

ROAD COMMISSION **for OAKLAND COUNTY**

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PROPOSED FY 2021 ROAD COMMISSION BUDGET WILL BE PRESENTED AT AUG. 20 PUBLIC HEARING

Beverly Hills, MI—The Road Commission for Oakland County (RCOC) will present its proposed Fiscal Year 2021 budget during a public hearing Thursday, Aug. 20, at 10 a.m. The hearing will be conducted virtually via conference call.

The public is invited to virtually attend the hearing and offer input on the proposed budget. Anyone interested can listen to the hearing and offer comments by calling 810-337-8118. They should then enter conference ID number 685 175 899# (must include the # sign).

Individuals wishing to comment during the “public comments” section of the hearing, should first submit a completed “Request to Speak” form. The form is available in the “Helpful Links” section of the RCOC Website (www.rcocweb.org) at the bottom of the home page of the site and on the Board meeting agendas page on the site.

The proposed \$161 million budget represents a slight decrease of about \$1 million compared to the \$162 million 2020 budget adopted in September of last year. The 2021 proposed budget decreased primarily due to an anticipated decrease in state road funding.

RCOC anticipates receiving approximately \$102.4 million in state road funding in fiscal year 2021, compared to just over \$111 million received in the current year. State road funding is derived primarily from state-collected fuel taxes, vehicle-registration fees and state General Fund dollars.

The remaining revenue making up the budget comes from local community contributions (\$18 million) federal funds (\$20.8 million), the contract with the Michigan Department of Transportation to maintain state highways in the county (\$10.5 million), state Transportation Economic Development Fund (TEDF) grants (\$3.6 million) and federal funds for traffic signals (\$3 million).

The state dollars continue to represent RCOC’s largest source of funding and its main funding source for operations. The anticipated drop in state funding is the result of the impact of coronavirus on state revenues, particularly vehicle-registration fees and fuel taxes, which are the two largest sources of state road funding.

The TEDF and federal funds are awarded on a project-by-project basis, and the amount RCOC receives from each source fluctuates from year to year.

The proposed 2021 budget includes nearly \$35.6 million in annual contributions toward road-improvement projects planned to be under construction in 2021 (this is not the total cost for these projects -- some costs were included in the current year’s budget or will be included in the 2022 budget where projects are carried over from last year or expected to be carried over into 2022); \$32.4 million for road maintenance efforts such as pothole patching, gravel road grading and salting and plowing in the winter; and \$15.4 million for maintaining traffic signs, signals, pavement markings and guardrails among other activities.

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

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. 24.

"The state of the Road Commission remains strong," reports RCOC Board Chairman Greg Jamian. "However, we continue to feel the impact of the coronavirus, and the resulting economic downturn, on our budget," Jamian added. "We have already reduced the proposed budget by \$11 million in response to anticipated reductions in revenue, and it's possible we may have to make additional cuts during 2021."

RCOC Vice Chairman Ron Fowkes concurred. "We have always operated in a fiscally conservative manner," he explained. "The economic downturn resulting from the coronavirus caught everyone by surprise. There is nothing we could have done differently to better prepare for this," he added. "I am very thankful that we were in good financial shape when the pandemic arrived."

Board Member Andrea LaLonde added the Board remains concerned about the portion of state road funding that comes from the state General Fund and is controlled by the Legislature, which requires that the Legislature annually commit substantial state General Fund dollars to roads. "We recognize that the state budget is under great strain due to the pandemic, but we implore the Legislature to live up to its commitment to appropriate \$600 million yearly from the General Fund toward roads. Without our share of those dollars, we will face some tough financial decisions," she noted.

Managing Director Dennis Kolar noted the proposed budget also demonstrates the agency's continued commitment to maintaining culverts and bridges. "While these structures are not always obvious to motorists, their condition nationwide continues to be a concern, and we are committed to devoting as much available resources as possible to keeping them safe and well maintained," Kolar said. "That is again reflected in this budget."

During the public hearing, RCOC Deputy Managing Director/County Highway Engineer Gary Piotrowicz will provide an overview of the proposed 2021 Road Improvement Program (RIP) which includes next year's road-construction projects. Among the planned projects are:

- Reconstruct 12 Mile Road, Lahser to Evergreen in Southfield
- Major resurfacing of Walton Blvd, Dixie Highway to Sashabaw Road in Waterford Twp.
- Major resurfacing of Adams Road, Long Lake to Square Lake on the Troy/Bloomfield Twp. border
- Major resurfacing of Cranbrook Road, 14 Mile to Maple on the Birmingham/Bloomfield Twp. border
- Pave the gravel section of Currie Road from 9 Mile Road to 10 Mile Road in Lyon Twp.

A complete list of projects expected to be constructed in 2021 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," Managing Director Dennis 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 "Financials" button on the home page, then select "Budget Summary" and click on "Proposed 2020-21 Budget").

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Editor's Note: The list of anticipated projects to be constructed in 2021 and a summary of proposed revenues and expenses are attached.

PROPOSED 2021 BUDGET
October 1, 2020 - September 30, 2021

REVENUES

Source

• State fuel tax and vehicle-registration fees	\$102,391,080
• State highway-maintenance contract	\$ 10,500,000
• Michigan Transportation Economic Development Fund (TEDF)	\$ 3,600,000
• Federal funding-Road Improvement Program (RIP)	\$ 20,610,000
• Federal funding-signal projects	\$ 2,980,000
• Federal funding-Medicare Part D	\$ 200,000
• Contributions from local governments	\$ 18,095,000
• Fees and other revenues	\$ 2,641,000
• Appropriation from fund balance	\$ <u>0</u>

Total Revenues **\$161,017,080**

EXPENSES

Source

• Road Improvement Program (RIP)	\$ 57,350,000
• Operating expenditures	\$100,492,080
• Traffic-signal projects	\$ <u>3,800,000</u>

Total expenses **\$161,017,080**

Proposed 2021 RCOC Road Improvement Projects (RIP)

This list includes only projects that are expected to be constructed in 2021, not those where only design or only right of way (ROW) acquisition work is planned for 2021. To avoid confusion over the project costs, the costs listed are the estimated annual contributions for each project and not the total project costs which may span multiple fiscal years.

Widening

- Baldwin Road, Morgan to Gregory in Orion Twp. (widen to 4-lane boulevard/5-lane road; completion of ongoing project)

Project Cost

\$ 1.5 million

Reconstruct (completely replace road base and road surface)

- 12 Mile Road, Lahser to Evergreen in Southfield

\$ 3.15 million

Repair, Rehabilitate & Resurface (repair road base/add 3 to 4 inches new asphalt)

- Cranbrook Road, 14 Mile to 15 Mile in Birmingham and Bloomfield Twp.
- Adams Road, Long Lake to Square Lake in Bloomfield Twp./Troy
- Walton Blvd., Dixie Highway to Sashabaw in Waterford Twp.
- Maple Road, Inkster to Franklin (including culvert replacement) in Bloomfield Twp.

Project Cost

\$ 1.4 million

\$ 1.6 million

\$ 3.15 million

\$ 4.075 million

Gravel Road Paving

- Currie Road, 8 Mile to 10 Mile in Lyon Twp. (9-10 Mile to be constructed in 2021; 8-9 Mile to be constructed in 2022 along with a roundabout a 8 Mile and Currie)

Project Cost

\$ 4.04 million

Intersection Safety Enhancements

- Sashabaw Road at Oak Hill Road in Independence Twp./Brandon Twp. -- compact roundabout

Project Cost

\$ 2.1 million

Culvert Replacements

- Union Lake Road over the Hayes Drain (south of Wise Road) in Commerce Twp.
- Orchard Lake Road over the Rouge River (north of 10 Mile Road) in Farmington Hills
- Fish Lake Road over the Shiawassee River (south of Grange Hall Road) in Holly Twp.

Project Cost

\$ 970,000

\$ 970,000

\$ 1.6 million

Independence Twp. Millage Resurfacing (paid for primarily with township millage funds)

- Clarkston Road, Clarkston Village border east to Orion Twp. line
- White Lake Road, Clarkston Village border to Andersonville Road
- N. Eston Road, Clarkston Road north to end of pavement

Project Cost

\$ 2.3 million

\$ 975,000

\$ 225,000

Concrete Repairs (remove and replace bad concrete slabs)

- Various locations, Troy

Project Cost

\$ 7.5 million

Total annual contributions for projects to be constructed in 2021:

\$35.56 million

Projects to be carried over from 2020 budget and built in 2021:

- Flemings Lake Road/Walters Road, Clarkston Road to Waldon Road (Independence Twp. millage)
- Baron Road, Grange Hall to Groveland in Groveland Twp. (gravel road paving)

\$ 850,000

\$ 6.2 million