PMG Paves a Path for Risk Managers

Howard Mills

James Golden

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For Howard Mills the Road Ahead Leads Back to Public Service in Risk Management with Safety and Economic Benefits to Taxpayers

▶ For Howard Mills, his life and his career have found him returning to the place from which he started, albeit in a new role. Howard started in public service and through his newest venture is back at it again.

Starting as Wallkill Town Supervisor, in his Orange County community, then moving to the New York State Assembly, and then to New York's Superintendent of Insurance before a 17 year career as a management consultant, he returns as a partner in a civic minded business, Pavement Management Group (PMG), that brings risk management literally down to earth. Here is a short Q & A with Howard Mills on his latest undertaking.

- *SA*

Steve Acunto: Howard, you have described PMG as a breakthrough consultancy and service for municipalities. What do you do?

Howard Mills:

Our Pavement Management Program (PMP) is a systematic approach to the annual maintenance and repair of roadway networks that maximizes budgets by identifying the right treatment to the right road at the right time. We empower municipal leaders to make data-driven decisions that demonstrably improve roadway networks and saves taxpayer dollars.

SA: How does it work?

HM: We begin by working with the public works professionals to establish a complete inventory of their roadway network and then map it, capturing high definition video. We use this to analyze all roads and grade each segment on the Pavement Condition Index (PCI). With this data we are able to look at the available budget and make recommendations as to how to prioritize maintenance plans for maximum impact on the total roadway network. We recommend the best treatments for each road section, accurately project the cost and create budget scenarios. This is delivered to the municipality in a final report and a Dashboard that enables transparent and effective communication with constituents and all stakeholders. Our clients appreciate that we deliver our reports and Dashboard through an ArcGIS link, something they already have access to – they are not buying software. We provide on-going consulting services to our clients from pavement experts. One of our greatest differentiators is that we are real-world roadway experts. We are roadway consultants and we provide a turn-key solution to improve roads.

SA: What do governments pay for your services?

HM: We price by the number of centerline miles in the roadway network. Our project cost typically represents only 2-4% of a municipalities roadway repair budget so the Return On Investment is immediate.

SA: Where are you operating locally?

HM: PMG is based in Ohio and was serving 100+ governments all over the country when I met them but had just started in the New York market. We are now expanding all over New York State and have municipal clients from Long Island to Buffalo.

SA: There are advantages beyond the obvious I assume. You see a connection with your services and municipal risk management, how so?

HM: My experience as a Town Supervisor was my introduction to risk management. All municipalities manage risk and their roadway network is both their greatest asset and their greatest risk. By improving how road networks are maintained government officials reduce their risk. For example, damage to wheels from hitting potholes results in $4 Billion worth of auto claims to municipalities nationwide. My Partner, PMG's Founder James Golden, likes to say that "potholes are a choice" and he's right – by maintaining roads better and having the data to maximize budgets governments can, over time, eliminate potholes or at least repair them quickly and reduce their risk.

SA: Are there issues when municipalities are put on notice about a pothole?

HM: New York State has a prior written notice law and I have heard this concern but I point out that almost all governments now have an initiative for their citizens to report potholes. This information is being reported so the question becomes what does the governmental entity do with it? I am speaking with municipal insurers and increasingly they see a disciplined pavement management program as a robust defense against municipal insurance claims.

Howard Mills and James Golden

Howard Mills

There is no doubt that improved roadway networks reduce risk – they are simply safer.

SA: What else can government entities do to manage their risk around roadway defects?

HM: Again, going back to my experience in Town government, I know that many New York State Towns have adopted local laws that set forth requirements around how roadway defects are reported and how the records are kept that offer additional protection against litigation. I recommend that all government agencies consult with their municipal insurer to ensure that their local laws put them in the best defensible position. I also recommend that they implement a pavement management program, of course!

SA: Howard, it appears that your experience as both Town Supervisor and Superintendent of Insurance are really coming together in Pavement Management Group.

HM: Yes, it certainly is! I am really enjoying getting back to my roots in government and bringing my risk management knowledge to the fore in helping our municipal clients better serve their constituents. The taxpayers deserve better roads and sustainable, quality infrastructure. That's what we do. Our mission at Pavement Management Group is to improve America's roadways and save taxpayers dollars. The fact that doing this also results in enhanced risk management for governments is something my background uniquely qualifies me to preach.
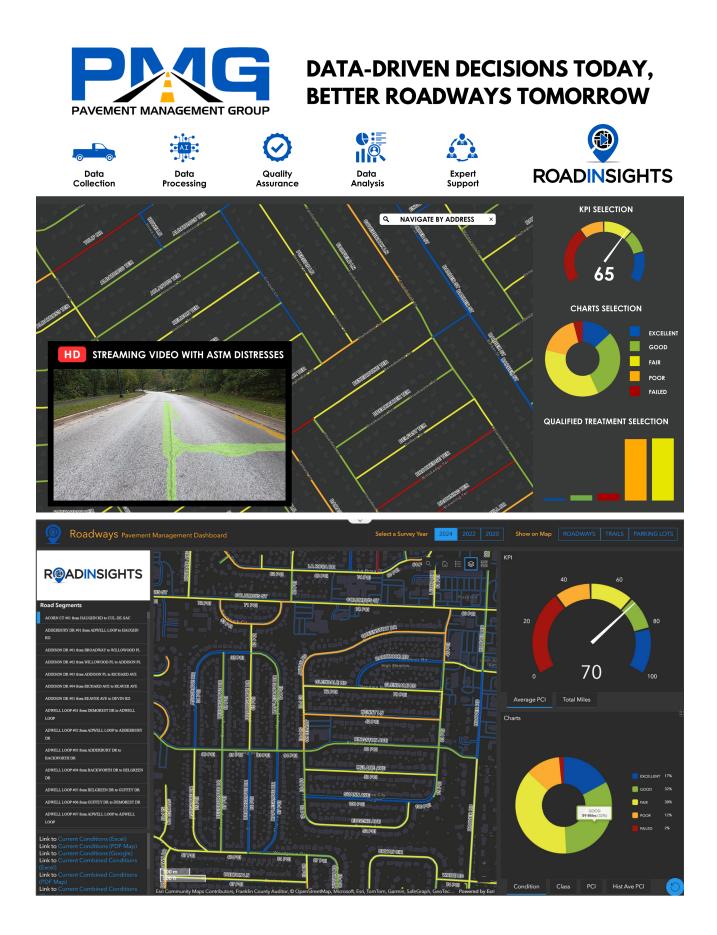
SA: Your outlook?

HM: That Pavement Management be seen as not only a methodology of improving infrastructure and maximizing taxpayer investment but also as a powerful municipal risk management program. I guess we could say that the road ahead is paved with not only asphalt but also with excellent risk management. Data driven decisions today mean better roadways tomorrow... and robust risk management.

Howard Mills:

Howard Mills is a Partner in Pavement Management Group and an Independent Corporate Director. He serves on the Boards of Genworth Financial and The Doctors Company Group. Mr. Mills is a National Association of Corporate Directors Governance Fellow. Howard was a Deloitte Managing Director and Global Insurance Regulatory Leader for fourteen years and has been a Senior Advisor at McKinsey and Company. Mr. Mills is widely quoted in the media commenting on the U.S. and global insurance markets. Mr. Mills served as Superintendent of the New York State Insurance Department. During his tenure he focused on leading the Department's transition to conducting risk-based examinations, lobbying Congress to renew the Federal Terrorism Risk Insurance Act (TRIA), concluding settlement agreements with industry and leading on issues at the National Association of Insurance Commissioners (NAIC) such as principles-based reserving for life insurance companies and disaster preparedness. He was active at the International Association of Insurance Supervisors (IAIS), was a member of the Presidential Financial and Banking Information Infrastructure Committee, served as Co-Chair of the International Commission on Holocaust Era Insurance Claims, and testified before Congress on matters relating to the insurance industry. Howard served three terms in the New York State Assembly (1999-2004) and rose to become Deputy Minority Leader. He was a member of the National Conference of Insurance Legislators (NCOIL). Prior to Howard's election to the Assembly, he was elected to three terms as Supervisor of the Town of Wallkill, NY. He resides with his Family in Goshen, NY.

PMG
PAVEMENT MANAGEMENT GROUP

DATA-DRIVEN DECISIONS TODAY, BETTER ROADWAYS TOMORROW

Data Collection — **Data Processing** — **Quality Assurance** — **Data Analysis** — **Expert Support**

ROADINSIGHTS

NAVIGATE BY ADDRESS

HD STREAMING VIDEO WITH ASTM DISTRESSES

KPI SELECTION

65

CHARTS SELECTION

- EXCELLENT
- GOOD
- FAIR
- POOR
- FAILED

QUALIFIED TREATMENT SELECTION

Roadways Pavement Management Dashboard

Select a Survey Year: 2024 | 2022 | 2020

Show on Map: ROADWAYS | TRAILS | PARKING LOTS

ROADINSIGHTS

Road Segments

ACORN CT #01 from HAUGHN RD to CUL-DE-SAC

ADDERBURY DR #01 from ADWELL LOOP to HAUGHN RD

ADDISON DR #01 from BROADWAY to WILLOWOOD PL

ADDISON DR #02 from WILLOWOOD PL to ADDISON PL

ADDISON DR #03 from ADDISON PL to RICHARD AVE

ADDISON DR #04 from RICHARD AVE to REAVER AVE

ADDISON DR #05 from REAVER AVE to DEVIN RD

ADWELL LOOP #01 from DEMOREST DR to ADWELL LOOP

ADWELL LOOP #02 from ADWELL LOOP to ADDERBURY DR

ADWELL LOOP #03 from ADDERBURY DR to BACKWORTH DR

ADWELL LOOP #04 from BACKWORTH DR to BELGREEN DR

ADWELL LOOP #05 from BELGREEN DR to GUFFEY DR

ADWELL LOOP #06 from GUFFEY DR to DEMOREST DR

ADWELL LOOP #07 from ADWELL LOOP to ADWELL LOOP

Link to Current Conditions (Excel)
Link to Current Conditions (PDF Map)
Link to Current Conditions (Google)
Link to Current Combined Conditions (Excel)
Link to Current Combined Conditions (PDF Map)
Link to Current Combined Conditions

KPI

70

Average PCI | Total Miles

Charts

- EXCELLENT 17%
- GOOD 32%
- FAIR 38%
- POOR 12%
- FAILED 2%

GOOD 59 Miles (32%)

Condition | Class | PCI | Hist Ave PCI

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James Golden

James Golden, Founder and CEO of Pavement Management Group (PMG), has been a pioneer of the roadway improvement industry for over 27 years and is a nationally recognized thought leader in pavement management. Mr. Golden founded PMG in 2011 and introduced his end-to-end Pavement Management Program (PMP) that is recognized as the most impactful in the industry. What sets PMG apart is real-world pavement experts who use precise Pavement Condition Index (PCI) data to ASTM standards to guide municipalities in improving their roadways and maximizing taxpayer dollars, prescribing the right treatment at the right time for the entire roadway network while also providing cost and budget projections. Golden's mission is to revolutionize municipal roadway infrastructure management by empowering municipal leaders to make data-driven decisions that lead to optimal use of public funds. Mr. Golden is a sought-after speaker at public works conferences, a social media influencer and his pod casts, blogs, webinars and LinkedIn posts are trusted resources for municipal infrastructure leaders nationwide. Mr. Golden holds degrees in Drafting Design Technology and Information Technology. He resides with his Family in Heath, Ohio.

WHAT GOVERNMENT OFFICIALS AND MUNICIPAL INSURERS SHOULD LOOK FOR IN A PAVEMENT MANAGEMENT PROGRAM (PMP):

Accurate Roadway Inventory. An accurate inventory of the complete roadway network is essential. This includes all municipal jurisdictions, precise length and width measurements of all road segments, identification of roadway surface types, and classification of all roads as residential, business, industrial, minor/major collector, or minor/major arterial.

Pavement Condition Index (PCI). The ability to provide a precise Pavement Condition Index (PCI) rating on a scale of 0-100 to the highest American Society of Testing and Materials (ASTM) standard is crucial. PCI scoring is complex and relies on accurately identifying 20 distinct roadway distresses, as defined by the ASTM D6433 standard for roadway condition assessments, developed by the U.S. Army Corps of Engineers, and assigning a severity grade of low, medium, or high to each distress. High-resolution video data capture is the most effective method for ensuring precise PCI scoring, often combined with AI technology to assist in the evaluation. The accuracy of the AI should be carefully scrutinized —specifically the quality and quantity of labeled datasets used for training. AI can accelerate results, but without sufficient specificity in the training data to align with ASTM standards, the analysis could be inaccurate, leading to poor decision-making and suboptimal maintenance plans. Importantly, the most accurate ASTM-standard PCI scoring always involves quality control by human pavement experts, as AI models are not yet infallible and require human-in-the-loop expert oversight to verify findings and correct errors.

Prioritizing Projects. An effective PMP enables municipal leaders to prioritize projects based on the criticality of each roadway segment, the classification of the road, and the available budget. This allows the effective and strategic deployment of resources and builds a rationale for annual budget expenditures and project plans that can be explained to residents and taxpayers.

The Right Treatment for Each Road. The expertise to prescribe the most effective treatment for each road segment and the pavement experience to employ all the strategies and treatments available such as rejuvenation, crack fill, micro-surfacing, slurry, chip seals, cape seals, mill and overlay, and full-depth reconstruction. Too many municipalities rely on only a few methods, missing valuable opportunities to maximize available resources and extend the life of their roadways.

Accurate Cost Estimation and Budget Projections. An effective PMP must be able to estimate the costs of all recommended treatments accurately, based on current pricing information for each region and climate. This pricing information helps to develop budget projections and future funding scenarios, enabling municipal officials to effectively manage infrastructure in the long term while understanding and explaining the fiscal impacts of all decisions.

Transparent Communication with Stakeholders. The most effective pavement management program provides a platform that allows municipal leaders to explain the holistic approach for the entire roadway network to constituents and stakeholders in a transparent, logical, and easy-to-understand manner. This gives Town officials a powerful communications tool that creates trust and confidence in municipal governance. Detailed and user-friendly dashboards are effective for public works professionals to plan and manage projects, and for elected officials to communicate these plans and their impact on taxpayers to the public. [IA]