

VAN BUREN COUNTY ROAD COMMISSION

Revenue Share (RevShare) Policy

Policy No. 2022-03

Overview

Townships are not legally required to contribute to the maintenance, construction or reconstruction of county roads. However, Act 51 does restrict how much funding a road commission can spend on local county road construction. In addition, road commissions do not have taxing authority, so their funding sources are limited. Van Buren County is not alone in its challenges securing much needed road funding. Looking beyond county lines, we see townships throughout Michigan turning to other taxing mechanisms to generate the revenue necessary to repair and maintain roads.

Due to limited funding, road work that is requested which is not included in the Road Commission's budget is often funded by the townships, such as seal coat, fog seal, gravel road improvement projects, and paved road improvement projects. The Road Commission and the Township Partners have worked together for decades to provide additional road projects with funding from the township level. This partnership between the Road Commission and the townships is built from necessity to best serve the public of Van Buren County, and is greatly appreciated by the Road Commission and the motoring public.

Revenue Sharing Program (RevShare)

To enhance the partnership, the Van Buren County Road Commission has utilized a county-wide road millage allocation to share in the costs of road work requested by Townships that is not included in the Road Commission's budget. While the sharing of millage money is not required, the Road Commission values the input of Townships. Beginning in 2023, this allocation will be referred to as the Revenue Sharing Program (RevShare). This change brings consistency in language to our surrounding Road Commissions. By ensuring consistency in language, Townships can more directly see correlations in the various cost sharing agreements in place in surrounding Counties.

Each year, the RevShare formula is reviewed and approved by the Board. Any changes implemented by the Board will be made and communicated to Townships no later than December 31 of each year.

The formula for RevShare, per township will be:

1. A fixed amount per township of \$10,000; and
2. 65% of the remaining balance based upon the TOTAL road miles in each Township factored as a fraction of total road miles in the County; and
3. 35% of the remaining balance based upon the population in each Township (unincorporated area) factored as a fraction of total population within the jurisdiction of the Road Commission.

Uses of RevShare Funds

As a part of the RevShare policy, each Township understands the need for cooperation between the Road Commission, Townships, and the residents we serve. This cooperation and partnership is necessary to maintain and improve the road system throughout Van Buren County. Townships can choose to fund road maintenance and improvements that are not included in the Road Commission's budget through various funding sources.

Townships may utilize RevShare funds to fund road improvement projects as follows:

- Contract Gravel Resurfacing,
- Surface treatments such as seal coat, fog seal, cape seal, slurry seal, micro layers, crackseal, etc., as approved by the VBCRC Highway Engineer,
- Cross-pipe replacements and/or new installations, including the Township's 50% match on failed and upsized cross-pipes 36" and greater on local roads, to include ditching, driveway culvert replacements, tree removals and/or other enhancements to improve waterflow at crosspipe replacement/installation,
- Heavy Maintenance projects such as reconstructing and placing a hard surface on a gravel road, reconstructing an existing paved road or bridge, resurfacing a road with hot mix asphalt overlay, or installing new catch basins,
- Tree removals (not individual tree removals, but a road section or segment) as part of, or in advance of a road improvement project,
- Design and construction costs for road and bridge improvements, and
- Bridge replacement, or bridge preventative maintenance projects (usually 5% on State/Federal aid local bridge projects, 2.5% on State/Federal aid primary bridge projects, and half of engineering costs).

Banking of RevShare Funds

RevShare allocations may be banked by a township for up to three (3) years. This allows a township to "save" funds for those larger improvement projects, while still showing its residents the county-wide road millage dollars at work in a reasonable amount of time. Holding RevShare funds for a longer time period not only limits the work that can be accomplished, but could also hinder the future of the millage. Road Commission staff members work hard to show county taxpayers where these millage dollars are being spent and how the millage positively impacts Van Buren County's road network.

RevShare Agreement

Each Township shall sign an acknowledgment of this RevShare program annually when funds are allocated by the Board. This acknowledgment ensures that each Township and the Road Commission understand the purpose and terms of the RevShare program.

POLICY ADOPTED: December 1, 2022

POLICY AMENDED: 07/12/2023; 07/08/2026