

INDUSTRY NEWS

PEOPLE

risen 48 percent and the cost of snow-plow "blades" has gone up 89 percent.

The solution, Bair said, is for the state to increase road funding in general and the gas tax in particular. "Without a gas

tax increase, road maintenance services across the state will be steadily reduced in coming years," he said. "This will mean more potholes, rougher gravel roads, less frequent salting and plowing in the

winter, and many other service cuts. I urge residents to take a look at the roads today. This is the best shape they are going to be in for many years, unless we increase Michigan's road funding." ■

REMAINDER OF ARTICLE

Survey Reveals Depth Of Cuts

The Road Commission for Oakland County (RCOC) has been forced to cut staff and services in recent years as state road funding has remained stagnant in the face of rapidly increasing road maintenance costs, and those cuts are expected to become more severe in

the next couple of years. The depth of the current and projected cuts became painfully clear recently when RCOC compiled them in a list in response to a statewide survey.

The survey, disseminated by the County Road Association of Michigan (CRAM), is intended to document the depth and breadth of the current road-funding crisis across the state. The survey was provided to all Michigan road commissions and asked each to document the cuts they have made or expect to make.

While the statewide results of the survey were not available at publication time, RCOC Managing Director Brent Bair noted that the process of compiling the list of RCOC cuts was an eye-opening experience. "We all know we have made many cuts," Bair said. "But we had not previously compiled all of the cuts and expected cuts in a single list. Unfortunately, this list provides a very clear picture of the severity of Michigan's road-funding crisis as it is impacting Oakland County."

Bair added while RCOC has made serious cuts in the current year's budget (fiscal year 2008), given the dismal forecasts for state road funding, it has become clear that those cuts did not go far enough. "We have cut wide and deep," he said. "Unfortunately, in 2009, the cuts will be even deeper."

Road funding in Michigan is provided primarily by the state-collected gas tax and vehicle registration fees. These revenues provide nearly all of RCOC's operating budget. RCOC, which is not a part of county general government, does not receive any direct revenues from property taxes.

For the current fiscal year, RCOC has eliminated the following items:

- Four full-time positions (cuts made through attrition)
- \$3 million of major road resurfacing work (this typically includes base repair, removal of existing pavement and placement of 3 inches or 4 inches of new asphalt)
- \$2 million of simple road resurfacing (1-1/2-inch asphalt overlays)
- \$500,000 of concrete repairs
- \$200,000 of new gravel applications for gravel roads

- All seasonal employees (39 "summer" student positions)
- The engineering co-op program (three part-time student co-op positions)
- \$70,000 of underground electrical work
- \$100,000 of pavement markings
- \$200,000 of contracted traffic signal upgrades
- \$90,000 of traffic signal configuration design work
- \$3.1 million of equipment replacements (RCOC deferred the needed purchase of 61 pieces of equipment, including salt trucks and road graders)
- 50 percent of the RCOC staff travel budget
- One-third of the RCOC staff training budget

For fiscal year 2009, Bair said that he expects to have to eliminate 18 full-time positions. "This will be a drastic cut. There is no way we can reduce our work force this much without having a significant impact on the level of service we provide," he explained.

Because RCOC has many long-term employees, Bair expects to make the cuts through attrition.

The root cause of the problem of diminishing road funding, Bair said, is that state-collected road funding has been flat since 1998. Beginning in fiscal year 2007, state road funding actually began declining. It is projected to continue declining for at least the next couple of years.

"Since 1998, state-collected road funding has grown by an annual average of only 1.13 percent," Bair said. "Meanwhile, the state-collected gas tax, the single largest source of road funding for the state, generated \$15 million less statewide in 2007 than it did in 1998."

At the same time, RCOC has seen many of its operating costs rise by double- or even triple-digit rates (based on actual, low-bid costs). For example, the cost of replacing RCOC salting/plowing trucks has increased nearly 74 percent since 1998. RCOC's diesel fuel costs have increased 304 percent during this period, the cost of asphalt has