

9. DOESN'T ALL THE DEVELOPMENT IN OAKLAND COUNTY IN RECENT DECADES GENERATE A LOT OF MONEY FOR RCOC?

No. RCOC receives no funding as a direct result of development. New development generates money primarily through increased property taxes (as new buildings are built) and increased sales taxes (as a result of increased commerce). RCOC receives no funding based on property or sales taxes. However, RCOC is expected to provide a level of service that accommodates the increased traffic that has been generated by all the development — without additional funding.

10. WHERE DOES RCOC GET ITS FUNDING?

RCOC gets about 60 percent of its budget from state fuel taxes (gas and diesel taxes) and vehicle registration fees. About 11 percent comes from federal sources (used only for construction projects, not road maintenance). Nearly 10 percent is from other state sources, 10 percent is from the Michigan Department of Transportation to maintain state highways in the county on behalf of MDOT and the final 10 percent comes from municipal contributions and fees.

Fortunately, revenues from the state fuel taxes and vehicle registration fees were increased by the state legislature in 2015 (the increases took effect in 2017).

11. HOW IS FEDERAL ROAD FUNDING DISPERSED WITHIN OAKLAND COUNTY?

Oakland County receives a portion of the federal transportation funding generated by the 18.4 cents per gallon federal gas tax. This money is funneled through MDOT and the Southeast Michigan Council of Governments (SEMCOG). It is distributed to each county based on a formula that takes into account population and other factors.

SEMCOG allocates Oakland's share to the Oakland County Federal Aid Task Force, which determines which projects will be funded based on a set of objective criteria.

The task force consists of two RCOC representatives, one representative from each township, city and village, one representative of MDOT and one representative of SMART, the suburban bus system.

In addition to the federal funds, the task force receives an allocation of Transportation Economic Development Fund (TEDF) dollars -- a combination of state and federal dollars designated for road widenings that address congestion caused by past economic development. The TEDF funds are distributed using a similar set of objective criteria to select projects.

12. AS THE PRICE OF GAS HAS RISEN IN RECENT YEARS, HAS THE GAS TAX GENERATED MORE MONEY?

No. The gas tax is a flat rate in cents per gallon, regardless of the price of gas at the gas pump. Additionally, cars have become more fuel efficient in recent years. That means motorists are paying less per mile of travel. In fact, fuel consumption in the country has stayed essentially flat in recent decades, while the amount of miles driven has gone up dramatically, meaning more wear and tear on the roads, but no additional money to maintain the roads.

13. WHY DO TOWNSHIPS HAVE TO PROVIDE MATCHING FUNDS ON RCOC CONSTRUCTION PROJECTS?

Most major RCOC projects are underwritten with federal funds. Typically, state or federal guidelines require that those funds be matched by local funds. RCOC's standard procedure requires the local municipality to contribute half of the local matching funds. This reduces RCOC's contribution so we can better leverage our funds and repair or improve more roads.

Also, these road improvement projects tend to increase surrounding property values and create development opportunities, thus generating additional revenues for the communities, but not for RCOC.

14. WHY NOT MAKE DEVELOPERS PAVE OR WIDEN ROADS WHEN THEY PUT IN NEW DEVELOPMENTS?

This sometimes happens. In some cases, developers pay all or part of the cost of paving or widening roads near their developments. However, these agreements are negotiated by the local communities and must be agreed to by the developers. The Road Commission has no authority to mandate such arrangements.

15. HOW ARE SUBDIVISION STREETS IN TOWNSHIPS PAVED OR REPAVED?

RCOC receives relatively little funding for subdivision roads -- less than enough to cover the cost of basic maintenance operations such as plowing in the winter and pothole patching in the summer in most cases. As a result, the long-standing RCOC policy has been that township residents wishing to have their subdivision roads repaved can do so through a special assessment district (SAD) project, in which property owners are assessed for the cost of the project over a 10-year period. For more information about the SAD process, call 248-645-2000, ext. 2270.

ROAD COMMISSION
for OAKLAND COUNTY

31001 Lahser Road · Beverly Hills · MI · 48025

BOARD OF ROAD COMMISSIONERS

ANDREA LALONDE

NANCY QUARLES

ERIC D. MCPHERSON

Dennis G. Kolar, P.E.

Managing Director

Gary Piotrowicz, PE, PTOE

*Deputy Managing Director &
County Highway Engineer*

RCOC MISSION STATEMENT

RCOC strives to provide the public with leadership in:

- Safe and convenient roads
- Sound financial management
- Responsive and dependable service
- Respect for the environment
- Sensitivity to community concerns

HAVE A QUESTION FOR THE ROAD COMMISSION?

CALL, WRITE OR VISIT:

**DEPARTMENT OF CITIZEN SERVICES
2420 PONTIAC LAKE ROAD
WATERFORD, MI 48328**

(877) 858-4804 (TOLL-FREE)

TDD: (248) 858-8005

OR, visit RCOC online at

www.rcocweb.org

Updated 02/23

ROAD COMMISSION
for OAKLAND COUNTY

ROADS IN OAKLAND COUNTY TOWNSHIPS



**IMPORTANT QUESTIONS
AND ANSWERS FROM THE
ROAD COMMISSION
FOR OAKLAND COUNTY**

Below are some questions frequently asked of the Road Commission for Oakland County (RCOC) about roads in townships and RCOC's answers.

1. WHY DON'T TOWNSHIPS RECEIVE FUNDING FOR ROADS AS DO CITIES AND VILLAGES?

State law specifies that cities, villages, county road agencies and the Michigan Department of Transportation (MDOT) have jurisdiction over roads.

These agencies are responsible for constructing and maintaining the roads that fall under their jurisdiction. They also carry the legal liability for the roads. Consequently, funding for roads is provided by the state Legislature only to these agencies.

State law does, however, provide the option for a township to incorporate as a city or village, which would give it jurisdiction over some roads within its boundaries. There is also a provision in state law which allows townships, within certain population requirements and with the approval of their county road commission, to take over maintenance of local roads within the township. The road commission must then give the township up to 75 percent of the funding it receives to maintain those roads, provided the township levies at least one mill of property tax for road improvement and maintenance.

Oakland County's Bloomfield Township is the only Michigan township RCOC is aware of that is doing this. More than 300 Michigan townships have road millages, but only Bloomfield Township actually maintains some of the roads.

2. HOW ARE ROAD-MAINTENANCE AND IMPROVEMENT PROJECTS FUNDED?

Most maintenance on roads in townships is funded with dollars allocated to county road commissions by the state Legislature. Most major road improvements (bridge replacements, road widening, gravel road paving, etc.) are funded primarily with federal monies. In Oakland County, those monies are allocated by the Oakland County Federal Aid Task Force (see question 11 for details about the Federal Aid Task Force).

State road funds are distributed according to a formula established by state law. The formula provides 39.1 percent of the state road funds to MDOT, 39.1 percent to county road agencies and 21.8 percent to cities and villages. While townships are not included in the formula, the portion going to county road commissions is intended to cover roads in townships. The reality, however, is that state road funding historically has been woefully inadequate for all roads, especially in high-population counties such as Oakland.

3. WOULD TOWNSHIPS BE BETTER OFF IF THEY RECEIVED STATE ROAD FUNDING DIRECTLY?

► *The same level of service would probably cost townships more.*

Economies of scale allow RCOC to provide more service for the same dollars than an individual township could. That's because RCOC is able to buy supplies, equipment, vehicles, salt, etc. in bulk, and so, gets a better price than could an individual township.

► *Direct funding could cost townships other funding.*

RCOC participates in road improvement projects only on roads under its jurisdiction. If townships took over jurisdiction of local roads within their boundaries, it is unlikely that RCOC funds would be used on those roads, just as they cannot be used on city or village streets. Today, most projects on roads in township are paid for through a combination of Road Commission and township funds as well as funds from other sources, such as federal funds.

► *Receiving state road funds would likely not result in any more major road projects in townships or make planned projects happen any more quickly.*

Major construction projects require substantial state or federal funding, which typically is allocated through the Oakland County Federal Aid Task Force based on objective criteria. The availability of township matching funds, while a significant consideration, would not likely result in more township projects.

► *When RCOC executes a project in a township, the township benefits from the Road Commission's expertise, which results in the best construction work for the conditions.*

In most cases, if the township did the work itself, it would have to hire a consultant who may not be familiar with the township's road needs and design criteria. RCOC staff, on the other hand, are Oakland County's local road professionals. We do more local road projects than most other road commissions in the state, and we've worked closely with Oakland County townships for more than 100 years.

► *The liability would come with the funding.*

Townships likely would receive the state road funding only if they also received jurisdiction for the roads. The jurisdiction would bring with it the legal liability for the roads. It's no secret that, in this age of frequent litigation, liability can be costly in terms of judgments and legal expenses. RCOC has the expertise to minimize potential liability costs.

4. ISN'T THE LEVEL OF GOVERNMENT CLOSEST TO THE PEOPLE (TOWNSHIP) BEST ABLE TO MEET THEIR NEEDS?

For many types of services that may be true.

Roads are a little different, however, because the residents of any single community use the roads in other communities as well as their own.

RCOC projects and programs are intended to move cars and people across Oakland County, not just within one township. This benefits all county residents (including township residents), since most of us frequently travel across city and township lines as we travel to work, school, shopping, etc.

At the same time, RCOC is local. We work closely with all municipal governments in the county to ensure that road improvements reflect their desires.

Additionally, if each township took over the local roads within its boundaries, it would need to build buildings, buy equipment and hire staff to maintain the roads. Because RCOC already has this staff, there would be a duplication of services that would cost townships money. RCOC is able to use this staff more efficiently because it covers a larger area, creating an economy of scale.

5. DOES THE MONEY RCOC RECEIVES FOR ROADS IN TOWNSHIPS SUBSIDIZE ROADS IN CITIES AND VILLAGES?

No. The Michigan Transportation Fund (MTF) allocates money for both local and primary roads. County local roads are found only in townships; primary roads are found in townships, cities and villages. Because it receives more money for primary roads than for local roads, each year RCOC transfers money from primary roads to local roads to cover township road needs.

It is also true that RCOC is not spending enough money in any community. For more than 50 years — until 2017, Michigan ranked among the bottom 10 states in the nation in per capita state and local road funding.

In recent years, road funding has increased in Michigan. However, even with the new dollars, there still is not enough money to make up for years of inadequate revenue.

Shifting funds from county road commissions to townships would not solve this problem.

6. WOULD IT BE MORE COST EFFECTIVE SIMPLY TO PAVE ALL GRAVEL ROADS?

Not necessarily -- even if there were enough money to pave all 750-plus miles of gravel roads under RCOC's jurisdiction (which there is not).

The cost of maintaining a paved road varies considerably depending upon the age of the pavement. The paved road might be less expensive to maintain just after paving. However, over time, a paved road becomes more expensive to maintain than a gravel road (which is why more than 38 Michigan road

commissions in recent decades have torn up paved roads and returned them to gravel).

So, the question becomes, is the cost of paving a gravel road (\$4 million-plus per mile on average), plus the cost of maintaining the paved road, less, over time, than the cost of maintaining the gravel road?

There's no easy answer to this question. It's impossible to accurately predict how much maintenance a paved road will require in 10, 15 or 20 years.

But, it's not just about money. Paving a gravel road can be an emotional issue. Some township residents want to see their gravel roads paved. Others oppose paving, arguing it reduces the sense of being in a "rural" community, and increases traffic volumes and speed.

7. WHAT IS INVOLVED IN MAINTAINING A GRAVEL ROAD?

There is much more to gravel-road maintenance than many people realize -- and the roads require attention year round.

In the spring, summer and fall, they must be graded and, in some cases, sprayed with chloride to reduce dust and maintain a smooth surface. In the fall, RCOC crews work frantically to ensure the roads are smooth right up to the first frost. Once the roads freeze, they can no longer be graded. In the winter, they must be plowed and, in some cases, sand must be applied to add traction.

But, spring is the real challenge. If the temperature increases rapidly, the ground will thaw quickly causing the road surface to break up and, sometimes, creating sinkholes or soft areas. RCOC crews attempt to fill these holes with gravel, though it cannot afford to do this everywhere it is needed.

Additionally, in some cases, even the gravel does not provide enough stability and there is no option but to close a road until the water is able to run off.

Of course, drainage is critical to gravel roads. RCOC spends a lot of time cleaning out ditches and culverts. A final element of gravel road maintenance is tree trimming and removal, which goes on year-round.

8. HOMEOWNERS AND BUSINESSES IN OAKLAND COUNTY PAY A LOT OF PROPERTY TAXES. HOW MUCH OF THOSE PROPERTY TAXES GO TO MAINTAIN AND IMPROVE OUR ROADS?

Very little. Unlike county general government, RCOC receives no direct funding from property taxes (RCOC is a separate unit of government). Some townships and cities may contribute some property tax revenue to the improvement of county roads, but these contributions are provided on a voluntary basis.