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COMMUNITY PLANNING ASSOCIATION

of Southwest Idaho

Transportation Financial Report

Report No. 01-2009

Transportation Financial Report

October 10, 2008

Contents

1. Transportation Construction Cost Indices

Under the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) and its associated regulations, accounting for inflation is a requirement in the preparation of regional long-range transportation plans and transportation improvement programs. The following information was obtained using the Washington State Department of Transportation's "Construction Cost Indices" report and revised to establish a base year of 1996.

Construction Cost Indices Adjusted to a 1996 Base								
	WASHINGTON	FHWA	CALIFORNIA	COLORADO	OREGON	SOUTH DAKOTA	UTAH	Composite
1990	89	91	96	73	79	84	73	83
1991	98	90	91	78	88	86	72	86
1992	87	88	90	78	81	84	72	83
1993	85	90	95	81	85	88	86	87
1994	85	96	100	84	83	90	77	88
1995	100	102	97	86	102	100	94	97
1996	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**
1997	112	109	105	99	111	111	93	106
1998	94	106	108	111	105	112	83	103
1999	97	114	117	112	115	127	81	109
2000	103	122	123	120	110	135	75	113
2001	104	121	129	111	96	115	87	109
2002	112	123	119	106	121	116	87	112
2003	117	125	125	108	127	121	72	114
2004	137	128	182	118	120	152	87	132
2005	142	153	225	180	153	147	148	164
2006	184	184	236	180	184	185	167	189
2007	185	-----	219	191	180	202	144	187

The Construction Cost Indices table reflects a general increase in costs over time, with a few exceptions. More pointedly, a dramatic run-up has occurred since 2003. Several reasons can be attributed to the rising costs—most notably; rising prices of fuel, concrete, steel, and other construction capital.

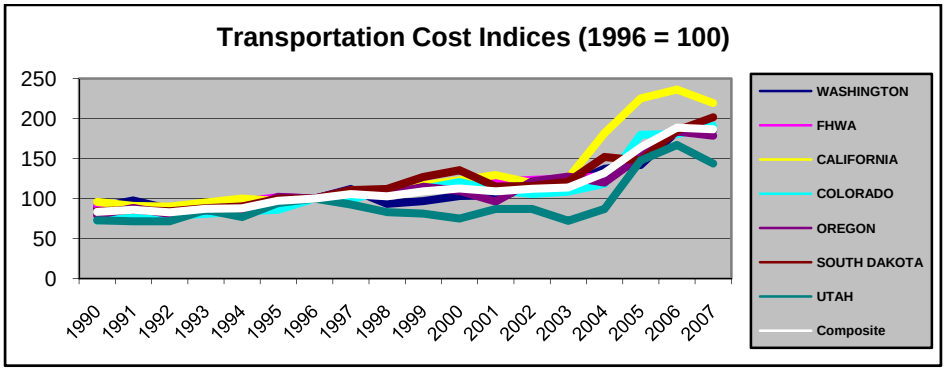


Figure 1 – Transportation Costs Indices

2. Highway Distribution Account Receipts

The following table shows the receipts for the Idaho Highway Distribution Account (HDA). State funds, primarily from HAD, accounted for 32% of Ada County Highway District's (ACHD) revenues and 52% of Canyon County road agency's revenues between 2000 and 2007. For the Idaho Transportation Department (ITD), HDA provided 42% of its budget from 2005 to 2007. ITD relies upon HDA for local match and general operations and maintenance budget. HDA provides a vital revenue stream to both local and state transportation investments.

HDA depends on the 25 cents per gallon fuel tax for most of its revenue, and the tax has remained unchanged since 1996. This year provided the reason to reset the cost indices to a base year of 1996. Using the indices, the table below indicates how the deterioration of the real value of these dollars has accelerated over the last few years. The adjusted value indicates the actual revenue has lost $154 million in purchasing power compared to 1996.

Highway Distribution Account Receipts: 1996 – 2007

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Actual	226,134	228,352	232,727	244,927	294,186	313,484	297,376	292,905	300,838	308,717	314,861	331,470
Adjusted	226,134	216,257	226,507	224,748	261,342	287,560	265,313	257,510	227,892	188,284	166,593	177,257

Notes: Adjusted Amounts Based on Composite Cost Indices.
Dollar Amounts in thousands.

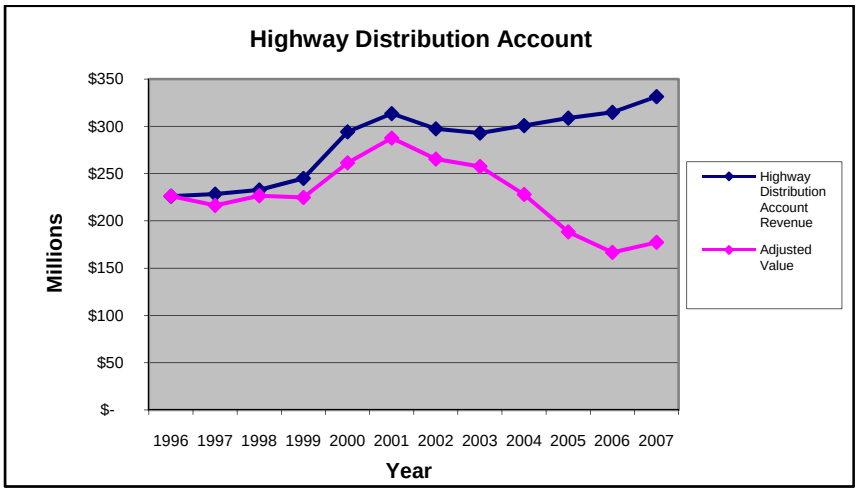


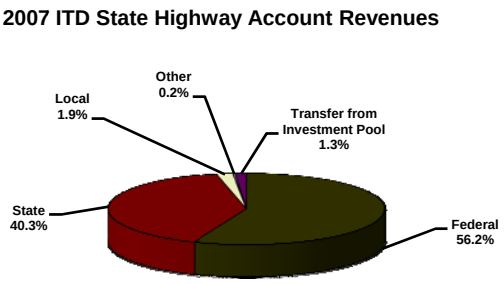
Figure 2 – Idaho Highway Distribution Account

The "real" revenue decline is due to two primary factors:

- Rapid escalation in transportation costs since 2002.
- Generally stable level of fuel consumption despite the substantial population growth. This is due to a combination of more efficient vehicles and declines in travel --- especially witnessed over the last year in response to sky-rocketing oil prices.

3. Idaho Transportation Department Revenues and Expenditures

ITD total revenues for 2006 and 2007 totaled $487 and $529 million, respectively. Figures 3 and 4 depict the sources of revenue and the distribution of expenses for 2007.



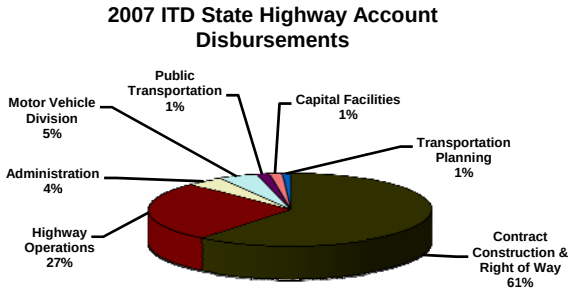


Figure 3 - 2007 ITD Revenues

Figure 4 - 2007 ITD Expenditures

4. Local Roadway Agencies Revenues and Expenditures

Local roadway funding tends to be less reliant on federal funding than ITD funding. Ada and Canyon County revenues rely on a combination of local, state, and federal source funding. The total revenues for Ada County (ACHD) and Canyon County (total of four highway districts plus the cities of Caldwell, Nampa, and Middleton) are shown in the table below.

Ada and Canyon County Total Roadway Revenues: 2000 – 2007

	2000	2001	2002	2003	2004	2005	2006	2007
Ada County	53,384	57,217	52,732	53,044	64,079	70,921	68,224	72,295
Canyon County	16,625	18,431	16,662	18,047	19,446	21,665	22,186	23,783

Notes: Adjusted Amounts Based on Composite Cost Indices.
Dollar Amounts in Hundreds.

Revenues for both counties have risen since 2000. In the table below, the composite construction cost index was applied to Ada and Canyon County's total revenues using the year 2000 as the base year. The adjusted value reflects a decrease in purchasing power by nearly $40 million in 2007, about 40% reduction in the real value of the dollar since 2000. The revenue gained from 2003 and 2004 resulted in a surge of impact fees in Ada County. However, the value has not kept up with the funding increases. In this instance, the year 2005 displays an adjusted value less than the year 2000, and has remained lower since.

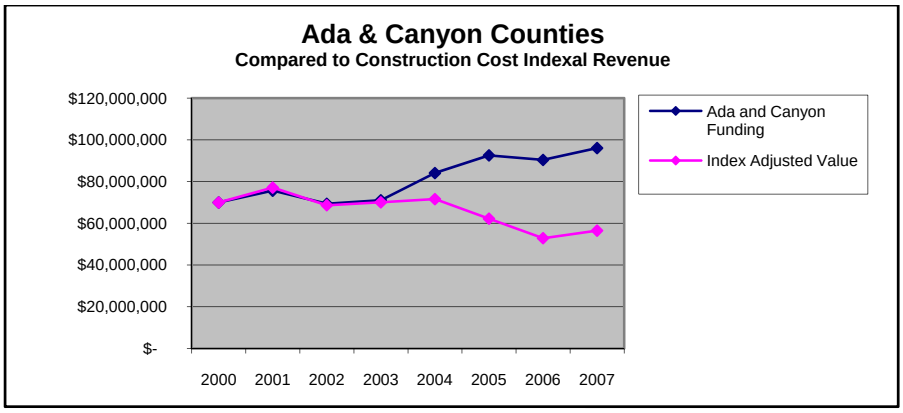


Figure 5 – Ada and Canyon County Total Roadway Revenues

State and local funds provided the bulk of revenues for both counties in 2007. Local funding accounted for 67% and 49% in Ada and Canyon, respectively. State funding accounted for 31% and 51% of Ada and Canyon County's total revenues. Property taxes constituted just 57% of Ada's local revenue and 71% of Canyon's.

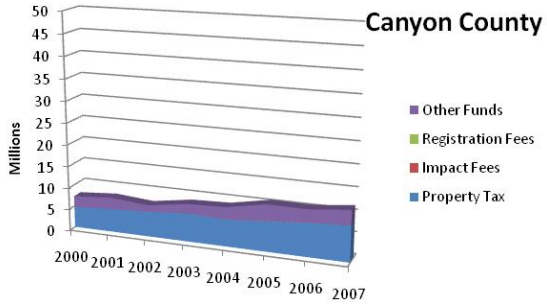


Figure 6 - Canyon Local Sources

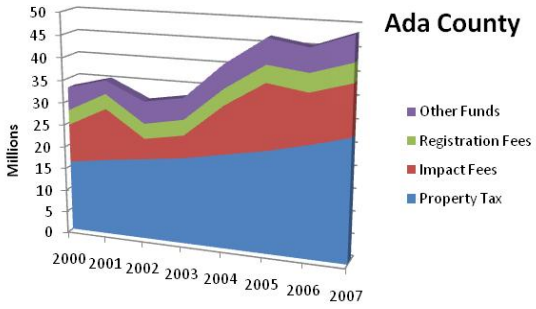


Figure 7 - Ada Local Sources

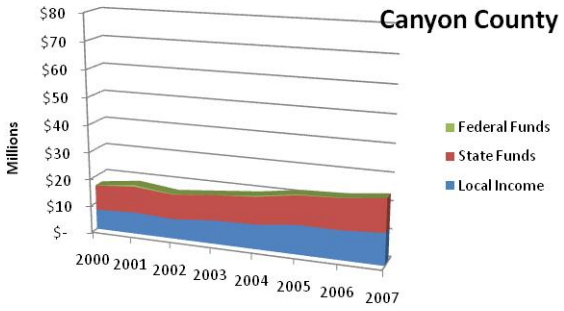


Figure 8 - Canyon Funding Sources

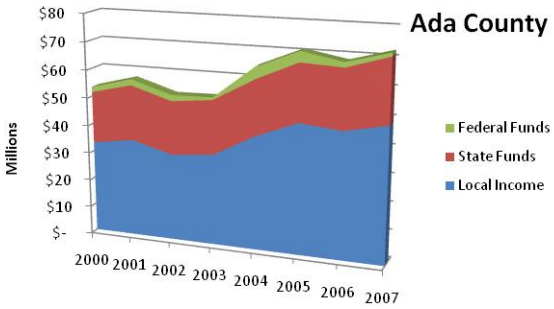


Figure 9 - Ada Funding Sources

Figures 10 - 13 display the expenditures for Canyon and Ada Counties. For both counties, reconstruction and maintenance accounted for the majority of expenditures. Reconstruction in 2007 accounted for 10% more of the region's expenditures than in 2006.

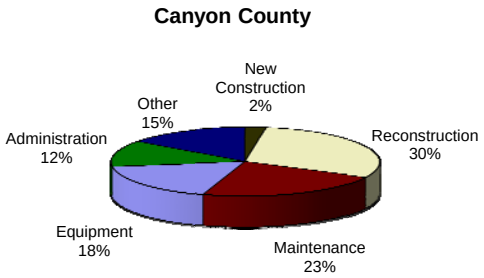


Figure 10 - Canyon County Expenses for Local Roads, 2007

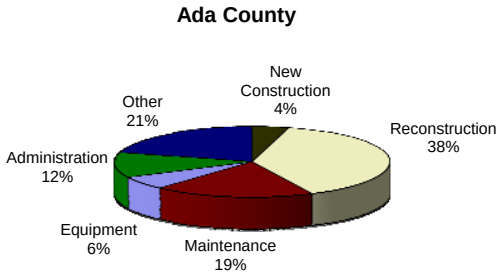


Figure 11 - Ada County Expenses for Local Roads, 2007

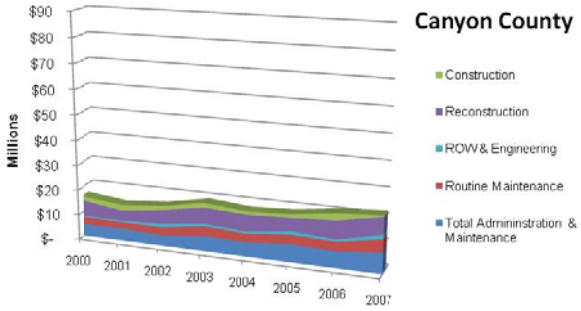


Figure 12 - Canyon County Expenses

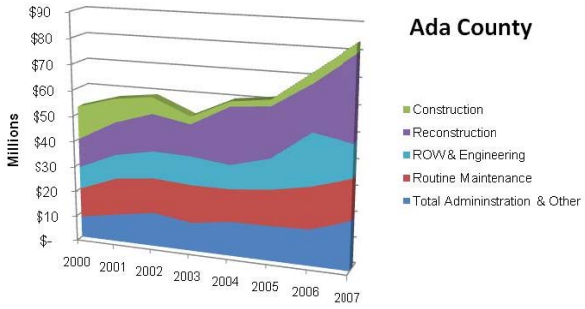


Figure 13 - Ada County Expenses

Regional Expenditure Patterns for Local Roadways								
	2000	2001	2002	2003	2004	2005	2006	2007
Routine Maintenance as Share of Total	21%	24%	23%	26%	21%	22%	21%	20%
Construction as Share of Total	21%	16%	11%	7%	4%	5%	7%	4%
Reconstruction as Share of Total	26%	24%	27%	26%	37%	31%	27%	37%
Administration as Share of Total	19%	22%	23%	24%	25%	26%	22%	26%
ROW/Engineering as Share of Total	13%	14%	16%	17%	13%	16%	22%	14%

5. Roadway Maintenance Activity

Maintenance and reconstruction, the latter of which can incorporate capacity expansion, are large consumers of the transportation dollar. While limited information yet is available to the review trends in pavement conditions, information was obtained as to the number of miles of various seal coatings done in 2006 and 2007. Seal coats are thin layers of asphalt, sometimes combined with gravel, designed to improve impermeability of the asphalt and traction. Somewhat akin to painting a house; the paint protects the wood that is still sound, but painting rotten wood is an exercise in futility.

Pavement management systems are designed to track the quality of roadways and more rationally allocate resources to maintenance. As noted by the Local Highway Technical Advisory Council "Far too often, the maintenance program consists only of rehabilitating and/or reconstructing roads in poor condition. Since these repairs are very expensive, this type of approach will quickly deplete a maintenance budget, leaving

little or no money for preventive maintenance." [1] It recently implemented a system with Idaho roadway agencies to use PMS. Data from PMS can be used to develop an annual pavement condition report that tracks whether pavement conditions are improving, stable or deteriorating.

The following charts are based on reported maintenance during 2007. It shows the amount of seal-coating and overlay work done and compares it to a rule-of-thumb standard that a roadway should be seal-coated every seven years and overlayed (2 inches or more of asphalt) every 20 years. The charts suggest that overall, more resources are needed for maintenance.

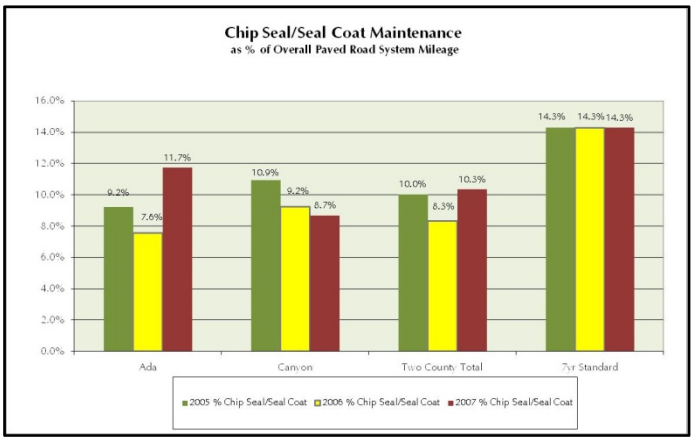


Figure 14 - Seal Coating 2005-2007

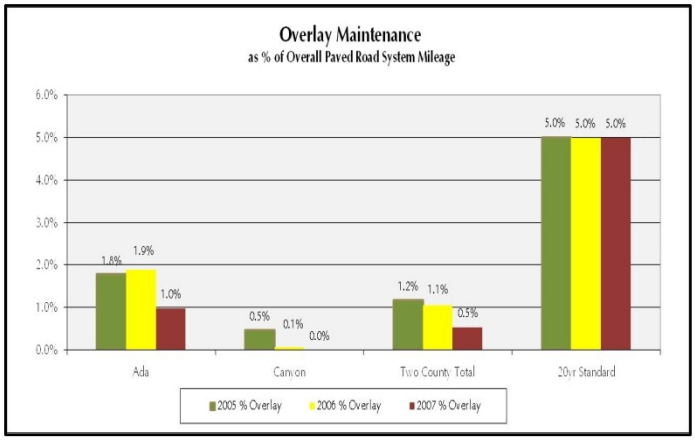


Figure 15 - Overlays 2005-2007

[1] Local Highway Technical News. Vol. 11, No. 7a. Local Highway Technical Advisory Council. Boise, ID. Found in October 2008 at http://www.lhtac.org/publications/tech_news/2006/pavement%20management%20systems.pdf

6. Transit

The measurement of transit revenue is done from a peer group perspective to indicate how this region's investment in transit compares with areas roughly comparable.

Service-Area PERFORMANCE STATISTICS - FISCAL YEAR 2006

#	AREA	Population	Local Revenue/ Capita	Subsidy/ Capita	Farebox Ratio *	Public Dollars per Trip	Operating $ per Capita	Oper $ per Trip	Trips/ Capita	Revenue Miles/ Capita	Revenue Hours/ Capita	Passenger Miles/ Rev Miles
1	Iowa City, IA**	71,372	$35.71	$58.09	13.0%	$0.79	$99.53	$1.35	73.6	21.2	1.9	5.0
2	Fort Collins, CO	118,652	$35.36	$48.22	14.2%	$3.57	$58.73	$4.35	13.5	13.1	1.0	3.8
3	Abilene, TX	107,051	$4.73	$17.36	12.5%	$3.01	$22.12	$3.84	5.8	9.8	0.7	2.5
4	Springfield, IL	132,100	$16.49	$56.63	8.2%	$5.27	$64.19	$5.98	10.7	11.2	0.9	2.6
5	Topeka, KS	122,377	$19.36	$37.19	16.0%	$2.96	$45.42	$3.62	12.5	11.3	0.8	4.0
6	Boise/Nampa, ID	272,625	$9.72	$24.31	9.5%	$6.08	$27.13	$6.78	4.0	5.6	0.4	3.3
7	Salem, OR	206,500	$49.42	$93.88	10.7%	$3.30	$109.80	$3.86	28.4	18.8	1.3	4.8
8	Reno, NV	253,000	$0.00	$85.40	24.4%	$2.41	$119.87	$3.38	35.5	19.2	1.4	6.4
9	Lincoln, NE	239,213	$22.37	$29.37	15.5%	$3.85	$35.46	$4.65	7.6	7.3	0.5	3.1
10	Eugene, OR	224,049	$86.49	$99.39	18.1%	$2.35	$131.86	$3.12	42.2	18.3	1.5	9.9
11	Stockton, CA	564,539	$12.83	$15.42	27.5%	$13.56	$22.16	$19.49	1.1	1.3	0.0	41.8
12	Madison, WI	237,433	$59.47	$146.48	18.9%	$2.83	$182.93	$3.53	51.8	26.9	2.0	6.6
13	Bakersfield, CA	422,450	$26.44	$33.83	21.5%	$2.18	$43.62	$2.81	15.5	9.3	0.7	7.2
14	Lansing, MI	280,073	$52.03	$94.48	12.7%	$2.64	$112.32	$3.14	35.8	19.4	1.4	5.5
15	Spokane, WA	334,857	$90.70	$120.22	7.3%	$4.44	$137.67	$5.08	27.1	26.1	1.8	4.4
16	Tacoma, WA	721,445	$0.00	$75.20	13.2%	$3.98	$121.10	$6.41	18.9	19.7	1.2	5.3
17	Albuquerque, NM	498,000	$57.96	$59.88	10.7%	$3.41	$71.65	$4.08	17.6	13.0	0.8	4.7
18	Tucson, AZ	532,000	$71.84	$80.70	16.4%	$2.41	$99.22	$2.96	33.5	18.6	1.5	6.6
19	Salt Lake City, UT	1,744,417	$0.00	$63.23	15.5%	$2.86	$88.54	$4.00	22.1	17.3	0.9	9.9
20	Austin, TX	988,671	$92.23	$105.63	4.3%	$2.95	$130.76	$3.65	35.8	17.8	1.3	7.5
21	Chattanooga, TN	155,554	$22.58	$53.62	26.5%	$2.70	$82.27	$4.14	19.8	15.5	1.2	4.9
	AVERAGE	391,732	$36.46	$66.60	15.1%	$3.69	$86.02	$4.77	24.4	15.3	1.1	7.1

Source: U.S. Department of Transportation. Federal Transit Administration. National Transit Database Report for FY 2006.
Reports found in June 2007 at http://www.ntdprogram.gov/ntdprogram/
This report is only available for areas receiving FTA Section 5307 funds.

* Farebox ratio is the percent of operating costs covered by fares.
** Data from two services must be combined.

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The data in the table are taken from National Transit Database reports for FY 2006, the last year reported. The data indicates that this region invests substantially less per capita than the average, $27.13 per capita versus $86.08. The results in Hours per Capita and Trips per Capita illustrate that ridership is directly tied to the service provided. This is highlighted by the following chart.

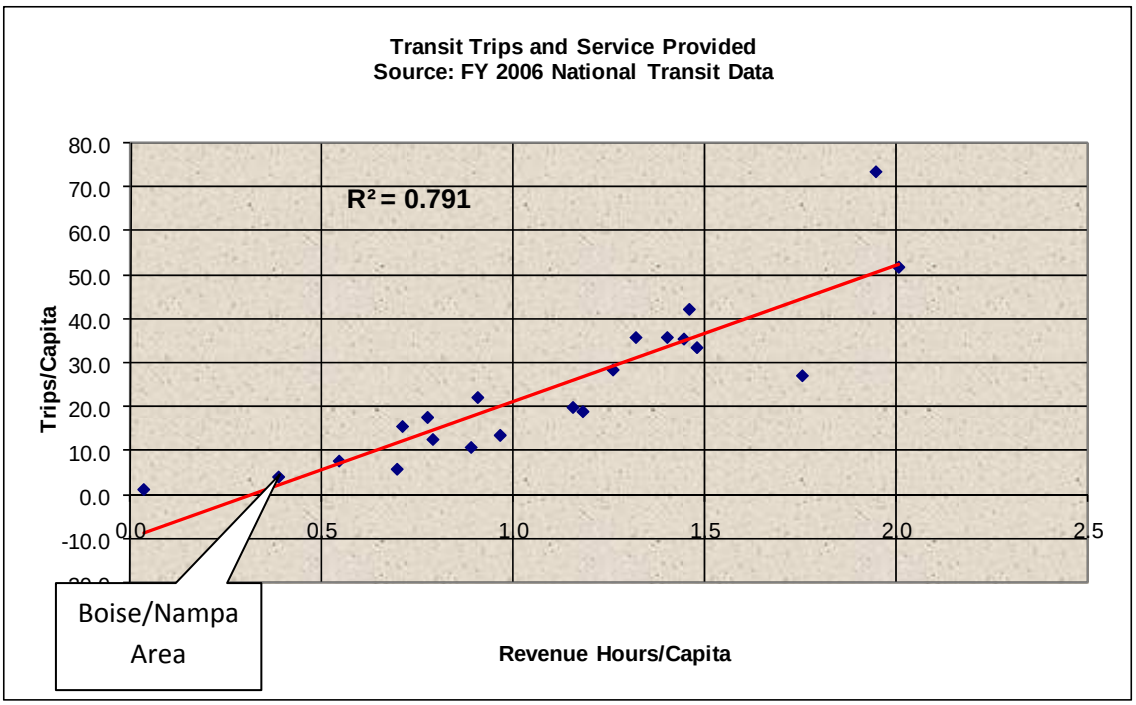

Figure 16 - Transit Revenue Hours/Capita

Financial data are provided back to 2000. Note that starting in 2002, the data include transit statistics for services in Ada and Canyon Counties.

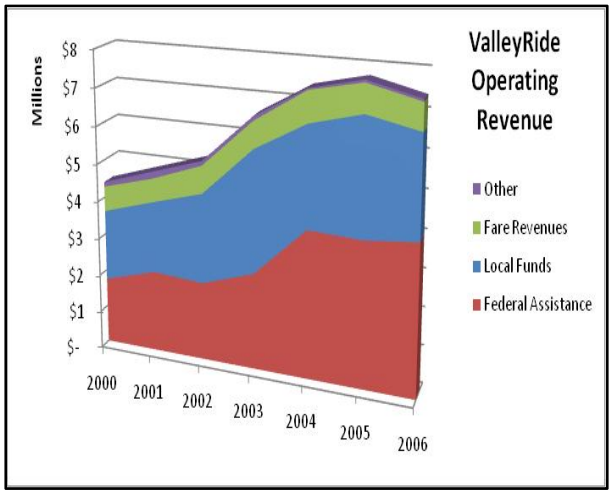

Figure 17 - ValleyRide Operating Revenue

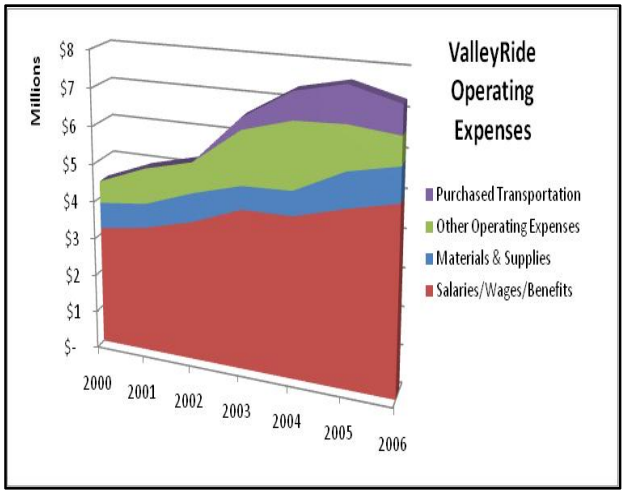

Figure 18 - ValleyRide Operating Expenses

Fares accounted for 10% of the total revenue in 2006 compared to 13% in 2000. Federal revenues increased in 2002 due to new allocations based on urbanized area populations, but flattened in 2004 as revenue constraints at the federal level occurred. Labor costs accounted for 66% of the

operating expenses in 2006, down from 72% in 2000. The primary factor in this decrease is the rise in “purchased transportation” services starting in 2003.

The reliance on federal funding will be a major challenge in future years, especially if the Nampa/Caldwell urbanized area exceeds a population of 200,000 in 2010. Should this determination be made by the US Census, starting in 2012 no federal funding under Section 5307, the program providing the vast bulk of federal dollars could be used for operating costs. Since 2000, capital expenses have been 18% of the total expenses. So operating costs represent up to 80% of the transit system costs.

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