

| Gas Tax | 2020-21 Actuals | 2021-22 Estimated | 2022-23 Proposed | 2023-24 Projected | 2024-25 Forecast | 2025-26 Forecast | 2026-27 Forecast |
|---|----------------------------|------------------------------|-----------------------------|------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Beginning Fund Balance | \$ 2,958 | \$ 679 | \$ (29) | \$ 252 | \$ 25 | \$ 250 | \$ 549 |
| Revenues | | | | | | | |
| Interest Earnings | \$ 1 | \$ 3 | \$ 12 | \$ 12 | \$ 12 | \$ 12 | \$ 12 |
| State Gas Tax | 1,603 | 1,822 | 1,989 | 2,059 | 2,100 | 2,141 | 2,184 |
| Gas Tax In Lieu of Prop 42 | 718 | 874 | 1,015 | 1,050 | 1,071 | 1,093 | 1,115 |
| Total Revenues | \$ 2,322 | \$ 2,699 | \$ 3,016 | \$ 3,121 | \$ 3,183 | \$ 3,246 | \$ 3,311 |
| Transfer Out | \$ 2,799 | \$ 3,407 | \$ 2,735 | \$ 3,349 | \$ 2,958 | \$ 2,948 | \$ 2,948 |
| Reallocate Fund Balance for Creation of Road Maintenance and Rehabilitation Account Fund | \$ 1,803 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Ending Fund Balance | \$ 679 | \$ (29) | \$ 252 | \$ 25 | \$ 250 | \$ 549 | \$ 912 |

Values are shown in thousands.

The Gas Tax Fund accounts for gasoline tax revenues that are utilized for street-related operating and capital costs. The fund makes an annual transfer to the General Fund to partially offset eligible operating costs related to the City's streets and roads maintenance programs. Additionally, it makes annual contributions to the Capital Improvement Projects Fund to fund various capital improvement projects.

Fuel consumption was sharply down during the height of the COVID-19 pandemic but has largely recovered to its prior. In 2022, fuel prices have increased steeply but the price of fuel no longer has a direct effect on local streets and roads revenues because all rates are per gallon, regardless of price. Despite lower fuel consumption, scheduled gas tax rate increases have kept the revenue growing at a modest pace. The State Department of Finance (DOF) currently projects total local allocations (to cities and counties) will grow 14.8 percent in 2021-22 and 10.8 percent in 2022-23. Based on the DOF estimates, staff anticipates that gas tax revenues will reach \$2.6 million in 2021-22, and further increase to \$3 million for 2022-23. The five-year plan maintains the annual transfer to the General Fund, and makes contributions to the Capital Improvement Projects Fund to fund street reconstruction and rehabilitation projects. As more information becomes available on the impacts to gasoline tax revenues, this plan will be updated accordingly.

The Road Repair and Accountability Act of 2017 established transportation taxes that are distributed to cities and counties through the Road Maintenance and Rehabilitation Account (RMRA). When funding began in 2017-18, revenues were deposited into this fund, and then transferred out to the Capital Improvement Projects Fund as eligible projects were identified. In order to create greater visibility to available resources for projects and allow for more efficient reporting on how RMRA funds are being utilized, a new fund was created to account for RMRA funds in 2020-21. This is reflected in the reallocation of the accumulated RMRA fund balance from this fund in 2020-21.