project, as set forth by the Road Department's local road system management program.