

HIGHWAY FUND ASSUMPTIONS

REVENUES

Category

Assumptions

<u>State Grants</u>	Reimbursements from Pima Association of Governments and Regional Transportation Authority for contract administration of roadway widening projects Revenues correspond to forecasted project schedules and are subject to fluctuation
<u>Highway User Tax</u>	Projections per Arizona Department of Transportation Base HURF growth approximately 3.5% per year Forecast assumes continued HURF sweeps for Department of Public Safety funding Forecast assumes use of Census estimates each year, reflecting new legislation passed in 2016
<u>Charges for Services</u>	Reimbursement from Stormwater Utility Fund for storm clean-up of streets Growth tied to annual Highway Fund personnel increases
<u>Licenses & Permits</u>	Road permits roughly flat - \$50K per year based on historicals
<u>Interest Income</u>	2% growth per year
<u>Miscellaneous</u>	\$10K projected miscellaneous revenues based on historicals
<u>Transfer from General Fund</u>	Portion of construction sales tax required to subsidize pavement preservation program and Highway Fund operations; ranges from \$100K to \$1.5 million each year

EXPENDITURES

Category

Assumptions

<u>Salaries and Benefits</u>	3.5% merit increases, 2% health insurance premium increases, pension rates held flat
<u>Operations & Maintenance</u>	Minimal inflation As with General Fund, downward pressure on operating costs will continue
<u>Debt Service Transfers</u>	Transfers for Series 2005 debt service (savings in FY 16/17 are result of refunding)
<u>CIP Funding</u>	Capacity will be limited to available funding and can be expected to fluctuate
<u>Pavement Preservation</u>	Funding maintains current OCI rating of 77