



Around The INDUSTRY

Long Term Strategy Or Boondoggle Band Aid

by Greg Mebel

What other news is there Around the Industry besides the economy? This quarter **PubWorks** looks at the American Recovery and Reinvestment Act of 2009 (ARRA). It's a \$787 billion effort, but what has it done for PubWorks customers lately?

President Obama signed ARRA into law on February 17th with the intention of creating a stimulus for the US economy. Economists convinced lawmakers that to get people back to work and to get the economy moving, government must inject dollars into projects and get them moving immediately. "Shovel-ready" is the term-of-the-day for these projects which either have already passed environmental and engineering review, or don't need to. \$80.9 billion has been dedicated specifically for the nation's infrastructure. From this bucket, \$29.5 billion goes for roads, bridges, railways, sewers, and other transportation.

Last month, US Department of Transportation Secretary, Ray LaHood, told the National League of Cities in Washington, "In a very short time, your cities will be humming with construction workers, engineers, maintenance crews and many others."

Richard Little, director at the University of Southern California's Keston Institute for Public Finance and Infrastructure Policy explains the federal strategy, "We must save the patient first, then think about long-term strategy. If the objective is to create jobs, we should focus on projects that are ready to go."

But already critics are saying the projects the country really requires take longer to ramp up. They say US infrastructure needs are closer to \$3 trillion and call ARRA just another federal boondoggle Band-Aid.

So, what's happening on Main Street within the **PubWorks** user community? Our Around the Industry road trip begins in the northeast.

"(The stimulus) has done absolutely nothing for us yet," says Tom McNaughton, a 36-year-old leader of 30 employees and Supervisor of Streets and Roads in Pemberton Township, New Jersey. He hopes some funds will filter to his department ASAP. His town and the rest of the state are awaiting the outcome of state budget discussions. On the chopping block are "up to 19 jobs" township wide. The looming hatchet has changed McNaughton's job significantly. "This is a life experience, that's for sure," he says. "Everyone reacts differently", and he reports spending more of his day focusing on personnel matters and making sure people know management is in it with them. For all he knows, his job will be cut too. "You struggle with your personal life, your future, whether you'll be laid off – let alone the 30 guys working under you."

Indeed, Pemberton isn't alone. Another New Jersey **PubWorks** user reports, "I have 21 guys I'm worried about."

Meanwhile, in Ohio, the stimulus has trickled down to the county level. Scott Bressler, operations deputy in the Butler County Engineer's Office has a \$2.4 million resurfacing project funded by ARRA. The money went from the federal government to the Ohio Department of Transportation, through the Ohio, Kentucky, and Indiana Regional Council of Governments, and finally to the county. So far, layoffs and furloughs haven't been necessary. "We're real proactive going after federal money and grant money," says Bressler. Greg Wilkens, the Butler County Engineer, as people in house who track down all grant opportunities.

After making a left turn and heading south down to Tennessee, PubWorks talked with City Engineer Tim Beavers of Bristol. He reports that in his neck of the woods, though many other projects can't get through federal hoops in time, resurfacing projects can. "The Tennessee road re-surfacing companies are loving it." Since ARRA dollars are designated 'use it or lose it', resurfacing gets the lion share since it can be approved quickly and easily. In Bristol, resurfacing along with signal upgrades will cost \$900,000. Additional funds will go toward changing a one-way road to two-way and \$800,000 for replacing old buses.

Crossing to the Rocky Mountains, the Around the Industry road show found federal funds didn't filter down quite as far as in Tennessee. Brian Pettet, Public Works Director in Pitkin County, Colorado says ARRA funds aren't slated to pass beyond the state level for roads and bridges. Indeed, it was the same story for all Colorado PubWorks customers. The Colorado Department of Transportation will be managing it all. Pettet isn't about to let that stop him though. He's moved on to the Energy Efficiency and Conservation Block Grant portion of the stimulus package and is expecting federal help with a biofuel retrofit, and upgrades for most on county facilities to "a higher green standard". Nearly 30% of those PubWorks customers surveyed were also looking to EECBG funds to get things done.

But what happens when you need \$40 million and you receive \$1.2 million? In Cochise County, Arizona, Clara Walker-Earrest, GIS Analyst, explains. "At first it all sounded wonderful." But the grant has changed more than once, she says. "Cochise County has seen a steady reduction in the amount of stimulus funding we hope to receive as more funds will stay at the state and large county levels." Their planned project will ultimately reconstruct two miles of road connecting two state highways within the Cochise County jurisdiction. Large trucks are the main users of the road with a lot of that traffic coming in from Mexico. And, a hard hiring freeze is in still in effect in Cochise.

Finally on into the homestretch of California: here, though the state budget, (or lack of it) was in the news quite a bit this year, the City of Corcoran is receiving federal ARRA funds. Steve Kroeker, Public Works Director in the City of Corcoran, says they'll do overlay work and buy some new buses. But, he mentions he has the feeling the federal dollar doesn't stretch as far as local money. "You have to jump through a few more hoops," he says. (more on federal spending versus local spending in the sidebar)

From coast to coast, no one in the **PubWorks** community is missing out on the effects of a slower economy. In fact, some in the east are being pushed right to the edge. Further west they're continuing to work albeit with smaller budgets. In this informal Around the Industry survey, about one-half the towns and counties contacted were not receiving any stimulus money however. And though there weren't any layoffs yet, hiring freezes and leaving open positions empty was common. And so, the question remains, will the stimulus stimulate enough? And, what is the next step? What's the correct answer when Mary A. Citizen calls from her road trip asking when the streets will be fixed?

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