




MEMORANDUM

Date: April 15, 2019

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

From: C.H. Huckelberry
County Administrator 

Re: **Percent of Highway User Revenue Funds and Vehicle License Tax Revenues used to Support Personnel Costs in the Transportation Department**

It has been suggested that the County should fund personnel costs for the Department of Transportation from the General Fund to free funds for road repair. While the concept is possible, it would be highly unusual.

It has also been hypothesized the County has high or bloated personnel costs and these costs take funds away from road repair and pavement preservation.

The table below compares personnel costs paid by the Arizona Department of Transportation, the City of Tucson, Maricopa County and Pima County as a percent of Highway User Revenue Fund (HURF) and transportation dedicated Vehicle License Tax (VLT) revenues.

Comparison of HURF and VLT Revenues Used to Fund Transportation Personnel Costs

Agency	HURF/VLT Allocation	Personnel Services	Percent
AZ Department of Transportation	\$629,806,300	\$225,319,000	36%
City of Tucson	\$52,273,296	\$19,279,350	37%
Maricopa County	\$127,668,645	\$33,000,377	26%
Pima County ¹	\$66,439,580	\$15,398,019	23%

All of these agencies pay the personnel within their departments of transportation with HURF and/or VLT dedicated to transportation funding.

¹ Pima County amounts are based on FY 2019/2020 DOT requested budget. Amounts for ADOT, COT and Maricopa are from their adopted FY2018/2019 budgets.

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In comparing these four agencies, Pima County's personnel services costs are the lowest as a percentage of total HURF and VLT revenues. Hence, it is not only common practice and appropriate to pay transportation agency personnel service costs from classic transportation revenues such as HURF and VLT revenues dedicated to transportation, but it is noteworthy that Pima County has the lowest personnel cost percentage for these services among those included in this analysis.

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