County Highway Budgeting

by

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This paper shows the benefits of a budget as a valuable management tool. Budgeting and the resulting benefits of providing a clear perspective of county highway basic objectives, policies and plans within the county highway financial resources are discussed. The budget usually shows a critical need for additional monies for: road reconstruction, resurfacing, pavement striping, equipment replacement and routine maintenance.

Pavement maintenance is a major activity of every highway and street department. Usually money for maintenance is limited and the road supervisor is called upon to make one dollar do the work of two.

One of the basic objectives of highway budgeting is to consider the phases of work needed to perform pavement maintenance throughout the year including establishing of priorities, determining the amount of time, labor, equipment and costs of each phase:

1. Grass cutting
2. Pothole repair
3. Snow plowing, salt and sand mix
4. Shoulder rebuilding and ditching
5. Sign repair
6. Grading gravel roads, additional road material
7. Chip and seal and all materials required
8. Weed and brush spraying
9. Street sweeping
10. Dust control
11. Structure replacement (spans under 20 ft.)
12. Guard rail
13. Pavement crack repair
14. Pavement striping

Other phases of work and costs to be considered are as follows:

1. Resurfacing (by contract or annual bids)
2. Porter County Capital Improvement Road Reconstruction Program
3. County funded bridge projects
4. Federal-aid road projects
5. Federal-aid bridge projects
6. Federal-aid RR projects
7. Annual equipment replacement costs.
8. Emergency or contingency funds (such as the past week's emergency snow removal expense—February 12, 1985 through February 19, 1985.

Once these costs are determined, the financial resources are estimated and compared to the basic needs and priorities. Phases of work are then pared down or eliminated to meet the actual money available.

The pared-down budget requires that key people undertake a coordinated, comprehensive and informative effort to achieve the county highway department's common objectives. It helps insure that proper controls and evaluation procedures are established throughout the year. It also provides a plan so that everyone knows where he is going as well as why, how and when. These procedures are valuable tools in planning and maintaining efficiency in the department.

The operating budget is prepared for one year. However, the five- and ten-year Capital Improvement Programs and the estimated project costs are extremely important in order to prepare and submit an accurate and realistic budget.

In order to make the most effective use of the budget, there should be a periodic or monthly report and reviews on both efforts and accomplishments. Periodic reports and reviews show whether the budget plan is being attained and helps in keeping control throughout the process. It is through comparing actual performance with budgeted projections that key personnel maintain control of the operation.

Maintenance work requires proper supervision, skilled workmen, and good workmanship. Unless all three are employed, it is likely that some work will be poorly done and may have to be repeated. Unfortunately repeated work will literally tear the budget apart. This is when supervision must take appropriate action and correct the problem immediately. This also applies to mishandling of equipment.