
GENERAL APPROPRIATIONS ACT 2026 BUDGET

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**Board of County Road Commissioners
County of Bay, Michigan**

*William E. Schumacher, Chairman
Kevin D. Shark, Vice Chairman
William A. Jordan, Commissioner
James C. Lillo, Engineer-Manager*

Adopted on:

December 10, 2025

TABLE OF CONTENTS

SECTION A - Memorandum

SECTION B - General Appropriation

<u>Page</u>	<u>Description</u>
B-1	2026 Budget Summary
B-2	Revenue Budget (to be adopted)
B-3	Expenditures Budget (to be adopted)

SECTION C - Support Data

<u>Page</u>	<u>Description</u>
C-1	Budget By Funds
C-2 & C-3	Primary/Local Heavy Maintenance & Bridges Budget
C-4	Primary Road Maintenance Budget
C-5	Local Road Maintenance Budget
C-6	Capital Outlay Budget

SECTION A

BUDGET NARRATIVE

M E M O R A N D U M

DATE: December 10, 2025

TO: William E. Schumacher, Chairman
Kevin D. Shark, Vice Chairman
William A. Jordan, Commissioner

FROM: James C. Lillo, Engineer-Manager

RE: 2026 General Operating Budget

Attached is the Proposed 2026 General Operating Budget for the Bay County Road Commission. The budget document is comprised of two main sections; General Appropriation and Supporting Data.

The General Appropriation section on pages B-1 through B-3 summarizes revenues by source and expenditures by function. We are asking for approval of the 2026 budget amounts at this time. The budget is submitted in this format to fulfill our obligations to the State of Michigan and the voting public under Public Budgeting Act 621 of 1978 as amended.

The Supporting Data, which includes fact sheets on page C-1 through C-6, is submitted as explanations and illustrations of selected items contained in the General Appropriation. Please contact me if you have any further questions or require any additional information.

Thank you.

SECTION B

GENERAL APPROPRIATION

**Bay County Road Commission
General Operating Fund
2026
Budget Summary**

	ACTUAL YEAR 12/31/2024	BUDGET CURRENT YEAR 12/31/2025	RECOMMENDED BUDGET 2026
REVENUES:			
MICHIGAN TRANSPORTATION FUND (MTF)	\$ 15,284,401	\$ 14,950,955	\$ 20,530,849
STATE OTHER	-	1,632,947	3,234,989
STATE - ADDITIONAL REVENUE	2,781,440	-	-
FEDERAL AID	3,043,156	1,104,609	500,000
STATE TRUNKLINE SYSTEM	3,373,378	2,074,146	2,285,380
STATE AUDIT ADJUSTMENT	-	93,871	-
LOCAL SOURCES	3,148,541	2,793,148	2,523,064
INTEREST EARNED	193,994	287,217	231,500
PERMIT FEES	104,612	233,297	104,981
GAIN/LOSS ON EQUIP. DISPOSAL	-	102,935	15,000
PROCEEDS FROM BONDS - ROADS, BUILDING	6,716,015	11,876,559	-
MISCELLANEOUS REVENUE	311,030	45,952	43,018
TOTAL REVENUES	\$ 34,956,567	\$ 35,195,636	\$ 29,468,781
EXPENDITURES:			
CONSTRUCTION	\$ -	\$ -	\$ -
HEAVY MAINTENANCE	12,562,501	5,422,736	12,039,000
STRUCTURES & BRIDGES	2,527,559	745,062	1,583,000
ROUTINE MAINTENANCE	8,314,323	9,585,058	8,988,270
TRAFFIC SERVICES	828,203	890,250	910,242
SNOW & ICE CONTROL	1,088,074	1,247,203	1,230,554
STATE TRUNKLINE SYSTEM	3,364,663	2,074,146	2,285,380
EQUIPMENT EXPENSE-NET	785,701	584,086	877,014
CAPITAL OUTLAY-NET	34,664	1,188,667	12,158,252
PRINCIPAL PAYMENT DRAINS AGREEMENT	539,286	318,086	114,286
PRINCIPAL PAYMENT BONDS 10 YEAR- ROADS	-	475,000	500,000
PRINCIPAL PAYMENT BONDS 15 YEAR- BUILDING	-	-	555,000
ADMINISTRATIVE	978,639	1,144,665	1,181,263
PURCHASE OF FED/STATE AID	-	619,200	631,800
INTEREST / AR INVOICING	271,689	328,969	736,150
TOTAL EXPENDITURES	\$ 31,295,302	\$ 24,623,128	\$ 43,790,211
NET INCREASE (DECREASE)	\$ 3,661,265	\$ 10,572,508	\$ (14,321,430)
BEGINNING FUND BALANCE	8,457,347	12,118,612	22,691,120
ENDING FUND BALANCE	\$ 12,118,612	\$ 22,691,120	\$ 8,369,690

**Bay County Road Commission
Revenue Budget
2026**

	ACTUAL YEAR 12/31/2024	ESTIMATED CURRENT YEAR 12/31/2025	RECOMMENDED BUDGET 2026
REVENUES:			
FEDERAL SOURCES			
- Surface Transportation Program	\$ 3,043,156	\$ -	\$ -
- Local Bridge Program	-	406,284	-
- BCATS & MATS	-	698,325	500,000
STATE MTF FUNDS			
- Engineering	10,000	10,000	10,000
- Primary	9,378,269	9,135,342	12,550,131
- Local	3,698,929	3,647,161	4,987,041
- Urban	2,197,203	2,158,452	2,983,677
STATE OTHER			
- Local Bridge Program	-	76,180	1,074,450
- State Grants	2,781,440	-	265,000
- Category A MDOT, RTF	-	1,556,767	1,895,539
LOCAL SOURCES			
- Townships, Villages, Cities	3,148,541	2,336,553	2,523,064
- Marquette TIFA	-	456,595	-
STATE TRUNKLINE MAINTENANCE	2,631,809	2,074,146	2,285,380
STATE NON-MAINTENANCE	741,569	-	-
STATE AUDIT ADJUSTMENT	-	93,871	-
INTEREST EARNED	193,994	287,217	231,500
GAIN/LOSS ON EQUIPMENT DISPOSAL	-	102,935	15,000
PERMIT FEES	104,612	233,297	104,981
PROCEEDS FROM BONDS - ROADS, BUILDING	6,716,015	11,876,559	-
MISCELLANEOUS REVENUE:			
- Salvage Sales	8,542	10,997	11,668
- Refunds and Rebates	168	80	100
- Other	302,320	34,875	31,250
TOTAL REVENUES	\$ 34,956,567	\$ 35,195,636	\$ 29,468,781

**Bay County Road Commission
Expenditure Budget
2026**

	ACTUAL YEAR 12/31/2024	BUDGET CURRENT YEAR 12/31/2025	RECOMMENDED BUDGET 2026
<u>EXPENDITURES:</u>			
CONSTRUCTION / CAPACITY IMPROVEMENTS			
- Primary	\$ -	\$ -	\$ -
- Local	-	-	-
HEAVY MAINTENANCE			
- Primary	12,423,677	4,935,706	11,589,000
- Local	138,824	487,030	450,000
STRUCTURES & BRIDGES			
- Primary	2,137,679	723,462	402,000
- Local	389,880	21,600	1,181,000
ROUTINE MAINTENANCE			
- Primary	3,968,975	5,531,188	4,417,781
- Local	4,345,348	4,053,870	4,570,489
TRAFFIC SERVICES			
- Primary	625,479	658,143	671,112
- Local	202,724	232,107	239,130
SNOW & ICE CONTROL			
- Primary	739,287	841,874	815,708
- Local	348,787	405,329	414,846
STATE TRUNKLINE MAINTENANCE	2,623,094	2,074,146	2,285,380
STATE NON-MAINTENANCE	741,569	-	-
EQUIPMENT EXPENSE-NET:			
- Direct	1,690,729	1,701,451	1,953,938
- Indirect	1,271,532	1,247,687	1,291,027
- Operating	371,509	354,992	358,542
- Less Equipment Rental	(2,548,069)	(2,720,044)	(2,726,493)
NET	785,701	584,086	877,014
CAPITAL OUTLAY-NET			
- Capital Outlay	894,751	2,056,689	13,249,424
- Less Equipment Retirements	-	-	-
- Less Depreciation Credit	(860,087)	(868,022)	(1,091,172)
NET	34,664	1,188,667	12,158,252
PURCHASE OF FED & STATE AID	-	619,200	631,800
PRINCIPAL PAYMENT 10 YEAR BONDS - ROADS	539,286	475,000	500,000
PRINCIPAL PAYMENT DRAIN AGREEMENTS	-	318,086	114,286
PRINCIPAL PAYMENT 15 YEAR BONDS - BUILDING	-	-	555,000
ADMINISTRATIVE - NET			
- Administrative	1,276,343	1,339,475	1,390,812
- Less Overhead State	(284,074)	(187,623)	(202,149)
- Less Purchase Discounts	(13,630)	(7,187)	(7,400)
NET	978,639	1,144,665	1,181,263
INTEREST / AR INVOICING	271,689	328,969	736,150
TOTAL EXPENDITURES	\$ 31,295,302	\$ 24,305,042	\$ 43,790,211

SECTION C

SUPPORT DATA

**Bay County Road Commission
General Operating Fund
2026
Budget By Fund**

<u>DESCRIPTION</u>	<u>PRIMARY ROAD FUND</u>	<u>LOCAL ROAD FUND</u>	<u>ROAD COMM. FUND.</u>	<u>TOTAL</u>
REVENUE:				
MICHIGAN TRANSPORTATION FUND	\$ 15,170,167	\$ 5,360,683	\$ -	\$ 20,530,849
BCATS & MATS	500,000	-	-	500,000
STATE LOCAL BRIDGE PROGRAM	1,074,450	-	-	1,074,450
STATE OTHER- CAT A MDOT, RTF	1,895,539	-	-	1,895,539
STATE OTHER	265,000	-	-	265,000
COUNTY RAISED REVENUE	-	2,523,064	-	2,523,064
STATE TRUNKLINE	-	-	2,285,380	2,285,380
INTEREST	6,214	165,866	59,420	231,500
GAIN ON DISPOSAL OF EQUIPMENT	-	-	15,000	15,000
MISCELLANEOUS REVENUE	27,295	29,395	91,309	147,999
TOTAL REVENUE	<u>\$ 18,938,665</u>	<u>\$ 8,079,007</u>	<u>\$ 2,451,109</u>	<u>\$ 29,468,781</u>
EXPENDITURES:				
CONSTRUCTION	\$ -	\$ -	\$ -	\$ -
HEAVY MAINTENANCE	11,589,000	450,000	-	12,039,000
HEAVY MAINT. STRUCTURES	402,000	1,181,000	-	1,583,000
ROUTINE MAINTENANCE	5,904,601	5,224,465	-	11,129,066
ADMINISTRATIVE	815,071	366,192	-	1,181,263
STATE TRUNKLINE	-	-	2,285,380	2,285,380
PURCHASE OF FED & STATE AID	631,800	-	-	631,800
PRINCIPAL PAYMENT BONDS - ROADS	500,000	-	-	500,000
PRINCIPAL PYMT DRAIN AGREEMENTS	114,286	-	-	114,286
PRINCIPAL PAYMENT BONDS - BUILDIN	-	-	555,000	555,000
EQUIPMENT ACCOUNT	359,576	315,725	201,713	877,014
TOTAL OPERATING EXPENDITURES	<u>\$ 20,316,334</u>	<u>\$ 7,537,382</u>	<u>\$ 3,042,093</u>	<u>\$ 30,895,809</u>
	-	-	-	-
NON-OPERATING EXPENDITURES:	-	-	-	-
NET CAPITAL OUTLAY	-	-	12,158,252	12,158,252
INTEREST / AR INVOICING	265,500	-	470,650	736,150
TOTAL EXPENDITURES	<u>\$ 20,581,834</u>	<u>\$ 7,537,382</u>	<u>\$ 15,670,995</u>	<u>\$ 43,790,211</u>
INCREASE (DECREASE) IN AVAILABLE OPERATING FUND				
	\$ (1,643,168)	\$ 541,626	\$ (13,219,886)	\$ (14,321,430)
BEGINNING FUND BALANCE 1/1/2026	\$ 1,405,040	\$ 8,685,111	\$ 12,600,969	\$ 22,691,120
FUND TRANSFERS - ESTIMATED	-	-	-	-
ENDING BALANCE 12/31/2026	<u>\$ (238,128)</u>	<u>\$ 9,226,737</u>	<u>\$ (618,917)</u>	<u>\$ 8,369,690</u>

2026 PRIMARY ROAD CONSTRUCTION			FUNDING SOURCES			
HEAVY MAINTENANCE PAVING	Length	Budget	BCRC	RTF 7 B	BCATS MATS	MTU, EGLE Grant
Beaver Road - Bay-Mid Line to Garfield Road BC 212269	4.00	1,900,000	1,900,000	-	-	-
Midland Road - Carter Road to Eleven Mile Road BC 205750	1.00	1,700,000	1,575,000	-	-	125,000
Midland Road - Eleven Mile Road to Garfield Road BC 208545	1.00	3,400,000	3,260,000	-	-	140,000
Seven Mile Road - Erickson Road to Pinconning Road	4.00	2,800,000	904,461	1,895,539	-	-
Shady Shore Road - Patterson Road to East End BC 212271	1.10	800,000	300,000	-	500,000	-
Heavy Maintenance Paving Total Mileage:	11.10	\$ 10,600,000	\$ 7,939,461	\$ 1,895,539	\$ 500,000	\$ 265,000
Primary Chip Seal & RMCS Program Total Mileage:	20.00	\$ 400,000	\$ 400,000			
TOTAL HEAVY MAINTENANCE PAVING:	31.10	\$ 11,000,000	\$ 8,339,461	\$ 1,895,539	\$ 500,000	\$ 265,000

OTHER HEAVY MAINTENANCE ITEMS	Contractor	Budget	BCRC
Pavement Markings	N/A	240,000	240,000
Concrete Patch and Panel Repair (Wilder, Youngs Ditch and Pine Road)	N/A	50,000	50,000
PRIMARY ROAD CONSTRUCTION ENGINEERING			
Beaver Road - Bay-Mid Line to Garfield Road	Consultant	50,000	50,000
Midland Road - Carter Road to Eleven Mile Road	BCRC	15,000	15,000
Midland Road - Eleven Mile Road to Garfield Road	BCRC	40,000	40,000
Seven Mile Road - Erickson Road to Pinconning Road	Consultant	50,000	50,000
Shady Shore Road - Patterson Road to East End	Consultant	30,000	30,000
DESIGN ENGINEERING			
State Park Drive - Wilder Road to Bay City State Park Entrance	Consultant	75,000	75,000
Midland Road - Eleven Mile Road to Garfield Road	Consultant	100,000	100,000
Wilder Road - M-13 Connector to Euclid (Mill & Fill)	BCRC	8,000	8,000
Patterson Road - Wilder Road to North End (2.0 Miles)	Consultant	45,000	45,000
Two Mile Road - Salzburg Road to Fisher Road + Safety Project	Consultant	30,000	30,000
Mackinaw Road - Anderson to South of Townline 16	Consultant	90,000	90,000
Boy Scout Road - Two Mile Road to State Park Drive	BCRC	8,000	8,000
Bangor Road - Wheeler Road to North End	BCRC	8,000	8,000
Three Mile Road - North Union to Wilder Road	Consultant	40,000	40,000
Subtotal:		\$ 879,000	\$ 879,000
LESS ROUTINE MAINTENANCE:		\$ (290,000)	
TOTAL HEAVY MAINTENANCE:	31.10	\$ 11,589,000	\$ 9,218,461

2026 PRIMARY BRIDGES & LARGE CULVERTS	Length	Budget	BCRC
Beaver Road over the Waldo Drain (West of Eleven Mile Road) BC 212273	0.10	300,000	300,000
Beaver Road over the Waldo Drain (East of Garfield Road) BC 211851	0.10	40,000	40,000
Bridge & Culvert Maintenance - Countywide	N/A	50,000	50,000
TOTAL PRIMARY BRIDGES & STRUCTURES:	0.20	\$ 390,000	\$ 390,000
BRIDGE AND CULVERT CONSTRUCTION ENGINEERING	Length	Budget	BCRC
Beaver Road over the Waldo Drain (West of Eleven Mile Road)	BCRC	8,000	8,000
Beaver Road over the Waldo Drain (East of Garfield Road)	BCRC	4,000	4,000
TOTAL PRIMARY BRIDGES & STRUCTURES:	0.20	\$ 12,000	\$ 12,000
GRAND TOTAL:	0.20	\$ 11,991,000	\$ 9,620,461

2026 LOCAL ROAD CONSTRUCTION			
HEAVY MAINTENANCE PAVING	Length	Budget	BCRC
Local Heavy Maintenance Projects	N/A	450,000	-
TOTAL HEAVY MAINTENANCE:	0.00	\$ 450,000	\$ -

2026 LOCAL BRIDGE CONSTRUCTION				
BRIDGES & STRUCTURES	Length	Budget	BCRC	Local Bridge
Kaiser-Tower Road over the Fraser-Garfield Drain (Br #722) JN 220725	0.10	1,131,000	56,550	1,074,450
BRIDGE AND CULVERT CONSTRUCTION ENGINEERING	Contractor	Budget	BCRC	Local Bridge
Kaiser-Tower Road over the Fraser-Garfield Drain (Br #722)	Consultant	50,000	50,000	-
TOTAL LOCAL BRIDGES & STRUCTURES:	0.10	1,181,000	106,550	1,074,450
GRAND TOTAL:	31.30	\$ 13,622,000	\$ 9,727,011	\$ 1,074,450

**Bay County Road Commission
Primary Road Maintenance Budget
2026**

<u>TOWNSHIP</u>	<u>ROUTINE</u>	<u>TRAFFIC</u>	<u>SNOW & ICE CONTROL</u>	<u>TOTAL PRIMARY ROAD MAINTENANCE</u>
BANGOR	286,695 \$	155,183 \$	96,690	538,568
BEAVER	224,626	35,916	51,620	312,162
FRANKENLUST	251,009	26,713	48,381	326,103
FRASER	100,709	25,619	57,308	183,636
GARFIELD	206,251	17,978	44,444	268,673
GIBSON	233,727	10,611	30,784	275,122
HAMPTON	295,844	47,101	65,293	408,238
KAWKAWLIN	548,621	51,098	66,103	665,822
MERRITT	198,002	15,504	52,842	266,348
MONITOR	987,650	145,136	88,255	1,221,042
MT. FOREST	109,238	16,011	39,110	164,359
PINCONNING	223,817	38,425	48,601	310,842
PORTSMOUTH	256,487	26,609	41,268	324,364
WILLIAMS	495,105	59,208	85,009	639,322
TOTAL PRIMARY MAINTENANCE:	\$ 4,417,781 \$	\$ 671,112 \$	\$ 815,708 \$	\$ 5,904,600

**Bay County Road Commission
Local Road Maintenance Budget
2026**

<u>TOWNSHIP</u>		<u>ROUTINE</u>	<u>TRAFFIC</u>	<u>SNOW & ICE CONTROL</u>	<u>TOTAL LOCAL ROAD MAINTENANCE</u>
BANGOR	\$	583,954	\$ 19,632	\$ 57,787	\$ 661,373
BEAVER		424,493	12,552	26,474	\$ 463,520
FRANKENLUST		141,142	9,294	22,503	\$ 172,939
FRASER		388,834	39,472	16,896	\$ 445,201
GARFIELD		242,912	5,951	18,894	\$ 267,757
GIBSON		168,556	8,237	22,194	\$ 198,987
HAMPTON		354,323	17,403	37,149	\$ 408,875
KAWKAWLIN		208,555	28,901	32,004	\$ 269,460
MERRITT		253,191	14,738	27,194	\$ 295,123
MONITOR		378,762	19,884	53,716	\$ 452,362
MT. FOREST		273,888	9,683	22,207	\$ 305,778
PINCONNING		264,038	28,816	20,312	\$ 313,166
PORTSMOUTH		219,223	8,338	20,335	\$ 247,896
WILLIAMS		313,618	16,229	37,181	\$ 367,028
Countywide - Any Township		205,000			205,000
TURN BACK TO GRAVEL		150,000	-	-	150,000
TOTAL LOCAL MAINTENANCE:	\$	4,570,489	\$ 239,130	\$ 414,846	\$ 5,224,465

**Bay County Road Commission
Capital Outlay Budget
2026**

<u>UNITS</u>	<u>CAPITAL OUTLAY CATEGORY</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
<u>BUILDINGS & IMPROVEMENTS</u>			
	<u>East District</u>		
	Garage - Tuck Point & Paint		13,400
	Building Generator		16,450
	<u>North Garage</u>		
	Building Generator		16,400
	<u>West District</u>		
	New Building		11,876,559
	Buildingt #2 - Equipment Storage - Paint Roof & Sides		25,500
	Building #3 - Truck Garage - Paint Sides		12,135
	Building #11 - Salt Shed - Metal Roof - Split With MDOT	50,000	25,000
	<u>Sign Shop</u>		
	Building #5 - Paint Sides & Roof Vents		11,650
	Miscellaneous (CLW)		18,500
	<u>Main Office</u>		
	Miscellaneous		10,000
	Subtotal		12,025,594
<u>EQUIPMENT & SOFTWARE</u>			
	<u>Main Garage</u>		
2	New Fuel Tanks (1) Gas (1) Diesel with Pump Upgrade		35,000
	Walk Behind Floor Sweeper		15,000
	Fuel Pump Electrical Upgrade		9,800
	<u>Office</u>		
	Miscellaneous		10,000
	<u>Survey / IT / Engineering</u>		
	Miscellaneous		46,000
	Subtotal		115,800
<u>ROAD EQUIPMENT</u>			
1	Winter Equipment For Tandem Truck #140		211,000
1	Bucket Truck		203,000
1	Fork Truck		45,000
1	Loader		346,000
3	Patch Wagons	32,210	96,630
1	Mechanical Thumb For JD 200 Excavator		7,700
1	Broom For 50 Excavator		4,300
4	Survey Vehicles	48,600	194,400
	Subtotal		1,108,030
	TOTAL		\$13,249,424