



Washtenaw County Road Commission

Core Services Review Employees & Contracted Services June 16, 2009

David Rutledge, Chair

Doug Fuller, Vice Chair

Fred Veigel, Member

Steve Puuri, Managing Director



Employees & Contracted Services

Employees

- FTE & Benefit Trends
- Peer Benchmarking

Fund Balance & Revenue

- Trends & Peer Benchmarking

Contracted Services

- Trends & Peer Benchmarking
- Activity Types

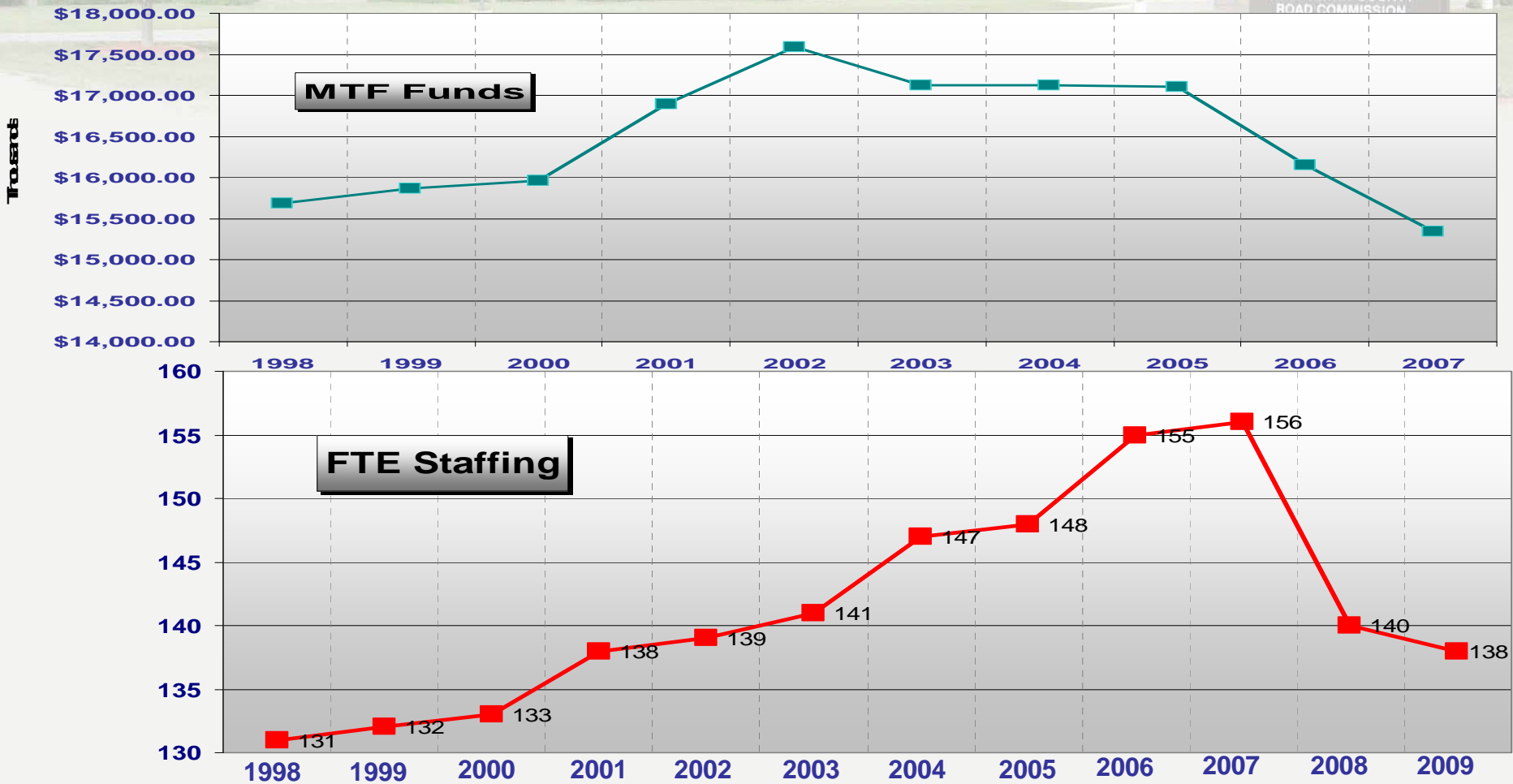
State Trunkline Contract

- Benefits & Limitations



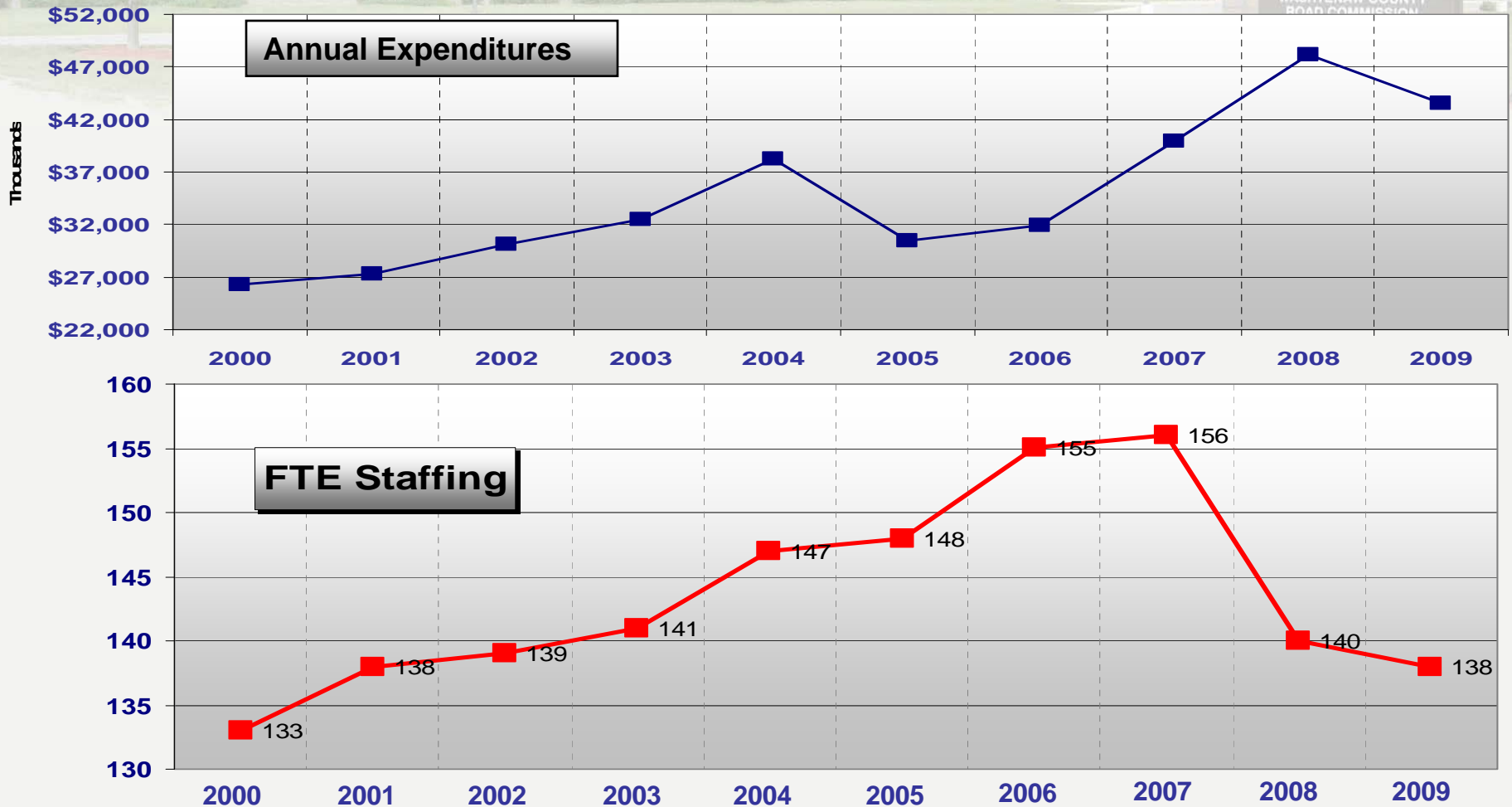
Full-time Staffing Trend

MTF Revenues vs. Staffing



Full-time Staffing Trend

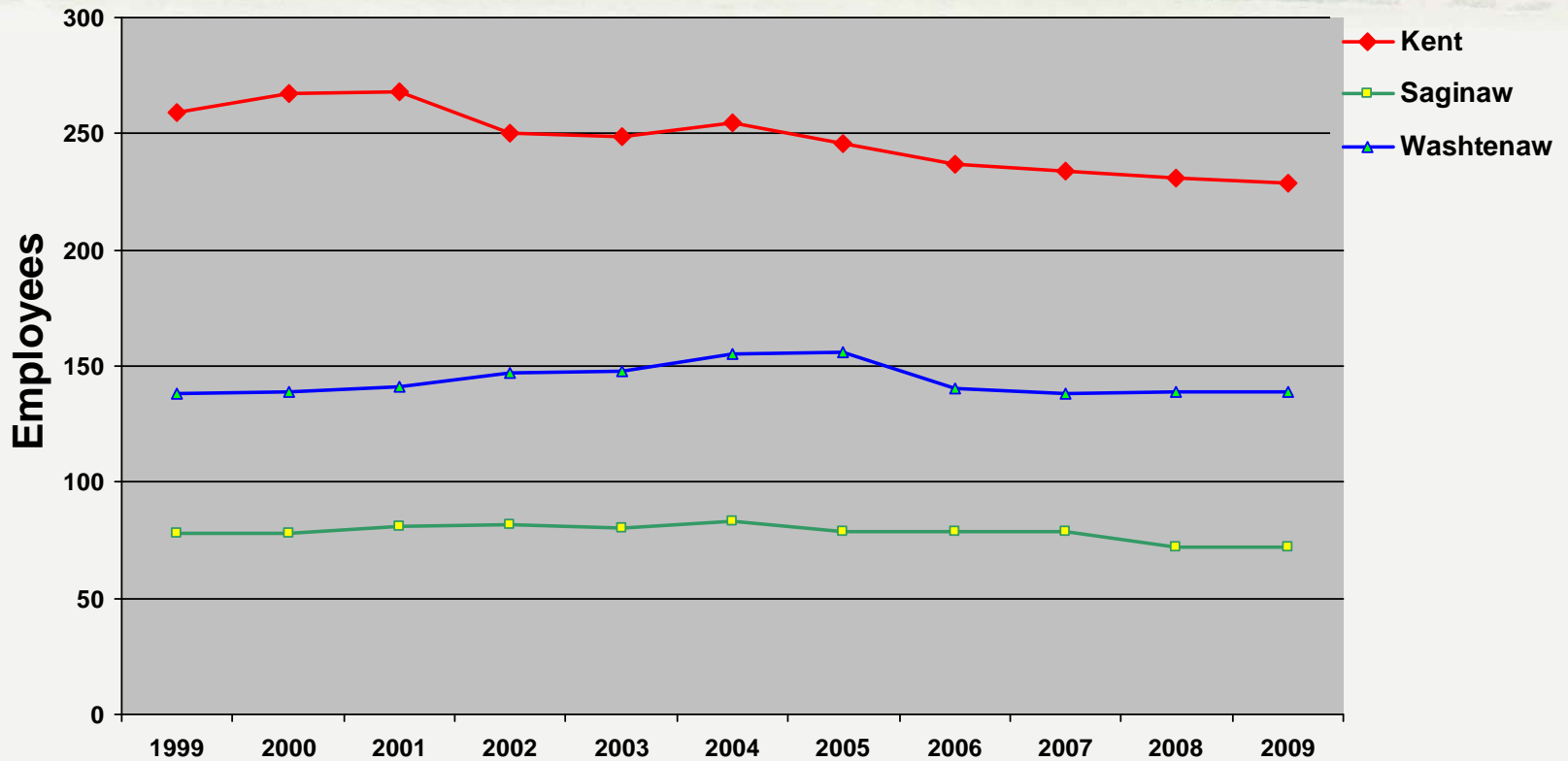
Annual Expenditure vs. Staffing



Full Time Staffing Trend

Peer Comparison

WASHTENAW COUNTY
ROAD COMMISSION
304 N. ZEEB ROAD

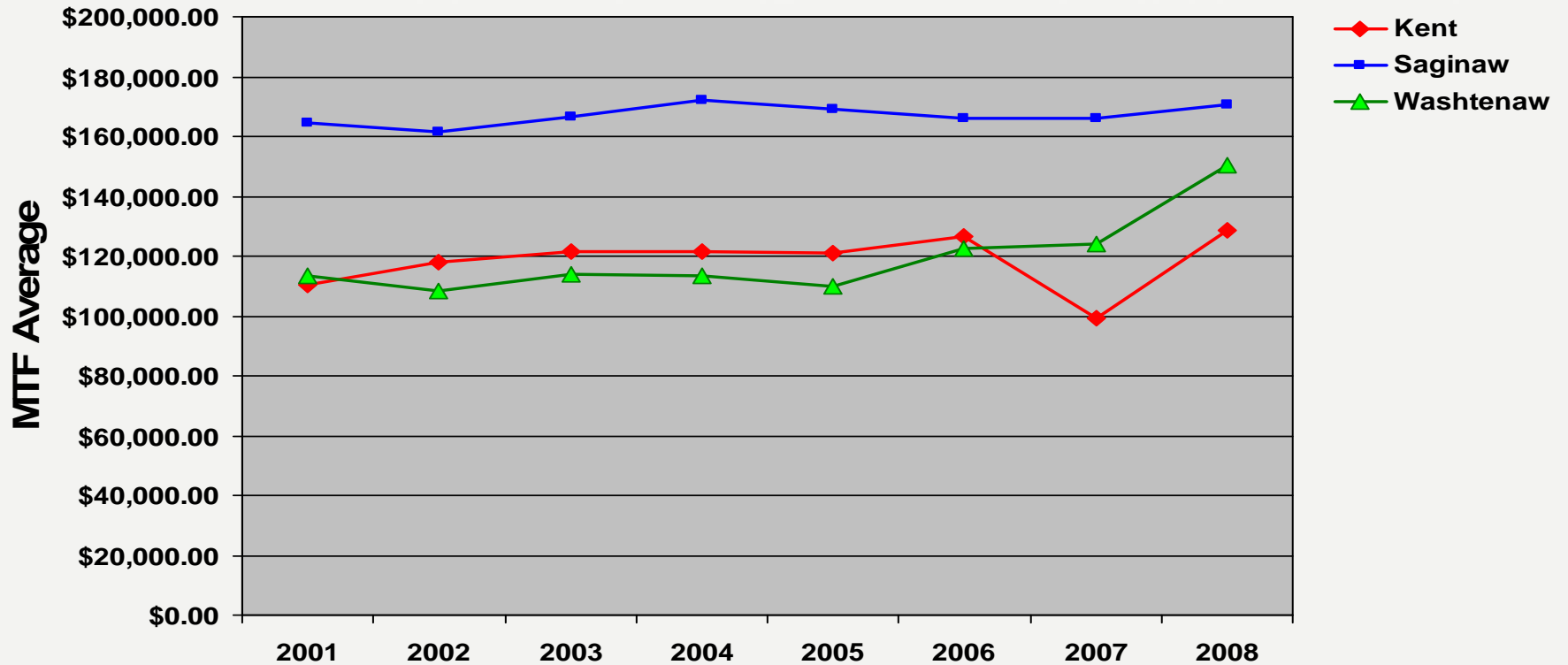


SOURCE: 1999-2009 MISCRAM



Michigan Transportation Fund/FTE

Peer Comparison

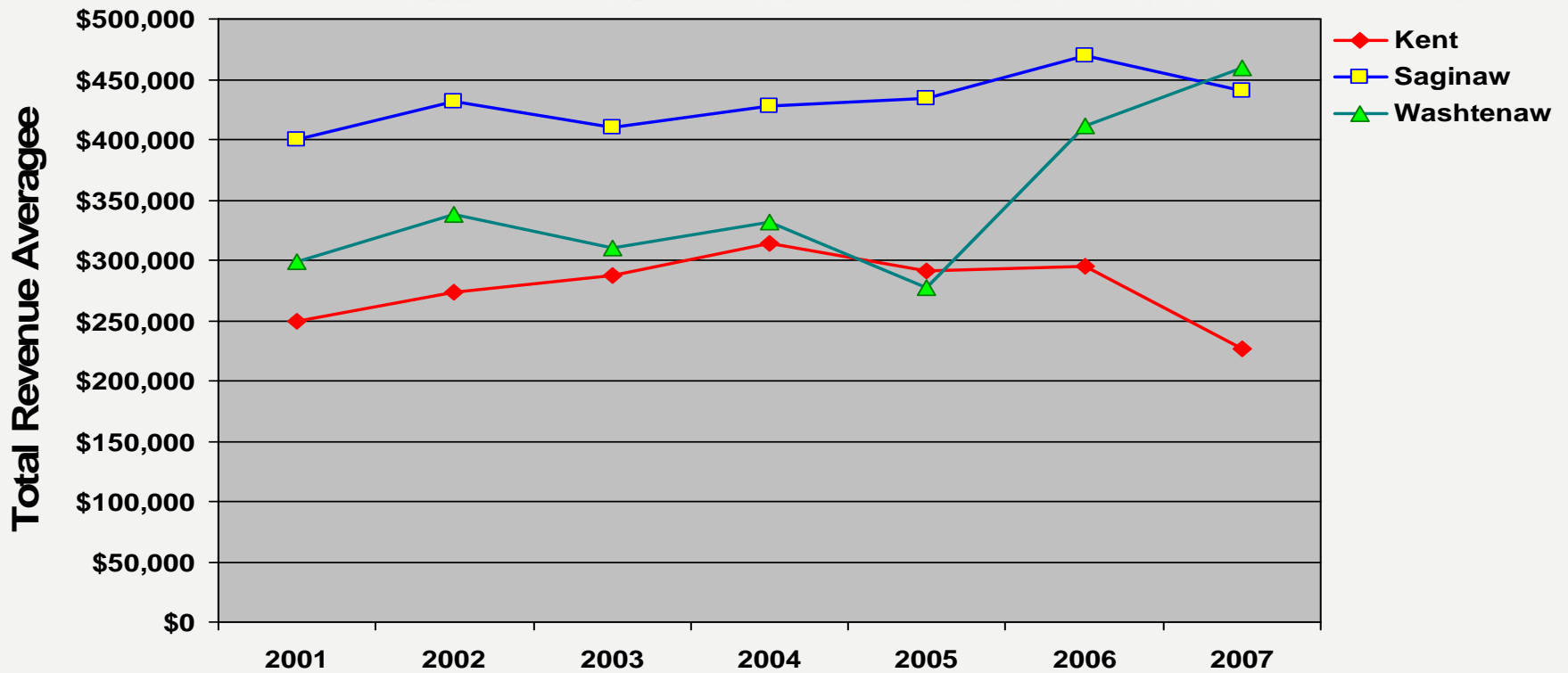


SOURCE: 2001-2008 PA 51 REPORTS & MISCRAM



Total Revenue/FTE

Peer Comparison

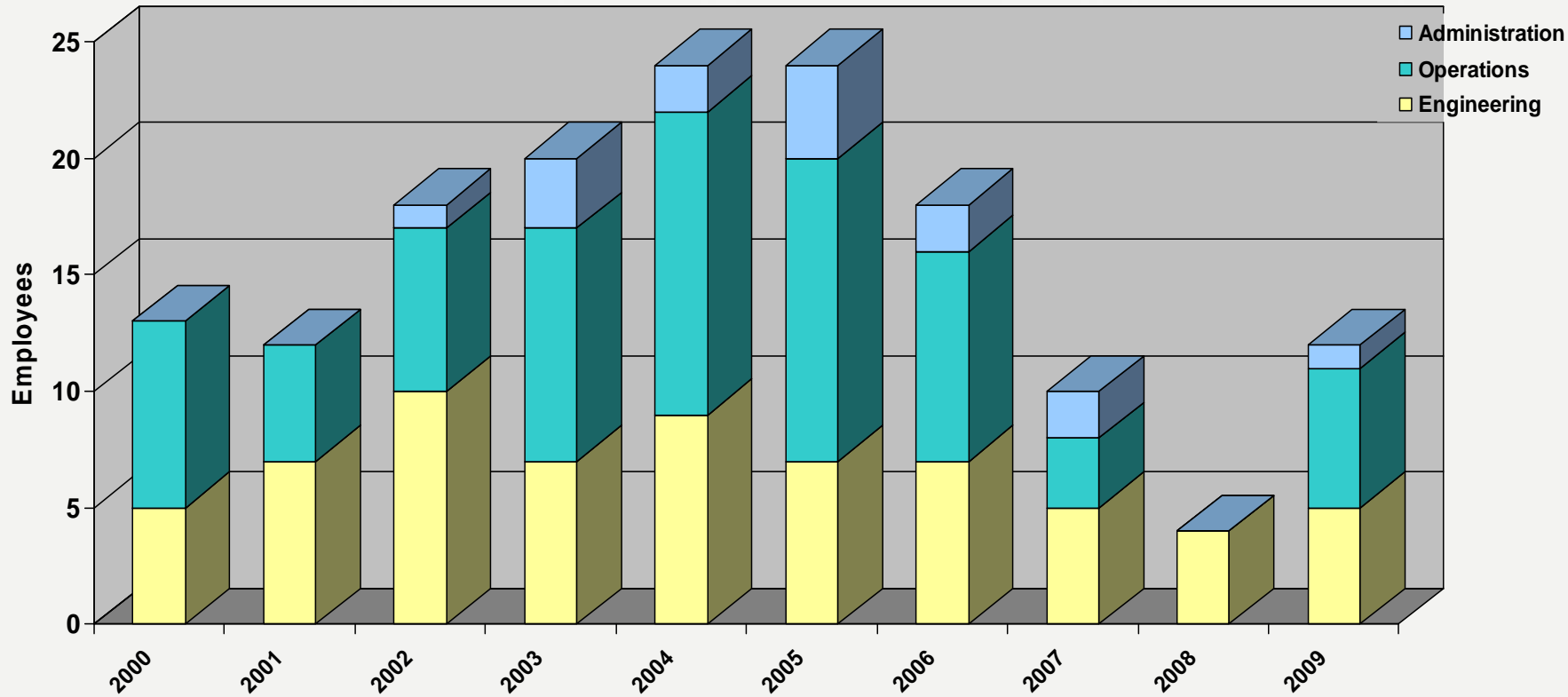


SOURCE: 2001-2007 PA 51 REPORTS & MISCRAM



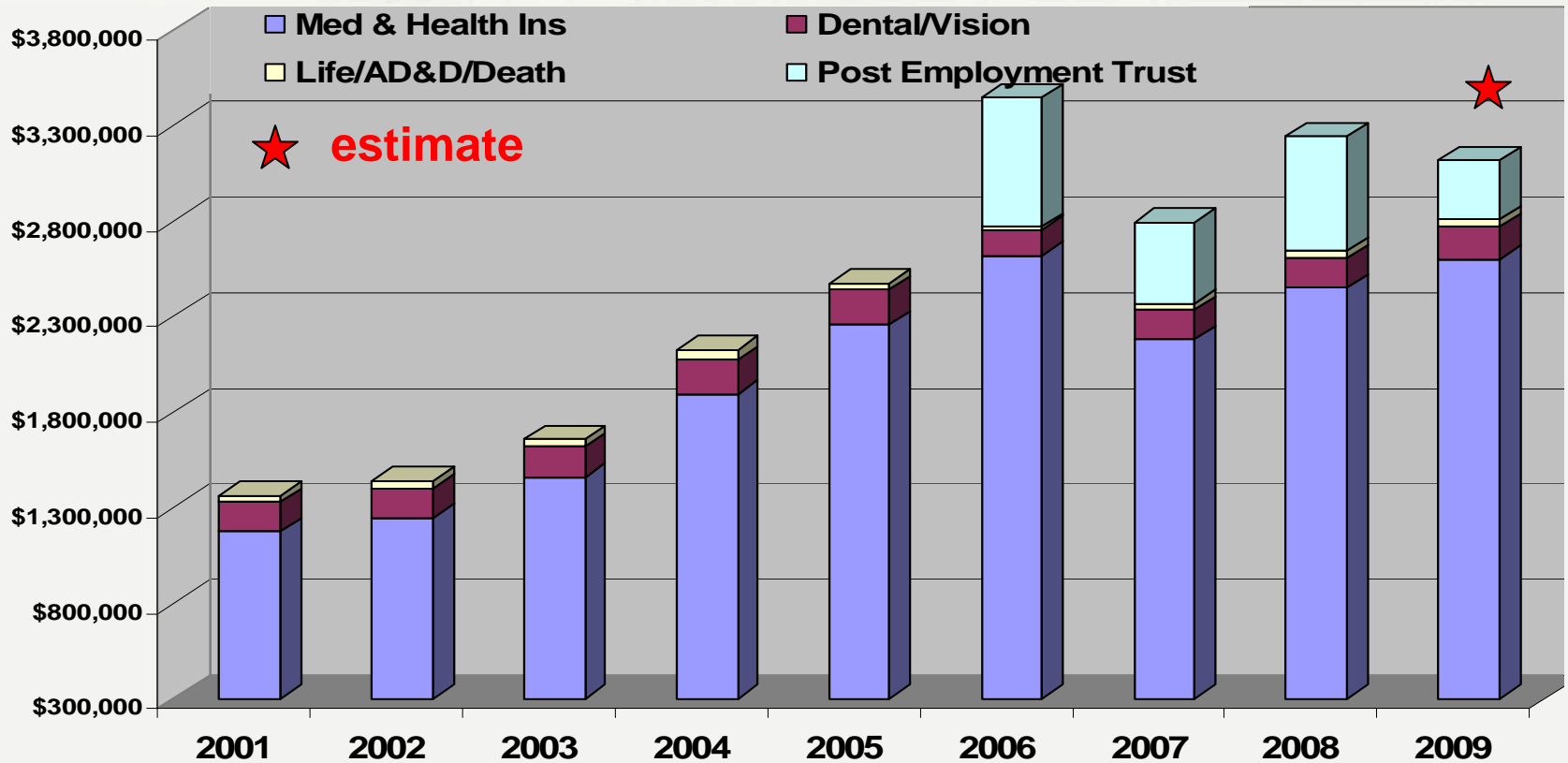
Temporary Employees

Summer Help, Student Interns & Co-op



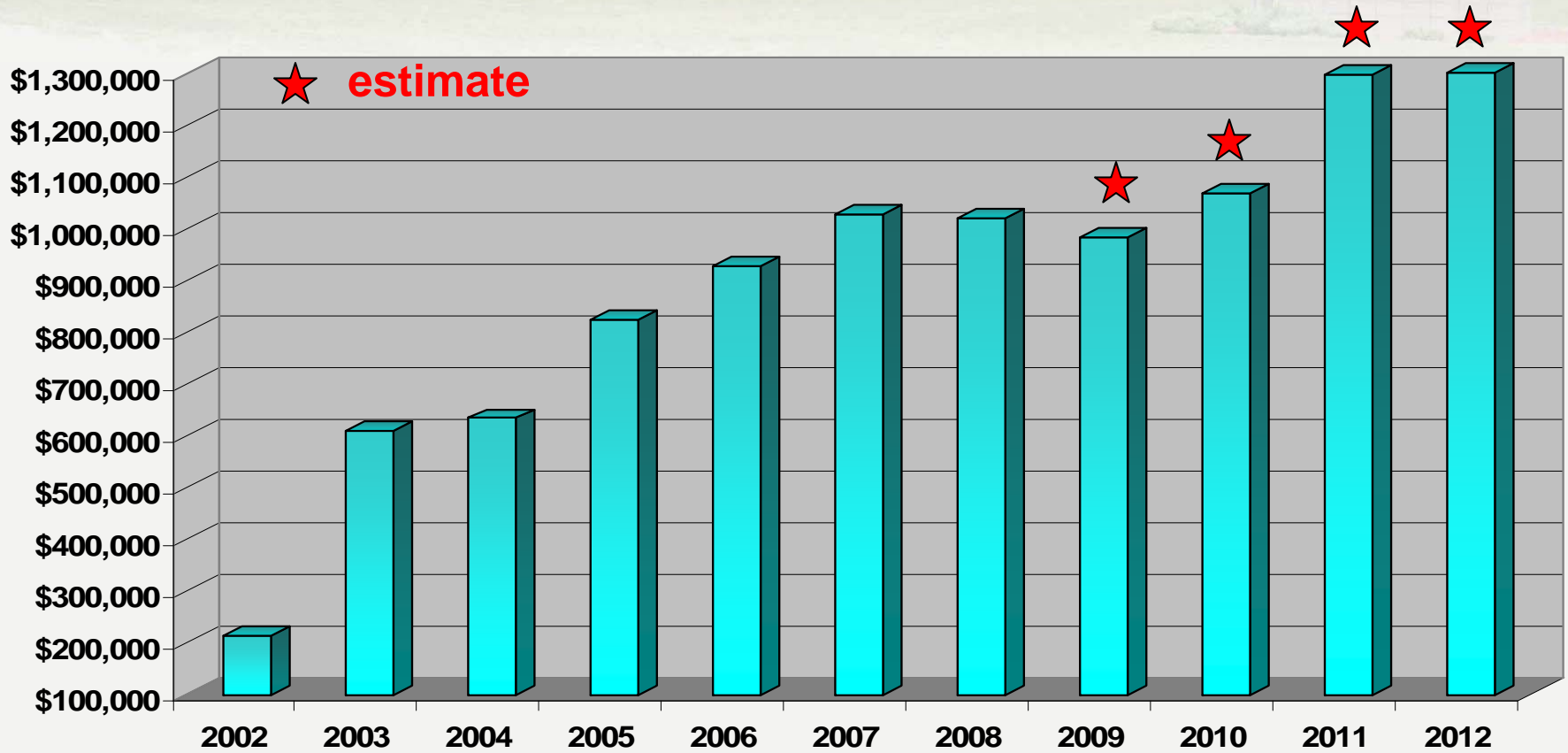
Health Care Benefits

Benefits increased from \$1.4 million to \$3.1 million (8 yrs.)



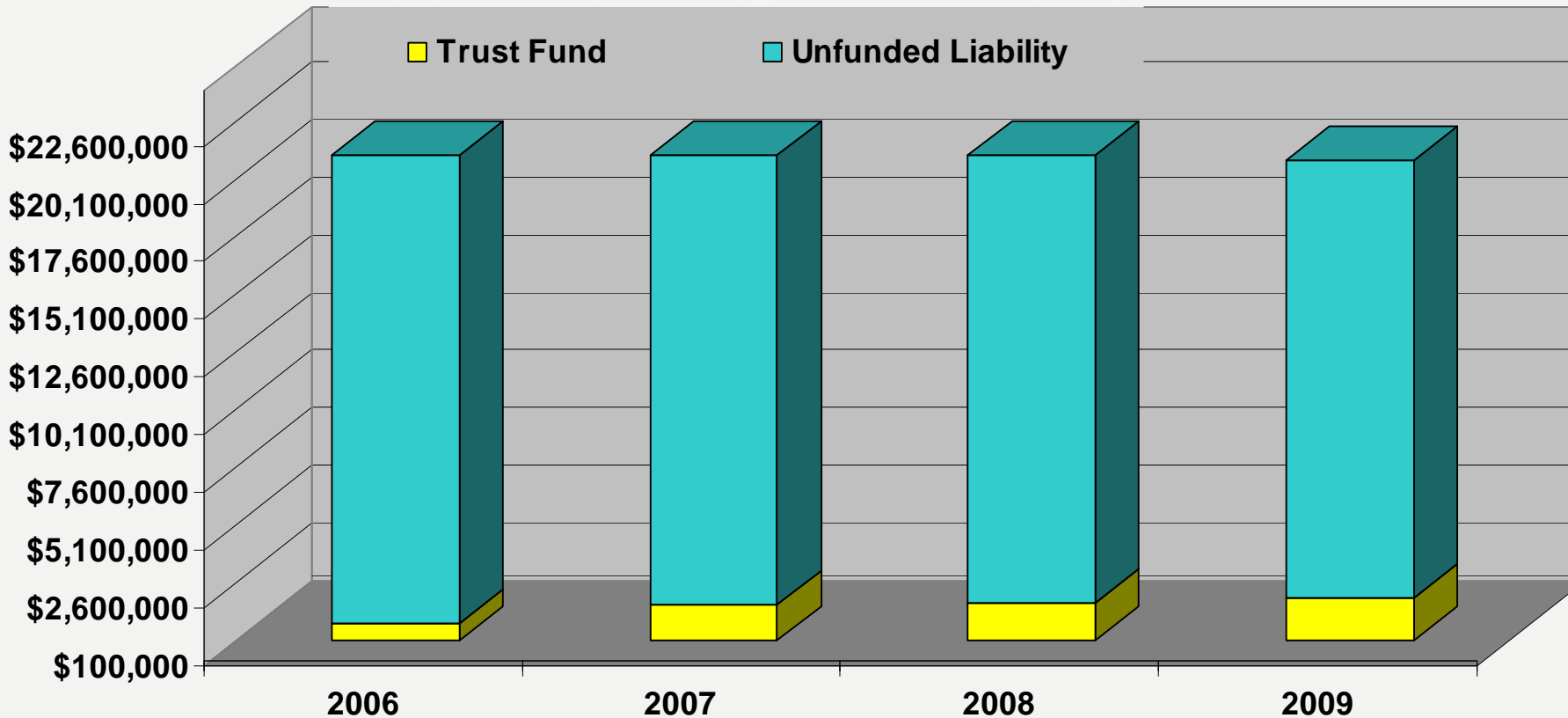
Retirement Costs

WCRC Contributions - have increased from \$286,000 to \$1.3 million in 10 years

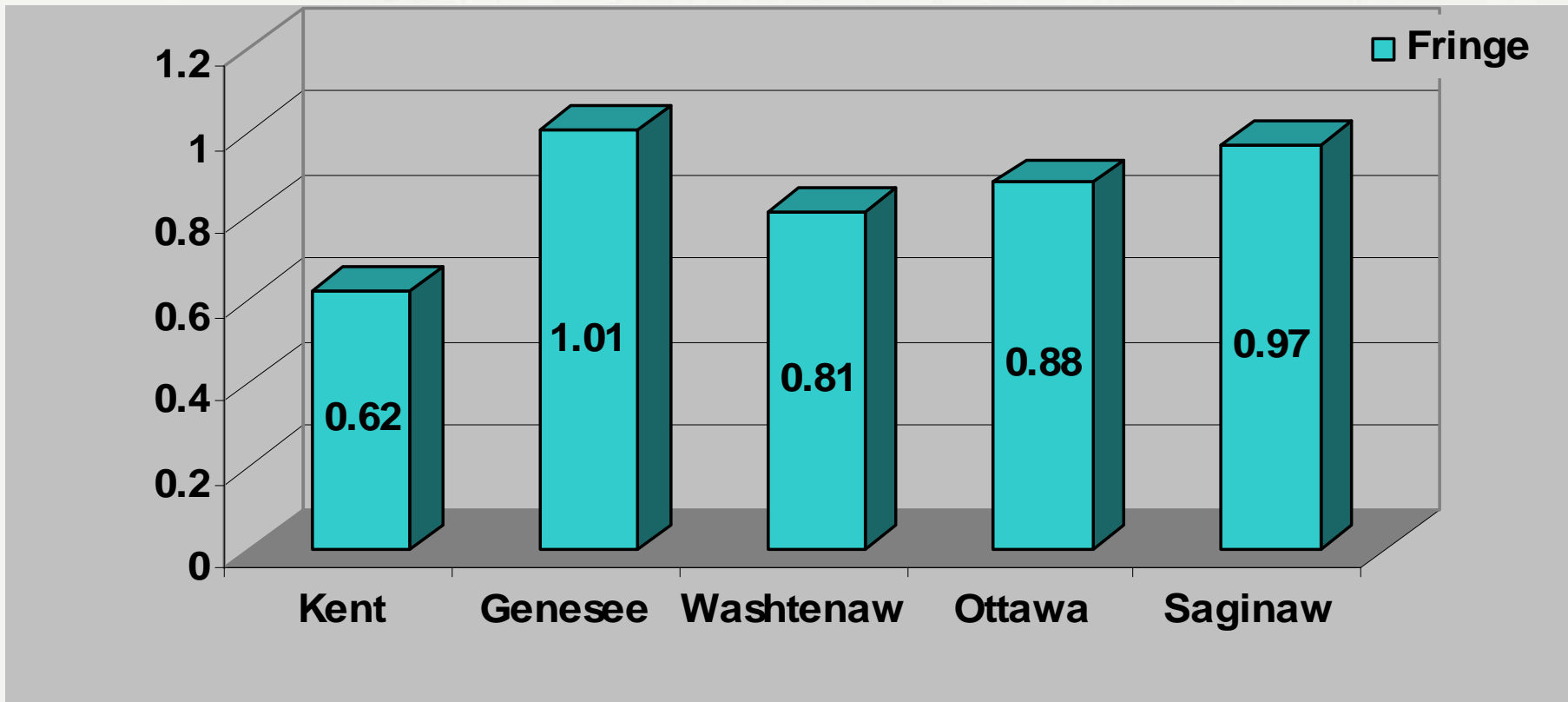


Post Employment Healthcare Trust

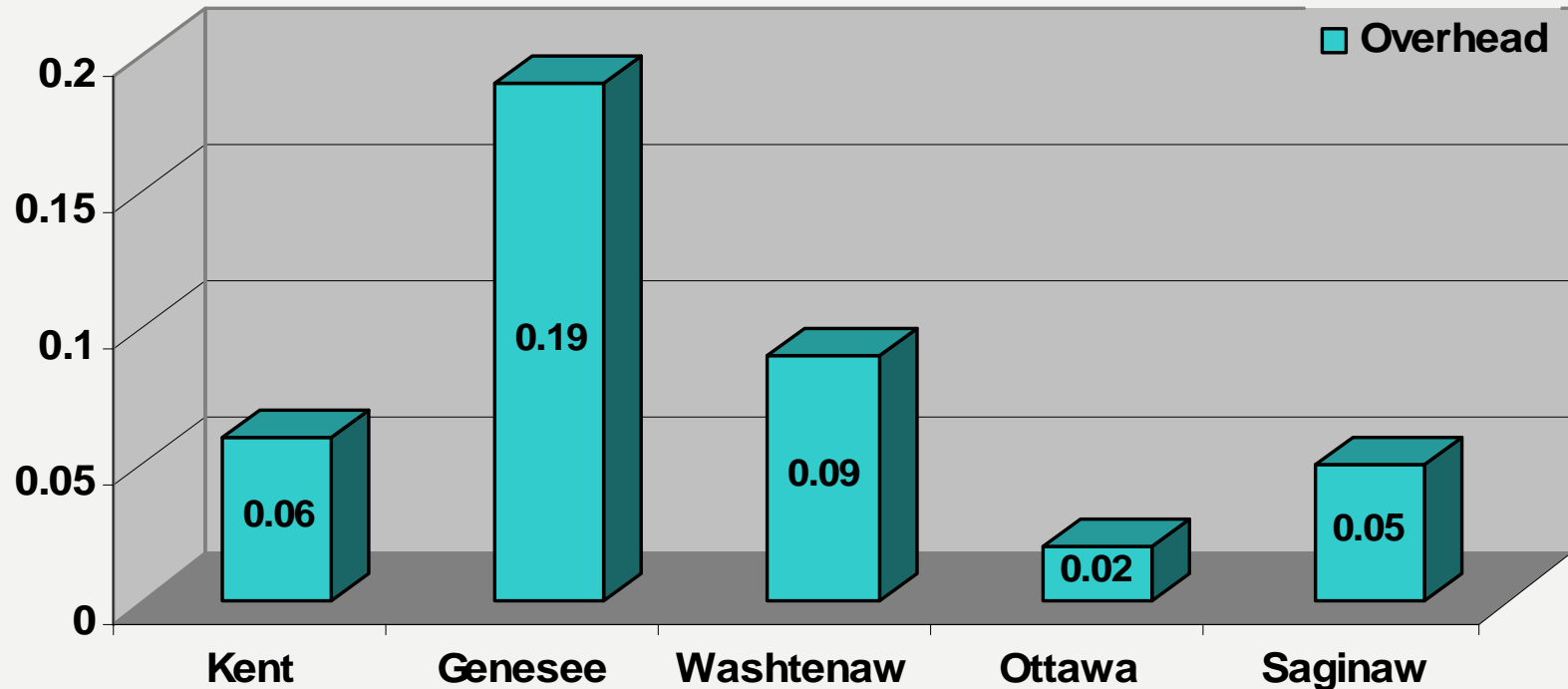
Unfunded OPEB Liability



Fringe Rate Peer Comparison



Overhead Rate Peer Comparison



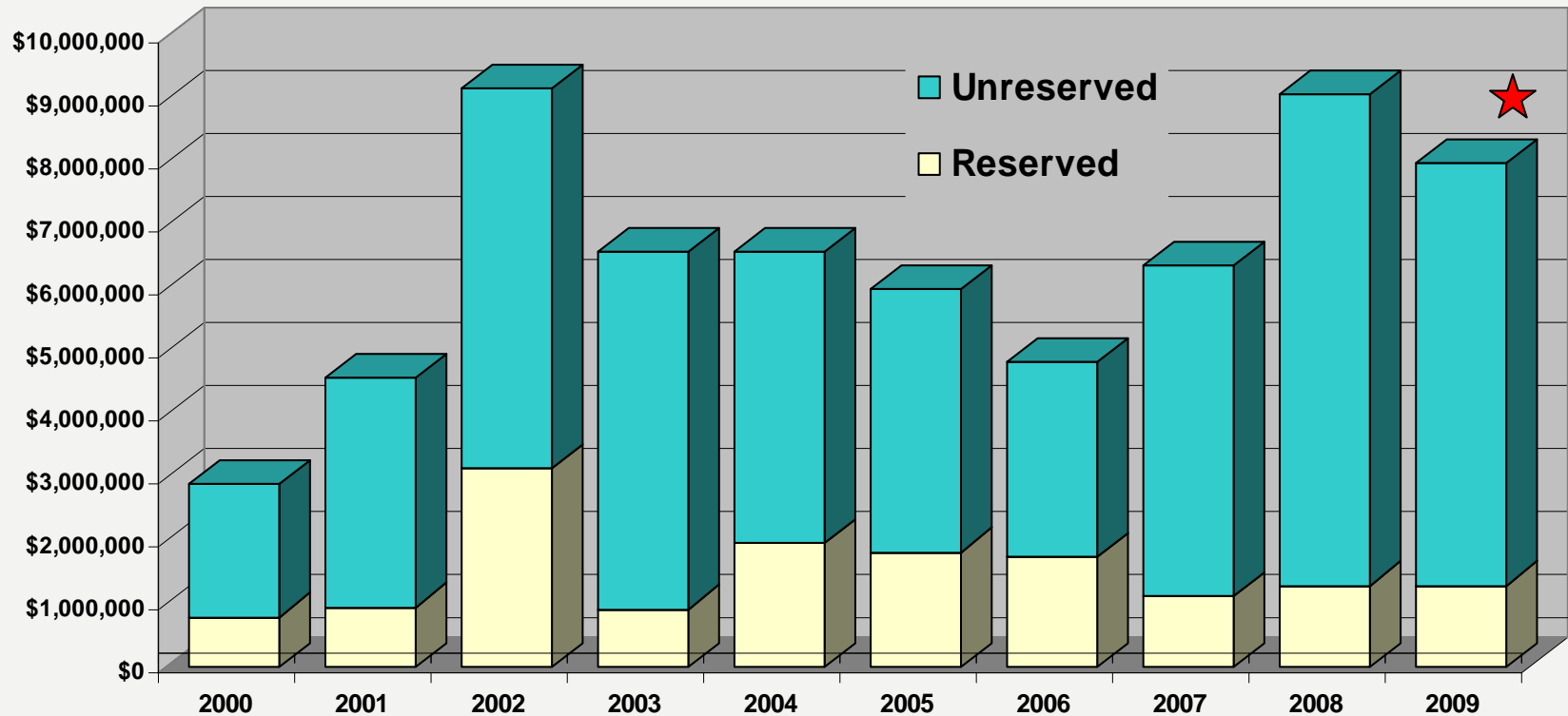


Fund Balance & Revenue Road Commission Peer Trends



WCRC Fund Balance

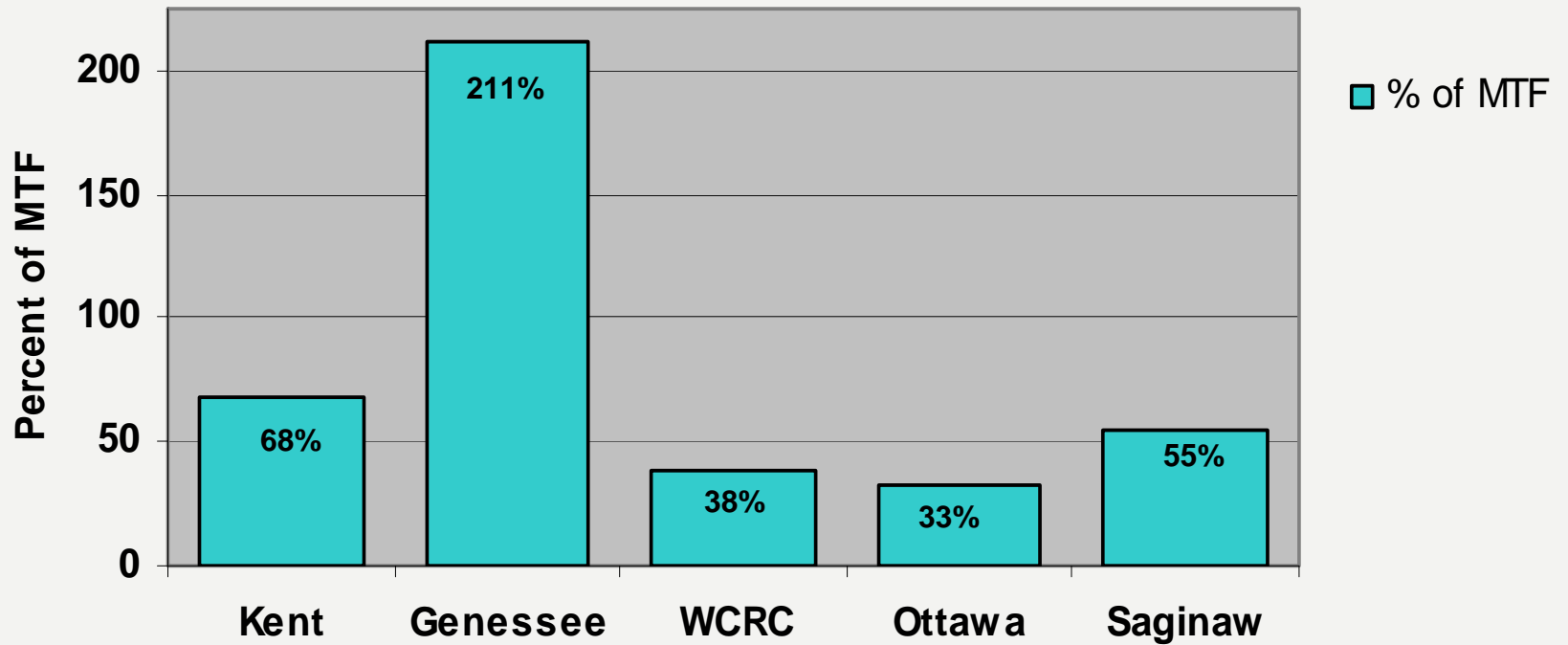
estimate ★



Fund Balance as % of MTF

Peer Comparison

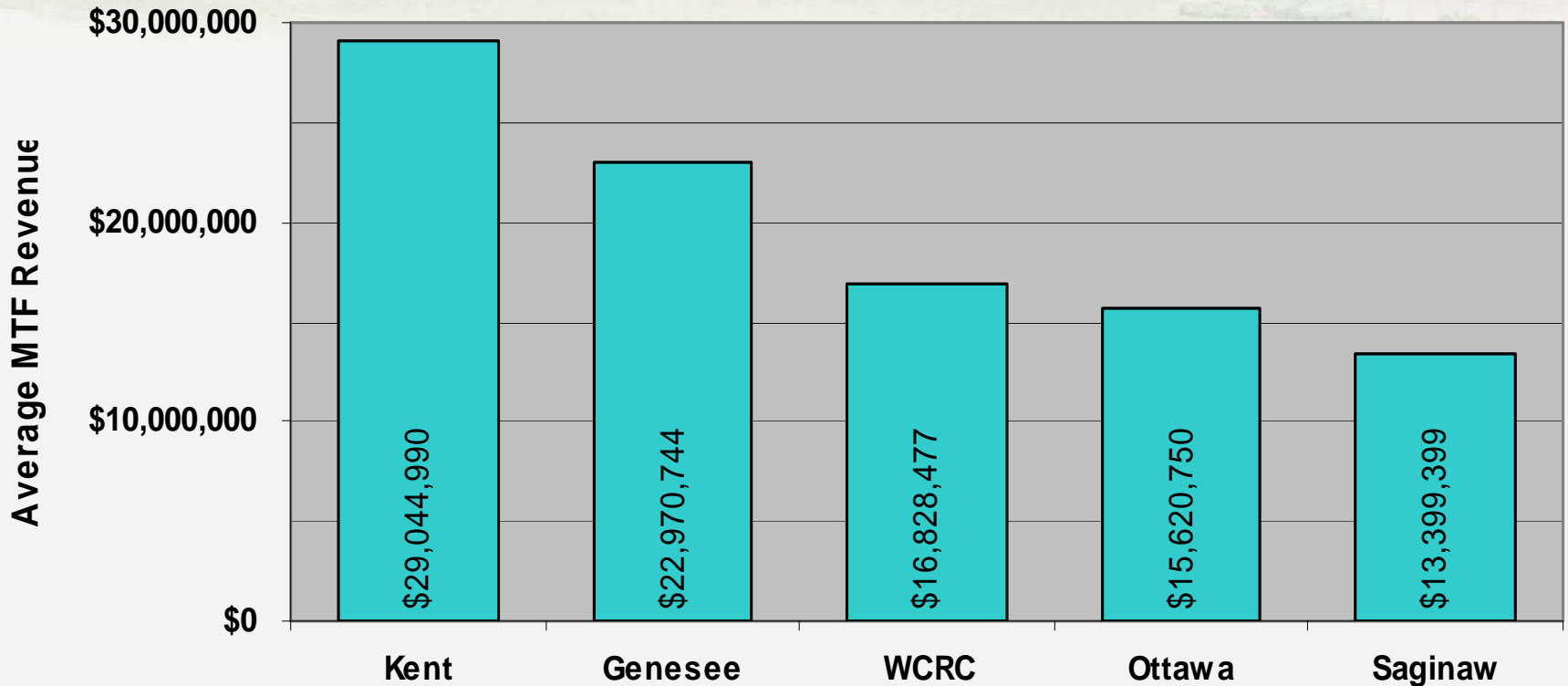
WASHTENAW COUNTY
ROAD COMMISSION
300 N. ZEEB ROAD



SOURCE: 2001-2007 PA 51 REPORTS



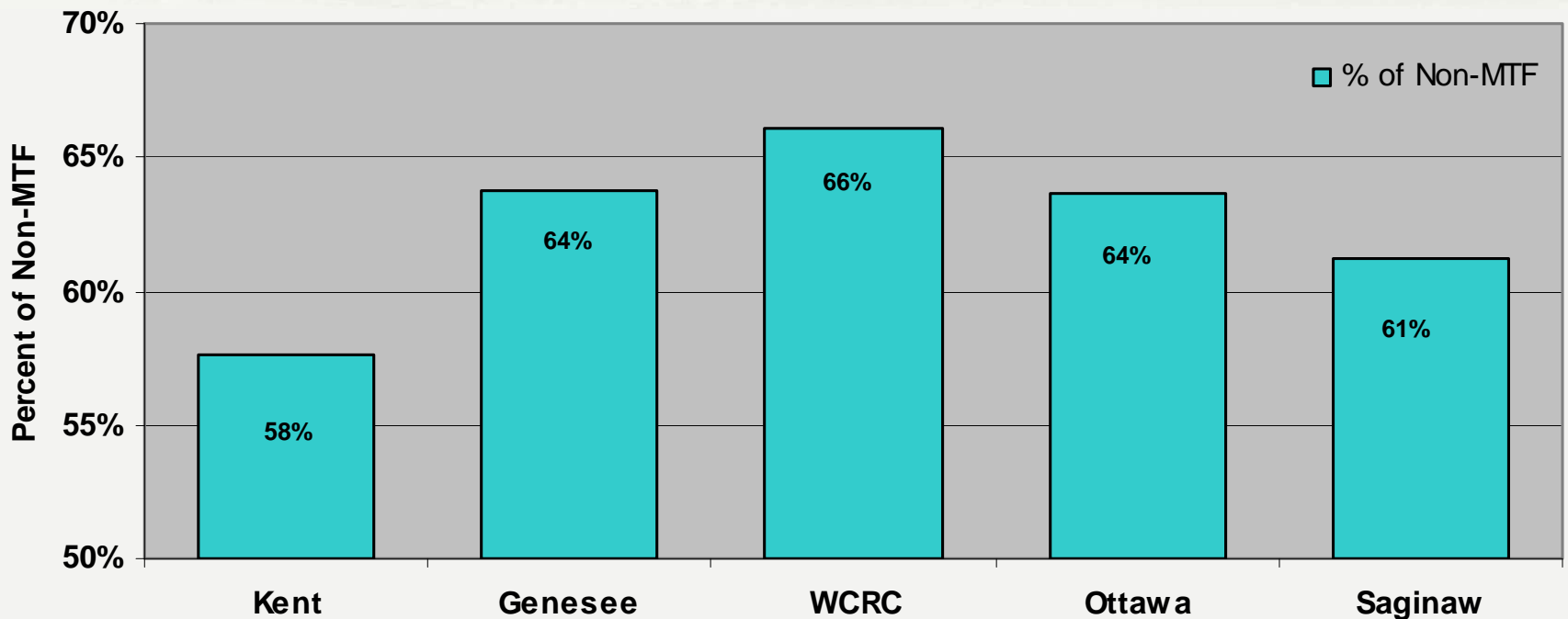
Average MTF Revenue Peer Comparison



SOURCE: 2001-2007 PA 51 REPORTS



Percent of Non-MTF Revenue Peer Comparison



SOURCE: 2001-2007 PA 51 REPORTS



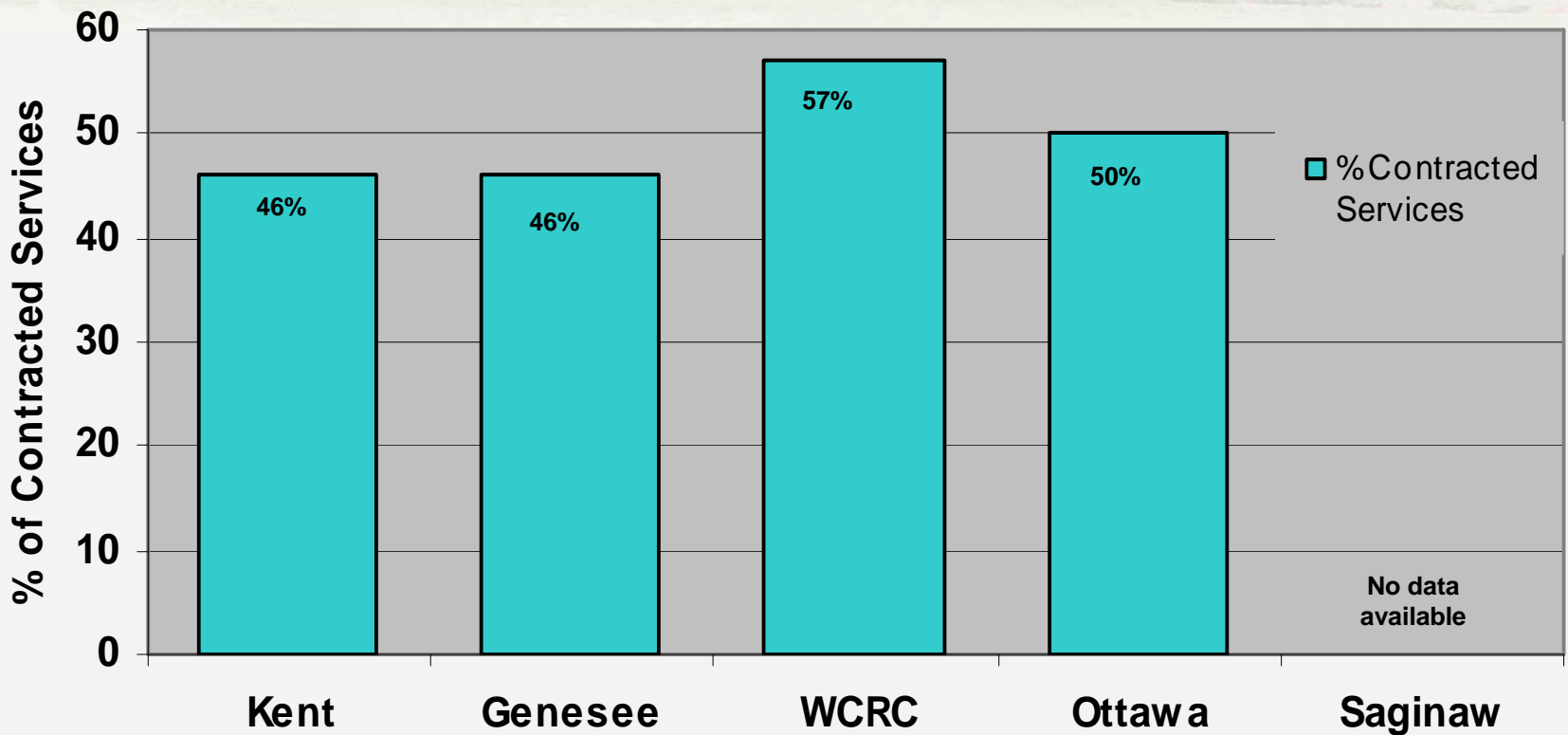


Contracted Services



Contracted Services

Peer Comparison



SOURCE: 2001-2007 PA 51 REPORTS



Administrative Contracted Services

- **Liability and Insurance Pool**
- **Worker's Compensation Pool**
- **Human Resources**
- **Benefit Administration**
- **Labor Council**
- **Corporate Council**
- **Auditors**
- **Information Technology**



Michigan County Road Commission Self-Insurance Pool

The Michigan County Road Commission Self-Insurance Pool (MCRCSIP) provides liability, property and physical damage insurance.

- Created with the assistance of CRAM
- Loss Control and Training
- Risk Management & Claims Management
- 79 Road Commission Members



Michigan County Road Commission Self-Insurance Pool

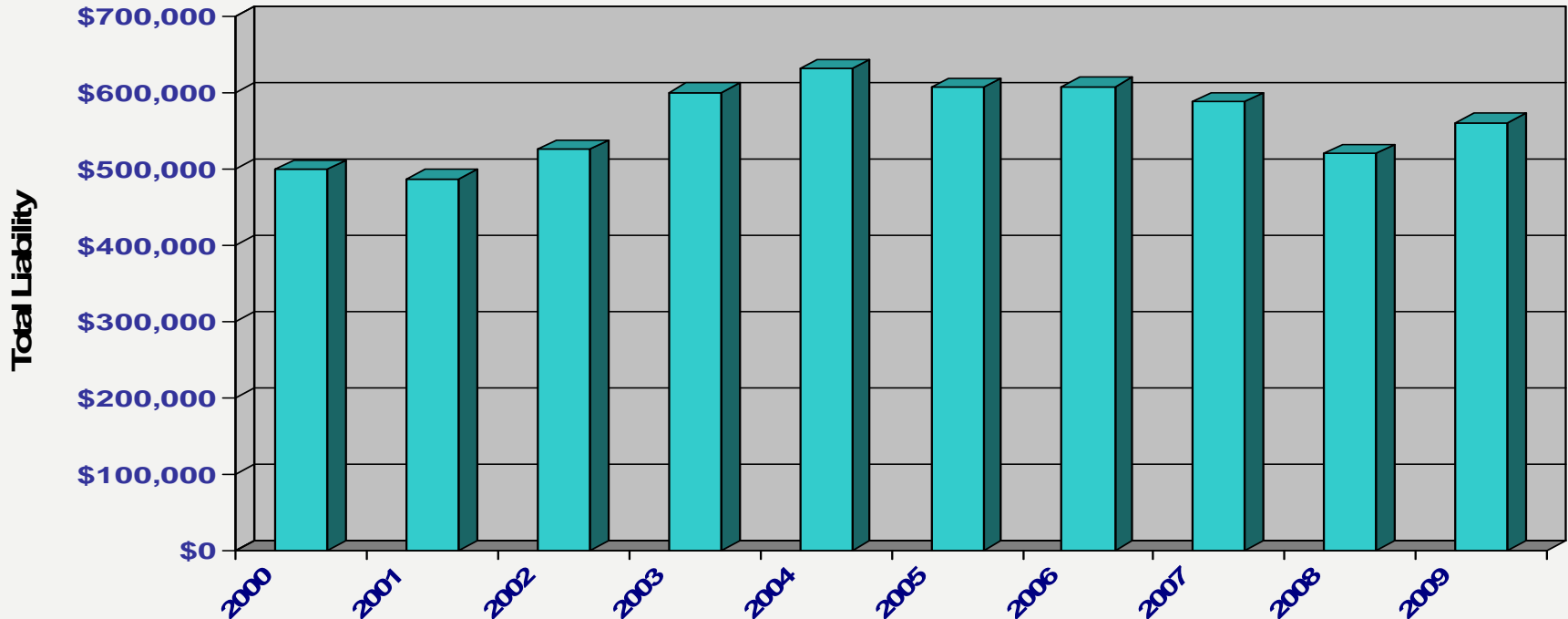
MCRC SIP has three main objectives

- To gain control of our own destiny
 - Managing, controlling and reducing losses
 - Joint effort to vigorously defend claims
 - United effort to effect favorable legislation
- Control costs while providing needed protection
- Lower ultimate costs



Michigan County Road Commission Self-Insurance Pool

Average Net Cost Per Year with Refunds = \$340,915 (10 yrs)



County Road Association Self-Insurance Fund

The County Road Association Self-Insurance Fund (CRASIF) provides workers compensation insurance

- To reduce the potential for disability and loss of life in the workplace
- Provides required insurance at lower than commercial rates
- 74 Road Commission Members



County Road Association Self-Insurance Fund

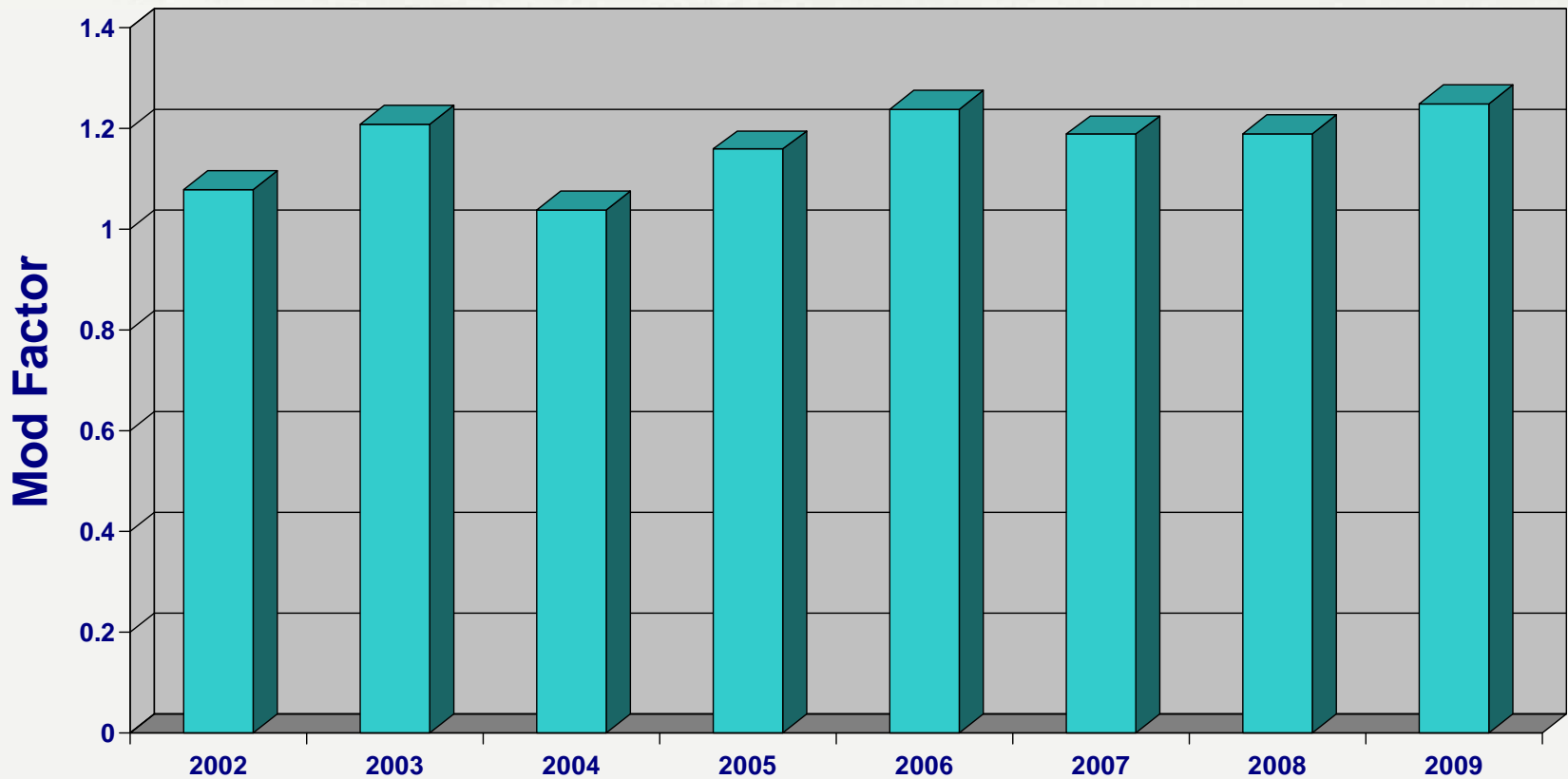
CRASIF Services

- **Safety Inspections**
- **Regional Safety Seminars**
- **Educational Safety Materials**
Newsletter, Safety Manual, Safety Presentations, Tailgate Safety Talks, Video Loan Library
- **In-House Training Sessions**
Compliance & Custom Safety Training
- **Advice & Consultation**
Claims Analysis



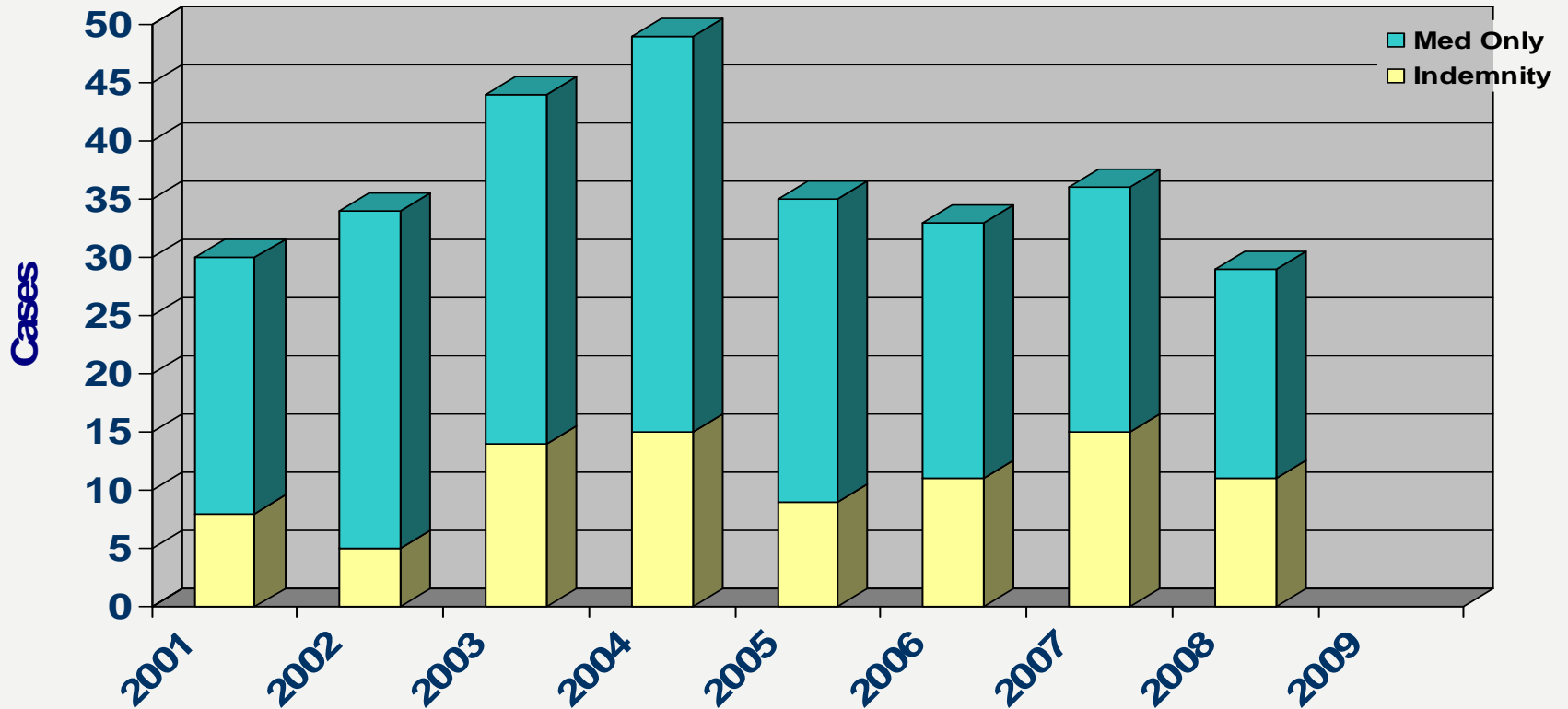
Experience Modification Factor

CRASIF Member Range – 0.71 to 1.39



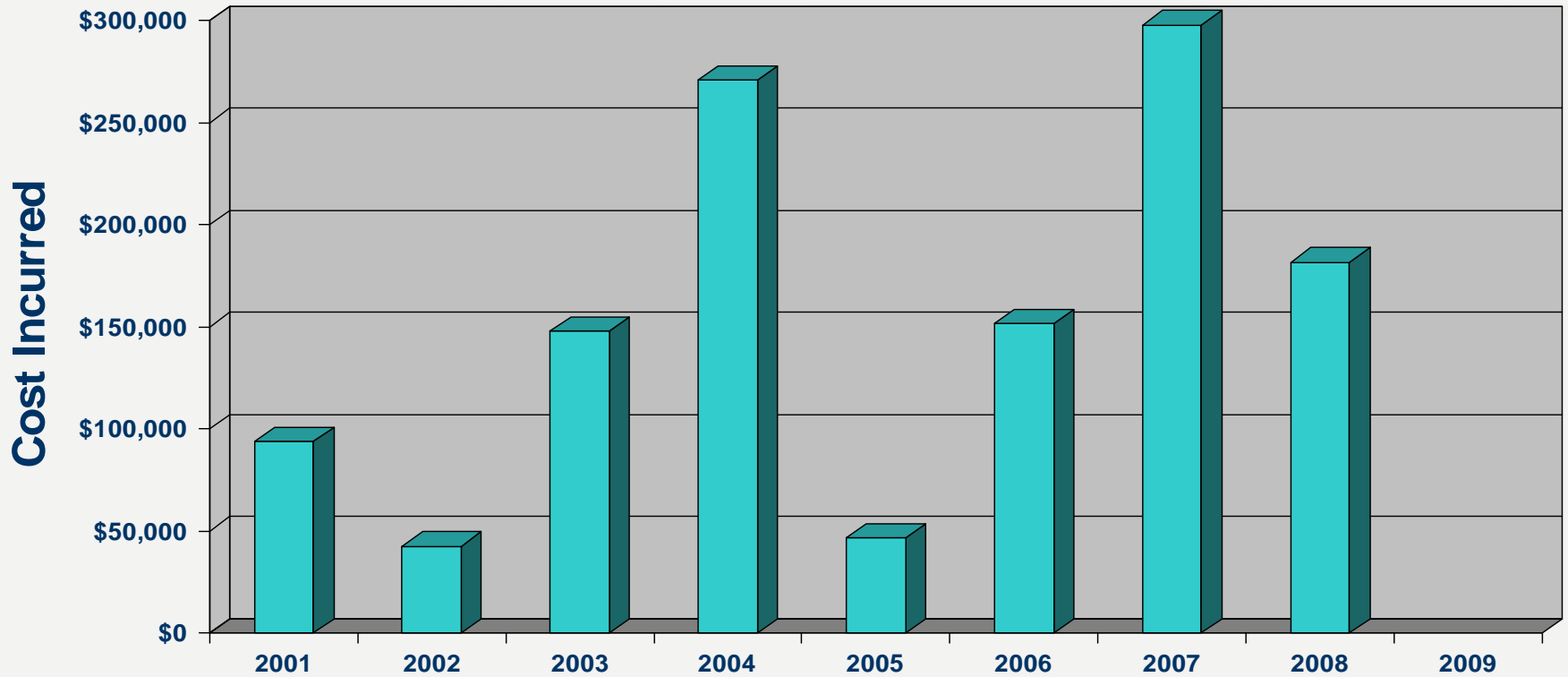
Worker's Compensation Cases

CRASIF



Worker's Compensation Costs

CRASIF



Employee Benefits Administration

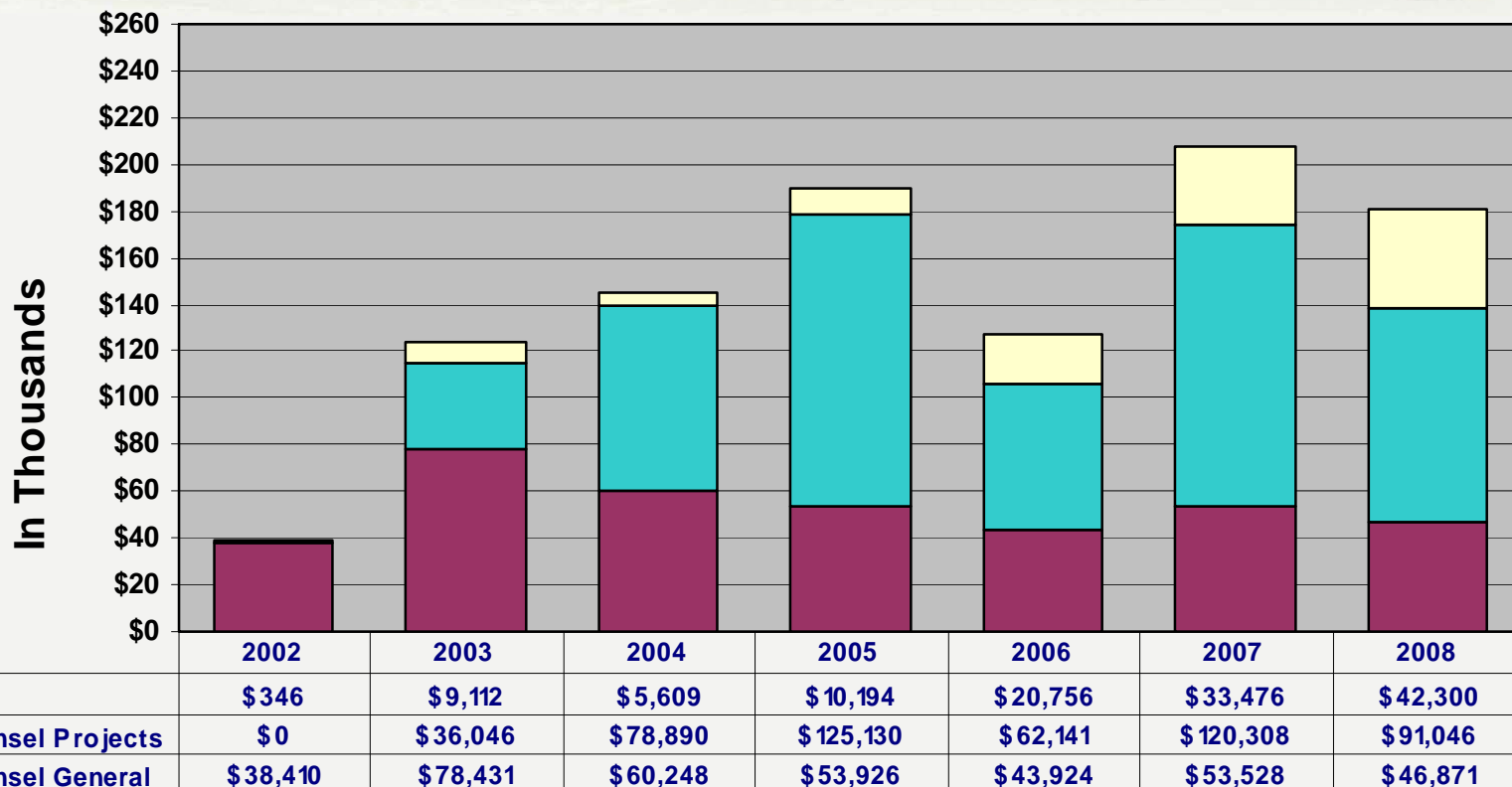
Contracted Agent

Public Employee Benefits Solutions (PEBS) has been retained to assist with administering our insurance programs

- PEBS negotiates favorable contracts with existing carriers
- PEBS prepares Requests for Proposals for each line of coverage, securing competitive quotes and makes recommendations
- Monitor claims information and prepare monthly reports
- Assist with implementing changes
- Serves as account manager and a claims analyst



Administration Corporate & Labor Counsels



Administrative Contracted Services



- Human Resources \$37,000
- Auditors \$27,000
- Information Technology \$4,500
- Plotter Service \$1,200
- County Map \$10,000

Engineering Contracted Services

- Project Development
- Right-of-Way Acquisition
- Construction Contracts



Project Development

Annual Average Cost 2002 – 2008

Planning & Environmental Assessments	\$90,000
Preliminary Engineering	\$330,000
Construction Engineering	\$670,000
Material Testing & Geotechnical	\$110,000
Construction Stakeout & Survey	<u>\$200,000</u>
Total Average Annual Cost	\$1,400,000



Right-of-Way Acquisition

Average Cost 2002 – 2008

Total Acquisition

\$1.1 M /yr or \$7.5 Million Total

Acquisition Paid by Others

\$760k /yr or \$5.34 Million Total

Acquisition Paid by WCRC

\$310k /yr or \$2.16 Million Total



Construction Contracts

Average Workload 2002 - 2008

Number of Contracts	30-45
Construction Contract Value	\$13.8 Million/yr.
Total Construction Value	\$97 Million



Operations

Contracted Services

- Road Maintenance
- Fleet Management
- Facilities



Road Maintenance

- Pavement Marking - \$234,000/yr.
- Street Sweeping ~\$100,000/yr (3 cycles on curbed roads)
- Gradall Rental ~\$45,000/yr
- Hydroseeding ~\$20,000/yr
- Chemical Vegetation Control ~\$5,700/yr (guardrail only)



Fleet Management

- Tires ~\$48,000/yr (installation & repair outsourcing)
- Radio System 800 MHz ~\$20,000/yr
- Air Compressor/Hoists ~\$7,200/yr (inspections & maintenance)
- Uniforms, Hand Towels & Floor Mats ~\$6,000/yr
- Towing ~\$2,200/yr



Fleet Management

- Parts Cleaner ~\$1,700/yr
- Car Washing ~\$725/yr (light fleet)
- Overhead Crane ~\$500/yr (inspections)
- Cummins Insite Software Subscription ~\$500/yr



Facilities



- Janitorial Service ~\$37,000/yr (Main Yard and SESC)
- Waste Disposal ~\$20,000/yr
- HVAC ~\$5,800/yr (repair)
- Floor Drains/Oil Separators ~\$4,200/yr (maintenance cleanout)
- Elevator ~\$3,200/yr (repair and maintenance)
- Fire Extinguishers ~\$3,000/yr (annual service)

Facilities

- Overhead Doors ~\$2,100/yr (maintenance & repair)
- Facility Alarm Systems ~\$2,000/yr (monitoring & repair)
- Fuel Systems ~\$1,200 (inspections, maintenance and repair)
- Fire Suppression Systems ~\$600/yr (annual inspections)
- Water Backflow Prevention ~\$550/yr (inspection and repair)
- Auxiliary Power Generators ~\$500/yr (repair and maintenance)



MDOT State Trunkline Contract

- **WCRC has preformed State Trunkline maintenance for over 60 years**
- **MDOT & CRAM Negotiating Committee establish a model contract**
- **In 1990 MDOT expanded the WCRC contract to include signal maintenance**



State Trunkline Maintenance Contract

- CRAM strongly encourages contract relationship
- State Trunkline Maintenance Contract
 - Collaborative approach in the public best interest
 - Mutually pursue efficiencies
 - Reduce maintenance costs
- Agency Collaboration
 - Vehicle Storage Facility Cost Sharing
 - Salt Storage Facility & Fuel Station Cost Sharing
 - Bulk Salt Purchasing



State Trunkline Maintenance Contract

Current Contract

- 5-year Contract Expired September 30, 2008
- 1-year Contract Extension Expires September 30, 2009
- 65 Road Commissions have contracts totaling \$150 Million
- WCRC 2009 State Trunkline Budget \$ 2.5 Million
- Crew Size - 1 Foreman and 11 Crew Members
- We have a positive working relationship with MDOT



State Trunkline Maintenance Contract

Proposed 3-Year Contract – Schedule

- New Contract approved by CRAM Negotiating Committee and MDOT Representatives June 9, 2009
- Office of Commission Audit and Attorney General Final Review June
- State Administrative Board Approval July 21
- CRC Approvals August/September
- Implementation October 1, 2009



State Trunkline Maintenance Contract

Winter Maintenance – Workforce Multiplier

- **WCRC Winter Maintenance Guidelines**
 - Operations conducted based on priority system
 - State Trunkline Routes are Priority #1
 - 4-Person Winter Night Patrol provides countywide surveillance
- **State Trunklines 20 of 46 Primary Snow Routes**
 - 7 State Trunkline Crew Members
 - 13 County District Crew Members
 - 100% Reimbursed by MDOT
 - Crew Members clear county roads upon completion



State Trunkline Maintenance Contract

Capital Equipment Advance \$248,190

Advantages

- Interest-free cash advance, deriving interest on deposit
- Ensures modern equipment to service State Trunkline System

Disadvantages

- Advance due within 90 days of contract termination
- MDOT has advanced \$20M in loans statewide



State Trunkline Maintenance Contract

Maintenance Advance \$232,634

Advantages

- Interest-free cash advance, deriving interest on deposit
- MDOT assures service continuity by assisting cash flow

Disadvantages

- Advance due to MDOT within 90 days of contract termination
- MDOT provides cash advances WCRC retains interest

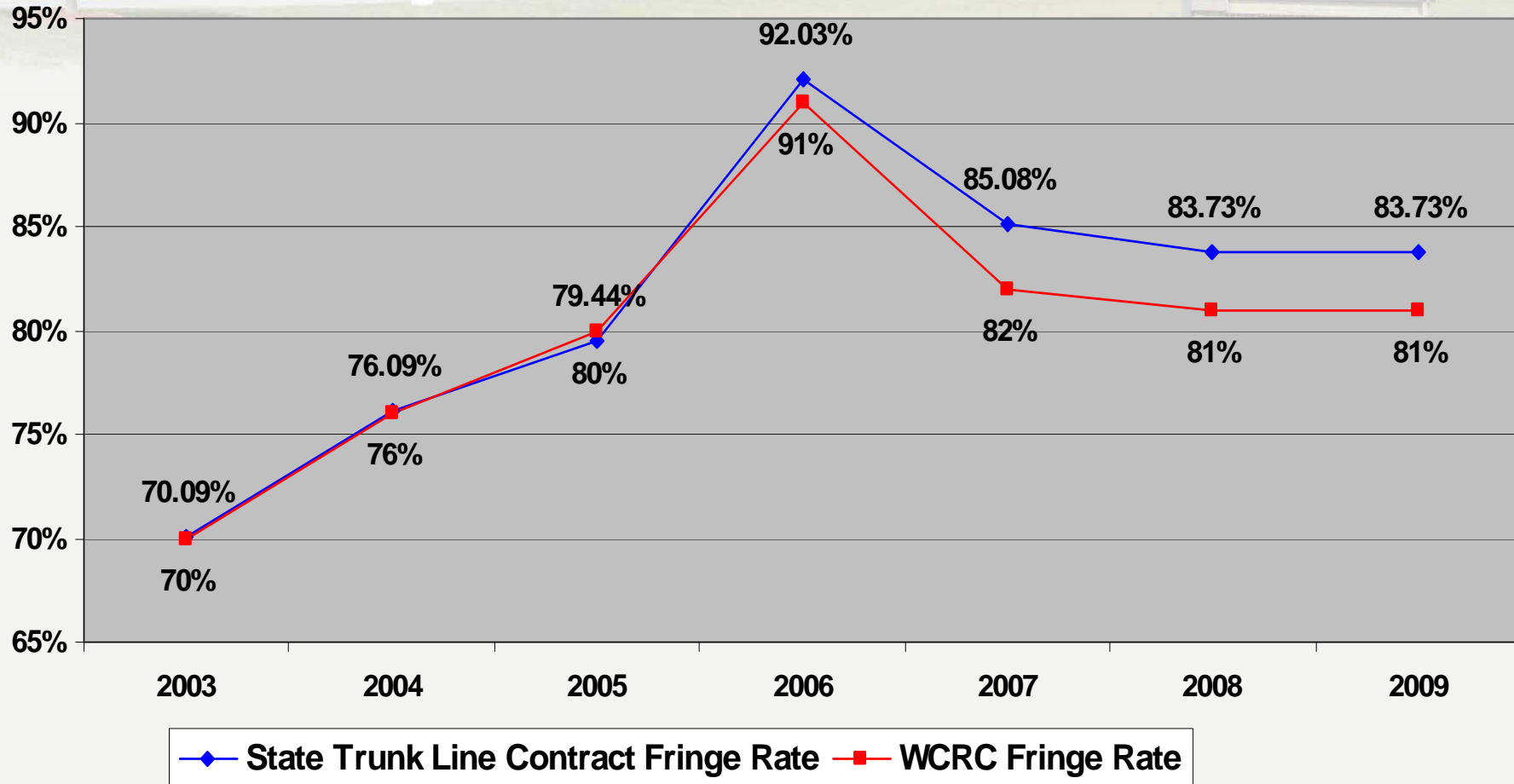


State Trunkline Maintenance Contract

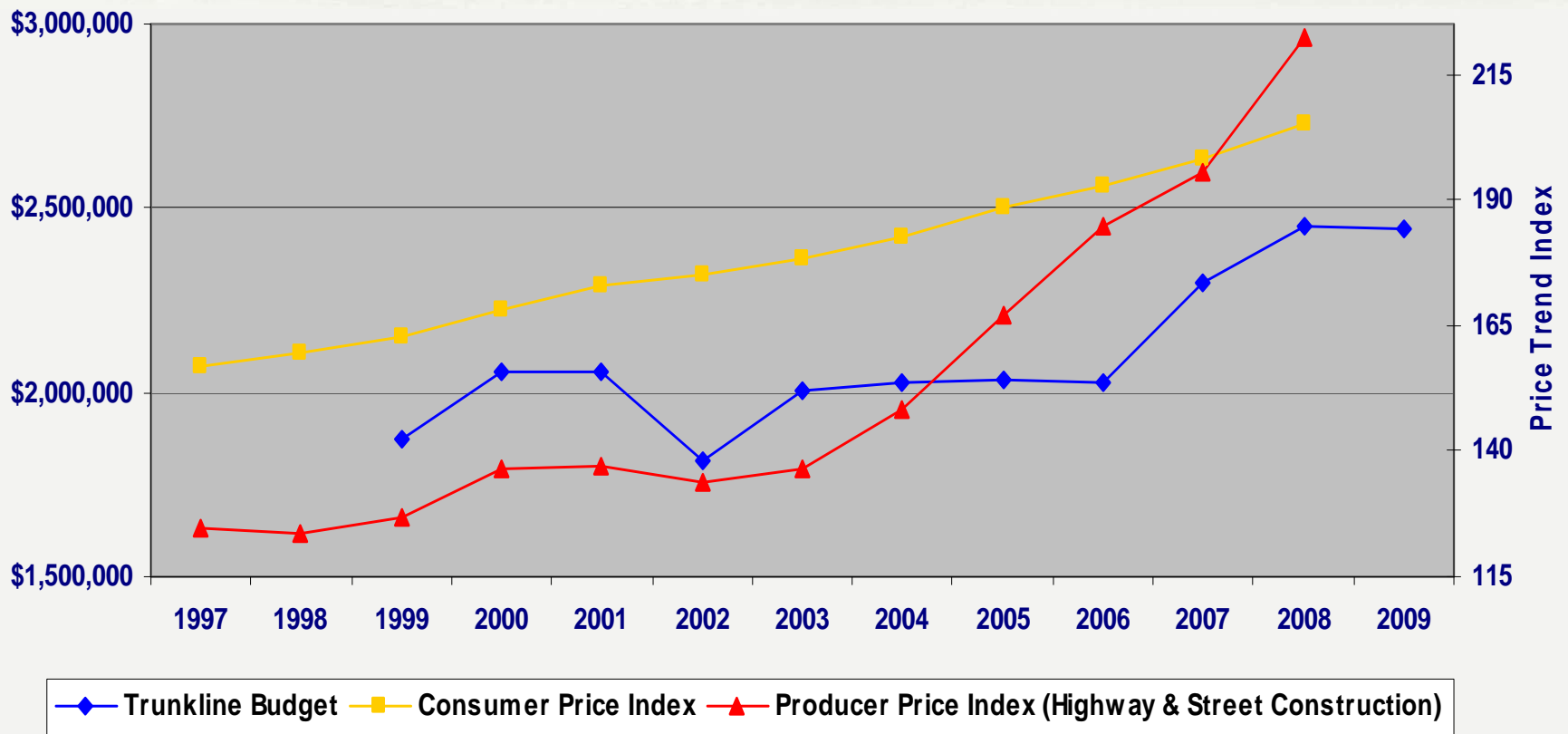
Overhead Rate: State Trunkline 11.5% County 9%

Fringe Rate: State Trunkline 83.73% County 81%

WASHTENAW COUNTY
ROAD COMMISSION
304 N. ZEEB ROAD



Trunkline Budget vs. Price Indices



Core Services Review Schedule

- Sustainable Strategy Options – July
- Board Retreat - August
- Stakeholder Input – September
- Adopt Sustainable Core Services - October





Washtenaw County Road Commission

Core Services Review Employees & Contracted Services

Comments & Questions

