

ROAD REPORT

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

www.rcocweb.org

Providing MDOT with local match for federal funds won't solve Michigan's road-funding crisis

There has been a lot of attention paid lately to the fact that, without legislative intervention, the Michigan Department of Transportation (MDOT) will lose \$475 million in federal dollars to which it is entitled in fiscal year 2011, because it doesn't have the \$84 million in local match required to access the federal funds.

It's critical that MDOT be able to utilize these funds, which were raised through federal gas taxes charged to Michigan motorists, and which will otherwise go to another state that can match the funds. However, simply ensuring that MDOT is able to match its federal funds will not alone solve Michigan's road-funding problem. And, taking money from other critical transportation programs to be able to provide MDOT's match, as some in the state Senate are proposing, only moves the problem from

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one functional area within MDOT to another or to other transportation agencies in the state.

Like all Michigan road agencies, MDOT is short on funds due to steadily declining state-collected road funding. State road dollars are generated primarily through the state-collected gas and diesel taxes and vehicle-registration fees.

The revenue from all three sources has been declining as Michiganders drive less and purchase fewer new cars. Also contributing to the decline in revenue is the fact

that cars are becoming increasingly fuel efficient, meaning they use less gas (and therefore pay less gas tax) per mile driven.

As a result, the state today is collecting less transportation funding than 10 years ago. At the same time, the costs associated with building and maintaining roads have gone up dramatically in the same 10 years. These factors have combined to squeeze MDOT's budget to the point that the agency cannot spare the \$84 million required to match federal funds for 2011.

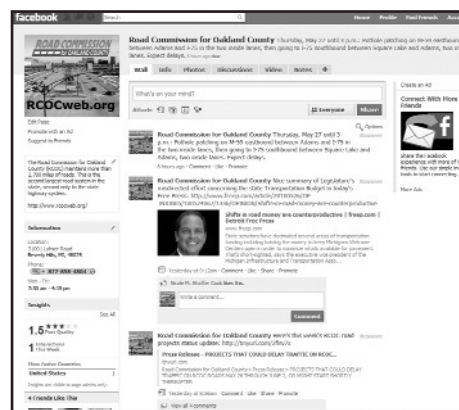
While shifting funds within MDOT's budget would enable MDOT to receive it's federal funding for one year, it does nothing to ensure that the 83 county road commissions and 533 cities and villages in the state can match their federal funds. By state law, the local agencies account for 25 percent of all federal road
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RCOC launches Facebook page

As part of its ongoing effort to enhance the way it communicates with its customers, the Road Commission for Oakland County (RCOC) has launched a Facebook page.

"Fewer and fewer people are getting their news and information from traditional news sources, and more and more are turning to the Web and 'social media' technologies for information," Managing Director Brent Bair explained. "As we struggle to provide the highest level of service possible in the face of declining revenues, it is more important than ever to communicate with our customers through all of the channels they use," Bair said.

"Today, Facebook is a major -- and growing -- means of communication. As have many cities, the state, Oakland County and even a few other road commissions, we need to take advantage of this medium," he added.



To receive regular RCOC updates and information through the Facebook page, view photographs and videos or post a question or comment, simply click on the "become a fan" button on the RCOC page (you must first join Facebook).

To access the RCOC Facebook page, simply log into Facebook and search for Road Commission for Oakland County.

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ROAD COMMISSION
for OAKLAND COUNTY

Salt prices continue to rise, putting increased pressure on the Road Commission

Once again this year, the Road Commission for Oakland County (RCOC) is being slammed by the rising cost of rock salt.

The agency recently was informed of the per-ton cost for salt for the coming year. RCOC procures salt through the Michigan Intergovernmental Trade Network (MITN), a regional cooperative of governmental agencies that allows the agencies to collectively solicit bids for a variety of products and services. By working together, the agencies can seek bids on far larger quantities of good and services, and thereby get lower prices.

The recently received low-bid price for salt for the coming year was \$47.28 per ton, 9 percent above last year's price of \$42.98 per ton. That increase was actually

much less than the nearly 23 percent increase the year before and the nearly 21 percent increase from 2008 to 2009.

During the last decade, the salt price trend has been continually upward, meaning more and more of RCOC's funding is required each year just to purchase the salt necessary to keep Oakland roads safe in the winter. In fact, price increases topped 20 percent three times during the decade.

"We've improved our salting techniques and enhanced our salt-spreading technology," noted RCOC Managing Director Brent Bair. "That has allowed us to use less salt per mile of road. However, when our salt costs continue to rise at this pace, it's inevitable that salt is going to account for an increasingly large part of our winter road maintenance budget."

Bair explained that in recent years, RCOC has added "pre-wetting" devices to all salt trucks that spray salt water onto the salt as it comes out of the trucks. This increases the effectiveness of the salt, thus allowing the agency to use less salt, as well as causing the wetted salt to begin melting snow and ice much more quickly than dry salt.

However, the financial challenges caused by the increasing cost of salt are compounded by the fact that RCOC's operating revenues (derived primarily from the state gas tax and vehicle registration fees) have gone down about 5 percent over the last decade. During that same period, the cost of salt increased a cumulative 138 percent (nearly all the other expenses associated with road maintenance have gone up also).

Advances make old process new again: RCOC employs concrete resurfacing for first time in 60 years

For the first time in more than 60 years, the Road Commission for Oakland County (RCOC), is repaving a road in concrete, rather than the traditional asphalt resurfacing material.

The project where the process is being applied is the resurfacing of 12 Mile Road from 400 feet west of Evergreen to 400 feet west of Southfield Road on the Southfield/Lathrup Village border. The \$1.8 million project started in May and is expected to be completed in September.

The project is being paid for mainly with federal American Recovery & Reinvestment Act (ARRA) "stimulus" funds.

RCOC Deputy Managing Director/County Highway Engineer Dennis Kolar said in the past RCOC shied away from concrete "overlays." An overlay is the application of new paving material, either asphalt or concrete, over the existing road surface. Overlaying is simpler and less expensive than completely reconstructing a road, which entails removing the existing road.

"Traditionally, asphalt was less expensive and more reliable as an overlay," Kolar stated. He added, though, that there have been advances in concrete materials and application processes in recent years that suggest concrete will hold up as well as asphalt. At the same time, petroleum cost increases in recent years have pushed

up asphalt prices, making concrete a more competitive alternative.

Additionally, the 12 Mile project lent itself particularly well to a concrete overlay noted RCOC Design Engineer Jeff O'Brien, whose staff designed the project. "This road had previously been overlaid, and would have required much more expansive work to completely reconstruct the road, which would have historically been the approach we would have pursued," O'Brien said. "However, we didn't have enough money for a full reconstruction."

Some of the attributes of the 12 Mile project that made it a good candidate for a concrete overlay were the facts that it had relatively few access points and the road surface was low. The access point issue was important because it meant the concrete curbs could be easily replaced during the concrete paving process (the curbs are actually poured at the same time as the concrete surface is applied -- something that can't be done in asphalt resurfacing and which will help to keep the cost down).

The low surface was important because it meant adding new height to the road by applying four-to-six additional inches of concrete to the road surface would not be a problem.

One disadvantage of the concrete overlay process is that there will be some additional traffic delays -- required so there is

time for the concrete to cure before traffic drives on it -- that would not be needed with an asphalt overlay. O'Brien noted that when new asphalt is applied, it can be driven on almost immediately. However, new concrete must cure for about a week before traffic can be allowed on it.

It was this aspect of the project that required RCOC to build into the project the closure of Evergreen Road first at the north side of 12 Mile and then at the south side of 12 Mile. On the positive side, though, RCOC expects the concrete overlay to last longer than an asphalt overlay would -- though that is one of the aspects of the project that the agency will monitor in the years after is completed.

In fact, RCOC is viewing this project as something of a test to determine if additional concrete overlays should be conducted in the future. "While concrete overlays are not unheard of in the industry, they are certainly no where near as prevalent as asphalt overlays," Deputy Managing Director/County Highway Engineer Kolar observed. "Since we have not undertaken a concrete overlay in recent years, we want to make sure that this is a process that will provide a good return on our investment."

He noted the last concrete overlay conducted by RCOC was on a section of Maple Road in the 1940s, and "the industry has advanced a lot since those days."

Michigan Asset Management Council report tracks continued deterioration of road system in the state

The latest report from the Michigan Transportation Asset Management Council, released April 30 and based on the 2009 review of Michigan road conditions, reports that Michigan's roads are deteriorating at an increasingly rapid rate.

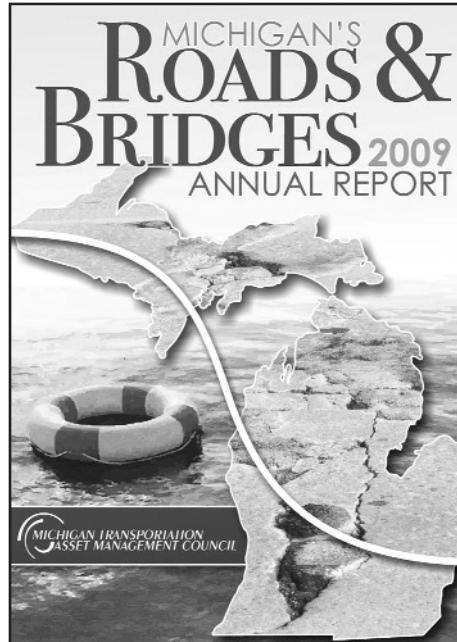
The Asset Management Council was created by state legislation in 2002. The legislation also required road agencies across the state to regularly assess the condition of roads upon which federal transportation dollars can legally be spent ("federal-aid-eligible" roads) and report those conditions to the Asset Management Council. The Council has produced reports summarizing the condition of those roads annually since 2003.

The most recent report concluded that one of every three miles of federal-aid-eligible Michigan roads is now in poor condition. This compares with the Council's first report from 2003, which found that about one in every four of the federal-aid-eligible roads was in poor condition.

Perhaps more startling than the pattern of increasing deterioration of Michigan's roads, however, is the fact that the cost to address this problem continues to grow also.

In 2004, the Council predicted it would have cost about \$3.7 billion to bring all the poor- and fair-condition federal-aid-eligible roads in Michigan to good condition. In 2009, the Council estimated it would have cost \$7.4 billion to do the same thing.

Of course, as the number of roads in poor condition has increased in recent



years, the percentage of roads in good condition has continued to decline. According to the Council, while nearly 25 percent of Michigan's federal-aid-eligible roads were rated in good condition in 2004, in 2009 the percentage had fallen to 18.7 percent. And the trend is not likely to change anytime soon, the Council notes.

"At current funding levels, the condition of Michigan's transportation infrastructure is rapidly deteriorating," the 2009 report states. "This alarming decline in condition of Michigan's roads and bridges affects everyone, from businesses that rely on the transportation network to transport goods and services to tourists

visiting or traveling through our great state, to our citizens who expect safe and convenient access to work and school."

But the situation for Michigan's roads is even worse than reflected by the Council's report. To date, the Council has considered only the one-third of Michigan's roads that are federal-aid eligible. The other two thirds of Michigan's roads are likely in worse condition, since federal funds cannot be spent on them.

But, the problem is not just with Michigan's roads. The Council also found that Michigan's bridges are in worse shape than those of neighboring states.

"Michigan has a significantly higher percentage of deficient bridges than the average of other Great Lakes states," the 2009 report states. "In 2009, 8 percent of state-owned bridges and 17 percent of county and local bridges were structurally deficient."

Unfortunately, the Council does not predict a bright future for Michigan's roads, noting the number of roads in poor condition could double in the next five years.

The only real solution to this problem, the Council points out, is to increase the state's investment in its transportation infrastructure.

"Michigan's public highways and bridges collectively represent the state's single largest publicly-owned asset," the 2009 report indicates. "Re-investing in our transportation system and maintaining these vital public assets is essential to securing a better future for all of Michigan's citizens."

FEDERAL, CONT'D FROM FRONT funding coming to Michigan.

As of 2010, 12 county road commissions already have been forced to delay an approved federally funded project due to the inability to match the federal funds. These 12 projects represent nearly \$20 million in federal funding that has not been invested in Michigan roads.

Between 2010 and 2012, 21 county road commissions expect to be unable to match nearly \$60 million worth of additional federal funding.

Additionally, the one-time fix for MDOT's local match does not do anything to ensure MDOT will be able to provide the local match for the following year's federal funding. In fact, MDOT's

required local match is expected to grow in every subsequent year, and MDOT anticipates remaining unable to provide the match for the foreseeable future.

Also, even if MDOT and Michigan's local road agencies were able to provide the local match to access all available federal funds, this would not help the state provide routine road maintenance. Federal road funding is generally allocated to specific road-improvement projects and cannot be used for routine road-maintenance activities such as plowing snow, patching potholes, repairing guardrail and signs, resolving drainage issues, etc.

Finally, even when MDOT could match all available funds in recent years, the condition of Michigan's federal-aid-

eligible roads (those on which federal road funds can legally be spent) continued to decline, as reported by the Michigan Asset Management Council. In other words, the federal funds alone are not enough even to maintain the state's federal-aid-eligible roads in good condition -- it would take a larger investment just to maintain the system.

So, what's the best, long-term solution? "We need to increase the amount of money Michigan invests in its roads," stated RCOG Managing Director Brent Bair. "If we simply rob Peter to pay Paul, we will see the condition of Michigan's roads continue to deteriorate. That's not good for our residents' safety or mobility or for the state's economy."

RCOC reorganizes, eliminating Permits/Environmental Dept.

In the face of continuing revenue declines, the Road Commission for Oakland County (RCOC) Board of Road Commissioners voted June 24 to eliminate RCOC's Permits and Environmental Concerns Department.

The move involves the elimination of the Permits and Environmental Concerns Department director position, while remaining department staff and key functions of the department are being reassigned to other RCOC departments. The reorganization is expected to save RCOC nearly \$140,000 per year.

"It has become increasingly clear that our revenues are going to continue to drop. In response, we have taken many steps to streamline our operations," explained RCOC Chairman Richard Skarritt. "This is the latest step in that process."

The Permits and Environmental Concerns Department was responsible for coordinating all environmental activities of the agency, including applying for state and federal environmental permits required for RCOC projects, as well as granting and overseeing permits to others to do work within RCOC roads or rights of way. The department also included RCOC's Weighmaster Division, responsible for enforcing state and local truck weight, height and width requirements and administered the agency's Adopt-A-Road and Natural Beauty Road programs.

The department's environmental activities will be transferred to the RCOC Planning and Development Department, which will be renamed the Planning and Environmental Concerns Department. The permitting, permit-inspection and weighmaster operations will be transferred to RCOC's Department of Citizen Services, which will be renamed the Department of Customer Services.

"This effort allows us to consolidate our activities while reducing administrative costs," said RCOC Managing Director Brent Bair. He added RCOC now has nearly 90 fewer employees than it had in 2007 and 80 fewer than in 1974, when the county had far less traffic, far fewer road lanes, traffic signals and signs, etc.

"That's a 16 percent reduction in staff in less than three years. Unfortunately, that means we cannot avoid service cuts also. We simply cannot provide the same level of service that we have in the past," Bair noted. He pointed out that of those nearly 90 positions currently empty, approximately 50 are positions whose

responsibilities included snow plowing.

"That is going to have a significant impact on our ability to clear the roads next winter," he said. Other routine road maintenance activities also continue to be reduced, including pothole patching, gravel road maintenance, traffic signal and sign maintenance, guardrail repair and replacement, etc.

"Unfortunately, until the state addresses its woefully inadequate funding for roads, we will continue to see our level of service fall," Bair said. He explained that RCOC's main source of funding for operations and routine maintenance activities is its share of the state-collected gas and diesel taxes and the vehicle registration (license plate) fees. RCOC does not receive property tax revenues.

**Visit RCOC online at
www.rcocweb.org**

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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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