

ROAD COMMISSION

for OAKLAND COUNTY

PRESS RELEASE PRESS RELEASE



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PROPOSED FY 2019 RCOC BUDGET WILL BE PRESENTED AT AUG. 23 PUBLIC HEARING

Beverly Hills, MI—The Road Commission for Oakland County (RCOC) will present its proposed Fiscal Year 2019 budget during a public hearing Thursday, Aug. 23, at 6:30 p.m. at the Oakland County Board of Commissioners Auditorium, 1200 N. Telegraph in Pontiac.

The public is invited to attend the hearing and offer input on the proposed budget.

The proposed \$155.3 million budget represents an increase of about \$8.4 million compared to the \$146.9 million 2018 budget adopted in September of last year. The 2019 proposed budget increased primarily due to an anticipated increase in state road funding.

RCOC anticipates slightly more than \$102 million in state road funding in fiscal year 2019, compared to just over \$88 million received in the current year. State road funding is derived primarily from state-collected fuel taxes and vehicle-registration fees.

These state dollars continue to represent RCOC's largest source of funding and its main funding source for operations. The anticipated increase is the result of the increased road-funding package enacted by the state Legislature in late 2015 which took effect in January 2017 and is being phased in through 2021.

The budget includes a slight decrease in federal funds. Because federal road funds are awarded on a project-by-project basis, the amount RCOC receives tends to fluctuate from year to year. These funds can be used only for heavy construction projects and not for routine maintenance activities such as pothole patching, grading gravel roads, plowing, etc.

The proposed 2019 budget includes nearly \$48 million for road-improvement projects (though the projects planned to be under construction this year will cost a total of approximately \$65 million to complete -- some of these costs were included in last year's budget or will be included in the 2020 budget where projects are carried over from last year or expected to be carried over into 2020); \$38.5 million for road maintenance efforts such as pothole patching, gravel road grading and salting and plowing in the winter; and \$13.6 million for maintaining traffic signs, signals, pavement markings and guardrails among other activities.

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

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RCOC's fiscal year runs from Oct. 1 to Sept. 30. Adoption of the budget is expected to take place at the regular RCOC Board meeting on Sept. 20.

"We are pleased to have new revenue coming in," RCOC Chairman Eric Wilson said of the proposed budget. "In 2018, the new money went right into improved pavement, and that will be the case again in 2019."

RCOC Vice Chairman Greg Jamian concurred. "The state Legislature enacted a road-funding package that is bringing in additional revenue," he explained. "Even though it is not enough to fully address decades of underfunding that led to the poor condition of roads," he added, "we are finally moving in the right direction."

Board Member Ron Fowkes added that the Board remains concerned about the second half of the funding package approved by the Legislature, which requires that the Legislature annually commit substantial state General Fund dollars to roads beginning in 2019. "We continue to be cautiously optimistic that the Legislature will appropriate \$600 million yearly in addition to the funds from the increased gas tax and vehicle registration fees," he noted.

RCOC Managing Director Dennis Kolar noted that the budget is also expected to grow by approximately \$15 million more, which will be the Road Commission's share of \$300 million in additional funding the state Legislature has committed for the coming year. "Once that money is official, we will add it to our budget," Kolar explained. "We plan to devote all of that additional money to further improving the roads."

During the public hearing, RCOC Deputy Managing Director/County Highway Engineer Gary Piotrowicz will provide an overview of the proposed 2019 Road Improvement Program (RIP) which includes next year's road-construction projects. Among the planned projects are:

- Complete the widening and reconstruction of Baldwin Road between Morgan and Waldon roads in Orion Twp. (continuation of project started in 2017)
- Construct a roundabout at Middlebelt and Maple roads in West Bloomfield Twp.
- Reconstruct Livernois Road from Avon to north of Walton Blvd. in Rochester Hills
- Pave Dixboro Road from 8 Mile to 9 Mile (currently gravel) on the Lyon Twp./South Lyon/Green Oak Twp. border

A complete list of projects expected to be constructed in 2019 is attached. 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," 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 proposed budget is posted on the RCOC Website, www.rcocweb.org (click on the "About Us" tab at the top of the home page, then select the "Publications" item from the pull-down menu and scroll to "RCOC Financial Documents").

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Editor's Note: The list of anticipated projects to be constructed in 2019 and a summary of proposed revenues and expenses are attached.

PROPOSED 2019 BUDGET
October 1, 2018 - September 30, 2019

REVENUES

Source

• State fuel tax and vehicle-registration fees	\$102,424,330
• State highway-maintenance contract	\$ 10,200,000
• State non-maintenance contracts	\$ 200,000
• Michigan Transportation Economic Development Fund (TEDF)	\$ 9,650,000
• Federal funding-Road Improvement Program (RIP)	\$ 10,375,000
• Federal funding-signal projects	\$ 2,800,000
• Federal funding-Medicare Part D	\$ 200,000
• Contributions from local governments	\$ 16,812,500
• Fees and other revenues	\$ 2,588,500
• Appropriation from fund balance	<u>\$ 0</u>

Total Revenues **\$155,250,330**

EXPENSES

Source

• Road Improvement Program (RIP)	\$ 47,666,306
• Operating expenditures	\$104,509,024
• Traffic-signal projects	<u>\$ 3,075,000</u>

Total expenses **\$155,250,330**

Proposed 2019 RCOC Road Improvement Projects (RIP)

This list includes only projects that are expected to be constructed in 2019, not those where only design or only right of way (ROW) acquisition work is planned for 2019. To avoid confusion over the project costs, the costs listed are the estimated construction costs for each project and do not include any engineering (PE) or ROW acquisition costs.

<u>Widen</u> (reconstruct adding additional through lanes)	<u>Project Cost</u>
• Baldwin Road, Gregory to Waldon in Orion Twp. (widen to 5-lanes/4-lane blvd., construct three roundabouts as second phase of a two-part project)	\$18,500,000
• John R, Long Lake to South Blvd. in Troy (widen 2 lanes to 3 – city leading project)	\$18,000,000
<u>Repair, Rehabilitate & Resurface</u> (repair road base/add 3 to 4 inches new asphalt)	<u>Project Cost</u>
• Livernois Road, Avon to north of Walton, Rochester Hills	\$ 4,500,000
• 12 Mile Road at Novi Road (intersection – partnership with Novi), Novi	\$ 1,000,000
• Sashabaw Road crossovers, Bow Pointe to Sheffler driveway	\$ 250,000
<u>Gravel Road Paving</u>	<u>Project Cost</u>
• Sashabaw Road, Sherwood to Granger, Brandon Twp.	\$ 2,200,000
• Dixboro Road, 8 Mile to 9 Mile, Lyon Twp./South Lyon/Green Oak Twp.	\$ 2,200,000
• Grass Lake Road, Ormond to Steeple Hill, White Lake Twp.	\$ 1,500,000
<u>Intersection Safety Improvements</u>	<u>Project Cost</u>
• Maple Road at Middlebelt (roundabout & culvert replacement), West Bloomfield Twp.	\$ 4,500,000
• Adams Road at Gunn Road (roundabout), Oakland Twp.	\$ 2,000,000
• Carroll Lake Road at Cooley Lake Road (compact roundabout), Commerce Twp./White Lake Twp.	\$ 900,000
<u>Bridge Preventive Maintenance</u>	<u>Project Cost</u>
• 8 Mile Road over the Rouge River, Farmington Hills/Livonia	\$ 450,000
• Adams Road over the Paint Creek, Oakland Twp.	\$ 450,000
<u>Culvert Replacements</u>	<u>Project Cost</u>
• Kurtz Road over Swartz Creek, Holly Twp.	\$ 850,000
• Lake George Road over Stoney Creek, Oakland Twp.	\$ 950,000
• Cooley Lake Road over Lake Sherwood, Commerce Twp.	\$ 750,000
• Maple Road over the Franklin Branch of the Rouge River, Bloomfield Twp.	\$ 700,000
• Square Lake Road over the Amy Drain, Bloomfield Twp.	\$ 700,000
• Wise Road over the Huron River, Commerce Twp.	\$ 750,000
• Davisburg Road over the Garner Drain, Springfield Twp.	\$ 650,000
<u>Preservation Overlays</u> (simple resurfacing – additional projects will be added next year)	<u>Project Cost</u>
• Oakwood Road, M-15 to Leese, Groveland Twp., Brandon Twp. and Ortonville	\$ 450,000
• Dixie Highway, Oak Hill to northern county line, Springfield, Groveland and Holly townships	\$ 2,500,000
Total cost of projects to be constructed in 2019:	\$64,750,000