

Road revenues down; county cuts, layoffs seen

The Oakland County Road Commission's financial prospects for the next three years are "dismal."
The agency will have to cut maintenance and traffic services, lay off one-fifth of its staff, freeze salaries and eliminate certain fringe benefits.
"We will be forced to fall back to a minimum level of services for a safety operating system," said Managing Director John L. Grubba.
"All of this will mean that the road system of this county will deteriorate to a significant degree, resulting in a system that is less safe and more expensive to rehabilitate and maintain."
"A drastically deteriorated system will increase gasoline consumption, air pollution, accidents and public inconvenience," he said.

GRUBBA PRESENTED a plan to the three-man Board of Road Commissioners including recommendations to:
• Freeze pay at 1981 levels.
• Reduce staff by 104, beginning with 73 next year. Most will be in engineering.
• Discontinue dental, life and optical benefits Jan. 1, 1983.

- Reduce the number of department heads.
- Sell property and delay equipment replacement.
- No longer share in costs of road improvements wanted by local units.
- Ask the County Board of Commissioners to quadruple its road funding.

"Revenues will fall 11.9 percent, from \$35.1 million this year to \$30.9 million in 1984 — while at the same time inflationary cost increases will be 12 percent annually," he said, noting that cost increases would be greater without the recommended cutbacks.

SERVICES WHICH required \$33.8 million in 1979 would require \$47.6 million in 1982, but only \$32.8 million in revenues are expected — a shortfall of nearly \$15 million and it gets worse.
Grubba said revenue woes began with expected falloff of state-collected gasoline and weight taxes by 2 percent annually and include loss of local and federal contributions "because we won't be able to provide the match."
The only revenue increases foreseen are minor amounts from fees the agency charges for services such as inspec-

tions, permits and calcium chloride at 100 percent cost recovery rates.
Having exhausted the cushion of prior years' fund balance, there is a danger that the road commission will be periodically unable to meet payroll and pay bills, said Grubba.
"THE ROAD commission has no alternative but to attempt to reduce its financial obligation to its employees," he said.
"Fringe benefits are one area where costs have been escalating rapidly. The plan assumes reductions in costs of these coverages in 1983 and beyond," giving employees another year and a half before elimination of dental, life and optical insurances, Grubba said.

He said recommended layoffs are based on program cuts, rather than indiscriminately across the board. Most eliminated positions will be in the engineering department, due to "very little design and construction engineering to be done, given the projected minimal construction program."
Transportation planning and environmental concerns, maintenance and traffic-safety departments also will be greatly affected.

One reason maintenance personnel cuts are expected is that anticipated that the Michigan Department of Transportation (M-DOT) will be forced by gas and weight tax revenue shortfalls to reduce its trunkline maintenance, which the road commission does in Oakland County by contract.
Grubba noted that "staff reductions are consistent with similar cost reduction measures other county road commissions and M-DOT have already initiated." Five northern Michigan county road commissions are planning to shut down completely during the summer.
"The plan (for 1982-84) includes mostly federally-funded projects on primary roads where commitments were made some time ago and are now entering the program stage," said Grubba.

In 1979 the road commission was able to program and proceed with 64 projects, counting the tri-party program as one project and the special assessment program as one project. By 1981, only 14 projects could be programmed. Prospects are that only six will be possible in 1982, seven in 1983 and five in 1984.

"WHAT CANNOT be included is significant. For example, other than special assessment and Tri-Party, no 'local' road improvements are included; and no overlay work is anticipated," said Grubba.
Subdivision street pavings are at primarily property owner expense, and tri-party projects totaling \$600,000 annually are shared equally by the road commission, county board and local units.
As a result, he said, even while total maintenance service decreases, road deterioration will drive up the cost of such things as surface patching.

Also recommended is sale of the Administration Building in Beverly Hills in 1984, possible sale of other property, and minimum equipment renewal.
It's hoped the County Board of Commissioners will increase its annual contribution from \$50,000 to \$2 million. County board contributions have been lower than the statewide average, said Grubba.
He recommended attention to possible changes in the state-collected gas and weight tax structure, for which several proposals are being considered but none developed to an extent that allows complete evaluation.

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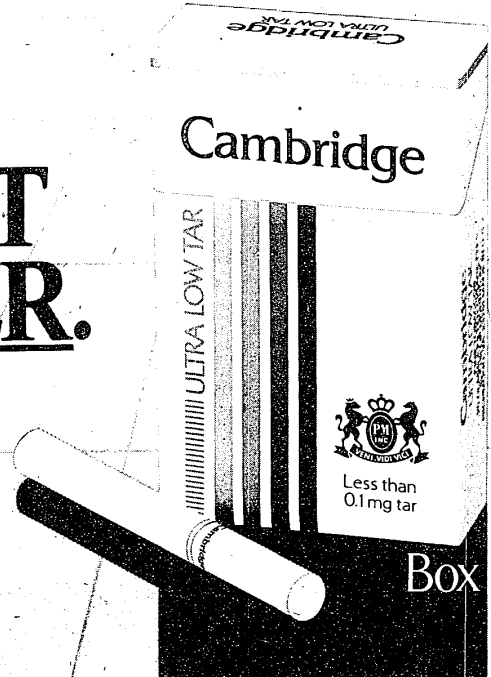
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