

KEEP THE MOMENTUM GOING:
KEEP ON PAVING



REPORT OF THE 2021 STRATEGIC PLANNING PROCESS



Keep on Paving

Anyone who has driven around Oakland County over the last five years has surely seen a sorely needed improvement in the condition of the roads, thanks to the additional funds generated by the 2015 state road-funding package.

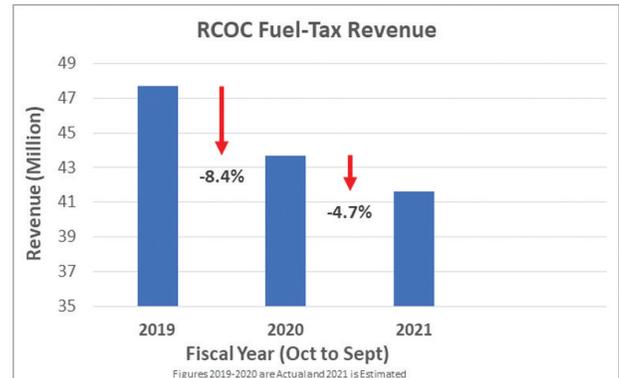
In fact, nearly 500 miles of Road Commission for Oakland County (RCOC) roads have seen some improvement since the 2015 state road-funding package dollars started flowing in 2017. And, RCOC will continue to improve the roads with those new dollars until the “buying power” of those dollars is absorbed by inflation, which is projected to occur in 2025.

In order to keep the road-repair momentum going after 2025 – at which point 51 percent of the RCOC road system is expected to be rated in good condition (compared to about 45 percent today) – additional state road funding will be needed.

That was one of the messages delivered by RCOC Managing Director Dennis Kolar during the 2021 Road Commission Strategic Planning meetings. The Strategic Planning meetings involve RCOC leaders meeting with the leaders of virtually all cities, villages and township in the county every other year. In the meetings, the RCOC leaders share information about roads, road funding and the agency, and receive feedback from the communities about the services RCOC provides, any ongoing issues and anticipated new development and road needs in the communities.

This report provides an overview of the key messages RCOC leadership shared with the communities during these meetings. Specific details of each meeting, including feedback provided by the community leaders, are included in a second, more-comprehensive report available on RCOC’s website (rcocweb.org, then click on the “About Us” tab at the top of the page and select “Publications” from the pull-down menu, then select “RCOC Strategic Planning Reports” and choose the 2021 report).

COVID-19 Fiscal Impacts Stay at Home = Less Fuel Purchased



RCOC FY2020 Revenue
Shortfalls Due to COVID-19

\$8 MILLION FY2020
(7% DECREASE)

RCOC FY2021 Revenue
Shortfalls Due to COVID-19

\$7 MILLION FY2021
(6% DECREASE)

Dealing with COVID-19

As was the case for many businesses and other government agencies, 2020 and 2021 were challenging years for RCOC due to the pandemic. And like so many others, RCOC had to figure out how to continue to serve its constituents while also doing everything possible to keep its employees safe.

During the Strategic Planning meetings, Managing Director Kolar explained that for the Road Commission, that meant taking a number of temporary steps. These included:

- Closing RCOC buildings to the public
- Shifting all previously in-person and public meetings to virtual meetings
- Adjusting schedules for front-line crews (staggering of shifts and work days to minimize contact)
- Allowing office staff to work remotely where possible
- Tracking infected employees – there was virtually no employee-to-employee infection

While the agency has survived the pandemic so far with relatively few negative impacts on staff and the level of service provided, the financial impact of COVID has been significant. RCOC’s Finance Department estimates the agency’s state revenues decreased by about \$15 million during 2020 and 2021 combined.

The decrease in revenues was the result of reduced fuel taxes and vehicle-registration fees collected during the first year-and-a-half of the pandemic. RCOC continues to encourage both the state and Oakland County general government (RCOC is separate from the county general government) to reimburse the Road Commission for some of this lost revenue.

And, while the pandemic is not yet over, RCOC has returned to normal operations, while still encouraging employees to get vaccinated and continue to practice COVID protocols.

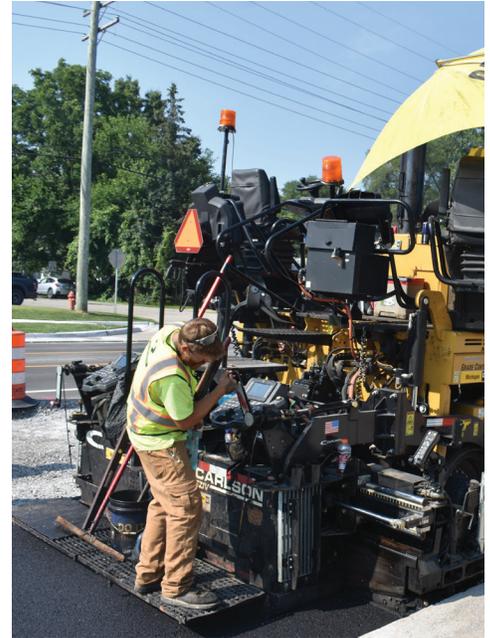
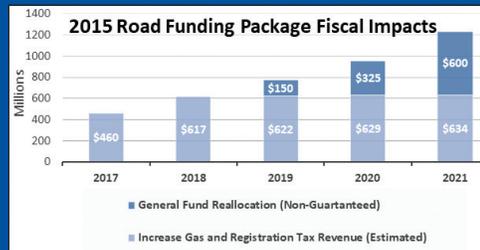
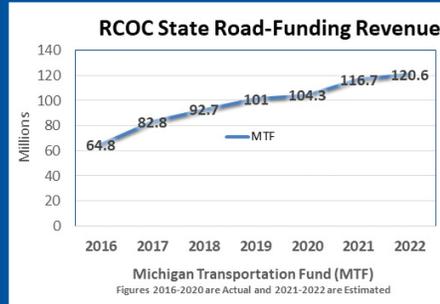


In order to keep the road-repair momentum going after 2025, additional state road funding will be needed. In 2025, 51 percent of RCOC roads will be in good condition, but that number will then start to decline without additional funding.

2015 Road Funding Package

Package effective January 1, 2017 included:

- Increase in gas & diesel taxes to 26.3 cents per gallon (was 19 for gasoline and 15 for diesel).
- Increase in vehicle-registration fee by 20%.
- General Fund reallocation for transportation:
 - \$150 Million in 2019
 - \$325 Million in 2020
 - \$600 Million in 2021 and each year thereafter.



The Funding Picture

RCOC has seen steadily increasing revenues since the 2015 state road-funding package began to be implemented in 2017. The package raised the gas and diesel taxes to 26.3 cents per gallon for both while also increasing the vehicle-registration fee by 20 percent.

The package also required that the Legislature dedicate \$600 million from the state's General Fund to roads each year (phased in over three years), resulting in a combined increase in state road funding of \$1.2 billion per year. While RCOC appreciates this additional funding – and it is making a difference on roads in the county, there are some concerns with the package, which Managing Director Kolar explained during the meetings.

First, the General Fund dollars are not guaranteed to always be there: The state Legislature could take action to divert those dollars to other purposes at any time. That is not the case with fuel taxes and vehicle-registration fees, which are constitutionally protected, meaning they cannot be used for any other purpose.

Additionally, at the time the package was enacted, nearly everyone agreed that it was, “a good start,” but did not provide enough revenue to completely resolve Michigan's road-funding crisis. In fact, as noted above, RCOC estimates that its roads will continue to improve, thanks to the new money, until 2025, when the purchasing power of the new revenue will begin to fall, and the roads will again begin to deteriorate.

RCOC officials continue to remind state legislators that additional road funding is needed to ensure Michigan's roads continue to improve for the foreseeable future. To date, the Legislature has not acted on this. It would truly be a shame to waste all the effort and money that has been expended since 2017 improving the roads, if they again begin to deteriorate in 2025.

Local Federal Fund Exchange

The Local Federal Fund Exchange (LFFE) is a program that RCOC and the County Road Association of Michigan (CRA) convinced the Michigan Department of Transportation (MDOT) to enact and that allows county road agencies to “sell” their federal road funding to other agencies. This benefits smaller agencies that do not have the staff to easily comply with the numerous requirements associated with federal road funds.

It also allows larger agencies, such as RCOC, to “purchase” federal road funds at a discount, typically for about 80 cents on the dollar. To date, RCOC has been the most aggressive purchaser in this program. Since RCOC staff are well versed and experienced in utilizing federal road funds, the program offers a way to leverage state road funding to attain a larger amount of federal funds.

While there are limitations on the amount of federal funding available through the program and as well as on the types of projects it can be used for, it has, nonetheless, proven a highly successful initiative for RCOC. So far, RCOC has purchased more than \$8.3 million in federal funds at a cost of approximately \$6.6 million, resulting in nearly \$2 million in additional road funding – and RCOC will continue to aggressively pursue this option.

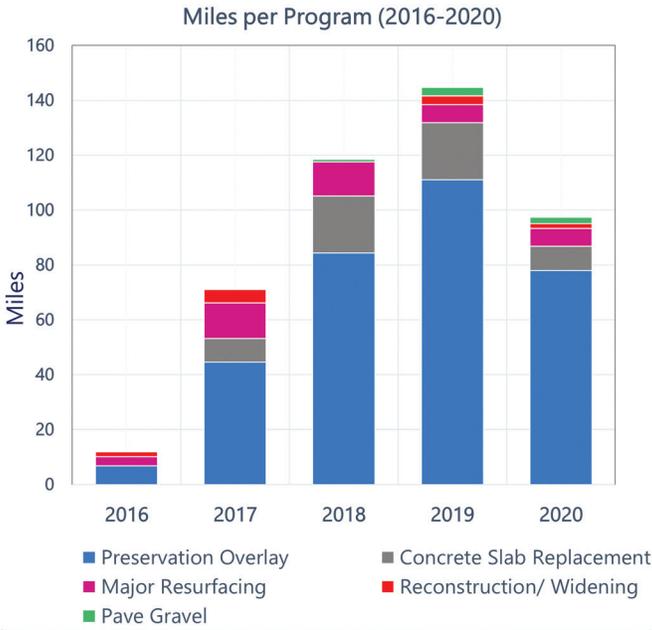
Independence Twp. Road Millage

One of the big road-funding success stories in recent years is the Independence Township road millage. The township, under the leadership of former Supervisor Pat Kittle, successfully passed a four-year road millage beginning in 2019.

The millage generates \$3 million per year and is allowing RCOC to resurface all the primary roads in the township – almost 30 miles of roads. RCOC helped to “sweeten the pot” by providing preliminary and construction engineering services for the projects at no cost

to the township.

The millage was a bold move and a very positive step for the township and its residents. It was probably the only way, realistically, that all the primary roads in the township could get resurfaced in a short period of time. RCOC is hopeful this success story can be an example for other communities in the county.



Road Conditions

The real indicator of whether or not the 2015 road-funding package has made a difference is the condition of the roads. And by that measure, the package has been wildly successful.

Since the first new dollars arrived in 2017, RCOC has repaired or improved nearly 500 miles of roads. This included:

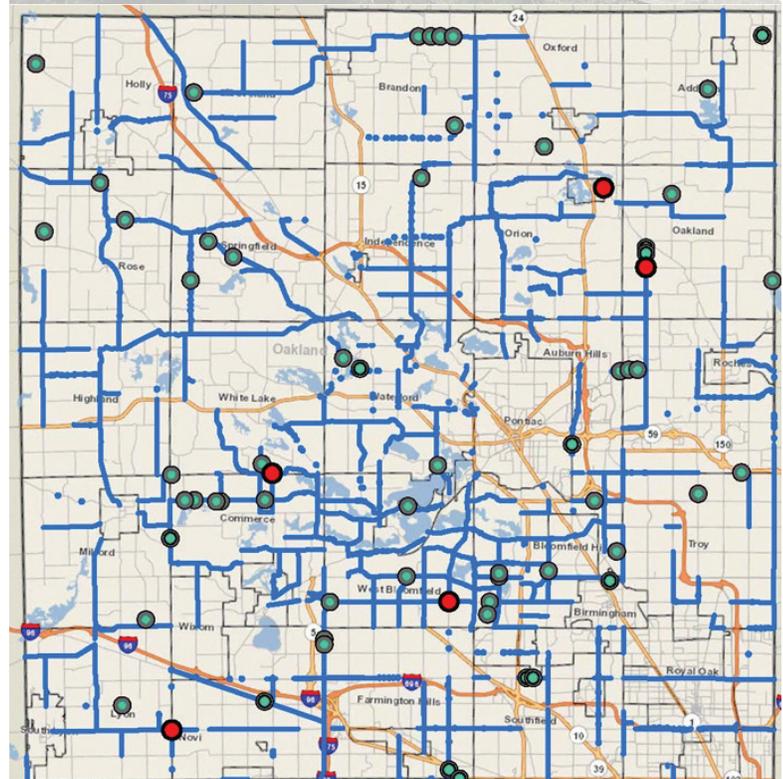
- Preservation overlays (simple resurfacing): 325 miles
- Concrete slab replacements: 59 miles
- Crack sealing: 261 miles
- Major resurfacing: 41 miles
- Reconstruction/widening: 12 miles
- Pave gravel roads: 6 miles
- Spot Resurfacing: 579 Locations



RCOC Projects 2016 - 2020

- Pavement Improvements
- Spot Resurfacing
- Roundabout
- Bridges & Culverts

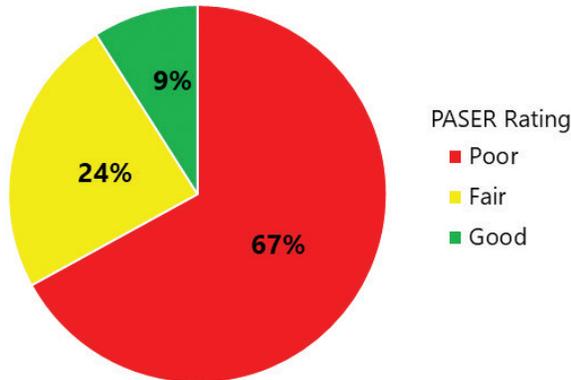
View this map and maps of future road projects, pavement conditions, invasive-species treatment areas and more online at tinyurl.com/RCOCStratPlan.



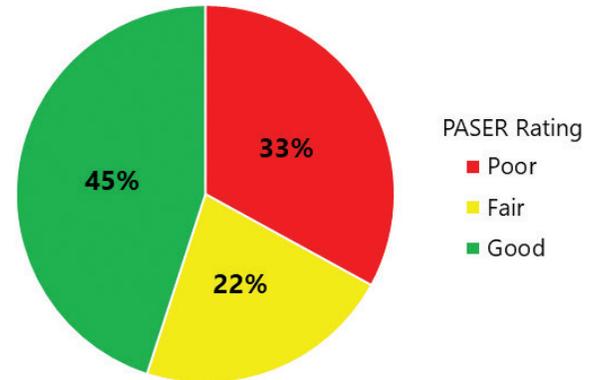
Pavement Conditions

RCOC Paved Federal-Aid-Eligible Roads

2015-2016 RCOC Pavement Conditions



2019-2020 RCOC Pavement Conditions



As the charts above show, this level of investment has resulted in a significant improvement in the condition of the RCOC roads. They have gone from being 67 percent in poor condition and 9 percent in good condition in 2015/16 to 33 percent in poor condition and 45 percent in good condition in 2019/20 (note: These charts refer to federal-aid eligible roads only; the full RCOC road system is in slightly worse condition).

In fact, the volume of work in each of the above categories increased dramatically following the influx of new dollars starting in 2017. The challenge now will be to ensure the system continues to improve and we don't lose the ground we have gained. As noted previously, at current funding levels the condition of the roads will again begin to deteriorate in 2025.

Modernizing Operations

At long last, RCOC is finally able to modernize some of its facilities. A new building for the RCOC electrical shop is nearing completion, meaning the first modern space for this operation since the 1970s.

The electrical shop builds all the traffic-signal cabinets and the signals themselves, which are quite high-tech. Having adequate space and the ability to comfortably use the latest technologies will greatly improve the efficiency of this operation.

At the same time, RCOC will renovate the space used by the sign shop and the space previously used by the electrical shop. The space previously used by the electrical shop will become the new space for the materials testing lab. The materials testing lab is where RCOC staff tests the materials contractors use to construct road projects – concrete and asphalt, to ensure they meet rigorous RCOC specifications. For decades, the lab has been housed in cramped “temporary” quarters.

All of this work is intended to allow RCOC staff to more

efficiently perform the critical “behind-the-scenes” tasks that are necessary to build and maintain the roads.



New Signal System

On the technology front, RCOC is introducing a new software system to manage some of its “smart” traffic signals.

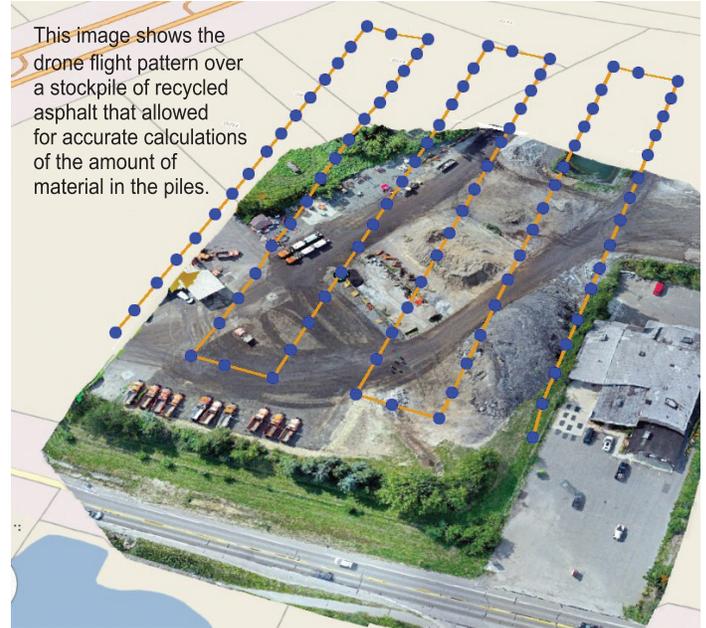
As the operator of one of the largest adaptive traffic-signal systems in the country (the signal timing is automatically adjusted to most-efficiently move the traffic present at each moment), RCOC has long been on the cutting edge of traffic-signal technology.

For nearly 30 years, RCOC has used an Austrian-based company to provide the software to manage the smart signals. Now, it is beginning to migrate to a more advanced system from a US-based company that will allow RCOC to increase the integration of the signals with the next wave of transportation technology: connected- and autonomous-vehicle systems.

The new Centrac system will allow much greater connectivity and data harvesting for the RCOC smart-signal system. The system will be expanded in coming years.



Phragmites



This image shows the drone flight pattern over a stockpile of recycled asphalt that allowed for accurate calculations of the amount of material in the piles.

Controlling Invasive Species

RCOC continues to be actively involved in the eradication of invasive plant species that are causing problems in the road rights of way.

The Road Commission was a founding member of the Oakland County Cooperative Invasive Species Management Area (CISMA) organization, which is leveraging the power of 30 member organizations and communities to provide a robust, collective effort to reduce Phragmites and Japanese Knotweed in road rights of way in the county.

The group now has a sustained funding source, in addition to member contributions, to ensure its success: It is now receiving a portion of the Oakland County Parks and Recreation property tax millage. These species are targeted because they grow aggressively, can block motorist sight distance and can clog RCOC drainage along roads.

Asset-Management Plan

In October, RCOC submitted to the state its first-ever asset-management plan. This document describes how the agency will apply asset management best practices to ensure it continues to most efficiently manage its road system.

The document, which incorporates a tremendous amount of road, bridge, culvert and traffic-signal condition data, was a substantial undertaking by the RCOC Transportation Planning staff. It truly provides a road map for the future management of the largest county road system in Michigan.



Drone Adds New Capabilities

In 2019, RCOC purchased a drone and arranged for a staff member to become a licensed drone operator. This has opened up many opportunities.

RCOC is currently using the drone to document the before/after aerial views of road and bridge projects as well as for building maintenance issues and traffic flow analysis. Additionally, the drone is being used to facilitate calculations of the amount of materials stored in stockpiles at agency garages.

In the future, RCOC anticipates using the drone for bridge inspections, land surveys and soil erosion inspections.

Full Strategic Planning Report Available online

This report summarizes the key messages shared by RCOC leaders with the leadership of Oakland County communities during the 2021 RCOC Strategic Planning process. The second part of the Strategic Planning process involves receiving input and feedback from the county's communities.

That data is used by RCOC to plan and focus its road maintenance and construction operations and to help determine the best allocation of resources.

The input provided by each community as part of this process is available in the second volume of the **2021 RCOC Strategic Planning Report**, which is available on the RCOC website (rcocweb.org). The document can be found in the "Publications" section of the website, in the "RCOC Strategic Planning Reports" subsection.

The direct link to the document is: tinyurl.com/rcocreport



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"Quality Life Through Good Roads - We Care."