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# MEMORANDUM

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Date: December 14, 2017

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

From: C.H. Huckelberry  
County Administrator

Re: **Regional Local Road Repair Program, Board Adoption of a Specific Plan on December 12, 2017 and funding for Year-two of the Adopted Plan in the Proposed Fiscal Year 2018/19 Budget**

At the December 12, 2017 Board meeting, the Board adopted and approved the recommendation of the Transportation Advisory Committee to repair roads for Fiscal Year 2017/18 as well as 2018/19. This two-year authorization will expend approximately \$38 million on repairing roads throughout Pima County within municipal jurisdictions, cities and towns and the unincorporated area of the County.

It should be noted only the current Fiscal Year (FY) has appropriated funding. Funding for the second year of the plan has yet to be included and approved in the FY 2018/19 budget. I previously communicated with the Board my desire to have a separate line item vote on the twenty-five cent property tax for road repair, including the provision that to be effective, the twenty-five cent property tax allocation for road repair must be approved by a unanimous vote of the Board. This would prevent complaints regarding allocation of the property tax for road repairs, as well as claiming the distribution of funds was either, unfair, or the road selected for repair was improper. These complaints have primarily been made at board meetings, on talk radio and in social media. It should be remembered, that the twenty-five cent road property tax is the least desirable option for road repair, but unfortunately the only option available to the Board.

It should also be remembered that there have been many opportunities available to make significant road repairs as follows:

- 2015 General Obligation Bond Issue - This bond issue contained a question asking voters to approve \$160 million for road repair. The proposition was rejected by 46 percent voting yes and 52 percent voting no. One Supervisor opposed this bond issue.

The Honorable Chair and Members, Pima County Board of Supervisors  
 Re: **Regional Local Road Repair Program Board Adoption of a Specific Plan on  
 December 12, 2017**

December 14, 2017

Page 2

- Half-cent Sales Tax (\$70 million per year) - While a unanimous vote for half-cent sales tax has always been available for road repair, one Supervisor has stated on numerous occasions, opposition to the half-cent sales tax for this purpose.
- Road Property Tax - When given the opportunity to approve a budget containing a twenty-five cent property tax increase for road repair, two Supervisors took the opportunity to vote against the budget.
- State Legislation to increase Transportation Funding - Several legislative proposals have risen to assist in road repair, including a local gas tax. One Supervisor has actively opposed a local gas tax that would have allowed accelerated road repair and has actively opposed any legislative attempt to increase transportation revenues.

Even though these are well known acts that can be accurately documented, the Board has chosen to distribute road repair funds in a manner that best preserves the integrity of the transportation system in the unincorporated area, regardless of Supervisorial District Boundary. The table below shows the board approved distribution of road repair funds, both base and accelerated, in both FY 2017/18 and FY 2018/19. Clearly, the Supervisor that has opposed all efforts to increase road funding is receiving the largest share of appropriated road repair funding.

| <b>Years One and Two - Base and Accelerated Funding</b> |                            |                     |                      |                   |  |
|---|----------------------------|---------------------|----------------------|-------------------|--|
| <b>District</b>   | <b>Unincorporated Area</b> |                     |                      |                   |  |
|   | <b>Base</b>                | <b>Accelerated</b>  | <b>Total</b>         | <b>Percentage</b> |  |
| 1   | \$ 2,580,242               | \$ 2,695,203        | \$ 5,275,445         | 33.4%             |  |
| 2   | \$ 403,612                 | \$ 682,988          | \$ 1,086,600         | 6.9%              |  |
| 3   | \$ 1,823,468               | \$ 2,301,424        | \$ 4,124,892         | 26.1%             |  |
| 4   | \$ 1,773,016               | \$ 1,775,572        | \$ 3,548,588         | 22.5%             |  |
| 5   | \$ 627,044                 | \$ 1,125,118        | \$ 1,752,162         | 11.1%             |  |
| <b>Total</b>  | <b>\$ 7,207,382</b>        | <b>\$ 8,580,305</b> | <b>\$ 15,787,687</b> | <b>100.0%</b>     |  |

The upcoming Budget will contain continuation of a twenty-five cent property tax increase. Developing the budget for FY 2018/19 begins in earnest after January 2018 and I will again be recommending the twenty-five cent property tax for road repair. I will also be, in structuring the Budget, attempting to reduce the impact of this tax by offsetting the balance of the tax rate not offset last year by a reduction in the primary tax rate. The target primary property tax rate reduction to completely make this road repair property tax generally fiscally

The Honorable Chair and Members, Pima County Board of Supervisors  
Re: **Regional Local Road Repair Program Board Adoption of a Specific Plan on  
December 12, 2017**

December 14, 2017

Page 3

neutral would be approximately fourteen cents. I will also ask Budget staff to segregate this budget element as a line item vote in budget adoption and will ask the board to delete the twenty-five cent road repair property tax if it is not adopted and approved unanimously by the Board.

CHH/mp

c: Chair and Members, Transportation Advisory Committee  
Jan Leshar, Chief Deputy County Administrator  
Tom Burke, Deputy County Administrator for Administration  
Carmine DeBonis, Deputy County Administrator for Public Works  
Ana Olivares, Interim Director, Transportation Department