

SUBJECT: FY 2017-18 Overall Work Program

Meeting	Meeting Date	Agenda Category	Agenda Item #
Regional Council	May 25, 2017	Consent Action	4b

REQUESTED ACTION/SUGGESTED MOTION

That Regional Council approve the PAG FY 2017-18 Overall Work Program, including indicated funding source allocations and any adjustments needed to anticipated carryforward funding as well as authorization for the Executive Director to sign the required standard contracts with ADOT to secure state/federal funding and with the City of Tucson to award pass-through funding to the City as identified in the OWP for which match will be provided by the City.

ASSOCIATED OWP WORK ELEMENT/GOAL

All Work Elements.

SUMMARY

The OWP identifies anticipated revenues and expenditures for PAG activities from federal, state and local sources. The PAG FY 2017-18 Overall Work Program was developed over the past several months. The draft was presented in March to the Management Committee and Regional Council for discussion and comment. It also was reviewed by the Intermodal Planning Group (IPG), which consists of officials from our state and federal funding partners, on March 7, 2017. Subsequent to Management, Regional Council and IPG review, appropriate revisions were incorporated and the program adjusted to address the latest funding information available.

PAG's OWP is designed to address the roles and responsibilities that are required of PAG to meet specific federal and state mandates as well as to address major issues that are best addressed at a regional level. PAG activities also ensure that the region maintains eligibility for several categories of federal and state funds, especially for transportation improvement projects.

Additionally, various work activities reflect PAG's designation as the Regional Transportation Authority for Pima County and must adhere to specific legislative requirements.

PRIOR BOARD AND/OR COMMITTEE ACTION

The draft FY 2017-18 OWP was presented to Management Committee and Regional Council at their March meetings. The Management Committee recommended approval of the PAG FY 2017-18 Overall Work Program at its May 10 meeting.

FINANCIAL CONSIDERATIONS

The OWP is the basis for an agreement with ADOT through which the majority of federal funding for PAG programs and activities is secured.

The OWP maintains current levels of local dues with no increases. Local dues from each of the PAG member agencies is needed as the required match for the federal and state funds and is also used to fund other regional priorities that are not eligible for federal or state funds.

Anticipated revenues and expenditures for PAG activities are incorporated within the OWP. The majority of PAG's expenditures are for activities that support or directly relate to PAG's responsibility as the federally designated metropolitan planning organization (MPO).

For FY 2018, in consultation with U of A economists, job market pressures such as higher housing and medical care cost as well as inflation due to Arizona's increased minimum wage law necessitate an across the board payroll market adjustment as well. Using department of labor's compensation cost index and adjusting for locality, a \$135,000 payroll adjustment is included in the anticipated total expenditure estimates. The recommended 3% payroll adjustment will increase the total payroll cost from 31.1% of the annual operating expenditure to 32.2%, well within the standard industry labor cost range of 30 to 35%. While, total payroll as a percentage of total expenditures decreases year over year from 34.8% to 32.2% because of increased FTA funding.

TECHNICAL, POLICY, LEGAL OR OTHER CONSIDERATIONS

PAG is a private entity and pursuant to Regional Council Resolution dated August 26, 2004 PAG's operational mission is designed to address the roles and responsibilities that are required of PAG to meet specific federal and state mandates, among which are those of the federally designated Metropolitan Planning Organization and the state designation as the Regional Transportation Authority for Pima County.

ATTACHED ADDITIONAL BACKUP INFORMATION

Information about the PAG FY 2017-18 Overall Work Program will be available on PAG's website. Any updates to information will be made available a minimum of 24 hours before the meeting: <http://www.pagregion.com/documents/about/OWP2017-2018-Draft.pdf>

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