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# MEMORANDUM

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Date: March 21, 2016

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

From: C.H. Huckelberry  
County Administrator 

Re: **Department of Transportation Fiscal Year (FY) 2016 Adopted Budget Comparisons of Pima, Maricopa and Pinal Counties**

Attached is a direct comparison of Department of Transportation (DOT) revenues, expenditures, number of employees, unincorporated population, County area, and a number of other budgeted expenditures of each of these counties in the area of transportation, operation and maintenance, and capital expenditures.

A review of the revenue component of this comparison indicates there are dramatic differences in the revenues available to each county for transportation purposes. While total revenues for Pima County are nearly \$55 million, they are significantly less than the \$138 million available for Maricopa County. Pinal County has available revenues of \$37 million.

Only Pima County has used County General Funds in FY16 to support their transportation agency. Neither Maricopa nor Pinal Counties have utilized General Funds to support their Transportation Department. All three counties spend their Highway User Revenue Funds (HURF) or Vehicle License Taxes (VLT) on personnel and operating expenses, including maintenance.

Maricopa County employs the most employees in their Transportation Department at 416, compared to Pima County's 293; even though Pima County has an unincorporated population of approximately 354,000 compared to Maricopa County's 284,000. Costs per employee (FTE) are equitably close, with Maricopa County being \$73,927/FTE, Pima County \$68,608/FTE, and Pinal \$63,122. This puts Pima County at 8 percent below Maricopa and 8 percent higher than Pinal.

Pinal County has a sales tax dedicated to their transportation capital improvements, as well as for pavement preservation. Neither Pima County nor Maricopa County has a direct sales tax for this purpose.

Other observations are as follows:

1. Pima County expends \$6.4 million for transit services, while neither Maricopa nor Pinal have to devote any share of HURF/VLT monies for such purposes.

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2. Pinal County's significant amount of unpaved road mileage (1,043 miles) compared to both Pima (300 miles) and Maricopa (416 miles) requires a significant expenditure for added equipment and material (\$16 million versus \$9.6 million for Pima County) to address dirt road maintenance needs. However, even though Maricopa County has 40 percent of the unpaved road mileage of Pinal, their maintenance operating expenses are 20 percent greater than Pinal County's.
3. Capital expenses from operating revenues in the maintenance area are lower for Pima County by 80 percent compared to Maricopa County and 60 percent lower compared to Pinal County. Such expenditures on a "pay as you go" basis are typically for added or replaced equipment or for contracted pavement preservation.

We have heard claims that Pima County does not spend its HURF or VLT for transportation purposes. Such is incorrect. Every dollar is spent to operate, maintain and construct a transportation system; and with limited revenues, we struggle to provide the level of service of our neighboring counties to the north.

CHH/lab

Attachment

c: John Bernal, Deputy County Administrator for Public Works  
Nanette Slusser, Assistant County Administrator for Policy, Public Works  
Priscilla Cornelio, Director, Transportation Department

FY16 Transportation Adopted Budget	Pima County (PM)	Maricopa County (MA)	Pinal County (PN)	notes
Population, Total County	980,263	3,817,117	375,770	2010 Census
Population, Unincorporated County	353,264	284,404	204,925	2010 Census
Mile of Roads Maintained	2,300	2,482	2,071	PM10, MA04, PN03
Total Area of County	9,187	9,224	5,374	
Transportation Department Staff size (FTE's)	293	416	164	
FY16 - Adopted CIP Budget	41,892,895	94,370,570	15,000,000	PN07
<b>REVENUES</b>				
Highway User Revenue Funds (HURF)	40,580,771	98,175,564	18,345,856	
VLT	12,424,914	8,808,030	6,826,596	Based on unincorporated population
Other Operations Revenues	1,876,599	31,434,089	3,811,677	PM01, MA01, PN04
Local Taxes	-	-	7,300,000	PN01
Special Revenues for Pavement Preservation	-	-	500,000	PN01, PN05
Other	-	-	307,500	PN06
<b>SUBTOTALS =</b>	<b>54,882,284</b>	<b>138,417,683</b>	<b>37,091,629</b>	
General Fund Transfers In	121,678	-	-	PM02
<b>TOTAL REVENUES =</b>	<b>55,003,962</b>	<b>138,417,683</b>	<b>37,091,629</b>	
<b>EXPENDITURES</b>				
Department Management/Administration	5,476,230	7,079,579	8,237,945	
Self-Insurance Fund (Premiums)	1,696,674	818,435	-	
Engineering, Transp. Systems, CIP Divisions	<del>293,250</del>	<del>490,424</del>	<del>-</del>	
Operating Expenses	<del>293,250</del>	<del>490,424</del>	<del>-</del>	
Capital Expenditures (over \$5,000)	<del>-</del>	<del>-</del>	<del>-</del>	
Field Engineering Division	<del>778,365</del>	<del>3,115,155</del>	<del>-</del>	
Operating Expenses	<del>778,365</del>	<del>3,115,155</del>	<del>-</del>	PM03, PN02, MA02/MA05
Capital Expenditures (over \$5,000)	<del>71,596</del>	<del>-</del>	<del>-</del>	
Maintenance & Operations Division	<del>9,624,400</del>	<del>18,135,937</del>	<del>15,975,200</del>	
Operating Expenses	<del>9,624,400</del>	<del>18,135,937</del>	<del>15,975,200</del>	
Capital Expenditures (over \$5,000)	<del>610,765</del>	<del>3,444,550</del>	<del>1,500,000</del>	
Traffic Engineering Division	<del>2,085,156</del>	<del>1,934,341</del>	<del>-</del>	
Operating Expenses	<del>2,085,156</del>	<del>1,934,341</del>	<del>-</del>	
Capital Expenditures (over \$5,000)	<del>222,027</del>	<del>-</del>	<del>-</del>	PM03
Pavement Preservation funded by Special Revenues	-	-	3,125,000	PN01
Employee Compensation	20,102,112	24,191,717	10,352,046	PM04, PN10
Transit and Special Needs	6,379,801	-	-	PM05
Other	-	-	-	
Other	-	-	-	MA03
<b>SUBTOTALS =</b>	<b>47,340,376</b>	<b>59,210,138</b>	<b>39,190,191</b>	
Charges Out: Personnel Srvcs & Operat'g Expenditures	(15,123,192)	(4,341,970)	-	PM06
Charges In: Personnel Srvcs & Operat'g Expenditures	7,483,432	5,859,738	-	PM07
Transfer Out: Capital Improvement Program	107,000	70,403,183	7,083,622	
Transfer Out: Other	128,454	23,967,387	135,000	PM08, PN09
Debt Service, Transportation Bonds	18,561,408	-	-	
Debt Service: Other	227,552	-	3,940,152	PM09, PN08
<b>SUBTOTALS =</b>	<b>11,384,654</b>	<b>95,888,338</b>	<b>11,158,774</b>	
<b>TOTAL EXPENDITURES =</b>	<b>58,725,030</b>	<b>155,098,476</b>	<b>50,348,965</b>	

**NOTES**

<p><b>PM01:</b> Includes Licenses &amp; Permits, Federal Revenue, State Revenue, City Revenue, Government Fees, Highway &amp; Streets Fees, Impact Fees, Interest Rev - Pooled, Rents and Royalties, Other Misc. Revenues, &amp; Sale of Assets</p> <p><b>PM02:</b> Graffiti Abatement, Regional Wastewater Reclamation Dept., etc.</p> <p><b>PM03:</b> Negative amount because of division's CIP reimbursements.</p> <p><b>PM04:</b> Salaries plus benefits</p> <p><b>PM05:</b> Transit IGA w/PAG that includes Special Needs.</p> <p><b>PM06:</b> Includes Interdepartmental Supplies &amp; Services Credit, Departmental Overhead Credit, Interdepartmental Salary &amp; Fringe Benefit Credits, plus Labor Distribution Salary &amp; Fringe Benefit Credits.</p> <p><b>PM07:</b> Includes Labor Distribution Salary &amp; Fringe Benefit Debits plus Interdepartmental Supplies &amp; Services Debit</p> <p><b>PM08:</b> Includes Permits Mgmt. Systems, Native Plant Nursery, Transportation Grants</p> <p><b>PM09:</b> COPS, Fiscal Charges</p> <p><b>PM10:</b> 2000 miles paved, 300 miles unpaved</p> <p><b>MA01:</b> Includes Licenses &amp; Permits (\$935,311), Grants (\$18,964,057), Interest Earnings (\$500,000), Gain on Fixed Assets (\$200,000), Intergov Charges for Services (\$10,663,300), &amp; Other Misc. Revenues (\$171,421)</p> <p><b>MA02:</b> Permitting, Construction &amp; Inspection Costs. Other staff construction costs do occur within the Engineering staff.</p> <p><b>MA03:</b> Total CIP budget equals \$94,370,570</p> <p><b>MA04:</b> 2066 miles paved, 416 miles unpaved</p> <p><b>MA05:</b> Construction expenditures are charged to the specific projects.</p>	<p><b>PN01:</b> Transportation Excise Tax, Development Fees - FY16 Budget is for \$7.3M in revenues of which \$5.55M goes directly to CIP and \$1.75M is used for Pavement Preservation.</p> <p><b>PN02:</b> Limited Field Inspection work is done by Pinal Co. &amp; associated costs typically charged to the Dept., not the CIP project.</p> <p><b>PN03:</b> 1,028 paved, 1043 unpaved</p> <p><b>PN04:</b> National Forest Fees, Misc., Leased Equipment, Grants, &amp; Impact Fees</p> <p><b>PN05:</b> Development Fees</p> <p><b>PN06:</b> Grants, Interest</p> <p><b>PN07:</b> Project budget \$30M estimated split 50/50 between maintenance &amp; CIP.</p> <p><b>PN08:</b> GADA Bonds and Equipment lease to purchase</p> <p><b>PN09:</b> Emergency Management Program</p> <p><b>PN10:</b> Salaries plus benefits</p>
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