FISCAL YEAR 2013 ARTERIAL LIFE CYCLE PROGRAM UPDATE

MANAGEMENT COMMITTEE

SEPTEMBER 12, 2012

MARICOPA ASSOCIATION of GOVERNMENTS

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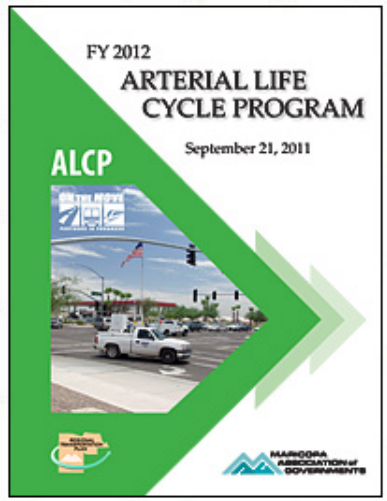
ALCP OVERVIEW & INTRODUCTION

- Arizona Revised Statues 28-6352 (B) requires that MAG have a budget process for the ALCP that ensures that the ALCP is financially balanced.
- During annual update and fiscal analysis, a Program Deficit was identified in April 2012
- FY2013 and beyond reimbursements cannot occur if the program is not in balance
- Actual/Forecasted RARF Revenues



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FUNDING FORECAST CHANGES

Revenue Source	2003 Forecast	2012 Forecast	*Difference*	Percent
Sales Tax	$ 1,292.8	$ 763.7	*$ 529.1*	40.9 %
STP	$ 855.7	$ 747.7	*$ 108.0*	12.6 %
CMAQ	$ 184.9	$ 133.0	*$ 51.9*	28.1 %
Total	**$ 2,333.4**	**$ 1,644.4**	***$ 689.0***	**29.5 %**

IN MILLIONS

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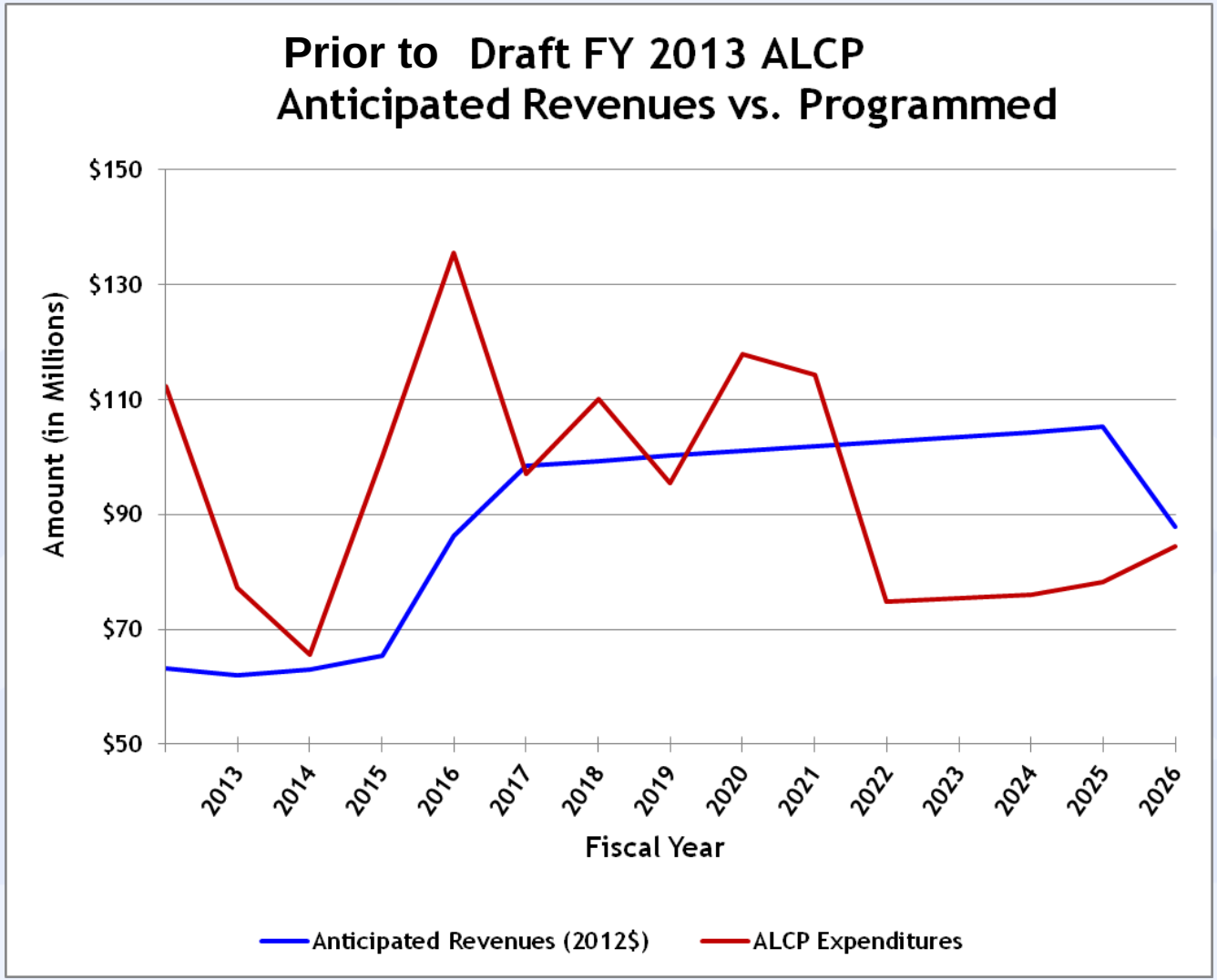

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SCENARIOS TO ACHIEVE FISCAL BALANCE

1. **Keep Bonding and Inflation:** Defer and cut projects and/or reimbursements from the program; $35-40 million deficit.

2. **No Bonding:** Defer projects 4-6 years and cut $10 million from the program.

3. **No Bonding and No Inflation:** Projects defer 2-4 years, **no project cuts**.

4. Alternative Scenarios

    1. Reduce all reimbursements by the % necessary to rebalance (still would have deferrals, sporadic)

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THE ALCP WORKING GROUP RECOMMENDATION:

Scenario #3 Chosen: that will eliminate bonding for projects in the future, and will eliminate inflation being applied to future reimbursements until such time as revenues recover.

- Eliminating Bonding and inflation is a deviation of policy from the approved ALCP Policies and Procedures

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FY2013 DRAFT ALCP

Draft distributed on July 18th to member agencies for second review

- Many agency comments were received
- A second working group was held and the draft discussed on July 30, 2012
- Agencies sent in project priorities
- Achievable updates to the program are included in current revised draft

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RESULTS TO ACHIEVE FISCAL BALANCE

Eliminate bonding for projects, and eliminate inflation that would be applied to reimbursements until such time as revenues recover.

- Most projects only deferred 1-3 years
- No projects removed from program
- No additional projects unfunded
- No reimbursement cuts

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ON AGENDA FOR ACTION

- For information and discussion, and recommendation to approve FY13 ALCP rebalancing using scenario 3, and amend the FY2011-2015 TIP, and RTP 2010 Update as necessary.

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