

ROAD COMMISSION

for OAKLAND COUNTY

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ROAD COMMISSION BOARD ADOPTS \$161 MILLION FY 2021 BUDGET

Beverly Hills, MI—The Road Commission for Oakland County (RCOC) Board of Road Commissioners today adopted a \$161 million budget for the agency for fiscal year (FY) 2021.

“Despite this being an extraordinary year, with state revenues down due to COVID-19, we were able to adopt a budget involves relatively little reductions in road work,” explained RCOC Board Chairman Greg Jamian. “And, if we receive more revenue than anticipated, we are easily able to increase the amount of road work we will do next year.”

The \$161 million budget represents a slight decrease of about \$1 million compared to the \$162 million 2020 budget adopted in September of last year. The 2021 proposed budget decreased primarily due to an anticipated decrease in state road funding.

RCOC anticipates receiving approximately \$102.4 million in state road funding in fiscal year 2021, compared to just over \$111 million received in the current year. State road funding is derived primarily from state-collected fuel taxes, vehicle-registration fees and state General Fund dollars.

The remaining revenue making up the budget comes from local community contributions (\$18 million) federal funds (\$20.8 million), the contract with the Michigan Department of Transportation to maintain state highways in the county (\$10.5 million), state Transportation Economic Development Fund (TEDF) grants (\$3.6 million) and federal funds for traffic signals (\$3 million).

The state dollars continue to represent RCOC’s largest source of funding and its main funding source for operations. The anticipated drop in state funding is the result of the impact of coronavirus on state revenues, particularly vehicle-registration fees and fuel taxes, which are the two largest sources of state road funding.

The TEDF and federal funds are awarded on a project-by-project basis, and the amount RCOC receives from each source fluctuates from year to year.

The 2021 budget includes nearly \$35.6 million in annual contributions toward road-improvement projects planned to be under construction in 2021 (this is not the total cost for these projects -- some costs were included in the current year’s budget or will be included in the 2022 budget where projects are carried over from last year or expected to be carried over into 2022); \$32.4 million for road maintenance efforts such as pothole patching, gravel road grading and salting and plowing in the winter; and \$15.4 million for maintaining traffic signs, signals, pavement markings and guardrails among other activities.

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The remainder of the budget is dedicated to operating expenses including customer services, vehicle maintenance, staff wages, buildings and grounds and administration.

RCOC's fiscal year runs from Oct. 1 to Sept. 30. The budget was presented for public input at a public hearing on Aug. 20.

"We continue to feel the impact of the coronavirus, and the resulting economic downturn, on our budget," Jamian noted. "We have already reduced this budget by \$11 million in response to anticipated reductions in revenue, and it's possible we have to make additional cuts during 2021."

RCOC Vice Chairman Ron Fowkes concurred. "We have always operated in a fiscally conservative manor," he explained. "The economic downturn resulting from the coronavirus caught everyone by surprise. There is nothing we could have done differently to better prepare for this," he added. "I am very thankful that we were in good financial shape when the pandemic arrived."

Board Member Andrea LaLonde added the Board remains concerned about road funding in the coming year. "The state of the economy will have a lot to do with our revenues for the coming year, and even beyond," she noted. "We appreciate that the pandemic is affecting all aspects of the economy, and we are committed to being extremely careful with the revenues we receive."

Among the road projects planned for 2021 and included in the budget are:

- Reconstruct 12 Mile Road, Lahser to Evergreen in Southfield
- Major resurfacing of Walton Blvd, Dixie Highway to Sashabaw Road in Waterford Twp.
- Major resurfacing of Adams Road, Long Lake to Square Lake on the Troy/Bloomfield Twp. border
- Major resurfacing of Cranbrook Road, 14 Mile to Maple on the Birmingham/Bloomfield Twp. border
- Pave the gravel section of Currie Road from 9 Mile Road to 10 Mile Road in Lyon Twp.

Projects are typically selected based on a detailed, computerized road-assessment program combined with engineers' analysis and a review of safety data. The decisions are often made years before construction begins because of funding requirements.

"RCOC continues to improve the safety and condition of our roads throughout Oakland County," Managing Director Dennis Kolar said. "We know that many roads still need improvement and appreciate the patience of our citizens and businesses as we continue to work through a very long needs list."

The budget is posted on the RCOC Website, www.rcocweb.org (click on the "Financials" button on the home page, then select "Budget Summary" and click on "2020-21 Budget").

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Editor's Note: The list of anticipated projects to be constructed in 2021 and a summary of proposed revenues and expenses are attached.

2021 RCOC BUDGET
October 1, 2020 - September 30, 2021

REVENUES

Source

• State fuel tax and vehicle-registration fees	\$102,391,080
• State highway-maintenance contract	\$ 10,500,000
• Michigan Transportation Economic Development Fund (TEDF)	\$ 3,600,000
• Federal funding-Road Improvement Program (RIP)	\$ 20,610,000
• Federal funding-signal projects	\$ 2,980,000
• Federal funding-Medicare Part D	\$ 200,000
• Contributions from local governments	\$ 18,095,000
• Fees and other revenues	\$ 2,641,000
• Appropriation from fund balance	<u>\$ 0</u>

Total Revenues

\$161,017,080

EXPENSES

Source

• Road Improvement Program (RIP)	\$ 57,350,000
• Operating expenditures	\$100,492,080
• Traffic-signal projects	<u>\$ 3,800,000</u>

Total expenses

\$161,017,080

2021 RCOC Road Improvement Projects (RIP)

This list includes only projects that are expected to be constructed in 2021, not those where only design or only right of way (ROW) acquisition work is planned for 2021. To avoid confusion over the project costs, the costs listed are the estimated annual contributions for each project and not the total project costs which may span multiple fiscal years.

Widening

Project Cost

- Baldwin Road, Morgan to Gregory in Orion Twp. (widen to 4-lane boulevard/5-lane road; completion of ongoing project) \$ 1.5 million

Reconstruct (completely replace road base and road surface)

- 12 Mile Road, Lahser to Evergreen in Southfield \$ 3.15 million

Repair, Rehabilitate & Resurface (repair road base/add 3 to 4 inches new asphalt)

Project Cost

- Cranbrook Road, 14 Mile to 15 Mile in Birmingham and Bloomfield Twp. \$ 1.4 million
- Adams Road, Long Lake to Square Lake in Bloomfield Twp./Troy \$ 1.6 million
- Walton Blvd., Dixie Highway to Sashabaw in Waterford Twp. \$ 3.15 million
- Maple Road, Inkster to Franklin (including culvert replacement) in Bloomfield Twp. \$ 4.075 million

Gravel Road Paving

Project Cost

- Currie Road, 8 Mile to 10 Mile in Lyon Twp. (9-10 Mile to be constructed in 2021; 8-9 Mile to be constructed in 2022 along with a roundabout a 8 Mile and Currie) \$ 4.04 million

Intersection Safety Enhancements

Project Cost

- Sashabaw Road at Oak Hill Road in Independence Twp./Brandon Twp. -- compact roundabout \$ 2.1 million

Culvert Replacements

Project Cost

- Union Lake Road over the Hayes Drain (south of Wise Road) in Commerce Twp. \$ 970,000
- Orchard Lake Road over the Rouge River (north of 10 Mile Road) in Farmington Hills \$ 970,000
- Fish Lake Road over the Shiawassee River (south of Grange Hall Road) in Holly Twp. \$ 1.6 million

Independence Twp. Millage Resurfacing (paid for primarily with township millage funds)

Project Cost

- Clarkston Road, Clarkston Village border east to Orion Twp. line \$ 2.3 million
- White Lake Road, Clarkston Village border to Andersonville Road \$ 975,000
- N. Eston Road, Clarkston Road north to end of pavement \$ 225,000

Concrete Repairs (remove and replace bad concrete slabs)

Project Cost

- Various locations, Troy \$ 7.5 million

Total annual contributions for projects to be constructed in 2021:

\$35.56 million

Projects to be carried over from 2020 budget and built in 2021:

- Flemings Lake Road/Walters Road, Clarkston Road to Waldon Road (Independence Twp. millage) \$ 850,000
- Baron Road, Grange Hall to Groveland in Groveland Twp. (gravel road paving) \$ 6.2 million