



FLEIS & VANDENBRINK

DESIGN. BUILD. OPERATE.

HISTORIC ROAD FUNDING IS HERE - IS YOUR COMMUNITY READY?

In October, the Governor and the Michigan Legislature passed a bipartisan FY26 budget aimed at doing what Michiganders have long called for: fixing the state's roads.

The plan delivers nearly \$2 billion annually for state and local roads, providing counties and communities with additional funds to advance long-needed road projects.

While the exact timeline for distributing these funds is still being finalized, local agencies don't need to wait to act. In fact, the communities that prepare now will be best positioned to maximize this historic investment.

"I would speculate that most communities are already prepared with a backlog of projects that have gone without proper funding for some time," said Mark Gifford, City Manager of the City of Big Rapids. "Project preparation, bidding, and project oversight will be more of a challenge for small communities trying to do a lot at once."

With that in mind, preparation becomes critical. An updated Capital Improvement Plan (CIP) will help determine which projects need attention first.

"Planning for the future and proper budgeting are the basis of any successful business or local government agency," Gifford continued. "A good CIP process will create collaboration and discussions between government staff and elected officials, and even more importantly, build trust with the citizens we serve."

WHERE THE FUNDING WILL COME FROM

The new revenue package changed how transportation funding will be collected and distributed, resulting in across-the-board increases for road agencies and municipalities. The following is a breakdown of the various revenue streams.

- **\$1 billion** annually from a sales tax and motor fuel tax swap that began this year
- **\$420 million** annually from a wholesale tax on marijuana sales
- **\$600 million** annually from shifting revenue from the Individual Income Tax to the Corporate Income Tax
- **Additional phased-in funding** of approximately \$88 million per year

A key component of this investment is the creation of the Neighborhood Roads Fund (NRF). The NRF is designed to ensure local roads receive dedicated financing for repairs and maintenance. Traditional funding will continue through the Michigan Transportation Fund (MTF), governed by Act 51.

PREPARING FOR WHAT'S NEXT

With increased funding on the horizon, communities should:

- Review and update Capital Improvement Plans
- Identify priority road and infrastructure projects
- Evaluate grant and low-interest loan opportunities
- Align long-term financial strategies with new revenue streams

Strategic planning today will help communities move quickly and confidently when funds are distributed.

Fleis & VandenBrink (F&V) partners with communities to navigate this process, from strengthening their CIPs to targeting priorities and securing supplemental funding. As part of our approach, we assess a community's infrastructure priorities over the next five years and help identify realistic, sustainable funding strategies. We also assist communities in pursuing grants and low-interest loan programs.

"F&V is vital to the City of Big Rapids in preparing and planning for projects," Gifford said. "A small city like Big Rapids does not have the staff and expertise needed to balance complex infrastructure projects, and F&V provides that expertise."

Over the years, F&V has helped clients secure more than \$1 billion in grants and low-interest funding. We regularly collaborate with accredited Michigan financial advisors to help communities tailor a blend of funding options and suitable rate policies necessary to finance infrastructure projects identified in their CIP.

If you would like more information on how to leverage the new funding or need assistance updating your CIP, please contact **Larry Hummel, PE**, at **989.837.3280** or lhummel@fveng.com.



IN THIS ISSUE: HISTORIC ROAD FUNDING IS HERE - IS YOUR COMMUNITY READY?

YES! Please send me more information or change your mailing list!
Simply email us at newsletters@fveng.com or contact us at:

Grand Rapids	616.977.1005
Grand Blanc	810.771.7860
Farmington Hills	248.536.0079
Kalamazoo	269.382.6972
Midland	989.837.3290
Muskegon	231.726.2200
Traverse City	231.932.8700
Gaylord	989.732.5800

Or mail to our corporate office at:
2960 Lucerne Drive, SE
Grand Rapids, MI 49546
www.fveng.com

Name: _____

City/Town/County: _____

Address: _____

City: _____ **State:** _____ **Zip Code:** _____

Phone: _____ **Fax:** _____

To minimize our environmental footprint, F&V would like to provide you with future newsletters via email. If you would like to receive future newsletters electronically, email us at info@fveng.com.



“Planning for the future and proper budgeting are the basis of any successful business or local government agency. A good CIP process will create collaboration and discussions between government staff and elected officials, and even more importantly, build trust with the citizens we serve.”

- Mark Gifford, City Manager, Big Rapids

PRESORTED STANDARD
US POSTAGE PAID
GRAND RAPIDS MI
PERMIT NO 848

FLEISCHMANN & WANDENBRINK
2960 LUCERNE DR SE STE 100, GRAND RAPIDS, MI 49546
OFFICE: 616.977.1000 FAX: 616.977.1005

