

MEMORANDUM

TO: Eric W. Olson, City Administrator
FROM: Richard Barker, Jr., Chief Financial Officer
DATE: September 1, 2015
SUBJECT: Local Option Gasoline Tax



On July 23, 2015 the Escambia County Board of County Commissioners approved a 10 year extension of the 6 Cent Local Option Gasoline Tax (LOGT) from September 1, 2016 through August 31, 2026. The last time this tax was extended the distribution was changed from a fixed percentage to a percentage based on transportation related expenditures which has provided funding for road paving and repair, drainage, bridge maintenance, and other transportation related projects. The City's current distribution is 18.22 percent of LOGT revenues.

Attached is information received from County Staff which is on the Board of County Commissioners agenda for Thursday, September 3, 2015. The proposed County resolution changes the methodology by which the transportation related expenditures will be calculated, to be based solely from the Comprehensive Annual Financial Reports (CAFR) of the County, the City and the Town of Century.

This change in methodology will reduce the City's distribution from 18.22 percent to 5.45 percent; a reduction of 70 percent. Based on the Fiscal Year 2016 Proposed Budget, the City's revenue will decrease from \$1,550,000 to \$463,600, a decrease of \$1,086,400.

I am researching other alternatives that may be amenable to all parties involved.