

Budget

2008-2009

One Year ending 9/30/09

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

As Adopted
September 25, 2008



OAKLAND COUNTY

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Richard G. Skarritt
Vice-Chairman

Eric S. Wilson
Commissioner

Brent O. Bair
Managing Director

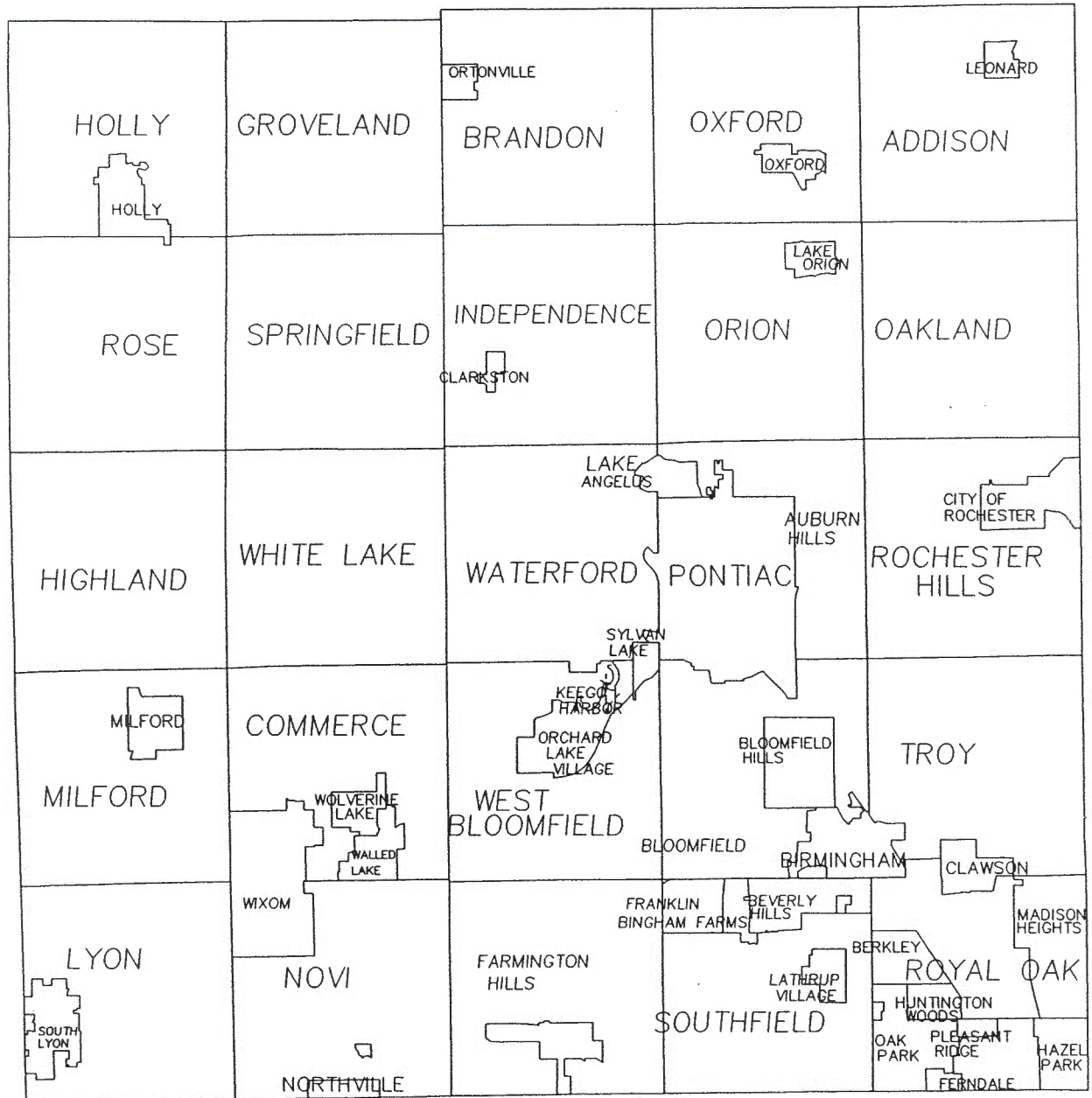


TABLE OF CONTENTS

2008/09 BUDGET AS ADOPTED

FISCAL YEAR ENDING 9/30/09

i	Board Resolution: Adoption of Fiscal Year 2008/09 Budget
iv	Board Resolution: Special Assessment Fund
v	Board Resolution: Letter of Transmittal
vii	Board Resolution: Notice of Public Hearing
viii	Budget Letter from Managing Director
x	Glossary

GOALS AND OBJECTIVES

1	The Fiscal Budget Process
2	Goals and Objectives
3	Needs and Strategies
12	Summary Table 1: Revenue and Expenditures
13	Figure 1: Revenue by Source
14	Summary Table 2: Comparative Summary of Revenue
15	Budget Exhibit A-1: Budgeted Revenue by Source
16	Budget Exhibit A-2: Sources of Road Improvement Program Funding
17	Figure 2: Ten-Year History of Revenue Sources
18	Summary of Revenue
22	Figure 3: Michigan Transportation Fund Revenue History
23	Summary Table 3: Comparative Summary of Expenditures
24	Figure 4: Allocation of Funds
25	Budget Exhibit A-3: Departmental Appropriation by Object
28	Budget Exhibit A-4: Appropriation Summary -- Operating by Object
29	Figure 5: Ten-Year History of Expenditures by Activity
30	Summary of Expenditures
37	Overview
40	Budget Exhibit A-5: Appropriation Summary -- Salaries and Wages
41	Budget Exhibit A-6: Appropriation Summary -- Fringe Benefits
42	Summary Explanation of Debt
43	Summary of Funded Debt
44	Statement of Change in Fund Balance
45	Figure 6: Organizational Structure of RCOG

TABLE OF CONTENTS (cont'd.)

AUTHORIZED POSITIONS

- 46 Overview
- 47 History of Budgeted Positions
- 48 Budget Exhibit A-7: Authorized Positions

DEPARTMENTS

Departmental and Non-Departmental Appropriations:

- 56 Board of Road Commissioners
- 59 Managing Director
- 64 Citizen Services
- 68 Finance
- 72 Legal
- 76 Human Resources
- 80 Central Operations
- 88 Engineering
- 99 Planning & Development
- 104 Traffic Safety
- 114 Permits and Environmental Concerns
- 119 Highway Maintenance
- 131 Non-Departmental
- 135 SEMSIM
- 136 Signal Projects
- 137 Special Assessment Fund
- 138 Maintenance Expenditures for Compliance with Section 12(16) of Act 51

CAPITAL BUDGETING

- 139 Capital Outlay
- 139 Vehicle Fleet Status
- 145 Detail of Capital Outlay
- 146 Capital Outlay History

2008/09 ROAD IMPROVEMENT PROGRAM

- 148 Funding Sources
- 149 Project Programming and Budgeting
- 149 Project Progress and Review
- 151 2008/09 Road Improvement Program Statistical Information
- 152 2008/09 Road Improvement Program
- 157 2008/09 Road Improvement Program Summary

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

SEP 25 2008

RESOLVED, that the revenue of the Road Commission for Oakland County Road Fund for Fiscal Year ending September 30, 2009 is estimated to be \$95,449,308 plus \$2,761,632 appropriation of fund balance. This amount is hereby budgeted and appropriated for Fiscal Year 2008/2009 in the amount of \$98,210,940 to service the Operating, Road Improvement Program, SEMSIM, and Traffic Signal Projects expenditures of the Road Commission for Oakland County.

<u>Revenue</u>	<u>2008/2009 Fiscal Year Revenue Appropriation</u>
Fuel and Vehicle Taxes	\$58,915,000
Other Federal & State Revenue	24,837,308
Revenue from Local Government	8,760,000
Fees and Other Revenue	<u>2,937,000</u>
Total Revenue	\$95,449,308
Appropriation from Fund Balance	<u>2,761,632</u>
Total Revenue & Appropriation from Fund Balance	\$98,210,940

FURTHER RESOLVED, that \$95,449,308 of anticipated revenue and \$2,761,632 of Fund Balance are hereby appropriated for the following purposes:

<u>Operating Expenditures</u>	<u>2008/2009 Fiscal Year Expenditure Appropriation</u>
Board of Road Commissioners	\$172,410
Managing Director	737,100
Citizen Services	347,809
Finance	923,034
Legal	738,983
Human Resources	605,978
Central Operations	10,461,924
Engineering	5,155,047
Planning & Development	1,228,929
Traffic Safety	10,770,648
Permits & Environmental Concerns	1,165,951
Highway Maintenance	20,431,499
Non-Departmental	<u>21,297,387</u>
Total Operating Expenditures	\$74,036,699
Road Improvement Program	\$21,539,625
SEMSIM Program	125,000
Traffic Signal Projects	<u>2,509,616</u>
Total Expenditures	\$98,210,940

The budget appropriation for the Road Improvement Program for Fiscal Year ending September 30, 2009 is as follows:

	<u>Budget</u>	<u>2008/2009</u>
<u>2008/2009 Road Improvement Program</u>	<u>Appropriation</u>	<u>Road Improvement</u>
		<u>Program</u>
Safety Road Widening	\$3,700,000	\$4,825,000
Safety Intersection Projects	2,000,000	2,400,000
Tri-Party Program	5,250,000	6,750,000
Major Resurfacing with Safety-RRR (Resurfacing, Restoration, Rehabilitation)	2,815,000	3,625,000
Bridges and Bridge Restoration	150,000	150,000
Drainage Improvements	200,000	200,000
Paved Gravel	2,375,000	2,900,000
Other	<u>315,000</u>	<u>320,000</u>
Subtotal	\$16,805,000	\$21,170,000
<u>2008/09 Completion of 2007/08</u>		
<u>Projects in Progress</u>		
Safety Road Widening	\$3,500,000	\$3,500,000
Prior Year Contractor Payments	<u>1,234,625</u>	<u>1,234,625</u>
Subtotal	\$4,734,625	\$4,734,625
Total 2008/2009 Road Improvement Program	\$21,539,625	\$25,904,625

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 2008-09 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.

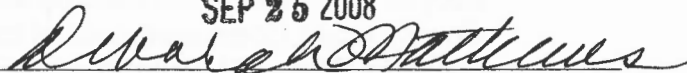
BE IT FURTHER RESOLVED, that the amount appropriated for overtime and seasonal salaries (Budget Exhibit A-5) may not be changed without approval by the Board of County Road Commissioners.

BE IT FURTHER RESOLVED, that the amount and quantities appropriated for capital outlay (See Detail of Capital Outlay p. 145) 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 25 2008



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 25 2008
SPECIAL ASSESSMENT FUND**

RESOLVED, that the total revenue for the Road Commission for Oakland County Special Assessment Fund for Fiscal Year ending September 30, 2009 is estimated to be \$2,862,000 plus fund balance. This amount is hereby budgeted and appropriated for the fiscal year 2008/2009 to service the Special Assessment Fund expenditures of the Road Commission for Oakland County.

<u>Revenue</u>	<u>2008/09 Fiscal Year Revenue Appropriation</u>
Revenue from Special Assessment Rolls	\$2,487,000
Road Fund Contributions Net Underassessment	25,000
Interest on Assessment Rolls	250,000
Interest on Investments	<u>100,000</u>
Total Revenue	\$2,862,000
Appropriation from Fund Balance	<u>2,873,333</u>
Total Revenue & Appropriation from Fund Balance	\$5,735,333

FURTHER RESOLVED, that the \$2,862,000 of anticipated revenue and \$2,873,333 of Fund Balance are hereby appropriated for the following purposes:

<u>Operating Expenditures</u>	<u>2008/09 Fiscal Year Expenditure Appropriation</u>
Contractor Payments	\$3,656,000
Engineering and Administration	600,000
Principal Payment on Debt	1,233,492
Interest on Debt	194,841
Refund of Overassessments to Participants (net)	50,000
Note Payment Fees and Issue Costs	<u>1,000</u>
Total Expenditures	\$5,735,333

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

Deborah Mathews **SEP 25 2008**
Deborah Mathews
Deputy-Secretary/Clerk of the Board



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

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
31001 Lahser Road
Beverly Hills, Michigan 48025

Gentlemen:

Enclosed is the proposed Road Commission for Oakland County (RCOC) fiscal year 2008/09 Budget for your review and adoption.

The proposed fiscal year 2008/09 budget totals \$98.2 million, representing a decrease of \$5.8 million from the combined \$104 million 2007/08 budget. The \$98.2 million of the fiscal year 2008/09 budget is comprised of \$74 million operating expenses, \$21.5 million for the Road Improvement Program (RIP), and \$2.7 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 \$4.3 million.

The changes from the fiscal year 2007/08 budget are as follows:

- No material change in the RIP
- \$5.4 million decrease in the operating budget
- \$400,000 decrease in the Traffic Signal, ITS and SEMSIM Groups

A significant change in this budget is related to staffing levels. For the first time in recent memory, this budget calls for a substantial staff reduction: There are 22 fewer positions funded in this budget than in the 2007/08 budget, with additional positions to be held empty for the foreseeable future.

As is the case every year, the largest share of the revenue in the proposed fiscal year 2008/09 budget of \$58.9 million comes from the state-collected fuel tax and vehicle registration fees. The next largest portion of \$24.8 million comes from federal sources and other state sources, including the funds RCOC receives from the state for maintaining the state trunklines and revenue generated by the RIP. Revenue from local governments adds \$8.8 million to the budget, while fees and other revenue such as interest earned and permit fees, account for \$2.9 million.

The selection of expenditures identified in the fiscal year 2008/09 budget was guided by the following points:

- The desire to reduce as little as possible the level of road maintenance service provided to the residents and motorists using county roads in Oakland County (though there inevitably be reduced service levels due to the staff reduction and other budget cuts).
- The maximum leveraging of all available federal and state funds through aggressively matching with other agencies and developers.

Board of Road Commissioners
Road Commission for Oakland County
Page Two

- Continued aggressive efforts to contain costs, especially in the areas of health care, risk management and privatization, where appropriate.

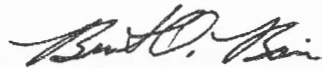
This budget allows RCOC to provide services in the most effective manner given the resources available. Again, what is most noteworthy is what is not provided for in this budget. This includes all of the roadwork such as asphalt resurfacing and concrete repair that RCOC used to be able to do at 100 percent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

Summary Table 3 (page 23) shows recommended departmental appropriations compared with fiscal year 2007/08 expenditures. In addition, some highlights of the proposed expenditures include:

- \$8.3 million on 10.5 miles of safety road widenings
- \$3.6 million on 12.0 miles of major (RRR) resurfacing
- \$150,000 on two bridge repair/replace projects
- \$2.4 million on intersection safety improvements at two locations

The 530 proposed budgeted staff positions reflect the reduction of the 22 previously authorized positions described above.

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 26 2008

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 2008-2009 Budget and proposed 2008-2009 Primary and Local Road Improvement Program for the Fiscal Year ending September 30, 2009.

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 28, 2008, 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 2008-2009 Budget and proposed 2008-2009 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 26 2008**



Deborah Mathews
Deputy-Secretary/Clerk of the Board



Inter-Departmental Memorandum

MANAGING DIRECTOR

DATE: March 10, 2008

To: RCOC Department Directors

FROM: Brent O. Bair

SUBJECT: 2008-09 BUDGET LETTER

As in the past, forms for departmental budget requests for FY2008-09 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, 2008, can be presented to the Board of Road Commissioners on August 14, 2008.


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 "non-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 FP2008.

5. Directors should spell out any new cost-saving measures to be taken by their departments in FY2008-09.
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 FY2008-09. 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.?
8. If it appears that your department will have to operate with a reduced staff level in FY09, indicate the type and amount of work that will not get done as a result of this reduction.

The above should be used as a checklist during the preparation of your FY2008-09 Budget submission. Make sure your cover memo addresses each of the eight areas listed above.

Once again, no new revenue sources should be anticipated during FY2008-09.



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 System
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 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**

Glossary

SAD: **Special Assessment Districts.** Specific areas with improvements on subdivision streets. See "Special

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**

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, and iv 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 extensively primarily by gravel roads continue to experience accelerated development. 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 more than 770 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 \$1,316,932 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 2008/09. 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, increased road surface age, and limited funding have collectively resulted 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. However, funding limitations prevent RCOC from applying many of the "fixes" recommended by the PMS.

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 five years or in fiscal year 2008/09.

Needs and Strategies

Improved Safety, Capacity, and Condition of Paved

Roads (continued) Also, six 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 again completely eliminated these expenditures from the fiscal year 2008/09 budget.

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.

The Road Improvement Program (RIP) contains a total of \$25.9 million for improvements of roads beyond maintenance work. Of this total, \$3.6 million is for pavement rehabilitation projects with the remainder for capacity and safety improvements.

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 and 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 2008/09, approximately 650 intersections will be online and sending data back to the Traffic Operations Center.

The budget for fiscal year 2008/09 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-

Needs and Strategies

Improved Traffic Management System (continued)

TRAC real-time advanced traffic management system. RCOC worked to get additional funding for TOC operations and maintenance and to allow federal 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.

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 and Bridge Maintenance 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 can pose a safety hazard.

The fiscal year 2008/09 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 RIP budget also includes \$150,000 for 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

Needs and Strategies

Summary (continued)

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 below and on the following pages by area of concern.

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 for grader operators.
- 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.

Needs and Strategies

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.
- 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 continuing to recruit 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.

Needs and Strategies

Traffic Management Strategies (continued)

- 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:

- 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 its usage for possible acquisitions, redistribution to different maintenance districts, and for improved scheduling.
- C. Investigate the correlation between problematic drainage locations and accident and environmental data to determine priorities and countermeasures.
- D. Encourage cooperative funding for 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.

Needs and Strategies

STRATEGIES TO IMPROVE THE WORK ENVIRONMENT (continued)

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).

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 2008/09. Because of the funding crisis, there are no major building improvements budgeted for fiscal year 2008/09.

Needs and Strategies

Employees

A total of 530 full-time positions are authorized in the fiscal year 2008/09 budget. Budget Exhibit A-7, beginning on page 48, details authorized positions by department. Due to the deteriorating financial situation, 22 positions have been eliminated from the budget for fiscal year 2008/09 through attrition, and more will likely be eliminated during the year.

The seasonal salaries budget line item has been reduced to \$50,000, 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 2008/09 budget the program for seasonal employees was eliminated entirely.

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 plow and salt 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 dramatically shrinking 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 139.

Summary Table 1

REVENUES AND EXPENDITURES

Fiscal Year Ending September 30, 2009

Revenues	\$95,449,308
Appropriation from Fund Balance	2,761,632
Total Revenues & Appropriation from Fund Balance	\$98,210,940
Expenditures	
Operating Expenditures	\$74,036,699
Road Improvement Program	21,539,625
SEMSIM Program	125,000
Traffic Signal/ITS Projects	2,509,616
Total Expenditures	\$98,210,940

Road Commission for Oakland County Revenue by Source

2008-09

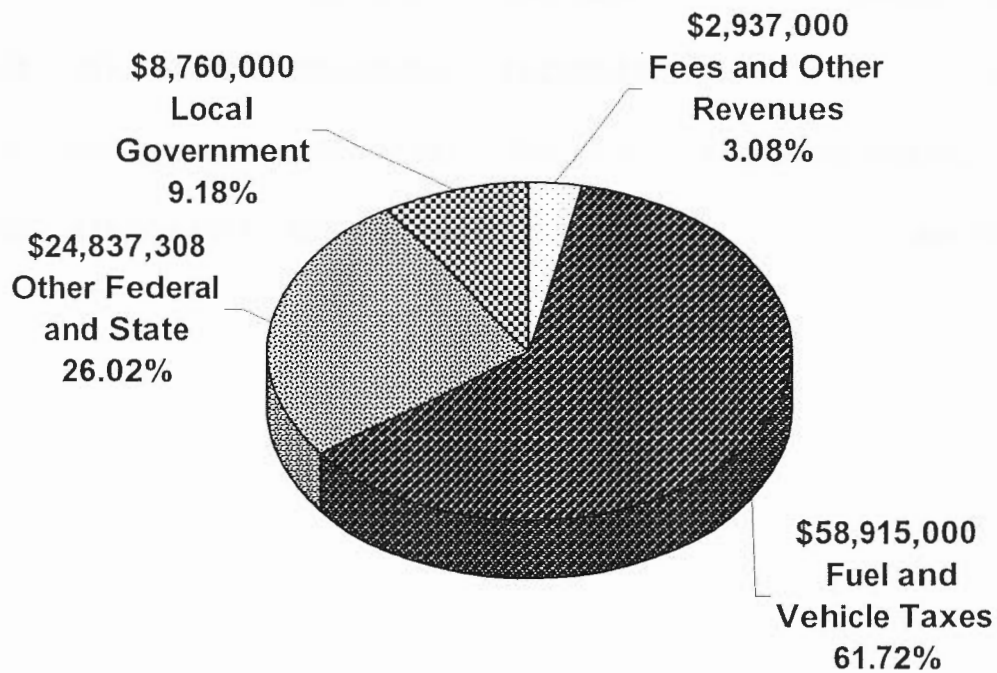


Figure 1

Summary Table 2

COMPARATIVE SUMMARY OF REVENUE

	2006/07 Actual Fiscal Year Ending <u>9/30/07</u>	2007/08 Budget As <u>Adopted</u>	2007/08 <u>Estimate</u>	2008/09 Budget Fiscal Year Ending <u>9/30/09</u>
Fuel and Vehicle Taxes	\$61,682,104	\$61,881,500	\$61,881,500	\$58,915,000
Other Federal & State Revenue	46,890,926	25,341,000	65,338,476	24,837,308
Revenue from Local Government	11,366,299	9,325,500	13,582,903	8,760,000
Fees and Other Revenue	4,328,902	2,537,000	2,537,000	2,937,000
Total Revenue	\$124,268,231	\$99,085,000	\$143,339,879	\$95,449,308
Revenue Over (Under) Expenditures	\$781,455	(\$4,963,500)	(\$19,260,744)	(\$2,761,632)
Total Expenditures	\$123,486,776	\$104,048,500	\$162,600,623	\$98,210,940

Budget Exhibit A-1

2008/09 BUDGETED REVENUE BY SOURCE

<u>Revenue Source</u>		<u>2008/09 Budget</u>
Fuel and Vehicle Taxes		
Engineering	\$10,000	
Primary Roads	42,644,275	
Local Roads	7,781,940	
Urban Primary Roads	6,195,628	
Urban Local Roads	<u>2,283,157</u>	
Total Fuel and Vehicle Taxes		\$58,915,000
Federal & State Revenue		
State Maintenance Contracts	\$11,000,000	
State Non-Maintenance	200,000	
Federal Aid-- Road Improvement Program	10,965,000	
Federal Revenue -- Medicare Part D	150,000	
State Category "C" Funds-RIP	200,000	
Federal Aid-Signal Projects/SIG-SEMSIM	<u>2,322,308</u>	
Total Federal and State Revenue		\$24,837,308
Revenue from Local Government		
Contributions from Townships	\$1,750,000	
Contributions from Cities	1,660,000	
County Contributions	2,250,000	
Other Contributions Including Work Orders	1,100,000	
Traffic Signal Maintenance	1,300,000	
S.A.D. Engineering & Administration	600,000	
Municipal Agencies-SIG (TOC)	<u>100,000</u>	
Total Revenue from Local Government		\$8,760,000
Fees and Other Revenue		
Interest Earned	\$900,000	
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		\$2,937,000
Total Revenues		95,449,308
Appropriation from Fund Balance		2,761,632
Total Revenues and Appropriation from Fund Balance		<u>\$98,210,940</u>

Budget Exhibit A-2

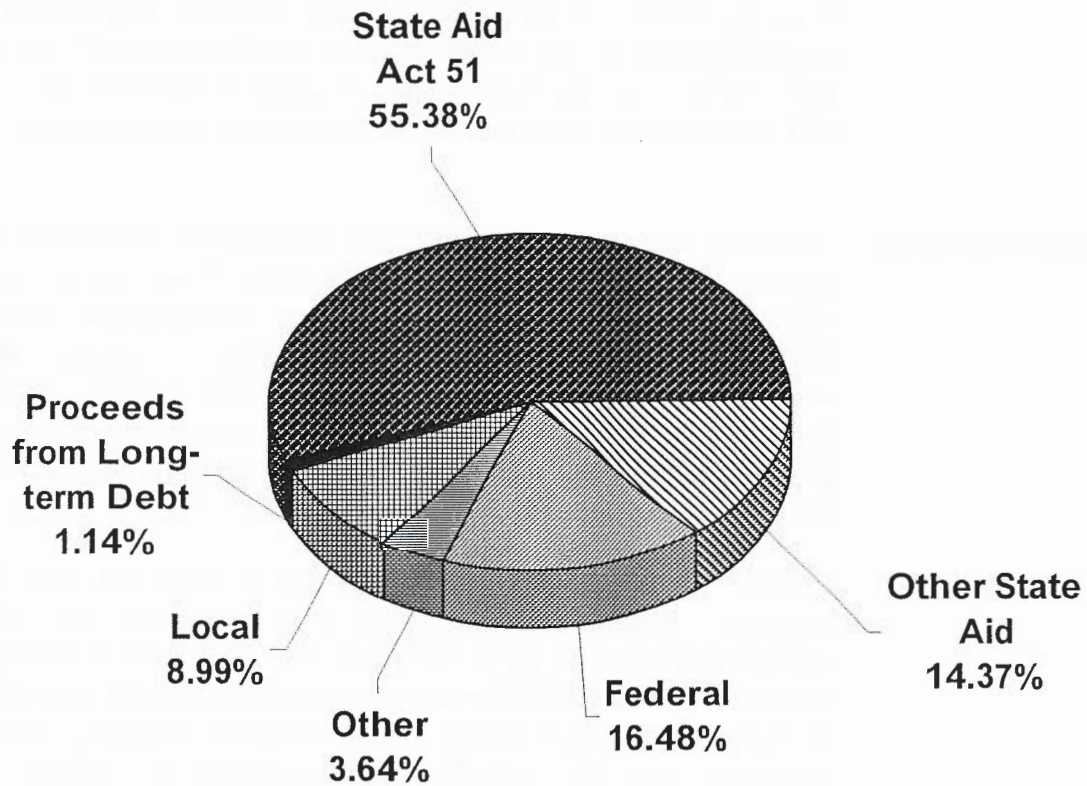
2008/09 ROAD IMPROVEMENT PROGRAM AND OTHER PROJECT GROUPS

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	\$3,940,000	\$267,500	\$175,000	\$0	\$442,500	\$4,825,000
Safety Intersections	1,800,000	0	0	0	600,000	2,400,000
Major Resurfacing with Safety (RRR)	900,000	80,000	0	0	2,645,000	3,625,000
Bridges & Bridge Restoration	0	0	0	0	150,000	150,000
Drainage Improvements	0	50,000	50,000	0	100,000	200,000
Paved Gravel	1,500,000	0	0	0	1,400,000	2,900,000
Tri-Party	0	1,125,000	1,125,000	2,250,000	2,250,000	6,750,000
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>320,000</u>	<u>320,000</u>
Subtotal	\$8,140,000	\$1,522,500	\$1,350,000	\$2,250,000	\$7,907,500	\$21,170,000
<u>2008/09 Completion of 2007/08 Projects in Progress</u>						
Safety Widening	\$2,625,000	\$87,500	\$350,000	\$0	\$437,500	\$3,500,000
Prior Years Contractor Payments	<u>400,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>734,625</u>	<u>1,234,625</u>
Subtotal	\$3,025,000	\$137,500	\$400,000	\$0	\$1,172,125	\$4,734,625
Total 2008/09 RIP	\$11,165,000	\$1,660,000	\$1,750,000	\$2,250,000	\$9,079,625	\$25,904,625
<u>Other Project Groups</u>						
Signal (SIG)	\$2,197,308	\$0	\$100,000	\$0	\$812,308	\$3,109,616
SEMSIM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>125,000</u>	<u>125,000</u>
GRAND TOTAL	\$13,362,308	\$1,660,000	\$1,850,000	\$2,250,000	\$10,016,933	\$29,139,241

Road Commission for Oakland County Revenue Sources

1998 - 2007



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) which consists primarily of fuel tax and vehicle registration fee revenues. The last statewide gas tax increase supporting the MTF was in 1997, when the tax was increased by four cents per gallon to 19 cents per gallon. Revenue generated by the gas tax has been essentially stagnant since then until it began declining in fiscal year 2006/07. In addition to the lack of growth in the MTF, RCOC also lost MTF recently due to additions in the federal urbanized areas which determines the amount of MTF dollars distributed per road mile based on federal classification. Due to shrinking MTF revenue and drastically increasing expenses, RCOC has been forced to cut staff in fiscal year 2008/09 and reduce or eliminate some of its activities which included asphalt overlays and routine concrete repair. Since fiscal year 2006/07, all of the MTF revenue has been needed to meet basic operating costs.

Federal Revenue

In recent years, federal road funds have been authorized and defined by multi-year federal legislation. The current such legislation is known as SAFETEA-LU (Safe, Accountable, Flexible, Efficient, Transportation Equity Act-A Legacy for Users), which was signed into law in 2005 for a five-year period. Federal transportation funds are distributed to the states through several program categories. The funds are primarily generated through the federal gas tax of 18.4 cents per gallon.

Federal funds are not guaranteed each year like the MTF revenue. Federal funds are not true revenues, but rather construction-specific funds for which RCOC, cities and villages compete. While SAFETEA-LU increased the federal investment in highways during FY2005 through FY2009, industry analysis indicates that the growth was absorbed by rising road construction costs. Higher construction costs resulting from dramatic increases in steel, cement, and petroleum prices have effected the overall growth in road construction. If prices continue to rise as expected, higher costs will cause a further decrease in the purchasing power of the federal funds and force RCOC to postpone important planned projects.

Summary of Revenues

Federal Revenue (continued)

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.

The fiscal year 2008/09 budget shows \$5.5 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 \$1.8 million more.

Federal reauthorization included earmark funds for several construction projects listed by Congressmen Knollenberg, Rogers, McCotter, and Levin. In fiscal year 2008/09, these will add \$3.64 million to our budget for several safety widening 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.

Figure 3 on page 22 represents a history of MTF allocations received by RCOC, the current year's amended budget, and projected MTF allocations.

There is \$200,000 budgeted from the state for road construction projects allocated through the Transportation Economic Development Fund (TEDF) Category "C" program, this is a decrease of \$480,000 from the 2007/08 budget.

Another element of state funding is the contract to maintain state trunklines. This contract is projected to yield \$11 million, which is a significant share of the Road Commission's revenue. Erosion of the real value of the funds provided for the maintenance contract over time has forced RCOC to curtail routine maintenance on the state system.

Summary of Revenues

Local Revenue

Local governments are another important source of revenue to RCOC. The local communities (cities, villages, and townships) will generate approximately \$3.5 million of revenues for road improvement projects in fiscal year 2008/09, a decrease of \$1.1 million from 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 2008/09 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.

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.

Summary of Revenues

Factors Affecting Present and Future Revenue

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

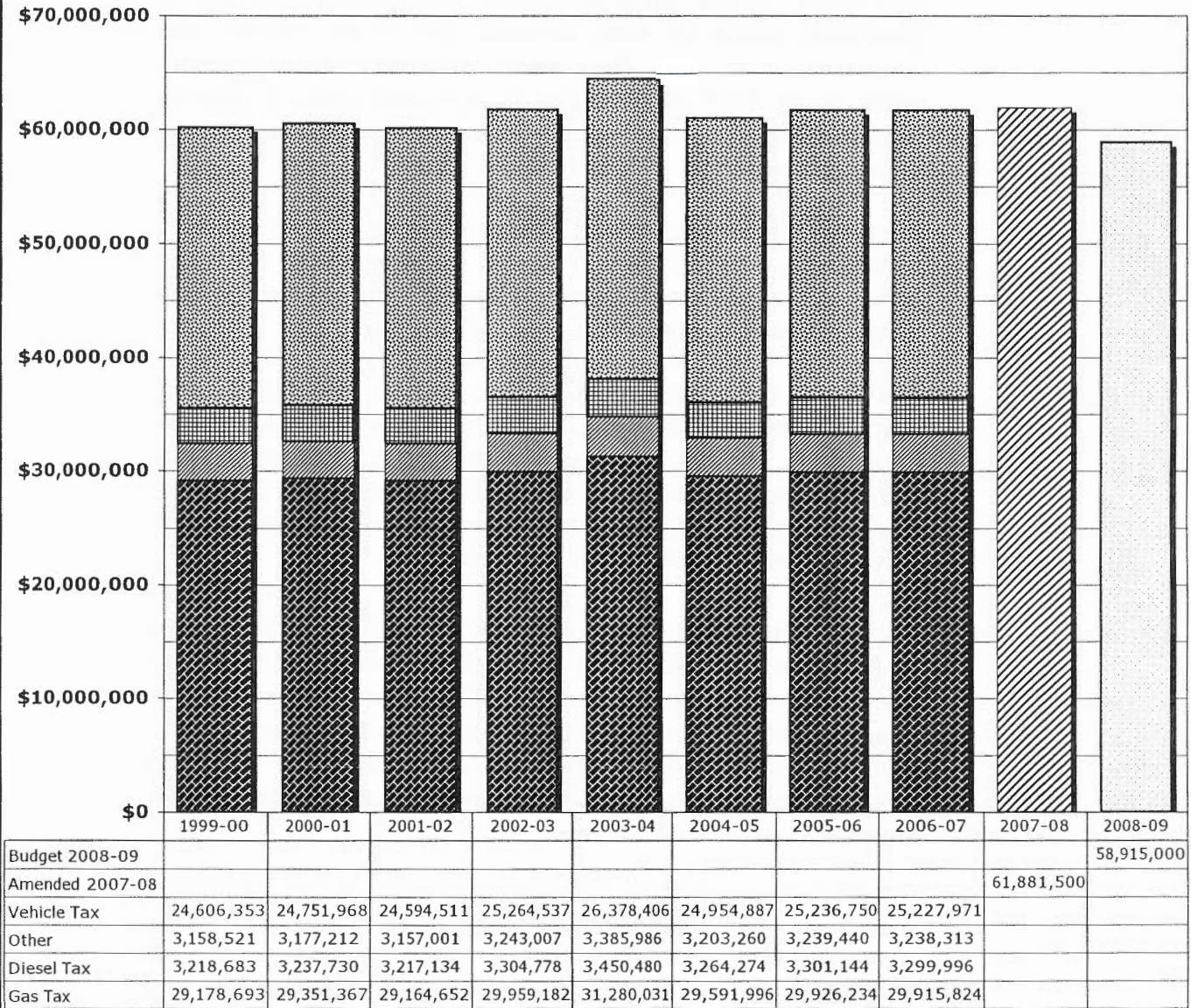
Research shows that Oakland County remains a "donor county", contributing more to the MTF than it receives back. Efforts to eliminate our donor status or increase the return of state dollars to road projects in Oakland County are ongoing.

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; likewise, 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 projected 10-year backlog of road improvements, as determined by the communities during the biennial 2007 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 2000 - 2009



Gas Tax	Diesel Tax	Other
Vehicle Tax	Amended 2007-08	Budget 2008-09

1999/00-2006/07: Actual; 2007/08: Amended Budget; 2008/09: Budget

Figure 3

Summary Table 3

COMPARATIVE SUMMARY OF EXPENDITURES

<u>DEPARTMENT</u>	<u>Actual</u> <u>2006/07</u>	<u>Beginning</u> <u>Budget</u> <u>2007/08</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2007/08</u>	<u>Budget</u> <u>2008/09</u>
Board of Road Commissioners	\$143,358	\$173,093	\$173,093	\$172,410
Managing Director	705,188	860,140	985,303	737,100
Citizen Services	316,071	346,750	346,750	347,809
Finance	946,951	952,733	952,733	923,034
Legal	721,759	741,818	741,818	738,983
Central Operations	9,802,935	11,218,376	11,879,397	10,461,924
Human Resources	558,767	719,285	717,607	605,978
Engineering	5,264,391	5,526,671	5,528,349	5,155,047
Planning & Development	1,128,668	1,197,403	1,401,603	1,228,929
Traffic Safety	10,178,655	11,180,591	12,483,239	10,770,648
Permits & Environmental Concerns	1,119,086	1,208,163	1,208,163	1,165,951
Highway Maintenance	22,007,768	21,879,243	25,501,995	20,431,499
Non-Departmental	<u>21,451,736</u>	<u>23,426,984</u>	<u>23,429,704</u>	<u>21,297,387</u>
Total Operating	\$74,345,333	\$79,431,250	\$85,349,754	\$74,036,699
Road Improvement Program (Contractor Payments & ROW)	\$42,934,701	\$21,516,250	\$70,786,164	\$21,539,625
SEMSIM Program (Contractor Payments & ROW)	1,288,101	125,000	590,411	125,000
Traffic Signal/ITS Projects (Professional Services & Electrical Materials)	<u>4,918,641</u>	<u>2,976,000</u>	<u>5,874,294</u>	<u>2,509,616</u>
TOTAL EXPENDITURES	\$123,486,776	\$104,048,500	\$162,600,623	\$98,210,940

Road Commission for Oakland County Allocation of Funds 2008-09

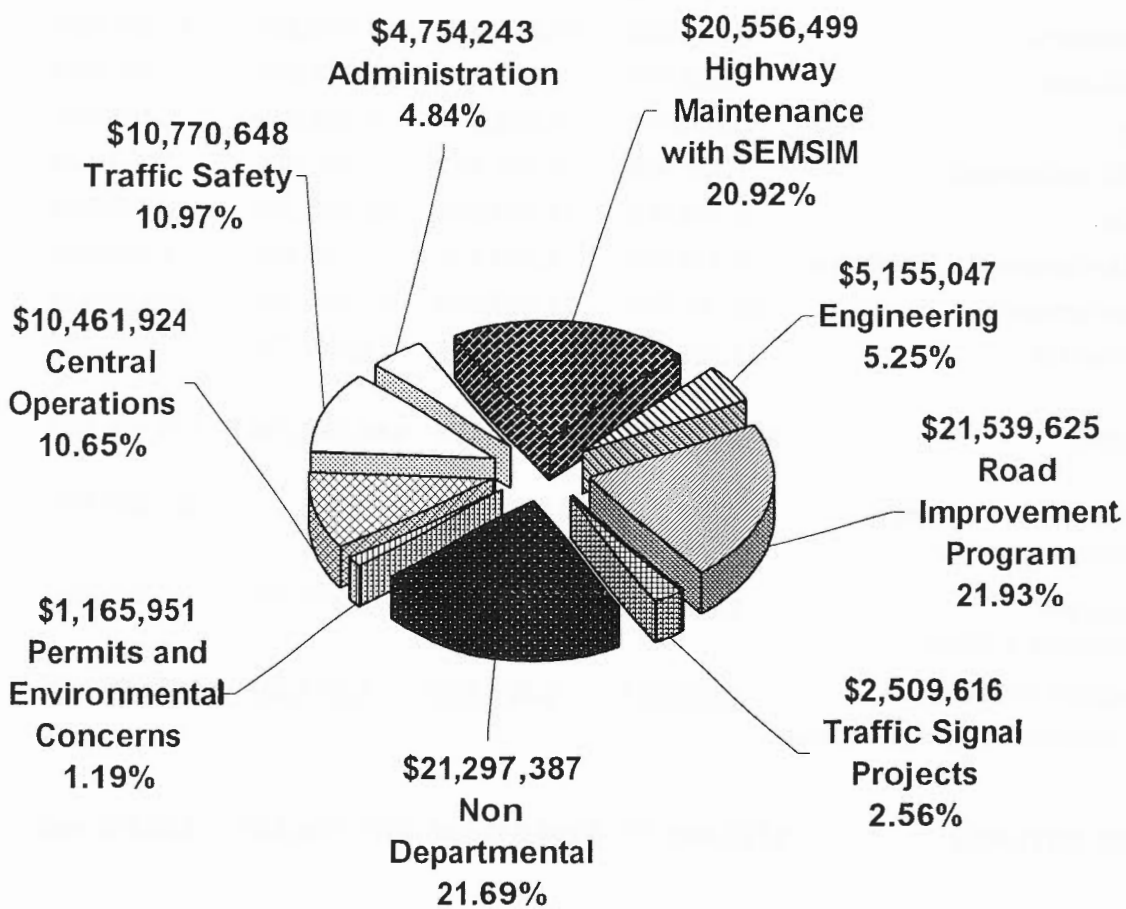


Figure 4

Budget Exhibit A-3

2008/09 DEPARTMENTAL BUDGET - APPROPRIATION BY OBJECT Compared to 2006/07 Actual, 2007/08 Beginning Budget, and 2007/08 Amended Budget

	<u>Actual</u> <u>2006/07</u>	<u>Beginning</u> <u>Budget</u> <u>2007/08</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2007/08</u>	<u>Budget</u> <u>2008/09</u>
Board of Road Commissioners				
Personal Services	\$28,276	\$31,000	\$31,000	\$31,000
Supplies, Materials & Parts	496	500	500	500
Contracted Services	91,720	114,472	114,472	117,910
Other Expenses	<u>22,866</u>	<u>27,121</u>	<u>27,121</u>	<u>23,000</u>
	\$143,358	\$173,093	\$173,093	\$172,410
Managing Director				
Personal Services	\$521,418	\$541,543	\$541,543	\$501,275
Supplies, Materials & Parts	57,549	60,884	60,884	59,105
Contracted Services	81,560	203,563	328,726	122,000
Other Expenses	44,661	54,150	54,150	54,720
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$705,188	\$860,140	\$985,303	\$737,100
Citizen Services				
Personal Services	\$311,684	\$341,061	\$341,061	\$342,644
Supplies, Materials & Parts	3,304	4,239	4,239	3,815
Other Expenses	1,083	1,450	1,450	1,350
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$316,071	\$346,750	\$346,750	\$347,809
Finance				
Personal Services	\$857,879	\$882,867	\$882,867	\$826,049
Supplies, Materials & Parts	12,866	13,366	13,366	13,525
Contracted Services	69,667	51,500	51,500	78,550
Other Expenses	6,539	5,000	5,000	4,910
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$946,951	\$952,733	\$952,733	\$923,034
Legal				
Personal Services	\$657,490	\$672,885	\$672,885	\$670,777
Supplies, Materials & Parts	45,541	44,500	44,500	43,403
Contracted Services	12,351	17,640	17,640	18,170
Other Expenses	6,377	6,793	6,793	6,633
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$721,759	\$741,818	\$741,818	\$738,983

Budget Exhibit A-3

2008/09 DEPARTMENTAL BUDGET - APPROPRIATION BY OBJECT Compared to 2006/07 Actual, 2007/08 Beginning Budget, and 2007/08 Amended Budget

	<u>Actual</u> <u>2006/07</u>	<u>Beginning</u> <u>Budget</u> <u>2007/08</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2007/08</u>	<u>Budget</u> <u>2008/09</u>
Central Operations				
Personal Services	\$3,520,753	\$4,006,598	\$4,006,598	\$3,840,442
Supplies, Materials & Parts	1,813,356	2,264,780	2,264,780	2,580,300
Contracted Services	201,180	193,694	193,694	196,879
Other Expenses	39,834	51,033	51,033	47,000
Utilities	746,134	925,000	925,000	818,100
Repair/Maintenance	2,827,853	2,792,323	2,846,470	2,904,203
Capital Outlay	<u>653,825</u>	<u>984,948</u>	<u>1,591,822</u>	<u>75,000</u>
	\$9,802,935	\$11,218,376	\$11,879,397	\$10,461,924
Human Resources				
Personal Services	\$393,577	\$516,300	\$514,622	\$441,064
Employee Benefits	24,747	25,000	25,000	22,000
Supplies, Materials & Parts	9,183	9,935	9,935	8,400
Contracted Services	100,385	104,600	104,600	98,034
Other Expenses	30,875	63,450	63,450	36,480
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$558,767	\$719,285	\$717,607	\$605,978
Engineering				
Personal Services	\$5,076,801	\$5,185,792	\$5,187,470	\$4,971,503
Supplies, Materials & Parts	89,578	89,620	89,620	93,565
Contracted Services	62,660	79,237	79,237	55,107
Other Expenses	18,425	43,022	53,022	34,872
Capital Outlay	<u>16,927</u>	<u>129,000</u>	<u>119,000</u>	<u>0</u>
	\$5,264,391	\$5,526,671	\$5,528,349	\$5,155,047
Planning & Development				
Personal Services	\$637,061	\$708,212	\$708,212	\$636,605
Supplies, Materials & Parts	70,904	74,126	81,326	53,289
Contracted Services	385,127	374,465	376,465	503,035
Other Expenses	19,599	35,600	35,600	25,000
Capital Outlay	<u>15,977</u>	<u>5,000</u>	<u>200,000</u>	<u>11,000</u>
	\$1,128,668	\$1,197,403	\$1,401,603	\$1,228,929
Traffic Safety				
Personal Services	\$5,300,267	\$5,839,015	\$5,839,015	\$5,629,451
Supplies, Materials & Parts	1,474,998	1,954,717	2,174,904	1,808,285
Contracted Services	1,927,760	2,344,426	3,430,555	1,987,306
Other Expenses	28,256	26,670	29,192	25,670
Utilities	838,042	904,340	904,340	906,400
Repair/Maintenance	11,961	19,000	19,000	15,000
Capital Outlay	<u>597,371</u>	<u>92,423</u>	<u>86,233</u>	<u>398,536</u>
	\$10,178,655	\$11,180,591	\$12,483,239	\$10,770,648

Budget Exhibit A-3

2008/09 DEPARTMENTAL BUDGET - APPROPRIATION BY OBJECT
 Compared to 2006/07 Actual, 2007/08 Beginning Budget, and 2007/08 Amended Budget

	<u>Actual</u> 2006/07	<u>Beginning</u> Budget 2007/08	<u>Estimated</u> Amended Budget 2007/08	<u>Budget</u> 2008/09
Permits & Environmental Concerns				
Personal Services	\$1,057,187	\$1,142,750	\$1,142,750	\$1,101,208
Supplies, Materials & Parts	24,715	22,943	22,943	19,243
Contracted Services	34,707	38,920	38,920	42,200
Other Expenses	2,477	3,550	3,550	3,300
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$1,119,086	\$1,208,163	\$1,208,163	\$1,165,951
Highway Maintenance				
Personal Services	\$10,943,942	\$11,829,008	\$12,409,008	\$11,363,084
Supplies, Materials & Parts	4,212,730	5,202,450	6,215,036	5,557,921
Contracted Services	3,401,208	2,619,505	3,555,030	2,272,793
Other Expenses	17,120	24,780	24,780	21,063
Repair/Maintenance	148	1,000	1,000	1,000
Capital Outlay	<u>3,432,620</u>	<u>2,202,500</u>	<u>3,297,141</u>	<u>1,215,638</u>
	\$22,007,768	\$21,879,243	\$25,501,995	\$20,431,499
Non-Departmental				
Employee Benefits	\$18,286,075	\$19,182,980	\$19,182,980	\$18,076,800
Supplies, Materials, & Parts	245,406	226,500	226,500	232,000
Other Expenses	1,452,207	2,597,294	2,600,014	1,617,608
Debt Service	<u>1,468,048</u>	<u>1,420,210</u>	<u>1,420,210</u>	<u>1,370,979</u>
	\$21,451,736	\$23,426,984	\$23,429,704	\$21,297,387
Total Operating Funds	\$74,345,333	\$79,431,250	\$85,349,754	\$74,036,699
Road Improvement Program (Contractor Payments & ROW)	\$42,934,701	\$21,516,250	\$70,786,164	\$21,539,625
SEMSIM Program (Contractor Payments & ROW)	1,288,101	125,000	590,411	125,000
Traffic Signal/ITS Projects (Professional Services & Electrical Materials)	<u>4,918,641</u>	<u>2,976,000</u>	<u>5,874,294</u>	<u>2,509,616</u>
Total Expenditures	\$123,486,776	\$104,048,500	\$162,600,623	\$98,210,940

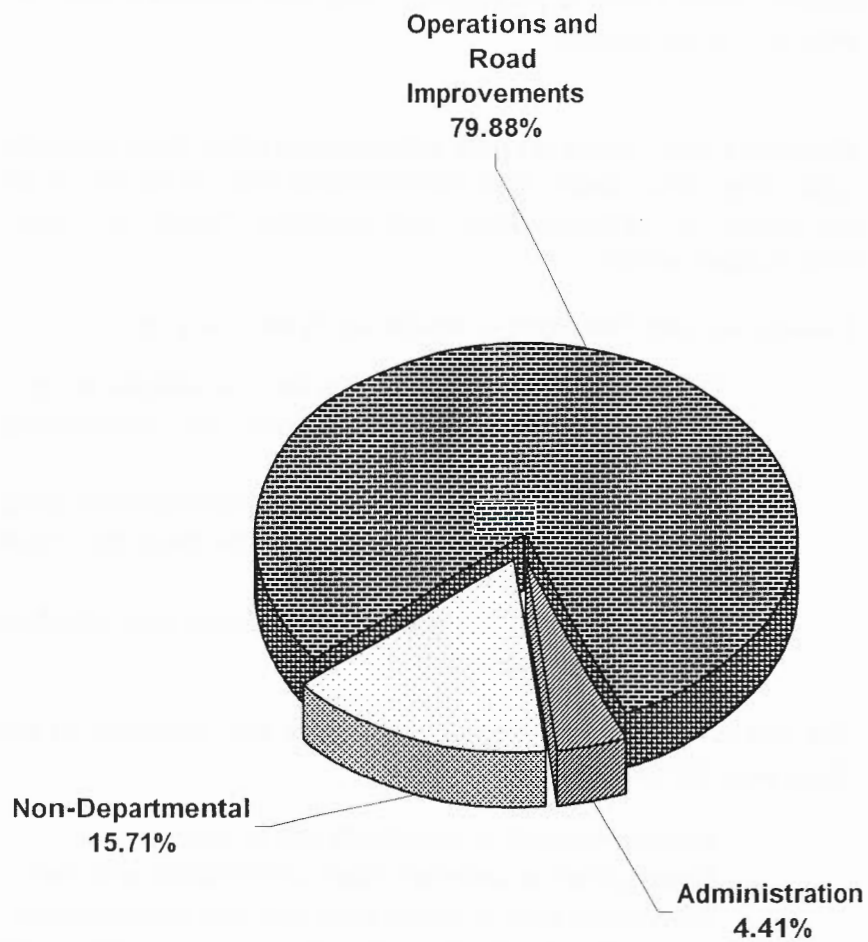
Budget Exhibit A-4

Fiscal Year 2008/09

Appropriation Summary - - Operating by Object

Salaries	\$30,355,102
Supplies, Materials & Parts	10,473,351
Contracted Services	5,491,984
Other	1,901,606
Utilities	1,724,500
Repair/Maintenance	2,920,203
Capital Outlay	1,700,174
Employee Benefits	18,098,800
Debt Service	<u>1,370,979</u>
TOTAL	\$74,036,699

Road Commission for Oakland County Expenditures by Activity 1998 - 2007



Does not include SAD Fund
ITS/SEMSIM included after 1999

Figure 5

Summary of Expenditures

A Year of Continued Cost Containment

The program of aggressive cost containment in all cost categories will continue in fiscal year 2008/09. Departments have been 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.

Cost Containment Strategies

Strategies which focus on goal achievement have been pursued vigorously, while taking 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

The following cost containment strategies are reflected in the fiscal year 2008/09 budget.

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

In spite of our efforts, shrinking revenues and rising costs have forced the Road Commission to make cuts such as eliminating preservation overlays and concrete replacement, to severely reduce replacement of capital equipment, and to reduce the labor force through attrition by 22 authorized positions in order to achieve a balanced budget for fiscal year 2008/09.

Summary of Expenditures

OPERATING DEPARTMENTS

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.

Central Operations

The Central Operations Department accounts for approximately 10.65 percent of total RCOC yearly expenditures and will maintain 70 authorized positions in fiscal year 2008/09. Three positions were cut through attrition.

Fleet Maintenance, Fleet Management, 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 may 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.

In past 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 road equipment budget for fiscal year 2008/09 has only eight large pieces of equipment valued at approximately \$1.6 million, and has deferred equipment purchases of \$1.6 million.

Summary of Expenditures

Central Operations (continued)

In an effort to cope with increasing fuel costs, Central Operations evaluated bio-diesel fuel for use in the fleet and began using bio-diesel in fiscal year 2007/08. 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. However, fuel costs continue to be a major pressure on the COD budget and the fuel budget for fiscal year 2008/09 was increased almost 18 percent from fiscal year 2007/08.

Engineering

The Engineering Department will have an authorized staff of 80 employees in fiscal year 2008/09, a reduction of three positions from fiscal year 2007/08.

Engineering and road improvement activities account for approximately 27.2 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

The Planning and Development Department (P&D) will have an authorized staff of 10 employees in fiscal year 2008/09 in two groups; Information Systems and Systems Planning. One position was cut through attrition.

The cost to maintain computer operations and transportation planning activities accounts for approximately 1.3 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 CityWorks modules, 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 2008/09, 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, implement the CityWorks modules, 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 three Federal Aid Committee meetings to allocate state and federal funds to the appropriate road projects. The department will also continue its support of the Governor's Citizens Advisory Committee and Transportation Funding Task Force.

Finally, the P&D Department will support 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 94 employees in fiscal year 2008/09, a reduction of four from fiscal year 2007/08.

The Traffic Safety budget includes costs for installing and maintaining traffic signals and other electrical devices, 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 13.53 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 \$387,000.

A traffic management system is in place to provide 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 2008/09.

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 2008/09 Traffic Safety will receive \$1.48 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 2008/09 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.

Highway Maintenance

The Highway Maintenance Department will have an authorized staff of 212 employees in fiscal year 2008/09, a reduction of eight positions.

The Highway Maintenance Department accounts for approximately 20.9 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.

Summary of Expenditures

Highway Maintenance (continued)

Major activities on more than 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 2008/09 RCOC will spend \$534,074 to patch and re-gravel gravel roads and shoulders.

The department has budgeted about 8,600 tons of patching materials, 158,400 tons of aggregate, and 101,400 tons of snow-control salt and sand. The department typically installs approximately 1.28 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.

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.

Summary of Expenditures

Highway Maintenance

(continued)

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 \$1,316,932 for materials in support of ongoing gravel maintenance activities for fiscal year 2008/09.

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 the need for cost reductions by searching for alternative, less expensive materials and implementing cost-cutting work methods and equipment modifications. The total costs for highway maintenance in fiscal year 2008/09 is projected to be \$20,556,499.

NON-DEPARTMENTAL EXPENDITURES

The non-departmental budget represents approximately 21.7 percent of the annual costs, or \$21,297,387. 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 2008/09 Non-Departmental budget includes \$1 million to continue recommended funding for 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 2008/09

When it comes to maintaining its roads, Michigan is failing, and continuing the status quo will result in an acceleration of the rate of decline of the road and bridge system, which will lead to declining quality of life and reduced economic competitiveness in the global economy. This has been evident in recent years as Michigan's road system has deteriorated. This situation was documented by the Michigan Asset Management Council's review of the system, which revealed that between 2004 and 2007, there was an increase of more than 10,000 lane miles of Michigan's "federal-aid-eligible" roads that deteriorated from either "good" or "fair" condition to "poor" condition. Inadequate investment in the road system today will mean not only accelerated deterioration of roads, but increased future maintenance costs. There are six primary causes for this.

- **A history of underfunding:** According to US Census Bureau data, for more than 40 years, Michigan has been among the bottom 10 states in the nation in per capita state and local road funding.
- **Declining revenues:** Michigan's road funding has been declining, in real dollars, for the last 18 months, following nearly a decade of stagnant revenues. This stagnation resulted in a significant decline in purchasing power, as revenues consistently increased at a rate less than inflation.
- **Rising costs:** The costs associated with constructing and maintaining roads are increasing dramatically (most are increasing far more than the rate of consumer inflation) at the same time that road funding is declining.
- **Aging infrastructure:** Michigan's road infrastructure is aging rapidly, and the state's road agencies' current maintenance efforts cannot keep pace with the resulting deterioration.

FINANCIAL PICTURE FOR 2008/09 (continued)

- **Rising demand:** Despite Michigan's slow population growth in recent years and a temporary decline in vehicle miles traveled (VMT) due to the state's current economic struggles, demand for its roads is expected to continue rising in the long term. The fact that vehicles continue to become more fuel efficient means these increased miles of travel will generate less and less revenue per mile of travel under the current funding methodology.
- **Diversion of available funds:** The state is skimming millions of dollars off the top of its transportation fund simply to transfer those dollars to other state departments in the form of interdepartmental grants (IDGs).

RCOC's revenue from state-collected sources (gas tax, vehicle registration fee, etc.), increased only 11 percent between 1998 and 2007. As is the case for all road agencies in the state, these are the dollars RCOC uses to maintain its road system. However, during that same period, many of the agency's costs associated with road maintenance increased far more. Some examples of the rate of increase for some of these costs during this same period are:

- Fuel increased well over 300 percent (substantially more in 2008).
- The purchase price of dump trucks used to maintain the agency's roads increased nearly 75 percent.
- Asphalt increased nearly 50 percent (up to 100 percent by 2008).

Obviously, when expenses increase much more than revenues, something has to give. In RCOC's situation, it means reducing the level of road maintenance performed, which will cause the road system to deteriorate more rapidly, while reducing quality of life for residents and causing the business community to suffer.

FINANCIAL PICTURE FOR 2008/09 (continued)

The impact of the condition of the road system (including all its elements) on residents' quality of life and the state's economic health are tremendous. As the Texas Transportation Institute and others have pointed out, motorists and businesses pay a significant price for bad roads. This price includes:

- Costs of repairing vehicles damaged by pothole-riddled roads.
- Lost hours of potentially productive time for commuters stuck in traffic.
- Businesses unable to deliver goods and services in a timely manner due to crumbling and/or congested roads.
- Loss of existing businesses and jobs.
- Difficulty attracting new talent, new business and new jobs to the state.

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.

Budget Exhibit A-5

2008/09 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	491,425	1,350	8,500	0	501,275
Citizen Services	337,944	700	4,000	0	342,644
Finance	813,449	5,600	7,000	0	826,049
Legal	662,777	5,500	2,500	0	670,777
Central Operations	3,474,093	56,749	309,600	0	3,840,442
Human Resources	388,114	1,450	1,500	50,000	441,064
Engineering	4,254,622	51,381	665,500	0	4,971,503
Planning and Development	618,105	4,500	14,000	0	636,605
Traffic Safety	4,936,482	73,969	619,000	0	5,629,451
Permits & Environmental	1,021,500	14,708	65,000	0	1,101,208
Highway Maintenance	<u>9,886,885</u>	<u>163,263</u>	<u>1,312,936</u>	<u>0</u>	<u>11,363,084</u>
Subtotal	\$26,916,396	\$379,170	\$3,009,536	\$50,000	\$30,355,102
Attrition (non-departmental)					<u>(500,000)</u>
TOTAL					\$29,855,102

Budget Exhibit A-6

2008/09 Budget

Appropriation Summary - - Fringe Benefits

Dental Insurance	\$530,000
Hospitalization	6,466,400
Life Insurance	173,000
Vision Care Insurance	80,000
Flexible Spending Administration	32,400
Retirement	3,100,000
Post Employment Benefits-Employer Contribution	1,000,000
Social Security	2,500,000
Unemployment Insurance	30,000
Workers' Compensation	162,000
Sick Leave Redemption	130,000
Workers' Compensation Self-Insurance	851,465 *
Prescription Drugs	3,388,000
Annual Physical/Wellness Program	<u>25,000</u>
TOTAL	\$18,468,265

* \$391,465 Included in Department Budget
\$460,000 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>9/30/2008</u>	2008/09 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 SAD Fund	\$258,569 716,431	\$241,508 733,492	\$11,471 34,841
\$10,000,000 Michigan Transportation Fund Revenue Notes of 2001	Road Fund	\$3,000,000	\$1,000,000	\$117,500
\$5,000,000 Michigan Transportation Fund Revenue Notes of 2007	SAD Fund	\$4,000,000	\$500,000	\$160,000

2008/09 DEBT SERVICE

	<u>Road Fund</u>	<u>SAD Fund</u>
Principal	\$1,241,508	\$1,233,492
Interest	<u>128,971</u>	<u>194,841</u>
TOTAL DEBT SERVICE	\$1,370,479	\$1,428,333

Change in Fund Balance

ROAD FUND

Statement of Change in Fund Balance

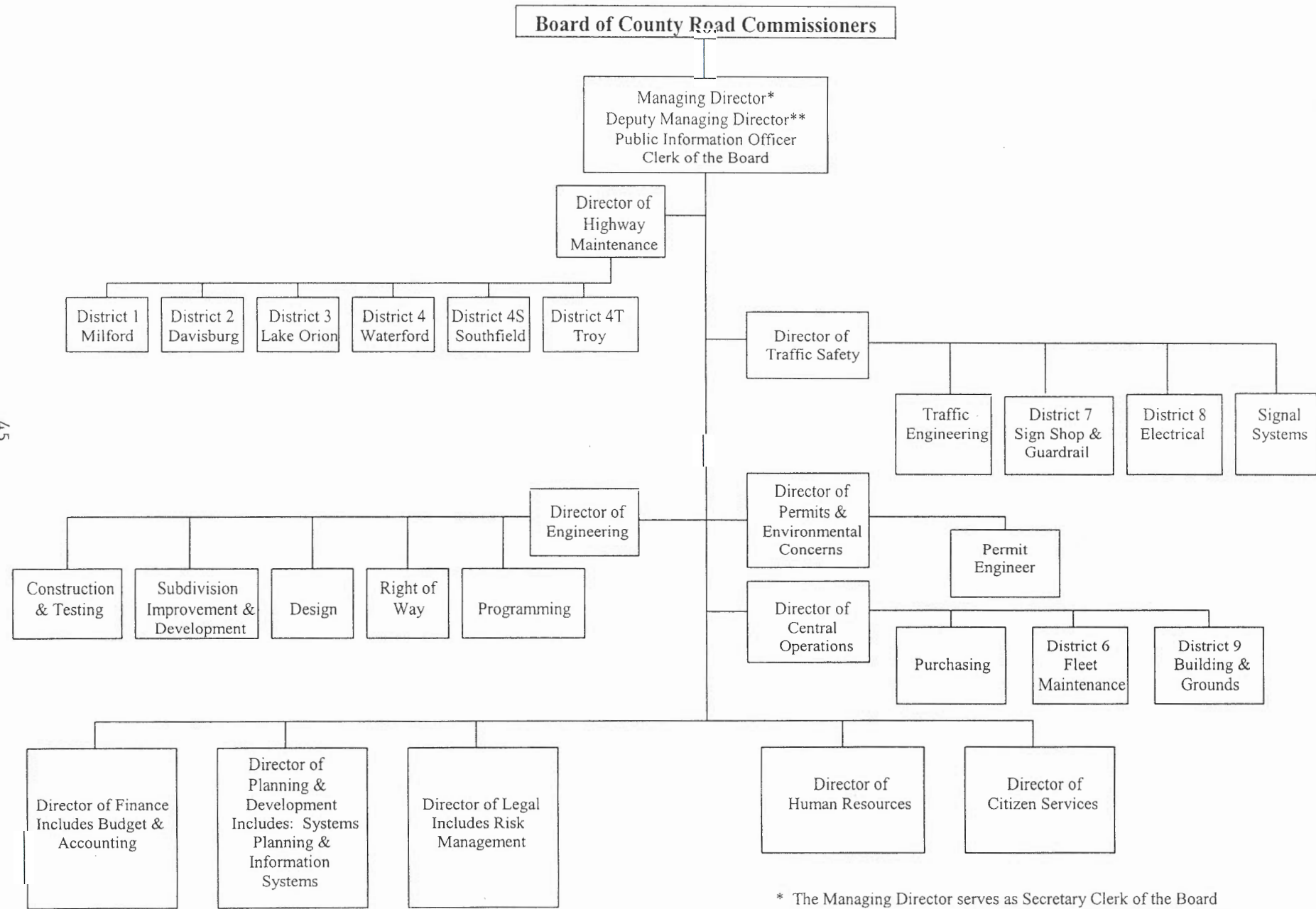
	Actual Fiscal Year <u>Ending 9/30/07</u>	Budget As Adopted <u>2007/08</u>	Estimated Budget <u>2007/08</u>	Budget Fiscal Year <u>Ending 9/30/09</u>
Beginning Fund Balance	\$39,418,812	\$40,200,267	\$40,200,267	\$20,939,523
Revenue	124,268,231	99,085,000	143,339,879	95,449,308
Expenditures	<u>123,486,776</u>	<u>104,048,500</u>	<u>162,600,623</u>	<u>98,210,940</u>
Revenue over (under) Expenditures	781,455	(4,963,500)	(19,260,744)	(2,761,632)
Ending Fund Balance	\$40,200,267	\$35,236,767	\$20,939,523	\$18,177,891

Analysis of Ending Fund Balance:

Capital Outlay and Contracted Services	\$4,604,264
Future Years' Capital Acquisitions and Maintenance Projects	4,376,000
Future Years' Tri-Party Construction Participation	5,872,084
Reserved or Designated for Construction in Progress	19,962,340
Reserved for Long-Term Portion of Provision for Uninsured Loss	2,000,000
Compensated Absences	<u>3,385,579</u>

Total 9/30/07 **\$40,200,267**

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

OVERVIEW

The Road Commission for Oakland County began fiscal year 2007/08 with 552 authorized positions, which was a reduction of four positions through attrition from the prior year. Because of shrinking MTF revenue and drastically increasing expenses, RCOC has been forced to reduce or eliminate many activities and expenditures for fiscal year 2008/09. All seasonal staff and the Engineering co-op program has been eliminated. Temporary staff funding has been decreased to a minimum.

To achieve a balanced budget for fiscal year 2008/09, 22 positions are being left vacant bringing the total of authorized positions to 530. Vacancies in full-time positions are filled only if justified. The following exhibit (A-7) shows the anticipated reductions at the beginning of fiscal year 2008/09. It is anticipated that more positions will be reduced through attrition for the next two fiscal years.

Historically, the Road Commission's beginning budget is reduced for salaries not expected to be expended due to the normal process of filling position vacancies. In addition to the normal attrition of \$500,000, the fiscal year 2008/09 Non-Departmental budget includes an additional reduction of \$804,392 for fringe benefits related to the 22 unfilled positions in the fiscal year 2008/09 budget for a total attrition of \$1,304,392.

Authorized Positions

History of Budgeted Positions

Compared to Fiscal Year 2008/09 Authorized Positions

	<u>2004/05 Amended Budget</u>	<u>2005/06 Amended Budget</u>	<u>2006/07 Amended Budget</u>	<u>2007/08 Amended Budget</u>	<u>2008/09 Budget</u>
Managing Director	8	8	8	8	7
Citizen Services	7	7	7	7	7
Finance	16	16	16	16	15
Legal	10	10	10	10	10
Human Resources	6	6	6	6	6
Central Operations	73	73	73	73	70
Engineering	86	86	86	83	80
Planning & Development	11	11	11	11	10
Traffic Safety*	99	100	99	98	94
Permits & Environ Concerns	20	20	20	20	19
Highway Maintenance*	<u>221</u>	<u>221</u>	<u>221</u>	<u>220</u>	<u>212</u>
TOTALS	557	558	557	552	530

*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								2				2
Compensation & Benefits Accountant			1									1

Budget Exhibit A-7

49

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 I/II									3			3

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
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

05

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

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				1								1
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
Superintendent-In-Training									0		0	0
Reduction of Salary Positions	-1	0	-1	0	0	-1	-3	-1	-1	-1	-2	-11
TOTAL SALARIED POSITIONS	7	7	15	10	6	17	80	10	36	19	38	245

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											19	19
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

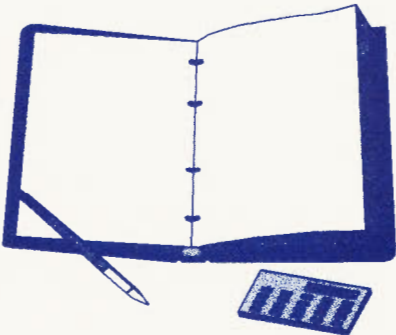
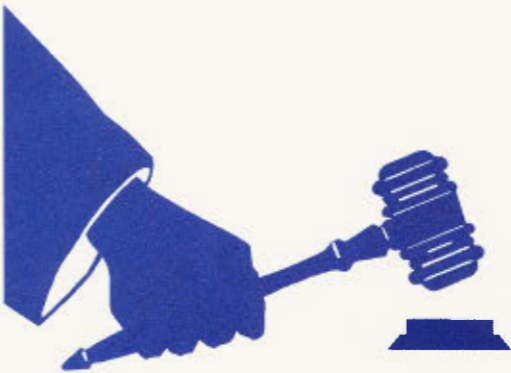
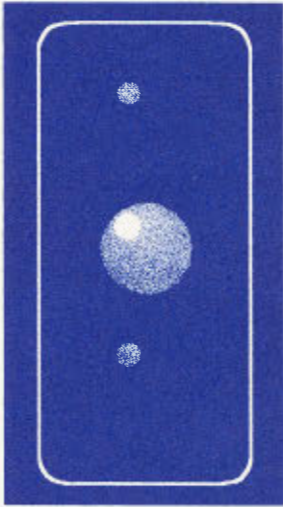
Budget Exhibit A-7

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											62	62
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
Reduction of Hourly Positions	0	0	0	0	0	-2	0	0	-3	0	-6	-11
Total Hourly Positions	0	0	0	0	0	53	0	0	58	0	174	285

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
TOTAL ALL POSITIONS	7	7	15	10	6	70	80	10	94	19	212	530

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 \$98 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> <u>2006/07</u>	<u>Beginning</u> <u>Budget</u> <u>2007/08</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2007/08</u>	<u>Budget</u> <u>2008/09</u>
Salaries (See Position-Salary Detail)	\$28,276	\$31,000	\$31,000	\$31,000
Supplies, Materials & Parts				
Stationery & Office Supplies	496	500	500	500
Books, Subscriptions & Publications	0	0	0	0
Membership Fees & Dues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	496	500	500	500
Contracted Services				
Audit	91,720	114,472	114,472	117,910
Other Expenses				
Travel	3,059	2,000	2,000	2,000
Awards Employees & Retirees	<u>19,807</u>	<u>25,121</u>	<u>25,121</u>	<u>21,000</u>
	22,866	27,121	27,121	23,000
TOTAL	\$143,358	\$173,093	\$173,093	\$172,410

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 for providing and maintaining all official Road Commission records and making accurate and up-to-date records available to all departments.

The Clerk's Office 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, to 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:

- Demonstrates accountability 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 and advocated on behalf of legislation that would be beneficial for its customers.
- Communicated the agency's needs and 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 to share important information about the agency and its projects, financial challenges, and initiatives and to solicit input from motorists, residents, and officials.
- Advocated strenuously 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 2008/09 budget reflects the effort to maintain a high level of service while coping with reduced revenues and rising costs. Overall, there was approximately a 14% decrease in the departmental budget from the current 2007/08 fiscal year budget. The decrease was achieved primarily by the reduction of one salary position and a reduction of Professional Services which was almost 10% of the total decrease.

Office of the MANAGING DIRECTOR and Secretary Clerk of the Board

Object Detail

Office of Managing Director

<u>Object</u>	<u>Actual</u> <u>2006/07</u>	<u>Beginning</u> <u>Budget</u> <u>2007/08</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2007/08</u>	<u>Budget</u> <u>2008/09</u>
Salaries (See Position-Salary Detail)	\$521,418	\$541,543	\$541,543	\$501,275
Supplies, Materials & Parts				
Postage	40,761	41,750	41,750	42,800
Stationery & Office Supplies	9,086	12,700	12,700	11,000
Office Furniture/Equipment (Non-Capital)	3,126	0	0	0
Books, Subscriptions & Publications	3,947	5,000	5,000	3,805
Membership Fees & Dues	<u>629</u>	<u>1,434</u>	<u>1,434</u>	<u>1,500</u>
	57,549	60,884	60,884	59,105
Contracted Services				
Professional Services	81,560	203,563	328,726	122,000
Other Expenses				
Travel	9,179	10,600	10,600	10,600
Advertising	35,482	42,550	42,550	43,620
Training	<u>0</u>	<u>1,000</u>	<u>1,000</u>	<u>500</u>
	44,661	54,150	54,150	54,720
Capital Outlay				
Office Equipment	0	0	0	0
TOTAL	\$705,188	\$860,140	\$985,303	\$737,100

Office of the MANAGING DIRECTOR and Secretary Clerk of the Board

Position - Salary Detail

Office of Managing Director

<u>Authorized</u> <u>Positions</u>	<u>Classification</u>	<u>Salary</u> <u>Minimum</u>	<u>Maximum</u>	<u>Salary</u> <u>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	50,946
1	Office Clerk	36,049	39,114	39,114
1	Clerk Typist	32,955	35,726	35,726
1	Commission Receptionist	30,547	33,093	33,093
<u>-1</u>	Reduction of Salary Position			<u>(46,400)</u>
7	TOTAL			\$491,425
			Overtime	8,500
			Longevity	<u>1,350</u>
			TOTAL SALARIES	\$501,275

* 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) 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 more than 770 miles of the gravel road mileage in the county.

GOALS AND OBJECTIVES

The DCS Department continues to look for new ways to improve customer service for the external and internal customers of the RCOC. To accomplish this goal, we are seeking new technologies which will offer many advantages to our customers such as the ability to:

- Reduce response time and provide greater detail for the risk claim inquiries.
- More finitely define a particular road concern location.
- Provide the operating departments with multiple requests on one form, thus saving time and resources.
- Provide greater detail on problem locations with the assistance of a GIS map.
- Reduce response time to the external customer.

We also plan to continue:

- Administration of the chloride program providing updated calculations and feedback to the participating townships, districts, and citizens.
- Facilitation of the district meetings and townships.

ACHIEVEMENTS

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

- Creation of a common "road file" for access by all clerks addressing on-going citizen concerns in a consistent and timely fashion.
- Development and maintenance of a detailed listing of accurate road measurements for the various townships participating in the chloride program.
- Implementation of a day of training to new foremen and other personnel new to the agency to provide a hands-on day of learning on how to respond to citizen concerns and the types of complaints the department receives.

CITIZEN SERVICES ACHIEVEMENTS (continued)

- Continuation of DCS clerks visiting departments and districts to gain knowledge of the various operations to assist in responding to customer inquiries.
- Selection of a new software system in which a great deal of time was invested defining and reviewing various software systems.

SUMMARY OF BUDGET

The Department of Citizen Services' fiscal year 2008/09 budget reflects the effort to maintain a high level of service while coping with reduced revenues and rising costs. Overall, there was approximately a .3% increase in the departmental budget from the current 2007/08 fiscal year budget. There were no reductions of the department's seven budgeted positions.

Department

Object Detail

Department: Citizen Services

<u>Object</u>	<u>Actual</u> <u>2006/07</u>	<u>Beginning</u> <u>Budget</u> <u>2007/08</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2007/08</u>	<u>Budget</u> <u>2008/09</u>
Salaries (See Position-Salary Detail)	\$311,684	\$341,061	\$341,061	\$342,644
Supplies, Materials & Parts				
Stationery & Office Supplies	3,290	4,139	4,139	3,815
Office Furniture/Equipment (Non-Cap)	0	0	0	0
Books, Subscriptions & Publications	<u>14</u>	<u>100</u>	<u>100</u>	<u>0</u>
	3,304	4,239	4,239	3,815
Other Expenses				
Travel	310	450	450	350
Training	<u>773</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
	1,083	1,450	1,450	1,350
Capital Outlay				
Office Equipment	0	0	0	0
TOTAL	\$316,071	\$346,750	\$346,750	\$347,809

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>194,804</u>
7	TOTAL			\$337,944
		Overtime		4,000
		Longevity		700
		TOTAL SALARIES		\$342,644

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, the Section 457 Deferred Compensation Plan, and the 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 upon 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.

The current objectives of the Finance Department are:

- Implement ACH processing for select vendor payments.
- Investigate Deferred Compensation Plan participant loans.
- Continue updates to RCOC Financial Plan and Budget documents with emphasis on performance measures.

FINANCE

ACHIEVEMENTS

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

- Implemented a Disaster Plan for the department to coordinate its resources in the event of a disaster.
- Implemented 1099 processing feature for RCOC payments.
- Conducted a RFP process and secured investment provider services for the Deferred Compensation Plan.
- Completed a SAD Revenue Note Issue borrowing.
- Sustained a positive work environment that resulted in two Customer Service Awards and three Extra Mile Employee Awards in the Finance Department.

SUMMARY OF BUDGET

The Finance Department's fiscal year 2008/09 budget reflects the effort to maintain a high level of service while coping with reduced revenues and rising costs. Overall, there was approximately a 3% decrease in the departmental budget from the current 2007/08 fiscal year budget. Although the decrease was achieved primarily with the reduction of one salary position, Professional Services increased the department's budget by 2.5%, partially to fund a required biennial OPEB valuation.

Department

Object Detail

Department: Finance

<u>Object</u>	<u>Actual</u> <u>2006/07</u>	<u>Beginning</u> <u>Budget</u> <u>2007/08</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2007/08</u>	<u>Budget</u> <u>2008/09</u>
Salaries (See Position-Salary Detail)	\$857,879	\$882,867	\$882,867	\$826,049
Supplies, Materials & Parts				
Stationery & Office Supplies	10,898	11,226	11,226	11,500
Office Furniture/Equipment (Non-Cap)	0	0	0	0
Books, Subscriptions & Publications	798	925	925	810
Membership Fees & Dues	<u>1,170</u>	<u>1,215</u>	<u>1,215</u>	<u>1,215</u>
	12,866	13,366	13,366	13,525
Contracted Services				
Professional Services-Acct Services	21,325	7,400	7,400	7,000
Professional Services-Other	443	4,900	4,900	5,000
Retirement Administrative Expense	<u>47,899</u>	<u>39,200</u>	<u>39,200</u>	<u>66,550</u>
	69,667	51,500	51,500	78,550
Other Expenses				
Travel	6,434	4,600	4,600	4,510
Training	<u>105</u>	<u>400</u>	<u>400</u>	<u>400</u>
	6,539	5,000	5,000	4,910
Capital Outlay	0	0	0	0
TOTAL	\$946,951	\$952,733	\$952,733	\$923,034

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	47,314
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
1	Secretary	38,779	42,050	42,050
<u>-1</u>	Reduction of Salary Position			<u>(46,400)</u>
15	TOTAL			\$813,449
			Overtime	7,000
			Longevity	<u>5,600</u>
			TOTAL SALARIES	\$826,049

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 risk analysis

GOALS AND OBJECTIVES

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

- Introduce RCOC FIRST (Facility Incident Response System Toolbox) to management.
- Provide presentation to supervision and selected other employees as appropriate, regarding effective preparation for depositions and trial testimony.
- Further implement the RiskMaster X system to manage the MIOSHA record keeping requirements which are currently tracked manually.
- Compile and codify written legal analysis and opinions in book format for law library.

LEGAL

GOALS AND OBJECTIVES (continued)

- Monitor and track completion of future actions as presented in Agency Security and Vulnerability Assessments Logs.
- Implementation of remedial driver's training program for RCOC drivers involved in vehicle accidents.

ACHIEVEMENTS

Recent department accomplishments include the following:

- Analysis and selection of CSC RiskMaster X for RIMS (Risk Management Information System) has been completed. Training was undertaken, transition is now concluded and system is operative.
- Meetings have been held with retained condemnation counsel and Right of Way and Legal department attorneys. Goal of achieving statutory and procedural consistency has been realized.
- All RCOC safety and health programs have been reviewed and revised, as appropriate, to reflect current standards.
- An RCOC brochure in reference to the Road Abandonment Process has been substantially completed.
- Completed agency-wide inventory for MSDS online software program.
- Installation of MSDS online software completed.
- Presentation regarding e-record retention was provided.
- Health risk appraisals completed for all districts.

SUMMARY OF BUDGET

The Legal Department's fiscal year 2008/09 budget reflects the effort to maintain a high level of service while coping with reduced revenues and rising costs. Overall, there was approximately a .4% decrease in the departmental budget from the current 2007/08 fiscal year budget. There were no reductions of the department's ten budgeted positions.

Department

Object Detail

Department: Legal

<u>Object</u>	<u>Actual 2006/07</u>	<u>Beginning Budget 2007/08</u>	<u>Estimated Amended Budget 2007/08</u>	<u>Budget 2008/09</u>
Salaries (See Position-Salary Detail)	\$657,490	\$672,885	\$672,885	\$670,777
Supplies, Materials & Parts				
Stationery & Office Supplies	11,345	10,500	10,500	9,653
Office Furniture/Equip (Non-Capital)	1,428	0	0	0
Books, Subscriptions & Publications	15,765	16,000	16,000	16,000
Safety Control	<u>17,003</u>	<u>18,000</u>	<u>18,000</u>	<u>17,750</u>
	45,541	44,500	44,500	43,403
Contracted Services				
Professional Services - Other	0	5,240	5,240	5,470
Professional Services - Legal	<u>12,351</u>	<u>12,400</u>	<u>12,400</u>	<u>12,700</u>
	12,351	17,640	17,640	18,170
Other Expenses				
Travel	3,702	4,160	4,160	4,000
Training	<u>2,675</u>	<u>2,633</u>	<u>2,633</u>	<u>2,633</u>
	6,377	6,793	6,793	6,633
Capital Outlay	0	0	0	0
TOTAL	\$721,759	\$741,818	\$741,818	\$738,983

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	78,114
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			\$662,777
		Overtime		2,500
		Longevity		<u>5,500</u>
		TOTAL SALARIES		\$670,777

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 develop a new management development program to focus on ensuring that supervisors and managers are equipped with the tools needed to succeed in their roles.
- 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 audit services and processes to eliminate waste and to improve efficiencies and effectiveness of current services rendered.
- To continue to promote and maintain the financial stability of the Human Resources Department and the RCOC in general.
- To continue to focus on cost-savings especially in terms of healthcare costs.
- To apply for governmental subsidies of healthcare costs through the 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.
- To provide employees educational data and benefits communication tools to help them become better consumers of healthcare services and to help control escalating costs.

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.

We have also audited our healthcare benefits and reviewed plan re-designs in an effort to help control escalating costs. Benefits statements are being developed for dissemination during the second quarter of 2008. Performance measurement data will be reviewed quarterly in an attempt to assess the effectiveness of the improved communications.

SUMMARY OF BUDGET

The Human Resources' fiscal year 2008/09 budget reflects the effort to maintain a high level of service while coping with reduced revenues and rising costs. Overall, there was approximately a 15.5% decrease in the departmental budget from the current 2007/08 fiscal year budget. Although there were no reductions of budgeted positions, the decrease was achieved with cuts in all categories. The largest reductions of the department's budget are Seasonal/Contracted Agency personnel (9.5%), and Training (3.4%).

Department

Object Detail

Department: Human Resources

<u>Object</u>	<u>Actual</u> <u>2006/07</u>	<u>Estimated</u>		<u>Budget</u> <u>2008/09</u>
		<u>Beginning</u> <u>Budget</u> <u>2007/08</u>	<u>Amended</u> <u>Budget</u> <u>2007/08</u>	
Salaries (See Position-Salary Detail)	\$393,577	\$516,300	\$514,622	\$441,064
Employee Benefits				
OPEB-Medicare Actuarials	3,500	4,000	4,000	4,000
Medical Exams	<u>21,247</u>	<u>21,000</u>	<u>21,000</u>	<u>18,000</u>
	24,747	25,000	25,000	22,000
Supplies, Materials & Parts				
Stationery & Office Supplies	8,150	8,000	8,000	7,000
Books, Subscriptions & Publications	328	1,000	1,000	500
Membership Fees & Dues	<u>705</u>	<u>935</u>	<u>935</u>	<u>900</u>
	9,183	9,935	9,935	8,400
Contracted Services				
EDP Services	1,033	1,100	1,100	1,034
Labor Relations	74,888	71,500	71,500	70,000
Professional Services-Emp. Asst.	<u>24,464</u>	<u>32,000</u>	<u>32,000</u>	<u>27,000</u>
	100,385	104,600	104,600	98,034
Other Expenses				
Travel	1,780	5,480	5,480	5,480
Advertising	2,938	5,270	5,270	3,000
Training	<u>26,157</u>	<u>52,700</u>	<u>52,700</u>	<u>28,000</u>
	30,875	63,450	63,450	36,480
Capital Outlay	0	0	0	0
TOTAL	\$558,767	\$719,285	\$717,607	\$605,978

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	69,723
3	Human Resources Specialist	50,946	58,588	175,764
1	HRIS Coordinator	44,302	50,946	<u>46,627</u>
6	TOTAL			\$388,114
	Overtime			1,500
	Seasonal			50,000
	Longevity			1,450
	TOTAL SALARIES			\$441,064

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; for example, 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 RCOC 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 also provides in-house stock of commonly used supplies and parts for all departments and districts and strives to increase efficiency.

COD's fiscal year 2008/09 objectives are as follows:

- Rotational upgrade and replacement of fuel dispensing equipment.
- Continuation of the Energy Conservation Program which started after an energy audit in 2002.
- Pre-scheduling of equipment readiness for seasonal work.

ACHIEVEMENTS

COD has completed the following major projects:

- Installation of a Card Access System at all district garages.
- Installation of a new generator and switch gear at the PVR location.
- Installation of insulated window panels at the PVR location.

SUMMARY OF BUDGET

The Central Operations Department's fiscal year 2008/09 budget reflects the effort to maintain a high level of service while coping with reduced revenues and rising costs. Overall; there was approximately a 6.75% decrease in the departmental budget from current 2007/08 fiscal year budget. The decrease includes reductions of one salary position and two hourly positions. Although the fuel budget adds a 3.1% increase to the department's budget and Equipment Repairs adds another 1.3%, expenses were cut wherever possible. COD was able to reduce the department's budget 1% with a reduction of Utilities, and 7.6% with a reduction of Capital Outlay. Capital Outlay went from almost \$1 million to \$75,000.

Fuel costs continue to be a major pressure on the COD budget. Included in this budget year is an increase of 17.4% for fuel and oil.

Department

Object Detail

Department: Central Operations

<u>Object</u>	<u>Actual</u> <u>2006/07</u>	<u>Beginning</u> <u>Budget</u> <u>2007/08</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2007/08</u>	<u>Budget</u> <u>2008/09</u>
Salaries (See Position-Salary Detail)	\$3,520,753	\$4,006,598	\$4,006,598	\$3,840,442
Supplies, Materials & Parts				
Stationery & Office Supplies	17,956	18,000	18,000	14,925
Office Furniture/Equip (Non-Cap)	6,600	8,400	8,400	7,000
Parts, Supplies and Freight	1,950	3,000	3,000	2,000
Books, Subscriptions & Publications	292	550	550	200
Membership Fees & Dues	1,065	1,460	1,460	1,075
Janitor & Restroom Supplies	77,850	74,000	74,000	70,000
Safety Control Expense	13,135	10,000	10,000	10,000
Garage Expense	87,086	90,000	90,000	94,000
Vehicle Safety Improvement	1,086	6,000	6,000	2,000
Gas, Oil & Diesel Fuel	1,546,769	1,992,370	1,992,370	2,339,100
Small Tools (Garage & Road)	<u>59,567</u>	<u>61,000</u>	<u>61,000</u>	<u>40,000</u>
	1,813,356	2,264,780	2,264,780	2,580,300
Contracted Services				
Laundry Expense	32,548	35,000	35,000	35,000
EDP Services	0	1,000	1,000	500
Maintenance Contracts	23,183	22,000	22,000	22,000
Security Services	41,347	46,000	46,000	46,000
Fire Extinguisher Services	6,634	12,000	12,000	12,000
Car Washing	3,940	6,250	6,250	4,000
Disposal of Hazardous Waste	5,874	8,000	8,000	4,000
Workers' Comp-Self Insured Exp	<u>87,654</u>	<u>63,444</u>	<u>63,444</u>	<u>73,379</u>
	201,180	193,694	193,694	196,879

Department

Object Detail

Department: Central Operations (continued)

<u>Object</u>	<u>Actual</u> <u>2006/07</u>	<u>Beginning</u> <u>Budget</u> <u>2007/08</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2007/08</u>	<u>Budget</u> <u>2008/09</u>
Other Expenses				
Travel	906	4,900	4,900	3,000
Training	1,679	6,133	6,133	5,000
Maintenance Contracts Office Equip	<u>37,249</u>	<u>40,000</u>	<u>40,000</u>	<u>39,000</u>
	39,834	51,033	51,033	47,000
Utilities				
Electrical	245,807	270,000	270,000	200,000
Heat	169,594	250,000	250,000	257,500
Water	19,536	20,000	20,000	20,600
Telephone	<u>311,197</u>	<u>385,000</u>	<u>385,000</u>	<u>340,000</u>
	746,134	925,000	925,000	818,100
Repair/Maintenance				
Building Maintenance	444,952	443,000	497,147	412,500
Garage Equipment Repair	50,995	61,000	61,000	50,000
Grounds Maintenance	2,837	15,000	15,000	5,000
Repair to Fuel Equipment	5,242	25,000	25,000	36,703
Road and General Equipment Repair	<u>2,323,827</u>	<u>2,248,323</u>	<u>2,248,323</u>	<u>2,400,000</u>
	2,827,853	2,792,323	2,846,470	2,904,203
Capital Outlay				
Land	0	0	130,000	0
Land & Improvement	0	45,000	45,000	0
Buildings	69,532	410,000	855,005	0
Road Equipment	453,109	450,448	482,317	0
Shop Equipment	0	0	0	0
Storage Facilities	97,955	79,500	79,500	0
Office Equipment	<u>33,229</u>	<u>0</u>	<u>0</u>	<u>75,000</u>
	653,825	984,948	1,591,822	75,000
TOTAL	\$9,802,935	\$11,218,376	\$11,879,397	\$10,461,924

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	\$87,500
1	Fleet Manager	57,344	65,183	65,183
<u>1</u>	Secretary	38,779	42,050	<u>42,050</u>
3	TOTAL			\$194,733
	Overtime			5,000
	Longevity			1,400
	TOTAL SALARIES			\$201,133

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	\$67,665
1	Inventory Control Chief	47,493	56,504	56,504
2	Purchasing Agent	45,551	52,732	100,633
2	Account Clerk	38,779	42,050	84,100
1	Office Assistant	36,049	39,114	39,114
2	Storekeeper	46,166		92,332
4	Stock Clerk	44,224		176,896
<u>-1</u>	Reduction of Salary Position			<u>(46,400)</u>
12	TOTAL			\$570,844
		Overtime		15,000
		Longevity		7,000
				<hr/>
	TOTAL SALARIES & WAGES			\$592,844

Department

Position - Salary Detail

Department: Central Operations

District #6: Fleet Maintenance

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary Appropriation</u>
1	Equipment Repair Manager	\$58,913	\$65,183	\$59,696
1	Office Clerk	36,049	39,114	39,114
3	Skilled Foreman	55,196	57,824	172,809
32	Mechanic	50,592		1,618,944
1	Small Tool Engine Repair Mechanic	46,959		46,959
1	Tire Repair	45,477		45,477
2	Laborer II	42,992		85,984
<u>-1</u>	Reduction of Hourly Position			<u>(46,300)</u>
40	TOTAL			\$2,022,683
		Overtime		190,000
		Longevity		28,859
				<hr/>
	TOTAL SALARIES & WAGES			\$2,241,542

Department

Position - Salary Detail

Department: Central Operations

District #9: Buildings and Grounds

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary 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	57,603
1	Carpenter	50,592		50,592
1	Crew Leader	48,838		48,838
4	Building Maintenance Laborer	45,477		181,908
3	Watchman	44,224		132,672
4	Janitor	37,688		150,752
-1	Reduction of Hourly Position			<u>(46,300)</u>
15	TOTAL			\$685,833
		Overtime		99,600
		Longevity		19,490
				<u>\$804,923</u>
	TOTAL SALARIES & WAGES			\$804,923

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, it 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 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, which includes 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 contractors' 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 2008/09 are as follows:

- The 2008/09 Road Improvement Program (RIP) 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.
- The department is increasing 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 2008/09 RIP is funding for pavement data collection on approximately 1/3 of the paved primary road system and for bridge inspections and ratings on half of the RCOC type "B" bridges (bridges under 20 ft. in length). These ratings help us monitor the condition of the roads and bridges, individually and collectively, to define when and where resources should be spent to best maintain the integrity of the road system. The practice of the Federal Aid Committee which has traditionally allocated federal dollars to the roads in most desperate need of repair and widening is a challenge to applying Asset Management techniques.

ACHIEVEMENTS

Achievements in fiscal year 2007/08 include:

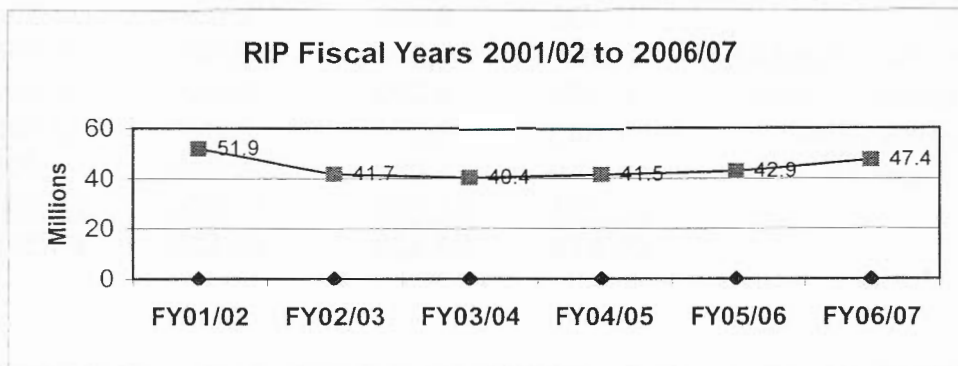
- All type "A" bridges (more than 20 ft long) were inspected.
- Pavement ratings were made on approximately 1/3 of the paved primary system.

ENGINEERING

ACHIEVEMENTS

(continued)

- Roundabout video, which gained national attention, was shown at TRB Roundabout conference.
- Significant Projects include:
 1. Benstein/Oakley Park-Bridge and intersection reconstruction
 2. Cass Lake Road bridge
 3. Walton Blvd-Opdyke to Squirrel (including I-75 bridge)
 4. Union Lake Road-Richardson Road to Cooley Lake Road
 5. 14 Mile at Farmington Road Roundabout
 6. Intersection widening at Sashabaw Road and Clarkston Road
 7. Overlay of 8 miles of roads in Lyon Township
 8. Walton Blvd-Clintonville to Sashabaw



SUMMARY OF BUDGET

The Engineering Department's fiscal year 2008/09 budget reflects the effort to maintain a high level of service while coping with reduced revenues and rising costs. Overall, there was approximately a 6.75% decrease in the departmental budget from the current 2007/08 fiscal year budget. The decrease includes reductions of three salary positions. Additionally, the decrease includes 1.5% from Overtime and 2.3% from Capital Outlay. Despite decreases, the RIP continues to be in excess of \$40 million.

Department

Object Detail

Department: Engineering

<u>Object</u>	<u>Actual</u> <u>2006/07</u>	<u>Beginning</u> <u>Budget</u> <u>2007/08</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2007/08</u>	<u>Budget</u> <u>2008/09</u>
Salaries (See Position-Salary Detail)	\$5,076,801	\$5,185,792	\$5,187,470	\$4,971,503
Supplies, Materials & Parts				
Stationery & Office Supplies	45,556	39,000	39,000	40,000
Office Furniture/Eq (Non-Cap)	3,981	750	750	3,000
Software (Non-Capital)	0	3,000	3,000	5,750
Parts & Supplies	7,420	8,000	8,000	7,200
Dept Equipment (Non-Capital)	2,461	9,000	9,000	5,750
Books, Subscriptions & Pubs.	6,089	5,000	5,000	5,500
Membership Fees & Dues	1,843	3,070	3,070	2,865
Safety Control Expense	3,154	4,000	4,000	3,500
Small Tools	<u>19,074</u>	<u>17,800</u>	<u>17,800</u>	<u>20,000</u>
	89,578	89,620	89,620	93,565
Contracted Services				
EDP Services	0	100	100	100
S.A.D. Projects Admin.	12,221	10,000	10,000	10,000
Professional Services	33,097	49,000	49,000	37,000
Workers' Comp-Self Insured Exp	<u>17,342</u>	<u>20,137</u>	<u>20,137</u>	<u>8,007</u>
	62,660	79,237	79,237	55,107
Other Expenses				
Travel	2,663	7,200	7,200	7,200
Training	15,762	22,333	32,333	22,300
Right-of-Way-Program (Non-Project)	<u>0</u>	<u>13,489</u>	<u>13,489</u>	<u>5,372</u>
	18,425	43,022	53,022	34,872

Department

Object Detail

Department: Engineering (continued)

<u>Object</u>	<u>Actual</u> <u>2006/07</u>	<u>Beginning</u> <u>Budget</u> <u>2007/08</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2007/08</u>	<u>Budget</u> <u>2008/09</u>
Capital Outlay				
Engineering Equipment	16,927	129,000	119,000	0
TOTAL	\$5,264,391	\$5,526,671	\$5,528,349	\$5,155,047

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			7,000
	Longevity			0
	TOTAL SALARIES			\$145,050

Department

Position - Salary Detail

Department: Engineering

Division: Right-of-Way

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary Appropriation</u>
1	Right-of-Way & Contracts Mgr	\$65,451	\$74,247	\$74,247
1	Attorney I	58,588	67,375	63,862
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	104,288
1	Engineering Technician II	41,575	48,077	48,077
1	Engineering Aide	40,396	44,585	44,585
1	Office Assistant	36,049	39,114	39,114
9	TOTAL			\$489,265
		Overtime		30,000
		Longevity		3,350
		TOTAL SALARIES		\$522,615

Department

Position - Salary Detail

Department: Engineering

Division: Subdivision Improvement & Development

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary</u>		<u>Salary Appropriation</u>
		<u>Minimum</u>	<u>Maximum</u>	
1	S.I.D. Supervisor	\$69,420	\$78,787	\$75,507
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	50,522
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	44,585
1	Office Assistant	36,049	39,114	39,114
-1	Reduction of Salary Position			<u>(46,400)</u>
12	TOTAL			\$638,173
			Overtime	100,500
			Longevity	10,750
			TOTAL SALARIES	\$749,423

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	\$78,318
3	Civil Engineer III	58,844	68,720	198,564
3	Civil Engineer II	50,053	58,003	161,376
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	41,910
1	Survey Assistant	32,955	35,726	35,726
<u>-1</u>	Reduction of Salary Position			<u>(46,400)</u>
15	TOTAL			\$814,460
		Overtime		110,000
		Longevity		10,650
		TOTAL SALARIES		\$935,110

Department

Position - Salary Detail

Department: Engineering

Division: Construction & Testing

<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	Construction Engineer	\$69,420	\$78,787	\$78,787
4	Civil Engineer III	58,844	68,720	269,704
1	Civil Engineer II	50,053	58,003	58,003
2	Engineering Inspector III	47,493	56,504	108,700
3	Survey Crew Chief	47,493	56,504	161,129
1	Utilities Coordinator	45,551	52,732	52,732
19	Engineering Inspector I/II	40,396	48,077	909,971
2	Engineering Aide	40,396	44,585	89,170
3	Instrument Operator	40,396	44,585	129,743
1	Office Assistant	36,049	39,114	39,114
1	Survey Assistant	32,955	35,726	<u>35,726</u>
38	TOTAL			\$1,932,779
		Overtime		400,000
		Longevity		24,381
		TOTAL SALARIES		\$2,357,160

Department

Position - Salary Detail

Department: Engineering

Division: Programming

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary 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	50,053	58,003	52,666
1	Engineering Technician II	41,575	48,077	48,077
1	Engineering Aide	40,396	44,585	44,585
<u>-1</u>	Reduction of Salary Position			<u>(46,400)</u>
4	TOTAL			\$241,895
		Overtime		18,000
		Longevity		2,250
		TOTAL SALARIES		\$262,145

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:

- Complete Context Sensitive Solutions Plan.
- Update and revise Master ROW Plan with endorsements from all cities, villages and townships.
- Create Pilot Plan and Map for Congestion Management Plan.
- Integrate data collection with GIS mapping for Asset Management Plan.
- Supply congressmen with project requests for 2010 budget appropriation earmarks.
- Present research papers at state and national conferences.
- Create RCOC road project databank or library in FileBound.
- 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 FileBound Electronic Document System (EDMS) Phase II and III for two new departments.
- Upgrade JDE servers for improved speed and capacity.
- Install personal computers.

ACHIEVEMENTS

The Planning and Development team achieved a number of milestones in fiscal year 2007/08, including the following:

- Installed personal computers for 24 users.
- Added server disk space for Beverly Hills and PVR Locations.
- Installed Internet Explorer 7.0 for all TCAT users.
- Replaced WAN hubs and routers for greater speed and efficiency.
- Reviewed proposal and purchased new CityWorks software for the DCS and Highway Maintenance departments.
- Advanced the implementation of the Document Management System to Purchasing and Finance departments.

PLANNING AND DEVELOPMENT

SUMMARY OF BUDGET

The fiscal year 2008/09 Planning and Development budget reflects the effort to maintain a high level of service while coping with reduced revenues and rising costs. Overall, there was approximately a 2.4% increase in the departmental budget from the current 2007/08 fiscal year budget. Wages decrease the budget almost 6%, which includes the reduction of one salary position, and there are reductions for Training, Computers, Software and Computer Supplies. However, Professional Services adds 10.5% to the department budget, of which a large portion is for implementation of new software for the DCS and Highway Maintenance departments.

Department

Object Detail

Department: Planning & Development

<u>Object</u>	<u>Actual</u> <u>2006/07</u>	<u>Beginning</u> <u>Budget</u> <u>2007/08</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2007/08</u>	<u>Budget</u> <u>2008/09</u>
Salaries (See Position-Salary Detail)	\$637,061	\$708,212	\$708,212	\$636,605
Supplies, Materials & Parts				
Stationery & Office Supplies	8,937	8,900	8,900	8,900
Computers (Non-Capital)	25,509	48,200	54,200	31,700
Software (Non-Capital)	28,649	2,000	3,200	1,000
Books, Subscriptions & Publications	628	500	500	700
Membership Fees & Dues	480	3,670	3,670	3,720
Data Processing Supplies	<u>6,701</u>	<u>10,856</u>	<u>10,856</u>	<u>7,269</u>
	70,904	74,126	81,326	53,289
Contracted Services				
EDP Services	235,027	235,465	235,465	294,965
Professional Services	<u>150,100</u>	<u>139,000</u>	<u>141,000</u>	<u>208,070</u>
	385,127	374,465	376,465	503,035
Other Expenses				
Travel	1,574	2,400	2,400	4,600
Training	<u>18,025</u>	<u>33,200</u>	<u>33,200</u>	<u>20,400</u>
	19,599	35,600	35,600	25,000
Capital Outlay				
Office Equipment	15,977	5,000	200,000	11,000
TOTAL	\$1,128,668	\$1,197,403	\$1,401,603	\$1,228,929

Department

Position - Salary Detail

Department: Planning and Development

<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 Planning & Development	\$72,600	\$96,000	\$84,050
1	Transportation Planning Coordinator	69,420	78,787	78,787
1	Planner III	57,344	65,183	61,263
1	Information Systems Supervisor	61,484	76,898	76,898
2	Planner II	50,053	58,003	110,669
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
1	Information Systems Clerk	38,779	42,050	42,050
<u>-1</u>	Reduction of Salary Position			<u>(46,400)</u>
10	TOTAL			\$618,105
		Overtime		14,000
		Longevity		4,500
				<hr/>
		TOTAL SALARIES		\$636,605

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 the operating districts that are responsible for installing and maintaining the traffic signs, traffic signals, 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), which uses the Autoscope video detection system, and staffing of the Traffic Operation Center. The division also does inspections for contractor signal work and designs/layouts for all electrical devices.

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 1,500 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 including the Vehicle Infrastructure Integration (VII) program. 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.
- Begin to adjust school zone signage and legends to become in compliance with latest MMUTCD.
- Develop a sign management process that is in compliance with the new reflectivity standards mandated by FHWA.
- Develop databases and software to better organize and track pavement markings, legends, and traffic control orders.
- Update the annual safety review.

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.
- 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.

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).

Another big cost savings is the switch to retro reflective case signs which eliminates the electricity required for the traditional internal illumination. This saves an average of over \$200 per intersection per year.

RCOC now has installed over 100 box span signals which put signal heads on the far side of the intersection from the stop bar as opposed to the traditional diagonal spans where signal heads are in the middle of the intersection. This provides greater safety for our crews and improved visibility and, hence, improved safety for motorists as well.

Department

TRAFFIC SAFETY

ACHIEVEMENTS (continued)

Traffic Safety has successfully tested wireless communication to SCATS signals on three corridors. Traffic Safety has begun developing an overall communications plan to start implementing the new communications system.

	<u>FY2006-07</u>	<u>FY2007-08</u>	<u>Budgeted FY2008-09</u>
Traffic Signal Installations (including flashers)	5	5	4
Traffic Signal Modernization (Including installations under jurisdictions of other agencies plus other electrical devices)	10	10	7
Traffic Signals Maintained	1,470	1,485	1,500
Traffic Sign Maintenance	17,500	17,336	17,336
Guardrail (feet)	7,000	7,500	5,000

SUMMARY OF BUDGET

Traffic Safety's fiscal year 2008/09 budget reflects the effort to maintain a high level of service while coping with reduced revenues and rising costs. Overall, there was approximately a 5.4% decrease in the departmental budget from the current 2007/08 fiscal year budget. The decrease includes reductions of three hourly positions and one salary position. Once again, travel and training were minimized. Also, wherever possible, contracted services were reduced or eliminated. Capital outlay adds 3.1% to the budget for replacement of equipment in very poor condition.

Department

Object Detail

Department: Traffic Safety

<u>Object</u>	<u>Actual</u> <u>2006/07</u>	<u>Beginning</u> <u>Budget</u> <u>2007/08</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2007/08</u>	<u>Budget</u> <u>2008/09</u>
Salaries (See Position-Salary Detail)	\$5,300,267	\$5,839,015	\$5,839,015	\$5,629,451
Supplies, Materials & Parts				
Stationery & Office Supplies	30,650	24,000	24,000	24,000
Office Furniture/Equip (Non-Cap)	4,139	6,154	6,154	0
Software (Non-Capital)	600	4,600	9,690	600
Parts & Supplies	398	1,025	1,025	1,025
Dept Equipment (Non-Cap)	7,942	4,800	39,347	0
Books, Subscriptions & Publications	134	1,000	1,000	500
Membership Fees & Dues	3,580	4,100	4,100	4,100
Safety Control Expense	33,761	27,000	27,000	27,000
Materials-Electric Install/Modernize	667,592	1,084,863	1,265,413	956,560
Signs & Materials	396,650	368,550	368,550	387,000
Guardrail & Misc.	182,366	218,400	218,400	210,000
Attenuator	103,369	162,225	162,225	150,000
Other Road Materials	1,767	3,000	3,000	2,500
Small Tools	<u>42,050</u>	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>
	1,474,998	1,954,717	2,174,904	1,808,285
Contracted Services				
EDP Services	0	1,000	1,000	500
Maintenance Contracts	1,907,383	2,234,396	3,321,947	1,915,423
Outside Equipment Rental	0	48,000	46,578	20,000
Disposal of Hazardous Waste	0	500	500	500
Worker's Comp-Self Insured Exp	<u>20,377</u>	<u>60,530</u>	<u>60,530</u>	<u>50,883</u>
	1,927,760	2,344,426	3,430,555	1,987,306
Other Expenses				
Travel	8,136	10,170	10,170	9,670
Training	17,470	10,500	13,022	10,000
Special Training - District 8	<u>2,650</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>
	28,256	26,670	29,192	25,670

Department

Object Detail

Department: Traffic Safety (continued)

<u>Object</u>	<u>Actual</u> <u>2006/07</u>	<u>Beginning</u> <u>Budget</u> <u>2007/08</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2007/08</u>	<u>Budget</u> <u>2008/09</u>
Utilities				
Street Lighting Utilities	19,668	20,770	20,770	21,400
Traffic Signal Utilities	818,374	883,570	883,570	885,000
Communications	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	838,042	904,340	904,340	906,400
Repair/Maintenance				
Radio Communication & Repair	8,994	10,000	10,000	10,000
Road & General Equipment Repair	<u>2,967</u>	<u>9,000</u>	<u>9,000</u>	<u>5,000</u>
	11,961	19,000	19,000	15,000
Capital Outlay				
Road Equipment	597,371	92,423	86,233	398,536
Shop Equipment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	597,371	92,423	86,233	398,536
TOTAL	\$10,178,655	\$11,180,591	\$12,483,239	\$10,770,648

Department

Position - Salary Detail

Department: Traffic Safety

Division: Office of Director

<u>Authorized</u> <u>Positions</u>	<u>Classification</u>	<u>Salary</u>		<u>Salary</u> <u>Appropriation</u>
		<u>Minimum</u>	<u>Maximum</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
		Longevity		1,800
				<u> </u>
		TOTAL SALARIES		\$200,490

Department

Position - Salary Detail

Department: Traffic Safety

Division: Traffic Engineering

<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	Traffic Engineer	\$69,420	\$78,787	\$76,913
2	Civil Engineer III	58,844	68,720	137,440
1	Engineering Technician III	47,493	56,504	56,504
1	Civil Engineer II	50,053	58,003	58,003
1	Traffic Operations Tech	45,551	52,732	52,732
5	Engineering Technician II	41,575	48,077	240,385
-1	Reduction of Salary Position			<u>(46,400)</u>
10	TOTAL			\$575,577
			Overtime	70,000
			Longevity	10,100
			TOTAL SALARIES	\$655,677

Department

Position - Salary Detail

Department: Traffic Safety

Division: Signal System Division

<u>Authorized</u> <u>Positions</u>	<u>Classification</u>	<u>Salary</u>		<u>Salary</u> <u>Appropriation</u>
		<u>Minimum</u>	<u>Maximum</u>	
1	Signal Systems Engineer	\$69,420	\$81,106	\$74,572
2	Civil Engineer III	58,844	71,091	131,874
3	Civil Engineer II	50,053	58,003	168,673
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 I/II	41,575	52,732	153,365
<u>1</u>	Account Clerk	38,779	42,050	<u>42,050</u>
13	TOTAL			\$732,254
		Overtime		86,000
		Longevity		4,950
		TOTAL SALARIES		\$823,204

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	\$61,261
1	Office Clerk	36,049	39,114	39,114
3	Foreman	53,119	55,645	166,935
3	Auger Operator	48,838		146,514
8	Sign Truck Driver	46,166		369,328
1	Special Traffic Counts	46,166		46,166
1	Sign Fabricator	46,166		46,166
3	Guardrail Installer	45,477		136,431
2	Traffic Counter	45,477		90,954
1	Asst. Sign Fabricator	45,477		45,477
1	Street Sign Fabricator	45,477		45,477
14	Laborer II	42,992		601,888
<u>-2</u>	Reduction of Hourly Position			<u>(92,600)</u>
37	TOTAL			\$1,703,111
			Overtime	158,000
			Longevity	33,032
			Winter Maintenance Transfer	(31,364)
				<hr/>
	TOTAL SALARIES & WAGES			\$1,862,779

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	* \$69,183
1	Office Clerk	36,049	39,114	39,114
3	Skilled Foreman	54,985	57,603	172,809
2	Solid State Electrician	54,100		108,200
22	Electrician	45,477	54,100	1,100,938
1	Radio Repairman	50,592		50,592
2	Underground Laborer	45,477		90,954
<u>-1</u>	Reduction of Hourly Position			<u>(46,300)</u>
31	TOTAL			\$1,585,490
			Overtime	300,000
			Longevity	24,087
			Summer Transfer	209,088
			Winter Maintenance Transfer	(31,364)
				<hr/>
	TOTAL SALARIES & WAGES			\$2,087,301

*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 regulations.
- 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 right-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

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. We are exploring the use of P.D.A.'s and other electronics to reduce costs and improve response. Major projects include the Martin Parkway and major projects by Detroit Water and Sewer. 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. We are becoming more involved in the billing process to improve cost recovery.

PERMITS AND ENVIRONMENTAL CONCERNS

ACHIEVEMENTS

Permit fee schedules have been updated to increase cost recovery rates. We are assisting in preparing billings for permit work. The Martin Parkway project has begun and review of Detroit Water and Sewer Department plans will be completed.

SUMMARY OF BUDGET

Permits and Environmental Concerns' fiscal year 2008/09 budget reflects the effort to maintain a high level of service while coping with reduced revenues and rising costs. Overall, there was approximately a 3.5% decrease in the departmental budget from the current 2007/08 fiscal year budget. The decrease was achieved primarily by the reduction of one salary position.

Department

Object Detail

Department: Permits & Environmental Concerns

<u>Object</u>	<u>Actual</u> <u>2006/07</u>	<u>Beginning</u> <u>Budget</u> <u>2007/08</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2007/08</u>	<u>Budget</u> <u>2008/09</u>
Salaries				
(See Position-Salary Detail)	\$1,057,187	\$1,142,750	\$1,142,750	\$1,101,208
Supplies, Materials & Parts				
Stationery & Office Supplies	13,803	15,000	15,000	14,000
Dept Equipment (Non-Capital)	5,083	1,700	1,700	0
Books, Subscriptions & Publications	544	510	510	510
Membership Fees & Dues	50	360	360	360
Safety Control Expense	98	800	800	500
Uniform Expense	799	850	850	850
Adopt-A-Road	2,927	2,223	2,223	2,223
Small Tools	<u>1,411</u>	<u>1,500</u>	<u>1,500</u>	<u>800</u>
	24,715	22,943	22,943	19,243
Contracted Services				
Maintenance Contracts	34,706	38,920	38,920	37,200
Map & Brochure Printing	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000</u>
	34,706	38,920	38,920	42,200
Other Expenses				
Travel	1,598	1,800	1,800	1,800
Training	<u>879</u>	<u>1,750</u>	<u>1,750</u>	<u>1,500</u>
	2,477	3,550	3,550	3,300

Department

Object Detail

Department: Permits & Environmental Concerns (continued)

<u>Object</u>	<u>Actual</u> <u>2006/07</u>	<u>Beginning</u> <u>Budget</u> <u>2007/08</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2007/08</u>	<u>Budget</u> <u>2008/09</u>
Capital Outlay				
Road Equipment	0	0	0	0
TOTAL	\$1,119,085	\$1,208,163	\$1,208,163	\$1,165,951

Department

Position - Salary Detail

Department: Permits and Environmental Concerns

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary Appropriation</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	50,053	58,003	54,001
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	48,077
1	Weighmaster	41,575	48,077	48,077
1	Secretary	38,779	42,050	42,050
2	Office Clerk	36,049	39,114	78,228
<u>-1</u>	Reduction of Salary Position			<u>(46,400)</u>
19	TOTAL			\$1,021,500
			Overtime	65,000
			Longevity	14,708
			TOTAL SALARIES	\$1,101,208

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 (hauled 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:

	2007/08 As Bid. <u>Cost/Unit</u>	2007/08 Est. <u>Total Cost</u>	2008/09 Est. <u>Cost/Unit</u>	2008/09 Est. <u>Total Cost</u>
Gravel Delivered	7.01	127,813	8.00	166,224
Gravel at Pit	5.16	345,034	6.00	371,850
Hot Mix	40.05	284,957	44.00	281,556
Cold Patch	69.75	151,985	77.25	170,800
Salt	26.38	2,374,200	33.19	2,987,100
Sand	15.50	184,125	17.00	194,548
RAP	9.07	662,337	10.00	677,070
Slag	11.26	104,966	12.50	105,788
Culvert	6.99	44,037	8.48	57,664

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.
- Review performance standards to improve reporting consistency among the districts.
- Schedule computer training classes for district supervisors and employees to provide important background information regarding new methods and/or materials that can assist RCOC in becoming a more efficient organization.

HIGHWAY MAINTENANCE

ACHIEVEMENTS

The Maintenance Department continued to utilize the SEMSIM system with over 130 trucks equipped county wide. RCOC is reviewing snow removal efforts after a snow event. It is being used as a monitoring and a teaching tool. The use of SEMSIM has been expanded into non-winter activities. Some such activities would include pothole patching and litter pick up.

The Maintenance Department has continued its evaluation of anti-icing and de-icing procedures. In 2008 RCOC revisited using the natural brine without any additive. With the newer equipment and technology, RCOC wanted to review the need for the additive. The Maintenance Department will continue to review and expand its use of liquid brine for use during winter activities.

SUMMARY OF BUDGET

Highway Maintenance's fiscal year 2008/09 budget reflects the effort to maintain a high level of service while coping with reduced revenues and rising costs. Overall, there was approximately a 9% decrease in the departmental budget from the current 2007/08 fiscal year budget before the 4.9% increase for winter maintenance overages. The decrease includes reductions of six hourly positions and two salary positions, about 2% of the budget decrease. Contracted Services contributed another 2% to the decrease, and Capital Outlay, which was reduced almost \$1 million from the fiscal year 2007/08 budget, accounts for 4.4% of the decrease.

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 aggregate material costs alone. These increased costs 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.

The Maintenance Department will focus on routine maintenance work and 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>2006/07</u>	<u>Beginning</u> <u>Budget</u> <u>2007/08</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2007/08</u>	<u>Budget</u> <u>2008/09</u>
Salaries				
(See Position-Salary Detail)	\$10,943,942	\$11,829,008	\$12,409,008	\$11,363,084
Supplies, Materials & Parts				
Stationery & Office Supplies	26,370	35,000	35,000	30,000
Office Furniture/Eq (Non-Cap)	600	0	0	0
Dept Equipment (Non-Cap)	8,680	0	0	0
Parts, Supplies & Freight	1,323	2,000	2,000	2,000
Books, Subscriptions & Pub.	0	250	250	100
Membership Fees & Dues	264	900	900	900
Safety Control Expense	46,692	55,000	55,000	50,000
Brine Well	136,893	175,500	175,500	180,760
Barricades	3,900	15,000	15,000	10,000
Gravel & Slag	775,538	1,307,625	1,804,171	1,316,932
Patching Material	726,399	477,233	567,178	453,581
Salt, Sand & Chloride	2,167,799	2,569,966	2,996,061	3,181,648
Signs & Materials	2,194	252,000	252,000	12,000
Other Road Materials	274,264	266,976	266,976	275,000
Small Tools - Road	<u>41,814</u>	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>
	4,212,730	5,202,450	6,215,036	5,557,921
Contracted Services				
Maintenance Contracts	1,884,124	966,238	1,815,940	602,754
Prof Services-Other	0	0	0	0
Weather Forecast Service	13,697	20,000	20,000	20,000
Outside Equipment Rental	39,176	150,000	235,823	125,000
Local Maintenance Contracts	1,166,605	1,161,002	1,161,002	1,205,843
Disposal of Hazardous Waste	80,471	60,000	60,000	60,000
Workers' Comp Self-Ins Exp	<u>217,133</u>	<u>262,265</u>	<u>262,265</u>	<u>259,196</u>
	3,401,206	2,619,505	3,555,030	2,272,793

Department

Object Detail

Department: Highway Maintenance (continued)

<u>Object</u>	<u>Actual 2006/07</u>	<u>Beginning Budget 2007/08</u>	<u>Estimated Amended Budget 2007/08</u>	<u>Budget 2008/09</u>
Other Expenses				
Travel	4,620	5,280	5,280	5,280
Training	<u>12,500</u>	<u>19,500</u>	<u>19,500</u>	<u>15,783</u>
	17,120	24,780	24,780	21,063
Repair/Maintenance				
Small Equipment Repairs	148	1,000	1,000	1,000
Capital Outlay				
Road Equipment	3,432,620	2,202,500	2,443,141	1,215,638
Brine Well	<u>0</u>	<u>0</u>	<u>854,000</u>	<u>0</u>
	3,432,620	2,202,500	3,297,141	1,215,638
TOTAL	\$22,007,766	\$21,879,243	\$25,501,995	\$20,431,499

Department

Position - Salary Detail

Department: Highway Maintenance

Division: Office of 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 Highway Maintenance	\$78,000	\$103,300	\$103,300
1	Maintenance Operations Engineer	69,420	78,787	78,318
1	Civil Engineer III	58,844	68,720	67,820
1	Contract Admn/Forestry	57,344	65,183	65,183
1	Foreman	53,119	55,645	55,645
2	Equipment Instructor	48,023	55,640	111,280
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
1	Account Clerk	38,779	42,050	42,050
<u>-1</u>	Reduction of Salary Position			<u>(57,800)</u>
10	TOTAL			\$611,563
		Overtime		40,000
		Longevity		<u>17,233</u>
		TOTAL SALARIES		\$668,796

Department

Position - Salary Detail

Department: Highway Maintenance

District #1: Milford

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary Appropriation</u>
1	District Superintendent	\$58,913	\$65,183	\$65,183
1	District Clerk	36,049	39,114	39,114
3	Foreman	53,119	55,645	166,935
1	Crew Leader	48,838		48,838
1	Forestry Crew Leader	48,838		48,838
5	Grader Operator	46,166		230,830
2	Tree Trimmer	46,166		92,332
1	Shovel/Patchmaster Operator	46,166		46,166
4	Float Operator	45,477		181,908
9	Tandem Float Driver	45,477		409,293
1	Tire Repair	45,477		45,477
1	Shoulder Maintainer	45,477		45,477
1	Loader Operator	45,477		45,477
3	Tractor Semi-Driver	45,477		136,431
1	Skilled Laborer I	45,477		45,477
1	Vactor Operator	45,477		45,477
1	Grade Person	44,224		44,224
2	Laborer II	42,992		85,984
<u>-1</u>	Reduction of Hourly Position			<u>(46,300)</u>
38	TOTAL			\$1,777,161
			Overtime	242,557
			Longevity	23,715
			Winter Maintenance Transfer	<u>(31,364)</u>
	TOTAL SALARIES & WAGES			\$2,012,069

Department

Position - Salary Detail

Department: Highway Maintenance

District #2: Davisburg

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary Appropriation</u>
1	District Superintendent	\$58,913	\$65,183	\$65,183
1	District Clerk	36,049	39,114	39,114
3	Foreman	53,119	55,645	166,935
1	Crew Leader	48,838		48,838
1	Forestry Crew Leader	48,838		48,838
6	Grader Operator	46,166		276,996
2	Tree Trimmer	46,166		92,332
1	Shovel/Patchmaster Operator	46,166		46,166
1	Float Operator	45,477		45,477
12	Tandem Float Driver	45,477		545,724
1	Tire Repair	45,477		45,477
1	Shoulder Maintainer	45,477		45,477
1	Loader Operator	45,477		45,477
2	Tractor Semi-Driver	45,477		90,954
1	Vactor Operator	45,477		45,477
1	Grade Person	44,224		44,224
2	Laborer II	42,992		85,984
-1	Reduction of Hourly Position			<u>(46,300)</u>
37	TOTAL			\$1,732,373
			Overtime	212,534
			Longevity	31,180
			Winter Maintenance Transfer	<u>(31,364)</u>
	TOTAL SALARIES & WAGES			\$1,944,723

Department

Position - Salary Detail

Department: Highway Maintenance

District #3: Lake Orion

<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	53,119	55,645	166,935
1	Crew Leader	48,838		48,838
1	Forestry Crew Leader	48,838		48,838
6	Grader Operator	46,166		276,996
2	Tree Trimmer	46,166		92,332
1	Shovel/Patchmaster Operator	46,166		46,166
2	Float Operator	45,477		90,954
10	Tandem Float Driver	45,477		454,770
1	Tire Repair	45,477		45,477
1	Loader Operator	45,477		45,477
2	Tractor Semi-Driver	45,477		90,954
1	Vactor Operator	45,477		45,477
1	Shoulder Maintainer	45,477		45,477
1	Grade Person	44,224		44,224
2	Laborer II	42,992		85,984
<u>-1</u>	Reduction of Hourly Position			<u>(46,300)</u>
36	TOTAL			\$1,686,896
		Overtime		215,816
		Longevity		49,107
		Winter Maintenance Transfer		<u>(31,364)</u>
	TOTAL SALARIES & WAGES			\$1,920,455

Department

Position - Salary Detail

Department: Highway Maintenance

District #4: Waterford

<u>Authorized</u> <u>Positions</u>	<u>Classification</u>	<u>Salary</u>		<u>Salary</u> <u>Appropriation</u>
		<u>Minimum</u>	<u>Maximum</u>	
1	District Superintendent	\$58,913	\$65,183	\$65,183
1	District Clerk	36,049	39,114	39,114
4	Foreman	53,119	55,645	222,580
1	Forestry Crew Leader	48,838		48,838
2	Tree Trimmer	46,166		92,332
2	Grader Operator	46,166		92,332
2	Shovel/Patchmaster Operator	46,166		92,332
4	Float Operator	45,477		181,908
1	Loader Operator	45,477		45,477
2	Skilled Laborer I	45,477		90,954
1	Shoulder Maintainer	45,477		45,477
15	Tandem Float Driver	45,477		682,155
1	Vactor Operator	45,477		45,477
2	Grade Person	44,224		88,448
5	Laborer II	42,992		214,960
-1	Reduction of Salary Position			(57,800)
-1	Reduction of Hourly Position			<u>(46,300)</u>
42	TOTAL			\$1,943,467
			Overtime	228,455
			Longevity	15,865
			Summer Transfer	(125,453)
	Winter Maintenance/Alternate Shift Premium			<u>(31,364)</u>
	TOTAL SALARIES & WAGES			\$2,030,970

Department

Position - Salary Detail

Department: Highway Maintenance

District #4S: Southfield

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary Appropriation</u>
1	District Superintendent	\$58,913	\$65,183	\$65,183
1	District Clerk	36,049	39,114	39,114
2	Foreman	53,119	55,645	111,290
1	Shovel/Patchmaster Operator	46,166		46,166
4	Float Operator	45,477		181,908
1	Skilled Laborer I	45,477		45,477
1	Shoulder Maintainer	45,477		45,477
1	Loader Operator	45,477		45,477
9	Tandem Float Driver	45,477		409,293
1	Tire Repair	45,477		45,477
1	Vactor Operator	45,477		45,477
1	Grade Person	44,224		44,224
3	Laborer II	42,992		128,976
<u>-1</u>	Reduction of Hourly Position			<u>(46,300)</u>
26	TOTAL			\$1,207,239
			Overtime	189,739
			Longevity	8,750
			Summer Transfer	(83,635)
	Winter Maintenance/Alternate Shift Premium			<u>78,410</u>
	TOTAL SALARIES & WAGES			\$1,400,503

Department

Position - Salary Detail

Department: Highway Maintenance

District #4T: Troy

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary Appropriation</u>
1	District Superintendent	\$58,913	\$65,183	\$65,183
1	District Clerk	36,049	39,114	39,114
2	Foreman	53,119	55,645	111,290
1	Shovel/Patchmaster Operator	46,166		46,166
4	Float Operator	45,477		181,908
2	Skilled Laborer I	45,477		90,954
7	Tandem Float Driver	45,477		318,339
1	Loader Operator	45,477		45,477
1	Tire Repair	45,477		45,477
1	Vactor Operator	45,477		45,477
1	Shoulder Maintainer	45,477		45,477
2	Laborer II	42,992		85,984
-1	Reduction of Hourly Position			<u>(46,300)</u>
23	TOTAL			\$1,074,546
			Overtime	183,835
			Longevity	17,413
	Winter Maintenance/Alternate Shift Premium			<u>109,774</u>
	TOTAL SALARIES & WAGES			\$1,385,568

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, prescription drugs, retirement, social security, unemployment insurance, workers' compensation sick leave, Wellness Program, and Flexible Spending 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.

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.

Non-Departmental

Other Expenses (continued)

Attrition: The estimated amount of budgeted salaries and benefits that will not be expended. This total normally represents the annual amount related to the normal process of filling position vacancies. The fiscal year 2008/09 budget also includes a reduction for fringe benefits related to the reduction of 22 positions through attrition.

Debt Service

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

SUMMARY OF BUDGET

The Non-Departmental fiscal year 2008/09 budget reflects the effort to maintain a high level of service while coping with reduced revenues and rising costs. Overall, there was a 9.1% decrease in the Non-Departmental budget from the current 2007/08 fiscal year budget. RCOC held or cut costs whenever possible. However, employee benefits without OPEB (Other Post Employment Benefits) increased the department total by 3.8%. Hospitalization and Prescription costs were 3% of the 3.8% increase. The overall decrease was achieved by cutting funding for OPEB from \$3 million to \$1 million and increasing the attrition reduction for benefits related to 22 budgeted positions not being filled.

Non-Departmental

Object Detail

Department: Non-Departmental

Object	Actual 2006/07	Beginning Budget 2007/08	Estimated Amended Budget 2007/08	Budget 2008/09
Employee Benefits				
Social Security	\$2,246,934	\$2,450,000	\$2,450,000	\$2,500,000
Sick Leave Redemption	133,249	130,000	130,000	130,000
Dental Insurance Self-Insured Exp	524,500	510,000	510,000	530,000
Hospitalization Self-Insured Exp	6,281,584	6,000,000	6,000,000	6,400,000
Vision Care	71,723	80,000	80,000	80,000
Major Medical Insurance	102,648	0	0	0
Prescription Drugs Self-Insured Exp	3,213,172	3,080,000	3,080,000	3,388,000
Hospitalization Opt Out	31,600	20,000	20,000	66,400
Post Employment Benefits-Emp Contrib	1,325,000	3,000,000	3,000,000	1,000,000
Life Insurance	156,267	170,000	170,000	173,000
Retirement-Employer Contribution	3,360,100	3,100,000	3,100,000	3,100,000
Workers' Compensation	100,000	100,000	100,000	110,000
Service Fees (Workers' Comp)	42,646	52,000	52,000	52,000
Workers' Compensation Self-Insured Exp	573,238	355,980	355,980	400,000
Loss Control Services	60,000	60,000	60,000	60,000
Unemployment Insurance	27,638	20,000	20,000	30,000
Annual Physical/Wellness Program	35,776	25,000	25,000	25,000
Flex Spending Account (FSA) Admin	0	30,000	30,000	32,400
	18,286,075	19,182,980	19,182,980	18,076,800
Supplies, Materials & Parts				
Membership Fees & Dues	77,005	70,000	70,000	75,000
First Aid Supplies	6,506	6,500	6,500	7,000
Other Administration Expense	0	0	0	0
Inventory Adjustment	161,895	150,000	150,000	150,000
	245,406	226,500	226,500	232,000
Other Expenses				
Agency Travel/Training	8,079	20,000	22,720	20,000
Buildings & Contents Insurance	180,000	185,000	185,000	185,000
Fleet Liability Insurance	171,777	225,000	225,000	200,000
Fiduciary & Performance Bond	16,000	16,000	16,000	16,000
Public Officials & Employees	166,790	175,000	175,000	150,000
General Liability Insurance	499,807	500,000	500,000	500,000
General Liability Self-Insured Exp	57,593	1,100,000	1,100,000	1,000,000
Service Fees (General Liability)	31,840	30,000	30,000	30,000
Special Risk Liability Self-Insured Exp	132,586	150,000	150,000	150,000
Broker's Fees	159,787	160,000	160,000	160,000

Non-Departmental

Object Detail

Department: Non-Departmental (continued)

<u>Object</u>	<u>Actual</u> <u>2006/07</u>	<u>Beginning</u> <u>Budget</u> <u>2007/08</u>	<u>Estimated</u> <u>Amended</u> <u>Budget</u> <u>2007/08</u>	<u>Budget</u> <u>2008/09</u>
Other Expenses (continued)				
Loss Control Services - GL	20,000	20,000	20,000	20,000
Drug/Alcohol Testing	7,948	11,000	11,000	11,000
Road Commission Contingency	0	505,294	505,294	480,000
Personnel Turnover-Attrition	<u>0</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>(1,304,392)</u>
	1,452,207	2,597,294	2,600,014	1,617,608
Debt Service				
Debt Service	1,467,698	1,419,210	1,419,210	1,370,479
Bond Payment Fees & Issue Cost	<u>350</u>	<u>1,000</u>	<u>1,000</u>	<u>500</u>
	1,468,048	1,420,210	1,420,210	1,370,979
 NON-DEPARTMENTAL TOTAL	 \$21,451,736	 \$23,426,984	 \$23,429,704	 \$21,297,387

SEMSIM Program

Summary of SEMSIM Program

Fiscal Year Ending September 30, 2009

Revenue

Federal Revenue	\$125,000
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Total Revenue	\$125,000
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Project Expenses	\$125,000
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Total Expenditures	\$125,000
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Signal Projects

Summary of Signal Projects

Fiscal Year Ending September 30, 2009

Revenue

Federal Revenue	\$ 2,197,308
MTF and Other RCOC Funding	812,308
Local Contribution	100,000
Total Revenue	\$3,109,616

Expenditures

Materials	\$ 1,575,000
Contractor Payments	284,616
Utilities	650,000
Labor and Equipment	600,000
Total Expenditures	\$3,109,616

Special Assessment Fund

Estimated Budget of Revenue, Expenditures and Change in Fund Balance

Fiscal Year Ending September 30, 2009

Revenue

Revenue from Assessment Rolls	\$2,487,000
Road Fund Contribution Net Underassessment	25,000
Interest on Assessment Rolls	250,000
Interest on Investments	100,000
Total Revenue	\$2,862,000

Expenditures

Construction:	
Contractor Payments	\$3,656,000
Engineering & Administration	600,000
Principal Payment on Debt	1,233,492
Interest on Debt	194,841
Refunds of Overassessments to Participants - - Net	50,000
Note Payment Fees & Issue Costs	1,000
Total Expenditures	\$5,735,333

Revenue Over/(Under) Expenditures	(\$2,873,333)
Fund Balance at September 30, 2008	4,409,588
Fund Balance at September 30, 2009	\$1,536,255

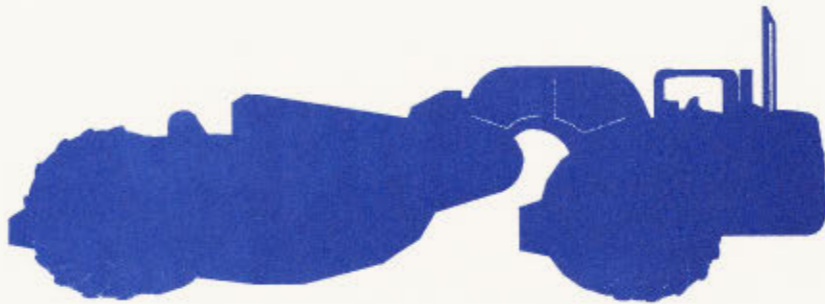
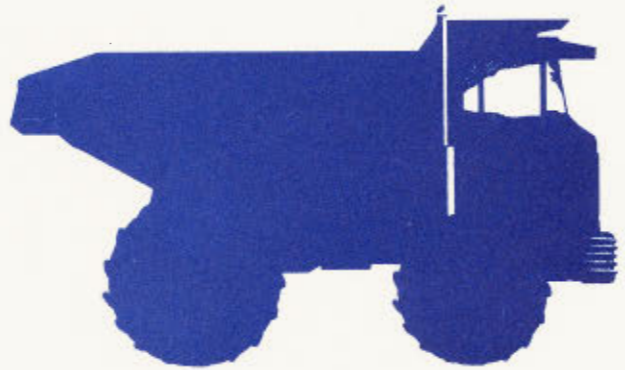
Act 51 Summary

MAINTENANCE EXPENDITURES

For Compliance With Section 12 (16) of Act 51

1.	Total Michigan Transportation Fund Revenue	\$58,915,000
	Less:	
2.	Administrative Expenses	(7,069,800)
3.	Capital Outlay	(1,700,174)
4.	Debt Service	(1,370,979)
5.	Total (Line 1 less Lines 2 thru 4)	\$48,774,047
6.	Routine Maintenance	\$42,740,000
7.	Heavy Maintenance (Projects Maintenance)	45,304,000
8.	Less Federal Aid - - Heavy Maintenance	(1,576,000)
9.	Total Maintenance	\$86,468,000
10.	90% of Line 5	\$43,896,642

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 \$1,700,174 is budgeted in fiscal year 2008/09 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 \$86,000 of capital outlay for copiers and fax machines, the replacement of one terminal server, and one new server.

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.

Restricted vehicle purchases will be made fiscal year 2008/09. RCOC practices aggressive preventive maintenance and has developed improved vehicle specification procedures to improve fleet readiness. This aggressive effort resulted in a decline in the average cumulative maintenance cost in all vehicle classes. Although substantial funds were budgeted in the past few years, the age of the fleet continues to be a major concern.

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.

Capital Budgeting

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 47,000 miles, but about one third of the fleet has been driven more than 60,000 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 five years old. Approximately ten percent have cumulative maintenance costs equal to the original purchase price.

The Road Commission Heavy Equipment

Fleet The 2008/09 Budget contains an appropriation to replace a few pieces of aging and obsolete heavy road equipment. A detail of these expenditures can be found in the "Detail of Capital Outlay" later in this section.

Road Commission Category "A" vehicles are not a homogeneous group, and they 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.

Capital Budgeting

The Road Commission

Heavy Equipment

Fleet (cont'd.) 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 8 pieces of equipment valued at \$1.6 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 a continuing repair to a replacement alternative to improve fleet readiness
- Comparison of a continuing repair to a replacement alternative of a specific vehicle

Capital Budgeting

Resource Allocation Decision to Repair/ Replace Equipment

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

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

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

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

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 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.

Resource Allocation

Decision to Repair/ Replace Equipment

(continued)

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 places 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.

Nevertheless, the decision to replace aging equipment is not simply a matter of age, miles driven, or determination of 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

Capital Budgeting

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

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, 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.

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

Office Equipment

7 Copier/Fax Machines	\$35,000
1 Large Copier	<u>40,000</u>

\$75,000

\$75,000

Planning & Development

Office Equipment

1 NT Terminal Server Replacement	\$5,500
1 New JD Edwards Server	<u>5,500</u>

\$11,000

\$11,000

Traffic Safety

Road Equipment

1 Chain Saw	\$650
1 Weed Whip/Cutter	210
21 Radios (Mobile)	26,250
1 Sign Truck	148,526
1 Post Pounder Truck	<u>222,900</u>

\$398,536

\$398,536

Highway Maintenance

Road Equipment

1 Front End Loader	\$190,000
4 Dump Trucks (12 CYD)	713,200
1 Sewer Cleaner (Vactor)	303,438
Chainsaws/Weed Whips	<u>9,000</u>

\$1,215,638

\$1,215,638

TOTAL CAPITAL OUTLAY

\$1,700,174

Capital Budgeting

CAPITAL OUTLAY HISTORY

<u>Department</u>	<u>2005/06 Actual</u>	<u>2006/07 Actual</u>	<u>2007/08 Amended Budget</u>	<u>2008/09 Budget</u>
Managing Director				
Office Equipment	\$6,723	\$0	\$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	0	0	45,000	0
Buildings	1,158,554	69,532	855,005	0
Road Equipment	207,599	453,109	482,317	0
Shop Equipment	60,846	0	0	0
Storage Facilities	752,398	97,955	79,500	0
Office Equipment	23,910	33,229	0	75,000
Engineering				
Engineering Equipment	107,393	16,927	119,000	0
Planning & Development				
Office Equipment	100,537	15,977	200,000	11,000

Capital Budgeting

CAPITAL OUTLAY HISTORY

<u>Department</u>	<u>2005/06 Actual</u>	<u>2006/07 Actual</u>	<u>2007/08 Amended Budget</u>	<u>2008/09 Budget</u>
Traffic Safety				
Road Equipment	\$1,232,835	\$597,371	\$86,233	\$398,536
Shop Equipment	12,926	0	0	0
Office Equipment	0	0	0	0
Permits & Environmental Concerns				
Road Equipment	7,190	0	0	0
Highway Maintenance				
Road Equipment	1,225,196	3,432,620	2,443,141	1,215,638
Shop Equipment	0	0	0	0
Office Equipment	0	0	0	0
Brine Well	0	0	854,000	0
TOTALS	\$4,896,107	\$4,716,720	\$5,294,196	\$1,700,174

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; therefore, they 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. This 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.

2008/09 ROAD IMPROVEMENT PROGRAM

STATISTICAL INFORMATION

151

	2008/09 Budget		2008/09 Completion of 2007/08 Projects in Progress		2007/08 Budget		2007/08 Completion of 2006/07 Projects In Progress	
Safety Road Widening s	9.5 mi.	\$4,825,000	1.0 mi.	\$3,500,000	1.0 mi.	\$1,000,000	4.5 mi.	\$5,850,000
Safety Intersections	2 Loc.	\$2,400,000		\$0	2 Loc.	\$1,000,000		\$0
Spot Safety Projects		\$0		\$0		\$0		\$0
Major Resurfacing (RRR)	12.0 mi.	\$3,625,000		\$0	4.0 mi.	\$2,252,000	3.0 mi.	\$1,541,250
Bridges	2 Loc.	\$150,000		\$0	2 Loc.	\$2,770,000		\$0
Bridges Maintenance Construction		\$0		\$0	1 Loc.	\$100,000		\$0
Drainage		\$200,000		\$0		\$200,000		\$0
Pave Gravel	2.0 mi.	\$2,900,000		\$0	1.0 mi.	\$2,275,000		\$0
Tri-Party		\$6,750,000		\$0		\$6,750,000		\$0
Other		\$320,000		\$1,234,625		\$675,000		\$800,000
Sub-Total		\$21,170,000		\$4,734,625		\$17,022,000		\$8,191,250
	GRAND TOTAL		2008/09	\$25,904,625		2007/08	\$25,213,250	

FY2008/09 ROAD IMPROVEMENT PROGRAM

Project Number	Project Name	Location	Community	Type of Projects	Fiscal Year 2008/09			Annual Total All Sources
					Federal And State Funding	Local Gov't Funding	MTF and Other RCOC Funding	
<u>2008/09 Safety Widenings</u>								
TBDWID1	Southfield	12 Mile to 13 Mile	Southfield	PE	300,000	37,500	37,500	375,000
48711	Grand River	Novi to Haggerty	Novi	PE	200,000	25,000	25,000	250,000
48691	Baldwin	Morgan to Waldon	Orion	PE/ROW	1,360,000	170,000	170,000	1,700,000
48701	Maple	Decker to Welch	Commerce/Walled Lake	PE	80,000	10,000	10,000	100,000
48661	Tienken	Livernois to Sheldon	Rochester Hills	ROW	1,600,000	200,000	200,000	2,000,000
48671	Crooks	14 Mile to Meijer	Clawson/Royal Oak	ROW	400,000	-	-	400,000
				Subtotal	3,940,000	442,500	442,500	4,825,000
<u>2008/09 Safety Intersections</u>								
TBDINT1	Safety Intersection	TBD		PE/ROW/CONST	900,000	-	300,000	1,200,000
TBDINT1	CMAQ Intersection	TBD		PE/ROW/CONST	900,000	-	300,000	1,200,000
				Subtotal	1,800,000	0	600,000	2,400,000
<u>2008/09 RRR</u>								
TBDRRR1	Middlebelt	8 Mile to 11 Mile	Farmington Hills	PE	-	-	90,000	90,000
TBDRRR1	John R	14 Mile to Maple	Troy	PE	-	-	45,000	45,000
TBDRRR1	Crooks	Equity to Big Beaver	Clawson/Troy	PE	-	-	55,000	55,000
TBDRRR1	Walton	E of Adams to Livernois	Rochester Hills	PE	-	-	90,000	90,000
49101	10 Mile	Greenfield to Kenosha	Oak Park	PE	-	-	40,000	40,000

FY2008/09 ROAD IMPROVEMENT PROGRAM

Project Number	Project Name	Location	Community	Type of Projects	Fiscal Year 2008/09			
					Federal And State Funding	Local Gov't Funding	MTF and Other RCOC Funding	Annual Total All Sources
<u>2008/09 RRR</u>								
TBDRRR1	Adams	South to Auburn	Auburn Hills/Roch Hills	PE	-	-	45,000	45,000
49241	Rochester	14 Mile to Elmwood	Clawson	CONST	-	30,000	420,000	450,000
49091	Orchard Lake	8 Mile to Grand River	Farmington Hills	CONST	-	50,000	700,000	750,000
48891	Rochester	Predmore to Lakeville	Addison/Oakland	CONST	900,000	-	1,160,000	2,060,000
Subtotal					900,000	80,000	2,645,000	3,625,000
<u>2008/09 Bridges</u>								
47393	Parkdale	Over Stony Creek	Rochester	PE	-	-	75,000	75,000
49293	Tienken	Over Stony Creek	Rochester Hills	PE	-	-	75,000	75,000
Subtotal					0	0	150,000	150,000
<u>2008/09 Drainage Improvements</u>								
TBDDRN1	50/50 Drainage	Countywide		PE/CONST	-	100,000	100,000	200,000
Subtotal					0	100,000	100,000	200,000

FY2008/09 ROAD IMPROVEMENT PROGRAM

Project Number	Project Name	Location	Community	Type of Projects	Fiscal Year 2008/09			
					Federal And State Funding	Local Gov't Funding	MTF and Other RCOF Funding	Annual Total All Sources
<u>2008/09 Pave Gravel Roads</u>								
TBDPAV1	8 Mile Road	Dixboro to Pontiac Trail	Lyon	PE	-	-	100,000	100,000
49301	White Lake Road	Highland Hills to Eagle	Highland	CONST	1,500,000	-	1,300,000	2,800,000
				Subtotal	1,500,000	0	1,400,000	2,900,000
<u>2008/09 Tri-Party</u>								
TBDTRI1	2009 Tri-Party	Countywide	Various	PE/ROW/CONST	-	4,500,000	2,250,000	6,750,000
				Subtotal	0	4,500,000	2,250,000	6,750,000
<u>2008/09 Other</u>								
TBDMIS1	Pavement Management	Countywide		CONST	-	-	5,000	5,000
TBDMIS1	SAD Repair	Countywide		CONST	-	-	65,000	65,000
TBDMIS1	NWC Wetland Mitigation			CONST	-	-	125,000	125,000
TBDMIS1	Bridge Management	Countywide		CONST	-	-	125,000	125,000
				Subtotal	0	0	320,000	320,000
2008/09 Subtotal					8,140,000	5,122,500	7,907,500	21,170,000

154

FY2008/09 ROAD IMPROVEMENT PROGRAM

Project Number	Project Name	Location	Community	Type of Projects	Fiscal Year 2008/09			Annual Total All Sources
					Federal And State Funding	Local Gov't Funding	MTF and Other RCOC Funding	

2008/09 Completion of FY2007/08 Widenings

48201	NW Connector Phase 1	Orchard Lake Widening	Farm Hills/W Bloomfield	ROW	2,625,000	437,500	437,500	3,500,000 *
				Subtotal	2,625,000	437,500	437,500	3,500,000

FY2008/09 ROAD IMPROVEMENT PROGRAM

Project Number	Project Name	Location	Community	Type of Projects	Fiscal Year 2008/09			Annual Total All Sources
					Federal And State Funding	Local Gov't Funding	MTF and Other RCOC Funding	
TBDMIS1	PRIOR YEARS CONTRACTOR PMTS.				400,000	100,000	734,625	1,234,625
				Subtotal	400,000	100,000	734,625	1,234,625
					3,025,000	537,500	1,172,125	4,734,625
				2007/08 COMPLETION SUBTOTAL	8,140,000	5,122,500	7,907,500	21,170,000
				2008/09 SUBTOTAL				
				TOTAL	<u>\$11,165,000</u>	<u>\$5,660,000</u>	<u>\$9,079,625</u>	<u>\$25,904,625</u>

2008/09 ROAD IMPROVEMENT PROGRAM AND OTHER PROJECT GROUPS
Estimated Expenditures for Fiscal Year Ending 9/30/08
SUMMARY

Oakland County Library
 3 8241 00000 4255

OAKLAND COUNTY RESOLUTION NUMBER
 1200 N. TELEGRAPH ROAD DEPT. 483
 PONTIAC, MICHIGAN 48341-0453

<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>
2008/09 Projects				
Safety Road Widening	\$3,940,000	\$442,500	\$442,500	\$4,825,000
Safety Intersections	1,800,000	0	600,000	2,400,000
RRR	900,000	80,000	2,645,000	3,625,000
Bridges and Bridge Restoration	0	0	150,000	150,000
Bridge Maintenance, Construction	0	0	0	0
Drainage Improvements	0	100,000	100,000	200,000
Paved Gravel	1,500,000	0	1,400,000	2,900,000
Tri-Party	0	4,500,000	2,250,000	6,750,000
Other	0	0	320,000	320,000
Subtotal	\$8,140,000	\$5,122,500	\$7,907,500	\$21,170,000
2008/09 Completion of 2007/08 Projects in Progress				
Safety Road Widening	\$2,625,000	\$437,500	\$437,500	\$3,500,000
RRR	0	0	0	0
Prior Years Contractor Payments	400,000	100,000	734,625	1,234,625
Subtotal	\$3,025,000	\$537,500	\$1,172,125	\$4,734,625
TOTAL ROAD IMPROVEMENT PROGRAM	\$11,165,000	\$5,660,000	\$9,079,625	\$25,904,625

PROGRAM SOURCES

	<u>Federal & State</u>	<u>Local</u>	<u>RCOC</u>	<u>Road Improvement Program Disbursements</u>
STP	\$5,525,000	Cities \$1,660,000		Contractor Payments \$13,649,625
Safety	900,000	Townships 1,750,000		Right of Way Payments 7,700,000
State "C" (TEDF)	200,000	County 2,250,000		Eng. Consultants 190,000
HPP	3,640,000			Testing and ROW Services 0
Local Bridge Program	0			Subtotal \$21,539,625
State - Other	0			Materials/Utilities 310,750
CMAQ	900,000			Traffic Safety 239,250
MTF			9,079,625	Engineering 3,815,000
TOTAL PROJECT SOURCES	\$11,165,000	\$5,660,000	\$9,079,625	\$25,904,625

<u>OTHER PROJECT GROUPS and SAD</u>	<u>Federal & State</u>	<u>Local</u>	<u>RCOC</u>	<u>Other Disbursements</u>
Special Assessment District (SAD) Program		4,256,000		Contractor Payments, Eng and Adm 4,256,000
SEMSIM Projects			125,000	Contractor Payments 125,000
Signal Projects	2,197,308	100,000	812,308	Contractor Payments, Mtls & Utilities 2,509,616
				\$6,890,616
				Labor and Equipment (SIG) 600,000
TOTAL OTHER PROJECTS AND SAD	\$2,197,308	\$4,356,000	\$937,308	\$7,490,616

REFERENCE BOOK
 For Room Use Only