

Highway Department

ROAD MACHINERY FUND

DESCRIPTION

The Road Machinery Fund is responsible for procuring and maintaining all equipment required to operate the county highway department. The fund generates its revenue by maintaining all vehicles and equipment owned by the RTS Bus Service, the Sheriff's Department and ARC.

BUDGET SUMMARY

Appropriations	Adopted 2020	Adopted 2021	Adopted 2022	Adopted 2023
Salary/Fringe	563,374	599,595	589,070	612,226
Equipment	198,526	119,788	163,242	142,378
Contractual	1,463,131	1,367,618	1,571,963	1,947,192
Principal/Interest On Debt	0	0	0	0
Total	2,225,031	2,047,001	2,324,275	2,701,796
Revenue	2,001,798	1,1942,683	2,110,833	2,349,191
Interfund Transfer	0	0	0	0
Fund Balance Contribution	223,233	104,318	213,442	352,605

BUDGET HIGHLIGHTS

The shop rate is one of the primary revenue sources that support the Road Machinery Fund. The shop rate increased nearly 10% to \$77/hr in 2023 from \$70.00/hr in 2022. This revenue source has also been impacted by the ARC's decision to repair their own fleet in-house. Work orders on ARC equipment by Genesee County have dropped steadily the last three years and we are not anticipating any significant revenue from this agency. ARC had traditionally been a very large customer and the impact may be enough that the staffing in the garage needs to be investigated for reduction.

The other main source is revenue from Equipment Rental through the County Road Fund. Equipment rental rates are established by NYSDOT and adjusted every 6 months. Delayed adjustments in NYSDOT equipment reimbursement rates continue to make significant impacts in the ability of the Road Machinery Fund to generate

adequate revenue. Equipment costs have skyrocketed with some equipment no longer available or with significant delivery times. The failure of NYSDOT to adjust equipment rates is hurting the ability of the Road Machinery Fund to generate enough revenue on its own to be able to fund replacement cycling. This is not isolated to Genesee County. This was confirmed by other Counties at our NYSCHSA meeting. NYSCHSA has asked its lobbyist to inquire with NYSDOT. As result of this disparity, other counties have been resorting to the use of general capital budgets and/or CHIPS for the purchase and replacement of Road Machinery Equipment. Genesee County is also on this track and has been relying heavily on Asset Acquisition projects and even using much-needed CHIPS for Equipment rather than roads and bridges.

The largest purchase item under the Road Machinery Budget continues to be both diesel and unleaded fuel. Prices increased dramatically throughout 2022 and seem to have settled, but still at much higher prices. At current rates, the year-over-year increase is about 60%.

We continue to experience significant expenses in terms of the operation and maintenance of the highway fleet. Several aging pieces of equipment require significant expense including a few of the older trucks that have gone beyond the typical 10-12 year replacement cycle. The backlog in equipment replacements is approximately \$1.6 million, which was magnified greatly by the pause in capital expenses during COVID. Several significant pieces of equipment are due for replacement including the Grad-All, which is needed for ditching and is used year-round. Equipment prices have increase dramatically. The Grad-All is expected to cost \$525,000. The plan is to fund of this major purchase across a multi-year lease.

Delivery on new equipment continues to be problematic with some purchases getting pushed to two years on delivery. We are still awaiting the Airport 100 LL Fuel Truck that was ordered in January 2021. A recent purchase of a Dump Truck from February 2022 will not be fulfilled until early 2024.

INDICATORS

WORK ORDERS	Actual 2021	Estimated 2022	Estimated 2023
ARC*	312	180	0
RTS	266	278	280
Highway Department	545	520	508
Sheriff's Department	195	197	180
Park and Forestry	18	18	18
Airport	3	1	2
Buildings and Grounds	5	10	10
Emergency Services	12	16	18