**Machinery Management Committee**

**Chairman’s Report (January 2024)**

**Winter Highway Conference**

**General Comments**

The primary function of the MMC is to work with the WisDOT to establish equipment classifications and their respective rates. Rates are developed using historical costs for units within a given class. The costs are adjusted to account for inflation and used to calculate in average cost. Costs are converted to rates by dividing by average hours, or other units of utilization. The five most recent years of cost and equipment utilization data are used to calculate the five-year average machinery costs per hour (or mile, ton, cubic year or production) for each class of equipment.

**Committee Action [January 2023 – December 2023]**

◦ MMC approved the new equipment rates for 2024, the average rates increased by 3.5%. this equals a $6.6 million dollar increase in revenue over the 2023 rates. The 3.5% increase followed a 10.4% increase in rates for 2023.

◦ MMC approved new winter readiness rates for 2024 for plow class trucks: single, tandem, tri, and quad axle trucks will receive payments ranging from $2,279 to $4,729, if they meet the winter readiness criteria. The payment should be received in January.

◦ MMC approved the new classification for liquid brine attachments and winter composite rates that will include liquid brine attachments. All counties should have updated their equipment classification and rates beginning in 2024.

◦ MMC approved a new Administrative Rate of 4.3% for WisDOT work in 2024.

◦Fuel rate adjustments– No fuel rate adjustments in 2023.

***William T. Kern, PE***

Chairman

Machinery Management Committee