

Budget

2007-2008

One Year ending 9/30/08

Quality Life Through Good Roads
Road Commission for Oakland County
We Care

As Adopted
September 27, 2007



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2007-2008

ROAD COMMISSION FOR OAKLAND COUNTY
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Larry P. Crake
Chairman, Board of County Road Commissioners

Richard G. Skarritt
Vice-Chairman

Eric S. Wilson
Commissioner

Brent O. Bair
Managing Director

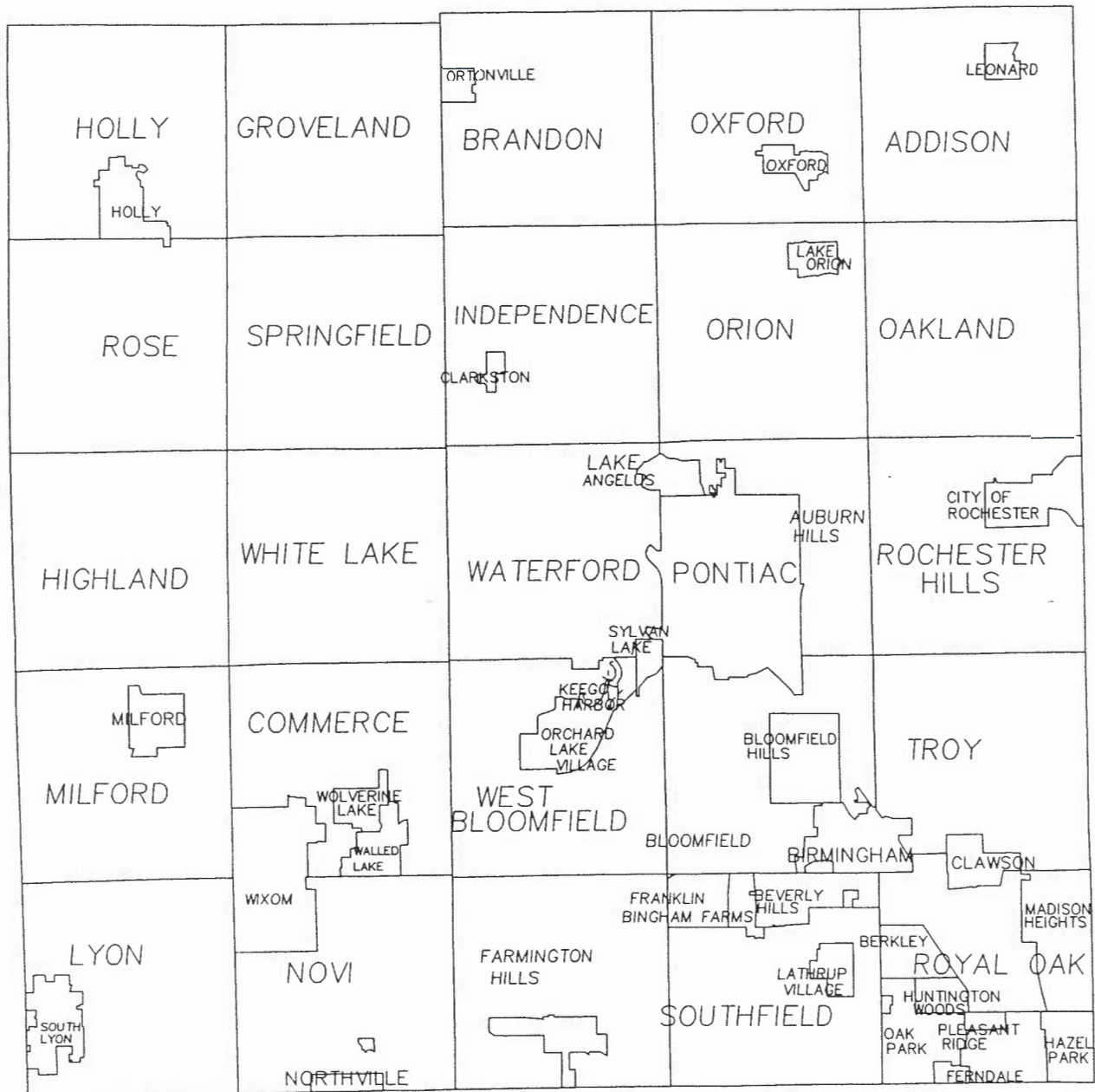


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FISCAL YEAR ENDING 9/30/08

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**COPY OF RESOLUTION ADOPTED BY THE BOARD OF COUNTY ROAD
COMMISSIONERS FOR OAKLAND COUNTY, MICHIGAN
UNDER DATE OF**

SEP 27 2007

WHEREAS, the Managing Director has, pursuant to provisions of the Uniform Budgeting and Accounting Act, recommended a budget for Fiscal Year 2007/08 and;

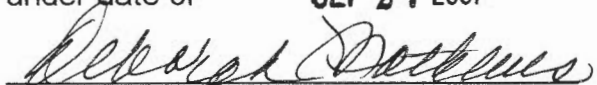
WHEREAS, a public hearing was held on said budget in compliance with said Act, and;

WHEREAS, the Board of Oakland County Road Commissioners, having reviewed the budget and taken into consideration the verbal and written comments of the public hearing and having received additional information from the Managing Director, is desirous of making changes in the recommended budget.

NOW, THEREFORE, BE IT RESOLVED, that the Managing Director's recommended budget is amended as follows:

	<u>Revenue</u>	<u>Expenditures</u>	<u>Fund Balance</u>
Budget as Presented at Public Hearing	\$104,048,500	\$104,048,500	
Increase:			
Road Commission Contingency		28,367	
Decrease:			
Salary and Wage Adjustments		(28,367)	
2007/08 Budget Proposed for Adoption	\$104,048,500	\$104,048,500	

I hereby certify that the above is a true and correct copy of a resolution adopted by the Board of County Road Commissioners of the County of Oakland, State of Michigan under date of **SEP 27 2007**


Deborah Mathews
Deputy/Secretary Clerk of the Board

**COPY OF RESOLUTION ADOPTED BY THE BOARD OF COUNTY ROAD
COMMISSIONERS OF THE COUNTY OF OAKLAND, MICHIGAN
UNDER DATE OF**

RESOLVED, that the revenue of the Road Commission for Oakland County Road Fund for Fiscal Year ending September 30, 2008 is estimated to be \$99,085,000 plus \$4,963,500 appropriation of fund balance. This amount is hereby budgeted and appropriated for Fiscal Year 2007/2008 in the amount of \$104,048,500 to service the Operating, Road Improvement Program, SEMSIM, and Traffic Signal Projects expenditures of the Road Commission for Oakland County.

<u>Revenue</u>	<u>2007/2008 Fiscal Year Revenue Appropriation</u>
Fuel and Vehicle Taxes	\$61,881,500
Other Federal & State Revenue	25,341,000
Revenue from Local Government	9,325,500
Fees and Other Revenue	<u>2,537,000</u>
Total Revenue	\$99,085,000
Appropriation from Fund Balance	<u>4,963,500</u>
Total Revenue & Appropriation from Fund Balance	\$104,048,500

FURTHER RESOLVED, that \$99,085,000 of anticipated revenue and \$4,963,500 of Fund Balance are hereby appropriated for the following purposes:

<u>Operating Expenditures</u>	<u>2007/2008 Fiscal Year Expenditure Appropriation</u>
Board of Road Commissioners	\$173,093
Managing Director	860,140
Citizen Services	346,750
Finance	952,733
Legal	741,818
Human Resources	719,285
Central Operations	11,218,376
Engineering	5,526,671
Planning & Development	1,197,403
Traffic Safety	11,180,591
Permits & Environmental Concerns	1,208,163
Highway Maintenance	21,879,243
Non-Departmental	<u>23,426,984</u>
Total Operating Expenditures	\$79,431,250
Road Improvement Program	21,516,250
SEMSIM Program	125,000
Traffic Signal Projects	<u>2,976,000</u>
Total Expenditures	\$104,048,500

The budget appropriation for the Road Improvement Program for Fiscal Year ending September 30, 2008 is as follows:

<u>2007/2008 Road Improvement Program</u>	<u>Budget</u> <u>Appropriation</u>	<u>2007/2008</u> <u>Road Improvement</u> <u>Program</u>
Safety Road Widening	\$1,000,000	\$1,000,000
Safety Intersection Projects	780,000	1,000,000
Tri-Party Program	5,875,000	6,750,000
Major Resurfacing with Safety-RRR (Resurfacing, Restoration, Rehabilitation)	1,800,000	2,252,000
Bridges and Bridge Restoration	2,300,000	2,770,000
Bridge Maintenance, Construction	60,000	100,000
Drainage Improvements	200,000	200,000
Paved Gravel	2,000,000	2,275,000
Other	<u>520,000</u>	<u>675,000</u>
Subtotal	\$14,535,000	\$17,022,000
<u>2007/08 Completion of 2006/07</u>		
<u>Projects in Progress</u>		
Safety Road Widening	\$4,750,000	\$ 5,850,000
Major Resurfacing with Safety-RRR	1,431,250	1,541,250
Prior Year Contractor Payments	<u>800,000</u>	<u>800,000</u>
Subtotal	\$6,981,250	\$8,191,250
 Total 2007/2008 Road Improvement Program	 \$21,516,250	 \$25,213,250

FURTHER RESOLVED, that no department, division, district, employee or official shall expend any funds or obligate the expenditure of any funds except pursuant to appropriations made by the Board of County Road Commissioners. Changes in the amounts appropriated by the Board shall require approval by the Board of County Road Commissioners.

FURTHER RESOLVED, that Budget Exhibits A-1 through A-7 of the 2007-08 Budget document are hereby adopted. Transfer of appropriations from one object of expenditure to another, within a department, may be made upon the written authorization of the Managing Director; however, no transfers shall be made between departments without approval by the Board of County Road Commissioners.


FURTHER RESOLVED, that the number of authorized positions (Budget Exhibit A-7) shall not be changed without approval by the Board of County Road Commissioners. New employees may be hired to fill vacant budgeted positions in lesser paid classifications upon written authorization by the Managing Director.

BE IT FURTHER RESOLVED, that the amount appropriated for overtime and seasonal salaries (Budget Exhibit A-5) may not be changed without approval by the Board of County Road Commissioners.

BE IT FURTHER RESOLVED, that the amount and quantities appropriated for capital outlay (See Detail of Capital Outlay p. 145-146) may not be changed without approval by the Board of County Road Commissioners.

BE IT FURTHER RESOLVED, that the Managing Director is hereby charged with general supervision of the execution of the Budget adopted by the Board and shall hold the department directors responsible for performance of their responsibilities within the amounts appropriated by the Board of County Road Commissioners.

I hereby certify that the above is a true and correct copy of a resolution adopted by the Board of County Road Commissioners of the County of Oakland, State of Michigan, under date of **SEP 27 2007**



Deborah Mathews
Deputy-Secretary/Clerk of the Board

**COPY OF RESOLUTION ADOPTED BY THE BOARD OF COUNTY ROAD
COMMISSIONERS OF THE COUNTY OF OAKLAND, MICHIGAN
UNDER DATE OF
SEP 27 2007
SPECIAL ASSESSMENT FUND**

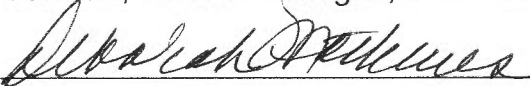
RESOLVED, that the total revenue for the Road Commission for Oakland County Special Assessment Fund for Fiscal Year ending September 30, 2008 is estimated to be \$2,675,000 plus fund balance. This amount is hereby budgeted and appropriated for the fiscal year 2007/2008 to service the Special Assessment Fund expenditures of the Road Commission for Oakland County.

<u>Revenue</u>	<u>2007/08 Fiscal Year Revenue Appropriation</u>
Revenue from Special Assessment Rolls	\$2,300,000
Road Fund Contributions Net Underassessment	25,000
Interest on Assessment Rolls	250,000
Interest on Investments	<u>100,000</u>
Total Revenue	\$2,675,000
Appropriation from Fund Balance	<u>2,408,441</u>
Total Revenue & Appropriation from Fund Balance	\$5,083,441

FURTHER RESOLVED, that the \$2,675,000 of anticipated revenue and \$2,408,441 of Fund Balance are hereby appropriated for the following purposes:

<u>Operating Expenditures</u>	<u>2007/08 Fiscal Year Expenditure Appropriation</u>
Contractor Payments	\$2,950,000
Engineering and Administration	600,000
Principal Payment on Debt	1,233,492
Interest on Debt	248,949
Refund of Overassessments to Participants (net)	50,000
Note Payment Fees and Issue Costs	<u>1,000</u>
Total Expenditures	\$5,083,441

I hereby certify that the above is a true and correct copy of a resolution adopted by the Board of County Road Commissioners of the County of Oakland, State of Michigan, under date of **SEP 27 2007**



Deborah Mathews
Deputy-Secretary/Clerk of the Board



Board of Road Commissioners
Road Commission for Oakland County
31001 Lahser Road
Beverly Hills, Michigan 48025

Gentlemen:

Enclosed is the proposed Road Commission for Oakland County (RCOC) fiscal year 2007/08 Budget for your review and adoption.

The proposed fiscal year 2007/08 budget totals \$104 million, representing a decrease of \$5.6 million from the combined \$109.6 million Road Fund 2006/07 budget. The \$104 million of the fiscal year 2007/08 budget is comprised of \$79.4 million operating expenses, \$21.5 million for the Road Improvement Program (RIP), and \$3.1 million for the Traffic Signal, ITS and SEMSIM Project Groups (contractor payments, right-of-way acquisitions, materials, and professional services only for the RIP and project groups). The budget for the Special Assessment District Program is \$3.55 million.

The changes from the fiscal year 2006/07 budget are as follows:

- \$9.9 million decrease in the RIP
- \$3.1 million increase in the operating budget
- \$1.2 million increase in the Traffic Signal, ITS and SEMSIM Groups

As is the case every year, the largest share of the revenue in the proposed fiscal year 2007/08 budget of \$61.9 million comes from the state-collected fuel tax and vehicle registration fees. The next largest portion of \$25.3 million comes from federal sources and other state sources, including the funds RCOC receives from the state for maintaining the state trunk lines and revenue generated by the RIP. Revenue from local governments adds \$9.3 million to the budget, while fees and other revenue such as interest earned and permit fees, account for \$2.5 million.

The selection of expenditures identified in the fiscal year 2007/08 budget was guided by the following points:

- Maintenance (and improvement where possible) of the level of service provided to the residents and motorists using county roads in Oakland County. This includes ensuring an acceptable level of truck fleet readiness.
- Maximization of all available federal and state funds through aggressively matching with other agencies and developers.
- Continued aggressive efforts to contain costs, especially in the areas of health care, risk management, and privatization, where appropriate.

Board of Road Commissioners

*Larry P. Crake
Commissioner*

*Richard G. Skarritt
Commissioner*

*Eric S. Wilson
Commissioner*

*Brent O. Bair
Managing Director*

*Dennis G. Kolar
Deputy Managing Director
County Highway Engineer*

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Board of Road Commissioners
Road Commission for Oakland County
Page Two



QUALITY LIFE THROUGH GOOD ROADS:
ROAD COMMISSION FOR OAKLAND COUNTY
"WE CARE"

This budget allows RCOC to provide current levels of service in the most effective manner given the resources available. What is most noteworthy is what is not provided for in this budget. This includes all of the roadwork such as asphalt resurfacing and concrete repair that RCOC used to be able to do at 100 percent RCOC cost. Some equipment replacement is also being deferred due to RCOC's tightening financial situation.

Summary Table 3 (page 24) shows recommended departmental appropriations compared with fiscal year 2005/06 expenditures. In addition, some highlights of the proposed expenditures include:

- \$6.8 million on 5.5 miles of safety road widenings
- \$3.8 million on 7.0 miles of major (RRR) resurfacing
- \$2.9 million on three bridge repair/replace projects
- \$1.0 million on intersection safety improvements at two locations

The 552 proposed budgeted staff positions reflect a reduction of four authorized positions, and reclassification of the superintendent-in-training position from authorized to temporary.

Respectfully submitted,

Brent O. Bair
Managing Director

Enclosure

COPY OF RESOLUTION ADOPTED BY THE
BOARD OF COUNTY ROAD COMMISSIONERS
FOR OAKLAND COUNTY, MICHIGAN
UNDER DATE OF JUN 28 2007

WHEREAS, PA 1963, 2nd EX. SESS. No. 43, as amended, MCL 141.411 et seq, requires a Public Hearing on the proposed Road Commission Budget; and

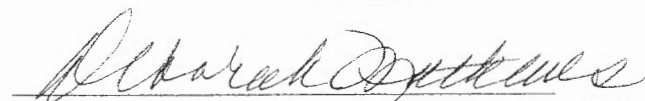
WHEREAS, the Managing Director has prepared a proposed 2007-2008 Budget and proposed 2007-2008 Primary and Local Road Improvement Program for the Fiscal Year ending September 30, 2008.

NOW, THEREFORE BE IT RESOLVED, that the Road Commissioners hereby give notice of a Public Hearing to be held at 7:30 p.m. on Thursday, August 23, 2007, at the Oakland County Auditorium, Oakland County Service Center, 1200 N. Telegraph, Pontiac, Michigan 48341, for the purpose of presenting the Road Commission's proposed 2007-2008 Budget and proposed 2007-2008 Primary and Local Road Improvement Program, and providing an opportunity to all interested citizens and elected officials of Oakland County to present comments thereon prior to adoption by the Board of Road Commissioners.

BE IT FURTHER RESOLVED that the publication of the Notice of Public Hearing is hereby authorized.

I hereby certify that the above is a true and correct copy of a resolution adopted by the Board of County Road Commissioners for Oakland County, State of Michigan, under the date of:

JUN 28 2007



Deborah Mathews
Deputy-Secretary/Clerk of the Board



Inter-Departmental Memorandum

MANAGING DIRECTOR

DATE: March 12, 2007

To: RCOC Department Directors

FROM: Brent O. Bair

SUBJECT: **2007-08 BUDGET LETTER**

As in the past, forms for departmental budget requests for FY2007-08 will be e-mailed to department directors. Attached is a schedule of dates that have been established for completion, and must be met so that the recommended budget for the next fiscal year, beginning October 1, 2007, can be presented to the Board of Road Commissioners on August 9, 2007.

Please note the following in preparing your submissions:

1. Safety continues to be our No. 1 priority, and, therefore, when faced with competing priorities, safety must be given primary consideration. Both the safety of employees and the traveling public should be addressed in your budget where appropriate.
2. All requests for capital expenditures of \$25,000 or more must be accompanied by a cost-benefit analysis. Capital equipment that is replacing equipment should include data regarding repair costs for the equipment being placed. Note: Include the bid/purchase price of the last piece of equipment purchased of the same type. If more money is now being requested for the same type of equipment, explain the difference in cost.
3. There should be a schedule for each "no n-capital" account for non-road items between \$500 and \$5,000 that were capitalized in the past and now have a new account number.
4. The department director's cover letter for the budget submission must indicate any expenditures that were not included in the financial plan. Again, the test will be whether the departmental request was contained in FP2007.

5. Directors should spell out any new cost-saving measures to be taken by their departments in FY2007-08.
6. The cover letter should also provide the director's proposed new computer applications or applications of other technologies (GPS, etc.) anticipated by the department during FY2007-08. This should include new timesaving and other advantages and capabilities for the department resulting from new J. D. Edwards and other software. Any anticipated cost or improved employee efficiencies should be identified.
7. Be prepared to discuss travel and training in detail. With the cuts imposed in the financial plan, what training did you cut and who will not be trained? With travel cut, is there anyone in your department who is on a committee or otherwise involved in an organization or activity on behalf of RCOC that will not be able to attend committee meetings, etc.?

The above should be used as a checklist during the preparation of your FY2007-08 Budget submission. Make sure your cover memo addresses each of the seven areas listed above.

Once again, no new revenue sources should be anticipated during FY2007-08.



c: Dennis Kolar

/gg/w

Glossary

Appropriation:	Authorization made by the Board of Road Commissioners permitting the Road Commission to incur obligations and make expenditures.
Asset:	Property owned which has monetary value.
Autoscope:	Video-vision technology that utilizes intersection-placed television cameras to count and evaluate speed for all vehicles entering the influence zone of an intersection for signal timing.
AVL:	Automatic Vehicle Location
Basis of Accounting:	The Road Commission for Oakland County's annual operating budget is prepared in conformity with generally accepted accounting principles (GAAP) and is on the modified accrual basis of accounting. Revenue is recognized in the accounting period when it becomes available and measurable.
Budget:	A financial plan for a specific period of time (fiscal year). The Road Commission's fiscal budget covers the period of October 1 through September 30.
Budget Adjustment:	A procedure by the Board of Road Commissioners or Managing Director to amend budget appropriations. Also called appropriation transfer.
Capital Assets:	Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.
Capital Outlay:	Expenditures that result in the replacement of or addition to fixed assets.
CMAQ:	Congestion Mitigation Air Quality. Funding distributed based on a statewide rating system.
Contingency Account:	A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.
Debt Service:	Payment of interest and repayment of principal to holders of the government's debt instruments.

Glossary

Demo:	Federally sponsored grants for transportation demonstration projects originating from Congress and the U.S. Department of Transportation.
EDMS:	Electronic Document Management
Expenditures:	The outflow of funds paying for assets, goods, services, and costs related to the Road Improvement Program.
Fiscal Year:	The time period designating the beginning and ending period for recording financial transactions. The Road Commission has specified October 1 to September 30 as its fiscal year.
Fund:	An accounting entity that has a set of self-balancing accounts and records of financial transactions for specific activities or government functions. Examples of fund types are special revenue funds, which include the road fund and the special assessment fund; and trust and agency funds, which include the pension trust fund.
Fund Balance:	Fund balance is the excess of assets over liabilities and reserves.
GASB 34:	Government Accounting Standards Board Statement No. 34. Provisions effective October 1, 2001 related to providing analysis of operations and using full accrual of all activities including capitalizing infrastructure.
GLITS:	Great Lakes Intelligent Transportation System. A cooperative initiative by Southeastern Michigan agencies to improve transportation, sustain the economy, and enhance the quality of life in Southeastern Michigan.
GRIP:	Gravel Road Improvement Program
ITS:	Intelligent Transportation Systems. An integrated traffic guidance/information system using such components as SCATS and Autoscope.
LED:	Light Emitting Diodes

Glossary

Line Item Budget: A budget that lists each expenditure category (salaries, contracted services, materials, supplies and parts, capital outlay, fixed charges and other expenses) separately along with the dollar amount budgeted for each specific category.

Local Bridge Program:

Federal funding for bridge replacement. The State of Michigan supplements the fund and prioritizes the projects.

Maturities: The dates on which the principal or stated values of investments or debt obligations mature and may be reclaimed.

MDOT: Michigan Department of Transportation

MTF: Michigan Transportation Fund. State-collected motor fuel and vehicle taxes. Primary source of funding.

OPEB: Other Post Employment Benefits. A new Governmental Accounting Standards Board pronouncement that provides guidance for local units of government in recognizing the cost of retiree health care, as well as any other post-employment benefits (other than pensions).

Operating Budget: The portion of the budget that pertains to daily operations that provide basic governmental services. The RCOC operating budget contains appropriations for such expenditures as salaries, supplies, utilities, materials, and purchases of road equipment, fuel, etc.

RCOC: Road Commission for Oakland County

Revenue: Funds the Road Commission receives as income. It includes four major categories: fuel and vehicle taxes (Michigan Transportation Fund); federal and state revenue; revenue from local governments; and fees and other revenue.

RIP: Road Improvement Program. A detailed schedule of construction and purchases of rights-of-way showing locations, funding sources, and types of projects (widening, bridges, gravel paving, intersections, etc.).

ROW: Right of Way

- SAD:** Special Assessment Districts. Specific areas with improvements on subdivision streets. See "Special Assessment".
- SEMSIM:** Southeastern Michigan Snow and Ice Management
- SCATS:** Sydney Coordinated Adaptive Traffic Systems. See section on Traffic Safety under "Department".
- SIG:** Signal Projects Program
- SMART:** Suburban Mobility Authority for Regional Transportation
- Special Assessment:** A levy made against certain properties (subdivisions) to defray the cost of certain road improvements deemed to primarily benefit those properties.
- STP:** Surface Transportation Program. A block grant type program that may be used for any roads, except local or rural collectors, now called federal-aid roads. Established by the Intermodal Surface Transportation Act of 1991.
- TEDF:** Transportation Economic Development Fund. State funding created in 1987 to fund road improvement in areas of significant job growth.

Category A: Highway, street and road improvements to serve economic development projects in any of the following target industries:

1. Agriculture or food processing
2. Tourism
3. Forestry
4. High technology research
5. Manufacturing
6. Office centers solely occupied by the owner or not less than 50,000 square feet occupying more than 3 acres of land

Category B: Projects that result in the addition of county roads or city or village streets to the state trunk line system, or the construction of a state trunk line on a new location that allows the county road or city or village to return to its appropriate function.

TEDF:
(continued) **Category C:** Projects for reducing congestion on county primary and city major streets within urban counties (a county with a population greater than 400,000).

Category D: Projects in rural counties (a county with a population of 400,000 or less) for the improvement of county rural primary roads and major streets in cities and villages with a population of 5,000 or less to create an all-season road network.

Category E: Projects for construction or reconstruction of roads in counties in which a national lakeshore or national park is located, or a county in which 34% or more of all the land is commercial forest land.

Category F: Projects for county roads and city and village street improvements on the Federal Aid to Urban System in rural counties (a county with a population of 400,000 or less).

TIMS: Transportation Information Management Systems

TOC: Traffic Operations Center

VII: Vehicle Infrastructure Integration

WAN: Wide Area Network

The budget appropriation for the Road Improvement Program for Fiscal Year ending September 30, 2008 is as follows:

<u>2007/2008 Road Improvement Program</u>	<u>Budget</u> <u>Appropriation</u>	<u>2007/2008</u> <u>Road Improvement</u> <u>Program</u>
Safety Road Widening	\$1,000,000	\$1,000,000
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Tri-Party Program	5,875,000	6,750,000
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FURTHER RESOLVED, that no department, division, district, employee or official shall expend any funds or obligate the expenditure of any funds except pursuant to appropriations made by the Board of County Road Commissioners. Changes in the amounts appropriated by the Board shall require approval by the Board of County Road Commissioners.

FURTHER RESOLVED, that Budget Exhibits A-1 through A-7 of the 2007-08 Budget document are hereby adopted. Transfer of appropriations from one object of expenditure to another, within a department, may be made upon the written authorization of the Managing Director; however, no transfers shall be made between departments without approval by the Board of County Road Commissioners.

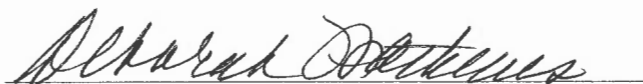
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Deborah Mathews
Deputy-Secretary/Clerk of the Board

**COPY OF RESOLUTION ADOPTED BY THE BOARD OF COUNTY ROAD
COMMISSIONERS OF THE COUNTY OF OAKLAND, MICHIGAN
UNDER DATE OF
SEP 27 2007
SPECIAL ASSESSMENT FUND**

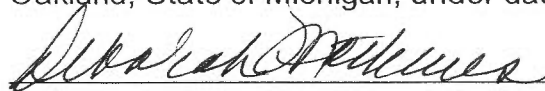
RESOLVED, that the total revenue for the Road Commission for Oakland County Special Assessment Fund for Fiscal Year ending September 30, 2008 is estimated to be \$2,675,000 plus fund balance. This amount is hereby budgeted and appropriated for the fiscal year 2007/2008 to service the Special Assessment Fund expenditures of the Road Commission for Oakland County.

<u>Revenue</u>	<u>2007/08 Fiscal Year Revenue Appropriation</u>
Revenue from Special Assessment Rolls	\$2,300,000
Road Fund Contributions Net Underassessment	25,000
Interest on Assessment Rolls	250,000
Interest on Investments	<u>100,000</u>
Total Revenue	\$2,675,000
Appropriation from Fund Balance	<u>2,408,441</u>
Total Revenue & Appropriation from Fund Balance	\$5,083,441

FURTHER RESOLVED, that the \$2,675,000 of anticipated revenue and \$2,408,441 of Fund Balance are hereby appropriated for the following purposes:

<u>Operating Expenditures</u>	<u>2007/08 Fiscal Year Expenditure Appropriation</u>
Contractor Payments	\$2,950,000
Engineering and Administration	600,000
Principal Payment on Debt	1,233,492
Interest on Debt	248,949
Refund of Overassessments to Participants (net)	50,000
Note Payment Fees and Issue Costs	<u>1,000</u>
Total Expenditures	\$5,083,441

I hereby certify that the above is a true and correct copy of a resolution adopted by the Board of County Road Commissioners of the County of Oakland, State of Michigan, under date of **SEP 27 2007**



Deborah Mathews
Deputy-Secretary/Clerk of the Board



Board of Road Commissioners
Road Commission for Oakland County
31001 Lahser Road
Beverly Hills, Michigan 48025

Gentlemen:

Enclosed is the proposed Road Commission for Oakland County (RCOC) fiscal year 2007/08 Budget for your review and adoption.

The proposed fiscal year 2007/08 budget totals \$104 million, representing a decrease of \$5.6 million from the combined \$109.6 million Road Fund 2006/07 budget. The \$104 million of the fiscal year 2007/08 budget is comprised of \$79.4 million operating expenses, \$21.5 million for the Road Improvement Program (RIP), and \$3.1 million for the Traffic Signal, ITS and SEMSIM Project Groups (contractor payments, right-of-way acquisitions, materials, and professional services only for the RIP and project groups). The budget for the Special Assessment District Program is \$3.55 million.

The changes from the fiscal year 2006/07 budget are as follows:

- \$9.9 million decrease in the RIP
- \$3.1 million increase in the operating budget
- \$1.2 million increase in the Traffic Signal, ITS and SEMSIM Groups

As is the case every year, the largest share of the revenue in the proposed fiscal year 2007/08 budget of \$61.9 million comes from the state-collected fuel tax and vehicle registration fees. The next largest portion of \$25.3 million comes from federal sources and other state sources, including the funds RCOC receives from the state for maintaining the state trunk lines and revenue generated by the RIP. Revenue from local governments adds \$9.3 million to the budget, while fees and other revenue such as interest earned and permit fees, account for \$2.5 million.

The selection of expenditures identified in the fiscal year 2007/08 budget was guided by the following points:

- Maintenance (and improvement where possible) of the level of service provided to the residents and motorists using county roads in Oakland County. This includes ensuring an acceptable level of truck fleet readiness.
- Maximization of all available federal and state funds through aggressively matching with other agencies and developers.
- Continued aggressive efforts to contain costs, especially in the areas of health care, risk management, and privatization, where appropriate.

Board of Road Commissioners

*Larry P. Crake
Commissioner*

*Richard G. Skarritt
Commissioner*

*Eric S. Wilson
Commissioner*

*Brent O. Bair
Managing Director*

*Dennis G. Kolar
Deputy Managing Director
County Highway Engineer*

31001 Lahser Road
Beverly Hills, MI
48025

248-645-2000

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Goals and Objectives



The Budget Process

Preparation The creation of the annual Road Commission for Oakland County budget is a process requiring intense preparation and analysis. This preparation involves the review of all RCOC resources to determine the amount of funds available to meet the goals, objectives and service needs for the following year.

Budget Calendar The budget process begins with the financial planning process in October; then, in March, a budget message is sent to all departments by the Managing Director setting guidelines for the following year's budget.

Budget hearings are then held with each department director to discuss departmental goals and objectives and the ability to achieve them during the next fiscal year.

Public Hearing The Uniform Budgeting and Accounting Act requires the holding of an annual public hearing on the proposed Road Commission budget and Road Improvement Program for the following fiscal year (page vii of this document). It is at the public hearing where interested citizens and other parties can discuss the proposed budget.

Adoption Following adoption by the Board, amendments are made to the budget during the fiscal year by way of the appropriation transfer as outlined in the Board of Road Commissioners' resolution (pages i, ii, iii, iv and v of this document).

Method This budget uses the modified accrual basis of accounting (see Glossary for further explanation).

Goals and Objectives

Vision Statement The Road Commission for Oakland County, although facing serious financial challenges, remains committed to the following vision:

**"QUALITY LIFE THROUGH GOOD ROADS.
ROAD COMMISSION FOR OAKLAND COUNTY--WE CARE."**

Mission Statement The strategic focus -- the mission -- of the organization is to fulfill the needs of the community by providing the public with:

- Safe and convenient roads
- Responsive and dependable service
- Respect for the environment
- Sensitivity to community concerns
- Sound financial management

It is also the mission of RCOC staff to work together to provide:

- A cooperative work environment
- Opportunities for learning and growth
- Respect for the dignity of each individual
- Fair and equitable dealings

The vision and the mission statements provide the basis for all goals, objectives, and actions of RCOC.

Needs and Strategies

CUSTOMER NEEDS

The strategic focus of this budget continues to be the achievement of service delivery excellence for our customers.

To identify the transportation needs of the local communities, the Road Commission biennially holds strategic planning meetings with community officials. These meetings provide an effective forum for identifying road improvement needs, currently estimated to be \$2.1 billion on county roads over the next ten years. Community officials' requests are then analyzed and prioritized into four distinct areas of concern.

Improved Safety and Condition of Gravel Roads

Many communities served primarily by gravel roads continue to experience accelerated development. Dramatic increases in traffic volumes seriously threaten the Road Commission's ability to maintain the gravel road system. Gravel road maintenance cycles once adequate on these roads are no longer sufficient.

RCOC maintains approximately 800 miles of gravel roads, one of the largest gravel road systems in the state of Michigan. Many of these gravel roads are in developing areas of the county where traffic volumes exceed those normally associated with gravel roads. This budget includes \$1,457,625 to be used for graveling to improve the conditions of unpaved roads.

Also included in this budget is the continuation of the Gravel Road Improvement Program (GRIP) for fiscal year 2007/08. This is a cooperative program with the communities, in which local communities purchase materials and RCOC provides labor and equipment.

Improved Safety, Capacity and Condition of Paved Roads

Increased travel, increasing road surface age, and limited funding are collectively resulting in a deteriorating paved road system. Preserving the massive investment in the existing paved road system and continuing to expand this infrastructure to relieve mounting congestion are critical to the future of all Oakland County communities.

The Pavement Management System (PMS) is a computer-based program used to assist in identifying cost-efficient strategies for rehabilitating and maintaining our paved primary and mile-type local roads.

Needs and Strategies

Improved Safety, Capacity and Condition of Paved Roads (continued)

The computerized database within the PMS remains the primary tool used to rate pavement conditions on county roads. This system identifies the condition of county road pavements, prioritizes road segments requiring repaving, and provides statistical data for budgetary purposes.

Data describing pavement and road base conditions is entered into the system, and a present status summary is prepared. The summary indicates which road segments on the paved system are in the best and worst condition based on the Pavement Quality Index (PQI) measure assigned to each segment by the PMS. A "mix of fixes" approach is incorporated to optimize pavement management expenditures. Using the PMS, pavement preservation, restoration or reconstruction strategies are selected for different segments of road. Monies are dedicated for restoration or reconstruction on roads with the lowest PQI, while preventive maintenance strategies will be applied to prolong the useful life and high PQI ratings on roads which were constructed relatively recently. This "mix of fixes" approach addresses problem road segments while preserving our recent investment on good road segments.

The Highway Maintenance Department and Engineering Department address various pavement conditions. Even though the proposed programs do not address all the needs as shown in the Pavement Management System, they represent a systematic attempt to improve the entire paved network by applying the appropriate remedies or repairs based on the pavement condition and sound asset management techniques.

RCOC recognized the benefit of a joint and crack sealing program many years ago. In the past, the budget has included \$50,000 for this activity. This was insufficient funding to meet the entire need, but the pavement life on some roads was extended by sealing the cracks before they became potholes. Decreasing revenues has not allowed for funding of this program for the past four years or in fiscal year 2007/08.

Also, five years ago RCOC was spending about \$3 million on programs for preservation overlay and concrete replacement. Now, due to inflationary increases in operations and stagnant gas tax revenues, RCOC has completely eliminated these expenditures from the fiscal year 2007/08 budget.

Needs and Strategies

Improved Safety, Capacity, and Condition of Paved

Roads (continued) The Oakland County Federal Aid Task Force, responsible for setting priorities for federal road funding, has realized the need to restore aging pavements countywide, and has approved more pavement preservation projects in recent years. Although the needs far outpace the Federal Aid funds available, the task force considers safety, congestion and pavement conditions in the selection of projects which will receive funding.

Improved Traffic Management System

In many locations, innovative traffic management systems, known as Intelligent Transportation Systems (ITS), can provide a desirable alternative to traditional capacity improvements. ITS can, and is, being used in a variety of locations. Improved traffic management can provide added road capacity without the cost of major community disruption and relocation often associated with traditional road widening projects. ITS also has been documented to improve motorist safety.

RCOC's Faster and Safer Travel through Traffic Routing and Advanced Controls (FAST-TRAC) project includes deployment of high-tech "adaptive" traffic signals that utilize video imaging vehicle detection. During fiscal year 2007/08, approximately 650 intersections will be on line and sending data back to the Traffic Operations Center.

The budget for fiscal year 2007/08 includes funding for the ITS Traffic Operations Center (TOC) operations and maintenance. Federal funding has helped RCOC and various communities in Oakland County execute capital improvements and offset the cost of operating and maintaining the TOC and the FAST-TRAC real-time advanced traffic management system. RCOC worked to get additional funding for TOC operations and maintenance and to allow Congestion Mitigation Air Quality (CMAQ) funding to be used for this purpose without limitations on the time frame.

FAST-TRAC is RCOC's largest ITS project. It is also the largest such system in North America. It is anticipated that the FAST-TRAC project will continue to be expanded into other areas of the county in the coming year, since it is an important tool in improving mobility.

Needs and Strategies

Improved Traffic Management System (continued)

The focus of the FAST-TRAC project in this fiscal year will again be to continue research and testing on development of a new wireless communications backbone. The new system will be more reliable, less expensive, and provide flexibility for future technologies. Also, to improve the safety on the road systems, RCOC has been working with various companies on Vehicle Infrastructure Integration (VII). This new technology is expected to help reduce crashes on the road system.

Improved Road Drainage Systems

Inadequate road drainage is a widespread concern affecting both paved and gravel roads. Poor drainage not only threatens the integrity of the road, but also can pose a safety hazard.

The fiscal year 2007/08 Road Improvement Program includes \$200,000 for drainage improvements. The Road Commission will continue the successful 50/50 matching drainage program with local units of government. The budget also includes \$2,870,000 for bridges and bridge maintenance. A Bridge Management System is utilized for selection of bridge projects.

Summary

Although the Road Commission's operations have been organized around the functional distinctions of highway design, traffic engineering, construction, and road maintenance, the areas of concern expressed by community officials through the RCOC strategic planning process are important. These concerns cross departmental boundaries, requiring a more comprehensive team approach to solving problems at the Road Commission. This strategic focus continues to guide the Road Commission for Oakland County toward realization of its vision of "Quality Life Through Good Roads."

STRATEGIES FOR MEETING CUSTOMER NEEDS

The operating departments have identified a number of strategies related to the four areas of concern expressed by community officials. These strategies are outlined on the next page by area of concern.

Needs and Strategies

STRATEGIES FOR MEETING CUSTOMER NEEDS (continued)

Gravel Road Strategies

The gravel road concerns of community officials have generated the following strategies by the RCOC operating departments:

- A. Maintain coordination of gravel road grading and dust control activities.
- B. Review current grading practices.
- C. Implement a road grading training program.
- D. Review current specifications for gravel road materials and design.
- E. Identify possible test projects that would utilize different materials and designs.
- F. Re-examine the engineering requirements for paving projects.
- G. Develop a gravel road information system, similar to the pavement management system in use for paved roads.
- H. Evaluate accident data for gravel roads to determine appropriate countermeasures.
- I. Improve the condition of equipment used to maintain gravel roads.
- J. Develop a long-range gravel road improvement plan consistent with the development goals of the communities.
- K. Establish enhanced speed controls on gravel roads.
- L. Encourage cooperative funding with local governmental units and the private sector for upgrading gravel roads.

Paved Road Strategies

The concerns of community officials regarding the preservation of the paved road system are addressed by the following strategies:

- A. Continue to use the pavement management system to establish priorities and treatment alternatives for paved road preservation projects.
- B. Implement regular programs of paved road preservation activities as part of the Road Improvement Program.
- C. Review current paved road maintenance practices with an emphasis on innovative approaches for paved road preservation and maintenance administration.

Needs and Strategies

Paved Road Strategies (continued)

- D. Evaluate the paved road system for areas of traffic congestion, and explore low-cost, innovative approaches for improving mobility.
- E. Continue to incorporate traffic accident countermeasures into road preservation projects.
- F. Improve the aesthetic value of roadsides by recruiting volunteer groups for litter control activities through continued funding of the "Adopt-A-Road" program.

Traffic Management Strategies

The traffic management concerns expressed by community officials focused on traffic signal installation, traffic signal maintenance, and traffic signal optimization. They are addressed by the following strategies:

- A. Develop a traffic signal management system to track signal equipment and parts inventories, and to monitor trouble calls and routine maintenance.
- B. Increase traffic volume counts taken on a routine basis.
- C. Continue to apply for federal aid for traffic signal modernization and optimization.
- D. Continue to review new software developments for optimal signal timing.
- E. Improve facilities for signal equipment repair and fabrication to minimize downtime.
- F. Improve the troubleshooting capabilities of the Traffic Safety Department's signal crews.
- G. Monitor and evaluate Intelligent Transportation Systems (ITS) and continue to expand these systems countywide as funding becomes available.
- H. Continue to evaluate new ITS technologies.

Drainage System Strategies

The road drainage concerns expressed by community officials encompass both the gravel road system and the paved road system.

In response to these concerns, the following strategies have been identified:

Needs and Strategies

Drainage System Strategies (continued)

- A. Develop a drainage structure information management system to identify and rank locations where road drainage is inadequate.
- B. Evaluate the adequacy of existing drainage maintenance equipment and usage for possible acquisitions, redistribution to different maintenance districts, and improved scheduling.
- C. Investigate the correlation between problematic drainage locations and accident and environmental data to determine priorities and countermeasures.
- D. Encourage cooperative funding of ditching and drainage improvements.
- E. Develop a countywide roadway drainage plan.

Summary

While it is evident that the departments have emphasized the four areas of concern expressed by community officials, expenditures are constrained by funding limitations and changes in the work environment. These strategies should help identify ways in which RCOC can enhance its service in these areas within budgetary restraints.

STRATEGIES TO IMPROVE THE WORK ENVIRONMENT

Over the years, the Road Commission has been able to identify many means of improving the work environment. These efforts have been reflected in the Road Commission's mission statement and strategic goals.

Employees have expressed the need for a cooperative work environment, the opportunity for learning and growth, mutual respect, recognition, and fair and equitable dealings.

In response to these needs, the Road Commission has implemented a number of programs including Positive Discipline, Employee Assistance, Job Enrichment, Career Coaching, Leadership for Results, an agency-wide Annual Health Fair and Wellness Program, the Doris A. Webster Tuition Reimbursement Program, Civil Engineer Job Rotation and Internships, and our executive leadership development program, the L.E.A.D. Academy (Leadership, Education, Assessment, Development).

Needs and Strategies

STRATEGIES TO IMPROVE THE WORK ENVIRONMENT (continued)

In addition, we have implemented an Internal Investigations Committee to review complaints and to allow for dispute resolution. We have also expanded our sexual harassment policy to include prohibition against all forms of harassment and discrimination.

These programs are augmented by the ongoing efforts of the internal strategic planning process, as participants wrestle with strategies for empowering employees in building trust, strengthening employee skills, and improving communication.

REVIEW OF EXISTING RESOURCES

Revenue

RCOC revenue sources continue to be the same as those identified in prior fiscal years. In addition to the primary state and federal sources outlined in the following section, funding is received through local contributions, fees for various Road Commission services, county general government contributions to the Tri-Party Program, and from contracts with the State of Michigan for services performed on state trunklines.

Physical Plant

There will be no change in the number of buildings owned and maintained by RCOC in fiscal year 2007/08.

Major modifications and improvements this year include the continuing Energy Conservation Plan that includes installing insulated window panels in the district garages and a window project for the PVR facility. The card access security system will also be expanded to the maintenance districts.

Employees

A total of 552 full-time positions are authorized in the fiscal year 2007/08 budget. Superintendent-In-Training, considered a temp position, is not included in authorized positions for fiscal year 2007/08 and thereafter. Budget Exhibit A-7, beginning on page 46, details authorized positions by department.

Due to the deteriorating financial situation, two open clerical positions were eliminated in fiscal year 2006/07. Two open survey assistant positions have been eliminated from the budget for fiscal year 2007/08.

Needs and Strategies

Employees (continued)

Seasonal salaries has been reduced to \$120,000, primarily covering temporary agency needs. In the past, RCOC enhanced the work force through the use of seasonal employees, intended to produce higher customer satisfaction for RCOC during peak periods. However, in the fiscal year 2006/07 budget the program for seasonal students was cut in half in the operating departments, and eliminated entirely from the operating departments for fiscal year 2007/08.

To further maximize the resources of the work force, the Road Commission transfers personnel during the winter months to areas where their talents can be best utilized. For example, most guardrail installation takes place during the warmer months; in cooler weather, these laborers supplement the Highway Maintenance districts to clear roadways.

Winter and summer maintenance transfers are noted on Department Position-Salary Detail pages.

Vehicle Fleet

Major equipment purchases, coupled with aggressive preventive maintenance and improved equipment specification procedures have resulted in a significant improvement in fleet readiness in recent years.

RCOC's aggressive management of fleet age is an essential element of maintaining a high degree of fleet readiness, especially for winter maintenance operations. Each major equipment type has been assigned a DX (discard) standard, based on age and other factors, to determine total needs. While this budget recognizes the need for vehicle fleet improvement and management, there are limited funds available for this task. As a consequence, planned fleet acquisitions address only selective equipment needs. Within that strategy, fleet acquisitions are made on a priority basis based on the age and condition of equipment that should be removed from active fleet service. Details regarding vehicle fleet status can be seen starting on page 138.

Summary Table 1

REVENUES AND EXPENDITURES

Fiscal Year Ending September 30, 2008

Revenues	\$99,085,000
Appropriation from Fund Balance	4,963,500
Total Revenues & Appropriation from Fund Balance	\$104,048,500
Expenditures	
Operating Expenditures	\$79,431,250
Road Improvement Program	21,516,250
SEMSIM Program	125,000
Traffic Signal/ITS Projects	2,976,000
Total Expenditures	\$104,048,500

Road Commission for Oakland County Revenue by Source

2007-08

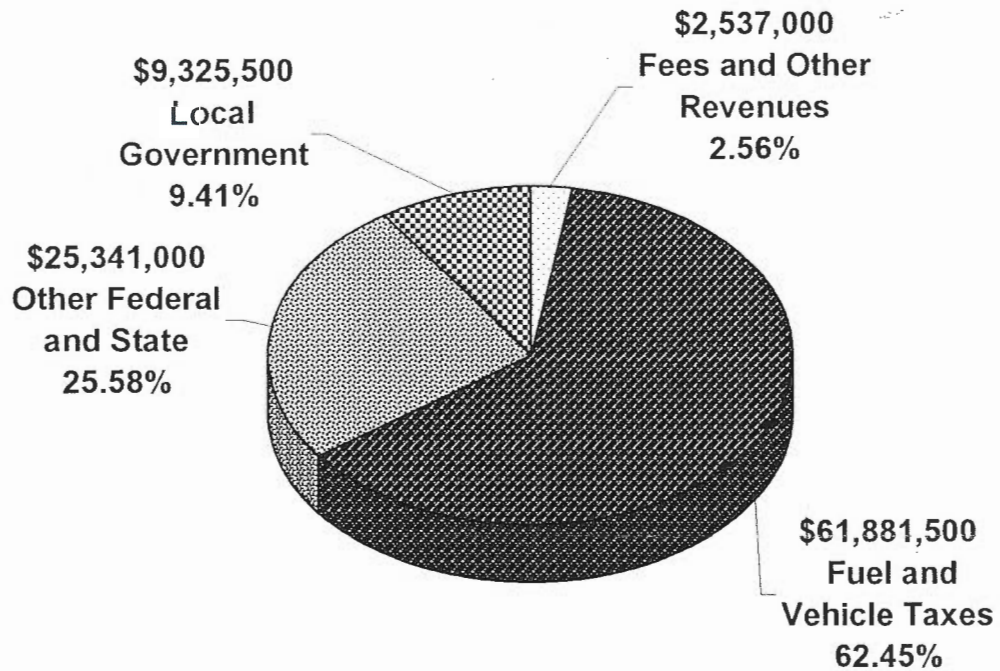


Figure 1

Summary Table 2

COMPARATIVE SUMMARY OF REVENUE

	2005/06 Actual Fiscal Year Ending <u>9/30/06</u>	2006/07 Budget As <u>Adopted</u>	2006/07 <u>Estimate</u>	2007/08 Budget Fiscal Year Ending <u>9/30/08</u>
Fuel and Vehicle Taxes	\$61,703,568	\$62,881,120	\$62,881,120	\$61,881,500
Other Federal & State Revenue	37,821,669	31,753,464	79,175,483	25,341,000
Revenue from Local Government	9,352,846	11,731,331	15,720,399	9,325,500
Fees and Other Revenue	4,244,958	2,537,000	3,437,000	2,537,000
Total Revenue *	\$113,123,041	\$108,902,915	\$161,214,002	\$99,085,000
Revenue Over (Under) Expenditures	(\$9,291,698)	(\$763,164)	(\$17,611,880)	(\$4,963,500)
Total Expenditures	\$122,414,739	\$109,666,079	\$178,825,882	\$104,048,500

*Without extraordinary item (FY05-06)

Budget Exhibit A-1

2007/08 BUDGETED REVENUE BY SOURCE

<u>Revenue Source</u>		<u>2007/08 Budget</u>
Fuel and Vehicle Taxes		
Engineering	\$10,000	
Primary Roads	44,813,527	
Local Roads	8,148,477	
Urban Primary Roads	6,521,256	
Urban Local Roads	<u>2,388,240</u>	
Total Fuel and Vehicle Taxes		\$61,881,500
Federal & State Revenue		
State Maintenance Contracts	\$10,650,000	
State Non-Maintenance	200,000	
State-Other	1,830,000	
Federal Aid-- Road Improvement Program	9,340,000	
Federal Revenue -- Medicare Part D	150,000	
State Category "C" Funds-RIP	680,000	
Federal Aid-Signal Projects/SIG-ITS (TOC)	<u>2,491,000</u>	
Total Federal and State Revenue		\$25,341,000
Revenue from Local Government		
Contributions from Townships	\$1,872,500	
Contributions from Cities	2,691,000	
County Contributions	2,250,000	
Other Contributions Including Work Orders	700,000	
Traffic Signal Maintenance	1,212,000	
S.A.D. Engineering & Administration	<u>600,000</u>	
Total Revenue from Local Government		\$9,325,500
Fees and Other Revenue		
Interest Earned	\$500,000	
Sundry Revenue	10,000	
Sale of Maps & Plans	15,000	
Permit Fees	400,000	
Inspection Charges	900,000	
Calcium Chloride Revenue	660,000	
Purchase Discount	2,000	
Proceeds from Disposal of Equipment	<u>50,000</u>	
Total Fees and Other Revenue		\$2,537,000
Total Revenues		99,085,000
Appropriation from Fund Balance		4,963,500
Total Revenues and Appropriation from Fund Balance		<u>\$104,048,500</u>

Budget Exhibit A-2

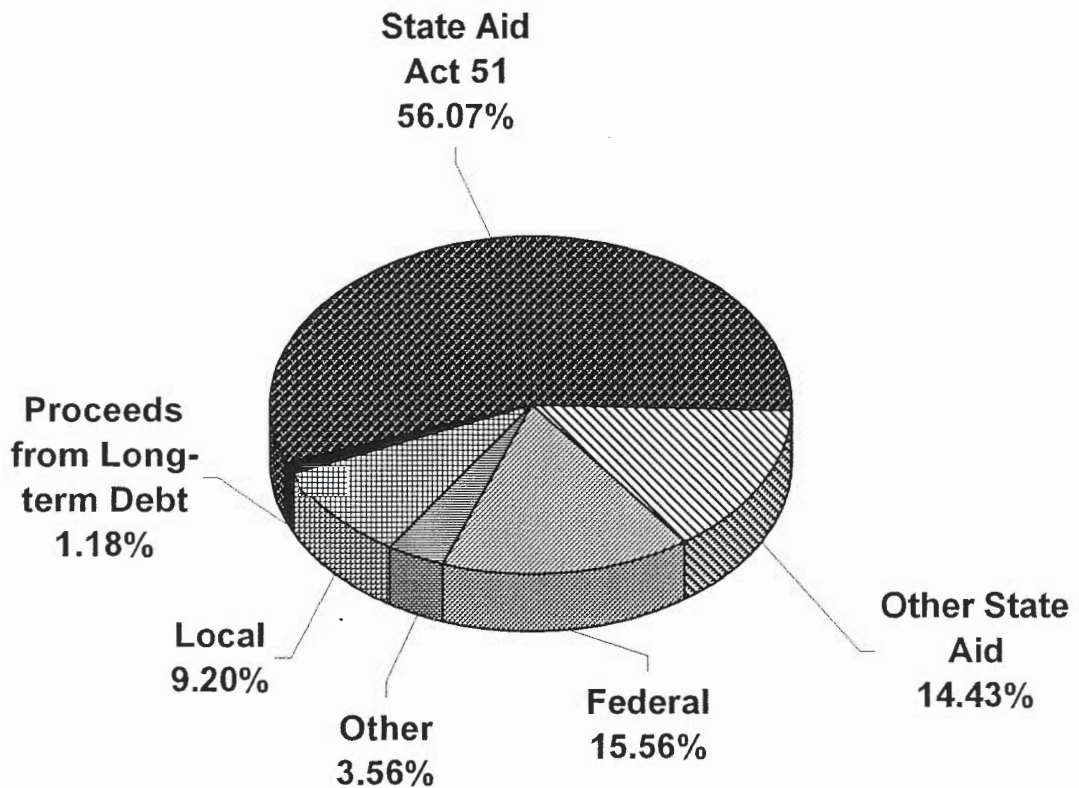
2007/08 ROAD IMPROVEMENT PROGRAM AND OTHER PROJECT GROUPS

SOURCES OF FUNDING

<u>Description</u>	<u>Federal & and State "C" Funds</u>	<u>City Share</u>	<u>Township Share</u>	<u>County/Other Share</u>	<u>RCOC Share</u>	<u>Totals</u>
Safety Widening	\$750,000	\$25,000	\$100,000	\$0	\$125,000	\$1,000,000
Safety Intersections	400,000	300,000	0	0	300,000	1,000,000
Major Resurfacing with Safety (RRR)	0	1,081,000	45,000	0	1,126,000	2,252,000
Bridges & Bridge Restoration	1,800,000	0	0	0	970,000	2,770,000
Bridge Maintenance, Construction	0	0	0	0	100,000	100,000
Drainage Improvements	0	50,000	50,000	0	100,000	200,000
Paved Gravel	1,500,000	0	387,500	0	387,500	2,275,000
Tri-Party	0	1,125,000	1,125,000	2,250,000	2,250,000	6,750,000
Other	<u>340,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>	<u>305,000</u>	<u>675,000</u>
Subtotal	\$4,790,000	\$2,596,000	\$1,722,500	\$2,250,000	\$5,663,500	\$17,022,000
<u>2007/08 Completion of 2006/07 Projects in Progress</u>						
Safety Widening	\$5,760,000	\$45,000	\$0	\$0	\$45,000	\$5,850,000
RRR	900,000	0	0	0	641,250	1,541,250
Prior Years Contractor Payments	<u>400,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>300,000</u>	<u>800,000</u>
Subtotal	\$7,060,000	\$95,000	\$50,000	\$0	\$986,250	\$8,191,250
Total 2007/08 RIP	\$11,850,000	\$2,691,000	\$1,772,500	\$2,250,000	\$6,649,750	\$25,213,250
<u>Other Project Groups</u>						
Signal (SIG) and ITS	\$2,491,000	\$0	\$100,000	\$0	\$960,000	\$3,551,000
SEMSIM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>125,000</u>	<u>125,000</u>
GRAND TOTAL	\$14,341,000	\$2,691,000	\$1,872,500	\$2,250,000	\$7,734,750	\$28,889,250

Road Commission for Oakland County Revenue Sources

1997 - 2006



Does not include SAD Funds
ITS/SEMSIM included after 1999

Figure 2

Summary of Revenues

The largest source of funding for the Road Commission for Oakland County is the state-administered Michigan Transportation Fund (MTF). The last statewide gas tax increase supporting the MTF was in 1997, when the tax was increased by four cents per gallon. Revenue generated by the gas tax has been essentially stagnant since then. In addition to the lack of growth in the MTF, RCOC also lost MTF recently due to additions in the federal urbanized areas which regulates disbursement of federal aid. Consequently, RCOC has been forced to reduce or eliminate some of its activities, including asphalt overlays and routine concrete repair. Beginning in fiscal year 2006/07, all of the MTF revenue has been needed to meet basic operating costs.

Federal Revenue On August 10, 2005, President George W. Bush signed the "Safe, Accountable, Flexible and Efficient Transportation Equity Act - A Legacy for Users" (SAFETEA-LU), authorizing federal investment for the highway, public transportation and highway safety programs for fiscal years 2005 through 2009. After adjusting for inflation, the new program is generating a very modest 1.8% average annual growth over the five years. By the time it makes its way to RCOC, this increase in federal funding is minimal. Additionally, the new funds can be used only for specific major improvements, such as road widening, and cannot be used for road maintenance activities.

Funding provided through SAFETEA-LU comes in two types: formula funds and earmark funds. Formula funds are the dollars distributed to each state through Federal Highway Administration (FHWA) programs such as the Surface Transportation Program (STP), Safety, and Enhancement. The amount of these funds provided to each state and region is determined by a formula. Earmarks are specific dollar amounts allocated to specific projects by individual congressional representatives. In 2007, the RCOC lost almost \$6 million for specific and badly needed road projects when Congress decided to eliminate all earmarks for that year.

The fiscal year 2007/08 budget shows \$2.82 million in federal Surface Transportation Program (STP) funds for pavement resurfacing and gravel road paving. In addition, other federal programs for safety and congestion mitigation will provide \$400,000 more.

Summary of Revenues

Federal Revenue (continued)

Federal reauthorization included Congressional High Priority Project (HPP) funds for several construction projects listed by Congressmen Knollenberg, Rogers, McCotter, and Levin. In total, these HPP funds could add \$20 million or more to our budgets over the next two years. In fiscal year 2007/08, these will add \$4.32 million to our budget to complete the widening of Walton Road. Additionally, budget appropriation earmarks delivered through the Transportation and Community and System Preservation Pilot Program and the Borders and Corridors Program could add to the budget for fiscal year 2007/08 for projects such as the Walton Bridge over I-75, building roundabouts as part of the Northwestern Connector project, and other special construction projects.

State Revenue

While the Road Commission receives revenue from multiple sources for specific projects and programs, allocations from the Michigan Transportation Fund (MTF) represent the largest source of general revenue. These funds are targeted primarily for road maintenance, operating needs, and matching funds for federal aid.

MTF revenues are generated through fees paid by consumers when purchasing gasoline and diesel fuel, and the vehicle registration fee, among other things.

Figure 3 on page 23 represents a history of MTF allocations received by RCOC, the current year's amended budget, and projected MTF allocations.

There is \$680,000 budgeted from the state for road construction projects allocated through the Transportation Economic Development Fund (TEDF) Category "C" program. Additionally, the budget includes \$750,000 of state funds for the Northwestern Connector project and an additional \$1.08 million for the completion of the widening of Walton Road through the Governor's Local Jobs Today Program.

Although state TEDF "C" category funding decreased \$436,000 in the 2007/08 budget, it will continue to be a major source of revenue for road widening projects in future years.

Summary of Revenues

State Revenue (continued)

Also, there is \$1.8 million of Local Bridge Program funding in the fiscal year 2007/08 budget for the Grand River Bridge project over Kent Lake.

Another element of state funding is the contract to maintain state trunklines. This contract is projected to yield \$10.65 million, which is a significant share of the Road Commission's revenue. In fiscal year 2006/07, \$600,000 was eliminated from the budget due to MDOT taking over the administration of service contracts for curb sweeping and the maintenance of their guardrail system. Erosion of the real value of the funds provided for the maintenance contract over time has caused RCOC to run out of MDOT maintenance funds in recent years, thus curtailing routine maintenance on the state system.

Local Revenue

Local governments are another important source of revenue to RCOC. The local communities (cities, villages, and townships) will generate approximately \$4.6 million of revenues for road improvement projects in fiscal year 2007/08. This money likely will be matched with RCOC funds, thus achieving more significant improvements than could have been undertaken by either party alone.

The Tri-Party Program is a one-third matching program consisting of the county's general government contribution, supplemented by equal amounts from the Road Commission and the local communities.

Many important road improvements are made using funds from the Tri-Party Program. The success of this program can be attributed to the active fiscal participation of the Road Commission, local communities, and Oakland County general government. The fiscal year 2007/08 budget includes the Tri-Party Program with a contribution of \$2.25 million from the county, and corresponding matches from RCOC and the communities for a total of \$6.75 million for the current year.

Summary of Revenues

Fees and Other Revenue

Some Road Commission activities generate revenues from services rendered, which are used to lessen the dependence on outside resources for funding. Among these are:

- The Subdivision Improvement and Development Division is responsible for administering special assessment district and subdivision improvement projects.
- The Permits and Environmental Concerns Department secures fees for drive/approach permits, engineering inspections, overweight and oversized vehicles, and environmental services rendered to local communities.
- RCOC does contractual highway maintenance for the Michigan Department of Transportation.
- Engineering professional services are rendered to local governmental units for design and right-of-way acquisition activities.
- Calcium chloride extracted from RCOC brine wells is sold to many townships.
- Work-order revenue is generated from local units of government for installing traffic signals, providing traffic signs, and the sale of salt.
- Interest revenue is generated from investments.

Factors Affecting Present and Future Revenue

Michigan's economic downturn continues to have a negative impact on RCOC. While gas prices are at record levels, gasoline usage is down, which means the gas tax revenue going into the MTF, RCOC's largest source of operating revenue, is also down. The continued erosion of the purchasing power of the MTF revenue due to the increased costs to provide road improvements and maintenance is a major fiscal concern for all road agencies.

Summary of Revenues

Factors Affecting Present and Future Revenue (continued)

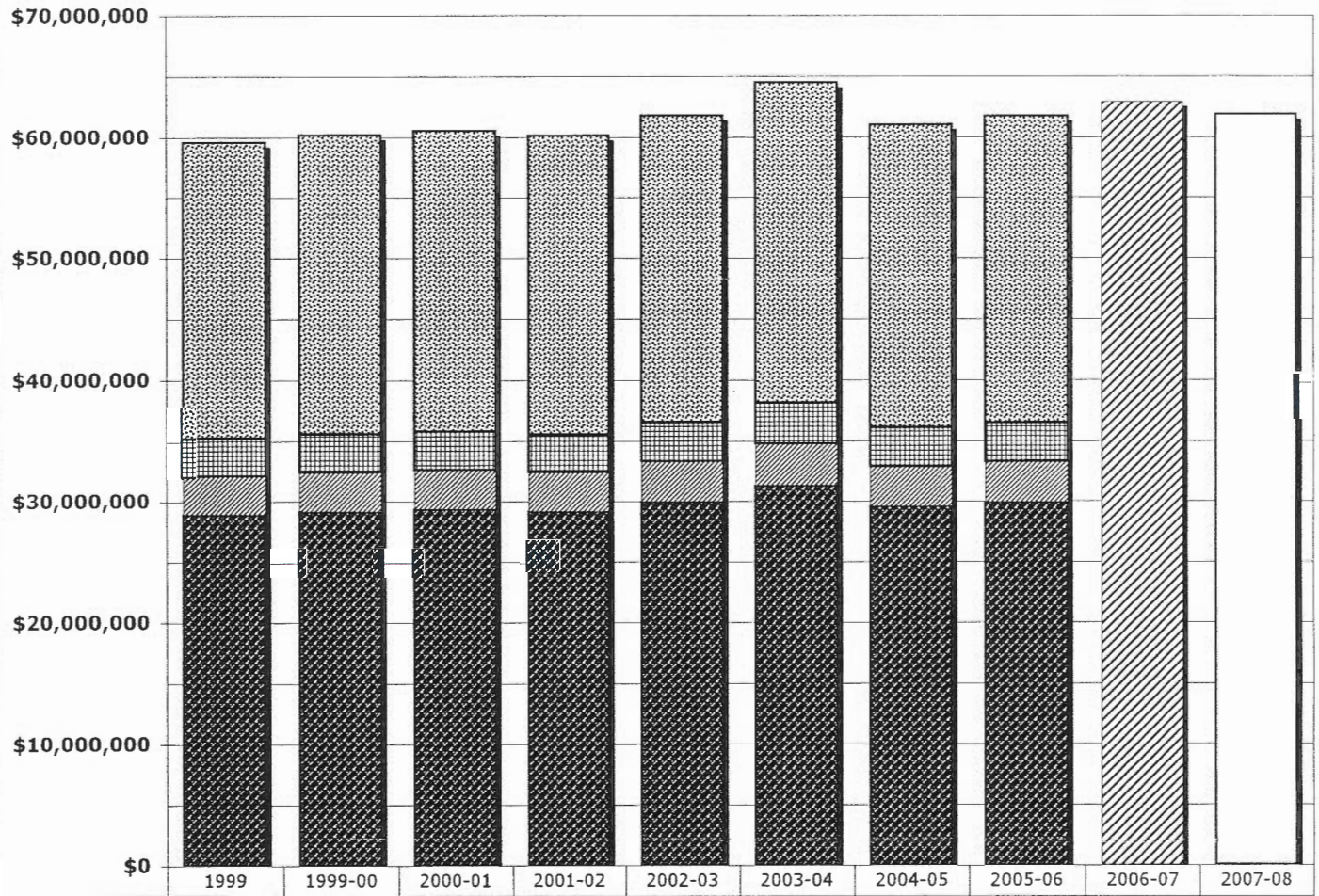
Research shows that Oakland County remains a "donor county," contributing more to the MTF than it receives back. Efforts to eliminate our donor status, or increase the return of state dollars to road projects in Oakland County are ongoing.

The Road Commission's MTF allocation is determined by a formula reflecting Oakland County's road mileage by road type, population, and vehicle registrations by number and type. Efforts to increase both the state gas and diesel fuel taxes are ongoing, along with proposals to create road funding mechanisms that keep our revenues within the county.

As the number of vehicles on the road increases, it is imperative that the structural integrity of the roads be maintained to protect the investment in the infrastructure. Currently, the backlog of road improvements, as determined by the communities during the biennial 2006/07 Strategic Planning meetings, totals nearly \$2.1 billion just on roads under RCOC jurisdiction.

Potentially compounding the revenue shortfall is the automotive industry's pursuit of alternative energy sources such as bio-fuels, hydrogen cells and battery power. New power sources, not currently taxed for road funding, will require implementation of new methods for assessing user fees based on miles driven.

Michigan Transportation Fund Revenue History 1999 - 2008



Budget 2007-08									61,881,500
Amended 2006-07								62,881,120	
Vehicle Tax	24,377,357	24,606,353	24,751,968	24,594,511	25,264,537	26,378,406	24,954,887	25,236,750	
Other	3,129,123	3,158,521	3,177,212	3,157,001	3,243,007	3,385,986	3,203,260	3,239,440	
Diesel Tax	3,188,724	3,218,683	3,237,730	3,217,134	3,304,778	3,450,480	3,264,274	3,301,144	
Gas Tax	28,907,131	29,178,693	29,351,367	29,164,652	29,959,182	31,280,031	29,591,996	29,926,234	

Gas Tax	Diesel Tax	Other
Vehicle Tax	Amended 2006-07	Budget 2007-08

1999-2005/06: Actual; 2006/07: Amended Budget; 2007/08: Budget

Figure 3

Summary Table 3

COMPARATIVE SUMMARY OF EXPENDITURES

<u>DEPARTMENT</u>	<u>Actual</u> <u>2005/06</u>	<u>Beginning</u> <u>Budget</u> <u>2006/07</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2006/07</u>	<u>Budget</u> <u>2007/08</u>
Board of Road Commissioners	\$127,116	\$150,009	\$150,009	\$173,093
Managing Director	727,705	862,344	995,203	860,140
Citizen Services	311,120	379,396	387,700	346,750
Finance	940,512	940,159	964,478	952,733
Legal	704,664	725,614	735,543	741,818
Central Operations	11,479,363	9,901,371	11,032,749	11,218,376
Human Resources	529,857	593,447	646,452	719,285
Engineering	5,224,220	5,439,587	5,616,353	5,526,671
Planning & Development	1,187,125	1,220,823	1,365,214	1,197,403
Traffic Safety	13,306,188	12,669,453	12,218,271	11,180,591
Permits & Environmental Concerns	1,124,143	1,181,329	1,206,847	1,208,163
Highway Maintenance	19,143,220	21,276,932	24,707,957	21,879,243
Non-Departmental	<u>26,800,481</u>	<u>21,015,967</u>	<u>21,042,297</u>	<u>23,426,984</u>
Total Operating	\$81,605,714	\$76,356,431	\$81,069,073	\$79,431,250
Road Improvement Program (Contractor Payments & ROW)	\$37,208,030	\$31,409,648	\$89,266,879	\$21,516,250
SEMSIM Program (Contractor Payments & ROW)	1,183,625	0	1,450,000	125,000
Traffic Signal/(GL)ITS Projects (Professional Services & Electrical Materials)	<u>2,417,370</u>	<u>1,900,000</u>	<u>7,039,930</u>	<u>2,976,000</u>
TOTAL EXPENDITURES	\$122,414,739	\$109,666,079	\$178,825,882	\$104,048,500

Road Commission for Oakland County Allocation of Funds

2007-08

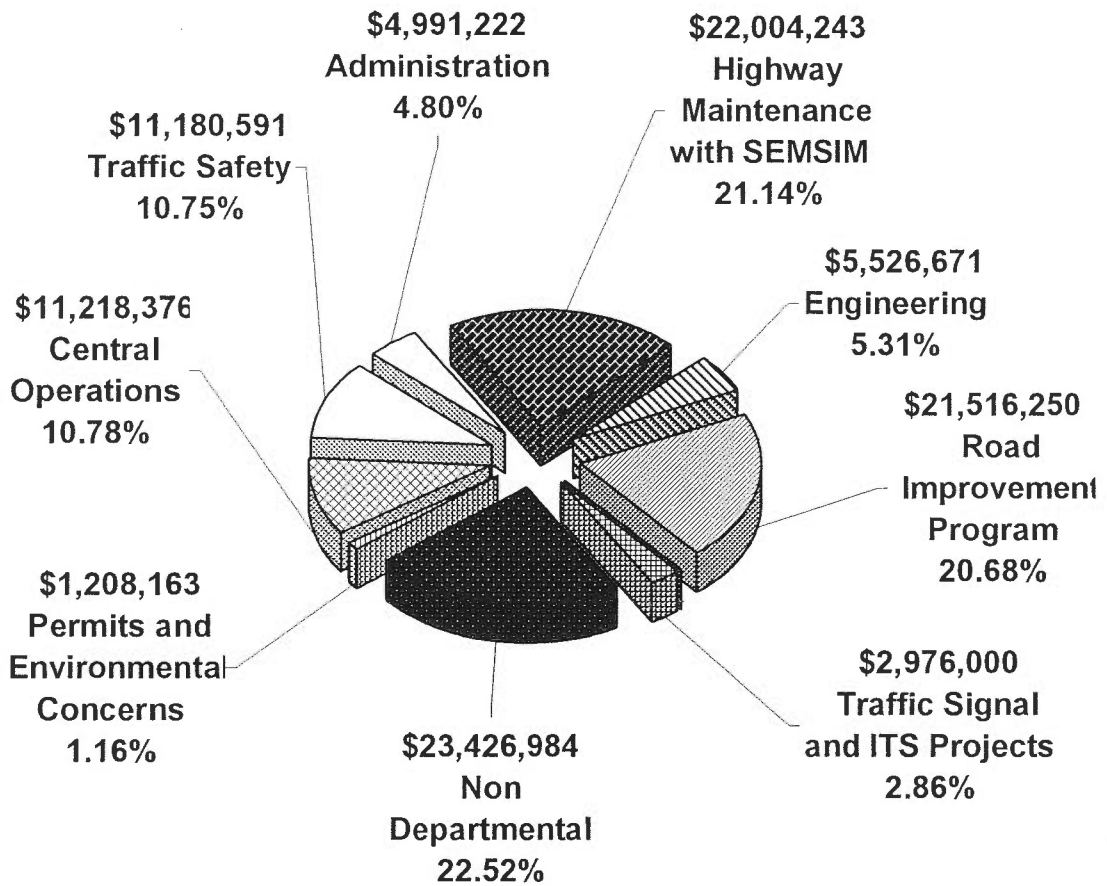


Figure 4

Budget Exhibit A-3

2007/08 DEPARTMENTAL BUDGET - APPROPRIATION BY OBJECT Compared to 2005/06 Actual, 2006/07 Beginning Budget, and 2006/07 Amended Budget

	<u>Actual</u> 2005/06	<u>Beginning</u> Budget 2006/07	<u>Estimated</u> Amended Budget 2006/07	<u>Budget</u> 2007/08
Board of Road Commissioners				
Personal Services	\$30,576	\$31,000	\$31,000	\$31,000
Supplies, Materials & Parts	0	850	850	500
Contracted Services	76,915	91,720	91,720	114,472
Other Expenses	<u>19,625</u>	<u>26,439</u>	<u>26,439</u>	<u>27,121</u>
	\$127,116	\$150,009	\$150,009	\$173,093
Managing Director				
Personal Services	\$506,024	\$541,157	\$547,520	\$541,543
Supplies, Materials & Parts	44,951	63,810	67,310	60,884
Contracted Services	125,880	201,267	324,263	203,563
Other Expenses	44,127	56,110	56,110	54,150
Capital Outlay	<u>6,723</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$727,705	\$862,344	\$995,203	\$860,140
Citizen Services				
Personal Services	\$305,642	\$327,846	\$336,150	\$341,061
Supplies, Materials & Parts	4,685	4,100	4,100	4,239
Contracted Services	0	46,000	46,000	0
Other Expenses	793	1,450	1,450	1,450
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$311,120	\$379,396	\$387,700	\$346,750
Finance				
Personal Services	\$846,904	\$852,504	\$874,823	\$882,867
Supplies, Materials & Parts	15,893	12,860	12,860	13,366
Contracted Services	69,975	69,815	69,815	51,500
Other Expenses	7,740	4,980	6,980	5,000
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$940,512	\$940,159	\$964,478	\$952,733
Legal				
Personal Services	\$639,932	\$652,347	\$661,730	\$672,885
Supplies, Materials & Parts	40,958	48,724	49,270	44,500
Contracted Services	16,375	18,100	18,100	17,640
Other Expenses	7,399	6,443	6,443	6,793
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$704,664	\$725,614	\$735,543	\$741,818

Budget Exhibit A-3

2007/08 DEPARTMENTAL BUDGET - APPROPRIATION BY OBJECT Compared to 2005/06 Actual, 2006/07 Beginning Budget, and 2006/07 Amended Budget

	<u>Actual</u> <u>2005/06</u>	<u>Beginning</u> <u>Budget</u> <u>2006/07</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2006/07</u>	<u>Budget</u> <u>2007/08</u>
Central Operations				
Personal Services	\$3,452,965	\$3,826,975	\$3,845,924	\$4,006,598
Supplies, Materials & Parts	2,266,700	1,740,725	1,740,725	2,264,780
Contracted Services	208,474	184,260	184,260	193,694
Other Expenses	45,203	51,033	51,033	51,033
Utilities	813,073	989,110	989,110	925,000
Repair/Maintenance	2,489,641	2,636,393	2,786,393	2,792,323
Capital Outlay	<u>2,203,307</u>	<u>472,875</u>	<u>1,435,304</u>	<u>984,948</u>
	\$11,479,363	\$9,901,371	\$11,032,749	\$11,218,376
Human Resources				
Personal Services	\$377,242	\$393,345	\$396,464	\$516,300
Supplies, Materials & Parts	12,073	8,857	8,857	9,935
Employee Benefits	23,368	25,000	27,500	25,000
Contracted Services	85,244	106,295	117,810	104,600
Other Expenses	31,930	59,950	95,821	63,450
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$529,857	\$593,447	\$646,452	\$719,285
Engineering				
Personal Services	\$4,951,428	\$5,201,319	\$5,271,700	\$5,185,792
Supplies, Materials & Parts	86,087	84,711	86,096	89,620
Contracted Services	49,370	60,290	60,290	79,237
Other Expenses	29,942	93,267	181,267	43,022
Capital Outlay	<u>107,393</u>	<u>0</u>	<u>17,000</u>	<u>129,000</u>
	\$5,224,220	\$5,439,587	\$5,616,353	\$5,526,671
Planning & Development				
Personal Services	\$662,929	\$685,032	\$700,815	\$708,212
Supplies, Materials & Parts	162,703	67,191	130,799	74,126
Contracted Services	218,638	400,800	450,800	374,465
Other Expenses	42,318	47,800	27,800	35,600
Capital Outlay	<u>100,537</u>	<u>20,000</u>	<u>55,000</u>	<u>5,000</u>
	\$1,187,125	\$1,220,823	\$1,365,214	\$1,197,403
Traffic Safety				
Personal Services	\$5,147,212	\$5,615,805	\$5,668,245	\$5,839,015
Supplies, Materials & Parts	2,085,443	2,423,622	2,017,855	1,954,717
Contracted Services	3,329,295	2,737,966	2,856,904	2,344,426
Other Expenses	24,624	28,885	24,985	26,670
Utilities	1,468,542	1,518,835	949,835	904,340
Repair/Maintenance	5,311	19,000	19,000	19,000
Capital Outlay	<u>1,245,761</u>	<u>325,340</u>	<u>681,447</u>	<u>92,423</u>
	\$13,306,188	\$12,669,453	\$12,218,271	\$11,180,591

Budget Exhibit A-3

2007/08 DEPARTMENTAL BUDGET - APPROPRIATION BY OBJECT Compared to 2005/06 Actual, 2006/07 Beginning Budget, and 2006/07 Amended Budget

	<u>Actual</u> 2005/06	<u>Beginning</u> Budget 2006/07	<u>Estimated</u> Amended Budget 2006/07	<u>Budget</u> 2007/08
Permits & Environmental Concerns				
Personal Services	\$1,066,310	\$1,114,809	\$1,138,327	\$1,142,750
Supplies, Materials & Parts	20,327	25,750	27,750	22,943
Contracted Services	28,270	37,220	37,220	38,920
Other Expenses	2,046	3,550	3,550	3,550
Capital Outlay	<u>7,190</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$1,124,143	\$1,181,329	\$1,206,847	\$1,208,163
Highway Maintenance				
Personal Services	\$10,886,950	\$11,428,810	\$11,459,527	\$11,829,008
Supplies, Materials & Parts	3,627,727	4,559,295	4,787,295	5,202,450
Contracted Services	3,379,337	2,626,159	3,846,543	2,619,505
Other Expenses	23,384	25,063	25,063	24,780
Repair/Maintenance	626	5,000	5,000	1,000
Capital Outlay	<u>1,225,196</u>	<u>2,632,605</u>	<u>4,584,529</u>	<u>2,202,500</u>
	\$19,143,220	\$21,276,932	\$24,707,957	\$21,879,243
Non-Departmental				
Employee Benefits	\$23,659,700	\$16,617,000	\$16,617,000	\$19,182,980
Supplies, Materials, & Parts	163,436	248,000	258,000	226,500
Other Expenses	1,463,551	2,682,269	2,698,599	2,597,294
Debt Service	<u>1,513,794</u>	<u>1,468,698</u>	<u>1,468,698</u>	<u>1,420,210</u>
	\$26,800,481	\$21,015,967	\$21,042,297	\$23,426,984
Total Operating Funds	\$81,605,714	\$76,356,431	\$81,069,073	\$79,431,250
Road Improvement Program (Contractor Payments & ROW)	\$37,208,030	\$31,409,648	\$89,266,879	\$21,516,250
SEMSIM Program (Contractor Payments & ROW)	1,183,625	0	1,450,000	125,000
Traffic Signal/(GL)ITS Projects (Professional Services & Electrical Materials)	<u>2,417,370</u>	<u>1,900,000</u>	<u>7,039,930</u>	<u>2,976,000</u>
Total Expenditures	\$122,414,739	\$109,666,079	\$178,825,882	\$104,048,500

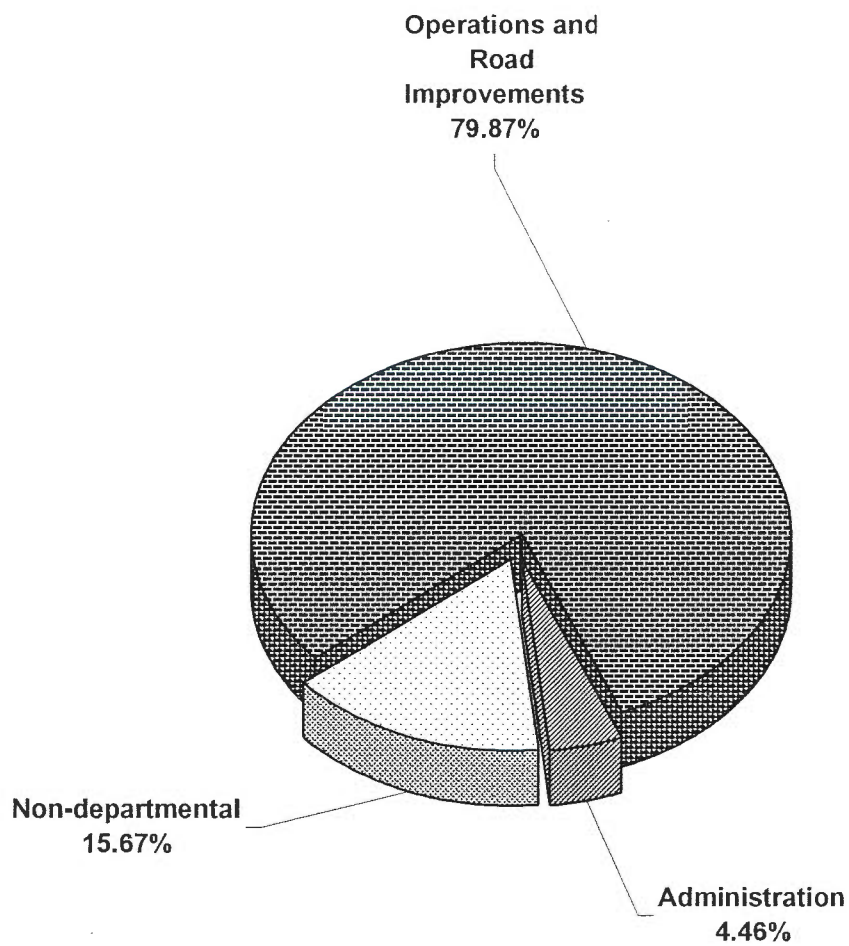
Budget Exhibit A-4

Fiscal Year 2007/08

Appropriation Summary - - Operating by Object

Salaries	\$31,697,031
Supplies, Materials & Parts	9,968,560
Contracted Services	6,142,022
Other	2,939,913
Utilities	1,829,340
Repair/Maintenance	2,812,323
Capital Outlay	3,413,871
Employee Benefits	19,207,980
Debt Service	<u>1,420,210</u>
TOTAL	\$79,431,250

Road Commission for Oakland County Expenditures by Activity 1997 - 2006



Does not include SAD Fund
ITS/SEMSIN included after 1999

Figure 5

Summary of Expenditures

It is time to look at the other side of the budget coin, the expenditures.

The Road Commission budgeting process is accomplished on a departmental basis. In large measure, these departments closely parallel major cost strategies associated with road safety, traffic safety, and highway maintenance improvements.

OPERATING DEPARTMENTS

Central Operations

The Central Operations Department accounts for approximately 11 percent of total RCOC yearly expenditures and will maintain 73 authorized positions in fiscal year 2007/08.

Fleet Maintenance, Buildings and Grounds, and Purchasing comprise the Central Operations Department activities.

Fleet maintenance and repair are crucial to decisions regarding capital expenditures and preservation of levels of service. The state of readiness of the equipment fleet is one of three interrelated elements in the effective delivery of service to the customer. The other two elements are manpower and material requirements.

A reduction in any one of these three elements significantly affects the remaining two. If vehicles are not available, manpower and materials cannot be utilized. If materials are reduced, vehicles and manpower are not used to capacity. Reduction in the labor force leaves equipment underutilized and materials undelivered.

The expenditures for road equipment include the fleet of cars, pickups, trucks, heavy maintenance vehicles and traffic safety equipment. Also included are trailers, plows, mowers, barricades, bucket loaders, motor graders, and miscellaneous equipment.

While these expenditures result in fleet readiness, the Road Commission's equipment fleet remains less than desirable due to insufficient funding. In response, Central Operations has developed innovative practices in fleet maintenance. For example, the preventive maintenance program has been continued to extend equipment service life.

Summary of Expenditures

Central Operations (continued)

In an effort to cope with increasing fuel costs, Central Operations has evaluated bio-diesel fuel for use in the fleet, and the test results are positive. RCOC will begin using bio-diesel in the current fiscal year. Bio-diesel prices fluctuate but typically are less than diesel fuel. Other benefits include lower preventative maintenance costs for the fleet and lower emissions into the environment.

Engineering

The Engineering Department will have an authorized staff of 83 employees in fiscal year 2007/08, a reduction of 3 positions.

Engineering and road improvement activities account for approximately 26 percent of the Road Commission's annual expenditures.

The types of projects in the Road Improvement Program include road and intersection widening to provide additional capacity, safety improvements, rehabilitation of existing pavements, gravel road pavings, bridge repairs and replacements, drainage improvements, and the Tri-Party Program among others.

Planning and Development

Planning and Development (P&D) will have an authorized staff of 11 employees in fiscal year 2007/08 in two groups; Information Systems and Systems Planning.

The cost to maintain computer operations and transportation planning activities accounts for approximately 1 percent of the Road Commission annual expenditures.

The P&D budget includes all of the computer hardware, software, training, and consulting services for individual users, departments, and the agency. In addition, funding for special computer-related projects, which benefit the entire agency, is likely to be found in this budget and referenced in the Three-Year Computer Plan. Such items include the Geographic Information System (GIS), the Electronic Document Management System, the RCOC Web site, the Internet Service Provider, and the Intranet Web site.

Summary of Expenditures

Planning and Development (continued)

The department works closely with the Managing Director's Office, the County Highway Engineer, and the Public Information Officer on long-range transportation plans, corridor studies, funding proposals, revenue options, strategic plans, performance audits, legislative efforts, and as a liaison to many sister agencies doing road planning and construction.

In fiscal year 2007/08, the Planning & Development Department will work with other departments and our townships to implement the Gravel Road Improvement Program (GRIP) and update the Master Right-of-Way Plan. They also will refine elements of the JDE One World Enterprise software package, upgrade agency computers and software, manage the Road Safety Audit process, and work with SEMCOG to develop the 2008/2011 Transportation Improvement Plan. This includes conducting two Federal Aid Committee meetings to allocate state and federal funds to the appropriate road projects.

Finally, the P&D Department will oversee the installation of our Electronic Document Management System - FileBound, assist in gathering data on roads, property, and other hard assets for the Asset Management project and continue creating new data layers for the expanding GIS system. In addition, it will work with Oakland County to create a Context Sensitive Solutions (CSS) program using a digital photo lab and an interactive citizen involvement process.

Traffic Safety

The Traffic Safety Department will have an authorized staff of 98 employees in fiscal year 2007/08, a reduction of one from fiscal year 2006/07.

The Traffic Safety budget includes costs for installing and maintaining traffic signals, traffic signs, guardrail, pavement markings, and other traffic control and safety devices. The development, implementation and maintenance of the Intelligent Transportation Systems (ITS) FAST-TRAC program is also the domain of the Traffic Safety Department.

Summary of Expenditures

Traffic Safety (continued)

The Traffic Safety Department, including signal and ITS projects, accounts for approximately 13.6 percent of the total expenditures of the Road Commission. Traffic Safety is annually responsible for about 125,000 traffic signs, with material costs for installation and repair on 17,336 signs exceeding \$368,000.

In fiscal year 1996, a traffic management system installation was completed providing an inventory of traffic signs and guardrail and a program for the maintenance and replacement of traffic signs. Traffic Safety expects to finalize the update of the sign management portion of the system in fiscal year 2007/08.

Currently the Signal Systems Division of the Traffic Safety Department is developing a Traffic Signal Management system that will provide not only an inventory of the traffic signals maintained on RCOC, MDOT and city roads by the Road Commission, but it will also allow the signal crews that maintain the signals to have up-to-date information on the previous trouble calls that occurred at the various signals.

In fiscal year 2007/08 Traffic Safety has \$1.44 million of federal funds from the CMAQ program budgeted for the operation of the Traffic Operations Center and specific FAST-TRAC related traffic signal maintenance items.

In fiscal year 2007/08 RCOC will continue the development of the comprehensive Transportation Information Management System (TIMS). TIMS includes data from Michigan Department of Transportation (MDOT) freeway operations, work performed by contractors under RCOC-issued permits, maintenance overlays, and construction projects.

Summary of Expenditures

Highway Maintenance

The Highway Maintenance Department will have an authorized staff of 220 employees in fiscal year 2007/08.

The Highway Maintenance Department accounts for approximately 21.1 percent of the total expenditures of the Road Commission. The department is responsible for the maintenance of the largest county roadway system in the state. Major activities on approximately 2,700 miles of roadway include surface maintenance (patching, base repair, grading, sweeping, dust control, etc), roadside maintenance (ditching, brush control, mowing, etc.), and snow removal. In fiscal year 2007/08 RCOC will spend \$597,066 to patch and re-gravel gravel roads and shoulders.

The department annually will use about 9,200 tons of patching materials, 186,200 tons of aggregate, and 102,000 tons of snow-control salt and sand. The department typically installs approximately 1.15 miles of new culverts yearly, and applies approximately 6.7 million gallons of chloride solution to control dust and provide soil stabilization on gravel roads. This department is also the largest user of the Road Commission's fleet of heavy and specialized equipment.

The unpredictability of Oakland County winters sometimes requires additional reserves for overtime and materials. These contingencies make trends in maintenance costs more difficult to interpret and project.

The four largest agencies responsible for maintaining roads in Southeast Michigan have developed a comprehensive project to improve the management of winter storm operations. The project, called Southeastern Michigan Snow and Ice Management (SEMSIM), is a partnership of the Road Commission for Oakland County, the City of Detroit, Wayne County, and the Road Commission of Macomb County. This project has integrated advanced electronic and information technologies and includes first-of-its-kind inter-jurisdictional cooperation between road agencies to provide borderless service. The project includes equipping 500 winter road maintenance vehicles and base stations with advanced hardware and communications technologies and the supporting software.

Summary of Expenditures

Highway Maintenance (continued)

Approximately 135 RCOC winter maintenance vehicles are now equipped with SEMSIM equipment. These vehicles are located in all districts. The benefits from this project include a reduction in salt use and improved roadway safety through quicker response.

SEMSIM involves using the latest technology to monitor weather and pavement conditions, track the real-time location of vehicles, and coordinate winter maintenance activities across county boundaries.

The Highway Maintenance Department has allocated \$1,457,625 for materials in support of ongoing gravel maintenance activities for fiscal year 2007/08.

The RCOC brine wells have eliminated the need for purchasing liquid chloride. The brine wells have made it possible for RCOC to pass these cost savings on to our customers, the local units of government and residents.

The Highway Maintenance Department anticipates cost reductions due to utilizing alternative, less expensive materials and the implementation of cost-cutting work methods and equipment modifications. The total costs for highway maintenance in fiscal year 2007/08 is projected to be \$22,004,243.

NON-DEPARTMENTAL EXPENDITURES

The non-departmental budget represents approximately 22.5 percent of the annual costs, or \$23,426,984. This includes the various insurance and self-insurance coverages for the Road Commission (risk management), fringe benefits, debt service, and the Road Commission's contingency.

The fiscal year 2007/08 Non-Departmental budget includes \$3 million to continue funding the anticipated requirements of Governmental Accounting Standards Board Pronouncement 45 (GASB 45) for the reporting of Other Post Employment Benefits (OPEB) costs. The GASB 45 concerns the timing of recognition of retiree health care expenditures and recommends the "pre-funding" of those benefits.

FINANCIAL PICTURE FOR 2007/08

A Year of Continued Cost Containment

The program of aggressive cost containment in all cost categories will continue in fiscal year 2007/08. Cost containment must be a goal of every employee. Personal accountability and commitment are the keys to success in achieving these goals. Departments will be required to critically reexamine procedures and practices and to identify innovative ways to achieve desired results.

The objective of these reassessments is to identify those costs which can be reduced with minimal impact on delivery of services and the achievement of other strategic goals and objectives. Every effort has been made to achieve fiscal stability without loss of productivity and with minimal impact on service to the customer. A united and aggressive program of cost containment will ensure achievement of desired goals as well as fiscal stability.

Evaluating Cost Containment and Revenue Generating Strategies

Strategies which focus on goal achievement must be pursued vigorously, but they must also take into consideration rate of return, ease and speed of implementation, organizational impact, and long-term consequences.

Toward this end, the Road Commission is focusing on:

- Monitoring major expenditures for cost effectiveness
- Reassessing ongoing operations for cost-cutting effectiveness
- Identifying strategies whose implementation will bring quick results in the short-term with minimum detriment to organizational efficiency
- Avoiding disruptive actions that, while cost-efficient, result in inefficiencies

Identifying Cost Containment Strategies

The following cost containment strategies have been identified and are reflected in the fiscal year 2007/08 budget.

- Re-assessment of standards and practices
- Privatization of road maintenance activities
- Re-assessment of health care and risk management
- Leveraging funds through aggressive matching with other agencies and private developers

OUTLOOK

The current fiscal challenges facing the Road Commission for Oakland County do not lend themselves to easy solutions. The Road Commission continues to provide statewide leadership directed toward securing additional road funding. A conservative approach of sound financial management combined with coordinated efforts in cost containment with minimal negative effect on customer satisfaction, is the key to the fiscal year 2007/08 budget. The significant aspect of this fiscal budget continues to be the inadequate level of available funding for road repairs.

Budget Exhibit A-5

2007/08 Budget Appropriation Summary - - Salaries & Wages

	<u>Base</u>	<u>Longevity</u>	<u>Overtime</u>	<u>Seasonal</u>	<u>Total</u>
Board of Road Commissioners	\$31,000	\$0	\$0	\$0	\$31,000
Managing Director	531,743	1,300	8,500	0	541,543
Citizen Services	336,411	650	4,000	0	341,061
Finance	865,267	5,600	12,000	0	882,867
Legal	664,335	6,050	2,500	0	672,885
Central Operations	3,624,362	62,636	319,600	0	4,006,598
Human Resources	391,200	2,100	3,000	120,000	516,300
Engineering	4,388,247	57,045	740,500	0	5,185,792
Planning and Development	685,712	4,500	18,000	0	708,212
Traffic Safety	5,139,496	80,519	619,000	0	5,839,015
Permits & Environmental	1,062,792	14,958	65,000	0	1,142,750
Highway Maintenance	<u>10,351,245</u>	<u>164,827</u>	<u>1,312,936</u>	<u>0</u>	<u>11,829,008</u>
Subtotal	\$28,071,810	\$400,185	\$3,105,036	\$120,000	\$31,697,031
Attrition (non-departmental)					<u>(500,000)</u>
TOTAL					\$31,197,031

Budget Exhibit A-6

2007/08 Budget

Appropriation Summary - - Fringe Benefits

Dental Insurance	\$510,000
Hospitalization	6,020,000
Life Insurance	170,000
Vision Care Insurance	80,000
Flexible Spending Administration	30,000
Retirement	3,100,000
Post Employment Benefits-Employer Contribution	3,000,000
Social Security	2,450,000
Unemployment Insurance	20,000
Workers' Compensation	152,000
Sick Leave Redemption	130,000
Workers' Compensation Self-Insurance	822,356 *
Prescription Drugs	3,080,000
Annual Physical/Wellness Program	<u>25,000</u>
TOTAL	\$19,589,356

* \$406,376 Included in Department Budget
\$415,980 Non-Departmental Appropriation

Summary of Debt

SUMMARY EXPLANATION OF DEBT

In fiscal year 1999, the Road Commission for Oakland County (RCOC) issued \$9,750,000 of Michigan Transportation Fund revenue notes. These notes were issued to finance Road Fund and Special Assessment District (SAD) Fund road projects.

For the Road Fund, the fiscal year 1999 note was used to improve Walton Road (Dixie Highway to Sashabaw Road).

For the SAD Fund, the note proceeds were used in the construction of subdivision streets in fiscal year 1999 through fiscal year 2001. These construction costs were special-assessed to the owners of the property and reimbursed over a ten-year period.

In fiscal year 2000/01, the RCOC issued \$10,000,000 of Michigan Transportation Fund revenue notes. The note proceeds were used to improve Greenfield Road, Dixie Highway and Grand River Avenue.

In fiscal year 2006/07, the RCOC issued \$5,000,000 of Michigan Transportation Fund revenue notes. The note proceeds were used for the construction of subdivision streets. These construction costs will be special-assessed to the owners of the property and will be reimbursed over a ten-year period.

Summary of Debt

SUMMARY OF FUNDED DEBT

Description of Debt	Fund Servicing <u>Debt</u>	Debt Outstanding <u>9/30/2007</u>	2007/08 Debt Service Payments	
			<u>Principal</u>	<u>Interest</u>
\$9,750,000 Michigan Transportation Fund Revenue Notes of 1999 4.05-4.75%	Road Fund	\$500,077	\$241,508	\$22,702
	SAD Fund	1,449,923	733,492	68,949
\$10,000,000 Michigan Transportation Fund Revenue Notes of 2001	Road Fund	\$4,000,000	\$1,000,000	\$155,000
\$5,000,000 Michigan Transportation Fund Revenue Notes of 2007	SAD Fund	\$4,500,000	\$500,000	\$180,000

2007/08 DEBT SERVICE

	<u>Road Fund</u>	<u>SAD Fund</u>
Principal	\$1,241,508	\$1,233,492
Interest	<u>177,702</u>	<u>248,949</u>
TOTAL DEBT SERVICE	\$1,419,210	\$1,482,441

Change in Fund Balance

ROAD FUND

Statement of Change in Fund Balance

	Actual Fiscal Year <u>Ending 9/30/06</u>	Budget As Adopted <u>2006/07</u>	Estimated Budget <u>2006/07</u>	Budget Fiscal Year <u>Ending 9/30/08</u>
Beginning Fund Balance	\$48,154,446	\$39,418,812	\$39,418,812	\$21,806,932
Revenue	113,123,041	108,902,915	161,214,002	99,085,000
Expenditures	<u>122,414,739</u>	<u>109,666,079</u>	<u>178,825,882</u>	<u>104,048,500</u>
Revenue over (under) Expenditures - Before	(9,291,698)	(763,164)	(17,611,880)	(4,963,500)
Extraordinary Item				
Extraordinary Item - Gain on Insurance Recovery	<u>556,064</u>			
Change in Fund Balance	(8,735,634)			
Ending Fund Balance	\$39,418,812	\$38,655,648	\$21,806,932	\$16,843,432

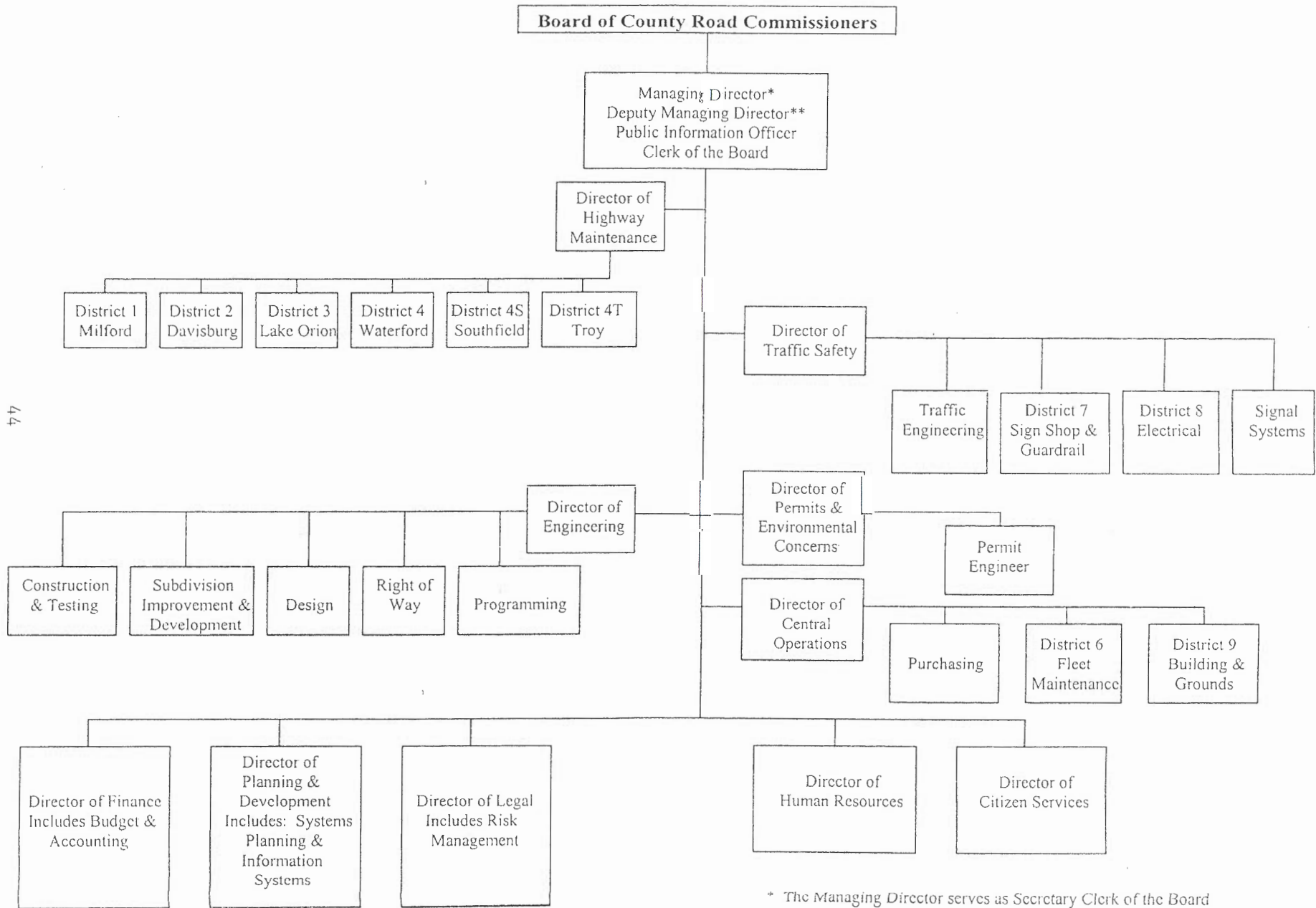
Analysis of Ending Fund Balance:

Capital Outlay and Contracted Services	\$5,862,766
Future Years' Capital Acquisitions and Maintenance Projects	4,603,986
Future Years' Tri-Party Construction Participation	6,179,917
Reserved or Designated for Construction in Progress	17,404,898
Reserved for Long-Term Portion of Provision for Uninsured Loss	2,150,000
Compensated Absences	<u>3,217,245</u>

Total 9/30/06

\$39,418,812

ROAD COMMISSION FOR OAKLAND COUNTY ORGANIZATION STRUCTURE



* The Managing Director serves as Secretary Clerk of the Board
 **The Deputy Managing Director serves as the County Highway Engineer

Authorized Positions



Authorized Positions

History of Budgeted Positions

Compared to Fiscal Year 2007/08 Authorized Positions

	<u>2003/04 Amended Budget</u>	<u>2004/05 Amended Budget</u>	<u>2005/06 Amended Budget</u>	<u>2006/07 Amended Budget</u>	<u>2007/08 Budget</u>
Managing Director	8	8	8	8	8
Citizen Services	7	7	7	7	7
Finance	16	16	16	16	16
Legal	10	10	10	10	10
Human Resources	6	6	6	6	6
Central Operations	73	73	73	73	73
Engineering	86	86	86	86	83
Planning & Development	11	11	11	11	11
Traffic Safety*	99	99	100	99	98
Permits & Environ Concerns	20	20	20	20	20
Highway Maintenance*	<u>220</u>	<u>221</u>	<u>221</u>	<u>221</u>	<u>220</u>
TOTALS	556	557	558	557	552

*Superintendent-In-Training not included in Authorized Position from fiscal year 2007/08 forward.

Budget Exhibit A-7

AUTHORIZED POSITIONS	MANAGING DIRECTOR	CITIZEN SERVICES	FINANCE	LEGAL	HUMAN RESOURCES	CENTRAL OPERATIONS	ENGINEERING	PLANNING & DEVELOPMENT	TRAFFIC SAFETY	PERMITS & ENVIRON CONCERNS	HIGHWAY MAINTENANCE	TOTAL
Account Clerk			5			2			1		1	9
Accounting Supervisor			1									1
Accountant			3									3
Administrative Assistant to Managing Director	1											1
Assistant to Mng Dir Public Information Officer	1											1
Attorney II				1			1					2
Budget Supervisor			1									1
Chief Attorney of Litigation and Loss Management				1								1
Chief Weighmaster										1		1
Citizen Services Coordinator		1										1
Citizen Services Clerk		5										5
Civil Engineer I/II							5		4	1		10
Civil Engineer III							9		4		1	14
Claims Representative				1								1
Clerk Typist	1											1
Commission Receptionist	1											1
Computer Programmer II Compensation & Benefits Accountant								2				2
			1									1

Budget Exhibit A-7

AUTHORIZED POSITIONS	MANAGING DIRECTOR	CITIZEN SERVICES	FINANCE	LEGAL	HUMAN RESOURCES	CENTRAL OPERATIONS	ENGINEERING	PLANNING & DEVELOPMENT	TRAFFIC SAFETY	PERMITS & ENVIRON CONCERNS	HIGHWAY MAINTENANCE	TOTAL
Contract Administration/Forestry											1	1
Construction Accountant			1									1
Construction Engineer							1					1
Contracts Administration Attorney				1								1
Deputy Managing Director County Highway Engineer	1											1
Deputy Secretary-Clerk	1											1
Design Engineer							1					1
Director of Central Operations						1						1
Director of Citizen Services		1										1
Director of Engineering							1					1
Director of Finance			1									1
Director of Highway Maintenance											1	1
Director of Permits & Environmental Concerns										1		1
Director of Human Resources					1							1
Director of Traffic Safety									1			1
Director of Planning and Development								1				1
District Clerk											6	6
District Superintendent									2		6	8
Electrical Services Coordinator									1			1
Electrical Technician II									3			3

Budget Exhibit A-7

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AUTHORIZED POSITIONS	MANAGING DIRECTOR	CITIZEN SERVICES	FINANCE	LEGAL	HUMAN RESOURCES	CENTRAL OPERATIONS	ENGINEERING	PLANNING & DEVELOPMENT	TRAFFIC SAFETY	PERMITS & ENVIRON CONCERNS	HIGHWAY MAINTENANCE	TOTAL
Electrical Trainer									1			1
Engineering Aide							5					5
Engineering Inspector II							21			7		28
Engineering Inspector III							3			2		5
Engineering Technician II							11		6		1	18
Engineering Technician III							2		1			3
Environmental Concerns Coordinator										1		1
Environmentalist II										1		1
Equipment Instructor											2	2
Equipment Repair Manager						1						1
Facilities Manager						1						1
Fleet Manager						1						1
Foreman									3		18	21
General Counsel				1								1
Human Resources Specialist					3							3
Human Resources Coordinator					1							1
Information Systems Clerk								1				1
Information Systems Supervisor								1				1
Instrument Operator							4					4
Inventory Control Chief						1						1

Budget Exhibit A-7

AUTHORIZED POSITIONS	MANAGING DIRECTOR	CITIZEN SERVICES	FINANCE	LEGAL	HUMAN RESOURCES	CENTRAL OPERATIONS	ENGINEERING	PLANNING & DEVELOPMENT	TRAFFIC SAFETY	PERMITS & ENVIRON CONCERNS	HIGHWAY MAINTENANCE	TOTAL
Maintenance Analyst											1	1
Maintenance Operations Engineer											1	1
Managing Director	1											1
Office Assistant				1		1	3					5
Office Clerk	1					1			2	2		6
Office Manager										1		1
Payroll Accountant			1									1
Payroll Aide			1									1
Permits Engineer										1		1
Planner II								2	1			3
Planner III								1				1
Plat Analyst							1					1
Programmer I (Computer Tech)								1				1
Programming Supervisor							1					1
Purchasing Agent						2						2
Purchasing Division Supervisor						1						1
Radio Communicator						1						1
ROW Agent							2					2
ROW Appraiser							1					1
ROW & Contracts Manager							1					1

Budget Exhibit A-7

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AUTHORIZED POSITIONS	MANAGING DIRECTOR	CITIZEN SERVICES	FINANCE	LEGAL	HUMAN RESOURCES	CENTRAL OPERATIONS	ENGINEERING	PLANNING & DEVELOPMENT	TRAFFIC SAFETY	PERMITS & ENVIRON CONCERNS	HIGHWAY MAINTENANCE	TOTAL
Risk & Insurance Analyst Risk Management Program Coordinator				1								1
Safety Supervisor				1								1
Secretary			1	1		1	1	1	1	1	1	8
Senior Human Resources Specialist					1							1
Signal Systems Engineer									1			1
Skilled Foreman						4			3			7
SID Supervisor							1					1
Special Assessment Analyst							1					1
Survey Assistant							2					2
Survey Crew Chief							4					4
Traffic Engineer									1			1
Traffic Operations Tech									1			1
Transportation Planning Coordinator								1				1
Utilities Coordinator							1					1
Weighmaster										1		1
TOTAL SALARIED POSITIONS	8	7	16	10	6	18	83	11	37	20	40	256

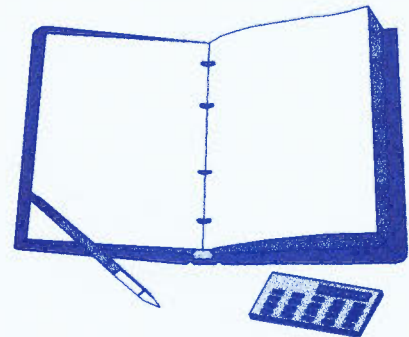
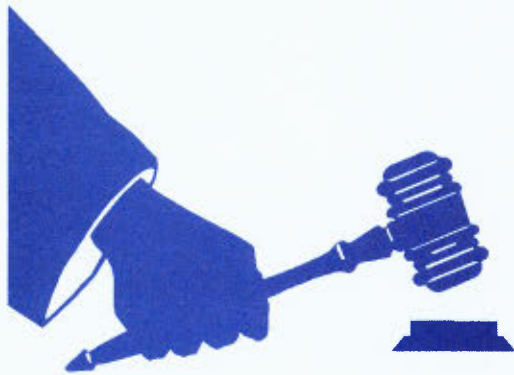
Budget Exhibit A-7

AUTHORIZED POSITIONS	MANAGING DIRECTOR	CITIZEN SERVICES	FINANCE	LEGAL	HUMAN RESOURCES	CENTRAL OPERATIONS	ENGINEERING	PLANNING & DEVELOPMENT	TRAFFIC SAFETY	PERMITS & ENVIRON CONCERNS	HIGHWAY MAINTENANCE	TOTAL
Assistant Sign Fabricator									1			1
Auger Operator									3			3
Building Maintenance Laborer						4						4
Carpenter						1						1
Crew Leader						1					3	4
Electrician									22			22
Float Operator											20	20
Forestry Crew Leader											4	4
Grade Person											6	6
Grader Operator											19	19
Guardrail Installer									3			3
Janitor						4						4
Laborer II						2			14		16	32
Loader Operator											6	6
Mechanic						32						32
Radio Repairman									1			1
Shoulder Maintainer											6	6
Shovel/Patchmaster Operator											7	7

Budget Exhibit A-7

AUTHORIZED POSITIONS	MANAGING DIRECTOR	CITIZEN SERVICES	FINANCE	LEGAL	HUMAN RESOURCES	CENTRAL OPERATIONS	ENGINEERING	PLANNING & DEVELOPMENT	TRAFFIC SAFETY	PERMITS & ENVIRON CONCERNS	HIGHWAY MAINTENANCE	TOTAL
Sign Fabricator									1			1
Sign Truck Driver									8			8
Skilled Laborer I											6	6
Small Tool Engine Repair Mechanic						1						1
Small Tool Repairman/Janitor												0
Solid State Electrician									2			2
Stock Clerk						4						4
Storekeeper						2						2
Special Traffic Counts									1			1
Street Sign Fabricator									1			1
Tandem Float Driver											61	61
Tire Repair						1					5	6
Tractor Semi Driver											7	7
Traffic Counter									2			2
Tree Trimmer											8	8
Underground Laborer									2			2
Vactor Operator											6	6
Watchman						3						3
Total Hourly Positions	0	0	0	0	0	55	0	0	61	0	180	296

Departments



Board of Road Commissioners

BOARD OF ROAD COMMISSIONERS

A three-member Road Commission was established under Public Act 283 of 1909 and appointed by the County's Board of Commissioners. The Board of Road Commissioners is responsible for approximately 2,700 miles of roads, and a budget of approximately \$104 million funded principally by the state-collected vehicle fuel and registration taxes under Public Act 51 of 1951. Other sources of funds are provided by federal and local governments and proceeds from the sale of bonds.

Board of Road Commissioners

Object Detail

Board of Road Commissioners

<u>Object</u>	<u>Actual</u> 2005/06	<u>Beginning</u> Budget 2006/07	<u>Estimated</u> Amended Budget 2006/07	<u>Budget</u> 2007/08
Salaries (See Position-Salary Detail)	\$30,576	\$31,000	\$31,000	\$31,000
Supplies, Materials & Parts				
Stationery & Office Supplies	0	500	500	500
Books, Subscriptions & Publications	0	0	0	0
Membership Fees & Dues	<u>0</u>	<u>350</u>	<u>350</u>	<u>0</u>
	0	850	850	500
Contracted Services				
Audit	76,915	91,720	91,720	114,472
Other Expenses				
Travel	1,541	2,000	2,000	2,000
Awards Employees & Retirees	<u>18,084</u>	<u>24,439</u>	<u>24,439</u>	<u>25,121</u>
	19,625	26,439	26,439	27,121
 TOTAL	 \$127,116	 \$150,009	 \$150,009	 \$173,093

Board of Road Commissioners

Position - Salary Detail

Board of Road Commissioners

		<u>Salary</u>		<u>Salary</u>
		<u>Minimum</u>	<u>Maximum</u>	<u>Appropriation</u>
3	Road Commissioners	\$10,000	\$11,000	\$31,000
	TOTAL			\$31,000

Office of the MANAGING DIRECTOR and Secretary Clerk of the Board

OFFICE OF THE MANAGING DIRECTOR

Managing Director

The Managing Director is the Road Commission's chief executive officer. As such, he is charged with overseeing all day-to-day operations of the agency and establishing operational procedures based on the policies adopted by the Board of Road Commissioners.

The Managing Director is also responsible for the creation and execution of the Road Commission budget. Once the Board of Road Commissioners has adopted the budget, it is the Managing Director's responsibility to ensure that the programs, projects and expenditures established in the budget are faithfully discharged.

Deputy Managing Director

The Deputy Managing Director is responsible for overseeing the technical activities of all Road Commission departments and the Road Improvement Program. In the absence of the Managing Director, the Deputy Managing Director assumes full responsibility for the Road Commission's management and operations, based on the policies adopted by the Board of Road Commissioners.

The Deputy Managing Director also serves as the County Highway Engineer.

Public Information Officer

Serving under the Managing Director, the Public Information Officer is charged with conducting internal and external Road Commission communications, including with the media. The Public Information Officer also serves as the public spokesman for the Road Commission, which includes determining strategies for alerting the general public about key Road Commission messages and helping to formulate those messages. Additionally, the Public Information Officer helps to share Road Commission policies, procedures, programs, etc. with the Road Commission staff through means such as the monthly employee newsletter and employee/retiree Web site.

Office of the MANAGING DIRECTOR and Secretary Clerk of the Board

OFFICE OF THE MANAGING DIRECTOR

Clerk of the Board

The Clerk of the Board is the "Official Keeper of Records" charged with the responsibility of providing and maintaining all official Road Commission records, and making accurate and up-to-date records available to all departments.

The Clerk's Office also receipts, balances, and prepares deposits for all incoming Road Commission monies; places and arranges payment for advertising for projects and materials; tabulates all equipment and material bids; processes all incoming and outgoing mail; processes all incoming materials for the twice-monthly Board meeting; and prepares the agenda and minutes for the Board meetings.

GOALS AND OBJECTIVES

The primary charge of the Managing Director's Office is to carry out the policies and directives of the Board of Road Commissioners, protect and enhance the reputation and image of the agency and to ensure that the ideals established in the Road Commission's vision and mission statements are reflected in all activities of the agency.

This is accomplished through ensuring that the Road Commission:

- Is accountable to its customers, the motorist and residents of Oakland County, and to the local, county and state officials who represent them.
- Provides the safest and most efficient roads possible for its customers, given the resources available.
- Manages its resources responsibly.
- Maintains robust two-way communications with its customers, providing them with necessary information about what it is doing, how it will impact them, why it is being done, what cannot be done and why, as well as receiving their input and feedback and incorporating that information into its decision making processes.
- Stretches its available funding as far as possible. This includes seeking and embracing new technologies that hold the promise of enhanced safety, increased efficiencies and reduced operating costs.
- Advocates in Washington DC, Lansing and locally on behalf of Oakland County motorists, striving to ensure that Oakland County receives the highest level of funding possible to meet its road needs.

Office of the MANAGING DIRECTOR and Secretary Clerk of the Board

OFFICE OF THE MANAGING DIRECTOR

GOALS AND OBJECTIVES

(continued)

- Meets the needs of its internal customers by fostering an environment in which great value is placed on free and open communication between management and staff, and where staff members are encouraged to seek improved ways of doing business.

ACHIEVEMENTS

Over the preceding year, the Managing Director's Office has:

- Advanced the cost-containment effort within the agency.
- Worked to defeat ill-advised legislation that would adversely impact RCOC or its customers.
- Communicated the agency's accomplishments to local, county and state-level elected officials representing the county.
- Initiated communications with its customers at all levels, through a variety of mediums, sharing important information about the agency and its projects and initiatives and soliciting input from motorists, residents and officials.
- Strenuously advocated for additional local, state and federal funding to address transportation needs in the county.
- Sponsored enhanced training opportunities to advance the capabilities of RCOC staff.
- Fostered improved communication and cooperation within the management of the agency through the Leadership Team effort.

SUMMARY OF BUDGET

The Managing Director's fiscal year 2007/08 budget reflects the prior year level of service at anticipated fiscal year 2007/08 costs. Overall, there was approximately a 1% decrease in the departmental budget from the current budget for fiscal year 2006/07.

Office of the MANAGING DIRECTOR and Secretary Clerk of the Board

Object Detail

Office of Managing Director

<u>Object</u>	<u>Actual</u> <u>2005/06</u>	<u>Beginning</u> <u>Budget</u> <u>2006/07</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2006/07</u>	<u>Budget</u> <u>2007/08</u>
Salaries (See Position-Salary Detail)	\$506,024	\$541,157	\$547,520	\$541,543
Supplies, Materials & Parts				
Postage	33,223	40,920	40,920	41,750
Stationery & Office Supplies	7,025	16,390	16,390	12,700
Office Furniture/Equipment (Non-Capital)	0	0	3,500	0
Books, Subscriptions & Publications	3,333	5,000	5,000	5,000
Membership Fees & Dues	<u>1,370</u>	<u>1,500</u>	<u>1,500</u>	<u>1,434</u>
	44,951	63,810	67,310	60,884
Contracted Services				
Professional Services	125,880	201,267	324,263	203,563
Other Expenses				
Travel	2,670	11,900	11,900	10,600
Advertising	41,457	43,210	43,210	42,550
Training	<u>0</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
	44,127	56,110	56,110	54,150
Capital Outlay				
Office Equipment	6,723	0	0	0
TOTAL	\$727,705	\$862,344	\$995,203	\$860,140

Office of the MANAGING DIRECTOR and Secretary Clerk of the Board

Position - Salary Detail

Office of Managing Director

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Maximum</u>	<u>Salary Appropriation</u>
1	Managing Director*	\$95,400	\$133,400	\$133,400
1	Deputy Managing Director**	85,400	112,400	112,400
1	Assistant to the Managing Director for Public Information	61,484	69,723	69,723
1	Deputy Secretary/Clerk	52,626	63,423	63,423
1	Administrative Assistant to the Managing Director	44,302	50,946	49,619
1	Office Clerk	36,049	39,114	38,348
1	Clerk Typist	32,955	35,726	33,647
<u>1</u>	Commission Receptionist	30,547	33,093	<u>31,183</u>
8	TOTAL			\$531,743
			Overtime	8,500
			Seasonal	0
			Longevity	<u>1,300</u>
			TOTAL SALARIES	\$541,543

* The Managing Director is designated the statutory Secretary/Clerk of the Board.

** The Deputy Managing Director serves as the County Highway Engineer.

CITIZEN SERVICES

The Department of Citizen Services (DCS), which was established in 1973, provides the citizens of Oakland County a central location to make inquiries and requests related to road issues such as winter maintenance, road repair needs, drainage problems, traffic signs and signals, pavement markings and construction projects. DCS receives approximately 30,000 such contacts annually. The DCS Team will answer questions or complete a report which is forwarded to one of the operating departments for review and possible action. Upon receipt of the action, if one was taken, the Team will follow up with the citizen to provide a timely response to the citizen's request.

DCS also administers the Road Commission's summer dust control program for residents residing on gravel roads which encompasses approximately 690 of the approximately 800 miles of the gravel road mileage in the county.

GOALS AND OBJECTIVES

DCS is looking ahead and investigating new methods of handling citizen inquiries, evaluating various software packages that could provide greater access for internal customers and allow them more finite searches and easier accessibility. The ultimate goal of an up-to-date system is to assist in identifying problem areas of our road network. It is anticipated that the software will provide a link to the GIS system and other new technologies introduced in the agency. These new methods and technologies will enable DCS to continue providing the best service possible to both internal and external customers.

ACHIEVEMENTS

Over the past couple years DCS has modernized its offices and provided the clerks the opportunity to attend various local customer service workshops, providing them with new inspiration to deal with customers. The staff gained access to the Internet that allowed them to utilize the Internet-based GIS service of RCOC and Access Oakland. Both services have proven very useful for the DCS staff in addressing citizen concerns.

SUMMARY OF BUDGET

The Department of Citizen Services' fiscal year 2007/08 budget reflects the prior year level of service at anticipated fiscal year 2007/08 costs. Overall, there was a 10.5% decrease in the departmental budget from the current budget for the fiscal year 2006/07, primarily due to the absence of a one-time expenditure for software consulting services.

Department

Object Detail

Department: Citizen Services

<u>Object</u>	<u>Actual</u> <u>2005/06</u>	<u>Beginning</u> <u>Budget</u> <u>2006/07</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2006/07</u>	<u>Budget</u> <u>2007/08</u>
Salaries (See Position-Salary Detail)	\$305,642	\$327,846	\$336,150	\$341,061
Supplies, Materials & Parts				
Stationery & Office Supplies	4,873	4,000	4,000	4,139
Office Furniture/Equipment (Non-Cap)	(188)	0	0	0
Books, Subscriptions & Publications	<u>0</u>	<u>100</u>	<u>100</u>	<u>100</u>
	4,685	4,100	4,100	4,239
Contracted Services				
Prof Svcs - Consults Gen'l	0	46,000	46,000	0
Other Expenses				
Travel	87	450	450	450
Training	<u>706</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
	793	1,450	1,450	1,450
Capital Outlay				
Office Equipment	0	0	0	0
 TOTAL	 \$311,120	 \$379,396	 \$387,700	 \$346,750

Department

Position - Salary Detail

Department: Citizen Services

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary Appropriation</u>
1	Director of Citizen Services	\$63,800	\$87,500	\$87,500
1	Citizen Service Coordinator	48,023	55,640	55,640
<u>5</u>	Citizen Service Clerks	36,049	39,114	<u>193,271</u>
7	TOTAL			\$336,411
		Overtime		4,000
		Longevity		650
		TOTAL SALARIES		\$341,061

FINANCE

The functions of the Finance Department are to plan, coordinate, and administer all of the accounting, financial, and budgetary functions of the Road Commission, including the preparation of the financial statements. The Finance Department is responsible for the administration of the Road Commission's three-year Financial Plan, in which all department directors participate. It is also charged with the administration of the Road Commission for Oakland County Retirement System and Section 457 Deferred Compensation Plan and Retiree Health Care Trust.

Other key functions include cash management, investment of funds, handling the issuance of notes and bonds, and financial analysis of special projects to assist the Managing Director with decision-making.

Accounting

The Accounting section maintains the general ledger and administers the related functions, including payroll, accounts payable, accounts receivable, and inventories control. Other functions of the Accounting section include preparing the Annual Report required by Act 51, which governs the operation of the Road Commission, preparing billings and accounting for the State Trunk Line Maintenance Contract, and working with both independent public accountants and state auditors.

Budget

The Budget section prepares and administers the Road Commission's fiscal budget, including preparation of the budget document and the administration of appropriation transfers authorizing revisions to the budget. It analyzes and prepares the monthly Budget vs. Actual report and assists all departments in identifying and resolving variances. The Budget section also handles the accounting for the Road Improvement Program, which includes billing local units of government for their agreed participation in road projects.

GOALS AND OBJECTIVES

The principle goal of the Finance Department is to manage the agency's financial resources in a fiscally responsible manner and to provide useful and accurate financial information efficiently and timely to internal and external customers.

FINANCE

GOALS AND OBJECTIVES (continued)

The current objectives of the Finance Department are:

- To develop a Disaster Plan for the department that coordinates with other areas of the Road Commission as well as with key organizations outside the Road Commission.
- Final implementation of the JD Edwards 1099 processing feature.
- To evaluate electronic payment to and from vendors.

ACHIEVEMENTS

The achievements of the Finance Department in the past year include:

- Determination that there was no advantage to replace the current bank reconciliation process with the JDE Bank Reconciliation Module.
- As part of the agency-wide effort to improve communication, Finance, Accounting, and Budget presentations were made to participants in the L.E.A.D. Academy.
- In the effort to achieve compliance with GASB 45 - Other Post Employment Benefits (OPEB), Finance accomplished Board adoption of Trust and Plan documents, establishment of an investment account, and began the process of funding.
- In an effort to provide the best return on investments for participants, a new service provider for the deferred compensation plan was selected and participant transfers are expected to be completed by the fall of 2007.
- The Goals and Objectives, and Achievements sections have been incorporated into the budget document to improve reporting on the performance of the Road Commission.
- In the effort to improve efficiency, the percentage of accounts payable made in 45 days or less increased from 86% to 93% at the end of fiscal year 2006/07.

SUMMARY OF BUDGET

The Finance Department's fiscal year 2007/08 budget reflects the prior year level of service at anticipated fiscal year 2007/08 costs. Overall, there was a 1% decrease in the departmental budget from the current budget for the fiscal year 2006/07.

Department

Object Detail

Department: Finance

<u>Object</u>	<u>Actual</u> 2005/06	<u>Beginning</u> <u>Budget</u> 2006/07	<u>Estimated</u> <u>Amended</u> <u>Budget</u> 2006/07	<u>Budget</u> 2007/08
Salaries (See Position-Salary Detail)	\$846,904	\$852,504	\$874,823	\$882,867
 Supplies, Materials & Parts				
Stationery & Office Supplies	12,646	11,000	11,000	11,226
Office Furniture/Equipment (Non-Cap)	1,500	0	0	0
Books, Subscriptions & Publications	804	875	875	925
Membership Fees & Dues	<u>943</u>	<u>985</u>	<u>985</u>	<u>1,215</u>
	15,893	12,860	12,860	13,366
 Contracted Services				
Professional Services-Acct Services	26,732	7,100	7,100	7,400
Professional Services-Other	4,617	4,800	4,800	4,900
Retirement Administrative Expense	<u>38,626</u>	<u>57,915</u>	<u>57,915</u>	<u>39,200</u>
	69,975	69,815	69,815	51,500
 Other Expenses				
Travel	7,155	4,580	6,580	4,600
Training	<u>585</u>	<u>400</u>	<u>400</u>	<u>400</u>
	7,740	4,980	6,980	5,000
 Capital Outlay	0	0	0	0
 TOTAL	\$940,512	\$940,159	\$964,478	\$952,733

Department

Position - Salary Detail

Department: Finance

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary Appropriation</u>
1	Director of Finance	\$72,600	\$96,000	\$96,000
1	Accounting Supervisor	61,484	69,723	69,723
1	Budget Supervisor	57,344	65,183	65,183
3	Accountant	50,053	58,003	174,009
1	Compensation & Benefits Accountant	50,053	58,003	58,003
1	Construction Accountant	45,551	52,732	52,732
1	Payroll Accountant	45,551	52,732	52,732
1	Payroll Aide	40,396	44,585	44,585
5	Account Clerk	38,779	42,050	210,250
<u>1</u>	Secretary	38,779	42,050	<u>42,050</u>
16	TOTAL			\$865,267
		Overtime		12,000
		Seasonal		0
		Longevity		<u>5,600</u>
		TOTAL SALARIES		\$882,867

LEGAL

The responsibility of the Legal Department is to manage the legal affairs of the Road Commission; to advise and assist all agency personnel to ensure that all actions taken are consistent with relevant laws and in accordance with the Board's policies; and to be responsible for the Risk Management function of the Road Commission, involving loss prevention and control of the agency's assets and the improvement of both employee and highway safety.

Attainment of these objectives is accomplished primarily through the Legal Department's involvement in a variety of issues and activities that are managed by the department within the general framework of the functional categories set forth below:

- Litigation and loss management, which includes the management of all claims and litigation involving the Board, its officials and employees
- Management of all on-the-job injury and worker's compensation claim activity
- Statutorily-mandated duties
 - Abandonment petitions
 - Highway jurisdiction transfers
 - Freedom of Information Act compliance
- Insurance broker selection process
- Contract drafting and review, including the preparation and/or review of agreements
- Identification and recommendations regarding the acquisition of various insurance coverage
- Special projects as directed by the Office of the Managing Director, which may include the drafting of proposed litigation
- Risk management function, including the following: responsibility for management and coordination of the Road Commission's insurance and self-insurance programs for liability, property, and worker's compensation; and analysis

GOALS AND OBJECTIVES

Goals of the Legal Department for the coming year, include the following:

- Perform and complete analysis of RIMS (Risk Management Information System) proposals for selection of new system, if appropriate.

LEGAL

GOALS AND OBJECTIVES (continued)

- Schedule and conduct meetings with Legal Department and Right of Way attorneys, and all outside Condemnation Counsel to review recent changes in Condemnation law.
- Revise Safety and Health Program Manual.
- Establish, in consultation with Public Information Officer, an informational brochure regarding Road Abandonment processes.
- Begin review of online MSDS Software Programs, to improve accessibility to staff.
- Provide a presentation to supervision regarding maintenance and preservation of electronic records.
- Provide onsite Health Risk Appraisals (HRAs) to all agency districts.

ACHIEVEMENTS

Recent department accomplishments include the following:

- Completed revisions to various Road Commission Regulations.
- Implemented insurance certificate tracking system to centralize certificate tracking and improve communication regarding same.
- Utilized professional consultants and loss control service providers to identify and address risk abatement measures.
- MIOSHA first-aid training provided to hourly employees.
- Provided update to Finance and Human Resources staff regarding legal processes that affect the payroll process (Garnishments/Friend of the Court Orders/Bankruptcies, etc.).

SUMMARY OF BUDGET

The Legal Department's fiscal year 2007/08 budget reflects the prior year level of service at anticipated fiscal year 2007/08 costs. Overall, there was an increase of about 1% in the departmental budget from the current budget for fiscal year 2006/07.

Department

Object Detail

Department: Legal

<u>Object</u>	<u>Actual</u> 2005/06	<u>Beginning</u> <u>Budget</u> 2006/07	<u>Estimated</u> <u>Amended</u> <u>Budget</u> 2006/07	<u>Budget</u> 2007/08
Salaries (See Position-Salary Detail)	\$639,932	\$652,347	\$661,730	\$672,885
Supplies, Materials & Parts				
Stationery & Office Supplies	9,548	12,224	12,770	10,500
Office Furniture/Equip (Non-Capital)	550	2,500	2,500	0
Books, Subscriptions & Publications	15,434	16,000	16,000	16,000
Safety Control	<u>15,426</u>	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>
	40,958	48,724	49,270	44,500
Contracted Services				
Professional Services - Other	4,686	6,100	6,100	5,240
Professional Services - Legal	<u>11,689</u>	<u>12,000</u>	<u>12,000</u>	<u>12,400</u>
	16,375	18,100	18,100	17,640
Other Expenses				
Travel	5,497	3,760	3,760	4,160
Training	<u>1,902</u>	<u>2,683</u>	<u>2,683</u>	<u>2,633</u>
	7,399	6,443	6,443	6,793
Capital Outlay	0	0	0	0
TOTAL	\$704,664	\$725,614	\$735,543	\$741,818

Department

Position - Salary Detail

Department: Legal

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary Appropriation</u>
1	General Counsel	\$78,000	\$103,300	\$103,300
1	Chief Attorney of Litigation and Loss Management	74,475	85,648	85,648
1	Contracts Administration Attorney	69,281	79,672	79,672
1	Risk Management Program Coordinator	61,484	78,787	78,787
1	Attorney II	64,448	74,115	74,115
1	Safety Supervisor	50,946	58,588	58,588
1	Risk & Insurance Analyst	45,551	52,732	52,732
1	Claims Representative	41,575	48,077	48,077
1	Secretary -- Legal	38,523	44,302	44,302
<u>1</u>	Office Assistant	36,049	39,114	<u>39,114</u>
10	TOTAL			\$664,335
		Overtime		2,500
		Seasonal		0
		Longevity		<u>6,050</u>
		TOTAL SALARIES		\$672,885

HUMAN RESOURCES

The Human Resources Department is responsible for providing centralized human resources services. The vision of the Human Resources Department is "building a foundation for excellence". This is accomplished by coordinating an array of high quality services to Road Commission employees, including benefits, classification and compensation, training, recruitment and staffing, and employee/labor relations.

Human Resources leads the way in terms of identifying and assisting in the implementation of change initiatives at the Road Commission by partnering with all levels of management. Over the years, the Human Resources Department has been able to identify many means of improving the work environment. These efforts have been reflected in the Road Commission's mission statement and strategic goals.

GOALS AND OBJECTIVES

The goals of the Human Resources Department for the next year include the following:

- To continue to improve coordination and cooperation between Human Resources and all other departments throughout RCOC.
- To identify and secure the resources necessary to ensure the Human Resources Department services and activities are carried out in an effective and cost-efficient manner.
- To provide training and guidance to managers and employees in order to equip them with the tools they need to succeed in their positions, thus, reducing turnover and its associated costs.
- To promote the development of innovative programs and projects.
- To expand the use of JDE HRIS/Payroll System to ensure a return on investment.
- To utilize metrics in order to quantify and measure services provided.
- To continue to promote and maintain the financial stability of the Human Resources Department specifically, and the RCOC in general, and to focus on cost-savings, especially in terms of healthcare costs.
- To apply for governmental subsidies of healthcare costs through Medicare Part D Subsidy Program to help offset the rising cost of healthcare delivery.
- Continue to utilize the HR Team as "Partners in Change" to document and improve internal processes on an ongoing basis.

HUMAN RESOURCES ACHIEVEMENTS

Employees demand a cooperative work environment, the opportunity for learning and growth, mutual respect, recognition, and fair and equitable dealings. In response to these identified needs, the Road Commission has implemented a number of programs including the following:

- Positive Discipline
- Employee Assistance
- Job Enrichment
- Career Coaching
- Leadership for Results
- Tuition Reimbursement
- Annual Physical and Wellness Fair
- Civil Engineer Job Rotation and Internships
- Executive Leadership Development Program (L.E.A.D. Academy)

In addition, we have developed an Internal Investigations Committee to review complaints and to facilitate dispute resolution. We have also expanded our Sexual Harassment Policy to include a prohibition against discrimination. These programs and policies are augmented by ongoing training, strategic planning and auditing, and partnering with management to empower employees in building trust, strengthening employee skills, and improving communication.

SUMMARY OF BUDGET

The Human Resources' fiscal year 2007/08 budget reflects the prior year level of service at anticipated fiscal year 2007/08 costs. Overall, there was an 11% increase in the departmental budget from the current budget for the fiscal year 2006/07. However, the budget for seasonal and temporary employees was moved from all departments to Human Resources. Without that \$104,000 increase, there was about a 5% decrease in the departmental budget, primarily due to a decreased training budget.

Department

Object Detail

Department: Human Resources

<u>Object</u>	<u>Actual</u> 2005/06	<u>Beginning</u> <u>Budget</u> 2006/07	<u>Estimated</u> <u>Amended</u> <u>Budget</u> 2006/07	<u>Budget</u> 2007/08
Salaries (See Position-Salary Detail)	\$377,242	\$393,345	\$396,464	\$516,300
 Supplies, Materials & Parts				
Stationery & Office Supplies	8,661	7,457	7,457	8,000
Office Furniture/Eq (Non-Capital)	2,120	0	0	0
Books, Subscriptions & Publications	797	600	600	1,000
Membership Fees & Dues	495	800	800	935
	12,073	8,857	8,857	9,935
 Employee Benefits				
OPEB-Medicare Actuarials	2,000	4,000	6,500	4,000
Medical Exams	<u>21,368</u>	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>
	23,368	25,000	27,500	25,000
 Contracted Services				
EDP Services	795	795	795	1100
Labor Relations	59,985	71,500	83,015	71,500
Professional Services-Emp. Asst.	<u>24,464</u>	<u>34,000</u>	<u>34,000</u>	<u>32,000</u>
	85,244	106,295	117,810	104,600
 Other Expenses				
Travel	3,188	2,480	2,480	5,480
Advertising	3,003	5,270	8,420	5,270
Training	<u>25,739</u>	<u>52,200</u>	<u>84,921</u>	<u>52,700</u>
	31,930	59,950	95,821	63,450
 Capital Outlay				
	0	0	0	0
 TOTAL				
	\$529,857	\$593,447	\$646,452	\$719,285

Department

Position - Salary Detail

Department: Human Resources

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary Appropriation</u>
1	Director of Human Resources	\$72,600	\$96,000	\$96,000
1	Senior Human Resources Specialist	61,484	69,723	68,490
3	Human Resources Specialist	50,946	58,588	175,764
<u>1</u>	HRIS Coordinator	44,302	50,946	<u>50,946</u>
6	TOTAL			\$391,200
		Overtime		3,000
		Seasonal		120,000
		Longevity		2,100
				<hr/>
		TOTAL SALARIES		\$516,300

CENTRAL OPERATIONS

The Central Operations Department (COD) Headquarters includes the Director, Fleet Manager and support staff. The COD has three divisions. The following is a summary of activities by division.

Purchasing

The Purchasing Division consists of purchasing and inventory control.

The Purchasing staff is knowledgeable about public buying requirements and techniques. Annual purchase volume for the agency is \$15 million. Procurements include services, equipment and materials needed by the Road Commission personnel to maintain our mission to provide reasonably safe and convenient roads to the motoring public.

The Purchasing Division has administrative duties for the telephone system and the procurement card program. They also make work-related travel and hotel arrangements for all RCOC personnel.

Inventory Control, part of the Purchasing Division, maintains stock of commonly used parts and supplies. The stockroom staff delivers mail and supply orders throughout the agency daily. The value of the inventory is approximately \$3 million.

Fleet Maintenance

Fleet maintenance, District 6, is responsible for the repair and maintenance of equipment, e.g., trucks, pickups, vans, sedans, graders, plows, trailers, excavators, spreaders, mowers, saws, aerial equipment. The RCOC provides wrecker services to its own vehicles through the Fleet Maintenance Division. A major contribution to the Road Commission is the preventative maintenance program for its fleet of over one thousand pieces of equipment.

Building and Grounds

Buildings and Grounds, District 9, is responsible for the maintenance and repair of all Road Commission facilities, heating and air conditioning, security service, utilities and storage facilities for salt, brine, gasoline, diesel fuel, etc. The Buildings and Grounds team completes project work to help maintain and improve the safe and efficient operations of the Road Commission. The Dispatcher and Night Watchmen are part of the Buildings and Grounds Division.

CENTRAL OPERATIONS

GOALS AND OBJECTIVES

The goal of the COD is to serve the other departments and divisions of RCOG to the highest standard in building maintenance and fleet repair at the most reasonable cost possible, and to assist departments in the purchase of equipment, materials and services.

COD's fiscal year 2007/08 objectives are as follows:

- Rotational upgrade and replacement of fuel dispensing equipment.
- Continue the Energy Conservation Program which started after an energy audit in 2002.
- Replace windows at the PVR facility in Waterford.
- Replace roof of the salt shed at District 4T located in Troy.
- Pave the west lot at the PVR facility in Waterford.
- Pre-schedule seasonal work for equipment.

ACHIEVEMENTS

COD has completed the following major projects:

- Refurbished the exterior of salt domes in District 1-Milford, District 2-Davisburg, District 3-Lake Orion and District 4S-Southfield.
- Installed a Card Access System at the Waterford and Beverly Hills locations.
- Installed a BIRD-X Systems in all district garages for the health and safety of employees.
- Completed the air balancing and upgrade of the HVAC system at the Beverly Hills location.
- Purchasing/Inventory Control Division completed the second phase of the Bar Code Program, expanding it to the Equipment Repair Division with an electronic ordering system.
- Installed a new generator and switch gear at the PVR location.
- Installed insulated window panels at District 1-Milford and District 3-Lake Orion.

SUMMARY OF BUDGET

The Central Operations Department's fiscal year 2007/08 budget reflects an effort to maintain prior year level of service at anticipated fiscal year 2007/08 costs. Overall, there was an 8.6% increase in the departmental budget from the current budget for the fiscal year 2006/07. 5.3% of this increase is for fuel, and 2% of the increase is for capital expenditures.

CENTRAL OPERATIONS SUMMARY OF BUDGET (continued)

In the past several years, we have maintained our road equipment on a rotational discard (DX) schedule. While COD has been able to increase the useful life of some equipment through tightened specifications, COD will, by necessity, have to reduce the expenditures and stretch the life of equipment on hand. Using industry standards, and the value of our fleet, RCOC should replace about \$4 million of equipment per year.

The original DX standard had projected \$3.96 million in equipment purchases, however, with the RCOC's current reduced revenue situation, RCOC is now projecting the purchase of 33 pieces of equipment valued at approximately \$2.6 million.

Fuel costs are a major pressure on the COD budget. RCOC uses an average of 80,000 gallons of gasoline/diesel fuel monthly, with pricing remaining volatile.

Department

Object Detail

Department: Central Operations

<u>Object</u>	<u>Actual</u> <u>2005/06</u>	<u>Beginning</u> <u>Budget</u> <u>2006/07</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2006/07</u>	<u>Budget</u> <u>2007/08</u>
Salaries (See Position-Salary Detail)	\$3,452,965	\$3,826,975	\$3,845,924	\$4,006,598
 Supplies, Materials & Parts				
Stationery & Office Supplies	17,895	25,000	25,000	18,000
Office Furniture/Equip (Non-Cap)	7,436	20,000	20,000	8,400
Parts, Supplies and Freight	2,951	2,100	2,100	3,000
Books, Subscriptions & Publications	89	550	550	550
Membership Fees & Dues	679	1,675	1,675	1,460
Janitor & Restroom Supplies	77,758	73,600	73,600	74,000
Safety Control Expense	8,701	12,000	12,000	10,000
Garage Expense	99,784	90,400	90,400	90,000
Vehicle Safety Improvement	1,461	5,000	5,000	6,000
Gas, Oil & Diesel Fuel	1,990,846	1,448,900	1,448,900	1,992,370
Small Tools (Garage & Road)	<u>59,100</u>	<u>61,500</u>	<u>61,500</u>	<u>61,000</u>
	2,266,700	1,740,725	1,740,725	2,264,780
 Contracted Services				
Laundry Expense	30,435	40,000	40,000	35,000
EDP Services	0	6,000	6,000	1,000
Maintenance Contracts	9,655	22,000	22,000	22,000
Security Services	47,548	45,600	45,600	46,000
Fire Extinguisher Services	6,464	11,000	11,000	12,000
Car Washing	4,972	6,250	6,250	6,250
Disposal of Hazardous Waste	8,662	8,000	8,000	8,000
Workers' Comp-Self Insured Exp	<u>100,738</u>	<u>45,410</u>	<u>45,410</u>	<u>63,444</u>
	208,474	184,260	184,260	193,694

Department

Object Detail

Department: Central Operations (continued)

<u>Object</u>	<u>Actual</u> <u>2005/06</u>	<u>Beginning</u> <u>Budget</u> <u>2006/07</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2006/07</u>	<u>Budget</u> <u>2007/08</u>
Other Expenses				
Travel	2,459	4,900	4,900	4,900
Training	4,483	6,133	6,133	6,133
Maintenance Contracts Office Equip	<u>38,261</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>
	45,203	51,033	51,033	51,033
Utilities				
Electrical	247,193	279,911	279,911	270,000
Heat	203,256	299,771	299,771	250,000
Water	17,719	20,000	20,000	20,000
Telephone	<u>344,905</u>	<u>389,428</u>	<u>389,428</u>	<u>385,000</u>
	813,073	989,110	989,110	925,000
Repair/Maintenance				
Building Maintenance	320,214	530,000	580,000	443,000
Garage Equipment Repair	60,871	60,000	60,000	61,000
Grounds Maintenance	616	15,000	15,000	15,000
Repair to Fuel Equipment	631	58,000	58,000	25,000
Road and General Equipment Repair	<u>2,107,309</u>	<u>1,973,393</u>	<u>2,073,393</u>	<u>2,248,323</u>
	2,489,641	2,636,393	2,786,393	2,792,323
Capital Outlay				
Land	0	0	130,000	0
Land & Improvement	0	0	0	45,000
Buildings	1,158,554	75,000	471,412	410,000
Road Equipment	207,599	270,375	574,368	450,448
Shop Equipment	60,846	0	0	0
Storage Facilities	752,398	127,500	210,000	79,500
Office Equipment	<u>23,910</u>	<u>0</u>	<u>49,524</u>	<u>0</u>
	2,203,307	472,875	1,435,304	984,948
TOTAL	\$11,479,363	\$9,901,371	\$11,032,749	\$11,218,376

Department

Position - Salary Detail

Department: Central Operations

Division: Office of the Director

<u>Authorized</u> <u>Positions</u>	<u>Classification</u>	<u>Salary</u>		<u>Salary</u>
		<u>Minimum</u>	<u>Maximum</u>	<u>Appropriation</u>
1	Director of Central Operations	\$72,600	\$96,000	\$80,600
1	Fleet Manager	57,344	65,183	65,183
1	Secretary	38,779	42,050	<u>42,050</u>
3	TOTAL			\$187,833
	Overtime			5,000
	Seasonal			0
	Longevity			1,350
				<u> </u>
	TOTAL SALARIES			\$194,183

Department

Position - Salary Detail

Department: Central Operations

Division: Purchasing

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary Appropriation</u>
1	Purchasing Division Supervisor	\$61,484	\$69,723	\$66,012
1	Inventory Control Chief	47,493	56,504	56,504
2	Purchasing Agent	45,551	52,732	105,464
2	Account Clerk	38,779	42,050	84,100
1	Office Assistant	36,049	39,114	36,815
2	Storekeeper	46,342		92,684
<u>4</u>	Stock Clerk	44,393		<u>177,572</u>
13	TOTAL			\$619,151
		Overtime		25,000
		Longevity		7,600
				<hr/>
	TOTAL SALARIES & WAGES			\$651,751

Department

Position - Salary Detail

Department: Central Operations

District #6: Fleet Maintenance

<u>Authorized</u> <u>Positions</u>	<u>Classification</u>	<u>Salary</u>		<u>Salary</u>
		<u>Minimum</u>	<u>Maximum</u>	<u>Appropriation</u>
1	Equipment Repair Manager	\$58,913	\$65,183	\$65,183
1	Office Clerk	36,049	39,114	39,114
3	Skilled Foreman	55,196	57,824	173,472
32	Mechanic	50,786		1,625,152
1	Small Tool Engine Repair Mechanic	47,139		47,139
1	Tire Repair	45,651		45,651
<u>2</u>	Laborer II	43,995		<u>87,152</u>
41	TOTAL			\$2,082,863
		Overtime		190,000
		Longevity		33,479
				<u> </u>
	TOTAL SALARIES & WAGES			\$2,306,342

Department

Position - Salary Detail

Department: Central Operations

District #9: Buildings and Grounds

<u>Authorized</u> <u>Positions</u>	<u>Classification</u>	<u>Salary</u>		<u>Salary</u>
		<u>Minimum</u>	<u>Maximum</u>	<u>Appropriation</u>
1	Facilities Manager	\$58,913	\$65,183	\$65,183
1	Radio Communicator	40,396	44,585	44,585
1	Skilled Foreman	55,196	57,824	57,824
1	Carpenter	50,786		50,786
1	Crew Leader	49,026		49,026
4	Building Maintenance Laborer	45,651		182,604
3	Watchman	44,393		133,179
<u>4</u>	Janitor	37,832		<u>151,328</u>
16	TOTAL			\$734,515
		Overtime		99,600
		Longevity		20,207
				<u> </u>
	TOTAL SALARIES & WAGES			\$854,322

ENGINEERING

The Engineering Department has five divisions. The following provides a summary of the activities conducted by each division.

Right-of-Way

The Right-of-Way Division performs right-of-way engineering; that is, determines adjacent property needed for road improvement projects. It also provides all legal work necessary for road improvement projects of various types. Right-of-Way negotiates for and acquires properties needed, if not already owned, by the public. The division also performs all administrative work associated with right-of-way, including determining property ownership, appraisals, and necessary documentation. In addition to serving departmental project needs, the division assists other departments, local units of government, utility companies, and citizens with right-of-way questions.

Subdivision Improvement & Development

SID has three major areas of responsibility for public subdivision streets in non-incorporated areas of the county: administration of acceptance of new streets created by developers, improvement of existing streets by special assessment procedures, and administration of conversions of private streets to public status when necessary procedures are initiated by communities.

Design

The Design Division is responsible for the design of all county road improvement projects other than subdivision street improvements (although, at times, it assists with these). Most projects are designed in-house by staff. Other responsibilities include advertising for and qualifying private contractors to construct the projects, conducting public informational meetings and assisting in plat review.

Construction and Testing

The Construction Division, including testing activities, is responsible for the administration of all construction contracts. The division is responsible for quality assurance on all road improvement projects, including assuring that the contractor complies with design and construction specifications. The division evaluates soils and other factors of a project area prior to design. Testing construction materials at the point of manufacture and on-site both during and after construction are another important responsibility.

On-site inspection of contractor's work is performed throughout a project. The division works with public officials, residents and business owners. Documentation of work accomplished and materials used is conducted for both Road Commission use and for verification to funding agencies such as the Federal Highway Administration and MDOT.

ENGINEERING

Programming

The Programming Division is responsible for selecting and scheduling road improvement projects suggested by various sources both inside and outside the organization, identifying and procuring funding for scheduled projects included in the RCOC budget, securing all necessary financial agreements, and monitoring the progress of projects through final accounting. The division prepares programming forms for federal aid and furnishes documents necessary to certify road mileage and conditions as required to qualify for state-collected vehicle fuel and licensing tax funding. Programming also oversees the Pavement Management System (PMS), Bridge Management System (BMS), Geographic Information System (GIS), and administers the TRI-Party program.

GOALS AND OBJECTIVES

The goal of the Engineering Department is "Building quality and durable road projects; on time and within budget for the traveling public". In order to accomplish this goal, procedures; specifications; new materials and training opportunities are continually reviewed and utilized.

Some of the objectives of the department for fiscal year 2007/08 are as follows:

- In fiscal year 2007/08, the Road Improvement Program includes only projects where the RCOC leverages its funds by providing matching funds to federally funded projects, Tri-Party projects and occasional 50/50 programs.
- We will continue to increase the use of Asset Management principals to determine infrastructure improvements. Asset Management begins with rating existing infrastructure, determining the expected service life of each segment of road, bridge or culvert, and then applying the most cost effective preventative maintenance to that asset to extend its service life.
- Included in the fiscal year 2007/08 Road Improvement program is pavement data collection on approximately 1/3 of the paved primary road system. Also included are bridge inspections and ratings on all RCOC type "A" bridges (bridges over 20 ft. in length). These ratings help us monitor the condition of the roads and bridges, individually and collectively, to define where resources should be spent to best maintain the integrity of the road system. A challenge to applying the Asset Management techniques will be the practice of the Federal Aid Committee, which has traditionally allocated federal dollars to the roads in most desperate need of repair and widening.

ACHIEVEMENTS

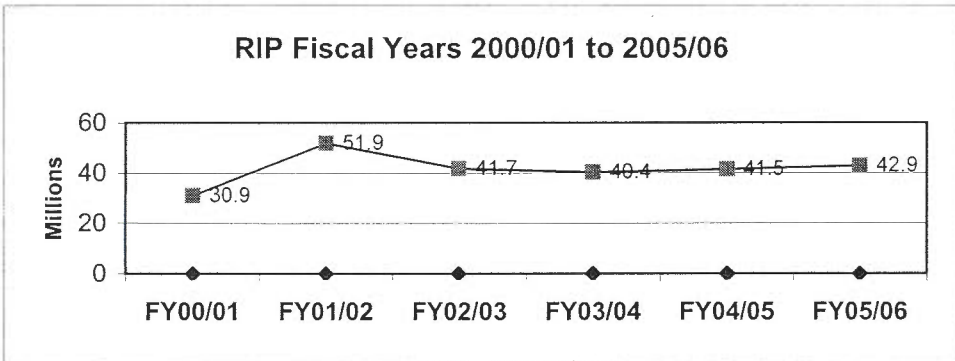
Achievements in fiscal year 2006/07 include:

- All type "B" bridges (less than 20 ft long) were inspected.
- Pavement ratings on approximately 1/3 of the paved primary system.

ENGINEERING

ACHIEVEMENTS
(continued)

- National award from the American Concrete Paving Association for Williams Lake Road relocation.
- Production of Roundabout video which gained national attention, including being shown at national training seminars.
- Significant Projects include:
 1. Rochester Road, Gunn to Stony Creek
 2. Williams Lake Road, Elizabeth Lake Road to Cooley Lake Road
 3. Maple Road to Drake Road Roundabout
 4. Maple Road at Farmington Road Roundabout
 5. Crooks Road Boulevard, Square Lake Road to M-59



SUMMARY OF BUDGET

The Engineering Department's fiscal year 2007/08 budget reflects the prior year level of service at anticipated fiscal year 2007/08 costs. Overall, there was a 1.5% decrease in the departmental budget from the beginning budget for fiscal year 2006/07.

Department

Object Detail

Department: Engineering

<u>Object</u>	<u>Actual</u> 2005/06	<u>Beginning</u> <u>Budget</u> 2006/07	<u>Estimated</u> <u>Amended</u> <u>Budget</u> 2006/07	<u>Budget</u> 2007/08
Salaries				
(See Position-Salary Detail)	\$4,951,428	\$5,201,319	\$5,271,700	\$5,185,792
 Supplies, Materials & Parts				
Stationery & Office Supplies	42,077	39,000	39,000	39,000
Office Furniture/Eq (Non-Cap)	5,817	2,000	3,385	750
Software (Non-Capital)	0	3,500	3,500	3,000
Parts & Supplies	3,486	11,000	11,000	8,000
Dept Equipment (Non-Capital)	2,973	4,500	4,500	9,000
Books, Subscriptions & Pubs.	2,290	4,000	4,000	5,000
Membership Fees & Dues	2,585	2,795	2,795	3,070
Safety Control Expense	3,444	6,500	6,500	4,000
Small Tools	<u>23,415</u>	<u>11,416</u>	<u>11,416</u>	<u>17,800</u>
	86,087	84,711	86,096	89,620
 Contracted Services				
EDP Services	0	100	100	100
S.A.D. Projects Admin.	9,044	10,000	10,000	10,000
Professional Services	24,823	38,500	38,500	49,000
Workers' Comp-Self Insured Exp	<u>15,503</u>	<u>11,690</u>	<u>11,690</u>	<u>20,137</u>
	49,370	60,290	60,290	79,237
 Other Expenses				
Travel	8,018	5,600	5,600	7,200
Training	21,924	22,367	22,367	22,333
Right-of-Way-Program	0	65,300	153,300	13,489
(Non-Project)	29,942	93,267	181,267	43,022

Department

Object Detail

Department: Engineering (continued)

<u>Object</u>	<u>Actual</u> <u>2005/06</u>	<u>Beginning</u> <u>Budget</u> <u>2006/07</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2006/07</u>	<u>Budget</u> <u>2007/08</u>
Capital Outlay				
Engineering Equipment	107,393	0	17,000	129,000
TOTAL	\$5,224,220	\$5,439,587	\$5,616,353	\$5,526,671

Department

Position - Salary Detail

Department: Engineering

Division: Office of the Director

<u>Authorized</u> <u>Positions</u>	<u>Classification</u>	<u>Salary</u>		<u>Salary</u>
		<u>Minimum</u>	<u>Maximum</u>	<u>Appropriation</u>
1	Director of Engineering	\$72,600	\$96,000	\$96,000
<u>1</u>	Secretary	38,779	42,050	<u>42,050</u>
2	TOTAL			\$138,050
	Overtime			500
	Seasonal			0
	Longevity			0
	TOTAL SALARIES			\$138,550

Department

Position - Salary Detail

Department: Engineering

Division: Right-of-Way

<u>Authorized</u> <u>Positions</u>	<u>Classification</u>	<u>Salary</u>		<u>Salary</u>
		<u>Minimum</u>	<u>Maximum</u>	<u>Appropriation</u>
1	Right-of-Way & Contracts Mgr	\$65,451	\$74,247	\$74,247
1	Attorney I	58,588	67,375	62,104
1	Right-of-Way Appraiser	50,946	58,588	58,588
1	Engineering Technician III	47,493	56,504	56,504
2	Right-of-Way Agent	48,023	55,640	111,280
1	Engineering Technician II	41,575	48,077	48,077
1	Engineering Aide	40,396	44,585	44,585
<u>1</u>	Office Assistant	36,049	39,114	<u>39,114</u>
9	TOTAL			\$494,499
		Overtime		35,000
		Longevity		8,814
		TOTAL SALARIES		\$538,313

Department

Position - Salary Detail

Department: Engineering

Division: Subdivision Improvement & Development

<u>Authorized</u>		<u>Salary</u>		<u>Salary</u>
<u>Positions</u>	<u>Classification</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Appropriation</u>
1	S.I.D. Supervisor	\$69,420	\$78,787	\$75,039
1	Civil Engineer III	58,844	68,720	68,720
1	Engineering Inspector III	47,493	56,504	56,504
1	Engineering Technician III	47,493	56,504	56,504
1	Plat Analyst	48,023	55,640	55,640
1	Special Assessment Analyst	45,551	52,732	52,732
3	Engineering Technician I/II	40,396	48,077	144,231
2	Engineering Inspector II	41,575	48,077	96,154
1	Engineering Aide	40,396	44,585	43,917
1	Office Assistant	36,049	39,114	<u>39,114</u>
13	TOTAL			\$688,555
		Overtime		125,000
		Longevity		11,500
		TOTAL SALARIES		\$825,055

Department

Position - Salary Detail

Department: Engineering

Division: Design

<u>Authorized</u> <u>Positions</u>	<u>Classification</u>	<u>Salary</u>		<u>Salary</u>
		<u>Minimum</u>	<u>Maximum</u>	<u>Appropriation</u>
1	Design Engineer	\$69,420	\$78,787	\$78,787
3	Civil Engineer III	58,844	68,720	195,418
3	Civil Engineer II	51,553	59,503	162,878
1	Survey Crew Chief	47,493	56,504	56,504
6	Engineering Technician II	41,575	48,077	288,462
1	Instrument Operator	40,396	44,585	42,579
1	Survey Assistant	32,955	35,726	<u>35,726</u>
16	TOTAL			\$860,354
			Overtime	93,000
			Longevity	10,700
			TOTAL SALARIES	\$964,054

Department

Position - Salary Detail

Department: Engineering

Division: Construction & Testing

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary Appropriation</u>
1	Construction Engineer	\$69,420	\$78,787	\$76,913
4	Civil Engineer III	58,844	68,720	266,966
1	Civil Engineer II	51,553	59,503	59,503
2	Engineering Inspector III	47,493	56,504	106,450
3	Survey Crew Chief	47,493	56,504	168,438
1	Utilities Coordinator	45,551	52,732	52,732
19	Engineering Inspector I/II	40,396	48,077	896,003
2	Engineering Aide	40,396	44,585	89,170
3	Instrument Operator	40,396	44,585	127,939
1	Office Assistant	36,049	39,114	39,114
<u>1</u>	Survey Assistant	32,955	35,726	<u>35,726</u>
38	TOTAL			\$1,918,954
			Overtime	480,000
			Longevity	24,031
			TOTAL SALARIES	\$2,422,985

Department

Position - Salary Detail

Department: Engineering

Division: Programming

<u>Authorized</u> <u>Positions</u>	<u>Classification</u>	<u>Salary</u>		<u>Salary</u>
		<u>Minimum</u>	<u>Maximum</u>	<u>Appropriation</u>
1	Programming Supervisor	\$65,451	\$74,247	\$74,247
1	Civil Engineer III	58,844	68,720	68,720
1	Civil Engineer II	51,553	59,503	52,206
1	Engineering Technician II	41,575	48,077	48,077
1	Engineering Aide	40,396	44,585	<u>44,585</u>
5	TOTAL			\$287,835
		Overtime		7,000
		Longevity		2,000
				<u> </u>
		TOTAL SALARIES		\$296,835

PLANNING AND DEVELOPMENT

The function and purpose of the Planning and Development Department is expressed through the following list of activities of each group.

Systems Planning

Systems Planning provides technical and administrative assistance to the Road Commission in the areas of research, evaluation, funding, and planning. The key activities include:

- Analyzing accident data for the development of the Road Improvement Program.
- Evaluating the effect of crashes on specific road improvements, policies and procedures.
- Developing procedures for evaluating the benefits of road projects.
- Developing programs and procedures to assist RCOC operations (ITS, accident location identification and correction, etc.).
- Evaluating proposed legislative action and transportation issues for their impact on RCOC.
- Providing staff liaison to various state, regional, county and local transportation agencies and committees.
- Monitoring land use developments and evaluating the impact of those developments on the transportation system.
- Coordinating data collection and road changes for biennial map printing.
- Providing staff support for federal funding committees.
- Developing a long-range transportation plan.
- Conducting corridor studies for our communities.
- Conducting the multi-department Road Safety Audits.

Information Systems Services

Information Systems Services identifies, designs, and specifies computer system improvements to maintain and improve the level of computer services to the agency. Staff programmers and analysts serve as technical advisors to various committees and task groups, preparing RFP's, evaluating bids, selecting systems, and testing new program installations.

Information Systems Services provides agency-wide computer support by writing, installing and maintaining computer programs; entering and editing data in computer files; and assisting computer users in identifying and specifying data needs and modifying existing needs. They also specify, install and provide technical repairs and troubleshooting on all personal computers as well as the servers and hardware in the Wide Area Network connecting all buildings and PC's.

PLANNING AND DEVELOPMENT

Information Systems Services (continued)

Other tasks include assisting in training personnel in computer usage, evaluating the applicability of commercially available programs to RCOC's needs, developing new methods for analyzing RCOC data, reviewing and advising on acquisition of new software programs for each department (as well as agency-wide), and ensuring that the entire network of hardware and software is up-to-date and operating efficiently.

GOALS AND OBJECTIVES

The following are the goals of Planning and Development related to transportation planning for the next budget year:

- Update and revise Master ROW Plan.
- Create Pilot Plan and Map for Congestion Management Plan.
- Integrate data collection with GIS mapping for Asset Management Plan.
- Supply congressmen with project request for 2009 budget appropriation earmarks.
- Present research papers at state and national conferences.
- Create prototype for RCOC road project databank or library in the EDMS.
- Create a digital imaging photo lab for conducting project public hearings as part of Context Sensitive Solution.

The following are the goals related to Information Systems for the next budget year:

- Implement, train and operate the Electronic Document Management System (EDMS) Phases II and III.
- Implement wireless connection in Beverly Hills and PVR meeting rooms.
- Upgrade JDE servers for improved speed and capacity.

ACHIEVEMENTS

The Planning and Development team achieved a number of milestones in fiscal year 2006/07, including the following:

- Installation of upgraded GroupWise 7.0 on all personal computers.
- Installation of upgraded laptops for 15 users and adding 15 laptops to Engineering Construction Division.
- Added server disk space for Beverly Hills and PVR locations.

PLANNING AND DEVELOPMENT

ACHIEVEMENTS (continued)

- Replaced WAN hubs and routers for greater speed and efficiency.
- Reviewed proposal and purchased new DCS software.
- Advanced the implementation of the Document Management System (DCS).
- Printed the 2007 County Road Map.
- Conducted 58 meetings with local units of government and wrote the 2007 Strategic Plan.

SUMMARY OF BUDGET

The fiscal year 2007/08 Planning and Development budget reflects service levels comparable to fiscal year 2006/07 at anticipated fiscal year 2007/08 costs. Overall, there was a decrease in the departmental budget of almost 10% from the budget for fiscal year 2006/07, primarily from reductions in the computer plan.

Department

Object Detail

Department: Planning & Development

<u>Object</u>	<u>Actual</u> 2005/06	<u>Beginning</u> Budget 2006/07	<u>Estimated</u> Amended Budget 2006/07	<u>Budget</u> 2007/08
Salaries (See Position-Salary Detail)	\$662,929	\$685,032	\$700,815	\$708,212
Supplies, Materials & Parts				
Stationery & Office Supplies	8,139	8,741	8,741	8,900
Computers (Non-Capital)	63,648	43,200	64,808	48,200
Software (Non-Capital)	84,015	1,000	43,000	2,000
Books, Subscriptions & Publications	490	700	700	500
Membership Fees & Dues	601	3,550	3,550	3,670
Data Processing Supplies	<u>5,810</u>	<u>10,000</u>	<u>10,000</u>	<u>10,856</u>
	162,703	67,191	130,799	74,126
Contracted Services				
EDP Services	125,271	221,800	241,800	235,465
Professional Services	<u>93,367</u>	<u>179,000</u>	<u>209,000</u>	<u>139,000</u>
	218,638	400,800	450,800	374,465
Other Expenses				
Travel	5,360	2,400	2,400	2,400
Training	<u>36,958</u>	<u>45,400</u>	<u>25,400</u>	<u>33,200</u>
	42,318	47,800	27,800	35,600
Capital Outlay				
Office Equipment	100,537	20,000	55,000	5,000
TOTAL	\$1,187,125	\$1,220,823	\$1,365,214	\$1,197,403

Department

Position - Salary Detail

Department: Planning and Development

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary Appropriation</u>
1	Director of Planning & Development	\$72,600	\$96,000	\$96,000
1	Transportation Planning Coordinator	69,420	78,787	78,787
1	Planner III	57,344	65,183	65,183
1	Information Systems Supervisor	61,484	76,898	76,898
2	Planner II	50,053	58,003	116,006
2	Computer Programmer II	50,053	58,003	116,006
1	Computer Technician	45,551	52,732	52,732
1	Secretary	38,779	42,050	42,050
<u>1</u>	Information Systems Clerk	38,779	42,050	<u>42,050</u>
11	TOTAL			\$685,712
		Overtime		18,000
		Longevity		4,500
		TOTAL SALARIES		\$708,212

TRAFFIC SAFETY

Traffic Safety consists of the Traffic Engineering Division, Signal System Division, District #7 (traffic signs and guardrail), and District #8 (traffic signals and other electrical devices).

Traffic Engineering

The Traffic Engineering Division's activities include the study, planning, and design for the safe and efficient movement of traffic on roads in Oakland County. This includes collecting and analyzing traffic data; analyzing traffic accident information; reviewing the geometrics on construction plans; reviewing permits; providing permanent construction and detour signing diagrams; providing for contracted pavement markings; and inspecting contractor work for signing and pavement markings. In addition, the Traffic Engineering Division provides engineering services to District 7 which is responsible for installing and maintaining the traffic signs and guardrails on the road system.

Signal Systems

The Signal Systems Division has responsibility for the Traffic Signal Program, various traffic signal projects, traffic signal retimings, engineering services to District 8, Vehicle Infrastructure Integration (VII) and Intelligent Transportation Systems (ITS) projects. One of the projects consists of the Sydney Coordinated Adaptive Traffic Systems (SCATS), using the Autoscope video detection system, and staffing the Traffic Operation Center. The division also does inspections for contractors installing or modernizing signals.

District 7

District 7 - The Sign Shop, is responsible for the fabrication, installation and maintenance of traffic signs on the RCOC and MDOT road systems, plus the installation and maintenance of guardrail on the RCOC road system. This includes construction, detour, and staging signing on many road projects. The Sign Shop is also responsible for doing volume and intersection counts, speed and gap studies, and other special counts required by the Traffic Engineering Division.

District 8

District 8 - The Signal Shop is charged with the responsibility of maintaining approximately 1,485 traffic signals and other electrical devices in Oakland County on RCOC, MDOT and most city road systems. District 8 also installs new traffic signals and school flashers as needed, replaces obsolete equipment, and assists in the deployment of the FAST-TRAC or Intelligent Transportation Systems projects. District 8 also does building wiring as the need arises and time exists.

TRAFFIC SAFETY

GOALS AND OBJECTIVES

The objectives planned for the next budget year by division are as follows:

Traffic Engineering

- Finalize the Sign Management System.
- Continue sign upgrading based on nighttime reviews.

Signal Systems

- Continue the installation of school zone signs using paging technology.
- Implement low cost SCATS communications such as wireless radio technologies.
- Finalize the Signal Management System.
- Work on multiple VII (Vehicle Infrastructure Integration) projects.
- Inspect all mast arms.
- Continue the search to relocate TOC.
- Fully integrate ADA requirements into all traffic signal designs.

ACHIEVEMENTS

The installation of school zone signs using paging technology has been successfully implemented and installed in many locations around the county. It allows changes to the timing of the school speed limit signs from the office instead of having a crew visit the location to make any timing changes.

The third phase of the county-wide signal retiming project is complete. This completes the retiming of all traffic signals in the county. The Road Commission has also completed the installation of about half of the retimings of the backup timing plans at the SCATS signals.

One big cost savings for the Road Commission has been the change from incandescent traffic signal lamps to LEDs (Light Emitting Diodes). It has resulted in the reduction of power usage as well as the number of trouble calls for lamp outs. The LED signal lowers operating costs as a result of their long life (approximately 10 years) and significantly lowers electricity usage (uses over 85% less electricity than incandescent light bulbs).

	<u>FY2005-06</u>	<u>FY2006-07</u>	Budgeted <u>FY2007-08</u>
Traffic Signal Installations	5	5	5
(including flashers)			
Traffic Signal Modernization	10	10	10
(Including installations under jurisdictions of other agencies plus other electrical devices)			
Traffic Signals Maintained	1,450	1,470	1,485
Traffic Sign Maintenance	17,423	17,500	17,336
Guardrail (feet)	9,800	7,125	12,000

TRAFFIC SAFETY

SUMMARY OF BUDGET

Traffic Safety's fiscal year 2007/08 budget reflects an effort to maintain prior year level of service at anticipated fiscal year 2007/08 costs. The overall change from the departmental budget for fiscal year 2006/07 is a 3% decrease, but that includes a one-time reduction in the fiscal year 2006/07 budget to move costs related to TOC operations and other project costs from the department to the ITS project group. Eliminating the effect of the one-time reduction, the change is approximately an 8% decrease which includes a 7% reduction in contracted services, and a 1.5% reduction in capital outlay.

Department

Object Detail

Department: Traffic Safety

<u>Object</u>	<u>Actual</u> <u>2005/06</u>	<u>Beginning</u> <u>Budget</u> <u>2006/07</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2006/07</u>	<u>Budget</u> <u>2007/08</u>
Salaries				
(See Position-Salary Detail)	\$5,147,212	\$5,615,805	\$5,668,245	\$5,839,015
Supplies, Materials & Parts				
Stationery & Office Supplies	25,387	24,000	24,000	24,000
Office Furniture/Equip (Non-Cap)	1,138	34,850	9,189	6,154
Software (Non-Capital)	6,207	4,600	600	4,600
Parts & Supplies	1,024	1,000	1,000	1,025
Dept Equipment (Non-Cap)	5,632	9,600	40,494	4,800
Books, Subscriptions & Publications	4,400	965	965	1,000
Membership Fees & Dues	1,135	4,100	4,100	4,100
Safety Control Expense	23,620	27,000	25,000	27,000
Materials-Electric Install/Modernize	1,482,821	1,557,485	1,152,485	1,084,863
Signs & Materials	284,665	351,000	351,000	368,550
Guardrail & Misc.	206,796	362,509	208,000	218,400
Attenuator	NEW	0	154,509	162,225
Other Road Materials	2,096	3,000	3,000	3,000
Small Tools	<u>40,522</u>	<u>43,513</u>	<u>43,513</u>	<u>45,000</u>
	2,085,443	2,423,622	2,017,855	1,954,717
Contracted Services				
EDP Services	0	1,000	1,000	1,000
Maintenance Contracts	3,230,669	2,628,466	2,747,404	2,234,396
Outside Equipment Rental	8,440	48,000	48,000	48,000
Disposal of Hazardous Waste	0	500	500	500
Worker's Comp-Self Insured Exp	<u>90,186</u>	<u>60,000</u>	<u>60,000</u>	<u>60,530</u>
	3,329,295	2,737,966	2,856,904	2,344,426
Other Expenses				
Travel	12,323	9,520	9,520	10,170
Training	7,075	14,365	10,465	10,500
Special Training - District 8	<u>5,226</u>	<u>5,000</u>	<u>5,000</u>	<u>6,000</u>
	24,624	28,885	24,985	26,670

Department

Object Detail

Department: Traffic Safety (continued)

<u>Object</u>	<u>Actual</u> <u>2005/06</u>	<u>Beginning</u> <u>Budget</u> <u>2006/07</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2006/07</u>	<u>Budget</u> <u>2007/08</u>
Utilities				
Street Lighting Utilities	19,384	20,160	20,160	20,770
Traffic Signal Utilities	858,870	929,675	929,675	883,570
Communications	<u>590,288</u>	<u>569,000</u>	<u>0</u>	<u>0</u>
	1,468,542	1,518,835	949,835	904,340
Repair/Maintenance				
Radio Communication & Repair	3,262	10,000	10,000	10,000
Road & General Equipment Repair	<u>2,049</u>	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>
	5,311	19,000	19,000	19,000
Capital Outlay				
Road Equipment	1,232,835	325,340	681,447	92,423
Shop Equipment	<u>12,926</u>	<u>0</u>	<u>0</u>	<u>0</u>
	1,245,761	325,340	681,447	92,423
TOTAL	\$13,306,188	\$12,669,453	\$12,218,271	\$11,180,591

Department

Position - Salary Detail

Department: Traffic Safety

Division: Office of Director

<u>Authorized</u>		<u>Salary</u>		<u>Salary</u>
<u>Positions</u>	<u>Classification</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Appropriation</u>
1	Director of Traffic Safety	\$72,600	\$96,000	\$96,000
1	Secretary	38,779	42,050	42,050
<u>1</u>	Electrical Trainer	48,023	55,640	<u>55,640</u>
3	TOTAL			\$193,690
	Overtime			5,000
	Seasonal			0
	Longevity			1,800
	Supt-In-Training (Temp 6MO)			28,368
	TOTAL SALARIES			\$228,858

Department

Position - Salary Detail

Department: Traffic Safety

Division: Traffic Engineering

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary</u>		<u>Salary Appropriation</u>
		<u>Minimum</u>	<u>Maximum</u>	
1	Traffic Engineer	\$69,420	\$78,787	\$78,787
2	Civil Engineer III	58,844	68,720	133,839
1	Engineering Technician III	47,493	56,504	55,504
1	Civil Engineer II	51,553	59,503	59,503
1	Traffic Operations Tech	45,551	52,732	52,732
<u>5</u>	Engineering Technician II	41,575	48,077	<u>240,385</u>
11	TOTAL			\$620,750
		Overtime		70,000
		Longevity		10,150
		TOTAL SALARIES		\$700,900

Department

Position - Salary Detail

Department: Traffic Safety

Division: Signal System Division

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary</u>		<u>Salary Appropriation</u>
		<u>Minimum</u>	<u>Maximum</u>	
1	Signal Systems Engineer	\$69,420	\$81,106	\$81,106
2	Civil Engineer III	58,844	71,091	142,182
3	Civil Engineer II	51,553	59,503	172,639
1	Planner II	50,053	58,003	58,003
1	Elec. Services Coordinator	48,023	55,640	55,640
1	Engineering Technician II	41,575	48,077	48,077
3	Electrical Technician II	45,551	52,732	158,196
1	Account Clerk	38,779	42,050	<u>42,050</u>
13	TOTAL			\$757,893
		Overtime		86,000
		Longevity		5,950
				<u>86,000</u>
		TOTAL SALARIES		\$849,843

Department

Position - Salary Detail

Department: Traffic Safety

Division: District #7 Sign Shop

<u>Authorized</u> <u>Positions</u>	<u>Classification</u>	<u>Salary</u> <u>Minimum</u>	<u>Salary</u> <u>Maximum</u>	<u>Salary</u> <u>Appropriation</u>
1	District Superintendent	\$58,913	\$65,183	\$65,183
1	Office Clerk	36,049	39,114	39,114
3	Foreman	53,325	55,858	167,574
3	Auger Operator	49,026		147,078
8	Sign Truck Driver	46,342		370,736
1	Special Traffic Counts	46,342		46,342
1	Sign Fabricator	46,342		46,342
3	Guardrail Installer	45,651		136,953
2	Traffic Counter	45,651		91,302
1	Asst. Sign Fabricator	45,651		45,651
1	Street Sign Fabricator	45,651		45,651
<u>14</u>	Laborer II	43,157		<u>604,198</u>
39	TOTAL			\$1,806,124
			Overtime	158,000
			Longevity	34,383
			Winter Maintenance Transfer	(59,704)
	TOTAL SALARIES & WAGES			\$1,938,803

Department

Position - Salary Detail

Department: Traffic Safety

Division: District #8 Electrical Services

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>		<u>Salary Appropriation</u>
1	District Superintendent	\$58,913	\$69,183	*	\$66,829
1	Office Clerk	36,049	39,114		39,114
3	Skilled Foreman	55,196	57,824		173,472
2	Solid State Electrician	54,307			108,614
22	Electrician	45,651	54,307		1,093,102
1	Radio Repairman	50,786			50,786
<u>2</u>	Underground Laborer	45,651			<u>91,302</u>
32	TOTAL				\$1,623,219
		Overtime			300,000
		Longevity			28,236
		Summer Transfer			199,008
		Winter Maintenance Transfer			(29,852)
					<u> </u>
		TOTAL SALARIES & WAGES			\$2,120,611

*Includes \$4,000 compensation for transfer of State Master Electrician License

PERMITS AND ENVIRONMENTAL CONCERNS

The Permits and Environmental Concerns Department is responsible for providing environmental services to the operating departments of the Road Commission which includes:

- Assisting in applying for various federal, state, and locally required permits.
- Preparing environmental reports and documents required by Federal regulation.
- Consulting with state, county and local communities regarding environmental protection of the public road right-of-way.

The Department is also responsible for issuance of permits and review of work proposed within the rights-of-way under the jurisdiction of the Road Commission. A variety of permits issued includes:

- Commercial and private driveway permits
- Permits for overweight and oversized vehicles
- Overhead and underground utility work
- Special haul routes
- House moves
- Tree removal within the right-of-way
- Parades and banners in the right-of-way

The department coordinates the review of plans for this work and ensures that those who propose to work within the public road right-of-way have met appropriate bonds, insurances, and other requirements.

Additionally, the department serves as a contact point for the railroads, coordinating road closures and other work required at railroad crossings.

GOALS AND OBJECTIVES

The goal of Permits and Environmental Concerns is to continue improving the timeliness and effectiveness of the permit process by reducing the number of days required to review and approve permit applications while at the same time increasing the thoroughness of the review. Greater use of the Internet and online forms is anticipated, which will further reduce processing time and costs. We see opportunity to improve the process through online permit applications and payment of fees with credit cards or other online payment systems. Cost recovery is a focus. Fees are being evaluated and increases are anticipated.

PERMITS AND ENVIRONMENTAL CONCERNS

ACHIEVEMENTS

Permit fee schedules have been updated to increase cost recovery rates. Reimbursement procedures for haul routes have been updated increasing cost recovery. The Weighmasters have been deputized by the Oakland County Sheriff's Office allowing greater enforcement of the Motor Vehicle Code. Hospital Road was paved under permit from Pontiac Lake Road to M-59.

SUMMARY OF BUDGET

Permits and Environmental Concerns' fiscal year 2007/08 budget reflects the prior year staffing and level of service at anticipated fiscal year 2007/08 costs. Overall, there was only a .1% increase in the departmental budget from the budget for fiscal year 2006/07.

Department

Object Detail

Department: Permits & Environmental Concerns

<u>Object</u>	<u>Actual</u> <u>2005/06</u>	<u>Beginning</u> <u>Budget</u> <u>2006/07</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2006/07</u>	<u>Budget</u> <u>2007/08</u>
Salaries (See Position-Salary Detail)	\$1,066,310	\$1,114,809	\$1,138,327	\$1,142,750
Supplies, Materials & Parts				
Stationery & Office Supplies	13,412	16,000	16,000	15,000
Dept Equipment (Non-Capital)	1,250	2,630	4,630	1,700
Books, Subscriptions & Publications	399	510	510	510
Membership Fees & Dues	100	360	360	360
Safety Control Expense	318	800	800	800
Uniform Expense	1,221	950	950	850
Adopt-A-Road	2,846	3,000	3,000	2,223
Small Tools	<u>781</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>
	20,327	25,750	27,750	22,943
Contracted Services				
Maintenance Contracts	22,255	37,220	37,220	38,920
Map & Brochure Printing	<u>6,016</u>	<u>0</u>	<u>0</u>	<u>0</u>
	28,271	37,220	37,220	38,920
Other Expenses				
Travel	986	1,600	1,600	1,800
Training	<u>1,060</u>	<u>1,950</u>	<u>1,950</u>	<u>1,750</u>
	2,046	3,550	3,550	3,550

Object Detail

Department: Permits & Environmental Concerns (continued)

<u>Object</u>	<u>Actual</u> <u>2005/06</u>	<u>Beginning</u> <u>Budget</u> <u>2006/07</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2006/07</u>	<u>Budget</u> <u>2007/08</u>
Capital Outlay				
Road Equipment	7,190	0	0	0
TOTAL	\$1,124,144	\$1,181,329	\$1,206,847	\$1,208,163

Department

Position - Salary Detail

Department: Permits and Environmental Concerns

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary</u>		<u>Salary Appropriation</u>
		<u>Minimum</u>	<u>Maximum</u>	
1	Director of Permits & Environmental Concerns	\$72,600	\$96,000	\$96,000
1	Permits Engineer	65,451	74,247	74,247
1	Environmental Concerns Coordinator	61,484	69,723	69,723
1	Environmentalist II	50,053	58,003	58,003
1	Civil Engineer II	51,553	59,503	52,207
2	Engineering Inspector III	47,493	56,504	113,008
1	Chief Weighmaster	44,193	49,947	49,947
7	Engineering Inspector II	41,575	48,077	336,539
1	Office Manager	41,575	48,077	44,763
1	Weighmaster	41,575	48,077	48,077
1	Secretary	38,779	42,050	42,050
<u>2</u>	Office Clerk	36,049	39,114	<u>78,228</u>
20	TOTAL			\$1,062,792
		Overtime		65,000
		Seasonal		0
		Longevity		14,958
		TOTAL SALARIES		\$1,142,750

HIGHWAY MAINTENANCE

The Highway Maintenance Department is comprised of six districts located throughout Oakland County. The proximity of each garage to job sites enables the department to minimize response time, such as in snow storms and road emergencies. Each district garage has a salt storage facility, further streamlining winter operations and minimizing shipping and travel expenditures.

The Maintenance Department operates under a Maintenance Management Performance System. This system is divided into four categories:

1. Workload Planning
2. Resource Management
3. Control
4. Analysis

This system involves two types of standards in the development of the work program:

1. Quantity standards or the annual quantity of work related to our inventory measure unit.
2. Performance standards, the optimum standard method (crew size, equipment, material, and procedures) for carrying out the activities of expected daily production.

Activities

The following are some of the activities performed by the Highway Maintenance Department:

- Pothole Patching
- Spreading Gravel & Slag
- Bridge Repair & Culvert Maintenance
- Snow & Ice Control
- Chloride Program

Maintenance

Contracts

The following are areas where Highway Maintenance contracts for services:

- Bridge Repair
- Maintenance Contracts with Cities and Townships
- Curb Sweeping
- Tree Removal
- Gravel (hailed and tailgate spread)
- Drain Repair

HIGHWAY MAINTENANCE

Materials

The following is a comparison of costs from the prior year for some of the major materials used in Highway Maintenance operations:

	2006/07 Est. <u>Cost/Unit</u>	2006/07 Est. <u>Total Cost</u>	2007/08 Est. <u>Cost/Unit</u>	2007/08 Est. <u>Total Cost</u>
Gravel Delivered	7.70	118,264	8.00	145,864
Gravel at Pit	5.50	306,719	6.00	401,202
Hot Mix	40.00	261,720	44.00	308,440
Cold Patch	75.00	163,125	77.25	168,328
Salt	26.37	2,374,000	27.18	2,446,200
Sand	9.00	103,050	16.48	195,766
RAP	8.46	508,116	8.97	655,034
Slag	10.67	84,400	11.32	105,525
Culvert	8.23	49,792	8.48	53,424

GOALS AND OBJECTIVES

Highway Maintenance has a goal to continue to seek new technologies and methods that will assist in performing routine activities in a more cost-effective manner.

Due to the current funding difficulties, the Maintenance Department will continue to focus on becoming more efficient with the following maintenance activities:

- Monitor and evaluate the Anti-Icing Program which uses liquid brine from our wells. Liquid brine from our wells can be harvested for much less than what we pay for delivered salt and has the additional benefit in that it is used for anti-icing, de-icing (pre-wet system), and dust control.
- Continue the equipment committee's review of new equipment technologies, looking for multi-tasking equipment.
- Review performance standards to improve reporting consistency among the districts.
- Schedule computer training classes for district supervisors to provide expertise with Excel and other programs that can assist with departmental planning.

HIGHWAY MAINTENANCE

ACHIEVEMENTS

Last year the Maintenance Department continued to equip additional trucks with the SEMSIM equipment thus bringing its count to over 130 trucks countywide. This allows the Maintenance Department to evaluate conditions throughout the county during winter maintenance activities. The locations of the trucks are known and can be directed to locations as needed.

The Maintenance Department has continued its evaluation of anti-icing and de-icing procedures. In 2007 the department tested and evaluated two different brine additives. By evaluating different vendors and products the department opens up additional vendors to the bidding process. With the increased competition we hope to yield cost saving to the agency.

SUMMARY OF BUDGET

Highway Maintenance's fiscal year 2007/08 budget reflects an effort to maintain prior year level of service at anticipated fiscal year 2007/08 costs. Overall, there was about a 1.7% decrease in the departmental budget from the budget for fiscal year 2006/07. While the cost of materials increased the department's budget 1.8% and wages increased it by 1.8%, the budgets for contracted services and capital outlay both decreased by 2.5%.

Changes from the fiscal year 2006/07 department budget include a reduction of \$230,000 for contracted curb sweeping. MDOT is going to take over the administration of this contract.

The rising costs of metal products, culvert pipes, float blades and equipment, coupled with the high oil prices continues to challenge the Maintenance Department. The Maintenance Department expects a 5% to 10% increase in our aggregate material costs alone. These cost increases will reduce the amount of new equipment and materials that the Maintenance Department can purchase. RCOC will need to maintain older equipment longer and be very conscious of when and where it uses its materials. The challenge for the Maintenance Department is to continue to offer the high level of service that the public has been accustomed to over the years despite the ever tightening budget.

HIGHWAY MAINTENANCE

SUMMARY OF BUDGET (continued)

One step that RCOC has taken to maintain that level of service for routine maintenance was to discontinue the Concrete Repair program. Our focus will be on routine maintenance work. The Maintenance Department will continue to search for more efficient equipment, products, and ways of conducting business to give the public what they expect in Oakland County-safe and convenient roads.

Department

Object Detail

Department: Highway Maintenance

<u>Object</u>	<u>Actual</u> <u>2005/06</u>	<u>Beginning</u> <u>Budget</u> <u>2006/07</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2006/07</u>	<u>Budget</u> <u>2007/08</u>
Salaries				
(See Position-Salary Detail)	\$10,886,950	\$11,428,810	\$11,459,527	\$11,829,008
 Supplies, Materials & Parts				
Stationery & Office Supplies	30,630	37,000	37,000	35,000
Office Furniture/Eq (Non-Cap)	4,015	0	0	0
Dept Equipment (Non-Cap)	600	0	8,000	0
Parts, Supplies & Freight	2,200	2,000	2,000	2,000
Books, Subscriptions & Pub.	0	250	250	250
Membership Fees & Dues	252	900	900	900
Safety Control Expense	37,389	55,000	77,000	55,000
Brine Well	275,200	150,000	155,000	175,500
Barricades	15,714	12,000	28,000	15,000
Gravel & Slag	616,425	1,017,499	1,277,499	1,307,625
Patching Material	500,823	429,045	429,045	477,233
Salt, Sand & Chloride	1,921,861	2,477,250	2,377,250	2,569,966
Signs & Materials	6,978	14,000	31,000	252,000
Other Road Materials	186,462	309,351	309,351	266,976
Small Tools - Road	<u>29,178</u>	<u>55,000</u>	<u>55,000</u>	<u>45,000</u>
	3,627,727	4,559,295	4,787,295	5,202,450
 Contracted Services				
Maintenance Contracts	1,738,964	865,192	2,150,202	966,238
Prof Services-Other	0	125,000	52,500	0
Weather Forecast Service	21,445	20,000	20,000	20,000
Outside Equipment Rental	(57,366)	125,000	125,000	150,000
Local Maintenance Contracts	1,253,436	1,179,807	1,175,481	1,161,002
Disposal of Hazardous Waste	78,262	50,000	62,200	60,000
Workers' Comp Self-Ins Exp	<u>344,598</u>	<u>261,160</u>	<u>261,160</u>	<u>262,265</u>
	3,379,339	2,626,159	3,846,543	2,619,505

Department

Object Detail

Department: Highway Maintenance (continued)

<u>Object</u>	<u>Actual</u> <u>2005/06</u>	<u>Beginning</u> <u>Budget</u> <u>2006/07</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2006/07</u>	<u>Budget</u> <u>2007/08</u>
Other Expenses				
Travel	7,242	5,280	5,280	5,280
Training	<u>16,142</u>	<u>19,783</u>	<u>19,783</u>	<u>19,500</u>
	23,384	25,063	25,063	24,780
 Repair/Maintenance				
Small Equipment Repairs	626	5,000	5,000	1,000
 Capital Outlay				
Road Equipment	1,225,196	1,832,605	3,700,529	2,202,500
Office Equipment	0	0	30,000	0
Brine Well	<u>0</u>	<u>800,000</u>	<u>854,000</u>	<u>0</u>
	1,225,196	2,632,605	4,584,529	2,202,500
 TOTAL	 \$19,143,222	 \$21,276,932	 \$24,707,957	 \$21,879,243

Department

Position - Salary Detail

Department: Highway Maintenance

Division: Office of Director

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary</u>		<u>Salary Appropriation</u>
		<u>Minimum</u>	<u>Maximum</u>	
1	Director of Highway Maintenance	\$78,000	\$103,300	\$96,000
1	Maintenance Operations Engineer	69,420	78,787	76,445
1	Civil Engineer III	58,844	68,720	64,725
1	Contract Admn/Forestry	57,344	65,183	65,183
1	Foreman	53,325	58,858	55,858
2	Equipment Instructor	48,023	55,640	107,442
1	Maintenance Analyst	48,023	55,640	55,640
1	Engineering Technician II	41,575	48,077	48,077
1	Secretary	38,779	42,050	42,050
<u>1</u>	Account Clerk	38,779	42,050	<u>42,050</u>
11	TOTAL			\$653,470
		Overtime		40,000
		Seasonal		0
		Longevity		<u>16,132</u>
		TOTAL SALARIES		\$709,602

Department

Position - Salary Detail

Department: Highway Maintenance

District #1: Milford

<u>Authorized</u> <u>Positions</u>	<u>Classification</u>	<u>Salary</u> <u>Minimum</u>	<u>Salary</u> <u>Maximum</u>	<u>Salary</u> <u>Appropriation</u>
1	District Superintendent	\$58,913	\$65,183	\$65,183
1	District Clerk	36,049	39,114	39,114
3	Foreman	53,325	55,858	167,574
1	Crew Leader	49,026		49,026
1	Forestry Crew Leader	49,026		49,026
5	Grader Operator	46,342		231,710
2	Tree Trimmer	46,342		92,684
1	Shovel/Patchmaster Operator	46,342		46,342
4	Float Operator	45,651		182,604
9	Tandem Float Driver	45,651		410,859
1	Tire Repair	45,651		45,651
1	Shoulder Maintainer	45,651		45,651
1	Loader Operator	45,651		45,651
3	Tractor Semi-Driver	45,651		136,953
1	Skilled Laborer I	45,651		45,651
1	Vactor Operator	45,651		45,651
1	Grade Person	44,393		44,393
<u>2</u>	Laborer II	43,157		<u>86,314</u>
39	TOTAL			\$1,830,037
			Overtime	242,557
			Longevity	21,136
			Winter Maintenance Transfer	<u>-</u>
	TOTAL SALARIES & WAGES			\$2,093,730

Department

Position - Salary Detail

Department: Highway Maintenance

District #2: Davisburg

<u>Authorized</u> <u>Positions</u>	<u>Classification</u>	<u>Salary</u> <u>Minimum</u>	<u>Salary</u> <u>Maximum</u>	<u>Salary</u> <u>Appropriation</u>
1	District Superintendent	\$58,913	\$65,183	\$65,183
1	District Clerk	36,049	39,114	39,114
3	Foreman	53,325	55,858	167,574
1	Crew Leader	49,026		49,026
1	Forestry Crew Leader	49,026		49,026
6	Grader Operator	46,342		278,052
2	Tree Trimmer	46,342		92,684
1	Shovel/Patchmaster Operator	46,342		46,342
2	Float Operator	45,651		91,302
11	Tandem Float Driver	45,651		502,161
1	Tire Repair	45,651		45,651
1	Shoulder Maintainer	45,651		45,651
1	Loader Operator	45,651		45,651
2	Tractor Semi-Driver	45,651		91,302
1	Vactor Operator	45,651		45,651
1	Grade Person	44,393		44,393
<u>2</u>	Laborer II	43,157		<u>86,314</u>
38	TOTAL			\$1,785,077
			Overtime	212,534
			Longevity	31,783
			Winter Maintenance Transfer	<u>-</u>
	TOTAL SALARIES & WAGES			\$2,029,394

Department

Position - Salary Detail

Department: Highway Maintenance

District #3: Lake Orion

<u>Authorized</u> <u>Positions</u>	<u>Classification</u>	<u>Salary</u>		<u>Salary</u>
		<u>Minimum</u>	<u>Maximum</u>	<u>Appropriation</u>
1	District Superintendent	\$58,913	\$65,183	\$65,183
1	District Clerk	36,049	39,114	39,114
3	Foreman	53,325	55,858	167,574
1	Crew Leader	49,026		49,026
1	Forestry Crew Leader	49,026		49,026
6	Grader Operator	46,342		278,052
2	Tree Trimmer	46,342		92,684
1	Shovel/Patchmaster Operator	46,342		46,342
2	Float Operator	45,651		91,302
10	Tandem Float Driver	45,651		456,510
1	Tire Repair	45,651		45,651
1	Loader Operator	45,651		45,651
2	Tractor Semi-Driver	45,651		91,302
1	Vactor Operator	45,651		45,651
1	Shoulder Maintainer	45,651		45,651
1	Grade Person	44,393		44,393
<u>2</u>	Laborer II	43,157		<u>86,314</u>
37	TOTAL			\$1,739,426
		Overtime		215,816
		Longevity		48,967
		Winter Maintenance Transfer		<u>(14,926)</u>
	TOTAL SALARIES & WAGES			\$1,989,283

Department

Position - Salary Detail

Department: Highway Maintenance

District #4: Waterford

<u>Authorized</u>		<u>Salary</u>		<u>Salary</u>
<u>Positions</u>	<u>Classification</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Appropriation</u>
1	District Superintendent	\$58,913	\$65,183	\$62,044
1	District Clerk	36,049	39,114	39,114
4	Foreman	53,325	55,858	222,794
1	Forestry Crew Leader	49,026		49,026
2	Tree Trimmer	46,342		92,684
2	Grader Operator	46,342		92,684
2	Shovel/Patchmaster Operator	46,342		92,684
4	Float Operator	45,651		182,604
1	Loader Operator	45,651		45,651
2	Skilled Laborer I	45,651		91,302
1	Shoulder Maintainer	45,651		45,651
15	Tandem Float Driver	45,651		684,765
1	Vactor Operator	45,651		45,651
2	Grade Person	44,393		88,786
<u>5</u>	Laborer II	43,157		<u>215,785</u>
44	TOTAL			\$2,051,225
			Overtime	228,455
			Longevity	16,736
			Summer Transfer	(119,405)
	Winter Maintenance/Alternate Shift Premium			<u>(23,121)</u>
	TOTAL SALARIES & WAGES			\$2,153,890

Department

Position - Salary Detail

Department: Highway Maintenance

District #4S: Southfield

<u>Authorized</u> <u>Positions</u>	<u>Classification</u>	<u>Salary</u> <u>Minimum</u>	<u>Salary</u> <u>Maximum</u>	<u>Salary</u> <u>Appropriation</u>
1	District Superintendent	\$58,913	\$65,183	\$65,183
1	District Clerk	36,049	39,114	38,348
2	Foreman	53,325	55,858	111,078
1	Shovel/Patchmaster Operator	46,342		46,342
4	Float Operator	45,651		182,604
1	Skilled Laborer I	45,651		45,651
1	Shoulder Maintainer	45,651		45,651
1	Loader Operator	45,651		45,651
9	Tandem Float Driver	45,651		410,859
1	Tire Repair	45,651		45,651
1	Vactor Operator	45,651		45,651
1	Grade Person	44,393		44,393
<u>3</u>	Laborer II	43,157		<u>129,471</u>
27	TOTAL			\$1,256,533
			Overtime	189,739
			Longevity	13,272
			Summer Transfer	(79,603)
			Winter Maintenance/Alternate Shift Premium	<u>126,139</u>
	TOTAL SALARIES & WAGES			\$1,506,080

Department

Position - Salary Detail

Department: Highway Maintenance

District #4T: Troy

<u>Authorized</u> <u>Positions</u>	<u>Classification</u>	<u>Salary</u> <u>Minimum</u>	<u>Salary</u> <u>Maximum</u>	<u>Salary</u> <u>Appropriation</u>
1	District Superintendent	\$58,913	\$65,183	\$65,183
1	District Clerk	36,049	39,114	39,114
2	Foreman	53,325	55,858	111,716
1	Shovel/Patchmaster Operator	46,342		46,342
4	Float Operator	45,651		182,604
2	Skilled Laborer I	45,651		91,302
7	Tandem Float Driver	45,651		319,557
1	Loader Operator	45,651		45,651
1	Tire Repair	45,651		45,651
1	Vactor Operator	45,651		45,651
1	Shoulder Maintainer	45,651		45,651
<u>2</u>	Laborer II	43,157		<u>86,314</u>
24	TOTAL			\$1,124,736
				Overtime 183,835
				Longevity 16,801
	Winter Maintenance/Alternate Shift Premium			<u>21,657</u>
	TOTAL SALARIES & WAGES			\$1,347,029

Non-Departmental

NON-DEPARTMENTAL

Non-Departmental expenditures are those not directly allocated to specific departments and include fringe benefits, risk management, and debt service expenses.

Employee Benefits

The employee benefits are as follows: dental, hospitalization, life insurance (including accidental death and dismemberment), vision care, major medical insurance, prescription drugs, retirement, social security, unemployment insurance, workers' compensation sick leave, and annual physical and wellness program.

Supplies, Materials and Parts

Membership Fees & Dues: Expenditures that relate to memberships of the Road Commission as a whole, and not individual membership fees and dues.

First Aid Supplies: Includes oxygen units, first aid kits, and supplies.

Other Administrative Expenses

Inventory Adjustment

Other Expenses

Building & Contents Insurance: Provides coverage for physical damage to RCOC buildings and contents, mobile (contractor) equipment, licensed vehicles, boilers and machinery, and computer equipment.

Fleet Liability Insurance: Liability insurance for RCOC's car and truck fleet.

Public Officials/Employees Liability: Provides coverage for the pension and deferred compensation fiduciary responsibility and the employee faithful performance blanket bond.

General Liability Insurance: Provides coverage for general liability exposures above a specific retention amount.

General Liability Self-Insured Expense: Provides for the funding of claims and suits resolved within the RCOC retention limit.

Non-Departmental

NON-DEPARTMENTAL (continued)

Service Fees: Provides funds to pay third-party administrators to adjust claims in general liability and workers' compensation exposures.

Special Risk Liability Self-Insured Expense: The Road Commission is self-insured in special risk exposures. This includes, but is not limited to, pollution liability and crime exposures.

Attrition: The estimated amount of budgeted salaries that will not be expended. This total represents the annual amount related to the normal process of filling position vacancies.

Debt Service

Expenditures for interest and repayment of principal on bonds and notes.

SUMMARY OF BUDGET

The Non-Departmental fiscal year 2007/08 budget reflects the prior year level of service at anticipated fiscal year 2007/08 costs. Overall, there was an 11% increase in the Non-Departmental budget from the current budget for fiscal year 2006/07. This is mainly due to a 12% increase for employee benefits. The most significant changes to employee benefits are increases of 3% for hospitalization, 1.5% for prescriptions, and 8% to fund post employment benefits.

Non-Departmental

Object Detail

Department: Non-Departmental

<u>Object</u>	<u>Actual</u> <u>2005/06</u>	<u>Beginning</u> <u>Budget</u> <u>2006/07</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2006/07</u>	<u>Budget</u> <u>2007/08</u>
Employee Benefits				
Social Security	\$2,183,430	\$2,554,000	\$2,554,000	\$2,450,000
Sick Leave Redemption	217,541	130,000	130,000	130,000
Dental Insurance Self-Insured Exp	488,240	500,000	500,000	510,000
Hospitalization Self-Insured Exp	6,437,871	5,325,000	5,325,000	6,000,000
Vision Care	77,271	71,000	71,000	80,000
Major Medical Insurance	167,923	100,000	100,000	0
Prescription Drugs Self-Insured Exp	2,404,660	2,750,000	2,750,000	3,080,000
Hospitalization Opt Out	New	0	0	20,000
Post Employment Benefits-Emp Contrib	8,000,000	1,325,000	1,325,000	3,000,000
Life Insurance	143,142	165,000	165,000	170,000
Retirement-Employer Contribution	2,847,371	3,100,000	3,100,000	3,100,000
Workers' Compensation	100,000	100,000	100,000	100,000
Service Fees (Workers' Comp)	47,545	52,000	52,000	52,000
Workers' Compensation Self-Insured Exp	455,113	340,000	340,000	355,980
Loss Control Services	52,998	60,000	60,000	60,000
Unemployment Insurance	1,280	10,000	10,000	20,000
Annual Physical/Wellness Program	35,315	35,000	35,000	25,000
Flex Spending Account (FSA) Admin	New	0	0	30,000
	23,659,700	16,617,000	16,617,000	19,182,980
Supplies, Materials & Parts				
Membership Fees & Dues	66,786	70,000	80,000	70,000
First Aid Supplies	5,331	8,000	8,000	6,500
Other Administration Expense	0	20,000	20,000	0
Inventory Adjustment	<u>91,319</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
	163,436	248,000	258,000	226,500
Other Expenses				
Agency Travel/Training	0	5,000	21,330	20,000
Buildings & Contents Insurance	170,000	180,000	180,000	185,000
Fleet Liability Insurance	188,035	250,000	250,000	225,000
Fiduciary & Performance Bond	16,000	16,000	16,000	16,000
Public Officials & Employees	165,000	175,000	175,000	175,000
General Liability Insurance	489,278	500,000	500,000	500,000
General Liability Self-Insured Exp	103,701	1,100,000	1,100,000	1,100,000
Service Fees (General Liability)	22,105	32,000	32,000	30,000
Special Risk Liability Self-Insured Exp	123,067	170,000	170,000	150,000
Broker's Fees	160,000	160,000	160,000	160,000

Non-Departmental

Object Detail

Department: Non-Departmental (continued)

<u>Object</u>	<u>Actual</u> <u>2005/06</u>	<u>Beginning</u> <u>Budget</u> <u>2006/07</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2005/06</u>	<u>Budget</u> <u>2007/08</u>
Other Expenses (continued)				
Loss Control Services - GL	17,695	20,000	20,000	20,000
Drug/Alcohol Testing	8,670	12,000	12,000	11,000
Road Commission Contingency	0	562,269	562,269	505,294
Personal Turnover-Attrition	<u>0</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>
	1,463,551	2,682,269	2,698,599	2,597,294
Debt Service				
Debt Service	1,513,445	1,467,698	1,467,698	1,419,210
Bond Payment Fees & Issue Cost	<u>349</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
	1,513,794	1,468,698	1,468,698	1,420,210
 NON-DEPARTMENTAL TOTAL	 \$26,800,481	 \$21,015,967	 \$21,042,297	 \$23,426,984

SEMSIM Program

Summary of SEMSIM Program

Fiscal Year Ending September 30, 2008

Revenue	
MTF and Other RCOC Funding	\$125,000
Total Revenue	\$125,000
Project Expenses	
	\$125,000
Total Expenditures	\$125,000

Signal and ITS Projects

Summary of Signal and ITS Projects

Fiscal Year Ending September 30, 2008

Revenue

Signal Projects

Federal Revenue	\$ 1,940,000	
MTF and Other RCOC Funding	960,000	
Local Contribution	100,000	
	<hr/>	\$ 3,000,000

ITS Projects

Federal Revenue		551,000
Total Revenue		<hr/> \$3,551,000

Expenditures

Signal Projects

Materials	\$ 1,650,000	
Contractor Payments	125,000	
Utilities	650,000	
Labor and Equipment	575,000	
	<hr/>	\$ 3,000,000

ITS Projects

Contractor Payments		551,000
Total Expenditures		<hr/> \$3,551,000

Special Assessment Fund

Estimated Budget of Revenue, Expenditures and Change in Fund Balance

Fiscal Year Ending September 30, 2008

Revenue

Revenue from Assessment Rolls	\$2,300,000
Road Fund Contribution Net Underassessment	25,000
Interest on Assessment Rolls	250,000
Interest on Investments	100,000
Total Revenue	\$2,675,000

Expenditures

Construction:	
Contractor Payments	\$2,950,000
Engineering & Administration	600,000
Principal Payment on Debt	1,233,492
Interest on Debt	248,949
Refunds of Overassessments to Participants - - Net	50,000
Note Payment Fees & Issue Costs	1,000
Total Expenditures	\$5,083,441

Revenue Over/(Under) Expenditures	(\$2,408,441)
Fund Balance - - September 30, 2007	3,418,748
Fund Balance - - September 30, 2008	\$1,010,307

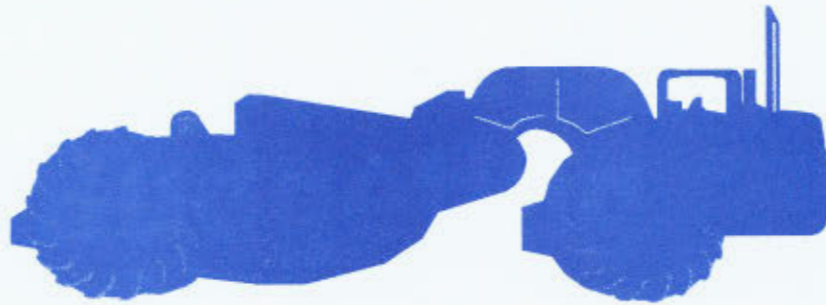
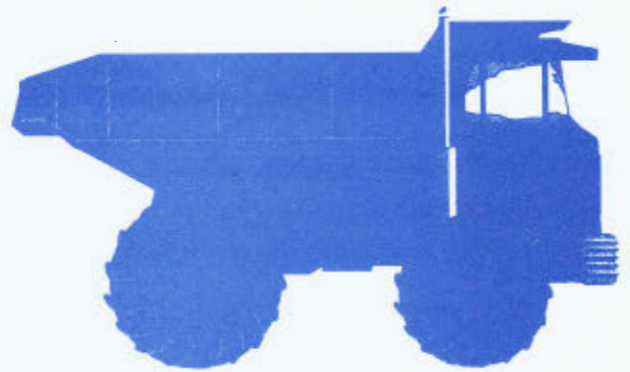
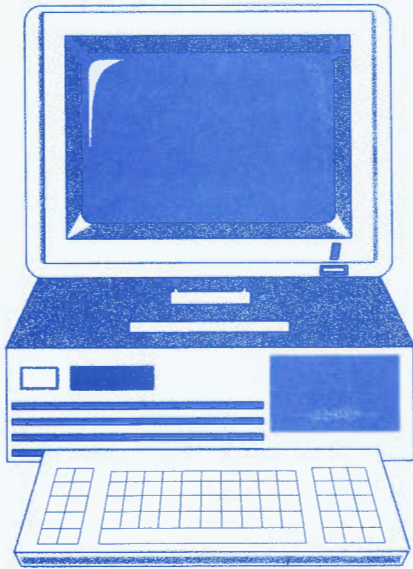
Act 51 Summary

MAINTENANCE EXPENDITURES

For Compliance With Section 12 (16) of Act 51

1.	Total Michigan Transportation Fund Revenue	\$61,881,500
	Less:	
2.	Administrative Expenses	(7,425,780)
3.	Capital Outlay	(3,413,871)
4.	Debt Service	(1,420,210)
5.	Total (Line 1 less Lines 2 thru 4)	\$49,621,639
6.	Routine Maintenance	\$44,515,000
7.	Heavy Maintenance (Projects Maintenance)	47,186,000
8.	Less Federal Aid - - Heavy Maintenance	(1,576,000)
9.	Total Maintenance	\$90,125,000
10.	90% of Line 5	\$44,659,475

Capital Budgeting



Capital Budgeting

The Road Commission for Oakland County's capital budget consists of two categories: Capital Outlay and the Road Improvement Program, which is covered in the next section.

CAPITAL OUTLAY

A total of \$3,413,871 is budgeted in fiscal year 2007/08 for capital purchases.

Capital Outlay categories consist of land, land and improvements, buildings, road equipment, shop equipment, office equipment, engineering equipment, storage facilities, and brine wells. Most of the funding for these expenditures comes from the state-collected motor fuel and vehicle taxes.

This includes outlay for the continued implementation of the security system, replacement of exterior windows at the PVR office, and replacement of two total stations with GPS and remote control for surveying. These stations allow a two person crew to operate them rather than a three person crew.

VEHICLE FLEET STATUS

The Road Commission developed a quantitative approach to assessing fleet status. This approach tracks the average age, miles driven, and cumulative maintenance costs of the automobiles, vans, pickups, and heavy trucks in the fleet.

Major vehicle purchases, coupled with aggressive preventive maintenance and improved vehicle specification procedures, have resulted in a significant improvement in fleet readiness in recent years. This aggressive effort resulted in a significant decline in the average cumulative maintenance cost in all vehicle classes. This clearly shows that the modernization program is a major contributing factor to fleet readiness.

This, coupled with vigorous preventive maintenance practices, comprised the major element of RCOC's cost-containment strategy. Although substantial funds were budgeted in the past few years, the age of the fleet continues to be a major concern.

Capital Budgeting

CAPITAL OUTLAY (cont'd.)

Criteria The Road Commission's criteria for replacement of its equipment is the average age, miles driven and cumulative maintenance costs compared to an average standard that has been established for each type of vehicle in the fleet.

The decision for replacement of RCOC's road equipment, which represents the major share of capital expenditures, is then based on the fleet manager's recommendations evaluated against the total capital outlay request.

Cost/Benefit Analysis All capital expenditures exceeding \$25,000 require a cost/benefit study with the budget submission, before budget approval by the Board of Road Commissioners.

The Road Commission Passenger Vehicle

Fleet The typical RCOC passenger vehicle has been driven more than 30,000 miles, but about one third of the fleet has been driven more than 40,000 miles.

Repair costs to date on a typical vehicle total about one fourth of the original purchase price of the vehicle. RCOC has continued to reduce the number of passenger cars in the fleet.

The Road Commission Pickup and Van

Fleet In a survey of the 100 oldest RCOC pickups and vans the average RCOC vehicle was more than three years old. Approximately ten percent have cumulative maintenance costs equal to the original purchase price.

The Road Commission Heavy Equipment

Fleet The 2007/08 Budget contains an appropriation to replace some aging and obsolete heavy road equipment. A detail of these expenditures can be found in the "Detail of Capital Outlay" later in this section.

Capital Budgeting

The Road Commission

Heavy Equipment

Fleet (cont'd.) The projected 2007/08 investment in the vehicle fleet is one of the most cost-effective strategies for maintaining fleet readiness.

Road Commission Category "A" vehicles are not a homogeneous group, and include such vehicle types as boom trucks, dump trucks, wreckers, and utility trucks. As a result, the usage patterns of these vehicles are more difficult to summarize. For example, many are driven to locations where they remain stationary during long periods in which the vehicle is primarily being used to power auxiliary equipment transported by the vehicle. Thus, mileage on these vehicles is only one criterion of usage. Engine hours may, in many instances, be an equally if not more important criterion.

Similarly, many of these vehicles are engaged in activities that are particularly detrimental to longevity. Most notably, trucks used as snow plows and salt spreaders are subject to extremely corrosive conditions that deteriorate truck frames and bodies.

Finally, many of these vehicles are specialized and very expensive to acquire. Specialized usage does not necessarily equate to longer life spans, but in many cases, results in the vehicle escaping the deterioration associated with daily or frequent usage.

As a result, age alone is not as valid a criterion for identifying replacement candidates as with other vehicles.

In the past several years we have maintained our road equipment on a rotational discard (DX) schedule. While COD has been able to increase the useful life of some equipment through tightened specifications, COD will, by necessity, have to reduce the expenditures and stretch the life of equipment on hand. Using industry standards, and the value of our fleet, RCOC should replace about \$4 million of equipment per year. The original DX standard had projected \$3.96 million in equipment purchases. However, with RCOC's current reduced revenue situation, COD is now projecting the purchase of 33 pieces of equipment valued at \$2.6 million.

Costs/Benefits of Repairing vs. Replacing

The cost/benefit analysis requires clearly defined and quantifiable choices or alternatives. These choices may include doing nothing as well as distinct courses of action. Specifically, the objective of these analyses is to achieve comparable benefit-to-cost ratios.

Two types of cost/benefit analysis have been established:

- Comparison of continuing repair to a replacement alternative to improve fleet readiness
- Comparison of a continuing repair to a replacement alternative of a specific vehicle

Resource Allocation Decision to Repair/ Replace Equipment

There are two potential factors which significantly contribute to fleet readiness and hence, to the decision to continue repairing an aging vehicle or to replace it.

- Probability of future equipment downtime, especially during critical operations
- Physical deterioration, such as corrosion of frame and body parts, which destroys the structural integrity of the vehicle

Downtime is of importance to fleet readiness, especially during critical operations such as winter maintenance, because of service delivery delays or postponements.

However, calculation of the impact of downtime is not a simple matter. Preventive maintenance results in equipment downtime, but is judged beneficial since this investment in short downtime is to eliminate or significantly reduce more costly downtime for corrective maintenance.

Resource Allocation Decision to Repair/ Replace Equipment (continued)

Further downtime takes on different values depending upon when the equipment failure occurs. Thus, a high cost is placed on downtime of snow removal equipment during a major snowstorm, but a much lower cost is placed on downtime of a mowing machine during the same period.

Finally, for the private concern, the cost of downtime can usually be calculated, or at least estimated, by the revenues or profits lost when the vehicle is not operative. This direct equation of downtime to costs is not as easily derived for a public, non-profit agency.

Aggressive preventive maintenance in recent years has contributed materially to reducing equipment downtime, especially during critical operations, as well as in prolonging the service life of the aging fleet. Corrective maintenance associated with repair and/or replacement of damaged parts also contributes by returning equipment to a ready status.

However, aggressive maintenance programs cannot prolong vehicle service life indefinitely. The time will come when maintenance costs can no longer be justified, given the anticipated performance of the vehicle. Increased age and miles of travel or extensive usage will increase the probability of equipment failure even on aggressively maintained vehicles. Operation of vehicles for spreading salt and other corrosive materials contributes to deterioration of frames and bodies at an accelerated rate, regardless of maintenance practices. Grading and snow plowing place stresses on equipment not experienced by similar over-the-road vehicles. Many RCOC passenger cars and pickups are driven extensively on gravel roads and through construction zones, thus contributing added stress not present in similar vehicles driven by the general public.

Resource Allocation

Decision to Repair/

Replace Equipment

(continued)

Nevertheless, the decision to replace aging equipment is not simply a matter of age, miles driven, or of determining when repair costs exceed the residual value of the vehicle. Some vehicles may be of an advanced age, but mechanically and structurally sound. Similarly, high mileage vehicles may also have very modest maintenance costs and be operationally sound.

Calculating the

Cost/Benefit of

Repair vs.

Replacement

From the readiness point of view, benefits accrue from decreased vehicle downtime, which in turn can be achieved in three ways:

- Corrective maintenance of damaged or failed equipment
- Preventive maintenance of equipment to minimize corrective maintenance
- Acquisition of new replacement equipment when the future costs of preventive and corrective maintenance exceed the acquisition cost

At first impression, this calculation may appear to be in error since it compares a future maintenance history with a present-day acquisition cost without regard to either the age of the vehicle to be maintained or the subsequent maintenance history of the vehicle to be acquired.

Upon reflection, however, it will be realized that these factors, if considered, would result in decisions either to continue maintaining the existing vehicle or to acquire a new vehicle solely on the basis of age.

In the context of readiness, neither vehicle age, miles driven, nor past maintenance history enter into the calculations. A vehicle, regardless of age, mileage, or past repair history, that can be maintained at a ready state less expensively than acquiring a new vehicle, would be retained.

**Calculating the
Cost/Benefit of
Repair vs.
Replacement
(continued)**

It is necessary, however, to establish an expected minimum time limit that a newly acquired vehicle is expected to last. This is necessary to identify an acceptable level of maintenance. Conceptually, the equation can be posed as:

- What are the expected future repair expenditures for the vehicle over the period equivalent to the life expectancy of a new vehicle?
- Do these expected future repair expenditures exceed the purchase price of the new vehicle?
 - a. If the answer to this question is yes, it is beneficial to acquire the new vehicle.
 - b. If the answer to this question is no, the existing vehicle would be maintained for another year.

Capital Budgeting

DETAIL OF CAPITAL OUTLAY

Central Operations

Land Improvement

PVR Paving - West Lot \$45,000

\$45,000

Building

Construction Trailer Repair \$25,000

PVR Office Exterior, Windows 125,000

Security System 215,000

HVAC 45,000

\$410,000

Road Equipment

12 Two Wheel Drive Pick-up Trucks \$297,600

1 Mini Van 24,562

2 Vans 56,886

3 Supervisor Pick-up Trucks 71,400

\$450,448

Storage Facilities

Replace Salt Shed - District 4T (Troy) \$42,000

Fuel Dispenser Replacement 37,500

\$79,500

\$984,948

Engineering

Engineering Equipment

2 Total Station W/ GPS & Remote Control \$122,000

Concrete Compression Tester Reconstruct 7,000

\$129,000

\$129,000

Planning & Development

Office Equipment

NT Terminal Server \$5,000

\$5,000

\$5,000

Capital Budgeting

DETAIL OF CAPITAL OUTLAY

Traffic Safety

Road Equipment

1 Chain Saw	\$605
1 Concrete Saw (Loop saw)	16,000
3 Generators, 5000 Watts	10,500
1 Hydraulic Hammer	1,400
1 Partner Saw	1,200
38 Radios (Mobile)	47,763
8 Traffic Counters	14,750
1 Weed Whip/Cutter	205

\$92,423

\$92,423

Highway Maintenance

Road Equipment

11 Dump Trucks (12 CYD)	\$1,904,100
3 Hot Patchers	52,500
1 Front End Loader	236,900
Chainsaws/Weed Whips	9,000

\$2,202,500

\$2,202,500

TOTAL CAPITAL OUTLAY

\$3,413,871

Capital Budgeting

CAPITAL OUTLAY HISTORY

<u>Department</u>	<u>2004/05 Actual</u>	<u>2005/06 Actual</u>	<u>2006/07 Amended Budget</u>	<u>2007/08 Budget</u>
Managing Director				
Office Equipment	\$0	\$6,723	\$0	\$0
Citizen Services	0	0	0	0
Finance	0	0	0	0
Legal	0	0	0	0
Human Resources	0	0	0	0
Central Operations				
Land	0	0	130,000	0
Land & Improvements	18,483	0	0	45,000
Buildings	1,686,891	1,158,554	471,412	410,000
Road Equipment	538,620	207,599	574,368	450,448
Shop Equipment	52,720	60,846	0	0
Storage Facilities	30,001	752,398	210,000	79,500
Office Equipment	266,517	23,910	49,524	0
Engineering				
Engineering Equipment	0	107,393	17,000	129,000
Planning & Development				
Office Equipment	45,150	100,537	55,000	5,000

Capital Budgeting

CAPITAL OUTLAY HISTORY

<u>Department</u>	<u>2004/05</u> <u>Actual</u>	<u>2005/06</u> <u>Actual</u>	<u>2006/07</u> <u>Amended</u> <u>Budget</u>	<u>2007/08</u> <u>Budget</u>
Traffic Safety				
Road Equipment	\$794,559	\$1,232,835	\$681,447	\$92,423
Shop Equipment	0	12,926	0	0
Office Equipment	0	0	0	0
Permits & Environmental Concerns				
Road Equipment	7,190	7,190	0	0
Highway Maintenance				
Road Equipment	4,042,354	1,225,196	3,700,529	2,202,500
Shop Equipment	46,366	0	0	0
Office Equipment	0	0	30,000	0
Brine Well	0	0	854,000	0
TOTALS	\$7,528,851	\$4,896,107	\$6,773,280	\$3,413,871

Road Improvement Program



Road Improvement Program

ROAD IMPROVEMENT PROGRAM

The Road Improvement Program includes all the construction projects on primary and local roads. These roads are part of the infrastructure, and therefore, are not capitalized as part of the fixed asset account group. However, road improvements are capitalized as "infrastructure assets" as required by Government Accounting Standard Board Statement No. 34 (GASB 34).

The major sources of revenue for most Road Improvement Program projects are federal and state aid as well as contributions from local units of government. For example, the Road Commission has a matching Tri-Party Program of one-third local, one-third Oakland County, and one-third Road Commission funding.

State Funding

The Road Commission's share of the Road Improvement Program comes from state-collected fuel and vehicle taxes, which are returned to the Road Commission under the provisions of Act 51. Other state funding is from the Transportation Economic Development Fund (TEDF) Category "C" (urban congestion reduction) and the Local Jobs Today Program.

Act 51

Act 51 of the Public Acts of 1951, as amended, requires that money distributed from the Michigan Transportation Fund may be expended for construction purposes on county local roads only to the extent that it is matched by money from local sources. However, Michigan Transportation Fund dollars may be expended for the construction of bridges on the county local roads in an amount not to exceed 75 percent of the cost of the construction.

Federal Funding

Federal aid is derived from the Local Bridge Program (LBP), Surface Transportation Program (STP), Congestion Mitigation/Air Quality (CMAQ), Safety, and federal High Priority Project grants (HPP).

Road Improvement Program

Project Programming and Budgeting

For each road project there is an estimate of the amount of staff time and funding required for the following phases:

- Preparation of plans and specifications
- Land and right of way acquisition
- Agreements (with other government units and consultants)
- Construction and materials inspection

In addition, the start-up and completion dates to the nearest month or year are estimated. When contracting with local units, the project manager prepares an exhibit of financial participation by other units of government and agencies involved in undertaking the project. At this point, a project number is assigned to each job and the agreements with both the state and local units are executed.

Once the budget, which includes the Road Improvement Program, has been adopted, the Engineering Department assigns a project manager to each of the projects for coordinating all activities involved in their implementation. The project manager establishes the project schedule and its related deadlines and makes every effort to anticipate possible breakdowns and delays. In addition, the project manager keeps a file on all contract agreements and other correspondence surrounding the project, and is a general source of information should questions arise.

Once all property owners have been contacted and land acquired, the project is put out for bid to construction contractors. Upon acceptance of the low bid and award of the contract, the projects are turned over to the Construction Division for implementation.

Project Progress and Review

Monthly reports are prepared on the progress of each project's activity and summarized on a quarterly basis. This review may point out problems with funding and any delays in design, right-of-way, or construction. It is intended to aid management in identifying and dealing with delays before they become serious.

Road Improvement Program

Project Progress and Review (continued)

The review process involves the Engineering Department reporting on project activity to the Managing Director's Office. Special reports are also made for each significant start or stop of work, and for changes in the project scope, work items, or cost overruns which require approval or budget transfer.

2007/08 ROAD IMPROVEMENT PROGRAM

STATISTICAL INFORMATION

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	2007/08 Budget		2007/08 Completion of 2006/07 Projects in Progress		2006/07 Budget		2006/07 Completion of 2005/06 Projects In Progress	
Safety Road Widening s	1.0 mi.	\$1,000,000	4.5 mi.	\$5,850,000	4.0 mi.	\$4,750,000	6.5 mi.	\$15,698,500
Safety Intersections	2 Loc.	\$1,000,000		\$0	3 Loc.	\$1,795,000		\$0
Spot Safety Projects		\$0		\$0	1 Loc.	\$50,000		\$0
Major Resurfacing (RRR)	4.0 mi.	\$2,252,000	3.0 mi.	\$1,541,250	2.5 mi.	\$2,075,000	3.0 mi.	\$1,125,000
Bridges	2 Loc.	\$2,770,000		\$0	2 Loc.	\$950,000		\$0
Bridges Maintenance Construction	1 Loc.	\$100,000		\$0	1 Loc.	\$100,000		\$0
Drainage		\$200,000		\$0		\$200,000		\$0
Pave Gravel	1.0 mi.	\$2,275,000		\$0	1.0 mi.	\$100,000		\$0
Tri-Party		\$6,750,000		\$0		\$6,750,000		\$0
Other		\$675,000		\$800,000		\$917,295		\$800,000
Sub-Total		\$17,022,000		\$8,191,250		\$17,687,295		\$17,623,500
	GRAND TOTAL		2007/08	\$25,213,250			2006/07	\$35,310,795

FY2007/08 ROAD IMPROVEMENT PROGRAM

Project Number	Project Name	Location	Community	Type of Projects	Fiscal Year 2007/08			Annual Total All Sources	Estimated Total Proj Cost
					Federal And State Funding	Local Gov't Funding	MTF and Other RCOC Funding		
<u>2007/08 Safety Widenings</u>									
48201	NW Connector Phase 1	Orchard Lake	Farm Hills/W Bloomfield	ROW	750,000	125,000	125,000	1,000,000	10,000,000
				Subtotal	750,000	125,000	125,000	1,000,000	10,000,000
<u>2007/08 Safety Intersections</u>									
48151	14 Mile Road	At Farmington	Farm Hills/W Bloomfield	PE/ROW/CONST	200,000	150,000	150,000	500,000	500,000
TBDINT1	Orchard Lake	Pontiac Trail to Long Lake	Orchard Lake	PE/ROW/CONST	200,000	150,000	150,000	500,000	500,000
				Subtotal	400,000	300,000	300,000	1,000,000	1,000,000
<u>2007/08 RRR</u>									
49121	Walton	Clintonville to Pontiac	Waterford	PE	-	45,000	45,000	90,000	90,000
TBDRRR1	Rochester	14 Mile to Elmwood	Clawson	PE	-	16,000	16,000	32,000	32,000
49091	Orchard Lake	8 Mile to Grand River	Farmington Hills	PE	-	20,000	20,000	40,000	40,000
TBDRRR1	10 Mile	Telegraph to Evergreen	Southfield	CONST	-	1,045,000	1,045,000	2,090,000	2,090,000
				Subtotal	0	1,126,000	1,126,000	2,252,000	2,252,000

FY2007/08 ROAD IMPROVEMENT PROGRAM

Project Number	Project Name	Location	Community	Type of Projects	Fiscal Year 2007/08				Estimated Total Proj. Cost
					Federal And State Funding	Local Gov't Funding	MTF and Other RCOC Funding	Annual Total All Sources	
<u>2007/08 Bridges</u>									
TBDBRG1	TBD			PE	-	-	100,000	100,000	100,000
48343	Grand River	Over Kent Lake	Lyon	CCNST	1,800,000	-	870,000	2,670,000	2,670,000
				Subtotal	1,800,000	0	970,000	2,770,000	2,770,000
<u>2007/08 Bridge Maintenance, Construction</u>									
TBDBRG1	TBD			PE/CONST	-	-	100,000	100,000	100,000
				Subtotal	0	0	100,000	100,000	100,000
<u>2007/08 Drainage Improvements</u>									
TBDDRN1	50/50 Drainage	Countywide		PE/CONST	-	100,000	100,000	200,000	200,000
				Subtotal	0	100,000	100,000	200,000	200,000

FY2007/08 ROAD IMPROVEMENT PROGRAM

Project Number	Project Name	Location	Community	Type of Projects	Fiscal Year 2007/08				Estimated Total Proj. Cost
					Federal And State Funding	Local Gov't Funding	MTF and Other RCOC Funding	Annual Total All Sources	
<u>2007/08 Pave Gravel Roads</u>									
TBDPAV1	White Lake	Highland Hills to Eagle	Highland	ROW/CONST	1,500,000	387,500	387,500	2,275,000	4,550,000
				Subtotal	1,500,000	387,500	387,500	2,275,000	4,550,000
<u>2007/08 Tri-Party</u>									
TBDTRI1	2008 Tri-Party	Countywide	Various	PE/ROW/CONST	-	4,500,000	2,250,000	6,750,000	6,750,000
				Subtotal	0	4,500,000	2,250,000	6,750,000	6,750,000
<u>2007/08 Other</u>									
TBDMIS1	Testing & ROW Profess. Serv.	Countywide	Various		240,000	30,000	30,000	300,000	300,000
TBDMIS1	SAD Repair	Countywide	Various	CONST	-	-	50,000	50,000	50,000
TBDMIS1	Wetland Mitigation	Countywide	Various		-	-	100,000	100,000	100,000
48773	Bridge Inspection Serv.	Countywide	Various	CONST	-	-	100,000	100,000	100,000
48441	Pavement Condition Assessment	Countywide	Various	CONST	100,000	-	25,000	125,000	125,000
				Subtotal	340,000	30,000	305,000	675,000	675,000
2007/08 Subtotal					4,790,000	6,568,500	5,663,500	17,022,000	28,297,000

FY2007/08 ROAD IMPROVEMENT PROGRAM

Project Number	Project Name	Location	Community	Type of Projects	Fiscal Year 2007/08				Estimated Total Proj. Cost
					Federal And State Funding	Local Gov't Funding	MTF and Other RCOC Funding	Annual Total All Sources	
<u>2007/08 Completion of FY2006/07 Widening</u>									
46901	Dequindre	Long Lake to Auburn	Roch Hills/Troy	PE	160,000	20,000	20,000	200,000	1,250,000
46871	Southfield Road	9 1/2 Mile to 12 Mile	Southfield/Lathrup	PE	200,000	25,000	25,000	250,000	1,650,000
41891	Walton	Perry to Squirrel	Auburn Hills	CONST	5,400,000	-	-	5,400,000	10,800,000
				Subtotal	5,760,000	45,000	45,000	5,850,000	13,700,000

FY2007/08 ROAD IMPROVEMENT PROGRAM

Project Number	Project Name	Location	Community	Type of Projects	Fiscal Year 2007/08				Estimated Total Proj. Cost
					Federal And State Funding	Local Gov't Funding	MTF and Other RCOC Funding	Annual Total All Sources	
<u>2007/08 Completion of FY2006/07 RRR</u>									
47881	Rochester	Gunn to Predmore	Oakland	CONST	900,000	-	641,250	1,541,250	3,791,250
				Subtotal	900,000	0	641,250	1,541,250	3,791,250
TBDMIS1	PRIOR YEARS CONTRACTOR PMTS.			CONST	400,000	100,000	300,000	800,000	800,000
				Subtotal	400,000	100,000	300,000	800,000	800,000
				2006/07 COMPLETION SUBTOTAL	7,060,000	145,000	986,250	8,191,250	18,291,250
				2007/08 SUBTOTAL	4,790,000	6,568,500	5,663,500	17,022,000	28,297,000
				TOTAL	<u>\$11,850,000</u>	<u>\$6,713,500</u>	<u>\$6,649,750</u>	<u>\$25,213,250</u>	<u>\$46,588,250</u>

2007/08 ROAD IMPROVEMENT PROGRAM AND OTHER PROJECT GROUPS
Estimated Expenditures for Fiscal Year Ending 9/30/07
SUMMARY

<u>ROAD IMPROVEMENT PROGRAM</u>	<u>Federal Aid & State "C" Funds</u>	<u>Local Government Funding</u>	<u>MTF and Other RCOC Funding</u>	<u>Total All Sources</u>
<u>2007/08 Projects</u>				
Safety Road Widening	\$750,000	\$125,000	\$125,000	\$1,000,000
Safety Intersections	400,000	300,000	300,000	1,000,000
RRR	0	1,126,000	1,126,000	2,252,000
Bridges and Bridge Restoration	1,800,000	0	970,000	2,770,000
Bridge Maintenance, Construction	0	0	100,000	100,000
Drainage Improvements	0	100,000	100,000	200,000
Paved Gravel	1,500,000	387,500	387,500	2,275,000
Tri-Party	0	4,500,000	2,250,000	6,750,000
Other	340,000	30,000	305,000	675,000
Subtotal	\$4,790,000	\$6,568,500	\$5,663,500	\$17,022,000

<u>2007/08 Completion of 2006/07 Projects in Progress</u>				
Safety Road Widening	\$5,760,000	\$45,000	\$45,000	\$5,850,000
RRR	900,000	0	641,250	1,541,250
Prior Years Contractor Payments	400,000	100,000	300,000	800,000
Subtotal	\$7,060,000	\$145,000	\$986,250	\$8,191,250

TOTAL ROAD IMPROVEMENT PROGRAM **\$11,850,000** **\$6,713,500** **\$6,649,750** **\$25,213,250**

PROGRAM SOURCES

	<u>Federal & State</u>	<u>Local</u>	<u>RCOC</u>	<u>Road Improvement Program Disbursements</u>	
STP	\$2,820,000	Cities \$2,691,000		Contractor Payments	\$18,571,250
Safety	200,000	Townships 1,772,500		Right of Way Payments	1,880,000
State "C" (TEDF)	680,000	County 2,250,000		Eng. Consultants	915,000
Demo/HPP	4,320,000			Testing and ROW Services	150,000
Local Bridge Program	1,800,000			Subtotal	\$21,516,250
State - Other	1,830,000			Materials/Utilities	341,825
CMAQ	200,000			Traffic Safety	263,175
MTF			6,649,750	Engineering	3,092,000
TOTAL PROJECT SOURCES	\$11,850,000	\$6,713,500	\$6,649,750		<u>\$25,213,250</u>

<u>OTHER PROJECT GROUPS and SAD</u>	<u>Federal & State</u>	<u>Local</u>	<u>RCOC</u>	<u>Other Disbursements</u>	
Special Assessment District Program		3,550,000		Contractor Payments, Eng and Adm	3,550,000
SEMSIM Projects			125,000	Contractor Payments, Mtls & Equip	125,000
Signal/ITS Projects	2,491,000	100,000	960,000	Contractor Payments, Mtls & Equip	2,976,000
					\$6,651,000
				Labor and Equipment (SIG)	575,000
TOTAL OTHER PROJECTS AND SAD	\$2,491,000	\$3,650,000	\$1,085,000		<u>\$7,226,000</u>