



**Item #07-7-7  
Action**

**Strategic Planning Committee**

July 3, 2007

**Amendment to the Fiscal Year 2007-08 Local Transportation Funds Findings of Apportionment for Sacramento County**

**Issue:** Sales tax revenues in Sacramento County continue to come in at an amount lower than originally projected in February 2007. The Sacramento County Auditor-Controller has provided a new, lower estimate of LTF revenues for FY 2007-08. At its July 11, 2007, meeting the committee will be asked to review and approve the revised Sacramento County Local Transportation Fund Findings of Apportionment for Fiscal Year 2007-08.

**Recommendation:** That the Strategic Planning Committee recommend that the Board approve the revised Sacramento County Local Transportation Fund Findings of Apportionment for fiscal year 2007-08.

**Discussion:** In January of each year, the County Auditor-Controller for counties of Sacramento, Sutter, Yolo and Yuba must advise SACOG of their estimated ending fund balance for the Local Transportation Funds for that current fiscal year and an estimate of the revenue for the next fiscal year. In response to a lower level of FY 2006-07 sales tax revenue, the SACOG Board at its February 2007 meeting revised the FY 2006-07 Findings of Apportionment for Sacramento County downward by \$3,122,874. At that same meeting the Board approved the FY 2007-08 Findings of Apportionment, projecting no increase over the lower level of LTF income for FY 2006-07.

SACOG staff has continued to work with the Sacramento County Auditor-Controller staff to monitor the local transportation fund/sales tax revenue and to keep the Board and member jurisdictions apprised of changing conditions. The preliminary year end numbers for FY 2006-07 show a continued decline in sales tax revenues. FY 2006-07 revenues are estimated to be more that \$1 million lower than the revised February estimate. This stagnation is expected to continue into FY 2007-08. The initial estimate provided by the County indicates a decrease in FY 2007-08 LTF revenue over that originally projected in February 2007 of \$ 4.1 million. The reduction in sales tax revenue is due to a slowdown in the economy, particularly in the construction and transportation sectors of the economy.

SACOG staff will be meeting with Sacramento County Auditor-Controller staff prior to the Strategic Planning Committee to finalize the revised estimate for FY 2007-08. Copies of the revised FY 2007-08 Findings of Apportionment will be distributed at the Strategic Planning Committee meeting.

It is important that the SACOG Board act on these lower findings of apportionment in July because it is early in the fiscal year of the local jurisdictions and will provide a better opportunity to adjust local agency budgets to reflect the reduced level of LTF revenue. SACOG staff will continue to work with Sacramento County staff to monitor the LTF fund income and provide the Board periodic reports of any changes in its status throughout FY 2007-08.

Approved by:

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Executive Director

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