




MEMORANDUM

Date: April 20, 2018

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator 

Re: **Department of Transportation Expenditure Budget Allocations**

At the April 17, 2018 Board of Supervisors Meeting, District 1 Supervisor Ally Miller requested to know what actions the County was taking with base transportation revenues, both Highway User Revenue Funds (HURF) and transportation Vehicle License Tax (VLT). A breakdown of the County adopted budget for Fiscal Year 2016/2017 for Pima County's Department of Transportation (PCDOT), primarily funded through HURF allocations and that portion of VLT specifically earmarked by statute is shown below.

Fiscal Year 2016/2017 Transportation Adopted Budget

Revenue		
HURF	\$45,250,000	69%
VLT	\$13,200,000	20%
Other	\$1,897,896	3%
Fund Balance	\$5,019,788	8%
Total	\$65,367,684	100%

Expenditures		
Debt Service (1997 bonds)	\$19,224,299	29%
Road, Sign & Signal Maintenance	\$22,788,049	35%
Transit	\$6,249,415	10%
Transportation Operations Support & Overhead	\$9,517,601	15%
Pavement Preservation	\$4,750,000	7%
Road Design, Engineering, Inspection	\$2,838,320	4%
Total	\$65,367,684	100%

These HURF and transportation VLT revenues total \$58,450,000. In addition, there are miscellaneous revenues in the amount of \$1,897,896 and \$5,019,788 from the Transportation Department fund balance. Therefore the total adopted operating budget for PCDOT for FY2016/2017 was \$65,367,684.

Supervisor Miller continues to misrepresent the revenues available to PCDOT by including the General Fund VLT revenue source in her analysis of funding available to PCDOT.

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As you can see, the entire transportation budget is spent on transportation related activities. Eighty-five percent of expenses relate to the following major categories:

1. Road, sign, and signal maintenance;
2. Debt service for the 1997 road bonds;
3. County obligation to the regional transit system;
4. Pavement preservation; and
5. Roadway design, engineering and inspection activities.

An issue that was highlighted related to DOT's personnel cost where it was stated that the Town of Marana was paying for their transportation personnel cost through their General Fund, not from their HURF allocation.

Attached is a list of the various sales taxes imposed by the Town of Marana. If the County had a construction sales tax of four percent or any of the other multiple sales taxes imposed by Marana, we could also fund our PCDOT personnel costs from the County's General Fund.

The personnel costs for PCDOT in their proposed budget for Fiscal Year 2018/19 has a total personnel cost of \$17,790,230.

As stated at the Board Meeting, other than the Town of Marana, I know of no other Arizona city, town or county who pays their transportation personnel costs from the city, town or county General Fund. It should be noted Marana only began paying transportation personnel costs from their General Fund last year according to an article in the Tucson Local Media dated May 24, 2017, which states:

"The 2018 budget will be the first where 100 percent of the Highway User Revenue Funds are used to fund the pavement preservation program. Previously, some of the funds were used for salaries, but over the past two years they have moved to fund the salaries from the general fund."

This appears to fill the narrative of Supervisor Miller when suggesting that the County pay for Transportation personnel from the General Fund.

Attachment

c: Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Ana Olivares, Director, Department of Transportation

Sales Taxes Imposed by the Town of Marana

CITY/TOWN NAME	REGION CODE	BUSINESS CODE	TAX RATE	COUNTY
MARANA	MA			PMA/PNL
Amusements		012	2.50	
Contracting – Prime		015	4.00	
Contracting – Speculative Builders		016	4.00	
Contracting – Owner Builder		037	4.00	
Job Printing		010	2.50	
Manufactured Buildings		027	2.50	
Timbering and Other Extraction		020	2.50	
Severance – Metal Mining		019	0.10	
Publication		009	2.50	
Hotels		044	2.50	
Hotel/Motel (Additional Tax)		144	6.00	
Commercial Rental, Leasing, & Licensing for Use		213	2.50	
Rental Occupancy		040	2.50	
Rental, Leasing, & Licensing for Use of TPP		214	2.50	
Restaurant and Bars		011	2.50	
Retail Sales		017	2.50	
Retail Sales (Single Item Portion over \$5,000)		357	2.00	
MRRRA Amount		315	2.50	
Communications		005	4.50	
Transporting		006	2.50	
Utilities		004	4.50	
Use Tax Purchases		029	2.50	
Use Tax Purch (Single Item Portion over \$5,000)		359	2.00	
Use Tax From Inventory		030	2.50	