

ROAD REPORT

A publication of the Road Commission for Oakland County for public officials serving Oakland County

www.rcocweb.org

Wilson settles in as new road commissioner

New Road Commission for Oakland County (RCOC) Commissioner Eric S. Wilson is settling into his role as the road Board's third member.

Board members are appointed by the Oakland County Board of Commissioners. Wilson was appointed Jan. 4. He joins Larry P. Crake and Richard G. Skarritt on the RCOC Board.

"As a road commissioner, my primary goal is to ensure that RCOC continues to do the best job possible with the dollars available," Wilson stated. "Good roads are necessary for a viable economy and to maintain our quality of life. Oakland County is a great place to live, work and raise a family, and we want to make sure that it stays that way."

Wilson, 59, said he also plans to work to make sure Oakland County gets its fair share of state and federal road dollars.

A practicing attorney for 30 years, Wilson runs the Rochester- and Hazel Park-based law firm Wilson and Wilson with his brother. He lives in Orion Township, and served for 4 years (two



Wilson, left, jokes with fellow Board members Larry Crake (center) and Richard Skarritt (right) during a recent meeting.

terms) on the Oakland County Board of Commissioners, from 2003 through 2006.

While on the County Board, Wilson served on the Finance, General Government, Personnel and Planning, and Building committees and chaired the Jail Task Force. He also led the effort to increase county funding for the popular

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Crake is RCOC Board chairman for 2007

The RCOC Board, on Jan. 11, elected Larry P. Crake as Board chairman.

Crake has served on the RCOC Board since 1997. A resident of Waterford Township, Crake owns and operates the 300 Bowl in Waterford. Prior to serving on the RCOC Board, he spent 10 years on the Oakland County Board of Commissioners, including four years as chairman of the county board.

"The RCOC Board is committed to sound financial management and providing the best customer service possible," Crake stated. "My goal as chairman is to ensure that the agency continues to meet those objectives."

Board member Richard G. Skarritt was named vice-chairman. He was first appointed to the Board in 1996. A retired senior staff engineer with General Motors, Skarritt is a former county commissioner and member of the Milford Village Council.

Task force picks projects to receive future federal road funding

Funding was approved for nearly \$52 million worth of future road projects Feb. 6 by the Oakland County Federal Aid Task Force Funding Committee at its annual project selection meeting.

The committee allocates federal road funding to projects within the county. Each year, the committee identifies the projects that will receive the available federal road funds three years in the future. This year, for the first time, it selected projects for both three and four years in the future, 2010 and 2011, and also added funding for additional projects in 2009.

Certain Road Commission for Oakland County (RCOC), city and village road proj-

ects are eligible for federal funds. Federal road funds are the primary funding source for major road improvements in Michigan.

The amount of funding the county receives is determined by the amount of money the federal government designates for road funding each year. This money is then divided by formula between the states and then between regions and counties within each state. The "pot" the committee has to spend also includes some state road funding through the Michigan Transportation Economic Development Fund (TEDF).

The 14-member Federal Aid Task

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FAST FACTS:

With 2,700 miles of roads, the Road Commission for Oakland County has the largest county road system in the state, second in size only the state highway system.

It's time to fix the problem:

Stagnant state revenues continue to slam road agencies

As Michigan's economy staggers along, the state's worsening fate continues to take a toll on its road agencies, including the one responsible for the largest county road system in the state, the Road Commission for Oakland County (RCOC).

"We've cut, trimmed, eliminated, chopped and deferred," explained RCOC Managing Director Brent Bair, explaining the agency's efforts to date to control the flood of red ink resulting from lagging state revenues. "When your budget is dependent on state funding, as ours is, and you're located in Southeast Michigan, this becomes standard operating procedure.

Unfortunately, the inevitable result is a decrease in the amount of work we can do."

Here's the problem. RCOC's largest funding source is the Michigan Transportation Fund (MTF). The MTF is the "pot" of state-collected road funding, made up primarily of the state gas tax and vehicle registration fee revenues.

Since 1998, the MTF has increased an anemic 1.4 percent per year on average - well below the consumer rate of inflation. Sadly, projections for MTF revenues for this year and next ('07 and '08) are even worse: 0.9 percent increases per year.

Those numbers are particularly disconcerting when compared to actual recent increases in RCOC expenses. "The costs associated with most of the materials and equipment required to maintain roads are

"We're at a critical crossroads, and that calls for us to rise above simplistic anti-tax rhetoric to do what's best for our state."

**- Brent Bair
RCOC Managing Director**



increasing at least double-digit rates or better. This is despite the fact that we go out to bid for everything and use the low bidder," Bair explained.

For example, between 1998 and 2006, while revenues increased a total of 11 percent, RCOC incurred the following cost increases:

- 12-yard salt trucks: 65%
- Asphalt: 47%
- Gravel: 20%
- Guardrail: 113%
- Plow blades: 86%
- Sign posts: 111%
- Traffic signal cables: 140%

As a result, RCOC has been forced to dedicate a larger portion of its revenues to simply maintaining the roads, and less to improving them. The agency has also had to make some decisions that admittedly might

low road commissioners. "The two other Board members are solid guys," he observed. "I'm honored to serve with them."

Managing Director Brent Bair was pleased with Wilson's appointment as well. "Eric has been a strong proponent for roads in the county," he said. "He understands road issues and road funding. He's a great addition to the Board."

Prior to his election to the County Board, Wilson served on the Orion Township Board of Trustees for nine years and on the township's Zoning Board of Appeals for 10 years, including chairing that body for eight years.

A veteran of the Vietnam War, Wilson is a graduate of Western Michigan University and the former Detroit College of Law. He and his wife, Carol, have five children, including a son who is an Oakland County Sheriff's deputy who is currently serving with the Marines in Iraq.

appear "penny wise and pound foolish."

This has included deferring the previously planned purchase of a number of pieces of equipment, including 10 pickup trucks, five vans, eight salt trucks, three crash attenuators and three hot-patch (pot-hole patching) trailers. Postponing the purchase of these pieces of equipment means RCOC will inevitably spend more money to maintain its existing equipment and will also spend more time fixing equipment and less time fixing roads.

"We recognize this is not the most cost-effective means of doing business," Bair said. "However, we simply don't have the money to buy this equipment. We have no choice."

In other cases, RCOC has already eliminated programs, such as its "preservation overlay" effort. This involved capping roads in moderate shape with an inch-and-a-half asphalt overlay, which served to preserve the useful life of the road by 10 years. Instead, RCOC must simply let the roads continue to deteriorate until they must be completely reconstructed at a cost up to 10 times that of the overlay.

Sadly, Bair does not see the situation getting better anytime soon, unless the state gains the will to properly invest in its road system. "We are on a trajectory that leads to a slow, gradual 'de-funding' of roads, as the gas tax revenues continue to shrink," he observed.

What's the answer? "Roads are critical to Michigan's economic future and its ability to recover from our current situation," Bair said. "I believe there is no gain without a little pain. And while nobody wants to pay more taxes, the only way to save our transportation infrastructure is to devote adequate resources to the effort. That means we're going to have to pay more gas tax. I can see no way around that."

Bair added RCOC is involved in and supportive of the Drive Michigan coalition, which consists of many statewide organizations that are pushing for a gas tax increase (see www.drivemi.org for more information).

"We're at a critical crossroads, and that calls for us to rise above simplistic anti-tax rhetoric to do what's best for our state," Bair said. "I believe the people of Michigan will support a gas tax increase if we do an adequate job of explaining to them why it's needed and what's at stake."

WILSON, CONT'D FROM FRONT

Tri-Party county-road funding program. The Tri-Party Program is a three-way matching program in which county general government kicks in one-third, RCOC provides a third, and cities, villages and townships provide the final third. The funds are distributed to communities based on a formula that takes into account the community's miles of county roads, number of accidents on those roads and, for townships, population. The program budget is based on the size of the contribution from county general government.

Having worked regularly with RCOC staff in the past, Wilson holds them in high regard. "I have found the staff very professional, knowledgeable and motivated," he said. "I've always had a positive response from them, and I look forward to working with this very talented group."

Wilson also has high regard for his fel-

TASK FORCE-CONT'D FROM FRONT

Force Funding Committee includes 10 representatives of Oakland's cities, villages and townships, as well as two members from RCOC, one from SMART and one from the Michigan Department of Transportation (MDOT). The committee reviews projects that are submitted by RCOC and cities and villages in the county. The projects compete for the available funds. In order to receive funding, projects must be rated, ranked and approved by the committee.

The projects are ranked using a "worst first" point system that gives the most points to those projects that will do the

most to improve motorist safety and reduce traffic congestion. The projects that receive the most points receive funding. Every year, worthy projects costing millions of dollars go unfunded because of a lack of funds.

"Nearly \$52 million seems like a lot of money. However, when you consider how much it costs these days to widen roads, and how great the needs are in Oakland County, this is really just a drop in the bucket," explained RCOC Managing Director Brent Bair. "Over the next 10 years, we anticipate more than \$2 billion worth of road needs on RCOC roads and city and village streets."

Bair added the committee process is a fair and objective means of determining which projects will receive the limited federal dollars available. "We are pleased to see so many worthy projects receive at least partial funding through this process," he stated.

Additionally, Bair noted the Oakland County Federal Aide Task Force's process of project selection is so fair and equitable that it was identified in the past by the Federal Highway Administration as a model for use nationwide.

The Complete list of projects approved for funding by the Funding Committee is below.

Projects approved for funding for fiscal years 2009 - 2011

(in addition to projects previously selected for '09 funding)

Projects approved for funding for fiscal year 2009

<u>Project & Limits</u>	<u>Phase</u>	<u>Jurisdiction/Community</u>	<u>Fed. \$\$</u>
Southfield Rd. , 12-13 Mile (reconstruct 5 lanes to 4-lane boulevard)	Design	RCOC/Southfield	\$ 597,000
Washington , Lincoln-Wdwr (rehabilitate & resurface)	Construct	Roy. Oak/Roy. Oak	\$310,000
Total 2009:			\$ 907,000

Projects approved for funding for fiscal year 2010

<u>Project & Limits</u>	<u>Phase</u>	<u>Jurisdiction/Community</u>	<u>Fed. \$\$</u>
MLK , Elm-M-59 (widen to five lanes)	Construct.	Pontiac/Pontiac	\$5,576,000
Steph. Hghwy , 14 Mile to I-75 (reconstruct)	Construct	Troy/Troy	\$2,657,000
Southfield , 10-11 Mile (reconstruct as 6-lane blvd.)	Construct	RCOC/Sfld & Lth. Vill.	\$8,880,000
Wattles , E & W of Rchstr (widen to blvd.)	Construct	Troy/Troy	\$2,175,000
Ray , M-24-Oxford Rd (pave gravel)	Construct	RCOC/Oxford Twp.	\$1,500,000
Orchard Lake , 13-14 Mile (reconstruct as boulevard)	Design	RCOC/Farm Hills	\$ 659,000
Reconstruct & resurface projects			
14 Mile , Farm.-Orch. Lk	Construct	Farm. Hills/FH & W Bfld	\$818,000
14 Mile , Drake-Farm.	Construct	Farm Hills/FH & W Bfld	\$890,000
South Blvd. , MLK-Opdyke	Construct	Pontiac/Pontiac	\$ 404,000
9 Mile , Grnflld-Park Lawn	Construct	Oak Park/Oak Park	\$ 713,000
Joslyn , Walton-N city limits	Construct	Pontiac/Pontiac	\$ 210,000
Main , 13 Mile-Chippewa	Construct	Royal Oak/Royal Oak	\$ 235,000
Wayne , Pike-Lafayette	Construct	Royal Oak/Royal Oak	\$ 94,000
Crooks , N. Main-Webster	Construct	Royal Oak/Royal Oak	\$ 561,000
N. Main , Crooks-13 Mile	Construct	Royal Oak/Royal Oak	\$ 527,000
Total 2010:			\$25,899,000

Projects approved for funding for fiscal year 2011

<u>Project & Limits</u>	<u>Phase</u>	<u>Jurisdiction/Community</u>	<u>Fed. \$\$</u>
Baldwin , Morgan-Waldon (widen to either 4-lane blvd. or 5 lanes)	Design	RCOC/Orion Twp.	\$1,090,000
12 Mile , Beck-Dixon (widen 2 lanes to 5 with bridge over CSX railroad)	Design	RCOC/Wixom & Novi	\$1,322,000
Halsted , Gr. Riv.-Hill Tech (widen 2 lanes to 5)	Design	Farm Hills/Farm Hills	\$1,201,000

Crooks , M-59-Hamlin (widen to 4-lane blvd.)	Construct	RCOC/Rochester Hills	\$5,137,000
Livernois , L. Lake-Sq. Lake (widen 2 lanes to 5)	ROW	Troy/Troy	\$2,400,000
Not yet determined (pave gravel)		RCOC	\$1,500,000

Rehabilitate & resurface projects

Middlebelt , 8 Mile-10 Mile	Construct	RCOC/Farm Hills	\$ 826,000
Walton Blvd. , Clnville-Pontiac	Construct	RCOC/Wfrd Twp.	\$804,000
Farmington , 13 Mile-Glenmuer	Construct	Farm. Hills/FH	\$ 554,000
14 Mile , Nrthwst.-Middlebelt	Construct	Farm Hills/FH & WB	\$745,000
12 Mile , Crooks-Main	Construct	Royal Oak/Royal Oak	\$ 248,000
Walton Blvd. , Adams-Liv.	Construct	RCOC/Roch Hills	\$1,130,000
Crooks , Equity-Big Beaver	Construct	RCOC/Troy	\$ 703,000
Adams , S. Blvd.-Aubr (reconstruct & resurface)	Construct	RCOC/Rch. Hls/Aub. Hls	\$539,000
Normandy , Crooks-Main	Construct	Royal Oak/Royal Oak	\$ 580,000
John R , 14 Mile-Maple	Construct	RCOC/Troy	\$ 669,000
CenterPoint Prkwy , Opdyke-S. Blvd.	Construct	Pont./Pont.	\$432,000
Middlebelt , 10-11 Mile	Construct	RCOC/Farm. Hills	\$ 538,000
Rochester , 14 Mile-Elmwood	Construct	RCOC/Clawson	\$ 280,000
Orchard Lake , 8 Mile-Grnd Riv.	Construct	RCOC/Farm Hls	\$346,000
10 Mile , Greenfield-Kenosha	Construct	RCOC/Oak Park	\$409,000
Campbell , 13-14 Mile	Construct	Mad. Hghts/Mad. Hghts	\$1,023,000
Lafayette , Wayne-Perry	Construct	Pontiac/Pontiac	\$ 64,000
Main , Lincoln-Maple (reconstruct & resurface)	Construct	Clawson/Clawson	\$2,124,000
Fern , Chstrfld-CN Terminal (reconstruct & resurface)	Construct	Ferndale/Ferndale	\$165,000
Chesterfield , Fair-Fern (reconstruct & resurface)	Construct	Ferndale/Ferndale	\$ 90,000
Total 2011:			\$24,919,000

Total 2009, 2010, 2011: \$51,725,000

Definition of "Phase":

ROW: The acquisition of the right of way (additional land) needed for the road project. Construction would follow in a later year.

Construct: Construction. This is the actual construction phase of work.

Design: This includes surveying, road design and environmental work. Construction would follow in a later year, after right of way acquisition (if needed).

Road project costs continue to increase

The road funding challenges described on page 2 of this newsletter are only half of the story for road agencies. Coupled with declining revenues is the parallel challenge of increasing costs, some of which were outlined in the page 2 story.

The bottom line, when it comes to increased costs, though, is that it costs more for road agencies such as the Road Commission for Oakland County (RCOC) to conduct road improvements large and small. Perhaps the most noticeable cost increases, however, are associated with larger road projects.

For example, 10 years ago, RCOC was able to do simple resurfacing projects, known as preservation overlays, for \$70,000 per mile. Today, those projects cost \$100,000 per mile.

The differential is even greater for larger projects. Consider the costs when a road has deteriorated to the point where a much more substantial reconstruction project is necessary: Ten years ago, such a project cost \$750,000 per mile. Today that same project costs approximately \$1 million.

Another example of "project inflation" is gravel road paving. Ten years ago, RCOC could pave a mile of gravel road for about \$1 million. Today, it costs upwards of \$1.5 million.

The most dramatic difference can be seen on the most expensive type of project generally undertaken by RCOC, widening a two-lane road to a six-lane boulevard. Ten years ago, this could be completed for about \$9 million per mile. Today, the cost is about \$12 million per mile.

Making this situation even more difficult, is the fact that these costs represent only what RCOC pays contractors to actually do the work. Before the projects can be constructed, there are costs associated with designing the job and purchasing any necessary right of way.

Generally, RCOC calculates about 25 percent for engineering costs. However, despite Michigan's lagging economy, right of way costs are increasing even more quickly than construction costs. In fact, while right of way costs vary greatly by project, it is no longer unheard of for these costs to exceed construction costs.

Here's your chance to support increased road funding

Looking for an opportunity to do something to help spur Michigan's legislators in Lansing to increase transportation funding? Then the Michigan Transportation Team (MTT) has just the thing.

MTT is a coalition of organizations seeking to increase Michigan's gas tax (the Road Commission for Oakland County is a part of the coalition as is the County Road Association of Michigan). As one element of this campaign, MTT is conducting a postcard campaign to let legislators know residents want better roads. They've made it very easy to participate.

All you have to do is go to the MTT Web site and fill in your information. MTT will do the rest -- they'll send a card to your legislators asking them to increase transportation funding (you can see the postcard on the Web site).

Here's how to do it:

1. Go to the MTT Web site: www.drivemi.org
2. Click on the "Send a postcard" button at the top of the homepage
3. Type in your information in the yellow boxes and click "send e-mail"
4. MTT will do the rest

How about encouraging your employees to do the same?

Thanks for doing your part to promote better roads in Michigan.

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Road Report is published quarterly by the Road Commission for Oakland County. Have a question or comment about **Road Report**? Call Public Information Officer Craig Bryson at (248) 645-2000, ext. 2302 or send him an e-mail at cbryson@rcoc.org.

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Richard G. Skarritt, Vice-Chairman

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