

## **Transportation Finance Subcommittee**

### **Summary of November 18, 2009, Meeting**

#### **Committee Members Present**

Ben Goff, Pima County, Chair  
Craig Civalier, Oro Valley  
Marcelino Flores, Pascua Yaqui Tribe  
Walker Smith, City of South Tucson  
Andrew Singelakis, City of Tucson

#### **Staff**

Don Freeman  
Rob Samuelsen  
Jim DeGroot  
John Liosatos  
Cherie Campbell  
Teresa Ruiz

#### **Jurisdiction Representatives**

Priscilla Cornelio, Pima County  
Roy Cuaron, City of Tucson  
Robert Padilla, Pima County  
Rosanne Grant, Pima County

#### **Agencies/Public**

Curt Lueck, CLA

#### **1. Welcome and Introductions**

Welcome and introductions were conducted.

#### **2. Discussion and Approval of Meeting Summary of Sept. 2, 2009**

The Subcommittee approved the meeting summary of Sept. 2, 2009, as written.

#### **3. Update on HURF Transportation Revenues/12.6% and 2.6% Funds**

Copies were distributed of:

- FY 2010 HURF Distribution Tracking Report
- County Fuel Supplier Gallons Sold by Month for Pima County
- Pima County Percentage of Statewide Supplier Gallons Sold

Mr. Freeman reminded the members that the estimates for this fiscal year are the same as the actuals for the previous year; however, the amounts coming in are 4 percent to 5 percent below last year's. The economy continues to be an issue. The data reporting for October is incomplete, the 12.6% and 2.6% numbers are not available yet, which is why the percent difference on the FY 2010 HURF report is not shown. He reported that he is having problems getting the numbers from ADOT. Also, he has not received federal numbers since July.

Mr. Goff noted the adjustments that occurred last year in February and March were removed from the estimates which results in estimates lower than last year's actuals.

Ms. Cornelio asked if the region will see an increase in VLT due to new car purchases. Mr. Goff replied that the increases due to the "Cash for Clunkers" program were small.

Mr. Singelakis asked why the HURF increased. Mr. Freeman replied he did not know since there are several items contributing to HURF. Mr. Goff noted that the 2.6% and 12.6% funds do not follow the state number, but they do should trend closely to the State totals. Mr. Freeman noted the region is earning interest on the balances in the funds; however, the interest is essentially zero.

Mr. Flores asked what any adjustments would look like and how would it affect the TIP. Mr. Liosatos replied that the TIP estimates are adjusted later in the first year. The current TIP has already been adjusted by \$22 million. There will not be amendments issued for month-to-month changes as there is slippage in the projects. The concern was to prevent bigger problems in 2013. Mr. Goff recommended not "fiddling" with the TIP revenue estimates; projects can be shifted back a quarter if necessary. The issue is delivering the TIP projects. Mr. Flores asked what percentage of the TIP is not delivered. Mr. Freeman replied that historically the region is slow to deliver what is programmed; however, we are doing better now (about 45 percent). Also, the delivery rate is a function of when the money is programmed, not received. Mr. Liosatos noted that in the past, the balance of the 12.6% fund was sufficient so that if a project was ready, the money was there, but due to the downturn of the economy, the balance could decrease. Mr. Freeman noted the balance is down to \$17 million mostly due to the 4<sup>th</sup> Ave. project. Also, the TIP has had no new projects added in the past few years, though we may see projects in the 12.6% funding in a couple of years. Smaller jurisdictions are restricted to one project. The practice of putting in placeholder or political projects with very little funding has stopped.

Mr. Goff noted that there is an issue with ADOT environmental evaluations of projects since ADOT has stated that the state projects are its priority. Ms. Cornelio noted the county administrator wants to raise the issue of ADOT holding up projects for environmental evaluations, even pavement maintenance projects. The state will not give up environmental review. The issue with ADOT is frustrating especially when someone reads the original ISTEA where some projects, such as adding bike lanes to existing roadways, are exempt from permits; however, this is not done in this state. Also, ADOT shows the number of permits issued in 90 days; however, they do not show the timeframe from initial start of permitting process to the issuing of the permit, it is easier to return the paperwork as incomplete.

#### **4. Legislative Items that affect Transportation Funding**

Mr. Liosatos reported that the Legislature is in special session looking for funding for departments running out of money. Previously, the state was trimming down-to-the-bone. Now with the downturn in the economy, the Legislature may have to cut services. Also, this legislative session will probably not deal with anything outside of funding. The previous session had no bills for our region other than the bus pullouts' bill pushed by Oro Valley.

Mr. Liosatos noted that another issue with funding is the money taken from HURF by the Legislature. It can make a difference if money is removed off the top or the bottom of the fund. Mr. Goff acknowledged that where the sweeps occur affects the region. Last year, the funding was cut from the HURF and the State Highway Fund (12.6% and 2.6%), and depending on the percent removed from HURF it may affect the region less since there are more slices of the HURF pie.

PAG is producing a position document in order to issue letters quickly and be more pro-active on concerns of the region. PAG wants to know if any jurisdiction has an issue or is working on any legislation.

## **5. Regional Transportation Authority Revenue Update**

Mr. Samuelsen reported that the RTA collections are down 8 percent to 9 percent which is 6 percent less than last year. Bids are coming in lower. However, design costs are increasing. He feels design firms need to bring costs down especially with respect to design as a percentage of the construction costs. Mr. Goff cautioned that design services cost what they cost. Mr. Samuelsen replied that economic times are hard and everyone needs to share; therefore, hourly rates need to come down for design.

## **6. Other Business**

No other business was discussed.

## **7. Adjournment**

Meeting adjourned

