Alina Barcenas

From: Chuck Huckelberry

Sent: Friday, April 13, 2018 4:29 PM

To:

CC: COB_mail; Julie Castaneda; Monica Perez; Aiselyn Anaya; Alexandra A. Dickey; Ally Miller;

Andres Cano; Anissa Ramirez; Benny Gomez; Beth Borozan; Caitlin Jensen; Jennifer Cabrera; Jennifer Eckstrom; JoAnn di Filippo; John Backer; Keith Bagwell; Lucretia Free; Lynne St. Angelo; Maria Klucarova; Marjava Ramirez; Nikolas Walls; Paul Williams; Ramon Valadez; Richard Elias; Sandy Russell; Sharon Bronson; Sofia Blue; Steve Christy;

Susanne Kelly; Therese Rubink

Subject: FW: Property taxes, sales taxes, and road funding

Mr. Sommers,

Thank you for your email. That said, your allegations are incorrect and I can only assume they are based on misinformation that continues to be spread by Pima County Supervisor Ally Miller. We have tried to educate Supervisor Miller on these points countless times. The State allocates HURF and two types of VLT to cities, towns and counties. This Fiscal Year this amount totaled \$87 million for Pima County. By State statute, there are two types of VLT. VLT for transportation and VLT for general services. When VLT was first created by the State, 100 percent was to be spent on general services. Later, the State amended the Statute to allocate a portion of VLT to transportation. You will find that cities, towns and counties all over Arizona allocate their general services VLT to general services, and VLT for transportation to transportation needs. Pima County does the same. Pima County spends 100 percent of its HURF and transportation VLT on transportation expenses. The VLT for general services totaled \$27 million of the \$87 million this Fiscal Year.

The largest single category of County transportation expenses is the debt associated with our voter-approved 1997 transportation bond program (approximately one-third of the budget). At the time of the election, the issue was traffic congestion, not poor road conditions. This program has successfully funded the expansion of over 250 lane miles, doubling roadway capacity and reducing congestion by 43 percent. Ten years from now, these debt service payments will decrease significantly and will then be available to regularly fund road maintenance and pavement preservation. But until then, we are in dire need of a temporary, additional funding source for road repair. Had the State not diverted almost a billion dollars of HURF funds over more than a decade for other purposes, or indexed the gas tax to inflation as is the case for social security benefits, then Pima County and other local governments in Arizona could have afforded to adequately fund both road repair and capacity expansion projects. I, like you, strongly favor use taxes. But the State has not raised the gas tax in 27 years. Meanwhile, in just the last 4 years, 26 states have raised their gas tax. After lobbying the State unsuccessfully for over a decade, we must now take local approach to funding our transportation needs. Our Regional Transportation Authority has also studied this issue at length, and recently recommended a local approach to our Sales Tax Advisory Committee. All other Arizona counties have a sales tax and the majority allocate all or a portion to transportation.

Thanks again for your email and taking an active role in our local government issues.

CHH

Begin forwarded message:

From: Adam Sommers <

Date: April 12, 2018 at 4:27:58 PM MST

To: <District2@pima.gov>, <District3@pima.gov>, <District4@pima.gov>,

<<u>District5@pima.gov</u>>, <<u>Chuck.Huckelberry@pima.gov</u>>, <<u>District1@pima.gov</u>> Subject: Property taxes, sales taxes, and road funding

This message and sender come from outside Pima County. If you did not expect this message, proceed with caution. Verify the sender's identity before performing any action, such as clicking on a link or opening an attachment.

I am a recent transfer to Pima County from Oregon (2013). One of the reasons we moved here was to avoid the over-taxing and over-spending by our local governments.

It has come to my attention that Highway User Funds and Vehicle License Tax Funds that Pima county received are not used solely for road maintenance and improvement. In fact, only 25% of those funds - which in my opinion should be dedicated to road improvements - are used as such.

It has also come to my attention that nearly 100% of the county's administration budget is paid for by these taxes vehicle fees. This is unacceptable, and you should be ashamed of the breach of fiduciary duty to your constituents.

Mr. Huckelberry has stated that approximately \$400-550 million would fix our county roads. If you get \$87 million per year from HURF and VLT, it should take about 5 years to complete the necessary repairs. AND, if you use the \$87 million per year after that to keep up with maintenance and make improvements. It seems so simple, but any time you go about spending other people's money, it seems you pick your pet projects - or people.

I object to any increase in property or sales tax to fund roads when you already receive PLENTY of funds from user fees to complete necessary projects. And an increase in sales tax and 10-year plan is laughable - you already have a large enough budget to fix this ESSENTIAL service, our roads.

I'm a huge fan of user fees. If I use the roads, I should pay for them via tire taxes, fuel taxes, and vehicle license fees. I shouldn't pay for them if buy a new tennis racquet on Amazon; how silly does that sound?

I plan to attend one of your meetings and speak about this in person, and hope to hear a reasonable response. No more crying about not enough money. You have it. Just spend it properly.

Adam Sommers
Founder & Fiduciary
Sommers Financial Management
An Independent Fee-Only Registered Investment Advisor

[&]quot;Together, we invest with integrity"