



December 14, 2017

AGENDA ITEM # 9

REPORT BACK – LONG-TERM MEASURE A REVENUE PROJECTIONS

Action Requested: Receive and file

Presenter: Timothy Jones, Accounting/Finance Manager

Recommendation

Receive and file a report back on the long-term revenue projections presented during the December 6, 2017 Board meeting.

Discussion

Long-term revenue projections for the Measure A sales tax and Mitigation Fee Programs were presented to the Board on December 6, 2017. As a follow-up to the information presented previously, the average Measure A Sales Tax revenue growth rate based on actual collections from 2009 through June 30, 2017 was 5.27%. This growth rate was higher than the projected average growth rate of 3.74% per the 2009 Plan of Finance for the same period and 4.72% for the life of the program. As a comparison, under our current plan of finance, the average growth rate is projected at 3.76% for the life of the program when actual revenues and projections are combined. However, the 2009 Plan of Finance was based on first year sales tax revenues of \$90.04 million, while the actual revenues were \$81.41 million. As a result, although the actual growth rate is higher, the overall sales tax revenue shortage is projected at almost \$900 million (see column C of the table on the next page).

The average growth rate for Mitigation Fee program actual revenue from 2009 through June 30, 2017 was 18.05%, although annual growth rates fluctuated from -24.04% to 79.85%. The average actual growth rate was higher than the projected average growth rate of 12.56% per the 2009 Plan of Finance for the same period and 8.59% for the life of the program. As a comparison, under our current plan of finance, the average growth rate is projected at 5.72% for the life of the program when actual revenues and projections are combined. However, the 2009 Plan of Finance was based on first year Mitigation Fee revenues of \$8.88 million, while the actual revenues were \$3.07 million. As a result, although the average actual growth rate is higher, the overall Mitigation Fee revenue shortage is projected at \$1.05 billion (see column C of the table of the next page).

When combined, the difference between the 2009 Plan of Finance projections and our current projections (actuals included) is a \$1.94 billion shortfall.

	A	B	C
Sales Tax	2009 - 2017	2018 - 2039	Totals
2009 Plan of Finance	\$801,362,024	\$4,724,129,006	\$5,525,491,030
Actual Revenue	791,257,693		
Current Projections		3,838,075,000	4,629,332,693
Variance (under)	(10,104,331)	(886,054,006)	(896,158,337)
Mitigation Fees	2009 - 2017	2018 - 2039	Totals
2009 Plan of Finance	\$110,651,221	\$1,150,273,328	\$1,260,924,549
Actual Revenue	31,918,345		
Current Projections		183,220,678	215,139,023
Variance (under)	(78,732,876)	(967,052,650)	(1,045,785,526)
Total Variance	(88,837,207)	(1,853,106,656)	(1,941,943,863)