



COUNTY ROAD ASSOCIATION OF MICHIGAN

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PRESS RELEASE

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CRAM POSITION ON CONSOLIDATION SURPRISES

LANSING, Mich. –Road commissions from across the state converged on the State Capitol today to advocate for common sense amendments to legislation that would allow county boards of commissioners to absorb road commissions.

Legislation under discussion in Lansing would allow a county board of commissioners by resolution to abolish the road commission and transfer their duties to the county board of commissioners.

“Although the County Road Association opposes the bills as introduced, we have surprised many in Lansing by establishing a process for county boards to take over road commission responsibilities that we can support,” Niemela said. “This important of a process deserves both transparency and due diligence.”

“A governmental body that was created by a vote of the electorate in each county should not be eliminated by resolution of another elected governmental entity,” Niemela said. “Road commissions were created by a vote of the people and should only be eliminated, regionalized or consolidated by a vote of the electorate.”

Just like a business purchasing or taking over another company would seek an independent audit, CRAM would like to see the county board conduct a review of road commission operations including an independent audit and ensure they understand liabilities and responsibilities involved in managing the county road network.

CRAM has also requested a series of public hearings be held to seek input from stakeholders before a resolution is passed to put the issue of consolidation before voters.

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“Townships are an essential partner of road commissions,” Niemela said. “Michigan townships provide more than \$90 million annually toward road and bridge improvements, and deserve to have a voice in this process.”

Supporters of the legislation claim consolidation of county road commissions would save taxpayer dollars. CRAM disagrees.

“Road commission administrative expenses are very low,” Niemela said. “The bulk of road commission’s funding is directed toward static expenses such as road materials, road maintenance and road improvement projects. There are several factors beyond just administrative expenses that must be considered.”

CRAM cites Genesee County as an example. In 2010 the Genesee County Road Commission let a \$5.9 million dollar bond over 10 years to fund a large storm water culvert replacement program. The Road Commission is rated by Standard & Poor’s (S&P) as “AAA”, while Genesee County currently is rated by S&P as “A”. The difference in bond rating alone would have increased the interest cost by \$53,200 annually.

“Road agencies are one of the only governmental agencies that can be sued,” Niemela said. “Road and bridge tort liability now rest with the road commission as an independent governmental agency. If the road commission becomes a department of county government, the county will be responsible for all tort liability present and future.”

CRAM has supported substitute bills offered by Rep. Douglas Geiss (D-Wayne) that would implement a transparent process to allow counties to consider if making the road commission a department of county government would be a benefit.

“Governmental jurisdictions should not be merged simply for the sake of consolidation,” Niemela said. “Michigan’s 90,000 mile county road network is too important to our state and local economies and the motoring public to allow consolidation without transparency and due diligence. The process should be handled like a business transaction and ultimately the decision should rest with the voters who created the road commission structure.”

The County Road Association of Michigan represents all of Michigan’s road commissions and county road agencies that collectively maintain the fourth largest local road system in the nation.

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