

## M E M O R A N D U M

DATE: October 23, 2007

TO: The Board of Supervisors

FROM: Steven W. Hicks, General Services Manager

SUBJECT: James City County Devolution Analysis – Secondary Roads Study (Route Nos. 600 and above)

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**Overview**

Last year, James City County participated in the Virginia Department of Transportation's (VDOT) Secondary Roads Study led by the VDOT Local Assistance Division (LAD). The purpose of the study was to provide counties with a framework that identified necessary information, analyze options available, and to provide assistance with making the decision, as to whether to assume responsibilities of the secondary system of state highways.

At the January 27, 2007, Board of Supervisors' (BOS) retreat, presented was the study that provided an action plan to assist with implementation, if such responsibilities are assumed by a county, based on the language of the "*devolution statute*" (Section 33.1-84.1 of the Code of Virginia). The devolution statute allows the Board of Supervisors to determine if the county wants to assume all or a portion of several functions on the secondary system. VDOT has determined that a county's responsibilities for the assumption of the secondary system, falls into four general categories listed below. These four categories were studied to provide general background information on the devolution scenarios and an analysis of the cost and institutional implications for James City County under different devolution scenarios. As a result, you will find as part of this memorandum a report on the *Analysis of Secondary Road Devolution Options for James City County*, completed March 2007.

- 1) **Maintenance only** – includes, but is not limited to, pothole repair, pavement overlays, snow removal, sidewalk replacement, ditching, mowing, litter control, traffic control, as well as, sign and signal maintenance.
- 2) **Construction only** – includes planning, road design, right-of-way acquisition (including eminent domain), and construction.
- 3) **Maintenance and construction only** – all of the above.
- 4) **All functions including operations** – assumes operational responsibility which includes reviewing traffic impact studies (land development), site plan reviews, speed studies, issuing land use permits, new subdivision street review, inspection and acceptance, new signage, signal studies, new lighting, and new pavement markings. This option is equivalent to withdrawal from the state system of state highways, similar to those in Henrico and Arlington Counties.

During the BOS retreat, the Board provided guidance in evaluating *Maintenance and Construction* scenarios only. By assuming responsibilities for maintenance and construction, James City County will have no responsibility for operations of the secondary systems (unless otherwise negotiated with VDOT) and ownership of the system (right of ways) will remain with VDOT and require VDOT coordination. The following is a general description of maintenance and construction activities, the responsibilities, considerations, and functions listed below.

## Maintenance only

The County will be accountable for all maintenance activities related to the secondary system, but will not have the responsibility for the operations of the secondary system. The ownership of the system will remain with VDOT and require coordination with VDOT for certain maintenance activities. The following is a summary of the primary activities that will need to be performed:

- Vegetation control (mowing, etc.)
- Surface repairs/repaving
- Shoulder maintenance
- Ditch and drainage cleaning
- Roadside cleaning
- Landscaping
- Receiving and responding to customer calls
- Removal of roadside hazards
- Sign repair and replacement
- Guardrail repair/replacement
- Pavement marking replacement
- Snow and ice control
- Bridge inspection and repair
- Emergency/Incident response

## Construction

Construction includes planning, road design, right-of-way (ROW) acquisition (including eminent domain), construction of projects that add new capacity, completely replacing existing facilities, and or improvement of an existing facility. This may also include selected county-wide, related functions that are historically funded through the secondary construction allocation, such as private entrance pipe installation.

The County will be accountable for construction activities related to the secondary system based on their devolution MOU with VDOT. The following is a summary of the primary activities the County would be required to perform:

- Development of a 6-year plan
- Public hearings
- Design
- Environmental studies and permits
- Construction engineering and inspection
- Project letting
- Environmental inspection
- ROW, utilities, and permits
- General project management

## Maintenance and Construction Analysis

Analysis of a James City County *maintenance and construction* scenario was conducted using default values in the Secondary System Assessment Model and the same assumptions and/or adjustments discussed in the prior sections for the *maintenance only* and *construction only* scenarios (a separate, higher-level of service analysis was not included as part of this analysis).

The estimated recurring and non-recurring cost implications of a County *maintenance and construction* program are summarized in **Figure 1**. As shown, the total annual costs would start at \$4.8 million in 2009 and grow to \$5.3 million in 2014. Start-up costs would be \$5.0 million should the work be performed in-house and the County is not successful during negotiations/MOU to identify any VDOT facilities (e.g., maintenance area headquarters) or equipment that will be transferred, sold, leased or otherwise be available to the County. Again, for informational purposes, the analysis identifies the historical average annual emergency costs for the County and provides the level of secondary system maintenance outsourcing used by the Hampton Roads District.

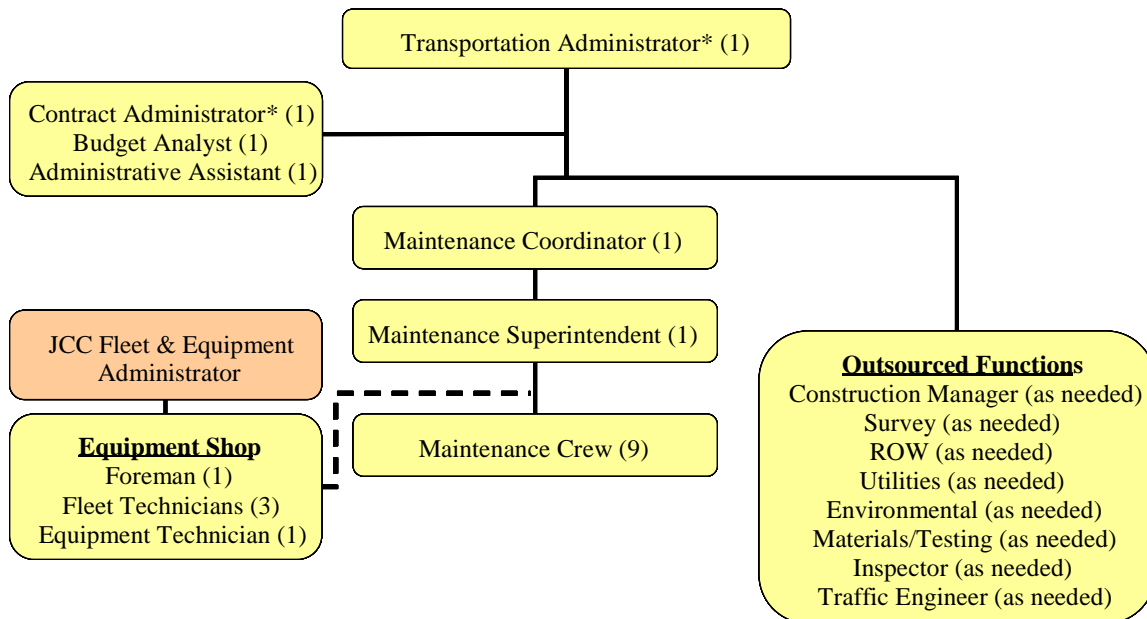
**Figure 1: Maintenance and Construction – Cost Estimate**

Annual Costs: Maintenance & Construction Scenario*						
	2009	2010	2011	2012	2013	2014
<b>Maintenance</b>						
Direct Costs	\$ 1,917	\$ 1,994	\$ 2,074	\$ 2,156	\$ 2,242	\$ 2,331
Overhead Costs	\$ 337	\$ 351	\$ 365	\$ 380	\$ 395	\$ 410
<b>Total Maintenance</b>	<b>\$ 2,255</b>	<b>\$ 2,345</b>	<b>\$ 2,439</b>	<b>\$ 2,536</b>	<b>\$ 2,637</b>	<b>\$ 2,741</b>
<b>Construction</b>						
Numbered Project Costs	\$ 2,456	\$ 2,440	\$ 2,485	\$ 2,447	\$ 2,447	\$ 2,447
County-Wide Cost Centers	\$ 90	\$ 90	\$ 90	\$ 90	\$ 90	\$ 90
<b>Total Construction</b>	<b>\$ 2,546</b>	<b>\$ 2,530</b>	<b>\$ 2,575</b>	<b>\$ 2,537</b>	<b>\$ 2,537</b>	<b>\$ 2,537</b>
<b>Total Annual Costs</b>	<b>\$ 4,800</b>	<b>\$ 4,875</b>	<b>\$ 5,014</b>	<b>\$ 5,073</b>	<b>\$ 5,174</b>	<b>\$ 5,278</b>
<b>Start-up Costs*</b>			<b>Other Information</b>			
Real Estate	\$ 3,326	Avg. Emergency Costs		\$ 867		
Vehicles and Equipment	\$ 1,637	Outsourcing Level		41%		
Office Start-up	\$ 50					
<b>Total Non-recurring Costs</b>	<b>\$ 5,013</b>					

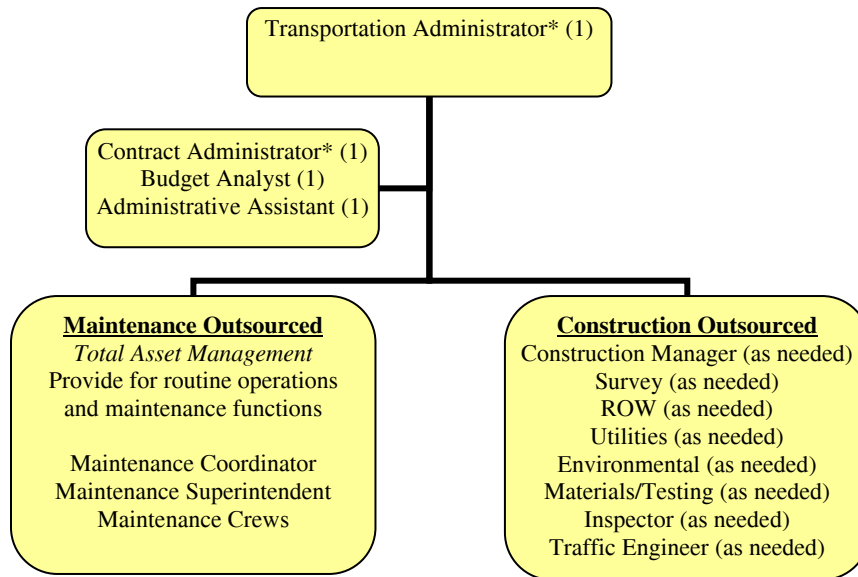
\*All figures in thousands of nominal dollars.

Staffing for a County *maintenance and construction* program would essentially be the same as with the *maintenance only* scenario (20 full-time positions or outsource services) since the program management personnel (Transportation Administrator, Contracts Administrator, Budget Analyst, and Administrative Assistant) could support both the maintenance and construction programs. The staffing organization for this scenario is illustrated in **Figure 2** should the maintenance functions be performed in-house and **Figure 3** illustrates the maintenance function should both programs be out outsourced.

**Figure 2: Maintenance and Construction – Proposed Organization Scenario**



**Figure 3: Maintenance and Construction – Proposed Organization Scenario**



\*Positions filled by existing or planned JCC staff.

**Key Points**

- ✓ The model and analysis report does not provide a definitive forecast of payment rates for maintenance and operations – estimate only: negotiate MOU with VDOT
- ✓ All new positions salaries and/or outsource will be budgeted based on VDOT’s allocations.
- ✓ VDOT incentives – Facilities and Equipment: negotiate MOU with VDOT
- ✓ Funded – Federal and State funds: no general fund required to maintain LOS

**Next Step**

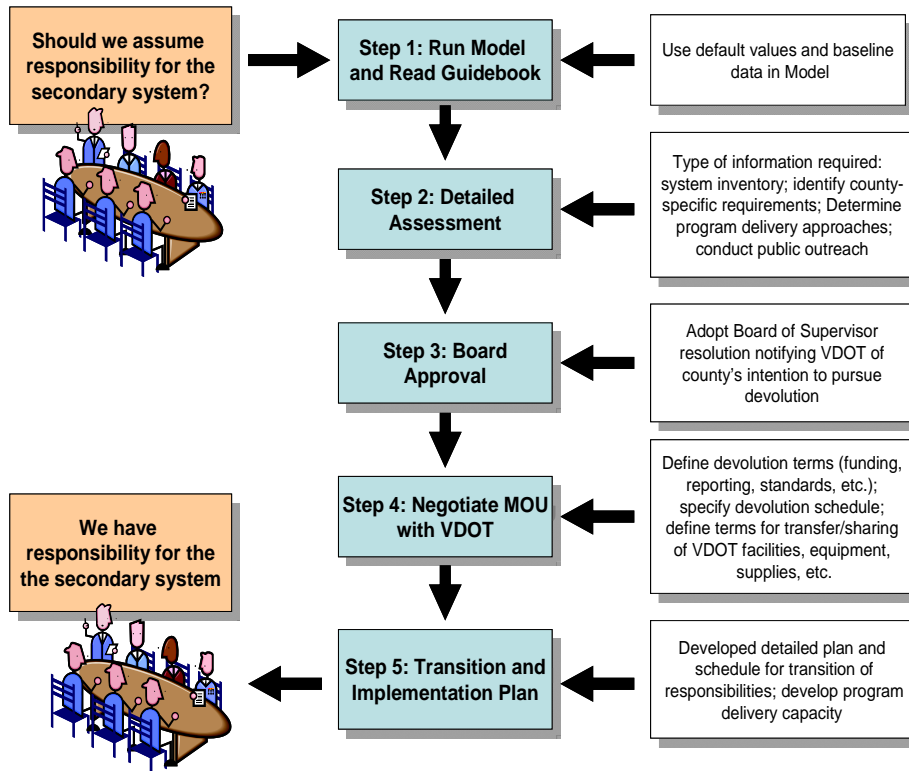
Steps 1 and 2 have been performed. The next steps are Step 3, 4 and 5.

**Step 3: Board Approval** – once a county has made the decision to pursue devolution of some or all secondary road responsibilities, its Board of Supervisors must adopt a resolution notifying VDOT of the county’s intent to enter into devolution negotiations. Similar to the process used with the Urban Construction Initiative, this resolution will need to be submitted no later than July 1, for potential assumption of responsibilities the following July 1, or for some time thereafter.

**Step 4: Negotiations** – a county will enter into discussions and negotiations with VDOT to develop a devolution agreement and MOU that will define the terms of a devolution arrangement. A county should prepare for this negotiation by determining what it “wants” and what it will “accept” in return for assuming a specific set of secondary road responsibilities. Counties should recognize, however, that VDOT will need to consider broad policy issues, legislation, and/or efforts to ensure statewide consistency during the development of the devolution agreement and MOU terms.

**Step 5: Transition and Implementation** – the final step in the devolution process will be the transition of functions to county responsibility and performance of those responsibilities by James City County. The transition process can be expected to take at least one year. The agreement and MOU should be fully executed at least 60 days prior to the proposed implementation date. To ensure it is adequately prepared for this phase of devolution, a county should consider developing a detailed plan that, at a minimum, delineates an approach and timeline to address the following considerations:

**Devolution Process**



**Recommendation**

Staff recommends that the Board of Supervisors adopt the attached resolution (**Step 3**) to resume responsibility for construction and maintenance functions, on the secondary system of highways, and authorizing the County Administrator authority to negotiate (**Step 4**) with VDOT, to develop a devolution agreement and MOU (**Step 5**), defining a timeframe for the county to assume specific secondary system responsibilities.

*Steven W. Hicks*  
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CONCUR:

*Sanford B. Wanner*  
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 Sanford B. Wanner

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Attachments