



# TOWNSHIPS TODAY

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## Support for Your Local Roads is Down as Transportation Costs Escalate

Times are tough, and Wall Street isn't the only place that is hurting. Main Street is in trouble, too — in more ways than one.

The effects of the nation's financial crisis are trickling into Pennsylvania's townships, where soaring prices for necessities, like groceries, are taking a bite out of your wallet. And like you, the commonwealth's municipalities are experiencing their own money woes.

No doubt, you've picked up the local newspaper only to learn that your township supervisors are approaching this budget season with more caution than usual. As one local official put it: "Everyone's afraid. You're afraid to go and spend money when you actually don't know how much you're going to have."

So now there is lots of talk about trimming spending, delaying projects, dipping into reserves, and even instituting tax increases or employee layoffs to do what state law requires: Balance the township budget.

The housing slump and local job losses have led to a decline in real estate transfer and earned income taxes, both significant revenue producers for municipalities. Meanwhile, the cost of doing business is up — way up.

Just ask your township how much it costs to maintain "Main Street" today compared to a



**Townships statewide are trying to squeeze every road dollar as far as it will go, but escalating wage and product costs are putting local officials in a bind. Financial support from the state would help alleviate the problem, but so far lawmakers have been slow to act.**

year or two ago. Their stories will stun you.

### **No relief in sight**

In the past year, for example, the price of petroleum-based products, such as asphalt, has almost doubled. Road salt, which has become a scarce commodity, is another expensive item. Last season, townships were paying an average of \$40 a ton for salt. This winter, many are paying well over \$100 a ton, that is, if they can locate a supplier.

And now, thanks to the Pennsylvania Supreme Court's decision in *Youngwood v. Pennsylvania Prevailing Wage Appeals Board*, municipalities are being mandated to shell out additional dollars for routine road maintenance projects. Under the decision, townships must now pay contracted workers higher wages, commonly known as "prevailing wages," which could add up to 30 percent to their costs.

On top of all this, state efforts to produce additional transportation funding have hit their own roadblocks.

Recently, for instance, the Federal Highway Administration rejected Pennsylvania's application to toll Interstate 80. This decision, while welcomed by some, was a blow to Act 44 of 2007, which would have turned the toll revenues into new transportation funding and generated about \$900 million a year for roads, bridges, and mass transit.

Meanwhile, Gov. Ed Rendell's plan to lease the Pennsylvania Turnpike to raise road revenues has faltered, too. A private partnership had offered the commonwealth \$12.8 billion for the 75-year lease. However, state lawmakers let the September 30 decision deadline come and go, and the partnership pulled the plug on the deal. Rendell had estimated that the lease plan would have raised an estimated \$1 billion a year for transportation.

State sources report that the I-80 toll and turnpike lease proposals will likely be revived in 2009, but this isn't good news for townships.

Why? Well, these initiatives would funnel very little money — and in some cases, no money at all — to your community, where officials are responsible for the upkeep of many of the roads and bridges that you use to get to work and your children take to school. Instead, much of the funding would be directed to the state Department of Transportation and mass transit authorities.

This lack of support, coupled with increasing

costs and decreasing revenues, spell trouble for township budgets, local roads and bridges, and the traveling public, which will be impacted the most if state lawmakers continue to overlook the growing transportation needs of Pennsylvania's local governments.

"Townships are doing the best they can and working hard to trim their costs. The last thing they want to do, especially now when so many of their constituents are hurting financially, is raise taxes to fix roads," says Ken Grimes, president of the Pennsylvania State Association of Township Supervisors, which represents the state's 1,455 townships of the second class.

"But that's exactly what will happen," he adds, "unless the governor and state lawmakers find a way to provide additional funding for the state's entire transportation system, including local roads and bridges."

### **The next few months are critical**

That's why the next few months are critical.

When lawmakers return to Harrisburg in January, transportation funding is expected to be uppermost in their minds. And this time around, it's imperative that they survey the entire landscape and treat everyone — PennDOT, municipalities, and mass transit — equally and fairly. In addition, lawmakers need to repeal the state's prevailing wage, which is also helping to spike transportation costs.

And you can bet your township officials will be on the phone with state senators and representatives, urging them to support local roads and bridges and take action on the prevailing wage. But this isn't a battle they can — or should — fight alone.

You and your neighbors — in fact, every Pennsylvanian — relies on local roads and bridges to travel to work, school, and the grocery store. Therefore, you must join township officials and become an advocate for increased transportation funding not only to ensure the safety of local roads but also to keep property taxes from climbing. Phone calls, e-mails, and letters are the most effective ways of reaching state lawmakers. (*You can get lawmakers' names, numbers, and addresses from your township and online.*)

"The adage about strength in numbers applies here," Grimes says. "Township officials and you, their constituents, have to work together to make sure local roads, a vital link in Pennsylvania's transportation chain, aren't overlooked anymore. We all have to do something, or we run the risk of getting nothing. I don't think any of us want that."

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