

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 in three ways: increased property taxes (as new buildings are built), increased income taxes (through the creation of jobs) and increased sales taxes (as a result of increased commerce). RCOC receives no funding based on property, income 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.

10. WHERE DOES RCOC GET ITS FUNDING?

RCOC gets about 60 percent of its budget from state fuel taxes (gas and diesel taxes), vehicle registration fees and state income tax. 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 MDOT to maintain state highways in the county on behalf of MDOT, and the final 10 percent comes from municipal contributions and fees.

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 looks at population and other factors.

SEMCOG allocates Oakland's share to the Oakland County Federal Aid Task Force, a 14-member committee which determines which projects will be funded based on a set of objective criteria.

The task force consists of two RCOC representatives, three representatives of townships, seven representatives of cities and villages, one representative of MDOT and one representative 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. IF THE PRICE OF GAS RISES, DOES THE GAS TAX GENERATE MORE MONEY?

No. the gas tax is a flat rate, regardless of the price of gas at the gas pump. As of January 2017, the rate was increased by 7.3 cents to 26.3 cents per gallon. Starting in 2021, it also increases annually at the rate of inflation.

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 FOR RCOC ROAD-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 revenue 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. IS OAKLAND COUNTY A "DONAR" COUNTY THAT DOES NOT GET BACK 100 PERCENT OF THE ROAD FUNDS IT CONTRIBUTES TO THE STATE?

Yes. All of the large, urban counties in Michigan are donors in terms of transportation dollars -- we subsidize rural counties that don't have the population or tax base to generate enough money to maintain their roads.

BOARD OF ROAD COMMISSIONERS
RONALD J. FOWKES
Andrea LaLonde
Nancy Quarles

Dennis G. Kolar, PE
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 CUSTOMER SERVICES
2420 PONTIAC LAKE ROAD
WATERFORD, MI 48328
TOLL-FREE: (877) 858-4804
TDD: (248) 858-8005
OR , visit RCOC online at
www.rcocweb.org

ROADS IN OAKLAND COUNTY TOWNSHIPS



IMPORTANT QUESTIONS AND ANSWERS FROM THE ROAD COMMISSION FOR OAKLAND COUNTY

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 agency, 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 one of the few Michigan townships 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 agencies 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 agencies 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 roads under city or village jurisdiction. Today, most projects on roads in townships 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 fund would likely not result in any more major road projects in townships or make planning 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 decades.

◆ *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 judgements 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 the money for both local and primary roads. County local roads are found only in townships, while 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, Michigan has ranked among the bottom 10 states in the nation in per capita state and local road funding. In recent years, all the costs associated with construction and maintaining roads have risen. There simply is not enough money to do an adequate job anywhere. Shifting funds from county road commissions to townships would not solve this.

6. WOULD IT BE MORE COST EFFECTIVE TO SIMPLY 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 and other factors. 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 (\$3 million per mile on average), plus 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.

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 can increase 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 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 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 sink-holes 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. HOW MUCH 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 contribute some property tax revenue to the improvement of county roads, but these contributions are provided on a voluntary basis.