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# MEMORANDUM

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Date: March 31, 2009

To: Priscilla Cornelio, Director  
Department of Transportation

From: C.H. Huckelberry  
County Administrator

A handwritten signature in black ink, appearing to read "CHH", is written over the printed name "C.H. Huckelberry".

Re: Transit Program

In listening to the City Council discussion regarding their budget, there was a discussion that \$32 million has been set aside by the Council for operating transit programs within the City, which is \$4 million less than actual cost and relates to the calculated maintenance of effort identified by the RTA, which would tend to indicate that there is a potential to transfer the transit program to the RTA for next year.

In addition, I understand the County has an approximate \$3.2 and \$1.9 million identified maintenance of effort for transit, as well as the special needs and rural programs. This \$5.1 million is less than the actual cost of providing transit to date, which is \$8.2 million less revenues of mostly state or federal grants. If the City of Tucson would experience a \$4 million savings by transferring their transit programs to the RTA, what savings would Pima County gain by doing the same based on the RTA's stated maintenance of effort requirements of the County? As you know, the County provides \$3.2 million in General Fund monies to support transit, which is calculated annually based on total cost less other revenues.

Also, as you know, state law has recently been amended to allow Vehicle License Taxes allocated to transportation to be used for any transportation purpose, including transit. Further, last Friday Pima County was notified that we lost an additional \$3.8 million due to AHCCCS withholding the legislatively appropriated Proposition 204 Hold Harmless. Given our increasing budget dilemma due to state transfers, it makes it even more important to have a number of budget options available, including the transfer of our transit obligations to the RTA, paying their minimum maintenance of effort and paying this maintenance of effort through the Vehicle License Tax as opposed to the County General Fund.

Please determine what you can regarding discussions that may be occurring in the City and their budget assumptions, assuming future transit obligations will be \$32 million as opposed to \$36 million.

CHH/jj

c: Martin Willett, Chief Deputy County Administrator  
John Bernal, Deputy County Administrator for Public Works  
Tom Burke, Finance and Risk Management Director  
Thomas House, Budget Manager, Finance and Risk Management