

# PAYGO

Pima County Transportation Advisory Committee

October 22, 2019



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**PIMA COUNTY**

## What is PAYGO?

Pay-as-you-go funding for capital improvement projects

## Why PAYGO?

Transition away from voter-authorized bond funding

## How to fund PAYGO?

Allocate cash to projects (still need to sell short-term debt to overcome expenditure limitation)

## Transportation PAYGO funding

- Department operational efficiency savings
- 97 HURF Bond debt reduction
- Increase in State-shared revenues

## General Fund PAYGO Policy funding

- 60% of the decrease in the secondary tax rate
- 60% of the growth in primary taxable net assessed value

## Other PAYGO funding

- Any other funds allocated to capital improvement projects

## Board of Supervisors General Fund PAYGO Policy proposes:

“...allocating \$10 million in Fiscal Year 2020/21 from the General Fund Capital Improvement Fund for road repair, and increasing that allocation by \$5 million a year until the amount is \$25 million a year or until the Board finds such an allocation is no longer necessary.”

## Additional FY2019/20 allocation

- County Administrator recommended an additional \$10 million of FY 2018/19 ending fund balance be allocated to local road repair
- \$2 million per district
- “Worst first” selection approach recommended by PCTAC for this fiscal year.

# Road Conditions Following Programmed FY 2019/20 Work\*

Condition	PCI	Arterial/Collector		Local		Total	
		Miles	%	Miles	%	Miles	%
<b>Very Good</b>	70-100	300	44%	111	9%	411	22%
<b>Good</b>	50-69	106	17%	188	15%	294	15%
<b>Poor</b>	25-49	107	17%	439	36%	546	29%
<b>Failed</b>	0-24	155	21%	498	40%	653	34%
<b>Total</b>		<b>668</b>	<b>100%</b>	<b>1,236</b>	<b>100%</b>	<b>1,904</b>	<b>100%</b>

\*Does not include additional proposed \$10 million allocation

# Road Repair Funding

Year	Transportation Department Funding	Potential General Fund PAYGO Allocation <sup>1</sup>	Total Funding <sup>1</sup>	Network Pavement Condition Index <sup>1</sup>	Network Pavement Condition Index <sup>2</sup>	Network PCI Improvement From FY18/19 <sup>1</sup>	Network PCI Improvement From FY18/19 <sup>2</sup>
FY19/20	21,000,000	5,000,000	26,000,000	42	44	11%	16%
FY20/21	16,000,000	10,000,000	26,000,000	43	45	13%	18%
FY21/22	16,000,000	15,000,000	31,000,000	45	46	18%	21%
FY22/23	21,000,000	20,000,000	41,000,000	48	50	26%	32%
FY23/24	23,000,000	25,000,000	48,000,000	52	53	37%	39%
FY24/25	29,000,000	25,000,000	54,000,000	57	58	50%	53%
FY25/26	30,000,000	25,000,000	55,000,000	62	63	63%	66%
FY26/27	31,000,000	25,000,000	56,000,000	67	68	76%	79%
FY27/28	35,000,000	25,000,000	60,000,000	71	73	87%	92%
FY28/29	38,000,000	25,000,000	63,000,000	77	79	103%	108%
<b>TOTAL</b>	<b>260,000,000</b>	<b>200,000,000</b>	<b>460,000,000</b>				

<sup>1</sup> Without additional \$10 million proposed in FY 2019/20

<sup>2</sup> With additional \$10 million proposed in FY 2019/20

# Stabilized Road Conditions Following Projected FY 2029/30 Work\*

Condition	PCI	Arterial/Collector		Local		Total	
		Miles	%	Miles	%	Miles	%
<b>Very Good</b>	70-100	556	83%	1,021	83%	1,577	83%
<b>Good</b>	50-69	77	12%	88	7%	165	9%
<b>Poor</b>	25-49	35	5%	128	10%	163	8%
<b>Failed</b>	0-24	0	0%	0	0%	0	0%
<b>Total</b>		<b>668</b>	<b>100%</b>	<b>1,236</b>	<b>100%</b>	<b>1,904</b>	<b>100%</b>

\*Additional \$10 million allocation would accelerate repair

# PCI vs Deferred Annual Maintenance

