



December 6, 2017

AGENDA ITEM # 7

MEASURE A LONG-TERM REVENUE PROJECTIONS

Action Requested: Receive and file

Presenter: Timothy Jones, Accounting/Finance Manager

Recommendation

Receive and file the Measure A Long-term Revenue Projections.

Discussion

STA staff worked with the Authority's financial consulting team to develop long-term Measure A sales tax and Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP) revenue projections. The last time long-term revenue projections were developed was before the beginning of the current Measure A program in 2009. Authority staff plan to work with STA's financial consulting team to update its revenue projections at least annually moving forward. This effort will be part of an overall planning strategy to identify potential financial obstacles and opportunities.

The average sales tax revenue growth is projected to be 3.3% over the remainder of the program, while SCTMFP revenue growth of 3% is projected during the same period. The revenue projections developed through this effort are used to determine future debt capacity and pay-as-you-go funding for the region's capital programs.

The key information contained in Attachment A is as follows:

1. **Column B** – sales tax revenue growth rate by year ranges from a low of 2.85% to a high of 4.14%
2. **Column C** – total sales tax revenue by year based on projected growth for a program total of \$3.84 billion between fiscal years 2018 and 2039
3. **Column G** – 20.75% of the net sales tax revenue is used to determine how much money is available to fund capital projects, whether pay-as-you-go or servicing debt on bonds issued
4. **Column J** – SCTMFP revenue based on projected growth for a program total of \$183.2 million between fiscal years 2018 and 2039

The Key information contained in Attachment B is as follows:

1. **Column D** – Sales tax revenue dedicated to the capital program
2. **Column E** – Proposed debt issuance of \$61.1 million in fiscal year 2020

3. **Column F** – annual debt service for current bond program
4. **Column G** – Additional debt service with the proposed \$61.1 million bond issuance in fiscal year 2020
5. **Column I** – Amount of cash left over after servicing debt that is available for pay-as-you-go funding

Attachment C is the consultant's report summarizing the methodology used to develop the revenue projections and offers some of the underlying economic indicators.

Attachments