

Deferring Maintenance: Pave Now or Pave More Later

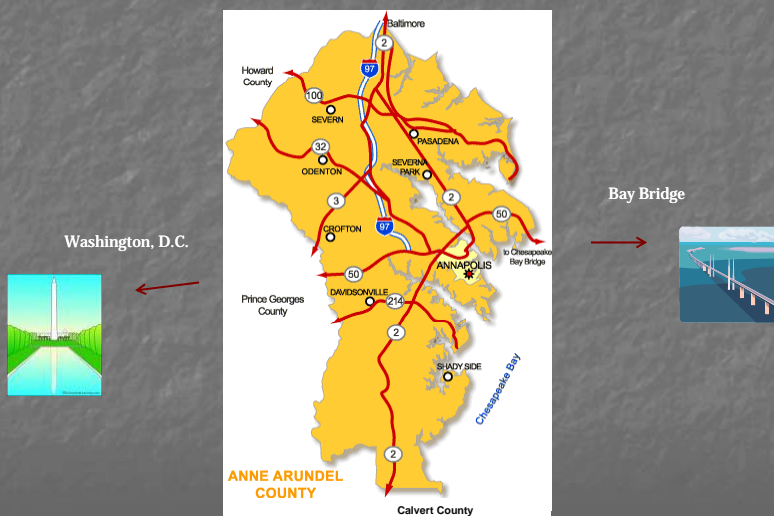
HIGHWAY USER REVENUE CUTS AND THE EFFECTS ON
ANNE ARUNDEL COUNTY

GREG AFRICA
DEPUTY DIRECTOR, DEPARTMENT OF PUBLIC WORKS



1

Anne Arundel County



2

Anne Arundel County Statistics

4,361 lane miles of roadway

53 bridges

90,764 closed storm drain and culvert structures

321 vehicles and construction equipment

198 employees

Over 80% of road centerline miles in Anne Arundel County are maintained by local government – *these are the roads where our trips begin and end.*



3

Transportation Trust Fund and Highway User Revenues

Transportation Trust Fund – Created in 1971

- Dedicated to support Maryland transportation
- Commitment provides excellent infrastructure
- Supports economic growth

Trust Fund revenues or “Highway User Revenues” (HUR)

- Fuel tax and motor vehicle registrations
- Shared with state and local governments
- 70% to MDOT, 15% to Baltimore City and 15% to all other local governments

HUR has funded a minority share of the entire transportation budget in Anne Arundel County since program inception.

However, this HUR minority share has been in the order of \$29M/year.

4

How We Use Highway User Revenue

Operating Expenditures

- Pavement Maintenance
- Roadside Maintenance
- Streetlights and Sidewalks
- Traffic Engineering and Operations
- Stormwater Management
- Snow and Ice Removal
- Right-of-Way Management
- Equipment Replacement

Capital Expenditures

- Infrastructure System Preservation
- Highway Safety Improvement
- Neighborhood Traffic Control

HUR is not allocated to specific transportation accounts. It is reflected as *"State Shared Revenue"* in the Anne Arundel County budget.



5

HUR Cuts of FY 2010

Highway User Revenue forecast for Anne Arundel County was reduced from \$28.4 million to \$11.4 million due to economic crisis.

The General Assembly cut HUR again which reduced our share to \$8.5 million

Board of Public Works cut the remaining local allocation by an additional 90%, which brought our share to \$850,828 (*equals \$486 per centerline mile*)

The final cut by the BPW was after the County's FY 2010 budget was passed.

6

Anne Arundel County Response to Revenue Shortfall

General Fund monies are used to supplant revenue shortfalls:

- Prior year's Fund Balance;
- Revenue Stabilization Fund; and
- Contingency Fund.

The use of these funds has not affected Anne Arundel County's bond rating...

...yet.

7

Anne Arundel County Response to Revenue Shortfall

Budgetary Balancing Actions are implemented to contain or reduce expenditures:

- Vacancy Eliminations and Hiring Freeze;
- Pay Increase Freeze for Non-Represented Employees;
- Freeze on Computer Replacement and New Systems;
- Automated Vehicle Locator/GPS System Elimination;
- Travel, Training and Communication Devices Restrictions;
- Vehicle Assignment Restrictions and Deferral of Equipment Replacement;
- Reduction of Contractual Services;
- Deferral of Facility Improvements;
- Reduction of PayGo Projects;
- Reduction of Infrastructure System Preservation Projects; and
- Across-the-Board Conservative Budgeting.

8

Impacts on Operations

Impacts on Daily Operations:

- Lag in completion time for work orders;
- Reduction of historical levels of service;
- Quality concerns;
- Loss of programmatic and predictive maintenance programs;
- Accelerated rate of infrastructure deterioration;
- Reduction of infrastructure system preservation projects;
- Accelerated rate of vehicle and equipment fleet deterioration;
- Lag behind new technologies; and
- Less skilled workforce.



9

Impacts on Operations

Impacts on Future Operations:

- Increase in backlog work orders;
- Increase in backlog infrastructure repairs/replacements;
- Increase in cost of infrastructure repair/replacements;
- Increase in cost of vehicle and equipment fleet repair/replacements;
- Unidentified areas requiring action;
- Concerns for aesthetics deteriorate to comfort/convenience issues to accelerated reduction of infrastructure service life to possible regulatory non-compliance to critical safety emergencies; and
- Inadequate succession planning.



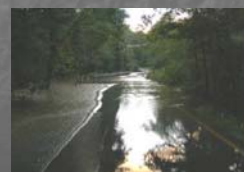
10

Current Backlog in Anne Arundel County

Our current backlog is increasing...

\$173 million

Resurfacing/Reconstruction	338 centerline miles	\$120 million
Bridges	44 bridges	\$0.8 million
Closed Storm Drain System and Culverts	50,504 structures	\$27 million
Inadequate Storm Drainage	219 projects	\$18.6 million
Stormwater Management	11 structures	\$3.2 million
Equipment Replacement	12+ year cycle	\$3.4 million



11

Can we continue to ignore our roads?

Preserve our investment in the local roads system which comprises over 80% of all roads in Anne Arundel County;

Restore "Trust" in the Transportation Trust Fund which was established to support Maryland transportation; and

Restore HUR to local governments in accordance with the intent of the Fund.



12

Anne Arundel County



Greg Africa
Deputy Director, Department of Public Works
Annapolis, Maryland 21401
(410) 222-7321
gafrica@aacounty.org