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# MEMORANDUM

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Date: September 26, 2014

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

From: C.H. Huckelberry  
County Administrator *CHH*

Re: **Information Related to the Department of Transportation Budget**

Misinformation continues to be circulated regarding expenditures in the Department of Transportation (DOT) budget; claiming that everything not swept by the State Legislature or used to repay Highway User Revenue Fund (HURF) bonds is available for road repairs. This inaccurate information continues to be disseminated in spite of the multiple, detailed reports and memoranda I have provided the Board of Supervisors regarding available transportation funding, including:

Date	Document Title
04/10/12	Need for Increased Investment in Transportation and Highway Maintenance
05/07/13	Transportation Funding Report
05/13/13	Supplemental Information to Transportation Funding Report
05/31/13	Use of Highway User Revenue Funds (HURF) to Support the Transportation Department's Annual Budget
11/18/13	Transportation Funding Needs and Facts
12/23/13	Transportation Needs and Funding
03/18/14	Additional Transportation Investment Information Requested by the Board of Supervisors at the Meeting of February 18, 2014
08/01/14	A Plan for Funding Street and Highway Repairs in Pima County-

DOT's obligations go beyond road repairs; however, a substantial portion of the funding DOT receives from the HURF or Vehicle License Tax is used for maintenance and repairs. A total of \$18.3 million is used for direct maintenance. All of the revenues received by DOT are spent on the streets and highways within Pima County; almost all of which is spent in the unincorporated area, and a very large amount of what is spent in the unincorporated area is spent in District 1.

Attached is a more detailed memorandum from the Transportation Director regarding this matter.

CHH/anc  
Attachment

c: John Bernal, Deputy County Administrator for Public Works  
Priscilla Cornelio, Transportation Director



**MEMORANDUM**

**DATE:** September 19, 2014

**TO:** C.H. Huckelberry, County Administrator

**FROM:** Priscilla S. Cornelio, P. E., Director *Priscilla Cornelio*

**SUBJECT:** Your Memorandum Dated August 20, 2014

This memorandum is in response to your previous memorandum in which you requested a demonstration that there are no additional monies in the transportation budget that can be used for maintenance activities. For this analysis, we used the final expenditures from fiscal year 2012-13, which is the last year for which we have complete data. Table 1 below shows the revenue received by Transportation for 2102-13 and Table 2 shows the expenditures for Transportation, also for the 2012-13 fiscal year.

Table 1  
2012-13 Revenue

HURF Revenue	\$36,859,950
VLT Revenue	\$10,588,826
Miscellaneous Revenue (Permits & Licenses, Grants, General Fund Support & Fund Balance Support)	\$ 4,013,184
<b>Total Revenue</b>	<b>\$51,461,960</b>

Table 2  
2012-13 Expenditures

Director's Office	\$ 8,875,791
Transportation Systems	\$ 6,808,933
Field Engineering	\$ 1,142,928
Maintenance Operations	\$13,252,523
Traffic Engineering	\$ 4,911,744
CIP Administration	\$ 190,856
Debt Service	\$16,279,185
<b>Total Expenditures</b>	<b>\$51,461,960</b>

As indicated in Table 2, \$16.28 million was spent for debt service to repay the 1997 bonds, leaving \$35.18 million for Transportation operations. Of that amount, approximately \$18.32 million was spent directly on roadway maintenance and includes the entire budgets for the Maintenance Operations Division and the Traffic Engineering Division as well as the Graffiti Abatement Program funded through the Director's Office. The Maintenance Operations Division is responsible for pavement maintenance including pothole repair, crack sealing and overlays; guardrail and roadside repair; vegetation maintenance; and storm response. The Traffic Engineering Division is responsible for maintaining all the County's traffic signals, roadway signs and roadway striping and also manages the Roadway Safety Program. Total direct maintenance expenditures for fiscal year 2012-13 are detailed in the Table 3 below.

Table 3  
 Maintenance costs for 2012-13

Maintenance Administration	\$ 1,035,252
Maintenance District 1	\$ 1,308,601
Maintenance District 2	\$ 1,187,938
Maintenance District 3	\$ 1,335,628
Maintenance District 4	\$ 1,546,900
Maintenance District 5	\$ 1,630,682
Maintenance District 6	\$ 362,789
Contract Maintenance	\$ 1,948,227
Maintenance Support	\$ 1,945,774
Operations Warehouse	\$ 950,734
<b>Total Maintenance Operations</b>	<b>\$13,252,523</b>
Traffic Administration	\$ 354,030
Signal & Lighting	\$ 1,002,793
Striping	\$ 903,306
Signing	\$ 811,781
Intelligent Trans. Systems	\$ 487,280
Safety Management	\$ 278,792
Traffic Studies	\$ 1,073,762
<b>Total Traffic Engineering</b>	<b>\$ 4,911,744</b>
Graffiti Abatement	\$ 151,916
<b>Grand Total Maintenance</b>	<b>\$18,316,183</b>

Subtracting out the \$18.32 million for direct maintenance costs leaves \$16.86 million for the rest of Transportation Operations. Below is an explanation of each of the budget areas identified in Table 2 that are not directly related to the maintenance effort.

Director's Office (\$8,875,791) – The Director's Office is responsible for the overall administration of the department as well as carrying out the statutory requirements of the County Engineer. In addition to the administrative duties, this office also funds the Summer Student Program; the Environmental Planning and Compliance section that insures that all transportation projects are in compliance with applicable regulations; the Community Relations section that responds to questions and concerns from the public and County administration; and the Graffiti Abatement Program. In addition, this office also pays for internal support received from the County Attorney, Real Property, Finance Department, Human Resources, and Information Technology.

Transportation Systems (\$6,808,933) – Eighty-five percent of this division's budget, or \$5,763,833 was used to fund transit services in unincorporated Pima County. In 2010, Pima County entered into an agreement with the RTA for the provision of transit services in the unincorporated areas of the County. As part of that agreement, Pima County is required to provide an annual Maintenance of Effort (MOE) payment to the RTA in accordance with A.R.S. 48-5308(F) to fund transit services. The remainder of the division budget is used to fund the Mapping and Records section, which is a statutory requirement of the County Engineer; the Bicycle and Pedestrian Program; and the transportation planning functions of the department.

Field Engineering (\$1,142,928) – This division provides inspection services for the department. Specifically, funding is provided for the Survey Office, which is a statutory requirement of the County Engineer; the materials lab, which tests construction materials as new roads are being built to insure that they are in conformance with County requirements; and subdivision inspection, which inspects all private development that occurs in County ROW.

CIP Administration (\$190,856) – This office administers the transportation portion of the overall County CIP.

As you can see from the above analysis, the Department of Transportation has many more obligations than just roadway maintenance, several of them statutory. While roadway maintenance is extremely important, and perhaps our highest priority, we cannot ignore our other responsibilities. We have tried to strike a reasonable balance and prioritize our available funds to provide the best service we can for all residents of Pima County while meeting all our responsibilities. There is simply no place in the budget to acquire additional funds for maintenance.

Please let me know if you have any questions.

PSC:RY:dg

c: John M. Bernal, Deputy County Administrator  
Ben Goff, Deputy Director for Transportation Systems, Support and Operations  
Tim Rapoza, Finance Accountant Supervisor, Finance