

Budget Summary

2015-2016

One Year ending 9/30/16

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

As Adopted
September 17, 2015



ROAD COMMISSION FOR OAKLAND COUNTY
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Ronald J. Fowkes
Chairman, Board of County Road Commissioners

Eric S. Wilson
Vice-Chairman

Gregory C. Jamian
Commissioner

Dennis G. Kolar
Managing Director

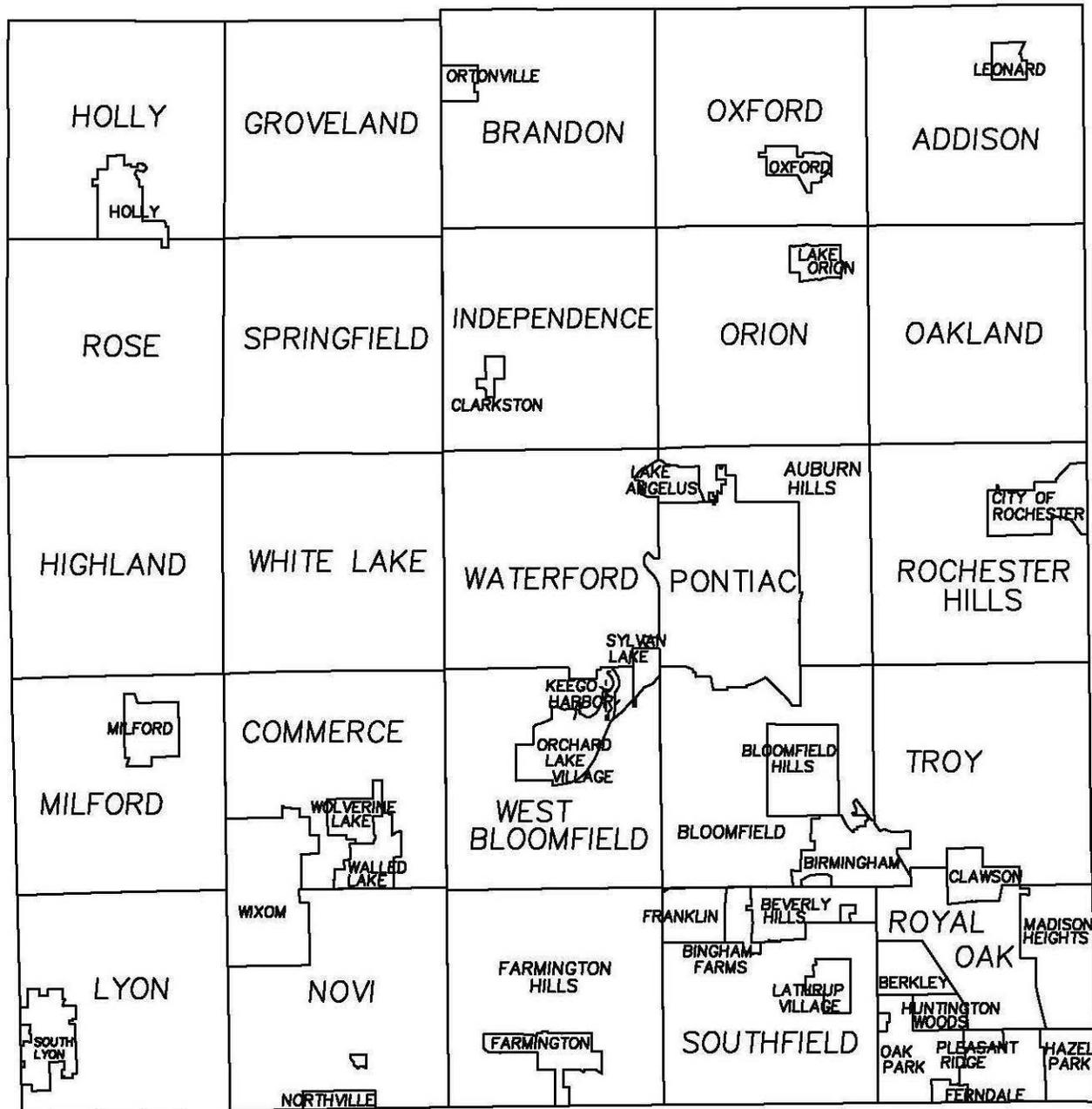


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FISCAL YEAR ENDING 9/30/16

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**COPY OF RESOLUTION ADOPTED BY THE BOARD OF COUNTY ROAD
COMMISSIONERS OF THE COUNTY OF OAKLAND, STATE OF MICHIGAN
UNDER DATE OF SEPTEMBER 17, 2015**

RESOLVED, that the revenue of the Road Commission for Oakland County Road Fund for Fiscal Year ending September 30, 2016 is estimated to be \$100,540,600 plus \$4,249,527 appropriation of fund balance. This amount is hereby budgeted and appropriated for Fiscal Year 2015/16 in the amount of \$104,790,127 to service the Operating, Road Improvement Program, and Traffic Signal Projects expenditures of the Road Commission for Oakland County.

<u>Revenue</u>	<u>2015/16 Fiscal Year Expenditure Appropriation</u>
Fuel and Vehicle Taxes	\$63,745,100
Other Federal & State Revenue	27,603,500
Revenue from Local Government	7,660,000
Fees and Other Revenue	<u>1,532,000</u>
Total Revenue	\$100,540,600
Appropriation from Fund Balance	<u>4,249,527</u>
Total Revenue & Appropriation from Fund Balance	\$104,790,127

FURTHER RESOLVED, that \$100,540,600 of anticipated revenue and \$4,249,527 of Fund Balance are hereby appropriated for the following purposes:

<u>Operating Expenditures</u>	<u>2015/16 Fiscal Year Expenditure Appropriation</u>
Board of Road Commissioners	\$147,007
Managing Director	811,780
Customer Services	1,125,194
Finance	975,416
Legal	608,243
Human Resources	1,241,946
Central Operations	10,007,512
Engineering	4,789,799
Planning & Environmental Concerns	1,488,538
Traffic-Safety	10,184,925
Highway Maintenance	20,251,784
Non-Departmental	<u>25,077,983</u>
Total Operating Expenditures	\$76,710,127
Road Improvement Program	25,455,000
Traffic Signal Projects	<u>2,625,000</u>
Total Expenditures	\$104,790,127

The budget appropriation for the Road Improvement Program for Fiscal Year ending September 30, 2016 is as follows:

<u>2015/16 Road Improvement Program</u>	<u>Budget</u> <u>Appropriation</u>	<u>2015/16</u> <u>Road Improvement</u> <u>Program</u>
Major Resurfacing-RRR	\$3,750,000	\$4,175,000
Reconstruction (4R)	7,250,000	8,100,000
Bridges and Bridge Restoration	2,775,000	3,162,500
Culverts	950,000	1,070,000
Paved Gravel Roads	4,000,000	4,600,000
Tri-Party	2,600,000	3,000,000
Other	<u>380,000</u>	<u>410,000</u>
Subtotal	\$21,705,000	\$24,517,500
<u>2015/16 Completion of 2014/15</u>		
<u>Projects in Progress</u>		
Safety Road Widening	\$2,000,000	\$2,000,000
Prior Years Contractor Payments	<u>1,750,000</u>	<u>1,750,000</u>
Subtotal	\$3,750,000	\$3,750,000
Total 2015/16 Road Improvement Program	\$25,455,000	\$28,267,500

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 2015/16 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) 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 September 17, 2015



Patricia Z. Wierzbicki
Deputy-Secretary/Clerk of the Board

**COPY OF RESOLUTION ADOPTED BY THE BOARD OF COUNTY ROAD
COMMISSIONERS OF THE COUNTY OF OAKLAND, STATE OF MICHIGAN
UNDER DATE OF SEPTEMBER 17, 2015**

SPECIAL ASSESSMENT FUND

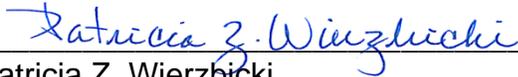
RESOLVED, that the total revenue for the Road Commission for Oakland County Special Assessment Fund for Fiscal Year ending September 30, 2016 is estimated to be \$8,475,000. This amount is hereby budgeted and appropriated for the fiscal year 2015/16 to service the Special Assessment Fund expenditures of the Road Commission for Oakland County.

<u>Revenue</u>	<u>2015/16 Fiscal Year Revenue Appropriation</u>
Revenue from Special Assessment Rolls	\$3,200,000
Road Fund Contributions Net Underassessment	25,000
Interest on Assessment Rolls	200,000
Interest on Investments	50,000
Proceeds from Note Issue	5,000,000
Total Revenue	\$8,475,000

FURTHER RESOLVED, that the \$8,475,000 of anticipated revenue is hereby appropriated for the following purposes:

<u>Operating Expenditures</u>	<u>2015/16 Fiscal Year Expenditure Appropriation</u>
Contractor Payments	\$4,200,000
Engineering and Administration	600,000
Principal Payment on Debt	1,000,000
Interest on Debt	103,333
Refund of Overassessments to Participants (net)	50,000
Note Payment Fees and Issue Costs	1,000
Total Expenditures	\$5,954,333
Appropriation to Fund Balance	2,520,667
Total Expenditures & Appropriation to Fund Balance	\$8,475,000

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 September 17, 2015



Patricia Z. Wierzbicki
Deputy-Secretary/Clerk of the Board



August 2015

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

Board of Road Commissioners

Ronald J. Fowkes
Commissioner

Gregory C. Jamian
Commissioner

Eric S. Wilson
Commissioner

Dennis G. Kolar, P.E.
Managing Director

Gary Piotrowicz, P.E., P.T.O.E.
*Deputy Managing Director
County Highway Engineer*

Dear Commissioners:

Enclosed is the proposed Road Commission for Oakland County (RCOC) fiscal year 2015/16 budget for your review and adoption.

The proposed fiscal year 2015/16 budget totals \$104.8 million, representing an increase of \$4.0 million from the combined \$100.8 million 2014/15 original budget. The fiscal year 2015/16 budget is comprised of \$76.7 million operating expenses, along with \$25.5 million Road Improvement Program (RIP) and \$2.6 million Traffic Signal projects' contractor payments, right-of-way acquisitions, materials, and professional services. The budget for the Special Assessment District Program's contractor payments, engineering and administration is \$4.8 million.

The changes from the fiscal year 2014/15 original budget are as follows:

- \$4.4 million increase in Operating Expenses
- \$300,000 increase in the RIP
- \$700,000 decrease in Traffic Signal activity

Due to the projected slight annual increase in state-collected fuel taxes and vehicle registration fees, unbudgeted/unfilled positions will be held at 161 of the 551 authorized positions for fiscal year 2015/16.

As is the case every year, the largest share of revenue, \$63.7 million, in the proposed fiscal year 2015/16 budget comes from the state-collected fuel tax and vehicle registration fees. The next largest portion of \$27.6 million comes from federal sources and other state sources, including the funds the RCOC receives from the state for maintaining the state trunk lines and revenue generated by the RIP. Revenue from local governments adds \$7.7 million to the budget, while fees and other revenue such as interest earned and permit fees account for \$1.5 million. In addition, this year's budget includes a \$4.2 million appropriation from Fund Balance.

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August 2015
Board of Road Commissioners
Road Commission for Oakland County
Page Two

The selection of expenditures identified in the fiscal year 2015/16 budget was guided by the following points:

- Continued level of highest possible safety-related road maintenance service provided to the residents and motorists using county roads in Oakland County (although inevitably there will be reduced service levels due to staff reduction and other budget cuts).
- Maximum leveraging of all available federal and state funds through aggressively matching with other agencies and developers.
- Prioritizing replacement of road equipment.
- Continued aggressive efforts to contain costs, especially in the areas of health care, risk management, and privatization, where appropriate.

This budget allows the RCOC to provide services in the most effective manner given the resources available. The capital outlay budget includes \$2.3 million for replacement of a small portion of the aging fleet of large equipment and vehicles. Not included in the budget again is roadwork, such as asphalt resurfacing and concrete repair, that the RCOC used to be able to do at 100 percent RCOC cost.

Summary Table 3 (page 24) shows recommended departmental appropriations compared with fiscal year 2015/16 expenditures. In addition, some highlights of the proposed expenditures include:

- \$8.1 million for road reconstruction (4R)
- \$4.6 million for paved gravel
- \$4.2 million for major (RRR) resurfacing
- \$3.2 million for bridge repair/replacement
- \$2.0 million for safety road widening

Please contact me with any questions you may have.

Sincerely,

A handwritten signature in blue ink that reads "Dennis G. Kolar".

Dennis G. Kolar, P.E.
Managing Director

Enclosure

COPY OF RESOLUTION ADOPTED BY THE
BOARD OF COUNTY ROAD COMMISSIONERS
OF THE COUNTY OF OAKLAND, MICHIGAN
UNDER DATE OF JUNE 18, 2015

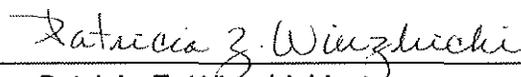
WHEREAS, PA 1963, 2nd EX. SESS. No. 43, as amended, MCL 141.411 et seq, requires a Public Hearing on the proposed Road Commission Budget; and

WHEREAS, the Managing Director has prepared a proposed 2015-16 Budget and proposed 2015-16 Primary and Local Road Improvement Program for the Fiscal Year ending September 30, 2016.

NOW, THEREFORE BE IT RESOLVED, that the Road Commissioners hereby give notice of a Public Hearing to be held at 6:30 p.m. on Thursday, August 20, 2015, at the Oakland County Court House Auditorium, 1200 N. Telegraph Road, Pontiac, Michigan 48341, for the purpose of presenting the Road Commission's proposed 2015-16 Budget and proposed 2015-16 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 of the County of Oakland, Michigan, under date of June 18, 2015



Patricia Z. Wierzbicki
Deputy Secretary-Clerk of the Board



Inter-Departmental Memorandum

MANAGING DIRECTORS' OFFICE

DATE: March 2, 2015

To: RCOC Department Directors

FROM: Dennis G. Kolar

A handwritten signature in black ink that reads "Dennis G. Kolar". The signature is written in a cursive style with a large, prominent "D" and "K".

SUBJECT: **FY2015/16 DEPARTMENTAL BUDGET REQUESTS**

Forms for departmental budget requests for FY2015/16 will be emailed to you, and the attached schedule of dates must be met so that the recommended budget for the next fiscal year, beginning October 1, 2015, can be presented to the Board of Road Commissioners on August 20, 2015.

Please note the following in preparing your submissions. Each of these should be addressed individually in the cover memo with your submission.

1. Safety continues to be the number one priority at RCOC. Indicate how your budget addresses safety for both the road network and for our employees.
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 replaced. 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 your "non-capital" account containing non-road items between \$500 and \$5,000.
4. The department director's cover letter for the budget submission must indicate any expenditures that were not included in the financial plan. As always, the first test will be whether the departmental request was contained in FP2016.
5. Directors should spell out any new cost-saving measures to be taken by their departments in FY2015/16.

Continued next page

6. The cover letter should also identify any proposed new computer applications or applications of other technologies (GPS, etc.) anticipated by the department during FY2015/16. Anticipated cost savings or improved employee efficiencies should be identified.
7. Be prepared to discuss travel and training in detail. What training did you cut in the latest financial plan, 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.? If a staff member became a member of a committee last year and agency travel covered the cost of that travel, related travel for FY2015/16 should now be in your budget submission.
8. If it appears that your department will have to operate with a reduced staff level in FY2015/16, indicate the type and amount of work that will not get done as a result of this reduction.
9. Identify any increased overtime costs due to vacant positions.
10. In your listing of unmet needs, if you have any that in your opinion are critical to your department's functions or critical to RCOC, make sure your list is in order of priority.

The above should be used as a checklist during the preparation of your FY2015/16 Budget submission. As requested above, make sure your cover memo addresses **each** of the ten areas listed above.

Once again, no new revenue sources should be anticipated during FY2015/16.

C: Gary Piotrowicz

2015/16 Glossary

ADA:	Americans with Disabilities Act
Amended Budget:	As Adopted previous year budget plus Board approved budget amendments.
Appropriation:	Authorization made by the Board of Road Commissioners permitting the RCOC to incur obligations and make expenditures.
ARRA:	American Recovery and Reinvestment Act
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 RCOC'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 and Air Quality. Funding distributed based on a statewide rating system.

2015/16 Glossary

Connected Vehicle: Vehicle and infrastructure communicating together to improve safety and mobility.

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.

EDMS: **Electronic Document Management System**

Expenditures: The outflow of funds paying for assets, goods, services, and costs related to the Road Improvement Program.

FHWA: **Federal Highway Administration**

Fiscal Year: The time period designating the beginning and ending period for recording financial transactions. The RCOC has specified October 1 to September 30 as its fiscal year.

FOIA: **Freedom of Information Act**

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.

2015/16 Glossary

GRIP:	Gravel Road Improvement Program. Performed by the Highway Maintenance department to grade, chloride, remove trees, improve drainage and ditching on the gravel roads.
GRPP:	Gravel Road Paving Plan. Is the multi-year plan to pave the gravel roads.
HPP:	High Priority Projects. Federally sponsored grants for transportation demonstration projects originating from Congress and the U.S. Department of Transportation.
INTELLIDRIVE:	Vehicle and infrastructure communicating together to improve safety and mobility.
ITS:	Intelligent Transportation Systems. An integrated traffic guidance/information system using such components as SCATS and Autoscope.
LED:	Light Emitting Diodes
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.

2015/16 Glossary

RCOC:	Road Commission for Oakland County
Revenue:	Funds the RCOC receives as income. It includes four major categories: fuel and vehicle taxes (Michigan Transportation Fund); federal and state revenue; revenue from local governments; and fees and other revenue.
RIP:	Road Improvement Program. A detailed schedule of construction and purchases of rights-of-way showing locations, funding sources, and types of projects (widening, bridges, gravel paving, intersections, etc.).
ROW:	Right-of-Way
SAD:	Special Assessment Districts. Specific areas with improvements on subdivision streets. See "Special Assessment".
SCATS:	Sydney Coordinated Adaptive Traffic System. See section on Traffic Safety under "Departments".
SEMCOG:	Southeast Michigan Council of Government
SEMSIM:	Southeastern Michigan Snow and Ice Management
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.

TEDF:
(continued)

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

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

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 communities 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 of 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**

TIP: **Transportation Improvement Program**

TOC: **Traffic Operations Center**

WAN: **Wide Area Network**

GOALS AND OBJECTIVES



2015/16 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. 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 RCOC 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' resolutions (pages i, ii, iii and iv of this document).
- Method** This budget uses the modified accrual basis of accounting (see "Basis of Accounting" in the Glossary for further explanation).

2015/16 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
- Sound financial management
- Respect for the environment
- Sensitivity to community concerns
- Responsive and dependable service

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.

2015/16 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, RCOC biennially holds strategic planning meetings with community officials. These meetings provide an effective forum for identifying road improvement needs, estimated in 2015 to be nearly \$2.9 billion on county roads over the next ten years. Community officials' requests are then analyzed and prioritized into four distinct areas of concern.

Improved Safety and Condition of Gravel Roads

Many communities served primarily by gravel roads experienced significant growth in recent decades. Traffic volumes seriously threaten RCOC's ability to maintain the gravel road system. Gravel road maintenance cycles once adequate on these roads are no longer sufficient.

RCOC maintains 760 miles of gravel roads, one of the largest gravel road systems in the state of Michigan. Many of these gravel roads carry traffic volumes that exceed those normally associated with gravel roads. This budget, which includes \$200,000 to be used for gravel to maintain the condition of unpaved roads, is increased by 28.2 percent from the previous year's amended budget.

The Gravel Road Improvement Program (GRIP), a cooperative program in which local communities purchase materials and RCOC provides labor and equipment, is included in the current fiscal year budget. The program will continue to be offered, but has not been as active in recent years due to limited community funding.

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 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 or "mile-type" county roads.

2015/16 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 conditions based on the Pavement Surface Evaluation and Rating (PASER) 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 PASER rating, while preventive maintenance strategies will be applied to prolong the useful life and high PASER 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 and Engineering departments address various pavement conditions. Even though the proposed programs do not address all the needs as shown in the PMS, 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 fiscal year 2002/03 and prior, the budget included \$100,000 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. Decreased revenues had not allowed for funding of this program since fiscal year 2003/04, until \$100,000 was budgeted in fiscal years 2014/15 and 2015/16.

2015/16 Needs and Strategies

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

Also, back in fiscal year 2003/04, RCOC was spending about \$3.0 million annually on preservation overlays and concrete replacement. Now, due to inflationary increases in operational costs and decreasing revenues, RCOC has again completely eliminated these expenditures from the current fiscal year budget. Until such a program can be reestablished, RCOC has dedicated \$500,000 to a "mill and fill" program for fiscal year 2015/16. This program addresses small sections of road that are pothole ridden for lengths of approximately 500 ft. The pavement surface is milled out to a depth of 2 inches and then new hot-mix asphalt surface is placed in the milled out area. RCOC expects the mill and fill repairs to last approximately five to seven years.

The Oakland County Federal Aid Task Force, responsible for setting priorities for the use of 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 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 \$25.5 million for improvements of roads beyond maintenance work. Of this total, \$12.3 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 utilizes several types of vehicle detection. As of this current fiscal year, there are approximately 675 intersections equipped with FAST-TRAC technologies.

2015/16 Needs and Strategies

Improved Traffic Management System (continued)

FAST-TRAC is RCOC's largest ITS project. It is also the second largest such system in North America (only Los Angeles' system is larger). It is anticipated that the FAST-TRAC project will continue to be expanded into other areas of the county in coming years since it is an important tool for improving mobility and safety.

The focus of the FAST-TRAC project in this fiscal year will again be to continue research and testing on development of a new communications backbone. The new system will be more reliable, less expensive and provide flexibility for future technologies. Also, to improve safety on the road system, RCOC has been working with the U.S. Department of Transportation, MDOT and automakers on a new field of technology expected to help reduce crashes on the road system. This new field is known as Connected Vehicles and involves vehicles communicating with each other and with the infrastructure.

The budget for the current fiscal year includes funding for the ITS Traffic Operations Center (TOC) operations and maintenance. Federal funding has helped RCOC and various communities in Oakland County execute capital improvements and offset the cost of operating and maintaining the TOC and the FAST-TRAC.

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.

Due to overwhelming need, RCOC is again funding a bridge maintenance and rehabilitation program of \$3.2 million and a culvert replacement program of \$1.1 million in the 2015/16 budget. Both costs are more than double compared to the 2014/15 budget.

The RIP budget includes \$270,000 for bridge inspection services which are mandated by state and federal law. A Bridge Management System is utilized for selection of bridge projects.

2015/16 Needs and Strategies

Summary

Although RCOC'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 processes are important. These concerns cross departmental boundaries, requiring a more comprehensive team approach to solving problems at RCOC. This strategic focus continues to guide RCOC 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 RCOC operating departments:

- A. Maintain coordination of gravel road grading and dust-control activities.
- B. Review current grading practices.
- C. Continue a road-grading training program for grader operators as needed.
- D. Review current specifications to maintain 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. Encourage cooperative funding with local governmental units and the private sector for upgrading gravel roads.

2015/16 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. Update the sign-management system to address reflectivity standards mandated by FHWA.
- B. Increase traffic-volume counts taken on a routine basis.
- C. Continue to apply for federal aid for traffic signal modernization and optimization.
- D. Continue to review new software developments for optimal signal timing.
- E. Improve facilities for signal equipment repair and fabrication to minimize downtime.
- F. Improve the troubleshooting capabilities of the Traffic-Safety Department's signal crews.
- G. Monitor and evaluate Intelligent Transportation Systems (ITS) and continue to expand these systems countywide as funding becomes available.
- H. Continue to evaluate new ITS technologies.

2015/16 Needs and Strategies

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

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

In response to these needs, RCOC has implemented a number of programs including Positive Discipline, Employee Assistance, Job Enrichment, Career Coaching, the Doris A. Webster Tuition Reimbursement Program, Civil Engineer Job Rotation and Internships, and our executive leadership development program, known as Management Effectiveness Training.

2015/16 Needs and Strategies

STRATEGIES TO IMPROVE THE WORK ENVIRONMENT (continued)

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

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

REVIEW OF EXISTING RESOURCES

Revenue

RCOC revenue sources continue to be the same as those identified in prior fiscal years, except this is the second year of receiving federal funds toward the purchase of two winged-dump trucks and one signal boom truck. In addition to the primary state and federal sources outlined in the following section, funding is received through local contributions, fees for various RCOC services, county general government contributions to the Tri-Party Program, and from contracts with the State of Michigan for services performed on state trunk lines.

Physical Plant

There will be no change in the number of buildings owned and maintained by RCOC in the current fiscal year. Because of the funding crisis, there are no major building improvements budgeted for the current fiscal year.

Employees

Of the 551 full-time positions authorized, there are only 390 full-time positions budgeted for the current fiscal year. Budget Exhibit A-7 details authorized and unbudgeted positions by department. Due to the deteriorating financial situation, 161 full-time positions will remain unfilled for the current fiscal year budget.

The seasonal salaries budget is \$700,000 for the current fiscal year. This is an increase from the \$500,000 in the previous fiscal year budget, and will enhance the work force through the use of seasonal employees to produce higher customer satisfaction for RCOC during peak periods. The seasonal salaries budget includes temporary and part-time positions, which are in addition to the 390 budgeted full-time positions.

2015/16 Needs and Strategies

Employees (continued)

To further maximize the workforce, RCOC reallocates personnel based on the seasons and work that is a priority in each season. For example, clearing the roads of snow and ice in the winter, while maintaining guardrails in the non-winter seasons.

Vehicle Fleet

Major equipment purchases, coupled with aggressive preventive maintenance and improved equipment specification procedures had resulted in a significant improvement in fleet readiness in past years. However, declining revenues over the last several years reduced the agency's ability to replace fleet vehicles as needed.

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 have been insufficient funds available for this task. Normally fleet acquisitions are prioritized based on the age and condition of equipment that should be removed from active fleet service. While \$1,856,534 of vehicles and road equipment capital outlay is budgeted in fiscal year 2015/16, it will not be enough to significantly improve the overall status of RCOC's fleet-readiness. Replacing antiquated road equipment is a RCOC priority as funds become available. Details regarding vehicle fleet status can be seen in the Capital Budgeting section.

Summary Table 1

REVENUES AND EXPENDITURES

Fiscal Year Ending September 30, 2016

Revenues	\$100,540,600
Appropriation from Fund Balance	4,249,527
Total Revenues & Appropriation from Fund Balance	\$104,790,127
Expenditures	
Operating Expenditures	\$76,710,127
Road Improvement Program	25,455,000
Traffic Signal Projects	2,625,000
Total Expenditures	\$104,790,127

Road Commission for Oakland County Revenue by Source

2015/16

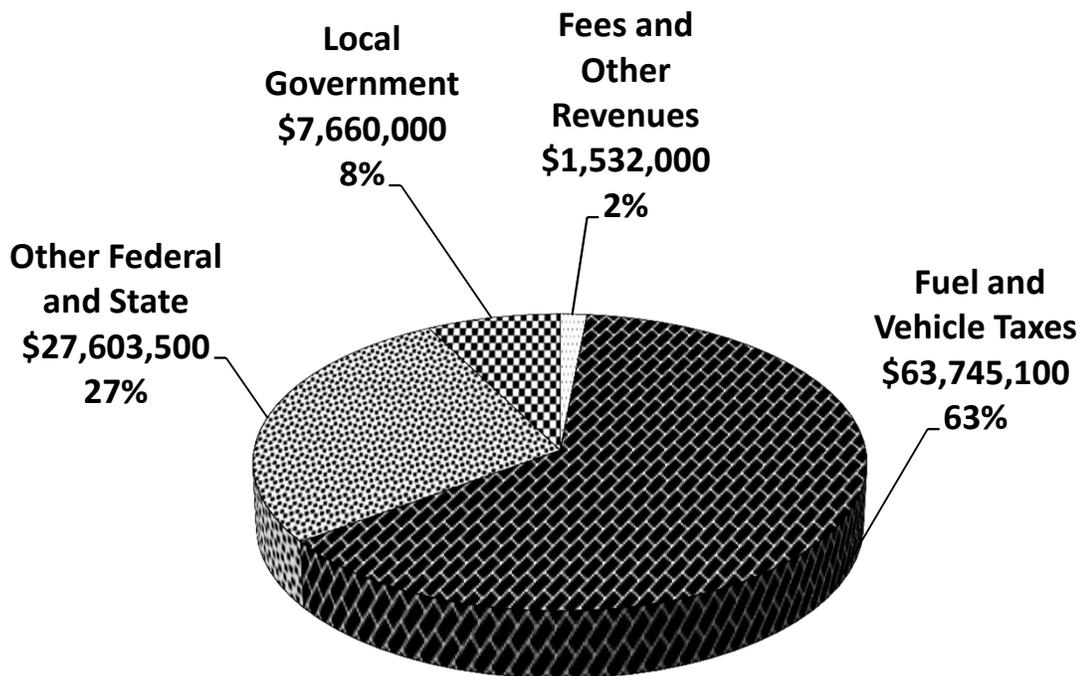


Figure 1

Summary Table 2

COMPARATIVE SUMMARY OF REVENUE

	2013/14 Actual Fiscal Year Ending 9/30/14	2014/15 Budget As Adopted	2014/15 Amended Budget	2015/16 Budget Fiscal Year Ending 9/30/16
Fuel and Vehicle Taxes	\$62,436,451	\$61,313,300	\$61,313,300	\$63,745,100
Other Federal & State Revenue	49,739,902	26,032,000	84,907,718	27,603,500
Revenue from Local Government	12,338,874	9,160,000	12,620,914	7,660,000
Fees and Other Revenue	2,754,411	1,532,000	1,532,000	1,532,000
Total Revenue	\$127,269,638	\$98,037,300	\$160,373,932	\$100,540,600
Revenue Over (Under) Expenditures	(\$1,643,895)	(\$2,748,000)	(\$1,502,245)	(\$4,249,527)
Total Expenditures	\$128,913,533	\$100,785,300	\$161,876,177	\$104,790,127

Budget Exhibit A-1

2015/16 BUDGETED REVENUE BY SOURCE

Revenue Source

Fuel and Vehicle Taxes

Engineering	\$10,000	
Primary Roads	46,597,554	
Local Roads	8,253,794	
Urban Primary Roads	6,482,651	
Urban Local Roads	<u>2,401,101</u>	
Total Fuel and Vehicle Taxes		\$63,745,100

Federal & State Revenue

State Maintenance Contracts	\$10,200,000	
State Non-Maintenance	200,000	
Federal CMAQ Funding on Capital Outlay	424,000	
Federal Aid -- Road Improvement Program	14,079,500	
Federal Revenue-Medicare Part D	300,000	
Federal Aid-Signal - SIG Projects	<u>2,400,000</u>	
Total Federal and State Revenue		\$27,603,500

Revenue from Local Government

Contributions from Townships	\$762,500	
Contributions from Cities	2,637,500	
County Tri-Party Contributions	1,000,000	
Other Contributions Including Work Orders	1,260,000	
Traffic Signal Maintenance	1,400,000	
S.A.D. Engineering & Administration	<u>600,000</u>	
Total Revenue from Local Government		\$7,660,000

Fees and Other Revenue

Interest Earned	\$100,000	
Sundry Revenue	15,000	
Sale of Maps & Plans	15,000	
Permit Fees	300,000	
Inspection Charges	500,000	
Calcium Chloride Revenue	550,000	
Purchase Discounts	2,000	
Proceeds from Disposal of Equipment	<u>50,000</u>	
Total Fees and Other Revenue		\$1,532,000

Total Revenues **\$100,540,600**

Appropriation from Fund Balance **4,249,527**

Total Revenues and Appropriation from Fund Balance **\$104,790,127**

Budget Exhibit A-2

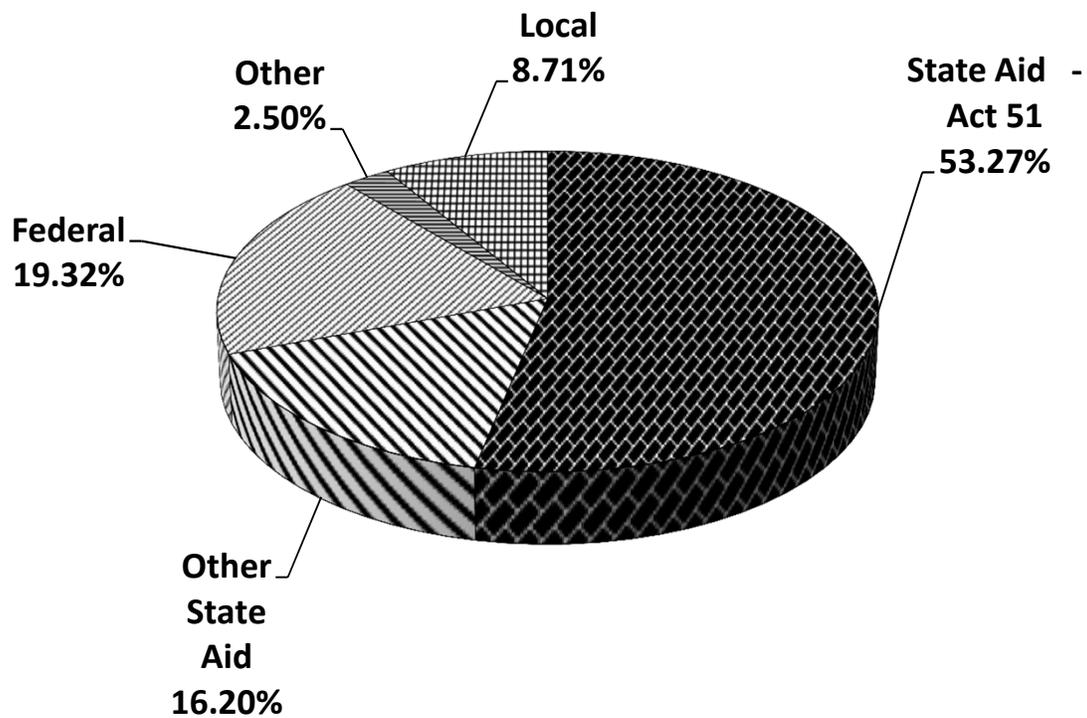
ROAD IMPROVEMENT PROGRAM AND OTHER PROJECT GROUPS

SOURCES OF FUNDING FOR FISCAL YEAR ENDING 09/30/16

<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>
Major Resurfacing with Safety (RRR)	2,300,000	0	600,000	0	1,275,000	4,175,000
Reconstruction (4R)	5,070,000	0	525,000	0	2,505,000	8,100,000
Bridge Maintenance and/or Replacement	2,109,500	0	0	0	1,053,000	3,162,500
Culverts	0	0	475,000	0	595,000	1,070,000
Pave Gravel	3,000,000	62,500	437,500	0	1,100,000	4,600,000
Tri-Party	0	500,000	500,000	1,000,000	1,000,000	3,000,000
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>410,000</u>	<u>410,000</u>
Subtotal	\$12,479,500	\$562,500	\$2,537,500	\$1,000,000	\$7,938,000	\$24,517,500
<u>2015/16 Completion of 2014/15 Projects in Progress</u>						
Road Widening	\$1,600,000	\$200,000	\$0	\$0	\$200,000	\$2,000,000
Prior Years Contractor Pmts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,750,000</u>	<u>1,750,000</u>
Subtotal	\$1,600,000	\$200,000	\$0	\$0	\$1,950,000	\$3,750,000
TOTAL RIP PROGRAM	\$14,079,500	\$762,500	\$2,537,500	\$1,000,000	\$9,888,000	\$28,267,500
<u>Other Project Groups</u>						
Signal (SIG)	\$2,400,000	\$100,000	\$0	\$0	\$700,000	\$3,200,000
GRAND TOTAL	\$16,479,500	\$862,500	\$2,537,500	\$1,000,000	\$10,588,000	\$31,467,500

Road Commission for Oakland County Historical Revenue Sources

2005 - 2014



Does not include SAD Funds

Figure 2

2015/16 Summary of Revenues

The largest source of funding for RCOC 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. Following the gas tax increase, revenue generated by the tax was essentially stagnant until it began declining in fiscal year 2006/07. Although lower gas prices caused gasoline usage to increase for the first time in many years, fuel tax revenue increased only 0.8 percent in 2014 and the statewide fuel tax revenue declined 10.2 percent over the past ten years.

Michigan's economic recovery has been positively impacted by increased auto sales, resulting in an annual increase of 3.8 percent in the state's vehicle-registration fees. The combination of increasing fuel tax revenue and increasing vehicle registration fees resulted in a 3.8 percent increase in RCOC's 2014/15 MTF revenue.

However, from 2004 to 2014, MTF revenues were down 5.4 percent statewide and 3.2 percent for RCOC. The most recent annual revenue forecast by the state Treasury Department projected that the state's transportation revenues (MTF) would finally increase by 0.9 percent in 2015. Because RCOC has traditionally experienced lesser increases than the state-wide average, this budget projects a slightly lower percent increase.

Due to the long trend of decreased MTF revenue and drastically increasing expenses, RCOC's staff reductions attained through attrition between fiscal years 2008/09 and 2015/16 now total 161 positions. Also, asphalt overlays and routine concrete repair projects, normally funded entirely by RCOC, have been eliminated since fiscal year 2006/07.

Federal Revenue 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. In recent years, federal road funds have been authorized and defined by multi-year federal legislation. 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, expired in 2009. From 2009 to 2012, Congress extended SAFETEA-LU numerous times at 2009 funding levels. On July 6, 2012, a new two-year transportation bill titled the Moving Ahead for Progress in the 21st Century Act, or MAP-21, was signed into law replacing SAFETEA-LU.

2015/16 Summary of Revenues

Federal Revenue (continued)

MAP-21 was scheduled to expire September 30, 2014. Since MAP-21's initial expiration date, Congress has passed two extensions. The first extension lasted through May 2015. The second extension (H.R. 2353) passed in May 2015, and is scheduled to expire July 31, 2015.

It is unknown if Congress will resolve the long-term solvency concerning the surface transportation law, or if another short-term extension will be implemented to keep the Highway Trust Fund solvent. In the last several years, huge General Fund bailouts were needed to shore up the Highway Trust Fund. The enactment of a new, long-term authorization bill is still the top priority of the transportation industry.

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 and communities compete. While SAFETEA-LU and MAP-21 increased the federal investment in highways during fiscal years 2004/05 through 2014/15, 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 affected 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. Another looming concern is that unless lawmakers in Lansing pass legislation to increase MTF revenues soon, at some point, RCOC may no longer have enough revenue to be able to provide the required match for federal funds. That means RCOC might have to pass up millions of dollars in federal funds to which it is entitled.

Funding provided through MAP-21 comes through formula funds. Formula funds are the dollars distributed to each state through Federal Highway Administration (FHWA) programs such as the Surface Transportation Program (STP) and Safety and Transportation Alternatives Program. The amount of these funds provided to each state and region is determined by formula.

The current fiscal year RCOC Road Improvement Program (RIP) budget includes \$7.85 million in federal STP funds for major resurfacing and gravel-road paving projects. Additionally, this budget has \$2.52 million in National Highway Performance Program funding, \$2.11 million from the Local Bridge Program and \$1.6 million in federal Transportation Economic Development Fund (TEDF) "C" program funding.

2015/16 Summary of Revenues

Federal Revenue (continued)

The annual federal-fund allocation for paving gravel roads for 2015/16 was previously approved by the Oakland County Federal Aid Funding Committee. For fiscal year 2015/16, \$3 million has been approved with \$500,000 in city and township match. Additional paving may be done at the initiative of local communities and developers, which is encouraged by the communities and RCOC staff.

RCOC maintains almost 760 miles of gravel roads. Some of these roads carry traffic volumes exceeding 1,000 vehicles per day. The combination of the notorious freeze/thaw cycles of the Michigan winter, poor soils and high traffic demands cause severe deterioration of the gravel roads. At times, RCOC maintenance crews simply cannot prevent the deterioration of the gravel surfaces despite their best efforts.

In this fiscal year, the Traffic-Safety Department's Signal Project Program will receive \$2.08 million of federal funds from the Congestion Mitigation and Air Quality Program (CMAQ) for the operation of the Traffic Operations Center and \$320,000 for Safety Improvement Projects.

This fiscal year budget will again receive \$424,000 of federal funds from the Congestion Mitigation and Air Quality Program (CMAQ) for the \$623,150 total purchase of one signal boom truck and two winged dump trucks.

State Revenue

While RCOC receives revenue from multiple sources for specific projects and programs, allocations from the MTF represent the largest source of general revenue. These funds have historically targeted road maintenance, operating needs and matching funds for federal aid. Figure 3 represents a history of MTF allocations received by RCOC, the current year's amended budget and projected MTF allocations.

Another element of state funding is the contract to maintain state trunklines. This contract is projected to yield \$10.2 million, which is a significant share of RCOC's revenue. Erosion of the real value of the funds provided for the maintenance contract over time has forced RCOC to reduce routine maintenance on the state system.

Local Revenue

Local participants, primarily the communities and Oakland County, are another important source of revenue to RCOC. They will generate approximately \$4.4 million of revenues for road improvement and traffic signal projects in the current fiscal year (including Tri-Party Program funds). This money likely will be matched with RCOC funds, thus achieving more significant improvements than could have been undertaken by either party alone.

2015/16 Summary of Revenues

Local Revenue (continued)

The Tri-Party Program is a one-third matching program consisting of the county general government's contribution, supplemented by equal amounts from RCOC 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 RCOC, local communities and Oakland County general government. The current fiscal year budget includes the Tri-Party Program with a contribution of \$1 million from the county, and corresponding matches from RCOC and the communities for a total of \$3 million.

Fees and Other Revenue

Some RCOC 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 Department of Customer Services 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.
- Chloriding service to control dust on gravel roads, using calcium chloride extracted from RCOC brine wells, is sold to many townships.
- Work-order revenue is generated from local units of government for installing traffic signals, providing traffic signs and the sale of salt.
- Interest revenue is generated from investments.

Factors Affecting Present and Future Revenue

Michigan's economic downturn continues to have a negative impact on RCOC. With unemployment remaining above historic norms and vehicles getting better gas mileage, gasoline usage is down. This means the gas tax revenue going into the MTF 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

2015/16 Summary of Revenues

**Factors Affecting
Present and Future
Revenue
(continued)**

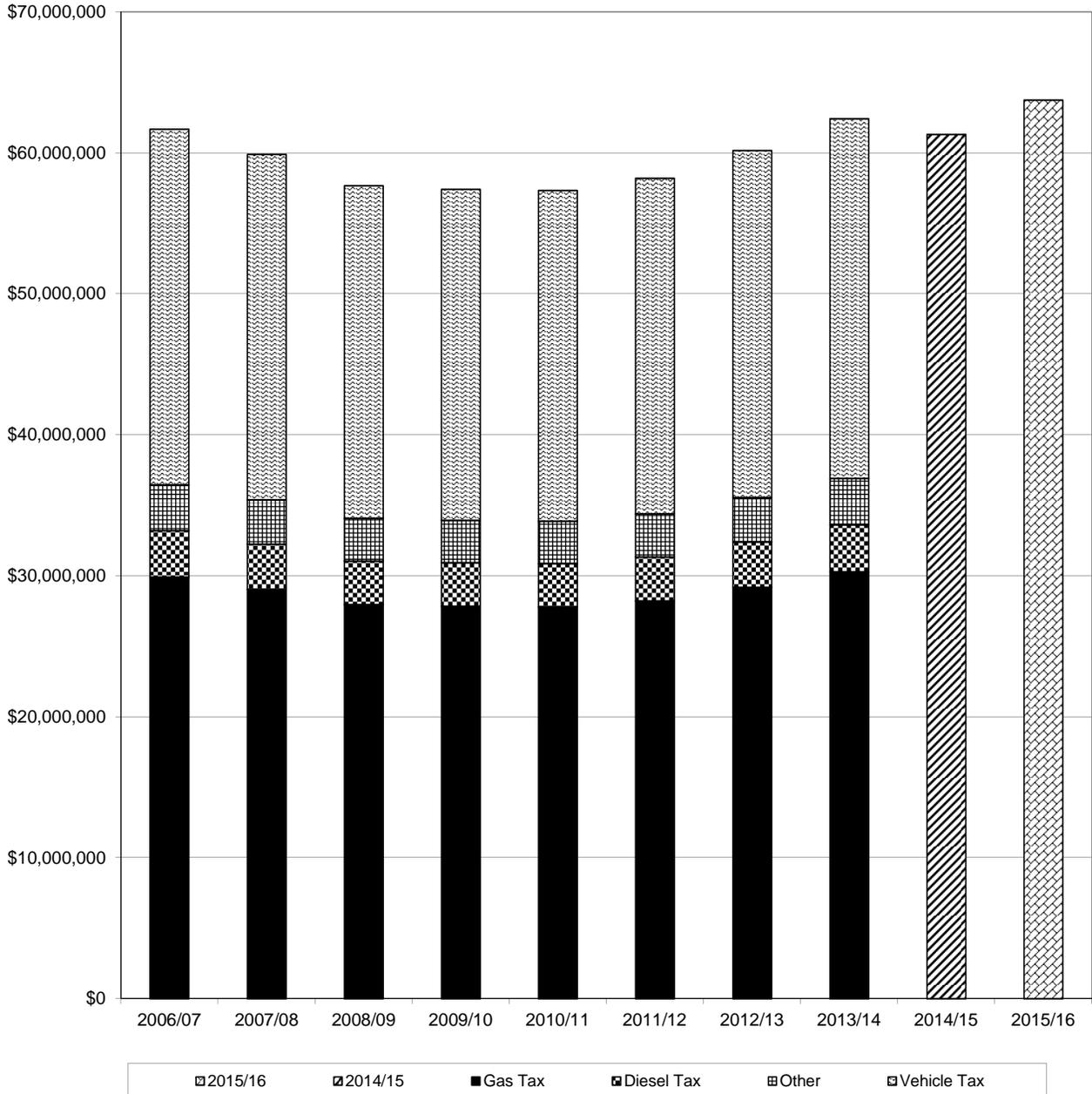
MTF revenue due to increased costs to provide road improvements and maintenance is a major fiscal concern for all road agencies.

RCOC's MTF allocation is determined by a formula reflecting Oakland County's road mileage by road type and vehicle registrations by number and type. Efforts to increase both the state gas and diesel fuel taxes are ongoing, as are proposals to create road-funding mechanisms that keep more of our revenues within the county.

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 2015 Strategic Planning meetings, totals nearly \$2.9 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 and Projection 2007 - 2016



	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10	Actual 2010/11	Actual 2011/12	Actual 2012/13	Actual 2013/14	Amended 2014/15	Budget 2015/16
Gas Tax	29,915,824	29,044,760	27,967,326	27,851,117	27,806,314	28,226,106	29,178,135	30,281,681		
Diesel Tax	3,299,996	3,203,910	3,085,059	3,072,240	3,067,298	3,113,605	3,218,623	3,340,354		
Other	3,238,313	3,144,023	3,027,394	3,014,815	3,009,965	3,055,406	3,158,461	3,277,917		
Vehicle Tax	25,227,971	24,493,404	23,584,806	23,486,808	23,449,025	23,803,036	24,605,881	25,536,499		
2015/16										63,745,100
2014/15									61,313,300	
TOTAL	61,682,104	59,886,097	57,664,585	57,424,980	57,332,602	58,198,153	60,161,100	62,436,451	61,313,300	63,745,100

Figure 3

Summary Table 3

COMPARATIVE SUMMARY OF EXPENDITURES

<u>DEPARTMENT</u>	<u>Actual 2013/14</u>	<u>Beginning Budget 2014/15</u>	<u>Amended Budget 2014/15</u>	<u>Budget 2015/16</u>
Board of Road Commissioners	\$120,543	\$149,849	\$149,849	\$147,007
Managing Director	600,538	665,159	665,159	811,780
Customer Services	911,828	951,576	1,101,576	1,125,194
Finance	870,728	985,308	1,009,088	975,416
Legal	505,954	602,285	602,285	608,243
Central Operations	9,978,141	9,901,508	10,485,150	10,007,512
Human Resources	1,230,169	1,021,187	1,025,918	1,241,946
Engineering	4,428,999	4,515,190	4,552,284	4,789,799
Planning & Environmental Concerns	1,250,270	1,272,679	1,327,803	1,488,538
Traffic-Safety	9,208,091	9,559,081	11,613,049	10,184,925
Highway Maintenance	27,007,895	18,254,491	24,827,904	20,251,784
Non-Departmental	<u>20,480,223</u>	<u>24,426,987</u>	<u>24,426,987</u>	<u>25,077,983</u>
Total Operating	\$76,593,379	\$72,305,300	\$81,787,052	\$76,710,127
Road Improvement Program (Contractor Payments & ROW)	\$48,573,146	\$25,155,000	\$71,420,503	\$25,455,000
Traffic Signal/ITS Projects (Professional Services & Electrical Materials)	<u>3,747,008</u>	<u>3,325,000</u>	<u>8,668,622</u>	<u>2,625,000</u>
TOTAL EXPENDITURES	\$128,913,533	\$100,785,300	\$161,876,177	\$104,790,127

Road Commission for Oakland County Allocation of Funds

2015/16

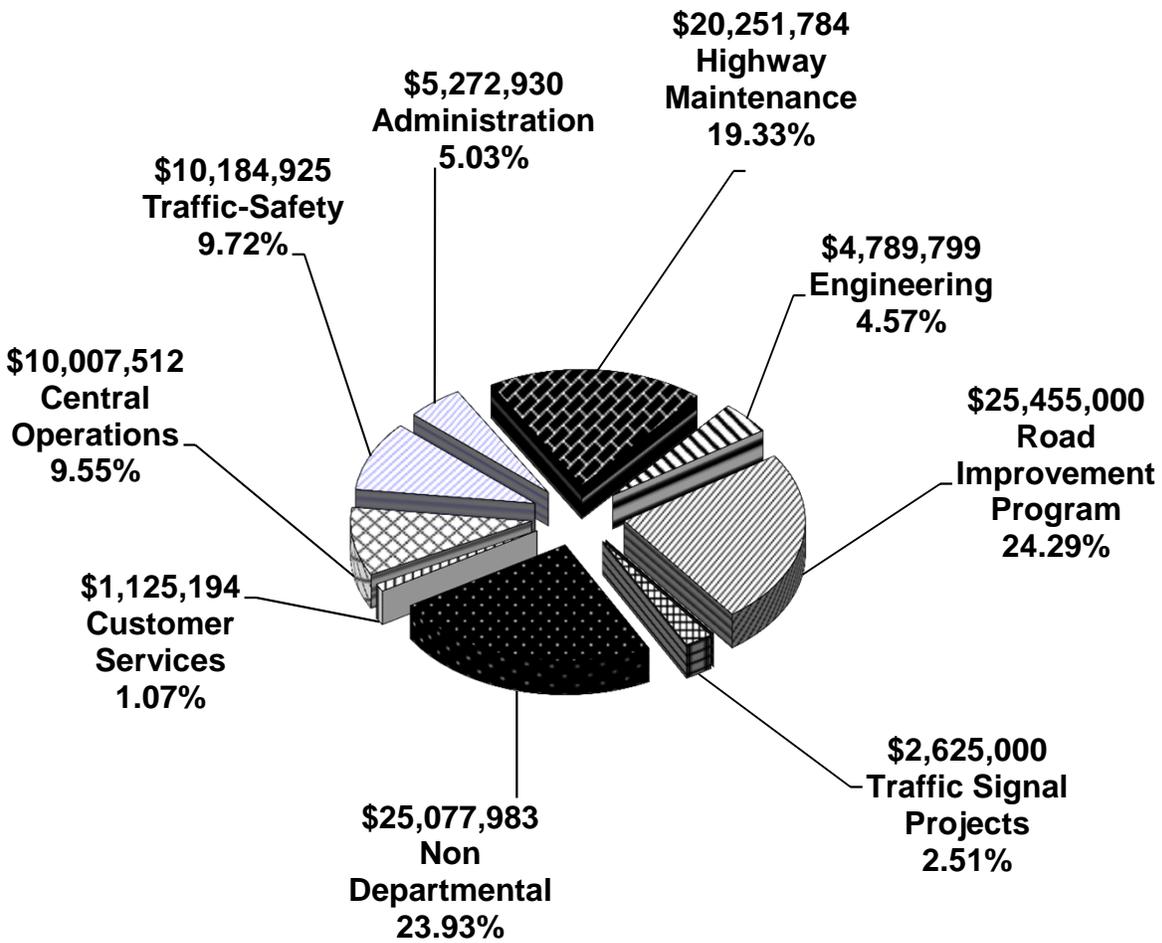


Figure 4

Budget Exhibit A-3

2015/16 DEPARTMENTAL BUDGET - APPROPRIATION BY OBJECT Compared to 2013/14 Actual, 2014/15 Beginning Budget, and 2014/15 Amended Budget

	<u>Actual</u> <u>2013/14</u>	<u>Beginning</u> <u>Budget</u> <u>2014/15</u>	<u>Amended</u> <u>Budget</u> <u>2014/15</u>	<u>Budget</u> <u>2015/16</u>
Board of Road Commissioners				
Personal Services	\$31,120	\$31,000	\$31,000	\$31,000
Supplies, Materials & Parts	188	250	250	250
Contracted Services	72,900	100,000	100,000	95,000
Other Expenses	<u>16,335</u>	<u>18,599</u>	<u>18,599</u>	<u>20,757</u>
	\$120,543	\$149,849	\$149,849	\$147,007
Managing Director				
Personal Services	\$454,867	\$478,089	\$478,089	\$617,114
Supplies, Materials & Parts	39,474	48,500	48,500	48,500
Contracted Services	76,088	105,000	105,000	110,000
Other Expenses	30,109	33,570	33,570	36,166
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$600,538	\$665,159	\$665,159	\$811,780
Customer Services				
Personal Services	\$842,762	\$848,288	\$848,288	\$1,019,076
Supplies, Materials & Parts	11,658	14,663	14,663	12,493
Contracted Services	56,499	55,000	205,000	91,000
Other Expenses	909	2,625	2,625	2,625
Capital Outlay	<u>0</u>	<u>31,000</u>	<u>31,000</u>	<u>0</u>
	\$911,828	\$951,576	\$1,101,576	\$1,125,194
Finance				
Personal Services	\$820,050	\$894,364	\$894,364	\$911,026
Supplies, Materials & Parts	9,143	9,590	9,590	9,590
Contracted Services	39,744	78,454	102,234	51,900
Other Expenses	1,791	2,900	2,900	2,900
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$870,728	\$985,308	\$1,009,088	\$975,416
Legal				
Personal Services	\$468,628	\$544,069	\$544,069	\$537,278
Supplies, Materials & Parts	24,526	33,516	33,516	41,755
Contracted Services	7,905	19,000	19,000	24,210
Other Expenses	4,895	5,700	5,700	5,000
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$505,954	\$602,285	\$602,285	\$608,243

Budget Exhibit A-3

2015/16 DEPARTMENTAL BUDGET - APPROPRIATION BY OBJECT Compared to 2013/14 Actual, 2014/15 Beginning Budget, and 2014/15 Amended Budget

	<u>Actual</u> <u>2013/14</u>	<u>Beginning</u> <u>Budget</u> <u>2014/15</u>	<u>Amended</u> <u>Budget</u> <u>2014/15</u>	<u>Budget</u> <u>2015/16</u>
Central Operations				
Personal Services	\$2,258,626	\$2,945,263	\$2,945,263	\$2,599,256
Supplies, Materials & Parts	2,606,076	2,740,640	2,740,640	2,783,930
Contracted Services	213,042	296,923	296,923	273,500
Other Expenses	41,575	38,232	38,232	39,000
Utilities	744,600	796,450	796,450	820,340
Repair/Maintenance	3,403,485	2,892,000	2,901,071	2,988,506
Capital Outlay	<u>710,737</u>	<u>192,000</u>	<u>766,571</u>	<u>502,980</u>
	\$9,978,141	\$9,901,508	\$10,485,150	\$10,007,512
Human Resources				
Personal Services	\$1,065,953	\$855,702	\$855,702	\$1,076,138
Employee Benefits	18,538	29,700	29,700	29,700
Supplies, Materials & Parts	6,695	6,985	9,100	6,985
Contracted Services	125,362	109,600	112,216	104,600
Other Expenses	13,621	19,200	19,200	24,523
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$1,230,169	\$1,021,187	\$1,025,918	\$1,241,946
Engineering				
Personal Services	\$4,260,898	\$4,384,022	\$4,384,022	\$4,540,700
Supplies, Materials & Parts	68,113	67,518	67,518	72,349
Contracted Services	75,722	35,300	46,722	26,400
Other Expenses	24,266	28,350	28,350	30,350
Capital Outlay	<u>0</u>	<u>0</u>	<u>25,672</u>	<u>120,000</u>
	\$4,428,999	\$4,515,190	\$4,552,284	\$4,789,799
Planning & Environmental Concerns				
Personal Services	\$642,834	\$781,156	\$781,156	\$755,579
Supplies, Materials & Parts	63,859	25,119	25,119	69,169
Contracted Services	511,846	456,660	476,660	610,540
Other Expenses	4,511	9,744	9,744	23,250
Capital Outlay	<u>27,220</u>	<u>0</u>	<u>35,124</u>	<u>30,000</u>
	\$1,250,270	\$1,272,679	\$1,327,803	\$1,488,538
Traffic-Safety				
Personal Services	\$4,656,404	\$4,666,357	\$4,666,357	\$4,848,932
Supplies, Materials & Parts	1,227,474	1,376,588	1,547,503	1,429,389
Contracted Services	2,583,612	2,313,796	3,952,948	2,570,950
Other Expenses	14,998	22,000	22,000	22,000
Utilities	667,428	848,070	848,070	869,440
Repair/Maintenance	7,714	10,000	10,000	10,000
Capital Outlay	<u>50,461</u>	<u>322,270</u>	<u>566,171</u>	<u>434,214</u>
	\$9,208,091	\$9,559,081	\$11,613,049	\$10,184,925

Budget Exhibit A-3

2015/16 DEPARTMENTAL BUDGET - APPROPRIATION BY OBJECT Compared to 2013/14 Actual, 2014/15 Beginning Budget, and 2014/15 Amended Budget

	<u>Actual</u> <u>2013/14</u>	<u>Beginning</u> <u>Budget</u> <u>2014/15</u>	<u>Amended</u> <u>Budget</u> <u>2014/15</u>	<u>Budget</u> <u>2015/16</u>
Highway Maintenance				
Personal Services	\$9,848,163	\$9,438,261	\$9,438,261	\$9,755,244
Supplies, Materials & Parts	7,285,772	4,969,252	5,287,502	5,990,600
Contracted Services	5,820,688	2,790,002	4,452,038	3,311,100
Other Expenses	11,526	8,600	11,754	6,500
Repair/Maintenance	3,396	0	0	0
Capital Outlay	<u>4,038,350</u>	<u>1,048,376</u>	<u>5,638,349</u>	<u>1,188,340</u>
	\$27,007,895	\$18,254,491	\$24,827,904	\$20,251,784
Non-Departmental				
Employee Benefits	\$19,023,104	\$21,390,577	\$21,390,577	\$22,059,610
Supplies, Materials, & Parts	45,198	189,000	189,000	200,000
Other Expenses	1,411,921	2,346,910	2,346,910	2,317,873
Debt Service	<u>0</u>	<u>500,500</u>	<u>500,500</u>	<u>500,500</u>
	\$20,480,223	\$24,426,987	\$24,426,987	\$25,077,983
Total Operating Funds	\$76,593,379	\$72,305,300	\$81,787,052	\$76,710,127
Road Improvement Program (Contractor Payments & ROW)	\$48,573,146	\$25,155,000	\$71,420,503	\$25,455,000
Traffic Signal/ITS Projects (Professional Services & Electrical Materials)	<u>3,747,008</u>	<u>3,325,000</u>	<u>8,668,622</u>	<u>2,625,000</u>
Total Expenditures	\$128,913,533	\$100,785,300	\$161,876,177	\$104,790,127

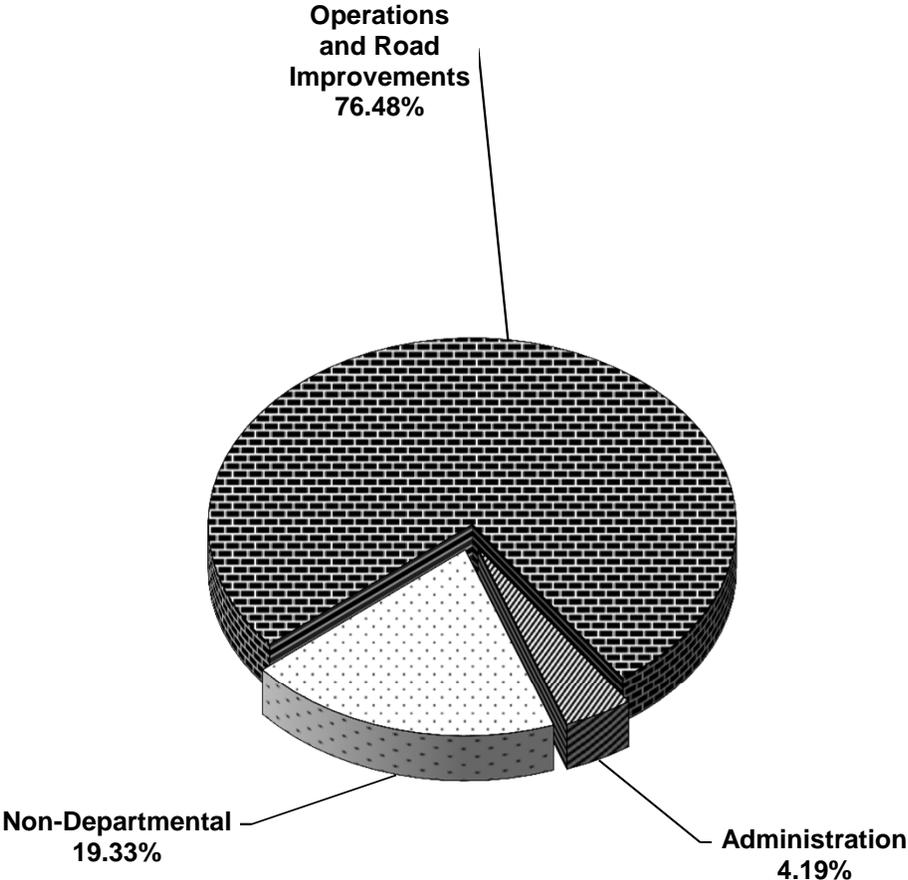
Budget Exhibit A-4

Fiscal Year 2015/16

Appropriation Summary - - Operating by Object

Salaries	\$26,691,343
Supplies, Materials & Parts	10,665,010
Contracted Services	7,269,200
Other	2,530,944
Utilities	1,689,780
Repair/Maintenance	2,998,506
Capital Outlay	2,275,534
Employee Benefits	22,089,310
Debt Service	<u>500,500</u>
TOTAL	\$76,710,127

Road Commission for Oakland County Historical Expenditures by Activity 2005 - 2014



Does not include SAD Fund

Figure 5

2015/16 Summary of Expenditures

A Year of Continued Cost Containment

The program of aggressive cost containment in all cost categories will continue in the current fiscal year. Departments have been required to critically re-examine procedures and practices and to identify innovative ways to achieve desired results.

The objective of these re-assessments 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 the least possible 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.

RCOC is focusing on:

- Monitoring major expenditures for cost effectiveness.
- Re-assessing 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 cost-containment strategies reflected in the current fiscal year budget are:

- 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 RCOC to make cuts. The cuts have resulted in postponement of the replacement of capital equipment and reduction of the authorized labor force through attrition by 161 positions in order to achieve a balanced budget for the current fiscal year.

2015/16 Summary of Expenditures

OPERATING DEPARTMENTS

RCOC's 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 (COD) accounts for 9.6 percent of the total RCOC yearly expenditures. Of the 72 authorized positions, 39 are budgeted in the current fiscal year. COD is comprised of the Equipment Repair District, Buildings and Grounds District, Fleet Management and the Purchasing Division including inventory control.

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, RCOC has maintained its road equipment on a rotational discard (DX) schedule. While COD has been able to increase the useful life of some equipment through tightened specifications and aggressive preventive maintenance practices, the department has, by necessity, reduced expenditures and stretched the life of equipment on hand.

Using industry standards, size, composition and the value of its fleet, RCOC should replace approximately \$5 million of equipment per year. The road equipment budget for the current fiscal year has several large equipment replacements identified. However, these purchases do not meet minimum recommended fleet investment due to the rapidly advancing age of the fleet.

2015/16 Summary of Expenditures

Engineering

The Engineering Department has 83 authorized positions, with 62 positions budgeted in the current fiscal year.

Engineering and road improvement activities account for 28.9 percent of RCOC's annual expenditures. The types of projects in the Road Improvement Program (RIP) include capacity improvements, resurfacings, bridge rehabilitation and replacement, gravel road paving and subdivision improvement and repair through the establishment of a Special Assessment District (SAD). In the fiscal year 2014/15 the department plans to complete over \$50 million in road improvements.

The Engineering Department is responsible for coordination of the Tri-Party Program which includes one-third funding from each of the following: the County of Oakland, RCOC and the participating local community. This popular program, started in 1973, leverages available road funds and is responsible for numerous road improvements throughout Oakland County. The department also oversees all culvert and bridge inspections as part of the Bridge Management System and conducts road ratings utilizing the Pavement Surface Evaluation and Rating (PASER) system on all paved county roads.

Efforts to secure available federal, state and local funding remains a key function of the Engineering Department. Numerous resurfacing, reconstruction and widening projects have been funded by applications submitted to the Oakland County Federal Aid Committee. In addition, successful grant applications have been submitted to the State of Michigan under the Transportation Economic Development Fund and Local Bridge Fund for various projects. The department also works with local communities to leverage all available funds for all phases of project implementation.

The SAD program, which has slowed in recent years due to the underperforming economy, is generating more interest. This program allows residents to establish an assessment district to fund local road improvements where the costs are typically spread over 10 years.

Planning and Environmental Concerns

The Planning and Environmental Concerns Department (PEC) will have 13 employees authorized and 10 budgeted in the current fiscal year. The PEC Department handles Information Systems, Systems Planning and Environmental Concerns.

2015/16 Summary of Expenditures

Planning and Environmental Concerns (continued)

The cost to maintain computer operations and transportation planning activities accounts for approximately 1.4 percent of RCOC's annual expenditures.

The PEC 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, benefiting the entire agency, are 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 module, the RCOC website, the Internet Service Provider and the Intranet website.

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 the current fiscal year, PEC will continue to coordinate the distribution of federal aid funds to local agencies by chairing and providing staff support to the Oakland County Federal Aid Task Force. This involves leading several meetings of the Technical Review Committee, the Funding Committee and the full Task Force. The four year Transportation Improvement Program (TIP) will result from these efforts.

PEC supported the Managing Director's Office on the 2015 Strategic Planning Process. The department also will refine elements of the JD Edwards EnterpriseOne software package, upgrade agency computers and software, and manage the Road Safety Audit process.

PEC won the 2015 Michigan Local Technical Assistance Program Great Ideas Challenge award for its creative use of current technology to capture environmental data. The creative technology use saved RCOC approximately eighty percent of what it would have cost to hire a consultant to do the task.

The department's Environmental Concerns division will operate the agency's Natural Beauty Road program, as well as conduct project-specific assessments. Division staff will also represent

2015/16 Summary of Expenditures

Planning and Environmental Concerns (continued)

the agency with regard to securing required wetland permits and soil erosion and sediment control permits from state and county authorities. Finally, the division will assure that our garages are following all environmental regulations.

Traffic-Safety

Of 98 authorized positions, the Traffic-Safety Department will have a budgeted staff of 73 employees in the current fiscal year.

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

The Traffic-Safety Department, including signal projects, accounts for approximately 12.2 percent of the total expenditures of RCOC. Traffic-Safety is annually responsible for about 150,000 traffic signs, with material costs for installation and repair on 15,500 signs budgeted at \$334,989. Traffic-Safety manages the \$3.2 million Signal Projects program which includes Traffic Operations Center (TOC), a federal safety project, wireless communications for the Fast Trac System and LED signal re-lamping.

A traffic management system is in place to provide an inventory of traffic signs. The program tracks the maintenance and replacement of traffic signs. Traffic-Safety began implementation of a new sign management system in 2013/14.

The Signal Systems Division of the Traffic-Safety Department has developed a Traffic Signal Management system that provides an inventory of the traffic signals maintained on county, MDOT and city roads by RCOC, and allows staff to quickly obtain asset information such as hardware type, approach pictures, signal timings, layouts and other pieces of information.

In the current fiscal year, RCOC will continue the development of the comprehensive Transportation Information Management System (TIMS), including an updated traffic website. TIMS includes data from MDOT freeway operations, work performed by contractors under RCOC-issued permits and construction projects.

2015/16 Summary of Expenditures

Highway Maintenance

Of 220 authorized positions, the Highway Maintenance Department will have a budgeted staff of 155 employees in the current fiscal year. The Highway Maintenance Department accounts for 19.3 percent of RCOC's total expenditures. The department is responsible for the maintenance of the largest county roadway system in the state.

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 the current fiscal year, RCOC will spend \$235,000 on gravel materials to patch and re-gravel sections of gravel roads and shoulders.

The department has budgeted about 7,330 tons of patching materials, 26,411 tons of aggregate and 90,000 tons of snow-control salt and sand chloride. The department typically installs approximately one mile of new culverts yearly and applies approximately 6.8 million gallons of chloride solution for winter de-icing, and controlling dust and providing soil stabilization on gravel roads in the summer. This department is also the largest user of RCOC's fleet of heavy and specialized equipment.

The rising costs of metal products, culvert pipes, float blades, and equipment continues to challenge the Highway Maintenance Department. The department also expects a five to eight percent increase in the cost of aggregate materials. The unpredictability of Oakland County winters sometimes requires additional reserves for overtime and materials. These contingencies make trends in maintenance costs difficult to interpret and project.

These increased costs reduce the amount of new equipment and materials that the Highway Maintenance Department can purchase. RCOC has to maintain older equipment longer and be very conscious of when and where it uses its materials. The challenge for the Highway 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.

RCOC will again utilize the Fleet Management System. The Fleet Management System 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. Approximately 135

2015/16 Summary of Expenditures

Highway Maintenance (continued)

RCOC winter-maintenance vehicles are now equipped with the Fleet Management System. 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.

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. For years, RCOC brine wells have eliminated the need for purchasing liquid chloride for dust control and made it possible for RCOC to pass these cost savings on to our customers, the local units of government and residents. RCOC has recently purchased dump trucks equipped with wing plows. These snow plows allow the driver to cover additional lane widths reducing the number of passes required, and thus reducing the time spent on a snow route.

NON-DEPARTMENTAL EXPENDITURES

The Non-Departmental budget represents approximately 23.9 percent of RCOC's annual expenditures. This includes the various insurance and self-insurance coverages for RCOC (risk management), fringe benefits, debt service and RCOC's contingency.

The current fiscal year Non-Departmental budget includes \$894,591 to continue recommended funding for Governmental Accounting Standards Board Pronouncement 45 (GASB 45) for the reporting of Other Post-Employment Benefits (OPEB) costs. GASB 45 concerns the timing of recognition of future retiree health-care expenses and recommends the "pre-funding" of those benefits.

FINANCIAL PICTURE FOR 2015/16

When it comes to funding 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. This, in turn, 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 Transportation Asset Management Council's (MTAMC) review of the system, which revealed that between 2004 and 2011 the number of miles of Michigan's "federal-aid-eligible" roads that were in "poor" condition more than doubled. According to the 2014 data from the MTAMC, only 17% of the state's roads are considered to be in good shape, 45% are in fair condition and 38% were considered to be in poor shape. Inadequate investment in the road system today will mean not only accelerated deterioration of roads, but increased future maintenance costs. The primary causes for this are:

- **A history of underfunding:** According to US Census Bureau data, for nearly 50 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 much of the last 10 years, following nearly a decade of stagnant revenues. This stagnation resulted in a significant decline in purchasing power.
- **Rising costs:** The costs associated with constructing and maintaining roads are increasing dramatically (most are increasing far more than the rate of consumer inflation).
- **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 2015/16 (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 recent 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, and the increase in the number of electric powered vehicles developed and purchased, means these increased miles of travel will generate less and less revenue per mile of travel under the current funding methodology.

RCOC's revenue from state-collected sources (gas tax, vehicle registration fee, etc.), decreased 3.2 percent between fiscal years ending 2004 and 2014. As is the case for all road agencies in the state, these are the dollars that RCOC uses to maintain its road system. However, during that same period, many of the agency's costs associated with road maintenance increased significantly. Some examples of the rate of increase for some of these costs during this same period are:

- Diesel fuel increased 186.1 percent.
- Gasoline increased 163.0 percent.
- Snowplow blades increased 100.4 percent.
- 12 yard dump truck increased 99.5 percent.
- Asphalt increased 88.6 percent.
- Cold patch increased 86.5 percent.
- Salt increased 61.0 percent.

Obviously, when expenses increase much more than revenues, something has to give. In RCOC's situation, staffing levels have fallen by 30 percent since 2007, reducing the level of road maintenance the agency can perform. This 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 2015/16 (continued)

The impact of the condition of the road system (including all of 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 (i.e. a hidden "congestion" tax).
- 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 businesses and new jobs to the state.

OUTLOOK

The current fiscal challenges facing RCOC do not lend themselves to easy solutions. When corrected for inflation, the purchasing power of the expected revenue will be decreased while construction costs are anticipated to further increase. However, to improve cost efficiency, RCOC is implementing new job models to assist with cost savings. For example, during the winter, a temporary part-time crew assists with the important winter maintenance activities to keep staffing-related expenses down. Also, capital outlay investments geared towards improving snow plowing, gravel road grading and signal maintenance services are under implementation. Even with the budget challenges, RCOC continues to provide statewide leadership directed toward securing additional road funding to ensure it meets the customer needs.

Budget Exhibit A-5

2015/16 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	605,714	1,400	10,000	0	617,114
Customer Services	943,026	9,050	67,000	0	1,019,076
Finance	849,626	6,400	55,000	0	911,026
Legal	532,228	1,050	4,000	0	537,278
Central Operations	2,274,456	20,850	303,950	0	2,599,256
Human Resources	368,688	450	7,000	700,000	1,076,138
Engineering	3,759,113	37,587	744,000	0	4,540,700
Planning and Environmental Concerns	730,279	2,300	23,000	0	755,579
Traffic-Safety	4,184,182	50,750	614,000	0	4,848,932
Highway Maintenance	<u>8,172,194</u>	<u>83,050</u>	<u>1,500,000</u>	<u>0</u>	<u>9,755,244</u>
Subtotal	\$22,450,506	\$212,887	\$3,327,950	\$700,000	\$26,691,343
Attrition (non-departmental)					<u>(500,000)</u>
TOTAL					\$26,191,343

Budget Exhibit A-6

2015/16 Budget

Appropriation Summary - - Fringe Benefits

Dental Insurance	\$400,000
Hospitalization	9,004,053
Life Insurance	90,540
Vision Care Insurance	37,900
Flexible Spending Administration	8,500
Cobra Admin-TP Sourcing	6,900
Retirement	5,000,000
Post Employment Benefits-Employer Contribution/Actuarials	894,591
Social Security	2,046,200
Unemployment Insurance	25,000
Workers' Compensation	190,000
Sick Leave Redemption	138,000
Workers' Compensation Self-Insurance	954,210 *
Prescription Drugs	3,458,926
Medical Exams/Wellness Program	<u>53,700</u>
TOTAL	\$22,308,520

* Included in Department Budget \$ 219,210
Non-Departmental Appropriation \$ 735,000

2015/16 Summary of Debt

SUMMARY EXPLANATION OF DEBT

In fiscal year 2006/07, 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.

In fiscal year 2015/16, RCOC intends to issue \$5,000,000 of Michigan Transportation Fund revenue notes. The note proceeds will be 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>9/30/2015</u>	2015/16 Debt Service Payments	
			<u>Principal</u>	<u>Interest</u>
\$5,000,000 Michigan Transportation Fund Revenue Notes of 2007	SAD Fund	\$500,000	\$500,000	\$20,000
\$5,000,000 Michigan Transportation Fund Revenue Notes of 2016	SAD Fund	\$0	\$500,000	\$83,333

2015/16 DEBT SERVICE

	<u>Road Fund</u>	<u>SAD Fund</u>	
Principal	\$500,000	\$1,000,000	
Interest	<u>0</u>	<u>103,333</u>	
TOTAL DEBT SERVICE	\$500,000	\$1,103,333	

Change in Fund Balance

ROAD FUND

Statement of Change in Fund Balance

	<u>Actual Fiscal Year Ending 9/30/14</u>	<u>Budget As Adopted 2014/15</u>	<u>Amended Budget 2014/15</u>	<u>Budget Fiscal Year Ending 9/30/16</u>
Beginning Fund Balance	\$43,980,558	\$42,336,182	\$42,336,182	\$40,833,937
Revenue	127,269,638	98,037,300	160,373,932	100,540,600
Expenditures	<u>128,914,014</u>	<u>100,785,300</u>	<u>161,876,177</u>	<u>104,790,127</u>
Revenue over (under) Expenditures	(1,644,376)	(2,748,000)	(1,502,245)	(4,249,527)
Ending Fund Balance	\$42,336,182	\$39,588,182	\$40,833,937	\$36,584,410

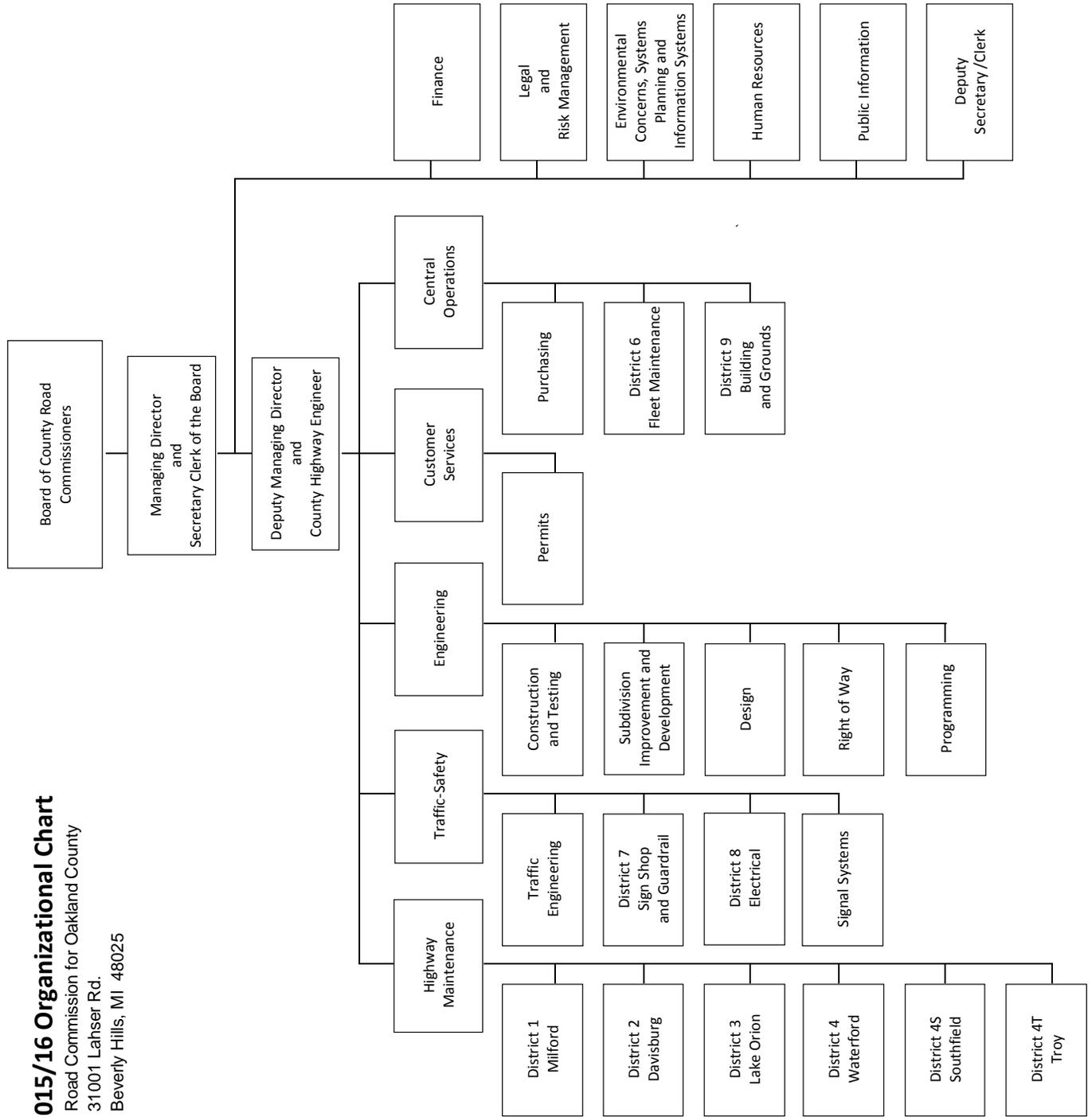
Analysis of 9/30/14 Ending Fund Balance:

Capital Outlay and Contracted Services	\$5,717,930
Future Years' Capital Acquisitions and Maintenance Projects	7,387,081
Future Years' Tri-Party Construction Participation	6,500,000
Reserved or Designated for Construction in Progress	5,157,279
Non-Spendable Inventory	4,052,476
Non-Spendable Prepaid Assets	3,412,858
Reserved for Long-Term Portion of Provisions for:	
Post-employment Benefits	4,142,208
Uninsured Loss	3,155,200
Compensated Absences	2,811,150

Total	\$42,336,182
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2015/16 Organizational Chart

Road Commission for Oakland County
 31001 Lahser Rd.
 Beverly Hills, MI 48025



AUTHORIZED POSITIONS



2015/16 Authorized Positions

OVERVIEW

The RCOC had 552 authorized positions in its fiscal year 2007/08 budget. Due to shrinking MTF revenue and significantly increasing expenses, the RCOC has been forced to reduce or eliminate many activities and expenditures, which has had a corresponding impact on required staffing levels. The RCOC has strategically identified those positions affected by the reductions and has designated them as "open", or vacant. The fiscal year 2015/16 Human Resources budget includes \$700,000 of Seasonal for temporary part-time winter maintenance drivers.

Fiscal year 2015/16 Non-Departmental budget includes \$500,000 for Attrition. Attrition to salaries not expected to be expended due to the normal process of filling any position vacancies.

To achieve a balanced budget for fiscal year 2015/16, 161 positions will remain vacant, bringing the total of budgeted "filled" positions to 390, (2 positions were permanently eliminated in fiscal year 2009/10 and one position was newly authorized in 2015). The following exhibit (A-7) shows the anticipated reductions at the beginning of fiscal year 2015/16. Fringe benefit line items in the Non-Departmental budget reflect reductions related to the 161 unfilled positions.

2015/16 Authorized Positions

History of Budgeted Positions

Fiscal Years 2011/12 - 2015/16

	<u>2011/12 Amended Budget</u>	<u>2012/13 Amended Budget</u>	<u>2013/14 Amended Budget</u>	<u>2014/15 Amended Budget</u>	<u>2015/16 Budget</u>
Managing Director	7	7	6	6	8
Customer Services	16	15	14	14	17
Finance	14	13	13	14	14
Legal	8	6	7	7	7
Human Resources	5	5	5	5	5
Central Operations	57	52	48	48	39
Engineering	67	63	61	61	62
Planning & Environ Concerns	11	11	12	11	10
Traffic-Safety	80	77	72	72	73
Highway Maintenance	<u>165</u>	<u>166</u>	<u>152</u>	<u>152</u>	<u>155</u>
TOTALS - BUDGETED	430	415	390	390	390
BUDGET REDUCTIONS	120	135	160	160	161
TOTALS - AUTHORIZED	550	550	550	550	551

2015/16 Budget Exhibit A-7

SALARY AUTHORIZED POSITIONS	MANAGING DIRECTOR	CUSTOMER SERVICES	FINANCE	LEGAL	HUMAN RESOURCES	CENTRAL OPERATIONS	ENGINEERING	PLANNING & ENVIRONMENTAL CONCERNS	TRAFFIC-SAFETY	HIGHWAY MAINTENANCE	TOTAL
Account Clerk			5			2			1	1	9
Accounting Supervisor			1								1
Accountant			4								4
Administrative Assistant to Managing Director	1										1
Assistant General Counsel				1							1
Attorney I/II							1				1
Budget Supervisor			1								1
Chief Weighmaster		1									1
Civil Engineer I/II		1					5		5		11
Civil Engineer III							9		3	1	13
Clerk Typist	1										1
Commission Receptionist	1										1
Computer Programmer II								2			2
Compensation & Benefits Accountant			1								1
Construction Engineer							1				1
Contract Administration/Forestry										1	1

2015/16 Budget Exhibit A-7

SALARY AUTHORIZED POSITIONS	MANAGING DIRECTOR	CUSTOMER SERVICES	FINANCE	LEGAL	HUMAN RESOURCES	CENTRAL OPERATIONS	ENGINEERING	PLANNING & ENVIRONMENTAL CONCERNS	TRAFFIC-SAFETY	HIGHWAY MAINTENANCE	TOTAL
Customer Service Coord		1									1
Customer Service Clerk		5									5
Deputy General Counsel				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 Customer Services		1									1
Director of Engineering							1				1
Director of Finance			1								1
Director of Highway Maintenance										1	1
Director of Human Resources					1						1
Director of Traffic Safety									1		1
Director of Planning and Environmental Concerns								1			1
District Clerk										6	6
District Superintendent									2	6	8
Electrical Services Coordinator									1		1
Electrical Technician I/II									3		3
Electrical Technician III									1		1

2015/16 Budget Exhibit A-7

SALARY AUTHORIZED POSITIONS	MANAGING DIRECTOR	CUSTOMER SERVICES	FINANCE	LEGAL	HUMAN RESOURCES	CENTRAL OPERATIONS	ENGINEERING	PLANNING & ENVIRONMENTAL CONCERNS	TRAFFIC-SAFETY	HIGHWAY MAINTENANCE	TOTAL
Electrical Trainer									1		1
Engineering Aide							5				5
Engineering Inspector II		7					21				28
Engineering Inspector III		2					3				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 IS Coordinator					1						1
Information Systems Clerk								1			1
Information Systems Supervisor								1			1
Instrument Operator							4				4
Inventory Control Chief						1					1

2015/16 Budget Exhibit A-7

SALARY AUTHORIZED POSITIONS	MANAGING DIRECTOR	CUSTOMER SERVICES	FINANCE	LEGAL	HUMAN RESOURCES	CENTRAL OPERATIONS	ENGINEERING	PLANNING & ENVIRONMENTAL CONCERNS	TRAFFIC-SAFETY	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	2				1			2		6
Office Coordinator		1									1
Paralegal				1							1
Payroll Accountant			1								1
Payroll Aide			1								1
Permits Engineer		1									1
Planner II								2			2
Planner III								1			1
Plat Analyst							1				1
Programmer I (Computer Tech)								1			1
Programming Supervisor							1				1
Public Information Manager/ Legislative Liaison	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

2015/16 Budget Exhibit A-7

SALARY AUTHORIZED POSITIONS	MANAGING DIRECTOR	CUSTOMER SERVICES	FINANCE	LEGAL	HUMAN RESOURCES	CENTRAL OPERATIONS	ENGINEERING	PLANNING & ENVIRONMENTAL CONCERNS	TRAFFIC-SAFETY	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	1	8
Senior Human Resources Specialist					1						1
Senior Manager of Communications/ Public Information Officer	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
Budget Reduction Salary Positions	(1)	(8)	(2)	(2)	(1)	(6)	(21)	(3)	(5)	(6)	(55)
TOTAL BUDGETED SALARY POSITIONS	8	17	14	7	5	11	62	10	32	34	200

2015/16 Budget Exhibit A-7

HOURLY AUTHORIZED POSITIONS	MANAGING DIRECTOR	CUSTOMER SERVICES	FINANCE	LEGAL	HUMAN RESOURCES	CENTRAL OPERATIONS	ENGINEERING	PLANNING & ENVIRONMENTAL CONCERNS	TRAFFIC-SAFETY	HIGHWAY MAINTENANCE	TOTAL
Assistant Sign Fabricator									1		1
Auger Operator									3		3
Building Maintenance Laborer						4					4
Carpenter						0					0
Crew Leader						1				3	4
Electrician									22		22
Float Operator										17	17
Forestry Crew Leader										4	4
Grade Person										7	7
Grader Operator										19	19
Guardrail Installer									3		3
ITS Communications									1		1
Janitor						4					4
Laborer II						4			14	18	36
Loader Operator										6	6
Mechanic						32					32
Shoulder Maintainer										5	5
Shovel/Patchmaster Operator										7	7

2015/16 Budget Exhibit A-7

HOURLY AUTHORIZED POSITIONS	MANAGING DIRECTOR	CUSTOMER SERVICES	FINANCE	LEGAL	HUMAN RESOURCES	CENTRAL OPERATIONS	ENGINEERING	PLANNING & ENVIRONMENTAL CONCERNS	TRAFFIC-SAFETY	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						3					3
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
Budget Reduction Hourly Positions	0	0	0	0	0	(27)	0	0	(20)	(59)	(106)
TOTAL BUDGETED HOURLY POSITIONS	0	0	0	0	0	28	0	0	41	121	190

DEPARTMENTS



2015/16 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 \$101 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, state and local governments and proceeds from the sale of bonds.

2015/16 Board of Road Commissioners

Object Detail

Board of Road Commissioners

<u>Object</u>	Actual <u>2013/14</u>	Beginning Budget <u>2014/15</u>	Amended Budget <u>2014/15</u>	Budget <u>2015/16</u>
Salaries	\$31,120	\$31,000	\$31,000	\$31,000
Supplies, Materials & Parts				
Stationery & Office Supplies	188	250	250	250
Books, Subscriptions & Publications	0	0	0	0
Membership Fees & Dues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	188	250	250	250
Contracted Services				
Audit	72,900	100,000	100,000	95,000
Other Expenses				
Travel	5,313	5,500	5,500	5,000
Awards-Employees & Retirees	<u>11,022</u>	<u>13,099</u>	<u>13,099</u>	<u>15,757</u>
	16,335	18,599	18,599	20,757
 TOTAL	 \$120,543	 \$149,849	 \$149,849	 \$147,007

2015/16 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

2015/16 Office of the MANAGING DIRECTOR and Secretary Clerk of the Board

OFFICE OF THE MANAGING DIRECTOR

Managing Director/ Secretary Clerk of the Board

The Managing Director is the RCOC's chief executive officer. As such, the Managing Director 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 RCOC 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 RCOC departments and the Road Improvement Program. In the absence of the Managing Director, the Deputy Managing Director assumes full responsibility for the RCOC'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.

Senior Manager of Communications/ Public Information Officer

The Senior Manager of Communications and Public Information Officer leads and directs all communications and public relations activity for the Road Commission. The Senior Manager of Communications/Public Information Officer also serves as the official spokesperson for the agency and manages all media contacts and relationships in an effort to build a credible network.

Public Information Manager/Legislative Liaison

Working with the Senior Manager of Communications and Public Information Officer, the Public Information Manager/Legislative Liaison serves as a spokesperson for the Road Commission for Oakland County. The Public Information Manager/Legislative Liaison carries out the active public relations programs adopted by the RCOC Board of Road Commissioners; integrates interactive media into the overall business strategy; serves as a primary source of contact developing strong relationships with state and federal legislative representatives; and works directly with RCOC leadership and department directors to collaboratively develop and implement the agency's communications strategy.

2015/16 Office of the MANAGING DIRECTOR and Secretary Clerk of the Board

OFFICE OF THE MANAGING DIRECTOR

Deputy Secretary Clerk

The Deputy Secretary Clerk is the "official keeper of records" charged with the responsibility for providing and maintaining all official RCOC records and making accurate and up-to-date records available to all departments.

The Clerk's Office records, balances and prepares deposits for all incoming RCOC 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 meetings; 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 RCOC's vision and mission statements are reflected in all activities of the agency.

This is accomplished through ensuring that the RCOC:

- Demonstrates accountability to its customers, the motorists, residents and businesses 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 those using Oakland's county roads, striving to ensure that Oakland County receives the highest level of funding possible to meet its road needs.
- 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.

2015/16 Office of the MANAGING DIRECTOR and Secretary Clerk of the Board

OFFICE OF THE MANAGING DIRECTOR

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 the 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 current fiscal year budget reflects the continuing effort to maintain services while coping with reduced revenues and rising costs. Overall, this budget reflects a 22% increase in the departmental budget from the previous fiscal year estimated amended budget. The increase is primarily due to salary increases.

2015/16 Office of the MANAGING DIRECTOR and Secretary Clerk of the Board

Object Detail

Office of the Managing Director

<u>Object</u>	<u>Actual 2013/14</u>	<u>Beginning Budget 2014/15</u>	<u>Amended Budget 2014/15</u>	<u>Budget 2015/16</u>
Salaries (See Position-Salary Detail)	\$454,867	\$478,089	\$478,089	\$617,114
Supplies, Materials & Parts				
Postage	34,056	37,000	37,000	37,000
Stationery & Office Supplies	2,249	6,500	6,500	6,500
Books, Subscriptions & Publications	2,172	4,000	4,000	3,696
Membership Fees & Dues	<u>997</u>	<u>1,000</u>	<u>1,000</u>	<u>1,304</u>
	39,474	48,500	48,500	48,500
Contracted Services				
Professional Services	76,088	105,000	105,000	110,000
Other Expenses				
Travel	4,948	8,570	8,570	10,166
Advertising	25,161	25,000	25,000	25,000
Training	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,000</u>
	30,109	33,570	33,570	36,166
Capital Outlay				
Office Equipment	0	0	0	0
TOTAL	\$600,538	\$665,159	\$665,159	\$811,780

2015/16 Office of the MANAGING DIRECTOR and Secretary Clerk of the Board

Position - Salary Detail

Office of the Managing Director

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary Appropriation</u>
1	Managing Director*	\$102,815	\$143,664	\$143,664
1	Deputy Managing Director**	92,043	121,053	121,053
1	Senior Manager of Communications/ Public Information Officer	74,779	84,870	81,841
1	Public Information Manager/ Legislative Liaison	66,232	75,106	69,782
1	Deputy Secretary/Clerk	56,688	68,319	68,319
1	Administrative Assistant to the Managing Director	47,723	54,879	54,879
1	Office Clerk	39,221	42,557	39,832
1	Clerk Typist	35,856	38,870	38,108
1	Commission Receptionist	33,235	36,006	35,736
<u>(1)</u>	Reduction of Salary Position(s)			<u>(47,500)</u>
8	TOTAL			<u>\$605,714</u>
			Overtime	10,000
			Longevity	<u>1,400</u>
			TOTAL SALARIES	<u>\$617,114</u>

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

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

CUSTOMER SERVICES

The Department of Customer 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 administers the RCOC's summer dust control program for residents residing on gravel roads. The program encompasses approximately 690 of the more than 770 miles of the gravel road mileage in the county. DCS also administers the Adopt-A-Road pick-up for volunteer groups three times per year.

The Department is also responsible for the issuance of permits and review of work proposed within the right-of-way under the jurisdiction of the RCOC. 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

DCS 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 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.
- 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.

CUSTOMER SERVICES

GOALS AND OBJECTIVES

(continued)

- Use of the internet and online forms to further reduce processing time and costs.
- Improve the process through online permit applications and payment of fees with credit cards or other online payment systems.
- Replacement of multi-part carbonless forms which will reduce printing costs and improve efficiency.
- Administration of the chloride program providing updated calculations and feedback to the participating townships, districts and citizens.

ACHIEVEMENTS

The achievements of DCS in the past year include:

- Development and maintenance of a detailed listing of accurate road measurements for the various townships participating in the chloride program.
- Provided a day of training to new personnel on how to respond to various types of citizen's concerns.
- Permit Rules, Specifications and Guidelines have been updated to current standards.
- Truck Operators' Map has been reviewed for the next reprinting.
- Updated the railroad crossing index and made available on the RCOC server.
- Updated detour routes for the closure of railroad crossing.
- Adopt-A-Road map with segment ID is currently on RCOC website.
- Continuation of training opportunities for DCS staff members.

SUMMARY OF BUDGET

The Department of Customer Services' current fiscal year budget reflects the continuing effort to maintain services while coping with reduced revenues and rising costs. Overall, this budget reflects a 2.1% increase in the departmental budget from the previous fiscal year amended budget. The increase is primarily due to a decrease in positions held vacant.

2015/16 Department

Object Detail

Department: Customer Services

<u>Object</u>	<u>Actual</u> <u>2013/14</u>	<u>Beginning</u> <u>Budget</u> <u>2014/15</u>	<u>Amended</u> <u>Budget</u> <u>2014/15</u>	<u>Budget</u> <u>2015/16</u>
Salaries (See Position-Salary Detail)	\$842,762	\$848,288	\$848,288	\$1,019,076
 Supplies, Materials & Parts				
Stationery & Office Supplies	9,182	9,563	9,563	7,993
Books, Subscriptions & Publications	126	300	300	200
Membership Fees & Dues	0	400	400	400
Safety Control Expense	130	500	500	500
Uniform Expense	543	700	700	500
Road Materials (Adopt-A-Road)	1,418	2,700	2,700	2,500
Small Tools	<u>259</u>	<u>500</u>	<u>500</u>	<u>400</u>
	11,658	14,663	14,663	12,493
 Contracted Services				
Maintenance Contracts	56,499	55,000	205,000	85,000
Map & Brochure Printing	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,000</u>
	56,499	55,000	205,000	91,000
 Other Expenses				
Travel	225	1,000	1,000	1,000
Training	<u>684</u>	<u>1,625</u>	<u>1,625</u>	<u>1,625</u>
	909	2,625	2,625	2,625
 Capital Outlay				
Road Equipment	<u>0</u>	<u>31,000</u>	<u>31,000</u>	<u>0</u>
	0	31,000	31,000	0
 TOTAL	 \$911,828	 \$951,576	 \$1,101,576	 \$1,125,194

2015/16 Department

Position - Salary Detail

Department: Customer Services

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary Appropriation</u>
1	Director of Customer Services	\$78,177	\$103,455	\$103,455
1	Permits Engineer	70,505	81,480	81,480
1	Civil Engineer II	54,459	63,107	62,352
2	Engineering Inspector III	51,161	60,867	116,084
1	Customer Service Coordinator	52,249	60,536	59,094
1	Chief Weighmaster	47,605	53,804	53,804
7	Engineering Inspector II	45,234	52,309	359,131
1	Office Coordinator	45,234	52,309	52,309
1	Weighmaster	45,234	52,309	52,309
1	Radio Communicator	43,951	48,509	47,124
1	Secretary	42,193	45,752	45,752
2	Office Clerk	39,221	42,557	82,593
5	Customer Service Clerk	39,221	42,557	207,539
<u>(8)</u>	Reduction of Salary Position(s)			<u>(380,000)</u>
17	TOTAL			\$943,026
			Overtime	67,000
			Longevity	<u>9,050</u>
			TOTAL SALARIES	\$1,019,076

FINANCE

The functions of the Finance Department are to plan, coordinate and administer all of the accounting, financial and budgetary functions of the RCOC, including the preparation of the financial statements. The Finance Department is responsible for the administration of the RCOC's three-year Financial Plan, in which all department directors participate. It is also charged with the administration of the RCOC 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 RCOC, preparing billings and accounting for the State Trunkline Maintenance Contract and working with both independent public accountants and state auditors.

Budget

The Budget section prepares and administers the RCOC'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, the Traffic Signal Program and SAD, which includes billing local units of government for their agreed participation in road projects.

GOALS AND OBJECTIVES

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

The current objectives of the Finance Department are:

- Provide a Finance Department that is accessible, visible and approachable to its customers.
- Continue to analyze and amend processes utilizing current systems to create efficiencies where possible.
- Continue educational sessions for Retirement System and Deferred Compensation Plan.
- Continue updates to the RCOC Financial Plan and Budget documents with an emphasis on performance measures.

FINANCE GOALS AND OBJECTIVES (continued)

- Ensure process and practices comply with internal RCOC regulations and all state and federal laws.
- Operate within the department budget.
- Build, provide and demonstrate strong, proactive employee and vendor relations practices.

ACHIEVEMENTS

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

- Continued posting of the audited financial statement, adopted annual budget document and annual Act 51 financial report on the RCOC website.
- Continued participation in state-wide "dash board" and bench marking efforts.
- Resolution of securities lending litigation.
- Continued to monitor and explore new business opportunities for the agency.

SUMMARY OF BUDGET

The Finance Department's current fiscal year budget reflects the continuing effort to maintain services while coping with reduced revenues and rising costs. Overall, this budget reflects a 3.3% decrease in the departmental budget from the previous fiscal year amended budget. The decrease is primarily due the biennial OPEB valuation not being required again until 2016/17.

2015/16 Department

Object Detail

Department: Finance

<u>Object</u>	<u>Actual</u> <u>2013/14</u>	<u>Beginning</u> <u>Budget</u> <u>2014/15</u>	<u>Amended</u> <u>Budget</u> <u>2014/15</u>	<u>Budget</u> <u>2015/16</u>
Salaries (See Position-Salary Detail)	\$820,050	\$894,364	\$894,364	\$911,026
 Supplies, Materials & Parts				
Stationery & Office Supplies	7,462	7,500	7,500	7,500
Books, Subscriptions & Publications	452	550	550	550
Membership Fees & Dues	<u>1,229</u>	<u>1,540</u>	<u>1,540</u>	<u>1,540</u>
	9,143	9,590	9,590	9,590
 Contracted Services				
EDP Services	1,220	0	23,780	0
Professional Services-Other	2,453	2,500	2,500	2,000
Retirement Administrative Expense	<u>36,071</u>	<u>75,954</u>	<u>75,954</u>	<u>49,900</u>
	39,744	78,454	102,234	51,900
 Other Expenses				
Travel	1,791	2,400	2,400	2,400
Training	<u>0</u>	<u>500</u>	<u>500</u>	<u>500</u>
	1,791	2,900	2,900	2,900
 Capital Outlay	0	0	0	0
 TOTAL	\$870,728	\$985,308	\$1,009,088	\$975,416

2015/16 Department

Position - Salary Detail

Department: Finance

<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	Director of Finance	\$78,177	\$103,455	\$103,455
1	Accounting Supervisor	66,232	75,106	75,106
1	Budget Supervisor	66,232	75,106	75,106
4	Accountant	54,459	63,107	251,296
1	Compensation & Benefits Accountant	54,459	63,107	63,107
1	Payroll Accountant	49,560	57,373	57,373
1	Payroll Aide	43,951	48,509	48,509
5	Account Clerk	42,193	45,752	226,841
1	Secretary	42,193	45,752	43,833
<u>(2)</u>	Reduction of Salary Position(s)			<u>(95,000)</u>
14	TOTAL			\$849,626
			Overtime	55,000
			Longevity	<u>6,400</u>
			TOTAL SALARIES	\$911,026

LEGAL

The responsibility of the Legal Department is to manage the legal affairs of the RCOC; 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 RCOC, 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 workers' 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.
- Management and coordination of the RCOC's insurance and self-insurance programs for liability, property and workers' compensation, and risk analysis.
- Special projects as directed by the Office of the Managing Director.

GOALS AND OBJECTIVES

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

- Undertake a review of all Board Policy manual documents and prepare revisions, as necessary.
- Expand tracking system of new departmental matters to facilitate analysis of type/volume of work and to insure assignments are being made to appropriate staff.
- Ensure that all Agency contracts, as appropriate, are reviewed by the Legal Department for conformance with applicable standards.
- Continue the process of moving departmental work product from paper to electronic, and migrate existing paper documentation to electronic format.
- Re-establish 100% reporting and updating on all RCOC vehicle accidents/incidents.
- Re-establish abandonment processing efficiencies.
- Revise signal maintenance agreements and provide for an updated payment collection process.

LEGAL ACHIEVEMENTS

- Undertook and completed request for proposals for Workers Compensation third-party administrator.
- Undertook and completed request for proposals for Agency insurance broker.
- Identified and implemented a process for digitalization of Legal Department's historic township road records.
- Designed and began implementation of employee Wellness Initiative with multifaceted online components.
- Presented updated safety awareness program and safety coin distribution to employees.

SUMMARY OF BUDGET

The Legal Department's current fiscal year budget reflects the continuing effort to maintain services while coping with reduced revenues and rising costs. Overall, this budget reflects a 1% increase in the departmental budget from the previous fiscal year amended budget. The increase is primarily due to updating the resource library.

2015/16 Department

Object Detail

Department: Legal

<u>Object</u>	<u>Actual</u> <u>2013/14</u>	<u>Beginning</u> <u>Budget</u> <u>2014/15</u>	<u>Amended</u> <u>Budget</u> <u>2014/15</u>	<u>Budget</u> <u>2015/16</u>
Salaries (See Position-Salary Detail)	\$468,628	\$544,069	\$544,069	\$537,278
Supplies, Materials & Parts				
Stationery & Office Supplies	5,202	8,516	8,516	7,255
Books, Subscriptions & Publications	3,864	9,000	9,000	18,500
Safety Control	<u>15,460</u>	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>
	24,526	33,516	33,516	41,755
Contracted Services				
Professional Services - Legal	7,717	16,000	16,000	16,000
Professional Services - Other	0	0	0	3,000
Workers Comp-Salary	<u>188</u>	<u>3,000</u>	<u>3,000</u>	<u>5,210</u>
	7,905	19,000	19,000	24,210
Other Expenses				
Travel	2,613	4,500	4,500	3,000
Training	<u>2,282</u>	<u>1,200</u>	<u>1,200</u>	<u>2,000</u>
	4,895	5,700	5,700	5,000
Capital Outlay	0	0	0	0
TOTAL	\$505,954	\$602,285	\$602,285	\$608,243

2015/16 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	\$84,044	\$111,241	\$111,241
1	Deputy General Counsel	80,225	92,260	92,260
1	Assistant General Counsel	74,631	85,825	85,825
1	Risk Management Program Coordinator	66,232	84,870	84,870
1	Paralegal I / II	47,723	63,112	52,018
1	Safety Supervisor	54,879	63,112	63,112
1	Risk & Insurance Analyst	49,560	57,373	53,878
1	Secretary -- Legal	41,497	47,723	43,988
1	Office Assistant	39,221	42,557	40,036
<u>(2)</u>	Reduction of Salary Position(s)			<u>(95,000)</u>
7	TOTAL			\$532,228
			Overtime	4,000
			Longevity	<u>1,050</u>
			TOTAL SALARIES	\$537,278

HUMAN RESOURCES

The Human Resources Department is responsible for providing centralized human resource 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 for RCOC employees, including health and welfare benefits, compensation planning, workforce planning, organizational analysis, talent acquisition and development and employee/labor relations.

Human Resources leads the way in terms of identifying and assisting in the implementation of change initiatives at the RCOC 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 RCOC's mission statement and strategic goals.

GOALS AND OBJECTIVES

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

- Provide an HR department that is accessible, visible and approachable.
- Establish and build strong working relationships internally across functional departments as well as with vendors. Remaining aware of service contracts with vendors to maximize benefits to the RCOC.
- Identify and provide supervisor workshop training, critical topic training and leadership training.
- Complete succession plan for key positions within the RCOC.
- Drive continuous improvement within the HR department's information technology systems to streamline workflow, reduce manual processes, maximize functionality and produce reports for analysis of trends.
- Develop an HR scorecard to reflect progress on metrics and projects throughout the year.
- Audit processes and record retention practices to ensure compliance to internal RCOC regulations and State / Federal laws.
- Operate within the departmental budget.
- Review, standardize and update department operational processes to drive consistency and create a department knowledge center.
- Provide materials and communication to educate employees on healthcare services and costs.
- Remain current on healthcare reform and implement change in a balanced approach.
- Complete ADA compliant job descriptions on all non-represented positions.
- Review the performance appraisal process for inclusion of RCOC core competencies and overall process improvements.
- Build, provide and demonstrate strong, proactive employee and labor relations practices.
- Execute HR programs & special projects as required.

HUMAN RESOURCES ACHIEVEMENTS

Understanding the need to balance fiscal responsibility and employee needs, the HR Department has been challenged to continue to meet employee needs while providing maximum benefits at minimal costs. In an effort to maintain and improve employee engagement and in response to the identified needs, throughout the calendar year 2014, the Human Resources team responded as follows:

Health & Welfare Benefits:

- Implemented PA 152 by adopting Hard Cap threshold for all employees, while preparing for further state and federal health care reform.
- Began necessary reporting for federal health care reform.
- Offered a new PPO plan for represented employees and a new HMO plan for represented employees upon ratification of new collective bargaining agreements.
- Improved effectiveness of leave programs through full utilization of case management practices.
- Implemented an on-line benefit enrollment and administration program. Completed active employee open enrollment using on-line system.
- Expanded voluntary benefits including premium dental plan, supplemental life insurance and worksite programs.
- Expanded eligibility to participate in the Retiree Health Saving Plan for all newly hired represented employees, similar to the plan in place for non-represented employees.
- Enhancement to the Purchase Vacation Benefit Plan launched in September 2014.
- Employee benefit handbooks were designed for the represented and non-represented groups.
- Provided on-site immunization vaccine for influenza.

Employee Relations:

- Continued to support operational concerns by offering creative alternatives related to work practices.
- Strategically transitioned as necessary to comply with Right to Work legislation.
- Achieved collective bargaining agreements with 2 local labor bargaining units.

Talent Acquisition & Development:

- Expanded the part-time temporary winter maintenance workforce to a 3 day / on-call work week, as an alternative to full time resources, to meet the demands for road maintenance and safety regulations.
- Updated the internship program with 9 interns across the agency.
- Expanded use of contract and agency resources as a bridge to provide services.
- Seasonal employees were hired to support road maintenance operations during the summer.
- Completed phase II of transitioning hourly workforce to a common annual performance review date.
- Updated and automate the hourly performance review form.
- Launched revised supervisor training workshop.

HUMAN RESOURCES

ACHIEVEMENTS

(continued)

During the 2014/15 fiscal year, the Human Resources Department staff remained focused on transitioning to comply with the guidelines of new legislation related to Right to Work, State and Federal Healthcare Reform, as well as implementing newly negotiated collective bargaining agreements. Health and welfare benefit plans were modified to offer options and alternatives to balance employee benefit needs and affordability. Through this transition, we continued to plan and implement necessary health care reform actions, as well as conduct annual eligibility audits of the active employee population. Auditing of the retiree population will be completed in 2015.

The agency turnover for 2014/15 was at 6%, with a majority of the turnover experienced through retirements. Along with the interns, seasonal and temporary workforces hiring, the agency also hired its first group of highway maintenance laborer new hires since 2007. In addition, the agency also hired 15 full time employees. While not increasing their headcount, the HR department welcomed two new team members, an employment / training specialist and a benefits specialist. Continued success in recruiting and retaining the temporary, part-time winter maintenance workforce was a major accomplishment for the department, as well as the agency. Likewise, the department experienced additional success with the recruitment of summer interns and summer seasonal road maintenance workforce. Updates to plan documents began, and will be completed in 2015 to demonstrate ongoing compliance to state and federal laws. The tuition reimbursement program continues to be a valued benefit among the workforce, with participation at all levels of the organization. Agency-wide projects and events were led and coordinated by the Human Resources Department, including the annual "Take Our Daughters and Sons to Work Day" and on-site immunization availability.

SUMMARY OF BUDGET

The Human Resources Department's current fiscal year budget reflects the continuing effort to maintain services while coping with reduced revenues and rising costs. Overall, this budget reflects a 21.1% increase in the departmental budget from the previous fiscal year amended budget. The increase is primarily due to a 25.8% increase in seasonal salaries.

2015/16 Department

Object Detail

Department: Human Resources

<u>Object</u>	<u>Actual</u> <u>2013/14</u>	<u>Beginning</u> <u>Budget</u> <u>2014/15</u>	<u>Amended</u> <u>Budget</u> <u>2014/15</u>	<u>Budget</u> <u>2015/16</u>
Salaries (See Position-Salary Detail)	\$1,065,953	\$855,702	\$855,702	\$1,076,138
Employee Benefits				
Medical Exams	<u>18,538</u>	<u>29,700</u>	<u>29,700</u>	<u>29,700</u>
	18,538	29,700	29,700	29,700
Supplies, Materials & Parts				
Stationery & Office Supplies	6,336	6,000	8,115	6,000
Books, Subscriptions & Publications	0	500	500	500
Membership Fees & Dues	<u>359</u>	<u>485</u>	<u>485</u>	<u>485</u>
	6,695	6,985	9,100	6,985
Contracted Services				
EDP Services	33,759	6,250	8,866	1,250
Labor Relations	75,506	81,600	81,600	81,600
Professional Services-Emp. Asst.	<u>16,097</u>	<u>21,750</u>	<u>21,750</u>	<u>21,750</u>
	125,362	109,600	112,216	104,600
Other Expenses				
Travel	2,206	2,200	2,200	2,750
Advertising	1,880	2,000	2,000	2,000
Training	<u>9,535</u>	<u>15,000</u>	<u>15,000</u>	<u>19,773</u>
	13,621	19,200	19,200	24,523
Capital Outlay	0	0	0	0
Office Equipment				
TOTAL	\$1,230,169	\$1,021,187	\$1,025,918	\$1,241,946

2015/16 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	\$78,177	\$103,455	\$103,455
1	Senior Human Resources Specialist	66,232	75,106	75,106
3	Human Resources Specialist	54,879	63,112	182,748
1	HRIS Coordinator	47,723	54,879	54,879
<u>(1)</u>	Reduction of Salary Position(s)			<u>(47,500)</u>
5	TOTAL			\$368,688
	Overtime			7,000
	Seasonal			700,000
	Longevity			<u>450</u>
	TOTAL SALARIES			\$1,076,138

CENTRAL OPERATIONS

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

Purchasing

The Purchasing Division has two functions: purchasing and inventory control.

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

The Purchasing Division has administrative responsibility 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 and aerial equipment. The RCOC provides wrecker services to its own vehicles through the Fleet Maintenance Division. A major contribution to the RCOC is the preventative maintenance program for its fleet of over one thousand pieces of equipment.

Buildings and Grounds

Buildings and Grounds, District 9, is responsible for the maintenance and repair of all RCOC 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 RCOC. The dispatcher and night watchmen are part of the Buildings and Grounds Division.

GOALS AND OBJECTIVES

The goal of COD is to serve the other departments and divisions of the 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.

CENTRAL OPERATIONS

GOALS AND OBJECTIVES (continued)

COD's fiscal year 2015/16 objectives are as follows:

- To maintain and repair road equipment to a standard of safety and efficiency.
- Scheduling equipment for seasonal readiness.
- Provide safe and efficient buildings and building systems for employees and those accessing the facilities.
- Specification and acquisition of equipment to replace 4 - Dump Trucks, 1 - Signal Boom Truck, 1 - Post Pounder/Auger Truck, 6 - Hot Patch Trailers, 2 - Vans, 4 - 3/4 ton Pick-Up Trucks, 6 - 1/2 ton Pick-Up Trucks and 2 - Automobiles.

ACHIEVEMENTS

COD has completed the following major projects:

- Inspected, repaired or replaced suspensions, brakes and tie rods in salt trucks.
- Installation of a new fuel management system to track fleet fuel usage, reduce possible theft and track fleet metrics.
- Installation of a new fueling island with dispensers at District #4T Troy Garage.
- Installation of new radiant heaters in District #4S Southfield Garage.
- Replacement of District #4 Waterford Cold Patch storage roof.

SUMMARY OF BUDGET

The Central Operations Department's current fiscal year budget reflects the continuing effort to maintain services while coping with reduced revenues and rising costs. Overall, this budget reflects a 4.6% reduction in the departmental budget from the previous fiscal year amended budget. The decrease is primarily due to increased employee positions held vacant.

2015/16 Department

Object Detail

Department: Central Operations

<u>Object</u>	<u>Actual</u> <u>2013/14</u>	<u>Beginning</u> <u>Budget</u> <u>2014/15</u>	<u>Amended</u> <u>Budget</u> <u>2014/15</u>	<u>Budget</u> <u>2015/16</u>
Salaries (See Position-Salary Detail)	\$2,258,626	\$2,945,263	\$2,945,263	\$2,599,256
 Supplies, Materials & Parts				
Stationery & Office Supplies	7,289	7,000	7,000	7,000
Office Equip/Furn (Non-Cap)	2,321	4,000	4,000	3,400
Parts, Supplies and Freight	887	2,000	2,000	700
Books, Subscr & Publications	0	100	100	100
Membership Fees & Dues	1,600	900	900	900
Janitor & Restroom Supplies	44,818	44,000	44,000	45,000
Safety Control Expense	10,220	8,500	8,500	8,500
Garage Expense	71,886	60,000	60,000	55,000
Vehicle Safety Improvement	623	1,500	1,500	1,000
Gas, Oil & Diesel Fuel	2,435,267	2,587,640	2,587,640	2,632,330
Small Tools (Garage & Road)	<u>31,165</u>	<u>25,000</u>	<u>25,000</u>	<u>30,000</u>
	2,606,076	2,740,640	2,740,640	2,783,930
 Contracted Services				
Laundry Expense	6,264	5,000	5,000	6,500
EDP Services	0	25	25	100
Maintenance Contracts	40,604	45,000	45,000	35,000
Security Services	140,239	185,075	185,075	183,000
Fire Suppression Services	7,247	10,000	10,000	7,100
Car Washing	3,003	3,500	3,500	3,000
Disposal of Hazardous Waste	4,099	3,000	3,000	3,000
Workers' Comp-Self Insured Exp	<u>11,586</u>	<u>45,323</u>	<u>45,323</u>	<u>35,800</u>
	213,042	296,923	296,923	273,500

2015/16 Department

Object Detail

Department: Central Operations (continued)

<u>Object</u>	<u>Actual</u> <u>2013/14</u>	<u>Beginning</u> <u>Budget</u> <u>2014/15</u>	<u>Amended</u> <u>Budget</u> <u>2014/15</u>	<u>Budget</u> <u>2015/16</u>
Other Expenses				
Travel	1,531	3,500	3,500	3,500
Training	1,120	500	500	1,500
Maint Contracts Office Equip	<u>38,924</u>	<u>34,232</u>	<u>34,232</u>	<u>34,000</u>
	41,575	38,232	38,232	39,000
Utilities				
Electrical	238,328	272,950	272,950	281,140
Heat	223,381	247,200	247,200	254,610
Water	59,023	44,550	44,550	45,890
Telephone	<u>223,868</u>	<u>231,750</u>	<u>231,750</u>	<u>238,700</u>
	744,600	796,450	796,450	820,340
Repair/Maintenance				
Building Maintenance	249,024	250,000	259,071	300,000
Garage Equipment Repair	23,309	20,000	20,000	324,000
Grounds Maintenance	4,757	2,000	2,000	5,000
Repair to Fuel Equipment	23,322	20,000	20,000	15,000
Road & General Eqpt Repair	<u>3,103,073</u>	<u>2,600,000</u>	<u>2,600,000</u>	<u>2,344,506</u>
	3,403,485	2,892,000	2,901,071	2,988,506
Capital Outlay				
Buildings	104,631	0	8,935	180,000
Road Equipment	334,550	192,000	394,132	288,980
Shop Equipment	86,006	0	90,000	0
Storage Facilities	185,550	0	265,855	25,000
Office Equipment	<u>0</u>	<u>0</u>	<u>7,649</u>	<u>9,000</u>
	710,737	192,000	766,571	502,980
TOTAL	\$9,978,141	\$9,901,508	\$10,485,150	\$10,007,512

2015/16 Department

Position - Salary Detail

Department: Central Operations

Division: Office of the Director

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary</u>		<u>Salary Appropriation</u>
		<u>Minimum</u>	<u>Maximum</u>	
1	Director of Central Operations	\$78,177	\$103,455	\$103,455
1	Fleet Manager	61,772	70,216	70,216
<u>1</u>	Secretary	42,193	45,752	<u>45,752</u>
3	TOTAL			\$219,423
			Overtime	19,000
			Longevity	<u>1,350</u>
			TOTAL SALARIES	\$239,773

2015/16 Department

Position - Salary Detail

Department: Central Operations

Division: Purchasing

<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	Purchasing Division Supervisor	\$66,232	\$75,106	\$71,552
1	Inventory Control Chief	51,161	60,867	60,867
2	Purchasing Agent	49,560	57,373	114,746
2	Account Clerk	42,193	45,752	89,585
1	Office Assistant	39,221	42,557	40,036
2	Storekeeper	50,024		100,048
3	Stock Clerk	47,923		143,769
<u>1</u>	Laborer II	46,592		46,592
(3)	Reduction of Salary Position(s)			(142,500)
<u>(2)</u>	Reduction of Hourly Position(s)			<u>(94,800)</u>
8	TOTAL			\$429,895
			Overtime	4,950
			Longevity	<u>6,050</u>
	TOTAL SALARIES & WAGES			\$440,895

2015/16 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	\$63,462	\$70,216	\$70,216
1	Office Clerk	39,221	42,557	42,557
3	Skilled Foreman	59,572	62,421	187,263
32	Mechanic	54,828		1,754,496
1	Small Tool Engine Repair Mechanic	50,877		50,877
1	Tire Repair	49,317		49,317
2	Laborer II	46,592		93,184
(2)	Reduction of Salary Position(s)			(114,000)
<u>(21)</u>	Reduction of Hourly Position(s)			<u>(995,400)</u>
18	TOTAL			\$1,138,510
			Overtime	190,000
			Longevity	<u>8,550</u>
	TOTAL SALARIES & WAGES			\$1,337,060

2015/16 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	\$63,462	\$70,216	\$66,834
1	Skilled Foreman	59,592	62,421	62,421
1	Crew Leader	52,936		52,936
4	Building Maintenance Laborer	49,317		197,268
1	Laborer II	46,592		46,592
3	Watchman	47,923		143,769
4	Janitor	40,852		163,408
(1)	Reduction of Salary Position(s)			(57,000)
<u>(4)</u>	Reduction of Hourly Position(s)			<u>(189,600)</u>
10	TOTAL			\$486,628
			Overtime	90,000
			Longevity	<u>4,900</u>
	TOTAL SALARIES & WAGES			\$581,528

ENGINEERING

The Engineering Department's function is to design and build road and bridge improvements. The Department keeps an extensive database on the condition of the roads and bridges. Using this information and the principles of Asset Management, the Engineering Department recommends preventive maintenance treatments, widenings, rehabilitations and reconstruction projects for the bridges and road system. Once a project is selected and approved, the Engineering Department secures funding, designs the improvements, purchases the necessary right-of-way; then bids and oversees the construction.

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 (ROW) Division acquires right-of-way needed for road improvement projects, and maintains the real estate records of the RCOC. The ROW division negotiates for and acquires properties needed. The ROW division performs all administrative work associated with right-of-way, including determining property ownership, appraisals and necessary documentation of the property sales, title work and recording. In addition to serving departmental project needs, the division assists other departments, local units of government, utility companies and citizens with right-of-way coordination and questions.

Subdivision Improvement & Development

The Subdivision Improvement Development (SID) Division 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. The SID division oversees the design, right-of-way coordination and construction inspection for these types of improvements, as well as assisting the Design Division when time allows.

Design

The Design Division is responsible for the design of all county road and bridge improvement projects other than subdivision street improvements (although, at times, it assists with these). Most projects are designed in-house by staff, however consulting engineering contracts are administered when necessary. Other responsibilities include advertising for and qualifying private contractors to construct the projects, conducting public informational meetings and assisting in plan review of major improvements built under RCOC permit.

Construction and Testing

The Construction Division is responsible for the administration of all construction contracts, including testing activities. The division is responsible for quality assurance on all road improvement projects, including contractor compliance with design and construction

ENGINEERING

Construction and Testing (continued)

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, is another important responsibility.

On-site inspection of contractors' work is performed throughout a project. The Construction Division works with public officials, residents and business owners during construction to keep them informed and address their concerns. Documentation of work accomplished and materials used is conducted for both RCOC use and for verification to funding agencies such as the Federal Highway Administration and MDOT.

Programming

The Programming Division is responsible for suggesting and scheduling road improvement projects using 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 and bridge 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 budget considerations of the department for fiscal year 2015/16 are as follows:

The fiscal year 2015/16 Road Improvement Program (RIP) includes 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 principles 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 preventive maintenance to that asset to extend its service life. The infrastructure conditions are kept in two databases: The Pavement Management System (PMS) and Bridge Management System (BMS). These PMS and BMS 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.

ENGINEERING GOALS AND OBJECTIVES (continued)

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. There are approximately 99 type "A" bridges and 183 type "B" bridges under RCOC jurisdiction. "A" bridges are inspected every two years by statute. The RCOC inspects 1/2 of the "B" bridges every two years, effectively inspecting all "B" bridges on a four year cycle.

The objectives of the department for fiscal year 2015/16 are as follows:

- Complete all type "A" bridge inspections.
- Coordinate Bridge Management Preventive Maintenance with the Traffic Safety and Highway Maintenance departments.
- Achieve 100% SESC/Storm Water Operator's certification compliance.
- Bid large projects in fall/winter.
- Achieve 100% obligation of federal funds.
- Use Asset Management for recommended road improvements.
- Provide preventive maintenance project list to Maintenance Department.
- Continue to update and incorporate Americans with Disabilities Act (ADA) requirements, elderly mobility requirements and Complete Streets considerations.
- Continue to use Context Sensitive Design and "Green" options for road construction where possible.

ACHIEVEMENTS

Achievements in fiscal year 2014/15 include:

- Approximately 90 "B" bridges were inspected including several "A" bridges which require more frequent inspections and load rating analysis.
- Pavement ratings were done on approximately 1/2 of the paved primary system.
- The RCOC's study of pedestrian access at multi-lane roundabouts has gained national attention. The RCOC continues to be a leader in this issue. The Engineering Director is a member of the Institute of Traffic Engineers National Roundabout Committee, TRB and ITE.
- 100% obligation of Federal Aid for road and bridge projects.
- Substantial completion of over \$50 million in Road and Bridge improvements during the 2014/15 fiscal year including:

Reconstruct/RRR

- Tienken Road, Livernois Road to Rochester Road
- Tienken Road, Adams Road to Livernois Road
- Orchard Lake Road, at 14 Mile Road and Northwestern Highway
- Greenfield Road at 10 Mile Road
- Haggerty Road, Pontiac Trail to Richardson
- Lahser Road, 13 Mile Road to Maple Road
- Milford Road, Pontiac Trail to Milford Village

ENGINEERING ACHIEVEMENTS (continued)

Substantial completion of over \$50 million in Road and Bridge improvements continued:

Pave Gravel

- Clyde Road, Hickory Ridge to Strathcona
- Griswold Road, 8 Mile Road to 9 Mile Road

Overlay

- Hickory Ridge, M-59 to Fenton Road
- Joslyn Road, Clarkston Road to Indianwood

Bridge/Culvert

- Fish Lake Road, south of Grange Hall
- Grand River Avenue over CSX, west of Novi Road
- Maybee Road, west of Clintonville
- Pontiac Lake Road, west of M-59

SUMMARY OF BUDGET

The Engineering Department's current fiscal year budget reflects the continuing effort to maintain services while coping with reduced revenues, reduced staff and rising costs. Overall, this budget reflects a 5.2% increase in the departmental budget from the previous fiscal year amended budget. The increase is primarily due to the capital purchase of GPS Total Stations and filling one vacant salary position.

While the department budget and staffing levels have continued to decline, the workload has increased dramatically as the RCOC has been very successful in obtaining federal aid for road and bridge projects. The Road Improvement Program (RIP), found elsewhere in this document, totals approximately \$28 million.

2015/16 Department

Object Detail

Department: Engineering

<u>Object</u>	<u>Actual</u> <u>2013/14</u>	<u>Beginning</u> <u>Budget</u> <u>2014/15</u>	<u>Amended</u> <u>Budget</u> <u>2014/15</u>	<u>Budget</u> <u>2015/16</u>
Salaries (See Position-Salary Detail)	\$4,260,898	\$4,384,022	\$4,384,022	\$4,540,700
 Supplies, Materials & Parts				
Stationery & Office Supplies	32,533	34,088	34,088	33,304
Office Equip/Furn (Non-Capital)	0	0	0	1,500
Parts & Supplies	2,634	3,500	3,500	3,000
Dept Equipment (Non-Capital)	0	0	0	2,400
Books, Subscriptions & Publications	8,114	8,300	8,300	8,000
Membership Fees & Dues	2,143	1,830	1,830	1,945
Safety Control Expense	2,941	1,800	1,800	2,200
Small Tools	<u>19,748</u>	<u>18,000</u>	<u>18,000</u>	<u>20,000</u>
	68,113	67,518	67,518	72,349
 Contracted Services				
EDP Services	0	0	11,422	0
S.A.D. Projects Admin.	5,434	10,000	10,000	10,000
Professional Services	69,309	15,300	15,300	15,000
Workers' Comp-Self Insured Exp	<u>979</u>	<u>10,000</u>	<u>10,000</u>	<u>1,400</u>
	75,722	35,300	46,722	26,400
 Other Expenses				
Travel	9,799	8,400	8,400	8,400
Training	<u>14,467</u>	<u>19,950</u>	<u>19,950</u>	<u>21,950</u>
	24,266	28,350	28,350	30,350

2015/16 Department

Object Detail

Department: Engineering (continued)

<u>Object</u>	<u>Actual 2013/14</u>	<u>Beginning Budget 2014/15</u>	<u>Amended Budget 2014/15</u>	<u>Budget 2015/16</u>
Capital Outlay				
Engineering Equipment	0	0	25,672	120,000
TOTAL	\$4,428,999	\$4,515,190	\$4,552,284	\$4,789,799

2015/16 Department

Position - Salary Detail

Department: Engineering

Division: Office of the Director

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary</u>		<u>Salary Appropriation</u>
		<u>Minimum</u>	<u>Maximum</u>	
1	Director of Engineering	\$78,177	\$103,455	\$103,455
<u>1</u>	Secretary	42,193	45,752	<u>45,752</u>
2	TOTAL			\$149,207
		Overtime		7,000
		Longevity		<u>400</u>
		TOTAL SALARIES		\$156,607

2015/16 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 Manager	\$70,505	\$79,980	\$75,719
1	Attorney I / II	63,112	79,837	75,672
1	Right-of-Way Appraiser	54,879	63,112	63,112
1	Engineering Technician III	51,161	60,867	55,217
2	Right-of-Way Agent	52,249	60,536	119,630
1	Engineering Technician II	45,234	52,309	49,965
1	Engineering Aide	43,951	48,509	48,509
1	Office Assistant	39,221	42,557	42,557
<u>(4)</u>	Reduction of Salary Position(s)			<u>(190,000)</u>
5	TOTAL			\$340,381
			Overtime	20,000
			Longevity	<u>1,800</u>
			TOTAL SALARIES	\$362,181

2015/16 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	\$74,779	\$84,870	\$84,870
1	Engineering Inspector III	51,161	60,867	60,867
1	Engineering Technician III	51,161	60,867	55,217
1	Plat Analyst	52,249	60,536	59,094
1	Special Assessment Analyst	49,560	57,373	57,373
3	Engineering Technician I/II	45,234	52,309	154,583
2	Engineering Inspector II	45,234	52,309	102,274
1	Engineering Aide	43,951	48,509	48,509
1	Office Assistant	39,221	42,557	42,557
<u>(3)</u>	Reduction of Salary Position(s)			<u>(142,500)</u>
9	TOTAL			\$522,844
		Overtime		110,000
		Longevity		<u>4,250</u>
		TOTAL SALARIES		\$637,094

2015/16 Department

Position - Salary Detail

Department: Engineering

Division: Design

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary</u>		<u>Salary Appropriation</u>
		<u>Minimum</u>	<u>Maximum</u>	
1	Design Engineer	\$74,779	\$84,870	\$84,870
4	Civil Engineer III	61,772	73,911	284,070
3	Civil Engineer II	54,459	63,107	183,110
1	Survey Crew Chief	51,161	60,867	60,867
6	Engineering Technician I/II	43,951	52,309	302,134
1	Instrument Operator	43,951	48,509	48,509
1	Survey Assistant	35,856	38,870	37,086
<u>(6)</u>	Reduction of Salary Position(s)			<u>(285,000)</u>
11	TOTAL			\$715,646
		Overtime		115,000
		Longevity		<u>8,487</u>
		TOTAL SALARIES		\$839,133

2015/16 Department

Position - Salary Detail

Department: Engineering

Division: Construction & Testing

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary</u>		<u>Salary Appropriation</u>
		<u>Minimum</u>	<u>Maximum</u>	
1	Construction Engineer	\$74,779	\$84,870	\$84,870
4	Civil Engineer III	61,772	73,911	284,490
1	Civil Engineer II	54,459	63,107	62,352
2	Engineering Inspector III	51,161	60,867	121,734
3	Survey Crew Chief	51,161	60,867	182,601
1	Utilities Coordinator	49,560	57,373	57,373
19	Engineering Inspector I/II	43,951	52,309	979,103
2	Engineering Aide	43,951	48,509	97,018
3	Instrument Operator	43,951	48,509	145,527
1	Office Assistant	39,221	42,557	40,036
1	Survey Assistant	35,856	38,870	38,870
<u>(7)</u>	Reduction of Salary Position(s)			<u>(332,500)</u>
31	TOTAL			\$1,761,474
			Overtime	470,000
			Longevity	<u>19,900</u>
			TOTAL SALARIES	\$2,251,374

2015/16 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	\$70,505	\$79,980	\$79,980
1	Civil Engineer III	61,772	73,911	73,911
1	Civil Engineer II	54,459	63,107	62,352
1	Engineering Technician I/II	43,951	52,309	52,309
1	Engineering Aide	43,951	48,509	48,509
<u>(1)</u>	Reduction of Salary Position(s)			<u>(47,500)</u>
4	TOTAL			\$269,561
		Overtime		22,000
		Longevity		<u>2,750</u>
		TOTAL SALARIES		\$294,311

PLANNING AND ENVIRONMENTAL CONCERNS

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

Systems Planning

Systems Planning provides technical and administrative assistance to the RCOC 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 the RCOC.
- Providing a 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

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

IS 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.

Other tasks include assisting in training personnel in computer usage, evaluating the applicability of commercially available programs to the 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.

PLANNING AND ENVIRONMENTAL CONCERNS

Environmental Concerns

Environmental Concerns is responsible for providing environmental services and guidance to the operating departments of the RCOC. Environmental Concerns prepares environmental assessments and documents as required by federal regulations; provides guidance for compliance with numerous environmental laws dealing with issues such as noise, air, storm water, soil erosion, wetlands, historic properties and Threatened and Endangered (T&E) Species; consults with state, county and local governments regarding environmental protection of the public right-of-way; manages the Adopt-A-Road (AAR) and Natural Beauty Road programs; and investigates environmental complaints.

GOALS AND OBJECTIVES

The following are the main goals of the Planning and Environmental Concerns Department for the 2015/16 budget year. Additional unanticipated priorities will also be addressed during the year.

Systems Planning

- Execute the 2015 Strategic Planning process (meetings to report).
- Conduct Road Safety Audits (RSA) as needed or requested.
- Conduct the annual road safety review process.
- Lead Federal Aid Committee (FAC) meetings/develop, monitor and amend TIP as needed.
- Continue to promote road funding initiatives, e.g., Mileage-Based User Fees (MBUF), new legislation.
- Continue participation with SEMCOG on various special projects/committees.
- Assist SEMCOG with the review of the National Functional Classification (NFC) for all road segments on the RCOC.
- Attend Financial Planning Group meetings and write summary report.
- Continue to annually collect agency-wide performance benchmarks information and provide it to the Benchmarking Consortium to be used for their annual report.
- Coordinate agency Highway Performance Monitoring System (HPMS) participation and provide required data to SEMCOG.
- Coordinate the agency's GIS functions to include user support and data creation, e.g., highway easements, road geometrics, drainage outfalls.

Information Systems

- Complete Groupwise to Outlook migration.
- Convert MS Access Databases to SQL for JD Edwards.
- Develop a comprehensive IT disaster recovery plan.
- Work with Human Resources and Legal departments to establish a data retention plan as well as a formalized tracking plan for new hires and terminated employees.
- Upgrade non-Windows 7 PC's (benefits kiosks) to allow Microsoft support.
- Implement a notification plan to staff of network problem.
- Train all IS staff to address major system down issues.
- Explore the feasibility of augmenting our CD Group Service Level agreement.
- Explore the feasibility of piloting a custom version of AT&T's Community.
- Explore implementing a proactive email filtration system/service to reduce our vulnerability to SPAM and Denial of Service (DoS) attacks.

PLANNING AND ENVIRONMENTAL CONCERNS

GOALS AND OBJECTIVES

(continued)

Environmental Concerns

- Prepare for the new State of Michigan National Pollutant Discharge Elimination System (NPDES) stormwater permit and continue to work with the Water Resources Commission (WRC) to maintain our nested partnership.
- Developing a Computer Asset Management System (CAMS) for RCOC's Illicit Discharge Elimination Program (IDEP) to meet new State requirements.
- Update RCOC's Stormwater Pollution Prevention Plans (SWPPP) for each of the six districts and update the Public Education Program (PEP), our Pollution Prevention Practices and the Good Housekeeping Program for the district garages.
- Complete a Department of Environmental Quality (DEQ) audit regarding RCOC's Post-Construction Stormwater Runoff Control Program and institute the new Post-Construction Stormwater runoff controls.
- Assist agency in creating a Total Maximum Daily Load (TMDL) Implementation Plan for all projects that will be required by the new permit.
- Work with DEQ, COD and Maintenance to create a vactor waste facility that meets DEQ standards or a program that meets satisfies DEQ requirements.
- Continue to develop Institutional Controls with the Legal Department for contamination in RCOC's Right-of-Ways.
- Give staff support to Design regarding environmental clearance coordination (State Historic Preservation Office (SHPO), Threatened and Endangered Species and Tribal) for State and Federal funded projects.
- Manage RCOC's Soil Erosion and Sedimentation Control (SESC) program and ensure that required employees receive SESC training to comply with our American Planning Association (APA) status through the Michigan Department of Environmental Quality (MDEQ).
- Oversee the DEQ/Health Department water use program for RCOC district garages.
- Continue to support RCOC's interests in various committees such as the Joint Agency Transportation Committee (JATC), the Alliance of Rouge Communities (ARC), the Cooperative Invasive Species Management Area (CISMA) steering committee and the Environmental Review Committee for Threatened and Endangered Species.
- Manage all aspects of RCOC's disposal of hazardous and non-hazardous wastes.

ACHIEVEMENTS

The Planning and Environmental Concerns team achieved a number of important milestones in fiscal year 2014/15, including the following:

Systems Planning

Special Projects

- Benchmarking Consortium: participated in meetings, conducted agency-wide data collection, submitted collected data for the annual survey.
- Conducted RSA on Tienken Road (Adams to Livernois).
- Updated the Gravel Road Paving Plan (GRPP) and created a new GRPP map.
- Produced and submitted an application for Transportation Investment Generating Economic Recovery (TIGER) FY 2014 grant.

PLANNING AND ENVIRONMENTAL CONCERNS

ACHIEVEMENTS

Systems Planning

(continued)

- Organized Transportation Funding presentation by W. Hamilton of the House Fiscal Agency (September 26).
- Provided specifications and managed process of obtaining a hand-held tablet for outfall collection. Set-up tablet and ArcGIS Online to manage the field collection of stormwater outfalls.

Safety

- Organized Safety Review Committee Meeting: second round of 2010-2012 data.
- Revised the Safety Review procedure.

Assistance to other departments

- Created online map of Adopt-A-Road segments for RCOCweb.org.
- Maintained and provided updates to map.
- Prepared Financial Plan Report.
- Calculated FY2013 Act 51 funds used for non-motorized improvements.
- Made recommendations for various proposed abandonments.
- Searched in PEC archives for documents, plans, emails, etc. related to the NW Connector for the Legal Department.
- Established and managed an external customer file sharing system for Traffic Safety.
- Assisted Programming with the distribution of Tri-Party funds.

Assistance to partner agencies

- Collected HPMS data from Traffic Safety and Engineering for SEMCOG data sheet submittal.
- Served on the Woodward Ave. Action Association Complete Streets Committee and SEMCOG's Woodward Alternatives Analysis committee, Infrastructure Collaboration team, and Plan Advisory Team for the regional non-motorized master plan development.
- Proposed NFC changes subsequent to the approval of the Adjusted Urban Area Boundary approved by FHWA October 2013 for SEMCOG.
- Served on Move Across Troy committee regarding Big Beaver pedestrian access.
- Served on Safe Routes to School committee in Lyon Twp.

Information Systems

- Installed WiFi system at PVR and BH.
- Completed configuration of new badging server and printer.
- Identified problematic modules within JDE.
- Completed purchase of enterprise email system from GroupWise to Outlook.
- Increased line speed for Internet traffic at BH and PVR location.
- Established a permanent contact with Oakland County IT to immediately address issues with email traffic between RCOC and OAKGOV.
- Purchased and installed 2 Microsoft Exchange servers.
- Installed and configured remaining 77 of the 120+ PC's identified as obsolete.
- Continued assessment of Disaster Recovery Plan.

PLANNING AND ENVIRONMENTAL CONCERNS

ACHIEVEMENTS

Information Systems (continued)

- Configured new Power over Ethernet switches and security cabinets for all outlying districts and PVR, which will allow us to take advantage of multiple Network Interface Card servers. This effectively doubles the throughput of all servers.
- Replaced all drives on JDE Logic Server with larger and faster drives.
- Configured a new VIRTUAL server for the new Fuel Management System.

Environmental Concerns

General

- Managed the collection of RCOC's outfalls, with a new collection system.
- Internally prepared for the 2015 new Stormwater Permit.
- Managed RCOC's SESC program.
- Conducted Volatile Organic Compounds testing and water sampling at District garages.
- Prepared Secondary Containment Permit.
- Managed Lyon Oaks wetland bank.
- Updated RCOC's Total Maximum Daily Load requirements.
- Managed RCOC's hazardous waste inventory.
- Won the 2015 Michigan Local Technical Assistance Program Great Ideas Challenge award for creative use of current technology to capture environmental data, saving 80 percent versus hiring a consultant.

Assistance to Residents, Communities and Other Agencies

- Worked with WRC to prepare for the upcoming DEQ stormwater permit audit.
- Managed RCOC's Water-Use Program with the DEQ.
- Completed Dequindre Road Environmental Assessment (EA).
- Worked with communities and consultants on EA's for Orchard Lake Road, Southfield Road and Livernois Road EA.
- Led RCOC's involvement for the CISMA grant.

SUMMARY OF BUDGET

The current fiscal year Planning and Environmental Concerns budget reflects the continuing effort to maintain services while coping with reduced revenues and rising costs. Overall, this budget reflects a 12.1% increase in the departmental budget from the previous fiscal year amended budget. The increase is primarily due to a 28.1% increase in contracted services for Electronic Data Processing and computer costs.

2015/16 Department

Object Detail

Department: Planning & Environmental Concerns

<u>Object</u>	<u>Actual</u> <u>2013/14</u>	<u>Beginning</u> <u>Budget</u> <u>2014/15</u>	<u>Amended</u> <u>Budget</u> <u>2014/15</u>	<u>Budget</u> <u>2015/16</u>
Salaries (See Position-Salary Detail)	\$642,834	\$781,156	\$781,156	\$755,579
Supplies, Materials & Parts				
Stationery & Office Supplies	4,213	5,744	5,744	5,800
Computers (Non-Capital)	44,957	6,400	6,400	51,900
Software (Non-Capital)	958	1,075	1,075	1,100
Books, Subscriptions & Publications	0	300	300	300
Membership Fees & Dues	1,033	1,600	1,600	1,600
Data Processing Supplies	12,698	10,000	10,000	8,469
Road Materials (Adopt A Road)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	63,859	25,119	25,119	69,169
Contracted Services				
EDP Services	345,155	260,010	260,010	314,540
Professional Services	<u>166,691</u>	<u>196,650</u>	<u>216,650</u>	<u>296,000</u>
	511,846	456,660	476,660	610,540
Other Expenses				
Travel	2,795	4,944	4,944	6,950
Training	<u>1,716</u>	<u>4,800</u>	<u>4,800</u>	<u>16,300</u>
	4,511	9,744	9,744	23,250
Capital Outlay				
Office Equipment	27,220	0	35,124	30,000
TOTAL	\$1,250,270	\$1,272,679	\$1,327,803	\$1,488,538

2015/16 Department

Position - Salary Detail

Department: Planning 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 Planning & Environmental Concerns	\$78,177	\$103,455	\$103,455
1	Transportation Planning Coordinator	74,779	84,870	84,870
1	Information Systems Supervisor	66,232	82,836	82,836
1	Environmental Concerns Coordinator	66,232	75,106	73,336
1	Planner III	61,772	70,216	70,216
1	Environmentalist II	54,459	63,107	60,379
2	Planner II	54,459	63,107	125,459
2	Computer Programmer II	54,459	63,107	125,270
1	Computer Technician	49,560	57,373	57,373
1	Secretary	42,193	45,752	43,833
1	Information Systems Clerk	42,193	45,752	45,752
<u>(3)</u>	Reduction of Salary Position(s)			<u>(142,500)</u>
10	TOTAL			\$730,279
			Overtime	23,000
			Longevity	<u>2,300</u>
			TOTAL SALARIES	\$755,579

TRAFFIC-SAFETY

Traffic-Safety consists of the Traffic Engineering Division, Signal System Division, District 7 (traffic signs and guardrails) 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, oversees collection of volume and intersection counts, speed and gap studies and other special counts.

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 and Connected Vehicle and Intelligent Transportation Systems (ITS) projects. One of the projects consists of the Sydney Coordinated Adaptive Traffic System (SCATS), which uses video detection, and staffing of the Traffic Operation Center (TOC). 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 and attenuators on the RCOC and MDOT road systems, plus the installation and maintenance of guardrail and cedar posts on the RCOC road system. This includes construction, detour and staging signing on many road projects.

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 ITS projects including the Connected Vehicle 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

- Update the Sign Management System, which includes a process to ensure compliance with the new reflectivity standards mandated by the Federal Highway Administration (FHWA).
- Implement the Pavement Marking Management System to better organize and track pavement markings and legends.

Signal Systems

- Implement low cost SCATS communications such as wireless radio technologies.
- Install new digital equipment to improve SCATS communications reliability.
- Install CCTV cameras at high volume intersections.
- Work on multiple Connected Vehicle projects.
- Continue the search to relocate the TOC.
- Evaluate different vehicle detection technologies.

ACHIEVEMENTS

Continue to upgrade signs to bring into compliance with the Michigan Manual on Uniform Traffic Control Devices (MMUTCD) and reflectivity guidelines.

One big cost savings for the RCOC 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.

The RCOC now has installed over 190 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.

The RCOC has also installed High-intensity Activated crosswalk (HAWK) devices and rectangular rapid flashing beacons (RRFBs) at two roundabouts and worked with a team of researchers to evaluate their effectiveness. The intent is to better understand how visually impaired pedestrians cross at roundabouts. A report released in 2012 showed positive results in aiding pedestrians at roundabouts.

**TRAFFIC-SAFETY
ACHIEVEMENTS
(continued)**

Traffic-Safety plans to start developing an overall communications plan to upgrade communications at FAST-TRAC intersections.

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Budgeted FY 2015-16</u>
Traffic Signal Installations	1	1	2
(including flashers)			
Traffic Signal Modernization	0	2	2
(including installations under jurisdictions of other agencies and other electrical devices)			
Traffic Signals Maintained	1,530	1,570	1,595
Traffic Sign Maintenance	15,000	15,000	15,200
Guardrail (feet)	2,500	2,400	2,500

SUMMARY OF BUDGET

The Traffic-Safety Department's current fiscal year budget reflects the continuing effort to maintain services while coping with reduced revenues and rising costs. Overall, this budget reflects a 12.3% decrease in the departmental budget from the previous fiscal year amended budget. The decrease is primarily due to a 35% decrease in contracted services.

2015/16 Department

Object Detail

Department: Traffic-Safety

<u>Object</u>	<u>Actual</u> <u>2013/14</u>	<u>Beginning</u> <u>Budget</u> <u>2014/15</u>	<u>Amended</u> <u>Budget</u> <u>2014/15</u>	<u>Budget</u> <u>2015/16</u>
Salaries (See Position-Salary Detail)	\$4,656,404	\$4,666,357	\$4,666,357	\$4,848,932
Supplies, Materials & Parts				
Stationery & Office Supplies	16,463	18,000	18,000	18,000
Parts & Supplies	28	500	500	500
Dept Equipment (Non-Cap)	0	0	1,400	1,400
Books, Subscriptions & Publications	242	500	500	500
Membership Fees & Dues	829	2,000	2,000	2,000
Safety Control Expense	22,684	20,000	20,000	20,000
Materials-Electric Install/Modernize	593,224	780,000	891,776	780,000
Signs & Materials	323,954	318,588	349,622	334,989
Guardrail & Misc.	167,444	150,000	176,705	175,000
Attenuator	62,876	50,000	50,000	60,000
Other Road Materials	1,230	2,000	2,000	2,000
Small Tools	<u>38,151</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
	1,227,474	1,376,588	1,547,503	1,429,389
Contracted Services				
EDP Services	0	500	500	500
Maintenance Contracts	2,566,588	2,225,000	3,864,152	2,497,500
Outside Equipment Rental	0	15,000	15,000	15,000
Disposal of Hazardous Waste	0	250	250	250
Workers' Comp-Self Insured Exp	<u>17,024</u>	<u>73,046</u>	<u>73,046</u>	<u>57,700</u>
	2,583,612	2,313,796	3,952,948	2,570,950
Other Expenses				
Travel	7,919	7,000	7,000	7,000
Training	5,819	10,000	10,000	10,000
Special Training-District 8	<u>1,260</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
	14,998	22,000	22,000	22,000

2015/16 Department

Object Detail

Department: Traffic-Safety (continued)

<u>Object</u>	<u>Actual 2013/14</u>	<u>Beginning Budget 2014/15</u>	<u>Amended Budget 2014/15</u>	<u>Budget 2015/16</u>
Utilities				
Street Lighting Utilities	19,310	30,630	30,630	31,560
Traffic Signal Utilities	<u>648,118</u>	<u>817,440</u>	<u>817,440</u>	<u>837,880</u>
	667,428	848,070	848,070	869,440
Repair/Maintenance				
Radio Communication & Repair	4,162	5,000	5,000	5,000
Road & General Equipment Repair	<u>3,552</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
	7,714	10,000	10,000	10,000
Capital Outlay				
Road Equipment	<u>50,461</u>	<u>322,270</u>	<u>566,171</u>	<u>434,214</u>
	50,461	322,270	566,171	434,214
TOTAL	\$9,208,091	\$9,559,081	\$11,613,049	\$10,184,925

2015/16 Department

Position - Salary Detail

Department: Traffic-Safety

Division: Office of Director

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary</u>		<u>Salary Appropriation</u>
		<u>Minimum</u>	<u>Maximum</u>	
1	Director of Traffic Safety	\$78,177	\$103,455	\$103,455
1	Secretary	42,193	45,752	45,752
<u>1</u>	Electrical Trainer	52,249	60,536	<u>59,094</u>
3	TOTAL			\$208,301
		Overtime		1,000
		Longevity		<u>900</u>
		TOTAL SALARIES		\$210,201

2015/16 Department

Position - Salary Detail

Department: Traffic-Safety

Division: Traffic Engineering

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary Appropriation</u>
1	Traffic Engineer	\$74,779	\$84,870	\$84,870
2	Civil Engineer III	61,772	73,911	147,822
1	Engineering Technician III	51,161	60,867	55,217
1	Civil Engineer II	54,459	63,107	63,107
1	Traffic Operations Tech	49,560	57,373	57,373
5	Engineering Technician I/II	43,951	52,309	259,201
<u>(2)</u>	Reduction of Salary Position(s)			<u>(95,000)</u>
9	TOTAL			\$572,590
			Overtime	70,000
			Longevity	<u>7,150</u>
			TOTAL SALARIES	\$649,740

2015/16 Department

Position - Salary Detail

Department: Traffic-Safety

Division: Signal System Division

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary Appropriation</u>
1	Signal Systems Engineer	\$74,779	\$87,369	\$87,369
1	Civil Engineer III	61,772	76,464	76,464
1	Electrical Tech III	51,161	60,867	60,867
4	Civil Engineer II	54,459	63,107	252,428
1	Elec. Services Coordinator	52,249	60,536	59,094
1	Engineering Technician I/II	43,951	52,309	52,309
3	Electrical Technician I / II	45,234	57,373	167,055
1	Account Clerk	42,193	45,752	45,752
<u>(1)</u>	Reduction of Salary Position(s)			<u>(47,500)</u>
12	TOTAL			\$753,838
		Overtime		65,000
		Longevity		<u>7,200</u>
		TOTAL SALARIES		\$826,038

2015/16 Department

Position - Salary Detail

Department: Traffic-Safety

Division: District #7 Sign Shop

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary Appropriation</u>
1	District Superintendent	\$63,462	\$70,216	\$66,834
1	Office Clerk	39,221	42,557	42,557
3	Foreman	57,574	60,320	180,960
3	Auger Operator	52,936		158,808
8	Sign Truck Driver	50,024		400,192
1	Special Traffic Counts	50,024		50,024
1	Sign Fabricator	50,024		50,024
3	Guardrail Installer	49,317		147,951
2	Traffic Counter	49,317		98,634
1	Asst. Sign Fabricator	49,317		49,317
1	Street Sign Fabricator	49,317		49,317
14	Laborer II	46,592		652,288
(2)	Reduction of Salary Position(s)			(114,000)
<u>(14)</u>	<u>Reduction of Hourly Position(s)</u>			<u>(663,600)</u>
23	TOTAL			\$1,169,306
			Overtime	158,000
			Longevity	<u>18,650</u>
	TOTAL SALARIES & WAGES			\$1,345,956

2015/16 Department

Position - Salary Detail

Department: Traffic-Safety

Division: District #8 Electrical Services

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary</u>		*	<u>Salary Appropriation</u>
		<u>Minimum</u>	<u>Maximum</u>		
1	District Superintendent	\$63,462	\$74,216	*	\$74,216
1	Office Clerk	39,221	42,557		42,557
3	Skilled Foreman	59,592	62,421		187,263
2	Solid State Electrician	58,698			117,396
22	Electrician	49,317	58,698		1,189,653
1	ITS Communications	54,828			54,828
2	Underground Laborer	49,317			98,634
<u>(6)</u>	Reduction of Hourly Position(s)				<u>(284,400)</u>
26	TOTAL				\$1,480,147
			Overtime		320,000
			Longevity		<u>16,850</u>
	TOTAL SALARIES & WAGES				\$1,816,997

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

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 Highway 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 and Other Aggregates
- Maintenance and Repairs of Bridges and Culverts
- Snow & Ice Control
- Chloride Program (Dust Control)

Maintenance Contracts

The following are areas where Highway Maintenance contracts for services:

- Local Maintenance Contracts with Cities and Townships
- Curb Sweeping
- Tree Removal
- Major Bridge Repair and Culvert Repair/Replacement
- Snow Removal for major snow events (6 inches or more)

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:

	2014/15 As Bid <u>Cost/Unit</u>	2014/15 As Bid <u>Total Cost</u>	2015/16 Estimated <u>Cost/Unit</u>	2015/16 Estimated <u>Total Cost</u>
Salt	49.90	3,992,000	58.05	4,644,000
Sand	19.42	194,200	20.00	200,000
Cold Patch	89.50	71,600	93.00	162,750
Hot Mix	54.69	142,358	60.00	334,800
Gravel Delivered	8.92	61,548	9.25	151,238
Gravel at Pit	6.00	82,800	6.50	48,763
RAP	8.50	1,488	8.50	1,275
Slag	13.00	36,400	14.00	33,726
Culvert	11.00	44,000	11.00	44,000

GOALS AND OBJECTIVES

The Highway Maintenance Department goal is to continuously seek new technologies and methods for the routine activities performed daily thus increasing the efficiency of the department's operations.

The objective of the Highway Maintenance Department is to provide safe roads for the motoring public by promptly making needed repairs. Given the current funding levels and reduction in workforce, the Highway Maintenance Department has focused its work plan on the traveled portion of the roadway with the exception to safety related items such as dead trees and sight distance concerns. Activities that lie outside of the traveled portion, i.e., aesthetics, will continue to see a lower level of service.

The Highway Maintenance Department has also strived to increase its supervisors' knowledge and ability to use current technology. The old concept of "That's how we always do it" is being replaced with "We can do it more efficiently."

ACHIEVEMENTS

The Highway Maintenance Department's Fleet Management System (formerly SEMSIM), has been utilized for over 14 years. The system has been used to monitor winter operations as well as non-winter operations. It has been used as a training tool and helped clarify some misunderstandings with the public.

The Lake Orion Brine Well has proven to increase the efficiency of the dust control program for the Lake Orion area. The well is located in the district yard, more centrally located in the district thus reducing travel time for the operators.

HIGHWAY MAINTENANCE

ACHIEVEMENTS (continued)

The Maintenance Department removed and replaced a major culvert on Vassar Road with the assistance of a private contractor. The Maintenance Department was able to complete the work in an expedited timeframe at a lower cost by using both private and RCOC employees. The Maintenance Department also invested in heavy maintenance activities such as major concrete repair at the intersection of 10 Mile and Southfield, as well as "Mill and Fill" paving on numerous spot locations throughout the county. These spot locations varied in length from a couple hundred feet to nearly 1,000 feet. Finally, the preventative activity of Joint and Crack Sealing was completed by a contractor with RCOC employees working with them.

SUMMARY OF BUDGET

The Highway Maintenance Department's current fiscal year budget reflects the continuing effort to maintain services while coping with reduced revenues, staffing and rising material costs. Overall, this budget reflects a 18.4% decrease in the departmental budget from the previous fiscal year amended budget. The decrease is primarily due to road equipment purchases in early 2015 funded by state one-time distributions.

The Highway 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.

2015/16 Department

Object Detail

Department: Highway Maintenance

<u>Object</u>	<u>Actual</u> <u>2013/14</u>	<u>Beginning</u> <u>Budget</u> <u>2014/15</u>	<u>Amended</u> <u>Budget</u> <u>2014/15</u>	<u>Budget</u> <u>2015/16</u>
Salaries (See Position-Salary Detail)	\$9,848,163	\$9,438,261	\$9,438,261	\$9,755,244
 Supplies, Materials & Parts				
Stationery & Office Supplies	20,406	20,000	20,000	20,000
Dept Equipment (Non-Cap)	3,453	0	0	0
Books, Subscr & Publications	0	100	100	100
Membership Fees & Dues	595	500	500	500
Safety Control Expense	31,477	25,000	25,000	25,000
Brine Well	181,774	130,000	164,676	130,000
Barricades	88	3,000	3,000	3,000
Gravel & Slag	240,880	173,000	191,059	235,000
Patching Material	1,285,249	230,152	326,964	500,000
Salt, Sand & Chloride	5,129,783	4,184,500	4,331,879	4,844,000
Signs & Materials	18,866	3,000	3,000	3,000
Other Road Materials	340,676	170,000	191,324	200,000
Small Tools - Road	<u>32,525</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
	7,285,772	4,969,252	5,287,502	5,990,600
 Contracted Services				
Maintenance Contracts	3,868,004	1,084,000	2,683,657	1,602,000
Prof Services-Fleet Mgmt	128,320	130,000	151,680	130,000
Weather Forecast Service	11,488	15,000	15,000	15,000
Outside Equipment Rental	271,387	80,000	120,699	107,920
Local Maintenance Contracts	1,448,144	1,269,865	1,269,865	1,272,080
Disposal of Hazardous Waste	7,584	60,135	60,135	65,000
Workers' Comp Self-Ins Exp	<u>85,761</u>	<u>151,002</u>	<u>151,002</u>	<u>119,100</u>
	5,820,688	2,790,002	4,452,038	3,311,100

2015/16 Department

Object Detail

Department: Highway Maintenance (continued)

<u>Object</u>	<u>Actual 2013/14</u>	<u>Beginning Budget 2014/15</u>	<u>Amended Budget 2014/15</u>	<u>Budget 2015/16</u>
Other Expenses				
Travel	795	5,600	8,754	3,500
Training	<u>10,731</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
	11,526	8,600	11,754	6,500
Repair/Maintenance				
Small Equipment Repairs	3,396	0	0	0
Capital Outlay				
Road Equipment	3,896,150	1,023,376	5,459,485	1,133,340
Shop Equipment	0	25,000	71,064	55,000
Brine Well	<u>142,200</u>	<u>0</u>	<u>107,800</u>	<u>0</u>
	4,038,350	1,048,376	5,638,349	1,188,340
TOTAL	\$27,007,895	\$18,254,491	\$24,827,904	\$20,251,784

2015/16 Department

Position - Salary Detail

Department: Highway Maintenance

Division: Office of Director

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary Appropriation</u>
1	Director of Highway Maintenance	\$84,044	\$111,241	\$111,241
1	Maintenance Operations Engineer	74,779	84,870	84,870
1	Civil Engineer III	61,772	73,911	73,911
1	Contract Admn/Forestry	61,772	70,216	70,216
1	Foreman	57,574	60,320	60,320
2	Equipment Instructor	52,249	60,536	119,630
1	Maintenance Analyst	52,249	60,536	60,536
1	Engineering Technician II	45,234	52,309	49,965
1	Secretary	42,193	45,752	45,752
1	Account Clerk	42,193	45,752	45,752
<u>(2)</u>	Reduction of Salary Position(s)			<u>(95,000)</u>
9	TOTAL			\$627,193
			Overtime	45,570
			Longevity	<u>5,500</u>
			TOTAL SALARIES	\$678,263

2015/16 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	\$63,462	\$70,216	\$70,216
1	District Clerk	39,221	42,557	42,557
3	Foreman	57,574	60,320	180,960
1	Crew Leader	52,936		52,936
1	Forestry Crew Leader	52,936		52,936
5	Grader Operator	50,024		250,120
2	Tree Trimmer	50,024		100,048
1	Shovel/Patchmaster Operator	50,024		50,024
4	Float Operator	49,317		197,268
9	Tandem Float Driver	49,317		443,853
1	Tire Repair	49,317		49,317
1	Loader Operator	49,317		49,317
3	Tractor Semi-Driver	49,317		147,951
1	Skilled Laborer I	49,317		49,317
1	Vactor Operator	49,317		49,317
1	Grade Person	47,923		47,923
3	Laborer II	46,592		139,776
(1)	Reduction of Salary Position(s)			(57,000)
<u>(16)</u>	<u>Reduction of Hourly Position(s)</u>			<u>(758,500)</u>
22	TOTAL			\$1,158,336
			Overtime	277,200
			Longevity	10,850
				<hr/>
	TOTAL SALARIES & WAGES			\$1,446,386

2015/16 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	\$63,462	\$70,216	\$70,216
1	District Clerk	39,221	42,557	42,557
3	Foreman	57,574	60,320	180,960
1	Crew Leader	52,936		52,936
1	Forestry Crew Leader	52,936		52,936
6	Grader Operator	50,024		300,144
2	Tree Trimmer	50,024		100,048
1	Shovel/Patchmaster Operator	50,024		50,024
12	Tandem Float Driver	49,317		591,804
1	Tire Repair	49,317		49,317
1	Shoulder Maintainer	49,317		49,317
1	Loader Operator	49,317		49,317
2	Tractor Semi-Driver	49,317		98,634
1	Vactor Operator	49,317		49,317
1	Grade Person	47,923		47,923
3	Laborer II	46,592		139,776
(1)	Reduction of Salary Position(s)			(57,000)
<u>(10)</u>	Reduction of Hourly Position(s)			<u>(474,000)</u>
27	TOTAL			\$1,394,226
			Overtime	222,850
			Longevity	16,350
				<u>239,200</u>
	TOTAL SALARIES & WAGES			\$1,633,426

2015/16 Department

Position - Salary Detail

Department: Highway Maintenance

District #3: Lake Orion

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary Appropriation</u>
1	District Superintendent	\$63,462	\$70,216	\$70,216
1	District Clerk	39,221	42,557	42,557
3	Foreman	57,574	60,320	180,960
1	Crew Leader	52,936		52,936
1	Forestry Crew Leader	52,936		52,936
6	Grader Operator	50,024		300,144
2	Tree Trimmer	50,024		100,048
1	Shovel/Patchmaster Operator	50,024		50,024
2	Float Operator	49,317		98,634
10	Tandem Float Driver	49,317		493,170
1	Tire Repair	49,317		49,317
1	Loader Operator	49,317		49,317
2	Tractor Semi-Driver	49,317		98,634
1	Vactor Operator	49,317		49,317
1	Shoulder Maintainer	49,317		49,317
1	Grade Person	47,923		47,923
2	Laborer II	46,592		93,184
(1)	Reduction of Salary Position(s)			(57,000)
<u>(12)</u>	Reduction of Hourly Position(s)			<u>(568,800)</u>
24	TOTAL			\$1,252,834
			Overtime	236,580
			Longevity	15,550
				<hr/>
	TOTAL SALARIES & WAGES			\$1,504,964

2015/16 Department

Position - Salary Detail

Department: Highway Maintenance

District #4: Waterford

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>	<u>Salary Appropriation</u>
1	District Superintendent	\$63,462	\$70,216	\$70,216
1	District Clerk	39,221	42,557	42,557
4	Foreman	57,574	60,320	241,280
1	Forestry Crew Leader	52,936		52,936
2	Tree Trimmer	50,024		100,048
2	Grader Operator	50,024		100,048
2	Shovel/Patchmaster Operator	50,024		100,048
4	Float Operator	49,317		197,268
1	Loader Operator	49,317		49,317
2	Skilled Laborer I	49,317		98,634
1	Shoulder Maintainer	49,317		49,317
15	Tandem Float Driver	49,317		739,755
1	Vactor Operator	49,317		49,317
2	Grade Person	47,923		95,846
5	Laborer II	46,592		232,960
(1)	Reduction of Salary Position(s)			(57,000)
<u>(12)</u>	Reduction of Hourly Position(s)			<u>(568,800)</u>
31	TOTAL			\$1,593,747
			Overtime	261,000
			Longevity	13,700
				<u>274,700</u>
	TOTAL SALARIES & WAGES			\$1,868,447

2015/16 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	\$63,462	\$70,216	\$70,216
1	District Clerk	39,221	42,557	42,557
2	Foreman	57,574	60,320	120,640
1	Shovel/Patchmaster Operator	50,024		50,024
4	Float Operator	49,317		197,268
1	Skilled Laborer I	49,317		49,317
1	Shoulder Maintainer	49,317		49,317
1	Loader Operator	49,317		49,317
9	Tandem Float Driver	49,317		443,853
1	Tire Repair	49,317		49,317
1	Vactor Operator	49,317		49,317
1	Grade Person	47,923		47,923
3	Laborer II	46,592		139,776
<u>(3)</u>	Reduction of Hourly Position(s)			<u>(142,200)</u>
24	TOTAL			\$1,216,642
			Overtime	246,800
			Longevity	11,750
	TOTAL SALARIES & WAGES			\$1,475,192

2015/16 Department

Position - Salary Detail

Department: Highway Maintenance

District #4T: Troy

<u>Authorized Positions</u>	<u>Classification</u>	<u>Salary Minimum</u>	<u>Maximum</u>	<u>Salary Appropriation</u>
1	District Superintendent	\$63,462	\$70,216	\$70,216
1	District Clerk	39,221	42,557	42,557
2	Foreman	57,574	60,320	120,640
1	Shovel/Patchmaster Operator	50,024		50,024
3	Float Operator	49,317		147,951
2	Skilled Laborer I	49,317		98,634
7	Tandem Float Driver	49,317		345,219
1	Loader Operator	49,317		49,317
1	Tire Repair	49,317		49,317
1	Vactor Operator	49,317		49,317
1	Shoulder Maintainer	49,317		49,317
1	Grade Person	47,923		47,923
2	Laborer II	46,592		93,184
<u>(6)</u>	Reduction of Hourly Position(s)			<u>(284,400)</u>
18	TOTAL			\$929,216
			Overtime	210,000
			Longevity	9,350
				<u>219,350</u>
			TOTAL SALARIES & WAGES	\$1,148,566

2015/16 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 include 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 RCOC as a whole, and not individual membership fees and dues.

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

Inventory Adjustment

Other Expenses

Agency Travel/Training: Funds travel and training opportunities related to the overall purpose of the RCOC that are not funded in a specific department.

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 the RCOC's car and truck fleet.

Public Officials/Employees Liability: Provides coverage for the retirement system 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.

2015/16 Non-Departmental

NON-DEPARTMENTAL (continued)

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

Attrition: The estimated amount of budgeted salaries and benefits that will not be expended. This total normally represents the annual amount related to the normal process of filling position vacancies. The current fiscal year budget also includes a reduction for fringe benefits related to the reduction of 161 positions through attrition.

Debt Service

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

SUMMARY OF BUDGET

The Non-Departmental current fiscal year budget reflects the continuing effort to maintain services while coping with reduced revenues and rising costs. Overall, this budget reflects a 2.7% increase in the Non-Departmental budget from the previous fiscal year amended budget. The increase is primarily due to increased employer retirement contributions.

2015/16 Non-Departmental

Object Detail

Department: Non-Departmental

<u>Object</u>	<u>Actual</u> <u>2013/14</u>	<u>Beginning</u> <u>Budget</u> <u>2014/15</u>	<u>Amended</u> <u>Budget</u> <u>2014/15</u>	<u>Budget</u> <u>2015/16</u>
Employee Benefits				
Social Security	\$1,840,682	\$1,943,797	\$1,943,797	\$2,046,200
Sick Leave Redemption	60,840	138,000	138,000	138,000
Dental Insurance Self-Insured Exp	393,555	394,241	394,241	400,000
Hospitalization Self-Insured Exp	4,178,847	4,120,332	4,120,332	4,129,000
Vision Care	0	41,524	41,524	37,900
Prescription Drugs Self-Insured Exp	249,336	212,996	212,996	282,926
Hospitalization Opt Out	106,280	49,200	49,200	0
Hospitalization Retirees	4,132,533	4,972,765	4,972,765	4,875,053
Prescription Drugs-Retirees-Hrly	2,415,434	3,373,740	3,373,740	3,176,000
Post Employment Benefits-Emp Contrib	650,000	500,000	500,000	894,591
Life Insurance	82,873	89,583	89,583	90,540
Retirement-Employer Contribution	4,506,334	4,500,000	4,500,000	5,000,000
Workers' Compensation Insurance	79,530	110,000	110,000	115,000
Service Fees (Workers' Comp)	72,552	70,000	70,000	75,000
Workers' Compensation Self-Insured Exp	190,179	775,000	775,000	700,000
Loss Control Services	33,757	35,000	35,000	35,000
Unemployment Insurance	13,397	25,000	25,000	25,000
Wellness Program	7,670	24,000	24,000	24,000
Flex Spending Account (FSA) Admin	6,012	8,499	8,499	8,500
Cobra Admin-TP Sourcing	<u>3,293</u>	<u>6,900</u>	<u>6,900</u>	<u>6,900</u>
	19,023,104	21,390,577	21,390,577	22,059,610
Supplies, Materials & Parts				
Membership Fees & Dues	70,589	80,000	80,000	90,000
First Aid Supplies	9,296	9,000	9,000	10,000
Inventory Adjustment	<u>(34,687)</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
	45,198	189,000	189,000	200,000
Other Expenses				
Agency Travel/Training	5,316	10,000	10,000	10,000
Buildings & Contents Insurance	162,136	170,000	170,000	175,000
Fleet Liability Insurance	229,982	200,000	200,000	225,000
Fiduciary & Performance Bond	18,927	20,000	20,000	20,000
Public Officials & Employees	36,891	130,000	130,000	40,000
General Liability Insurance	365,491	480,000	480,000	500,000
General Liability Self-Insured Exp	231,732	1,000,000	1,000,000	1,000,000
Service Fees (General Liability)	39,039	50,000	50,000	50,000
Special Risk Liability Self-Insured Exp	201,008	150,000	150,000	150,000
Brokers' Fees	97,331	155,000	155,000	125,000

2015/16 Non-Departmental

Object Detail

Department: Non-Departmental (continued)

<u>Object</u>	<u>Actual</u> <u>2013/14</u>	<u>Beginning</u> <u>Budget</u> <u>2014/15</u>	<u>Amended</u> <u>Budget</u> <u>2014/15</u>	<u>Budget</u> <u>2015/16</u>
Other Expenses (continued)				
Loss Control Services - GL	11,400	20,000	20,000	20,000
Drug/Alcohol Testing	12,668	9,700	9,700	10,000
Road Commission Contingency	0	452,210	452,210	492,873
Personnel Turnover-Attrition	<u>0</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>
	1,411,921	2,346,910	2,346,910	2,317,873
Debt Service				
Debt Service/Principle	0	500,000	500,000	500,000
Bond Payment Fees & Issue Cost	<u>0</u>	<u>500</u>	<u>500</u>	<u>500</u>
	0	500,500	500,500	500,500
NON-DEPARTMENTAL TOTAL	\$20,480,223	\$24,426,987	\$24,426,987	\$25,077,983

2015/16 Signal Projects

Summary of Signal Projects

Fiscal Year Ending September 30, 2016

Revenue

Federal Revenue	\$2,400,000
MTF and Other RCOC Funding	700,000
Local Contribution	100,000
Total Revenue	\$3,200,000

Expenditures

Materials	\$900,000
Contractor Payments	1,025,000
Utilities	700,000
Labor and Equipment	575,000
Total Expenditures	\$3,200,000

2015/16 Special Assessment Fund

Estimated Budget of Revenue, Expenditures and Change in Fund Balance

Fiscal Year Ending September 30, 2016

Revenue

Revenue from Assessment Rolls	\$3,200,000
Road Fund Contribution Net Underassessment	25,000
Interest on Assessment Rolls	200,000
Interest on Investments	50,000
Proceeds from Note Issue	5,000,000

Total Revenue \$8,475,000

Expenditures

Construction:	
Contractor Payments	\$4,200,000
Engineering & Administration	600,000
Principal Payment on Debt	1,000,000
Interest on Debt	103,333
Refunds of Overassessments to Participants - Net	50,000
Note Payment Fees & Issue Costs	1,000

Total Expenditures \$5,954,333

Revenue Over/(Under) Expenditures \$2,520,667

Fund Balance at September 30, 2015 4,811,468

Fund Balance at September 30, 2016 **\$7,332,135**

CAPITAL BUDGETING



2015/16 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

Capital Outlay categories consist of land, land 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.

VEHICLE FLEET STATUS

In the past, the RCOC developed a quantitative approach to assessing fleet status. This approach tracks the average age, miles driven and cumulative maintenance costs of the automobiles, vans, pickups and heavy trucks in the fleet. Major vehicle purchases, coupled with aggressive preventive maintenance and improved vehicle specification procedures, resulted in a high level of fleet readiness. Each major vehicle type has been assigned a DX (discard) standard based on age to determine total needs. Fleet acquisitions were made on a priority basis based on the age and condition of the equipment that had to be removed from active fleet service.

Currently, despite recognizing the ongoing need for vehicle fleet improvement, there are dramatically less funds available and fleet acquisitions can only address selective vehicle needs. The vehicle fleet is in dire need of rejuvenation since the majority of the equipment has exceeded the DX standards and could fail at any moment.

Criteria

The RCOC's criteria for replacement of its equipment is composed of 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 the 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.

2015/16 Capital Budgeting

Criteria

(continued)

During the last several years, a reduction was implemented to “right-size” the fleet due to decreases in the work force and for equipment that has been taken out of service. The result was the removal of over 44 equipment units from the fleet and is an on-going process. Current costs for fleet replacements were also reviewed and reductions in the estimated costs have been made based on information available through the State’s MiDeal contracts. It is anticipated that reduction in costs will be achieved through the specification of equipment that utilizes “standard” packages and also reduces long-term fuel costs.

In determining capital outlay priorities for the current budget, efforts were made to prioritize the equipment involved in the core mission of the agency. The majority of the investment will be geared towards improving snow plowing, gravel road maintenance and signal and sign maintenance services.

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 90,400 miles, but about 40 percent of the fleet has been driven more than 121,000 miles. The RCOC has continued to reduce the number of passenger cars in the fleet. Despite this budget including \$45,320 for the replacement of 2 automobiles, the past 2 years have seen the automobile fleet go from 30 to the current level of 26 vehicles.

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 11 years old. Approximately 26 percent have cumulative maintenance costs equal to the original purchase price. The average pickup or van has been driven in excess of 100,000 miles. This budget includes replacements of 10 pickups for \$199,000 and 2 vans for \$44,660.

2015/16 Capital Budgeting

The Road Commission Heavy Equipment Fleet

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

Similarly, many of these vehicles are engaged in activities that are particularly detrimental to longevity. Most notably, trucks, used as snow plows and salt spreaders, are subject to extremely corrosive conditions that deteriorate truck frames and bodies. Finally, many of these vehicles are specialized and very expensive to acquire. Specialized usage does not necessarily equate to longer life spans, but in many cases results in the vehicle escaping the deterioration associated with daily or frequent usage. As a result, age alone is not as valid a criterion for identifying replacement candidates as with other vehicles.

In the past we had maintained our road equipment on a rotational DX schedule. While the Central Operations Department (COD) was able to increase the useful life of some equipment through tightened specifications, it had to reduce the expenditures and extend the life of equipment on hand. Using industry standards and the value of our fleet, the RCOC should replace about \$5 million of equipment annually.

This budget includes \$1,348,644 to replace 4 dump trucks, 1 boom truck, and 1 post pounder/auger truck. However, with the RCOC's current reduced revenue situation, COD has had to defer many heavy road equipment purchases.

2015/16 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. 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. 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.

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. However, aggressive maintenance programs cannot prolong vehicle service life indefinitely. The time will come when increased "down-time" and 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.

2015/16 Capital Budgeting

Resource Allocation Decision to Repair/ Replace Equipment

(continued) 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.

Initially, 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. However, consideration of these factors would result in decisions either to continue maintaining the existing vehicle or to acquire a new vehicle solely on the basis of age.

2015/16 Capital Budgeting

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

In terms 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 still necessary to establish an expected minimum time limit that a newly acquired vehicle is expected to last in order 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.

2015/16 Capital Budgeting

DETAIL OF CAPITAL OUTLAY

Central Operations Department:

Road Equipment

(6) 1/2 Ton Pick-Up Trucks	\$	111,000
(4) 3/4 Ton Pick-Up Trucks		88,000
(2) Vans		44,660
(2) Automobiles		45,320
	\$	288,980

Buildings

HVAC Replacement	\$	20,000
Radiant Heat-Milford		60,000
Roof Replacement-Milford		80,000
Insulation Panels-Milford		20,000
	\$	180,000

Storage

Salt Dome Entrance Roof Replacement-Milford	\$	25,000
	\$	25,000

Office Equipment

Large Copier	\$	9,000
	\$	9,000

Total Central Operations Department \$ 502,980

Engineering:

Engineering Equipment

Total Stations with GPS	\$	120,000
	\$	120,000

Total Engineering Department \$ 120,000

Planning and Environmental Concerns:

Office Equipment

(1) JDE Web Server	\$	10,000
(1) JDE App Server		10,000
(1) JDE SQL Database Server		10,000
	\$	30,000

Total Planning and Environmental Concerns \$ 30,000

2015/16 Capital Budgeting

DETAIL OF CAPITAL OUTLAY (continued)

Traffic-Safety:

Road Equipment

(1) Chain Saw	\$	125
(1) Weed Whip		250
(1) Post Pounder/Auger Truck		267,144
(1) Generator		1,895
(1) Traffic Signal Truck with Boom, Generator		164,800
	\$	<u>434,214</u>

Total Traffic Safety \$ 434,214

Highway Maintenance:

Road Equipment

Chain Saws/Weed Whips, etc.	\$	3,000
(5) Arrow Board Mobiles		22,500
(2) Concrete Saw		40,000
(1) Sign Trailer with Arrowboard		20,000
(4) 12 Yard Dump Trucks with Underbody Scraper, Salt Spreader, Temp Sensor, Pre-Wet System, Wing Plows		916,700
(2) Air Compressors		7,000
(6) Hot Patchers		124,140
	\$	<u>1,133,340</u>

Shop Equipment

(1) Floor Sweeper	\$	55,000
	\$	<u>55,000</u>

Total Highway Maintenance \$ 1,188,340

TOTAL CAPITAL OUTLAY \$ 2,275,534

2015/16 Capital Budgeting

CAPITAL OUTLAY HISTORY

<u>Department</u>	<u>2012/13 Actual</u>	<u>2013/14 Actual</u>	<u>2014/15 Amended Budget</u>	<u>2015/16 Budget</u>
Managing Director				
Office Equipment	\$0	\$0	\$0	\$0
Customer Services				
Road Equipment	0	0	31,000	0
Finance	0	0	0	0
Legal	0	0	0	0
Human Resources	0	0	0	0
Central Operations				
Buildings	12,152	104,631	8,935	180,000
Road Equipment	4,144	334,550	394,132	288,980
Shop Equipment	0	86,006	90,000	0
Storage Facilities	1,015,854	185,550	265,855	25,000
Office Equipment	0	0	7,649	9,000
Engineering				
Engineering Equipment	0	0	25,672	120,000
Planning & Environmental Concerns				
Office Equipment	32,741	27,220	35,124	30,000
Traffic-Safety				
Road Equipment	\$4,318	\$50,461	\$566,171	\$434,214

2015/16 Capital Budgeting

CAPITAL OUTLAY HISTORY

<u>Department</u>	<u>2012/13 Actual</u>	<u>2013/14 Actual</u>	<u>2014/15 Amended Budget</u>	<u>2015/16 Budget</u>
Highway Maintenance				
Road Equipment	1,493,030	3,896,150	5,459,485	1,133,340
Shop Equipment	0	0	71,064	55,000
Brine Well	452,315	142,200	107,800	0
TOTALS	\$3,014,554	\$4,826,768	\$7,062,887	\$2,275,534

ROAD IMPROVEMENT PROGRAM



2015/16 Road Improvement Program

FUNDING SOURCES

The Road Improvement Program includes all of 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 RCOC has a matching Tri-Party Program of one-third local, one-third Oakland County and one-third RCOC funding.

State Funding

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

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), National Highway Performance Program, Congestion Mitigation Air Quality (CMAQ), Transportation Economic Development Fund (TEDF) Category "C" (urban congestion), Federal High Priority Project (HPP) and Safety grants.

2015/16 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.

2015/16 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.

FY2015/16 ROAD IMPROVEMENT PROGRAM

Project Number	Project Name	Location	Community	Type of Projects	Federal And State Funding	Local Gov't Funding	MTF and Other RCOC Funding	Annual Total All Sources
<u>2015/16 Major Resurfacing (RRR)</u>								
52661	Maple	Haggerty to Drake	West Bloomfield	ROW	-	-	250,000	250,000
52041	Maple	Drake to Orchard Lake	West Bloomfield	Construction	2,300,000	600,000	1,025,000	3,925,000
				Subtotal	2,300,000	600,000	1,275,000	4,175,000
<u>2015/16 Reconstruction (4R)</u>								
52831	Big Beaver	Woodward to Adams	Birmingham/Bloomfield	ROW/Constructn	2,520,000	-	1,980,000	4,500,000
52011	Orchard Lake	N of 14 Mile to S of Maple	West Bloomfield	Construction	2,550,000	525,000	525,000	3,600,000
				Subtotal	5,070,000	525,000	2,505,000	8,100,000

FY2015/16 ROAD IMPROVEMENT PROGRAM

Project Number	Project Name	Location	Community	Type of Projects	Federal And State Funding			Local Gov't Funding		MTF and Other RCOOC Funding	Annual Total All Sources
					Funding	Funding	Funding	Funding	Funding		
<u>2015/16 Bridge Maintenance and/or Replacement</u>											
TBD	TBD	Countywide	Various	Prelim Engineerg	-	-	-	-	275,000	-	275,000
TBD	Adams	Over Clinton River	Rochester Hills	Prelim Eng/Constr	-	-	-	-	250,000	-	250,000
TBD	Crooks	Over Clinton River	Rochester Hills	Prelim Eng/Constr	60,000	-	-	-	20,000	-	80,000
TBD	Seymour Lake	Over Paint Creek	Oxford	Prelim Eng/Constr	47,500	-	-	-	12,500	-	60,000
TBD	Orion	Over Paint Creek	Oakland	Prelim Eng/Constr	57,000	-	-	-	15,500	-	72,500
52823	Big Beaver	Over Rouge River	Birmingham/Bloomfield	ROW/Construction	1,945,000	-	-	-	480,000	-	2,425,000
Subtotal					2,109,500	-	-	-	1,053,000	-	3,162,500
<u>2015/16 Culverts</u>											
52734	Putnam	Over Walnut Lake Canal	West Bloomfield	Construction	-	-	-	350,000	435,000	-	785,000
52924	Overbrook	Over Unknown Creek	Bloomfield	Construction	-	-	-	125,000	160,000	-	285,000
Subtotal					-	-	-	475,000	595,000	-	1,070,000

FY2015/16 ROAD IMPROVEMENT PROGRAM

Project Number	Project Name	Location	Community	Type of Projects	Federal And State Funding	Local Gov't Funding	MTF and Other RCOC Funding	Annual Total All Sources
<u>2015/16 Pave Gravel Roads</u>								
52741	Sashabaw	Sherwood to Granger	Brandon	Prelim Engineering	-	-	150,000	150,000
52111	Napier	9 Mile to 10 Mile	Lyon/Novi	ROW	-	125,000	125,000	250,000
50751	Clyde	Tipsico Lake to Hickory Ridge	Highland	Construction	3,000,000	375,000	825,000	4,200,000
				Subtotal	3,000,000	500,000	1,100,000	4,600,000
<u>2015/16 Tri-Party</u>								
TBD	2016 Tri-Party	Countywide	Countywide	PE/ROW/CONST	-	2,000,000	1,000,000	3,000,000
				Subtotal	-	2,000,000	1,000,000	3,000,000
<u>2015/16 Other</u>								
TBD	Bridge Management	Countywide	Various	Construction	-	-	270,000	270,000
TBD	Pavement Management	Countywide	Various	Construction	-	-	10,000	10,000
TBD	SAD Repair	Countywide	Various	Construction	-	-	100,000	100,000
TBD	Wetland Mitigation	Countywide	Various	Construction	-	-	30,000	30,000
				Subtotal	-	-	410,000	410,000
			2015/16 Subtotal		12,479,500	4,100,000	7,938,000	24,517,500

FY2015/16 ROAD IMPROVEMENT PROGRAM

Project Number	Project Name	Location	Community	Type of Projects	Federal And State Funding	Local Gov't Funding	MTF and Other RCOC Funding	Annual Total All Sources
<u>2015/16 Completion of FY2014/15 Widenings</u>								
46901	Dequindre	Long Lake to Auburn	Rochester Hills/Troy	ROW	1,600,000	200,000	200,000	2,000,000
				Subtotal	1,600,000	200,000	200,000	2,000,000
TBDMIS1 PRIOR YEARS CONTRACTOR PAYMENTS								
				Subtotal	-	-	1,750,000	1,750,000
2014/15 COMPLETION/PRIOR YEARS SUBTOTAL								
					1,600,000	200,000	1,950,000	3,750,000
				2015/16 SUBTOTAL	12,479,500	4,100,000	7,938,000	24,517,500
			TOTAL		14,079,500	4,300,000	9,888,000	28,267,500

2015/16 ROAD IMPROVEMENT PROGRAM AND OTHER PROJECT GROUPS
Estimated Expenditures for Fiscal Year Ending 9/30/16
SUMMARY

<u>ROAD IMPROVEMENT PROGRAM</u>	<u>Project Type</u>	<u>Federal Aid</u>		<u>Local</u>		<u>MTF and</u>		<u>Total</u>
		<u>& State</u>	<u>"C" Funds</u>	<u>Government</u>	<u>Funding</u>	<u>Other RCOC</u>	<u>Funding</u>	
<u>2015/16 Projects</u>								
	Major Resurfacing (RRR)	2,300,000		600,000		1,275,000		4,175,000
	Reconstruction (4R)	5,070,000		525,000		2,505,000		8,100,000
	Bridge Maintenance and/or Replacement	2,109,500		0		1,053,000		3,162,500
	Culverts	0		475,000		595,000		1,070,000
	Pave Gravel Roads	3,000,000		500,000		1,100,000		4,600,000
	Tri-Party	0		2,000,000		1,000,000		3,000,000
	Other	0		0		410,000		410,000
	Subtotal	\$12,479,500		\$4,100,000		\$7,938,000		\$24,517,500

<u>2015/16 Completion of 2014/15 Projects in Progress</u>	
Road Widening	\$1,600,000
Subtotal	\$200,000

<u>Prior Years Contractor Payments</u>	\$0	\$0	\$1,750,000	\$1,750,000
Subtotal	\$0	\$0	\$1,750,000	\$1,750,000

TOTAL ROAD IMPROVEMENT PROGRAM \$14,079,500 \$4,300,000 \$9,888,000 \$28,267,500

PROGRAM SOURCES

	<u>Federal & State</u>		<u>Local</u>		<u>RCOC</u>		<u>Road Improvement Program Disbursements</u>	
STP	\$7,850,000		Cities	\$762,500			Contractor Payments	\$21,645,000
NHPP	2,520,000		Townships	2,537,500			Right of Way Payments	3,000,000
"C" (TEDF)	1,600,000		County	1,000,000			Eng. Consultants	810,000
HPP	0						Subtotal	\$25,455,000
Local Bridge Program	2,109,500						Traffic & Utility Force Work	\$215,000
Safety	0						Engineering Labor	2,597,500
CMAQ	0						Subtotal	\$2,812,500
MTF					\$9,888,000		Subtotal	\$28,267,500
TOTAL PROJECT SOURCES	\$14,079,500		\$4,300,000		\$9,888,000			

<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		\$4,800,000						Contractor Payments, Eng and Adm	\$4,800,000
Signal Projects		\$2,400,000		100,000		\$700,000		Contractor Payments, Mtls & Utilities	2,625,000
								Subtotal	\$7,425,000
TOTAL OTHER PROJECTS AND SAD		\$2,400,000		\$4,900,000		\$700,000		Labor and Equipment (Signal Projects)	575,000
								Subtotal	\$8,000,000