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# MEMORANDUM

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Date: July 6, 2009

To: John Bernal  
Deputy County Administrator - Public Works

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".

Priscilla Cornelio, Transportation Director

Re: **Development of a Sustainable Transportation Budget**

As you know, the Arizona Legislature, in continuing to dilute the Highway User Revenue Fund and/or balance the state budget, has caused and will continue to cause continuous revenue losses for the Department of Transportation. While these revenue losses have been managed previously through reductions in contract services or capital contributions for major highway improvements, such targeted reductions are not sustainable.

It would now be appropriate to re-examine and restructure the Department of Transportation budget such that it is sustainable under the current adverse revenue environment. Such may mean personnel reductions and other actions necessary to right-size the organization going forward. I would suggest that you work with appropriate budget analysts to develop an alternative budget for implementation for fiscal year 2009/10, which may include personnel reductions implemented through layoff.

CHH/jj

c: Tom Burke, Finance and Risk Management Director  
Thomas House, Budget Manager, Finance and Risk Management