



2022-2023

SACRAMENTO
TRANSPORTATION
AUTHORITY

FY 2022-23 FINAL BUDGET

SACRAMENTO, CA

2022-23

SACRAMENTO TRANSPORTATION AUTHORITY
FY 2022-23 FINAL BUDGET
SACRAMENTO, CA

GOVERNING BOARD

SACRAMENTO COUNTY BOARD OF SUPERVISORS

Don Nottoli
Patrick Kennedy
Sue Frost
Rich Desmond (Vice Chair)
Phil Serna

SACRAMENTO CITY COUNCIL

Katie Valenzuela
Jeff Harris
Eric Guerra
Mai Vang
Jay Schenirer

GALT CITY COUNCIL

Paul Sandhu

RANCHO CORDOVA CITY COUNCIL

Donald Terry

FOLSOM CITY COUNCIL

Mike Kozlowski

CITRUS HEIGHTS CITY COUNCIL

Steve Miller

ELK GROVE CITY COUNCIL

Kevin Spease
Bobby Singh-Allen (Chair)

EXECUTIVE DIRECTOR

Sabrina Drago

GENERAL COUNSEL

William Burke



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Sacramento Transportation Authority
California**

For the Fiscal Year Beginning

July 01, 2021

Christopher P. Morill

Executive Director



TABLE OF CONTENTS

1	LETTER OF TRANSMITTAL
3	Budget Overview
6	Budget Improvements for FY 2022-23
7	Strategic Planning Goals and Strategies
12	Challenges
13	Capital Improvement Program
13	Impact of Capital Improvements on Operating Budget
17	Long-Term Financial Planning
20	Factors Affecting Financial Condition
24	AUTHORITY OVERVIEW
24	Authority Profile
27	Measure A Safeguards
28	Revenue Sources
30	Debt
33	Consolidated Budget Summary
35	Appropriations
38	BUDGET PROCESS AND FISCAL POLICIES
40	Fiscal Policies
41	Fund Structure
43	Financial Planning
44	Allocations and Rates
46	Fund Balance Designations and Reserve
48	Appropriations Limit
49	Investment Policy
50	Personnel Resource Management
51	Cost Allocations
52	Records Retention Policy

52	Contracting Practices
52	Debt Policy
54	Strategic Direction
55	Performance Measures
57	Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP)

60 BUDGET SCHEDULES AND FUND INFORMATION

60	Consolidated Budget
62	General Fund
69	Capital Improvement Program
70	Sacramento Metropolitan Freeway Service Patrol Program (SacMetro FSP)
72	Administration Fund
74	Special Revenue Funds
77	Debt Service Fund

81 CAPITAL IMPROVEMENT PROGRAM

81	Capital Project Financing
82	Impact of Capital Improvements on the Operating Budget
83	Projects
84	Projects by Agency

96 ORGANIZATIONAL OVERVIEW

97	Position Descriptions
101	Accomplishments

103 STATISTICAL INFORMATION

110 GLOSSARY

2022-23

SACRAMENTO TRANSPORTATION AUTHORITY
FY 2022-23 FINAL BUDGET
SACRAMENTO, CA





1

LETTER OF TRANSMITTAL



LETTER OF TRANSMITTAL

May 12, 2022

Chairman and Members of the Board:

We are pleased to submit the Fiscal Year 2022-23 (FY 2022-23) final budget for the Sacramento Transportation Authority (Authority). California Public Utilities Code Section 180105 instructs the Authority to adopt an annual budget. This budget was created in accordance with State Law, the Authority's policies, and the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Awards Program criteria. This budget is balanced in that total revenues and fund balance are greater than total appropriations.

As the Authority's policy makers, the Governing Board (Board) sets the direction of the agency. This budget provides a framework for the Authority's finances and serves as a source of information for the Board, staff, Measure A agencies, and the public. The programs and services represented in this budget focus on the Authority's mission to maximize the use of limited available resources to best improve the transportation network in Sacramento County.

To that end, the following goals have been established:

- Maximize program effectiveness through efficient and effective stewardship of all public resources.
- Collaborate with partner agencies to ensure the timing of their funding needs and the availability of funding resources are complementary.
- Provide accurate and timely distribution of required financial reports.
- Effectively implement taxpayer safeguards identified in the Measure A Ordinance.
- Provide support to the Independent Taxpayer Oversight Committee (ITOC) in its mission to safeguard public resources by overseeing annual fiscal and periodic performance audits.
- Engage the public and solicit its input on important Authority matters.

The budget process is structured to allow the Board, staff, ITOC, and the public adequate time for review and analysis of the budget's key components. The budget process begins in January after completion and approval of the prior year's audited annual financial statements. The process continues in February and March as staff update the budget with sales tax revenue forecasts developed in conjunction with the Authority's consultant – Avenu Insights and Analytics. At the same time, staff work with each Measure A agency to gather financial information for the Capital Improvement Program (CIP) and other ongoing transportation programs. In May, a draft of the final budget is presented to the Board for its consideration and comments. In June, the final budget is presented to the Board for adoption.

SACRAMENTO AT-A-GLANCE

Sacramento County was incorporated in 1850 as one of the original 27 counties in the State of California. The County's largest city, the City of Sacramento, is the seat of government for the State of California and serves as the County Seat. Sacramento became the State Capital in 1854.

The County encompasses approximately 994 square miles in the middle of the 400-mile long Central Valley, which is California's prime agricultural region. The County is bordered by Contra Costa and San Joaquin Counties on the south, Amador and El Dorado Counties on the east, Placer and Sutter Counties on the north, and Yolo and Solano Counties on the west. The County extends from the low delta lands between the Sacramento and San Joaquin Rivers north to about ten miles beyond the State Capitol and east to the foothills of the Sierra Nevada Mountains. The southernmost portion of Sacramento County has direct access to the San Francisco Bay.

The geographic boundaries of the County include seven incorporated cities: Sacramento, Folsom, Galt, Isleton, Citrus Heights, Elk Grove, and Rancho Cordova. Each of these cities contributes a rich and unique dimension to the Sacramento County region.

The County's population is currently about 1.56 million with an average annual growth rate of approximately 1 percent. In March 2022, the County's unemployment rate was 4.7%, down considerably from 8.1% in March 2021 and 14.1% in April 2020 when the world was in the early stages of the global pandemic. Per capita personal income increased by 5.5% to \$58,307 in 2021 when compared to 2020 when it was \$55,266. The region enjoys a diverse employment base as many state agencies are headquartered in the region. In addition, healthcare entities such as UC Davis Health Systems and Kaiser Permanente employ large pools of highly skilled workers, technology giant Intel employs manufacturing personnel, and construction in the commercial, infill, and residential sectors has been robust, despite the pandemic.

Sacramento is located within a couple hour’s drive of some of the world’s most desirable outdoor recreation destinations – Lake Tahoe, the Sierra Nevada mountains, Yosemite, Mount Lassen/Shasta, and the Giant Redwoods.



BUDGET OVERVIEW

The Authority receives funding for its primary program, Measure A, from two sources – local sales tax and development fees. Despite the recent pandemic and its global impact – in health and financial terms – the Authority has been surprisingly resilient as sales tax revenue has outpaced even the most optimistic expectations. The unemployment rate which reached a high of 14.1% two years ago is now 4.7% and declining. Sales tax revenue for FY 2020-21 came in 15% higher than budgeted, while sales tax revenue for FY 2021-22 is expected to come in at \$165.1 million (14.9%) higher than budgeted based on February 2022 estimates developed by the Authority’s consultant Avenu Insights and Analytics. Since Sacramento County is not heavily reliant on tourism, it has fared much better than some California counties where sales tax and other forms of revenue plummeted.

The final budget contains three years data - prior year actual amounts identified as “FY 2021 actual,” current year amounts identified as “FY 2022 Estimate”, and the budget year amount, reported as “FY 2023 Proposed.” The FY 2022 Estimate is based on roughly 7 months of actual accounting data (modified accrual basis), while the remainder of the fiscal year is based on estimates.

The final budget anticipates \$185.1 million in total revenue, which is an increase of about \$29.9 million (19.3%) over the budgeted amount for the prior year. Appropriations for FY 2022-23 are expected to total \$174.9 million, an increase of about \$20.2 million (13%) compared to the prior year budget. In addition, other financing uses, reported as transfers out, are expected to be \$20 million in FY 2022-23 which is \$1 million less than the prior year budget. The net impact on fund balance is an increase of \$14.1 million (49.6%).



BUDGET IMPACTS

Major factors (10% or more change) impacting the budget are as follows:

- Sales tax revenue is projected to increase by \$31.3 million (21.8%) to about \$174.9 million in budget year FY 2022-23 based on the Authority's February 2022 revenue forecasts compared to budgeted sales tax revenue of \$143.6 million in FY 2021-22.
- Sacramento Abandoned Vehicle Service Authority (SAVSA) is sunsetting in April 2022, so revenue in the budget year is zero.
- Administration appropriations are expected to decrease over \$111,000 (-13%) because outlays for consulting contracts are expected to decrease.
- SAVSA appropriations are expected to decrease by \$1 million (-98.2%) because the program sunsets in April 2022 and only \$19,000 in overhead charges related to winding down the program are expected to be incurred.
- Ongoing appropriations are expected to increase by \$24.7 million (21.8%) to \$138 million because the allocations which comprise 80% of the sales tax revenue are passed through to local agencies – therefore the amount changes at the same rate as sales tax revenue year-over-year.
- Capital Improvement Program (CIP) appropriations are expected to decrease by about \$8.7 million (-24.4%) to \$27 million as many capital projects are winding down and allocations are constrained by limited cash flows.

CONSOLIDATED BUDGET GENERAL FUND, SAVSA, AND DEBT SERVICE - REVENUE, APPROPRIATIONS, AND FUND BALANCE

Description	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimate	FY 2023 Proposed	Change from FY 2022	Change in Percent
Revenues						
Sales Tax	\$153,560,355	\$143,670,000	\$165,101,000	\$174,980,000	\$31,310,000	21.79%
SCTMFP Fees *	8,956,993	6,132,000	5,432,303	6,002,671	(129,329)	-2.11%
Interest and Other	230,300	250,200	290,200	259,520	9,320	3.73%
SacMetro FSP/CVR-SAFE **	3,151,282	4,131,411	3,525,186	3,920,122	(211,289)	-5.11%
SAVSA***	1,364,680	1,076,389	1,222,957	-	(1,076,389)	-100.00%
Total Revenues	\$167,263,610	\$155,260,000	\$175,571,646	\$185,162,313	\$29,902,313	19.3%
Appropriations						
Administration	592,819	850,278	599,276	739,223	(111,055)	-13.06%
SacMetro FSP	3,305,278	3,617,748	3,572,658	3,596,477	(21,271)	-0.59%
SAVSA	1,361,101	1,076,789	1,462,736	19,285	(1,057,504)	-98.21%
Transit	6,140,147	-	5,896,289	5,462,106	5,462,106	0.00%
Contributions to Measure A Entities:						
Ongoing Allocations	121,103,239	113,336,953	130,243,226	138,036,473	24,699,520	21.79%
Capital Improvement Program (CIP)	26,080,868	35,835,679	21,517,552	27,076,268	(8,759,411)	-24.44%
Total Appropriations	\$158,583,452	\$154,717,447	\$163,291,737	\$174,929,833	\$20,212,386	13.06%
Other Financing Sources (Uses)						
Transfers In (Transit Fund)	1,000,000	-	1,000,000	1,000,000	1,000,000	0.00%
Transfers Out (Debt Service Fund)	(19,534,968)	(21,054,302)	(19,601,251)	(20,001,251)	1,053,051	-5.00%
Total Financing Sources (Uses)	(\$18,534,968)	(\$21,054,302)	(\$18,601,251)	(\$19,001,251)	\$2,053,051	-9.75%
Net Increase (decrease) in Fund Balance	(9,854,810)	(20,511,749)	(6,321,342)	(8,768,771)	11,742,978	-57.25%
Beginning Fund Balance	67,551,209	48,981,576	57,696,399	51,375,057	2,393,481	4.89%
Ending Fund Balance	\$57,696,399	\$28,469,827	\$51,375,057	\$42,606,286	\$14,136,459	49.65%
Fund Reserve****	2,000,000	2,000,000	2,000,000	7,800,000	5,800,000	290.00%
Ending Fund Balance Less Reserve	\$55,696,399	\$26,469,827	\$49,375,057	\$34,806,286	\$8,336,459	31.49%

* Sacramento Countywide Transportation Mitigation Fee Program

** Sacramento Metropolitan Freeway Service Patrol/Captial Valley Regional Service Authority for Freeways and Expressways

*** Sacramento Abandoned Vehicle Service Authority

**** FY 2022-23 \$7.5 million for the capital program and \$300,000 for administration



BUDGET IMPROVEMENTS FOR FY 2022-23

Fund balance reserves have been increased in the budget year to be in compliance with GFOA guidelines in that; two to four months' revenue or expenditures, whichever is more stable, be set aside for economic uncertainties and any other unforeseeable changes in revenue or expenditures impacting fund balance. The more stable basis in the Authority's case is revenue. For FY 2022-23, the CIP and administration reserve fund balances are budgeted at \$7.5 million and \$300,000, respectively. Other improvements include the following:

BUDGET IMPROVEMENTS

- **EXPENDITURES** – added expenditures by fiscal year to the long-term revenue forecasts table.
- **SPECIAL REVENUE FUNDS** – implemented Governmental Accounting Standards Board (GASB) 84 which resulted in reclassifying two funds previously reported as Agency Funds to Special Revenue Funds effective July 1, 2021
- **AUTHORITY OVERVIEW** – added an organizational chart graphic
- **STATISTICAL SECTION** – added statistical subsection to the Letter of Transmittal.
- **BUDGET TABLES** - reformatted so that financial information is easy for the user to read and understand.
- **TABLES AND GRAPHS** – added tables and graphs showing trends and metrics.



STRATEGIC PLANNING GOALS AND STRATEGIES

The Authority's mission is to fund innovative and sustainable transportation solutions to help relieve traffic congestion, improve air quality, expand public transit, and improve public safety.

The Strategic Plan articulates the Authority's long-term goals, objectives, and priorities. It is comprised of four goals – financial stability, operational efficiency, outreach and education, and transportation project planning and prioritization.

GOAL 1 FINANCIAL STABILITY

1

The goal is to ensure adequate fiscal resources are available to fulfill the Authority's mission. The Authority has a fiduciary responsibility to regularly monitor current and projected revenues and expenditures to ensure an appropriate amount of funding is available when needed. The Authority's two funding sources for its Measure A program are local sales tax and development fee revenues. It also has access to the debt market to advance projects. The table below summarizes five years' data for the Authority's funding sources, debt metrics, and fund balance.

KEY PERFORMANCE INDICATORS

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Estimate	FY 2022-23 Proposed
Sales Tax Revenue	\$131,757,081	\$119,187,748	\$153,560,355	\$165,101,000	\$174,980,000
Mitigation Fee Revenue	6,684,039	7,551,556	8,956,992	5,432,303	6,002,671
Bonded Debt Outstanding	360,875,000	356,985,000	352,935,000	348,700,000	344,245,000
Debt Service Coverage Ratio	5.68x	5.87x	6.79x	8.37x	8.87x
Bond Rating (S & P)	AA+	AA+	AA+	AA+	AA+
Fiscal-Year-End GF Fund Balance	\$46,627,743	\$42,545,332	\$37,993,208	\$40,611,096	\$41,766,232

GOAL 1 FINANCIAL STABILITY**1**

In its effort to carry out this goal, Authority staff identified strategic objectives that are regularly monitored and updated to ensure that fiscally responsible actions are undertaken as needed for the program's long-term financial stability.

1. Perform revenue forecasts at least annually.

- a. Engage a revenue projection consultant to assist Authority staff in developing revenue forecasts for sales tax and development fees through the end of the program in FY 2038-39

2. Perform cash flow analyses for the capital improvement program (CIP) based on single-year and multi-year funding contracts.

- a. Regularly review cash flows and available fund balance to ensure adequate program funding.

3. Annually, provide updated financial information to bond rating agencies.

- a. Periodically meet in person with the Authority's bond program credit rating agencies to provide updated financial and other economic information for the region and Authority.

4. Provide financial reporting package to financial institutions on a quarterly basis.

- a. Within 60-days after the end of each fiscal quarter and upon completion of the audited financial statements, provide required financial information to each financial institution underwriting the Authority's bond program.

GOAL 2 OPERATIONAL EFFICIENCY

2

The goal is to implement and maintain effective operational practices. The Authority needs to maximize fiscal restraint for program administration costs which include salaries and benefits, overhead such as office space and IT equipment and services, and contracts for professional services such as legal and financial auditing. Funding for program administration is limited to 0.75% of the net sales tax proceeds. However, non-recurring revenue such as the reimbursement for certain services provided to partner agencies may increase the total revenue available for program administration. The following table summarizes sales tax allocations and expenditures for administration for five fiscal years including the budget year.

KEY PERFORMANCE INDICATORS

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Estimate	FY 2022-23 Proposed
Sales tax allocation for administration	970,277	969,170	1,132,225	1,217,880	1,291,202
Other	-	55	55	50	50
Beginning Fund Balance	664,030	861,894	722,531	1,261,992	1,880,646
Total Revenues and Fund Balance	\$1,634,307	\$1,831,119	\$1,854,811	\$2,479,922	\$3,171,898
Expenditures:					
Salaries and Benefits	444,551	511,904	470,836	481,900	526,310
Overhead	45,336	129,724	82,886	88,126	157,664
Professional Services	282,526	466,961	39,096	29,250	55,250
Total Expenditures	\$772,413	1,108,588	\$592,819	\$599,276	\$739,223
Ending Fund Balance	\$861,894	\$722,531	\$1,261,992	\$1,880,646	\$2,432,674

Generally, sales tax allocations combined with non-recurring revenues exceed expenditures leaving a fund balance to carry into the following year. The Authority does not rely on non-recurring revenue to fund program administration. To maximize operational efficiency, staff implemented strategic objectives to ensure that every appropriated dollar is justified.

1. Prepare multi-year cash-flow analyses.

- a. As part of the budget cycle and mid-year, staff prepare cash-flow analyses to ensure a reasonable fund balance is maintained considering the changes in expected revenues and expenditures.

GOAL | **OPERATIONAL EFFICIENCY****2****2. Establish a fund balance reserve for the Capital Improvement Plan (CIP) and Administration funds.**

- a. The fund balance reserve for the CIP in the budget year is \$7.5 million and \$300,000 for the Administration fund.

3. As contracts for services expire, bid out the services through the competitive bid process.

- a. Contracts for IT support services, legal services, and financial advisory services were executed during FY 2021-22. All services were bid through a competitive process and the lowest cost, qualified firms were hired.

4. Developed a methodology to allocate administration costs to the SacMetro FSP and SAVSA programs using an annually updated formula.**GOAL** | **OUTREACH AND EDUCATION****3**

The Authority is a small agency with limited exposure to the public, so it needs to proactively engage public members. To do so, the Authority established strategic objectives designed to accomplish this engagement.

1. Promote an awareness of regularly scheduled Independent Taxpayer Oversight Committee (ITOC) meetings.

- a. Developed a website dedicated to the ITOC. Established a meeting calendar.
- b. Invite ITOC to regularly update the Board in its efforts to carry out its responsibilities as identified in the Measure A Ordinance.

2. Promote attendance at Board meetings.

- a. Invite local advocate groups to participate in Board meetings.

3. Enlist awareness at the local agency level.

- a. Encourage local jurisdictions participating in the Measure A program to post approved signage on vehicles and projects.

GOAL 4 TRANSPORTATION PROJECT PLANNING AND PRIORITIZATION

The Measure A program spans 30 years – 2009 through 2039. Voters approved an Expenditure Plan as part of the Measure A Ordinance identifying which projects should be constructed and how much funding is allocated by project type based on the revenue forecasts included in the Expenditure Plan. The Authority is charged with monitoring projects and spending as envisioned in the Expenditure Plan. The following strategic objectives are designed to accomplish that goal.

1. Regularly engage program partners

- a. Meet regularly with the Professional Advisory Group (PAG) to discuss current issues and for planning purposes. This group consists of representatives from each partner agency – members are typically the public works directors and staff.
- b. Regularly communicate the Authority’s financing plans by fiscal year and project.
- c. Present a status update of each project under contract with the Authority to the Board and ITOC on a quarterly basis.

2. Assess program financing needs.

- a. Regularly perform cash-flow analyses to determine what financing mechanisms are available to meet program needs.

The Authority views the strategic goals and objectives above with the mindset that it has the fiduciary responsibility to carry out the program’s objectives in an orderly, equitable, and transparent way.



CHALLENGES

The Measure A Capital Improvement Program (CIP) is currently financed through sales tax pay-go and the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP) funding since remaining proceeds from bonds issued early in the program were expended in FY 2017-18. Since then, the Authority has been funding its CIP on a pay-go basis. Fund balance and cash receipts from the sales tax and development fee programs is projected to be sufficient to pay for anticipated claims during the budget year. The cash accumulation is in part, the result of many project delays including construction bids coming in higher than engineers' estimates – delaying project starts and the related spending. Since project costs continue to escalate over time and given the limited funding availability, some projects may not be completed. Adding to that challenge, the Authority begins making principal payments on existing variable interest rate debt in FY 2028-29, significantly reducing cash available for projects. Because of delayed capital spending and debt program constraints, demand for funding and available cash will likely not align, creating future challenges.

The Measure A Ordinance limits to 0.75% of the net sales tax revenue, the amount that can be used to fund administration. Since sales tax revenue fluctuates but salaries, benefits, and other costs such as the California Public Employee Retirement System (CalPERS) unfunded liability continue to rise, the current staffing level of 3 full-time equivalent (FTE) positions is not likely to increase in the near term. At the same time, staff workload continues to increase as the Authority implements new programs such as the Smart Growth Incentive and Transportation Project Environmental Mitigation Programs which began in FY 2021-22.

The challenges mentioned above are not insurmountable over the long run with careful planning and monitoring. In response to these challenges, Authority staff continue monitoring long-term program financing for the CIP and administration costs by taking steps to ensure adequate funding is available to pay for the anticipated costs. This is accomplished, in part, by annually updating our revenue forecasts and adjusting program expenditures accordingly.



CAPITAL IMPROVEMENT PROGRAM

In 2004 voters approved 54 projects which are identified in the Sacramento County Transportation Expenditure Plan 2009-2039 (Expenditure Plan). The agencies implementing the projects are the County of Sacramento (County), the cities of Galt, Elk Grove, Rancho Cordova, Sacramento, Citrus Heights, and Folsom, the California Department of Transportation (Caltrans), Sacramento Regional Transit (SacRT), and the Capital SouthEast Connector Authority. After voters approved Measure A in 2004 and before collection of the sales tax began in April 2009, Authority staff coordinated a multi-year effort to determine funding by fiscal year for each project through the end of the Measure A program in 2039. The CIP allocation plan serves as a roadmap for the program's projects, but the Measure A Ordinance requires a review of the overall program beginning in 2019 and every 10 years thereafter. This effort affords an opportunity to update the Expenditure Plan with current priorities based on input and approval from the County Board of Supervisors and a majority of city councils constituting a majority of the incorporated population. The first such effort was completed in June 2021.

The Authority does not construct, operate, or own the related capital assets for any of the projects in the Expenditure Plan. The Authority exists, in part, to administer funding for the CIP. As such, there is no impact on the Authority's operating costs resulting from constructing projects in the Expenditure Plan.

There are 15 projects and the Smart Growth Incentive Program (SGIP) programmed to receive Measure A funding during FY 2022-23 through inter-agency funding agreements. All CIP projects and the SGIP are multi-year or long-term in nature, therefore they span multiple funding agreement cycles. Since availability of funding is a primary driver for the construction cycle, some projects may stall while enough funding is identified. Therefore, it is not uncommon to reallocate funding from one project to another based on the availability of matching fund from sources such as the state and federal government funding and the phase of the project. Since Measure A funding is normally the local matching component for other funding sources, the Authority and the agencies building the projects work together throughout the project lifecycle to ensure funding is available when and where needed. Since most projects receive funding from multiple sources, a project's allocation of Measure A funding may be exhausted before completion of the project depending on agency priorities and the availability of matching funds. Projects in the budget include the following:

CIP PROJECTS



- **Bradshaw Road/Phase 2** – this project will construct capacity, safety, and access improvements at the Bradshaw/Jackson intersection. The FY 2022-23 appropriation is \$226,000.
- **Folsom Boulevard/Complete Streets** – this project will improve safety and connectivity along Folsom Boulevard between Bradshaw Road and Mayhew Road. The FY 2022-23 appropriation is \$660,000.
- **Greenback Lane/Complete Streets** – this project, which is on Greenback Lane between Chestnut Avenue and Folsom City Limits, will improve safety and connectivity. The FY 2022-23 appropriation is \$1,128,000.
- **Hazel Avenue/U.S. 50 to Folsom Boulevard** – this project will construct capacity, safety, and access improvements at the U.S. 50/Hazel Avenue interchange and the Hazel Avenue/Folsom Boulevard intersection. The FY 2022-23 appropriation is \$5,045,000.
- **Hazel Avenue/U.S. 50 to Madison** - this is the 3rd phase of the Hazel Avenue project that will widen Hazel Avenue from four to six lanes from Sunset Avenue to Madison Avenue. The FY 2022-23 appropriation is \$1,029,000.
- **Madison Avenue/Phase I** – this project will widen Madison Avenue from 4 to 6 lanes with raised medians between Fair Oaks Boulevard and Hazel Avenue in the Citrus Heights and Fair Oaks areas. The FY 2022-23 appropriation is \$470,000.
- **Sunrise Boulevard/Jackson to Grant Line** – this project will widen the existing intersection at Jackson Road and Sunrise Boulevard. The FY 2022-23 appropriation is \$125,000.



- **Watt Avenue/Antelope to Capital City Freeway** – this project will provide safety and connectivity improvements on Watt Avenue north of I-80 from Orange Grove Avenue to Roseville Road. The FY 2022-23 appropriation is \$91,000.
- **South Watt/Elk Grove-Florin Road** – this project will widen South Watt Avenue from two to four lanes between Florin Road and Jackson Road. The FY 2021-22 appropriation is \$2,018,000.



- **Richards Boulevard/I-5 Interchange** – this project will provide long-term operational and circulation improvements to address future impacts resulting from high density development in the Central City. The FY 2022-23 appropriation is \$539,833.
- **Intermodal Station/Phase III** – this project is currently in the planning phase for the expansion of the existing station facility which will better connect transportation services closer to the relocated train track and platform alignment. The timeline for full build-out is currently 2040 and is planned to be implemented in distinct phases. The FY 2022-23 appropriation is \$1,406,609.



- **Greenback Lane/Sunrise Blvd. to Fair Oaks Blvd.** – traffic signal upgrades and modifications, ADA, pedestrian, bicycle and transit enhancements, drainage improvements, and pavement restoration. The FY 2022-23 appropriation is \$600,000.



- **U.S. 50 high occupancy vehicles (HOV)/I-5 to Watt Avenue** – this project is designed to reduce recurring congestion on U.S. 50 from the Watt Avenue Interchange (where the current HOV lanes start and stop on U.S. 50) to the I-5 Interchange in downtown Sacramento. The FY 2022-23 appropriation is \$3,513,450.
- **I-5 HOV** – this project, in its first phase, will construct bus/carpool lanes on I-5 from Beach Lake Bridge to Interstate 80. The FY 2022-23 appropriation is \$5,600,000.



SMART GROWTH INCENTIVE PROGRAM

- This project consists of a 34-mile-long expressway that will serve as a beltway through the southern area of Sacramento County into El Dorado County, enabling travelers to bypass downtown Sacramento and Highway 50 congestion between Elk Grove, Rancho Cordova, Folsom, and El Dorado Hills. The FY 2022-23 appropriation is \$1,955,197.
- Planning, development, and acquisition of the Consumnes River Permanent Open Space Preserve and/or any other environmental mitigation needed to offset the impacts from the Capital SouthEast Connector. In addition, projects identified on a competitive basis that meet certain smart growth objectives that are consistent with the Sacramento Area Council of Governments' Community Design program. The FY 2022-23 appropriation is \$2,669,179.



LONG-TERM FINANCIAL PLANNING

Sales tax revenue forecasts are the starting point for short and long-term financial planning. Annually, Authority staff work with revenue projection consultant – Avenu Insights and Analytics - to provide updated revenue forecasts for each remaining fiscal year of the Measure A sales tax program – through FY 2038-39. This information is used to provide overall program revenues based on audited revenue amounts for past years and forecasts for the remaining years as a comparison to the revenue forecasts included in the Expenditure Plan approved by voters in 2004. A portion of this revenue is pledged to service the Authority’s debt program and to determine the Authority’s debt coverage percentages which are important to investors and financial institutions underwriting its debt. In addition, this effort allows the Authority to determine if projected revenue supports the issuance of additional debt, as necessary.

Additionally, the Authority hired consultant – Economic & Planning Systems – to project revenues for the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP) through 2038-39. This initial effort was completed in August 2021. Historically, forecasts for this program have been developed internally. However, given that the CIP has been funded on a pay-go basis since FY 2017-18 when debt proceeds were exhausted and cash balances to fund the program have been declining year over year, understanding cash flows has become increasingly important. When the Expenditure Plan was developed in 2004, the revenues for this program were estimated to be \$488 million. However, using the recent projections, revenues are expected to come in at about 37% of expectations or \$180.5 million.

To illustrate the Authority’s ability to continue funding its commitments for the remainder of the program, staff prepare a summary of funding sources and uses including legally required ongoing allocations, capital project costs, and debt service costs. The following table summarizes each revenue and expenditure type by fiscal year based on actual data through FY 2020-21, an estimate for FY 2021-22, and forecasts for the remaining years.

Total funding sources for Measure A are cumulatively projected to be \$5.66 billion consisting of local sales tax revenue of \$5.11 billion, development fees of \$180.5 million, and the issuance of bonded debt in the amount of \$377.3 million. In the voter approved Expenditure Plan, funding from the sales tax program was projected to be \$4.74 billion and \$488 million for the development fee program – a total of \$5.22 billion. If the current projections hold true, then overall program revenue will come in about \$180 million higher than estimates incorporated in the Expenditure Plan.

Total uses of funds are projected to be \$5.66 billion consisting of ongoing allocations of \$4.07 billion, capital improvement programs cost of \$882.2 million, and debt service costs of \$715.1 million – of which \$377 million is bond principal. The interest costs for debt issued early in the program reduce the funds available to construct capital projects currently, but debt funding afforded the region the opportunity to advance many projects early in the program, completing them for less money when inflation is considered.

MEASURE A PROGRAM REVENUE AND APPROPRIATION SUMMARY (IN 000'S)

Fiscal Year	Sales Tax Revenue	SCTMFP	Bonds Issued	Total Sources	Ongoing Allocations**	CIP ***	Debt Service Net****	Total Uses
2010	\$81,414	\$3,074	\$318,300	\$402,788	\$64,929	\$209,223	\$11,426	\$285,578
2011	87,299	2,334	-	89,633	69,622	49,025	16,182	134,829
2012	92,240	2,957	-	95,197	73,563	35,957	14,836	124,355
2013	97,390	3,176	53,400	153,966	77,670	16,917	15,687	110,273
2014	100,063	3,541	-	103,604	79,802	17,124	16,231	113,157
2015	105,564	4,624	-	110,188	84,189	20,233	15,797	120,218
2016	110,708	4,364	-	115,072	88,291	26,206	17,218	131,714
2017	116,878	7,848	-	124,726	93,212	16,697	18,999	128,908
2018	119,188	7,622	-	126,810	95,054	13,250	19,491	127,794
2019	131,757	6,684	-	138,441	103,992	10,706	17,403	132,100
2020	131,591	7,552	-	139,143	103,808	20,411	18,739	142,958
2021	153,560	8,957	-	162,517	120,103	26,081	18,753	164,937
2022	165,101	5,432	-	170,533	131,670	21,518	17,848	171,036
2023	174,980	6,003	5,654	186,637	139,549	27,076	17,850	184,475
2024	183,191	6,023	-	189,214	146,097	40,724	17,855	204,676
2025	190,612	6,429	-	197,041	152,016	42,312	17,851	212,179
2026	197,334	5,438	-	202,772	157,376	30,891	17,849	206,116
2027	203,298	5,541	-	208,839	162,133	26,458	17,849	206,440
2028	208,547	5,689	-	214,236	166,319	24,680	17,853	208,852
2029	214,512	5,842	-	220,354	171,076	24,680	33,866	229,622
2030	220,647	6,108	-	226,755	175,969	18,206	35,087	229,262
2031	226,958	6,160	-	233,118	181,002	18,206	35,149	234,357
2032	233,449	6,325	-	239,774	186,179	18,206	35,275	239,660
2033	218,637	6,494	-	225,131	174,366	18,206	35,353	227,925
2034	212,395	6,669	-	219,064	169,388	18,206	35,491	223,085
2035	223,768	10,368	-	234,136	178,458	18,206	35,584	232,248
2036	233,265	7,031	-	240,296	186,032	18,206	35,732	239,970
2037	239,835	7,220	-	247,055	191,272	18,206	35,827	245,305
2038	246,564	7,414	-	253,978	196,638	18,206	35,973	250,817
2039*	190,111	7,612	-	197,723	151,616	18,213	36,067	205,896
Total	\$5,110,856	\$180,531	\$377,354	\$5,668,742	\$4,071,388	\$882,235	\$715,120	\$5,668,742

* Program sunsets March 2039

** Ongoing allocations as required under the Measure A Ordinance

*** CIP expenditures include those funded with revenue anticipation notes issued in 2006 and 2007 totaling \$183 million

**** Net of interest rate swap revenue

The information in the previous table is based on the following methodologies:

- Sales tax revenue forecasts were developed by Authority staff and Avenu Insights and Analytics in February 2022.
- SCTMFP forecasts were developed by Authority staff and Economic & Planning Systems in August 2021.
- Ongoing allocations are required per the Measure A Ordinance and calculated by multiplying the sales tax revenue by 79.25% - which is the sum of the allocations identified in the Expenditure Plan.
- The remaining sales tax revenue is available as pay-go for the CIP.
- CIP allocations are the actual amounts through FY 2020-21, estimated for FY 2021-22, and forecasts for the remaining years.
 - o Much of the CIP funding (42.1%) was spent in the first five years of the program because bonds were issued to advance projects.
- Debt service costs are the actual amounts through FY 2020-21, while the remaining years' costs were estimated by the Authority's financial consultant – PFM Financial Advisors.



FACTORS AFFECTING FINANCIAL CONDITION

As of March 2022, a Citizen’s Initiative (Initiative) is underway to generate an additional half-cent retail sales tax for transportation over the next 40 years. If the Initiative qualifies for the November 2022 ballot and voters approve it, the additional tax measure is projected to generate about \$8.5 billion in new funding for the region. Although the Authority is not involved in the development or promotion of the Initiative, it is designated as the administering agency. If approved by voters, the funds would be used for road repair and maintenance, transit and transportation construction, and operating costs.

SACRAMENTO COUNTY FINANCIAL INDICATORS



The following table represents some of the fundamentals driving Sacramento County’s financial condition during the past 10 years. Unemployment was 4.7% in March 2022 and 8.1% in March 2021 after reaching a high of 14.7% in May 2020 when the global pandemic struck. Annualized unemployment rates in the table differ markedly from the data points above. Unemployment continues to decline as businesses reopen and demand for consumer products and services increases. During 2022, the County’s population increased by 7,000 (.5%) and per capita personal income increased by 5.5% to \$58,307. A portion of the current growth is net migration from surrounding counties with a higher cost of living. Sacramento County borders eight neighboring counties where home prices are, on average, much higher. In February 2022, the median home price in Sacramento County was about \$524,000 while eight neighboring, more expensive, counties varied from \$575,000 in Solano County to over \$1.2 million in the San Francisco Bay area. The remaining growth is primarily attributable to people moving into the County for employment reasons. Population growth directly supports increases in taxable retail sales and associated revenues.

The last year has been full of uncertainty as the effects of the pandemic unfolded. Although there are many businesses that have been shuttered and the unemployment rate continues to drop, the citizens in the region have proven to be resilient. Consumer spending caused sales tax receipts to reach an all-time high of \$153.5 million in FY 2020-21. The trend is expected to continue as sales tax revenues are estimated to be \$165.1 million in FY 2021-22 and \$174.9 million in FY 2022-23

During the pandemic, operations at the Authority have continued as expected, albeit much of it remotely. The transition to operating remotely was generally seamless, in part, because the agency shifted to a mostly electronic environment over the last several years. This was accomplished by moving nearly all documents and software to a cloud-based platform administered by Microsoft. In doing so, not only can staff easily work remotely, but all agency information is secure.

The table below captures fundamental economic data for Sacramento County for the past 10 years.

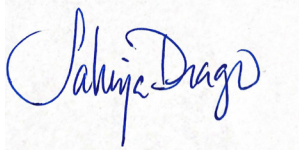
FACTORS AFFECTING FINANCIAL CONDITION - LAST 10 YEARS

Year	Unemployment Rate	Per Capita Personal Income	Change in Percent	Population Growth	Change in Percent
2012	12.1%	40,068	4.2%	1,435,000	0.9%
2013	10.5%	41,303	3.1%	1,447,000	0.8%
2014	8.9%	42,229	2.2%	1,460,000	0.9%
2015	7.3%	44,303	4.9%	1,478,000	1.2%
2016	6.0%	46,845	5.7%	1,497,000	1.3%
2017	5.4%	48,965	4.5%	1,514,000	1.1%
2018	4.6%	50,445	3.0%	1,531,000	1.1%
2019	3.8%	52,544	4.2%	1,541,000	0.7%
2020	3.7%	55,266	5.2%	1,552,000	0.7%
2021	9.3%	58,307	5.5%	1,559,000	0.5%

Sources: County of Sacramento Annual Comprehensive Financial Report

In summary, the County has prospered over the last decade, but the Authority will continue to monitor national, regional, and local trends and respond accordingly. The Board and staff will strive to serve the public with transparency and continue practicing good stewardship over public resources in their effort to fund the region's transportation needs.

Sincerely,

A handwritten signature in blue ink that reads "Sabrina Drago". The signature is written in a cursive style with a large initial 'S'.

Sabrina Drago
Executive Director

A handwritten signature in black ink that reads "Timothy Jones". The signature is written in a cursive style with a large initial 'T'.

Timothy Jones, CPA, CPFO
Chief Financial Officer



2

AUTHORITY OVERVIEW



AUTHORITY OVERVIEW

This section contains the Authority’s profile, Measure A safeguards, and a summary of its final budget. It also includes a discussion of the factors affecting the Authority’s financial condition. The final budget totals \$185.1 million in revenue from all funding sources reported in the General Fund, Sacramento Abandoned Vehicle Service Authority (SAVSA), and Transit Funds. The budget includes 3 authorized full-time equivalent (FTE) positions.

\$185.1
MILLION

IN REVENUE



3 FTE POSITIONS



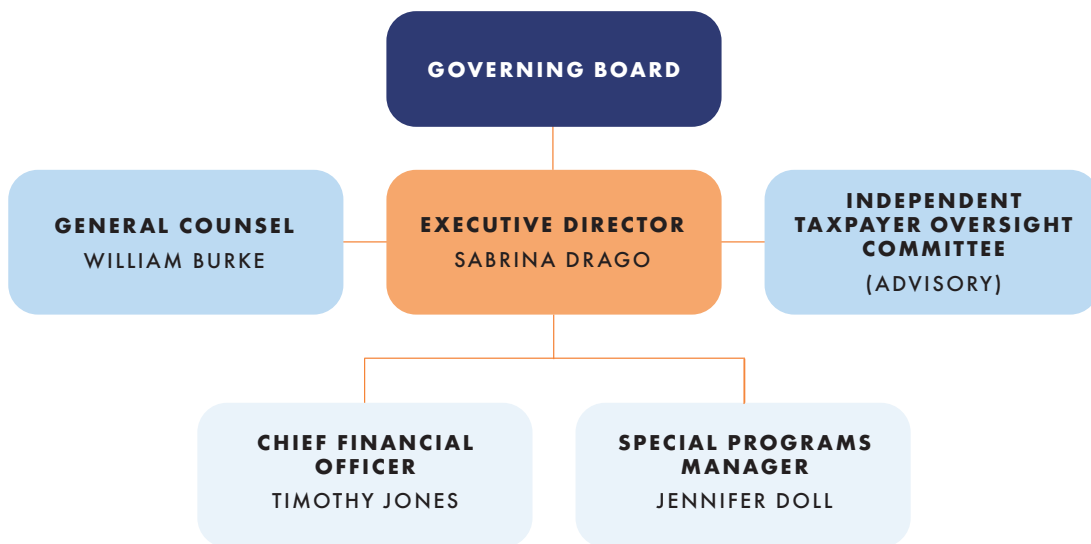
AUTHORITY PROFILE

The Sacramento Transportation Authority (Authority)—a Local Transportation Authority—was created in August 1988 under the Local Transportation Authority and Improvement Act, commencing with California Public Utility Code Section 180000 to administer the Measure A sales tax program. In November 1988, Sacramento County voters passed Measure A, an Ordinance enacted by the Authority’s Governing Board (Board) imposing a one-half cent retail sales tax to fund transportation improvements throughout Sacramento County for a 20-year period. In November 2004, voters approved a 30-year extension of the one-half cent retail sales tax beginning in April 2009 (Measure A). At the same time, the 1988 Measure A sales tax sunsetted. The Authority also administers the Sacramento Metropolitan Freeway Service Patrol (SacMetro FSP) and SAVSA programs, neither of which is affiliated with the Measure A retail sales tax program.

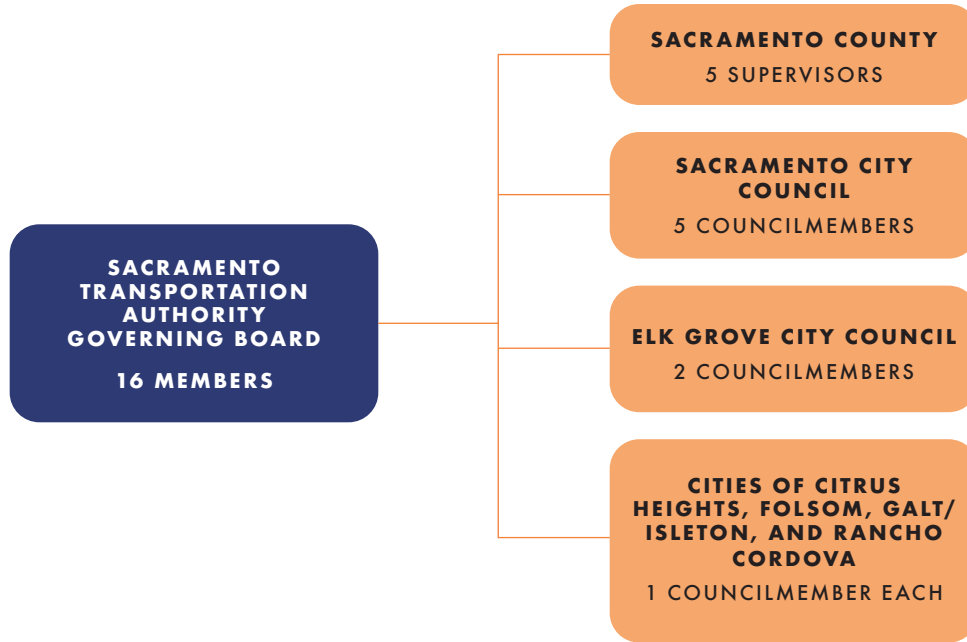


The Board is composed of 16 members, including five Sacramento County Supervisors, five members of the Sacramento City Council, two members of the Elk Grove City Council, and one councilmember each from the Cities of Citrus Heights, Folsom, Galt/Isleton, and Rancho Cordova. The Board generally meets monthly except for summer and fall recesses. It appoints the Authority’s Executive Director. The Executive Director is responsible for carrying out the policies and ordinances of the Authority and overseeing day-to-day operations and Authority staff consisting of the Chief Financial Officer and Special Programs Manager. As part of the Measure A Ordinance, voters approved the creation of the Independent Taxpayer Oversight Committee (ITOC) which regularly holds meetings. The ITOC consists of six members - three voting members with specific professional and/or community credentials in the areas of finance, engineering or transportation planning, and management of major construction projects. In addition, there are three non-voting members: STA Governing Board Chair or his/her designee, the Sacramento County Auditor or his/her designee, and the Authority’s Executive Director.

STA ORGANIZATIONAL STRUCTURE



STA GOVERNING BOARD



The Board advances the Authority’s mission, vision, and core values by overseeing the prompt, cost-effective delivery of funds to each Measure A agency. In doing so, the Authority helps to support each agency’s ongoing transportation programs related to street and road maintenance, traffic control and safety, streetscaping, pedestrian, and bike facilities. Additionally, the funding supports major capital construction projects throughout the region. To ensure that funding and other resources are available when needed, Authority staff regularly work with each Measure A agency to ensure that the short and long-term plans of the Authority and agency are complimentary.





MEASURE A SAFEGUARDS

Under Measure A, specific safeguards are in place to ensure that all funding is spent on specified, voter-approved transportation construction projects, improvements, and new programs identified in the Expenditure Plan. Those safeguards include the following:



Projects and programs included in the Expenditure Plan are implemented by the Authority which administers Measure A funds.

The Expenditure Plan is reviewed at least every ten years, beginning in 2019, to ensure that it reflects projected funding availability and current community needs such as demographics, economics, and technology changes.

The Expenditure Plan can only be changed upon approval by the County Board of Supervisors and a majority of the cities in the County representing a majority of the incorporated population.

The ITOC was created to supervise annual fiscal and periodic performance audits of all Measure A funds in addition to providing an independent review of the use of funds to ensure that Measure A funds are spent in accordance with provisions of the voter-approved Expenditure Plan.

Sales tax proceeds can only be used for transportation programs and cannot replace traditional revenues generated through development fees and assessment districts.

A limit of 0.75% of the net sales tax can be used for the administration of the sales tax program.



REVENUE SOURCES

Under Measure A, the Authority’s primary revenue source is generated from a local retail sales tax while a smaller revenue source is generated from development fees. On average, sales tax comprises 95.8% of the Measure A revenues. The Measure A Ordinance authorizes the Authority to collect a one-half cent sales tax on retail sales throughout the County. The development fee is collected under the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP). The table below summarizes each Measure A revenue source by fiscal year from program inception in FY 2009-10 through the budget year FY 2022-23. The sales tax growth rate averages 6.4% per year including an estimate for FY 2021-22 and forecast for FY 2022-23. The SCTMFP growth rate averages 8.8% per year; however, the growth rate fluctuates year-over-year from a low of -24.1% in FY 2010-11 to a high of 79.9% in FY 2016-17.

Authority staff, with the assistance of a consultant – Avenu Insights and Analytics, project sales tax revenue at least annually. Using these forecasts, staff monitor program cash-flows in relation to expected spending to determine what actions, if any, are necessary to align them.

Fiscal Year	Taxable Sales (000's)	Sales Tax (000's)	Growth Rate	SCTMFP Fees (000's)	Growth Rate	Ratio of Sales Tax to SCTMFP
2009-10	\$16,638,458	\$81,414		\$3,074		96.4%
2010-11	17,416,097	87,299	7.2%	2,334	-24.1%	97.4%
2011-12	18,608,568	92,240	5.7%	2,957	26.7%	96.9%
2012-13	19,552,242	97,390	5.6%	3,176	7.4%	96.8%
2013-14	20,624,371	100,063	2.7%	3,541	11.5%	96.6%
2014-15	21,536,376	105,564	5.5%	4,624	30.6%	95.8%
2015-16	22,655,018	110,708	4.9%	4,364	-5.6%	96.2%
2016-17	23,624,106	116,878	5.6%	7,848	79.9%	93.7%
2017-18	24,919,389	119,188	5.2%	7,622	-2.9%	94.0%
2018-19	26,166,831	131,757	10.5%	6,684	-12.3%	95.2%
2019-20	26,318,200	131,591	-0.1%	7,552	13.0%	94.6%
2020-21	30,712,000	153,560	16.7%	8,957	18.6%	94.5%
2021-22*	33,020,200	165,101	7.5%	5,432	-39.4%	96.8%
2022-23**	34,996,000	174,980	6.0%	6,003	10.5%	96.7%
Average	\$24,056,275	\$119,124	6.4%	\$5,298	8.8%	95.8%

* estimate

** forecast



The Authority administers the Sacramento Metropolitan Freeway Service Patrol (SacMetro FSP) which is funded with state and local grants averaging \$2.6 million annually. The California Department of Transportation (Caltrans) annually approves a state grant which is received on a reimbursement basis as the Authority bills it for services. Additionally, a local grant is received annually as a lump sum through the Capitol Valley Regional Service Authority for Freeways and Expressways (CVR-SAFE) program administered by the Sacramento Area Council of Governments (SACOG). The Authority also administers the Sacramento Abandoned Vehicle Service Authority (SAVSA). This program is funded by a \$1 surcharge on certain vehicle registrations within the County. This revenue is remitted to the Authority by the California Department of Motor Vehicles (DMV) on a quarterly basis and is relatively consistent at about \$1.1 million annually, however the program sunsets in April 2022. The table below summarizes each programs’ revenue by fiscal year since FY 2009-10.

SACMETRO FSP AND SAVSA REVENUE BY FISCAL YEAR - TEN YEARS

Fiscal Year	SacMetro FSP	SAVSA***	Total	Year-Over-Year Growth Rate
2013-14	2,122,523	1,173,231	3,295,754	0.0%
2014-15	2,050,573	1,220,911	3,271,484	-0.7%
2015-16	1,991,947	1,276,112	3,268,059	-0.1%
2016-17	2,065,521	1,286,741	3,352,262	2.6%
2017-18	2,498,978	1,279,216	3,778,194	12.7%
2018-19	2,043,752	1,323,237	3,366,989	-10.9%
2019-20	2,703,639	1,364,835	4,068,474	20.8%
2020-21	3,151,282	1,364,680	4,515,962	11.0%
2021-22*	3,525,186	1,222,957	4,748,143	5.1%
2022-23**	3,920,122	-	3,920,122	-17.4%
Average	2,607,352	1,151,192	3,758,544	2.3%

* Estimate

** Forecast

*** Program sunsets April 2022

The Authority’s only other revenue source is interest income which is estimated to be about \$260,000 in FY 2022-23. Interest income is received from the Authority’s interest rate swap partners who pay the Authority variable rate interest on three series of bonds in exchange for the Authority paying them fixed rate interest and on fund balances held in the Sacramento County Investment Pool.





DEBT

The Measure A Ordinance allows the Authority to issue debt to fund transportation projects described in the Expenditure Plan. However, the amount of debt is limited to the principal, interest, and other charges that can be paid with 20.75% of the net proceeds from the sales tax revenue. Therefore, before issuing any debt, Authority staff work with its legal and financial advisory team to determine how much funding is projected to be available for debt service which in turn drives decisions related to how much additional debt is affordable.

In October 2009, the Authority issued \$318.3 million in variable-rate Measure A Sales Tax Revenue Bonds (VRDB). In July 2012, fixed rate bonds with a par value of \$53.4 million were issued – bringing the total outstanding debt to \$371.7 million. To reduce interest rate risk related to the VRDBs, the Authority negotiated interest rate swaps (hedging derivatives) with three financial institutions – JP Morgan, Goldman Sachs, and Bank of America. In doing so, the interest rate for the three series 2009 bonds is synthetically fixed at about 3.7%. The swaps have proven to be effective to date. However, the Authority in conjunction with its legal and financial advisory team, regularly monitor the debt program to determine if any changes are necessary based on market conditions and the related effectiveness of the swaps. The table below summarizes debt issued and outstanding.

MEASURE A SALES TAX REVENUE BONDS

Series	Issue Date	Amount	Description
2009A	October 2009	\$106,100,000	Variable-rate
2009B	October 2009	106,100,000	Variable-rate
2009C	October 2009	106,100,000	Variable-rate
2012	July 2012	53,355,000	Fixed rate
		\$371,655,000	Total issued
		22,955,000	Principal payments through June 2022
		\$348,700,000	Total Outstanding June 2022

On a regular basis, analysis is performed to determine the maximum annual debt service – referred to as MADS. This percentage represents the cash flow available to pay the annual debt obligation – available cash/debt obligation. A minimum MADS percentage of roughly 200% is desired by the financial institutions underwriting the Authority’s debt. Currently, the Authority’s minimum MADS is 4.25x (425%) - when principal payments on its VRDBs begin in FY 2028-29.

The funds remaining after paying debt service costs such as interest, principal, and ancillary fees are available for the Authority’s capital program – referred to as pay-go funding. The allocation column in the table below summarizes the amount of CIP proceeds available as pay-go by fiscal year based on 20.75% of the net sales tax proceeds.

MEASURE A DEBT SERVICE ALLOCATIONS BY FISCAL YEAR (NET OF INTEREST RATE SWAP REVENUE)

Fiscal Year	Allocation	Debt Service (net of swap interest income)	Principal Payments	Total Debt Service	Available for Pay-Go
FY 2009-10	\$16,646,964	\$12,311,923	\$0	\$12,311,923	\$4,335,041
FY 2010-11	17,407,237	15,666,763	-	15,666,763	1,740,474
FY 2011-12	18,575,811	14,387,010	-	14,387,010	4,188,801
FY 2012-13	19,467,755	15,924,449	-	15,924,449	3,543,306
FY 2013-14	20,402,606	16,325,969	-	16,325,969	4,076,637
FY 2014-15	21,322,533	15,909,241	-	15,909,241	5,413,292
FY 2015-16	22,202,432	15,349,397	-	15,349,397	6,853,035
FY 2016-17	23,535,657	15,235,432	3,450,000	18,685,432	4,850,225
FY 2017-18	24,852,685	15,594,255	3,590,000	19,184,255	5,668,430
FY 2018-19	26,847,763	15,739,259	3,740,000	19,479,259	7,368,504
FY 2019-20	26,813,693	14,849,000	3,890,000	18,739,000	8,074,693
FY 2020-21	31,324,890	14,703,141	4,050,000	18,753,141	12,571,749
FY 2021-22*	33,694,670	14,516,637	4,235,000	18,751,637	14,943,033
FY 2022-23**	35,723,243	14,299,387	4,455,000	18,754,387	16,968,856
Totals	\$338,817,939	\$196,512,476	\$27,410,000	\$219,467,476	\$100,596,076

* Estimate

** Forecast



Authority staff regularly assess the information on the previous page to determine how much funding is available for the capital program in relation to the demands for funding. Currently, the Authority does not have any plans to issue more debt for the following reasons:

- In FY 2028-29 principal payments will increase to \$22.3 million from \$4.4 million in the budget year. This amount will increase to \$35.4 million when the program sunsets in FY 2038-39.
- Based on information provided by the Authority's capital program partners for the budget year, the accumulation of pay-go and SCTMFP cash are projected to be enough to fund program costs in the budget year.
- The opportunity to issue more debt diminishes as the timeframe to pay it back is shortened due to financial constraints beginning in FY 2028-29. Monitoring available cash has become increasingly important.

Authority staff will continue to monitor the program and take appropriate steps as needed to ensure the program is adequately funded.



CONSOLIDATED BUDGET SUMMARY

The Authority’s budget supports programs and projects that reduce traffic congestion, improve air quality, maintain, and strengthen the county’s road and transportation systems, and enhance each local agencies’ ability to secure state and federal funding by providing local matching funds.

This section represents a summary of Measure A, SacMetro FSP, SAVSA and Transit revenues and appropriations in a consolidated budget summary which consists of the General and Special Revenue funds. Detailed budgets for each fund and program can be found in the “Budget Schedules” section of this document. The annual budget is foundational to short and long-term financial planning and appropriation control.

The Authority reports two funds for its five programs:

THE GENERAL FUND

Operating fund for Measure A and SacMetro FSP programs. The fund receives all Measure A sales tax and SCTMFP revenues. This fund supports ongoing operations and maintenance of countywide transportation infrastructure and provides local funding for capital construction projects and program administration costs. Most ongoing funding is passed through to local entities monthly, while capital projects are funded on a reimbursement basis using a combination of sales tax and SCTMFP proceeds.

THE SPECIAL REVENUE FUNDS

Operating fund for SAVSA, the Neighborhood Shuttle program, and the Consolidated Transportation Services Agency (CTSA). The SAVSA program is funded by a \$1 registration fee collected annually on each eligible vehicle registered within the County. The Neighborhood Shuttle program is funded with pass through allocations totaling \$1 million annually, while the CTSA was fully funded as of June 30, 2019 as required by the Measure A Ordinance.

Total revenues are expected to increase by \$29.9 million in FY 2022-23 to \$185.1 million (19.3%) when compared to the budgeted amount for FY 2021-22. There are expected revenue increases of \$31.3 million in the sales tax program offset by decreases of about \$1 million for the SAVSA program as it sunsets in April 2022, \$211,000 in the SacMetro FSP program, and \$129,000 in the SCTMFP program. The growth in sales tax is about 21.8% which is the highest growth rate in the program’s history. The region has benefitted from robust construction activity, including new home construction, and increased consumer spending in general.



SCTMFP revenue remained strong through the end of FY 2020-21, as permits for new development in the County and cities incorporated in the County, which generate the fee, continued at a robust pace; however, fees for permits in the current and budget years are slowing. Most of the current construction activity in the region is the outcome of permits pulled one to two years ago – prior to the pandemic. Interest income is a combination of inflows from the Authorities interest rate swap partners and interest income from fund balance invested in the Sacramento County Investment Pool.

CONSOLIDATED BUDGET GENERAL FUND, SAVSA, AND DEBT SERVICE - REVENUE, APPROPRIATIONS, AND FUND BALANCE

Description	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimate	FY 2023 Proposed	Change from FY 2022	Change in Percent
Revenues						
Sales Tax	\$153,560,355	\$143,670,000	\$165,101,000	\$174,980,000	\$31,310,000	21.79%
SCTMFP Fees *	8,956,993	6,132,000	5,432,303	6,002,671	(129,329)	-2.11%
Interest and Other	230,300	250,200	290,200	259,520	9,320	3.73%
SacMetro FSP/CVR-SAFE **	3,151,282	4,131,411	3,525,186	3,920,122	(211,289)	-5.11%
SAVSA***	1,364,680	1,076,389	1,222,957	-	(1,076,389)	-100.00%
Total Revenues	\$167,263,610	\$155,260,000	\$175,571,646	\$185,162,313	\$29,902,313	19.3%
Appropriations						
Administration	592,819	850,278	599,276	739,223	(111,055)	-13.06%
SacMetro FSP	3,305,278	3,617,748	3,572,658	3,596,477	(21,271)	-0.59%
SAVSA	1,361,101	1,076,789	1,462,736	19,285	(1,057,504)	-98.21%
Transit	6,140,147	-	5,896,289	5,462,106	5,462,106	0.00%
Contributions to Measure A Entities:						
Ongoing Allocations	121,103,239	113,336,953	130,243,226	138,036,473	24,699,520	21.79%
Capital Improvement Program (CIP)	26,080,868	35,835,679	21,517,552	27,076,268	(8,759,411)	-24.44%
Total Appropriations	\$158,583,452	\$154,717,447	\$163,291,737	\$174,929,833	\$20,212,386	13.06%
Other Financing Sources (Uses)						
Transfers In (Transit Fund)	1,000,000	-	1,000,000	1,000,000	1,000,000	0.00%
Transfers Out (Debt Service Fund)	(19,534,968)	(21,054,302)	(19,601,251)	(20,001,251)	1,053,051	-5.00%
Total Financing Sources (Uses)	(\$18,534,968)	(\$21,054,302)	(\$18,601,251)	(\$19,001,251)	\$2,053,051	-9.75%
Net Increase (decrease) in Fund Balance	(9,854,810)	(20,511,749)	(6,321,342)	(8,768,771)	11,742,978	-57.25%
Beginning Fund Balance	67,551,209	48,981,576	57,696,399	51,375,057	2,393,481	4.89%
Ending Fund Balance	\$57,696,399	\$28,469,827	\$51,375,057	\$42,606,286	\$14,136,459	49.65%
Fund Reserve****	2,000,000	2,000,000	2,000,000	7,800,000	5,800,000	290.00%
Ending Fund Balance Less Reserve	\$55,696,399	\$26,469,827	\$49,375,057	\$34,806,286	\$8,336,459	31.49%

* Sacramento Countywide Transportation Mitigation Fee Program

** Sacramento Metropolitan Freeway Service Patrol/Captial Valley Regional Service Authority for Freeways and Expressways

*** Sacramento Abandoned Vehicle Service Authority

**** FY 2022-23 \$7.5 million for the capital program and \$300,000 for administration





APPROPRIATIONS

Appropriations are expected to increase by a net \$20.2 million to \$174.9 million (13%) in FY 2022-23 when compared to the budgeted amount for FY 2021-22. The largest increase of \$24.7 million (21.8%) is in ongoing allocations. Under the Measure A Ordinance, most of the sales tax revenue is passed through to partner agencies formulaically on a monthly basis. Therefore, as sales tax revenue increases or decreases, the ongoing allocations change accordingly. The other significant increase is in the Transit fund which includes the Neighborhood Shuttle and CTSA programs. These programs were previously reported as Agency funds but have been reclassified as Special Revenue Funds as a result of implementing Governmental Accounting Standards Board (GASB) 84. As such, they are new to the budget this year. The total increase in appropriations for these two programs is \$5.4 million. Offsetting the appropriation increases are decreases in the SAVSA program and CIP. As mentioned previously, the SAVSA program is sunsetting in April 2022 and therefore the appropriations have plummeted over \$1 million to just \$19,000 which is funding for overhead and salaries to wind down the program. Funding for the CIP is expected to decrease by \$8.7 million (-24.4%) as some projects wind down and the program is constrained by limited cash flows.

The other significant variance on a percentage basis is in the administration fund. The administration fund expects a decrease of over \$111,000 (13%) as the Authority expects lower costs for consultants in the coming year. Over the last two years, costs for consultants have been higher than normal because the Authority was pursuing a new sales tax measure that was ultimately deferred because of the pandemic.

Appropriations for other financing uses – transfers out – are from the General Fund to the Debt Service Fund to pay for interest, principal, and ancillary fees such as those for remarketing, liquidity, and credit surveillance. The budgeted transfers out for FY 2022-23 are about \$1 million lower than budget in FY 2021-22 because the Authority expects to complete the refinancing of the Series 2012 bonds in July 2022 and expects reduced costs for a letter of credit supporting the 2009 C bonds because of favorable market conditions.

Because of improved revenues and constrained spending in the CIP, the ending fund balance for FY 2022-23 is expected to be \$42.6 million, which is \$14.1 million (49.6%) higher than the budgeted fund balance for FY 2021-22. Capital program appropriations were budgeted at \$35.8 million in FY 2021-22, but actual spending is expected to be only \$21.5 million.



FACTORS AFFECTING FINANCIAL CONDITION

As previously mentioned in the Letter of Transmittal, the Authority receives funding for its program primarily from two sources – local sales tax and development fees. Given the recent pandemic and its global impact – in health and financial terms – the Authority was expecting, at a minimum, a near-term decrease in revenue from both sources. However, sales tax revenues have remained strong despite the circumstances. Budgeted sales tax revenue for FY 2021-22 was \$143.6 million but the estimated revenue is expected to be \$165.1 million. In FY 2022-23, sales tax revenue is forecast to be \$174.9 million. However, if there is a material shortfall in comparison to the budgeted revenue amounts, staff will develop an amended budget for the Board to consider. Additionally, staff will work with partner agencies to determine how best to address the impacts of any anticipated shortfall.

Although unemployment spiked in May 2020 to 14.7% in response to the pandemic, by March 2022 it had decreased to 4.7% from 8.1% in March 2021. During 2021 median income increased by 5.5% to \$58,307 and the population increased by .5% to 1.56 million, supporting increases in County taxable sales and related Measure A sales tax revenue. Businesses in the County continue to adapt to the ever-changing mandates and changes in consumer habits in response to the pandemic. However, the power of innovation and the internet have proven to offset some of the setbacks.

Currently, there is a Citizen's Initiative underway to determine if voters are supportive of an additional one-half cent sales tax for transportation. The 40-year program is forecast to generate \$8.5 billion for the region if successful. However, the Authority is not involved in the development of the initiative but is identified as the administering agency. There are still a few steps that need to be completed in order to place the initiative on the ballot in November 2022 and we won't know the outcome of them until summer 2022.



3

BUDGET PROCESS AND FISCAL POLICIES



BUDGET PROCESS AND FISCAL POLICIES

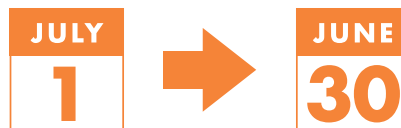


BUDGET PROCESS

This budget presents three years of financial information – actual amounts for FY 2020-21, estimated amounts for FY 2021-22, and proposed amounts for FY 2022-23.

The Authority's fiscal year is July 1 through June 30. A draft of the final budget is presented to the Board in May and brought back in June for adoption. The budget is a living document until it is adopted - staff incorporate changes suggested by the Board, Executive Director, and Independent Taxpayer Oversight Committee (ITOC) along the way. Once adopted, the budget is posted on the Authority's and ITOC's websites.

THE AUTHORITY'S FISCAL YEAR



DRAFT OF FINAL BUDGET PRESENTED TO BOARD IN MAY
BUDGET BROUGHT BACK TO BOARD IN JUNE FOR ADOPTION

Budget development begins in January after reviewing actual expenditures for the first two quarters of the fiscal year (the period ending December 31) and after Board approval of the previous year's audited financial statements. The ending fund balances from the prior year serve as the beginning balances for FY 2021-22. Using this information as a starting point, staff develop expectations for revenues and appropriations for the remainder of the current fiscal year.



During the budget process, staff also work with the Authority's Special Programs Manager to develop the budgets for the SacMetro FSP and SAVSA programs. This process is collaborative since budget staff prepare a schedule for salaries, benefits, and administration overhead while the Special Programs Manager develops estimates for revenue and the remaining appropriations for the two programs.

Additionally, from January through April staff work with each Measure A agency to determine the funding needs for each capital construction project. This collaborative effort is central to determining cash flows for the budget year and is based on funding agreements between the Authority and the agencies constructing the projects.

In February, staff update long-term revenue forecasts in conjunction with the Authority's consulting firm Avenu Insights and Analytics (Avenu). The Authority's consultant is experienced in forecasting sales tax revenue for local governments, including transportation authorities. Avenu uses proprietary software and historical information from the agency collecting the sales tax on behalf of the Authority - California Department of Tax and Fee Administration - to develop the forecasts. In addition, Avenu factors in economic indicators such as employment, housing starts, and population growth. Authority staff collaborate with Avenu during the process to ensure a comprehensive understanding of the forecasts when completed. Avenu's forecasts through the remainder of the Measure A program which sunsets in FY 2038-39, are used for long-term financial planning such as calculating additional debt capacity and determining fund balance by fiscal year for program needs. Staff concurrently work with the Executive Director to incorporate desired updates and define the Authority's vision for the coming year. This process continues through the end of the budget cycle in June.

In April, the ITOC reviews a draft of the final budget. Budget staff attend the meeting to summarize the highlights, receive comments from committee members, and answer questions. The committee's comments are carefully considered, and the budget updated as necessary before the final budget is presented to the Board during its June meeting.

The Board may ask questions, make comments, and provide direction to staff during its May meeting. In addition, members of the public may provide input. Using this information, staff work with the Executive Director to refine the final budget as needed.

In June, the final budget is presented to the Board for adoption. In general, the final version of the budget is materially consistent with the draft of the final budget presented in May, typically containing only minor revisions. Any material changes are highlighted by staff during the June meeting. Adoption of the budget requires a quorum of Board members and a majority of the voting quorum. If the final budget is not adopted by June 30, the Board may vote to adopt a resolution allowing the Authority to continue operating under the draft of the final budget. An amended budget may subsequently be brought to the Board at any time if changes in revenue and/or appropriations warrant it.



FISCAL POLICIES

California's Public Utility Code (CPUC) Section 18105 requires the Authority to adopt an annual budget and hire a Certified Public Accountant to perform an annual financial audit. CPUC Section 180108 requires the Authority to notice the time and place of the public hearing on the adoption of the annual budget no later than the 15th day prior to the day of the hearing and that the budget shall be available for public inspection at least 15 days prior to the hearing. To fulfill this requirement, staff typically introduce a draft of the final budget on the second Thursday in May and the Board adopts the final budget on the second Thursday in June.

Stewardship of public funds and wise management of government finances is primary among the responsibilities that the Authority has to the citizens in Sacramento County. Foundational to this effort are fiscal policies designed to protect all public assets under the Authority's administration.



OVERVIEW

Benefits of establishing financial policies include the following:

- Board approved policies establish the agency's commitment to the appropriate stewardship of public funds, which helps build the public's confidence in the Authority.
- Investors are attracted to agencies committed to sound fiscal management and integrity.
- Comprehensive fiscal policies help the Authority link long-term financial planning with day-to-day operations.
- Promotes positive financial condition by setting a forward-looking approach to planning.
- Protects and enhances the Authority's credit rating and prevents default on any outstanding debt.
- Ensures the legal use of all public funds through a sound system of administrative policies and internal controls.



FUND STRUCTURE

The annual budget is divided into several funds, each with a specific purpose. Understanding each fund's structure is helpful for interpreting the Authority's finances. As such, the budget document is divided into the following funds:

THE AUTHORITY'S BUDGET DIVISION



GENERAL
FUND



SPECIAL REVENUE
FUND



DEBT SERVICE
FUND

GENERAL FUND

The General Fund is the Authority's main operating fund. The fund is comprised of numerous sub funds that separately account for specific programs and the Authority's operations.

- **Administration** – this fund supports operating costs such as staff salaries, benefits, and overhead costs such as office space, consulting fees, and staff training.
- **Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP)** – this fund receives semi-annual remittances of development mitigation fees collected throughout the County which, in turn, are used to fund the Capital Improvement Program (CIP).
- **SacMetro FSP** – this fund receives state and local grant funding to support program costs – most notably towing contractors and administration.
- **CIP** – this fund receives monthly allocations of 20.75% of the net Measure A sales tax revenue. The allocations first pay for principal, interest, and ancillary fees on the Authority's bond program through an interfund transfer to the debt service fund. Any amount remaining is available for the CIP.

SPECIAL REVENUE FUNDS

- **Sacramento Abandoned Vehicle Service Authority (SAVSA)** – this fund accounts for revenues received from a \$1 vehicle registration fee collected by the California Department of Motor Vehicles (DMV). These funds are used to pay vehicle abatement claims and program administration costs. This program sunsets in April 2022, so there will only be enough funding in the program to wind it down over the next year.
- **The Transit Fund** includes two programs, the Neighborhood Shuttle and the Consolidated Transportation Services Agency (CTSA). The Neighborhood Shuttle program receives allocations totaling \$1 million annually. The Authority is under contract with Paratransit and the Sacramento Regional Transit (SacRT) who utilize the funds to support transportation services for disabled and elderly residents in the County. The CTSA was fully funded as of June 30, 2019 per the requirements of the Measure A Ordinance. These funds also support transportation services for disabled and elderly residents provided by Paratransit and SacRT.

DEBT SERVICE FUND

- **This fund** receives transfers from the General Fund to pay for debt principal, interest, and ancillary fees.



FINANCIAL PLANNING

Long-term financial planning combines financial forecasts with strategic planning. It is a highly collaborative process that considers future fiscal scenarios to identify challenges and/or confirm program sustainability. Effective strategic planning responds to challenges with attainable solutions.

Projecting revenues and expenditures over the long-term by making assumptions about economic conditions, future spending scenarios, and other notable objectives is imperative to good financial planning. It provides insight into future financial capacity so that strategies can be developed to achieve long-term program stability while considering potential financial challenges.

Long-term financial planning is the process of aligning financial capacity with long-term program objectives.

The Authority is committed to regularly updating its financial plan to ensure long-term program sustainability. Elements of this plan are incorporated annually into the budget.

FINANCIAL PLAN ELEMENTS

- **Time Horizon** - sales tax and mitigation fee revenue forecasts through FY 2038-39 when Measure A sunsets. Appropriations for a minimum of one-year and up to five-years for the CIP.
- **Scope** - all appropriated funds.
- **Frequency** - at least annually.
- **Content** - analyze the financial environment, revenue and appropriation forecasts, debt costs, strategies for achieving and maintaining financial balance, and methods for monitoring key assumptions underlying the plan.
- **Update** the Board and ITOC, as necessary.



FINANCIAL ACTIVITY REPORTING

The Authority's financial activity is reported in a variety of funds which are the basic accounting and reporting structure in governmental accounting. Using this structure ensures the following:

- That the Authority presents fairly and with full disclosure the financial position and results of financial operations of the funds in conformity with Generally Accepted Accounting Principles (GAAP) and Government Auditing Standards (GAS).
- Demonstrates the Authority's compliance with finance-related legal and contractual provisions.



ALLOCATIONS AND RATES

As required under Measure A, agencies participating in the City Street and County Road Maintenance Program, Traffic Control and Safety Program, and Safety, Streetscaping, Pedestrian and Bicycle Facilities Program receive monthly allocations based in part on their relative population and the number of lane miles. Agencies receiving allocations are Sacramento County and the cities of Rancho Cordova, Sacramento, Elk Grove, Folsom, and Citrus Heights. Annually, staff use population data from the California Department of Finance and lane mile data provided by each participating agency to determine the appropriate allocation percentages for the upcoming fiscal year. The following table summarizes the allocations by agency based on the sales tax revenue projected for FY 2022-23.

ALLOCATION PER POPULATION AND LANE MILES (75/25 RATIO RESPECTIVELY)

Entity	Population*	Lane Miles**	Allocation Ratio	Amount***
City of Citrus Heights	87,811	474	5.32313%	\$3,429,206
City of Elk Grove	178,124	1,175	11.26189%	7,255,006
City of Folsom	82,303	638	5.41024%	3,485,325
City of Rancho Cordova	79,662	682	5.37674%	3,463,745
City of Sacramento	515,673	3,118	31.98699%	20,606,302
County of Sacramento	590,493	5,417	40.64101%	26,181,294
Total	1,534,066	11,504	100%	\$64,420,879

* Per California Department of Finance Report E-1

** Based on data provided by each agency in Spring 2022

*** Represents total amount less \$1 million for regional parks



Similarly, Measure A requires the Authority to update the SCTMFP fees charged by each participating agency. The fees are adjusted annually by Board action and reflect changes in construction costs based on the McGraw-Hill Engineering News Record (ENR) 20-city Construction Cost Index. The following table summarizes the rates calculated for FY 2022-23 by land use category.

SCTMFP FEE SCHEDULE FOR FY 2022-23

Land Use	Per	Current Rates FY 2021-22	New Rates FY 2022-23
Single-Family Residential	unit	\$1,351	\$1,429
Single-Family Residential, Senior	unit	1,081	1,144
Multi-Family Residential	unit	945	1,000
Multi-Family Residential, Senior	unit	809	856
Office Use	1,000 square feet	1,622	1,717
Retail Use	1,000 square feet	2,028	2,146
Industrial Use	1,000 square feet	1,081	1,144
Hotel/Motel	sleeping room	783	828
Extended Stay Hotel/Motel	sleeping room	695	736
Golf Course	acre	1,124	1,190
Movie Theater	screen	2,570	2,720
Religious Center	1,000 square feet	1,257	1,330
Hospital	1,000 square feet	2,266	2,397
Service Station	fueling pump	1,757	1,860
Supermarket	1,000 square feet	2,028	2,146
Warehouse/Self-Storage	1,000 square feet	338	358
Assisted Living Facility	bed	389	412
Congregate Care	unit	286	302
Child Day Care	student	622	658
Private School (K-12)	student	352	372
Auto Repair/Body Shop	1,000 square feet	2,028	2,146
Gym/Fitness Center	1,000 square feet	2,028	2,146
Drive-through Car Wash	1,000 square feet	2,028	2,146
All Other	average weekday trips generated	142	151





FUND BALANCE DESIGNATIONS AND RESERVE

The Authority strives to maintain adequate fund balances in its General Fund, Debt Service Fund, and Administration Fund. This is necessary to maintain the Authority's credit worthiness and to adequately provide for:

- Economic uncertainties and other financial hardships or downturns in the local economy.
- Contingencies for unforeseen operational and capital needs.
- Cash-flow requirements.

As a guideline, the Government Finance Officers Association (GFOA) recommends a minimum of two months' revenue or expenditures as a reserve, whichever is more stable. In the Authority's case revenue is more stable; therefore, the Authority uses it as the basis to establish its minimum reserve funding goal.

The SacMetro FSP, SAVSA, Neighborhood Shuttle and CTSA programs are designed to be pass-through, break-even programs; therefore, maintaining a fund balance reserve in these funds is not an essential goal.

General Fund - this fund consists of four sub funds – Administration, SacMetro FSP, SCTMFP, and the CIP. The reserve balances are addressed at the sub fund level as explained below:

Administration Fund – the Authority maintains a \$300,000 reserve or about three months' revenues which is \$100,000 more than FY 2021-22.

CIP Fund – the Authority maintains a \$7.5 million reserve or roughly 3 months' pay-go revenues which is an increase of \$5.5 million over FY 2021-22. The increase, in part, is the necessary for cash flow purposes since revenues come in monthly, but appropriations are programmed annually.

SCTMFP Fund – the Authority does not maintain a reserve balance for this fund because it functions as a supplemental fund to the CIP and is not pledged to the Authority's financial institutions. However, Authority staff do monitor fund balance in its ongoing effort to manage cash when paying CIP claims.

Debt Service Fund – this fund is managed by the Authority’s trustee (U.S. Bank). The trustee withholds enough funding from the sales tax proceeds each month to pay bond principal, interest, and ancillary costs. The fund balance fluctuates based on the timing of debt service payments. The trustee maintains a monthly balance that is calculated based on monthly, quarterly, semi-annual, and annual debt service payments.

Authority staff regularly monitor all fund balances to ensure adequate cash is available for anticipated claims, administrative costs, and other foreseeable expenditures. The table below summarizes fund balance reserves:

FUND BALANCE RESERVES

Fiscal Year	Fund	Policy	Amount	Requirement Met
FY 2018-19	CIP	1,000,000	1,000,000	Yes
FY 2018-19	Administration	100,000	100,000	Yes
FY 2019-20	CIP	1,800,000	1,800,000	Yes
FY 2019-20	Administration	200,000	200,000	Yes
FY 2020-21	CIP	1,800,000	1,800,000	Yes
FY 2020-21	Administration	200,000	200,000	Yes
FY 2021-22	CIP	2,000,000	2,000,000	Yes
FY 2021-22	Administration	200,000	200,000	Yes
FY 2022-23*	CIP	7,500,000	7,500,000	Yes
FY 2022-23*	Administration	300,000	300,000	Yes

* FY 2022-23 Final budget includes reserve amounts per policy





APPROPRIATIONS LIMIT

The Authority annually adopts a resolution establishing its appropriation limit calculated in accordance with Article XIII B of the California State Constitution, California Government Code Section 7900, and any other voter-approved state legislation amendments that impact the Authority’s appropriation limit.

The following table summarizes the appropriation limit for each fiscal year from program inception through the budget year. In May each year, the California Department of Finance provides the information necessary for this calculation.

Fiscal Year	Appropriations Limit
FY 2010	\$195,000,000
FY 2011	192,036,079
FY 2012	198,490,091
FY 2013	206,961,839
FY 2014	219,646,845
FY 2015	220,807,134
FY 2016	231,328,068
FY 2017	245,944,139
FY 2018	258,079,711
FY 2019	270,414,034
FY 2020	283,689,389
FY 2021	296,919,442
FY 2022	315,753,737
FY 2023	338,642,284



INVESTMENT POLICY

The Authority's Investment Policy (Policy) sets forth its investment guidelines which fulfill the objectives required under California Government Code Section 53646(a).

To ensure funds are prudently invested to earn a reasonable rate of return while awaiting application for governmental purposes, specific objectives of the invested funds are ranked in the following order of importance:

INVESTMENT OBJECTIVES



The Board approves the Policy and is responsible for ensuring investments are made in compliance with it. The Authority's Treasurer is the Sacramento County Director of Finance who is responsible for making investments on behalf of the Authority and for compliance with the Policy. The treasurer maintains a comprehensive, well-documented reporting system which complies with California Government Code Section 53607. Investable funds are deposited in the Sacramento County Pooled Investment Fund (Pool) and invested according to the policies of the Pool. Certain bond funds held by the California Asset Management Program (CAMP) are limited to investments permitted under California Government Code Section 53601.



CAPITAL CONSTRUCTION BUDGET

The CIP budget is the product, in part, of the Authority's financing plan. When voters approved Measure A in 2004, they also approved an Expenditure Plan based on estimated revenue. The Expenditure Plan identifies projects eligible for Measure A money. The Expenditure Plan is subject to a review every 10 years and, where necessary, allows for amendments under certain conditions to meet changing transportation needs. Amendments to the Expenditure Plan must be approved by the County Board of Supervisors and a majority of the city councils constituting a majority of the incorporated population.



PERSONNEL RESOURCE MANAGEMENT

The Authority strives to provide competitive compensation and benefits for its workforce. To manage staffing costs the Authority will:

- Authorize all staff positions.
- Give the Executive Director the authority to leave a position open, partially filled (part-time), or filled at a lower classification, but not above.

To augment the activities of regular employees, the Board and Executive Director may authorize the use of professional service consultants to perform activities such as the following:

- Legal counsel
- Revenue projection services
- Financial advisory services
- Public relations and outreach
- Tax, financial, and performance audit services



PRODUCTIVITY REVIEW

The Authority regularly monitors and reviews its operational procedures to ensure that all services are provided in the most cost-effective manner. Authority staff proactively look for opportunities to streamline workload using technology and procedural improvements.



COST ALLOCATIONS

The Authority oversees five programs – Measure A, SacMetro FSP, SAVSA, Neighborhood Shuttle, the CTSA. All Authority staff are involved to varying degrees in each program:



EXECUTIVE DIRECTOR

Oversees each program's staff and is involved in all key decisions.



CHIEF FINANCIAL OFFICER

Oversees all financial accounting and reporting activities.



SPECIAL PROGRAMS MANAGER

Oversees SacMetro FSP and SAVSA day-to-day program operations.

Each staff member invests time in each program, so salaries, benefits, and overhead costs are charged to the programs accordingly. Periodically, the Executive Director reviews the percentages assigned to each program to ensure that the appropriate percentages are utilized.



RECORDS RETENTION POLICY

Since the Authority maintains the official records and documents for the Measure A program during the normal course of operations, it maintains a Board approved retention schedule. Records and documents that are more than five years old and no longer needed or deemed unimportant may be destructed. However, in no case shall meeting minutes, ordinances, or resolutions of the Board and ITOC, court records, and other records required to be kept by statute be destroyed.



CONTRACTING PRACTICES

California State Public Utilities Code Section 180154 requires that contracts for the purchase of services, supplies, equipment, and materials more than \$10,000 be awarded to the lowest responsible bidder after competitive bidding, except in an emergency declared by the Authority or by an executive committee that the Authority has delegated to make such a declaration.

If after rejecting competitive bids the Authority determines and declares that, in its opinion, the services, supplies, equipment, or material may be purchased at a lower price on the open market, the Authority may proceed to purchase any of the above in the open market without further observance of the above provisions.

Additionally, the Executive Director or his/her designee may contract for services, supplies, and equipment and materials for \$50,000 or less without Board action.



DEBT POLICY

The Authority's debt limit is not a fixed amount. Instead, central to the limit of debt the Authority can issue is the allocation of 20.75% of the net sales tax revenue to pay for the debt. As such, to determine an appropriate level of debt requires an analysis of future revenue streams.

The Authority's debt policy establishes guidelines for the issuance and management of current and future debt. The objectives of the debt policy are as follows:

DEBT POLICY OBJECTIVES

- **Effectively manage** and mitigate financial risk.
- **Preserve** program flexibility.
- **Maintain** strong credit ratings and good investor relations.
- **Maintain** ready and cost-effective access to capital markets.

The Board approved policy is reviewed periodically and updated, as necessary. Board authorization is required for all debt financings. As borrowing needs are identified, the Authority evaluates the nature of the capital investment to ensure that long-term debt is the appropriate financing mechanism. Standards for the appropriate use of debt financing include those described below:

- **Long-term Capital Projects** – long-term debt should be used to finance essential capital projects when cost effective and fiscally prudent. The debt repayment period should not exceed 120% of the useful life of the project being financed. The ability or need to expedite or maintain the programmed schedule of approved capital projects will be a factor in the decision to issue long-term debt.
- **Debt Financing Mechanism** – the Authority will evaluate the use of financial alternatives available including, but not limited to, long-term debt, short-term debt, commercial paper, direct bank loans, private placement, and interfund borrowing. The Authority will utilize the most cost advantageous financing alternative while limiting the Authority's risk exposure.
- **Credit Quality** – credit quality is an important consideration for the Authority. All debt management activities for new debt issuances will be conducted in a manner conducive to receiving the highest credit ratings possible.

The general purpose of bond financing falls into three general categories:

- **Finance** new capital infrastructure.
- **Refinance** existing bonds to reduce financing costs, restructure the repayment schedule, change the type of debt instruments used, risk, or both.
- **To reimburse** an agency for eligible capital expenditures made within the last 18 months.

The Authority and its consultants – PFM Financial Advisors - regularly assess the Authority’s bond portfolio to determine if the debt structure in place is the most advantageous to the Authority given debt market conditions. If market conditions are such that changes to the debt portfolio may be beneficial to the Authority, then Authority staff, consultants, and legal counsel will consider the options, and if sufficiently beneficial, bring recommendations to the Board for its consideration.



STRATEGIC DIRECTION

The Authority’s commitment to its stakeholders is to ensure it effectively manages limited resources while providing excellent customer service. To accomplish that it promotes the following:

VISION

MAXIMIZE THE USE OF LIMITED RESOURCES TO IMPROVE THE TRANSPORTATION NETWORK IN SACRAMENTO COUNTY.



MISSION

TO PROMOTE AND FUND INNOVATIVE AND SUSTAINABLE TRANSPORTATION SOLUTIONS TO KEEP SACRAMENTO COUNTY MOVING.



CORE VALUES

INTEGRITY, COLLABORATION, TRANSPARENCY, ACCOUNTABILITY.



STRATEGIC GOALS

FINANCIAL STABILITY, OPERATIONAL EFFICIENCY, OUTREACH AND EDUCATION, AND PROJECT PLANNING AND PRIORITIZATION.



PERFORMANCE MEASURES

The Authority tracks select performance measures which are tied to its key strategic goals. These metrics provide broad measures of the Authority’s effectiveness, efficiency, timeliness, and productivity in critical activities. While these initiatives may change year to year, performance measures are a means to measure progress in core business operations over multiple years.

The table below lists key performance measures for the current and budget years.

Performance Measure	Responsible Department	Relates to Strategic Goal #	FY 2021-22 Planned	FY 2021-22 Estimate	FY 2022-23 Planned
Financial Stability and Operational Efficiency:					
Allocate monthly Measure A funding timely and accurately	Finance	1,2	12	12	12
Review, comment on, and approve all required quarterly reporting by Measure A Agencies	Finance	1,2	4	4	4
Receive GFOA Distinguished Budget Presentation Award	Finance	1,2	Yes	Yes	Yes
Develop and adopt annual budget prior to June 30	Finance	1,2	Yes	Yes	Yes
Prepare and submit all quarterly financial information required under the Authority's bond covenants	Finance	1,2	5	5	5
Complete annual financial audit prior to December 31	Finance	1,2	Yes	Yes	Yes
Outreach and Education:					
Plan and support Board meetings	Executive Director	3	9	10	9
Respond to all Public Record Act (PRA) requests within 10 calendar days	Executive Director and Finance	3	4	4	4
Plan and support ITOC meetings	Finance	3	8	8	8
Transportation Project Planning and Prioritization:					
Meet regularly with Professional Advisory Group (PAG)	Executive Director	4	15	11	11
Complete quarterly capital project status reports	Finance	4	4	4	4

The previous table reflects performance measures by department. With only three employees, each employee represents a department: Executive Director – administration, Chief Financial Officer – finance, and Special Programs Manager – programs.





LONG-TERM FINANCIAL PLANNING

SALES TAX

Revenue forecasts are the starting point for short and long-term financial planning. Twice annually, Authority staff work in conjunction with the Authority’s sales tax revenue consultant - Avenu Insights and Analytics - to provide updated sales tax forecasts. This revenue is pledged to bondholders and financial institutions participating in the Authority’s debt program. Additionally, it is used to determine the Authority’s debt coverage percentages which are important to investors and the financial institutions holding its debt or providing financial liquidity. Furthermore, this effort allows the Authority to determine if projected revenue can support the issuance of additional debt. The following table summarizes the most recent revenue forecasts completed in February 2022.

	Taxable Sales (000's)	Taxable Sales Growth Ratio	Tax Revenue (000's)	Tax Revenue Growth Ratio	
2009-10	\$16,638,458		\$81,414		Actual 6.1% Average
2010-11	17,416,097	4.7%	87,299	7.2%	
2011-12	18,608,568	6.8%	92,240	5.7%	
2012-13	19,552,242	5.1%	97,390	5.6%	
2013-14	20,624,371	5.5%	100,063	2.7%	
2014-15	21,536,376	4.4%	105,564	5.5%	
2015-16	22,655,018	5.2%	110,708	4.9%	
2016-17	23,624,106	4.3%	116,878	5.6%	
2017-18	24,919,389	5.5%	119,188	2.0%	
2018-19	26,351,416	5.7%	131,757	10.5%	
2019-20	26,318,200	-0.1%	131,591	-0.1%	
2020-21	30,712,000	16.7%	153,560	16.7%	
2021-22*	33,020,200	7.5%	165,101	7.5%	
2022-23**	34,996,000	6.0%	174,980	6.0%	
2023-24	36,638,200	4.7%	183,191	4.7%	
2024-25	38,126,400	4.1%	190,632	4.1%	
2025-26	39,466,800	3.5%	197,334	3.5%	
2026-27	40,659,600	3.0%	203,298	3.0%	
2027-28	41,709,400	2.6%	208,547	2.6%	
2028-29	42,902,400	2.9%	214,512	2.9%	
2029-30	44,129,400	2.9%	220,647	2.9%	
2030-31	45,391,600	2.9%	226,958	2.9%	
2031-32	46,689,800	2.9%	233,449	2.9%	
2032-33	43,727,400	-6.3%	218,637	-6.3%	
2033-34	42,479,000	-2.9%	212,395	-2.9%	
2034-35	44,753,600	5.4%	223,768	5.4%	
2035-36	46,653,000	4.2%	233,265	4.2%	
2036-37	47,967,000	2.8%	239,835	2.8%	
2037-38	49,312,800	2.8%	246,564	2.8%	
2038-39***	38,022,300	-22.9%	190,112	-22.9%	
Total/Average		4.0%	\$5,110,877	4.1%	

* Estimated

** Forecasts for FY 2022-23 through FY 2038-39

*** Program sunsets in March 2039



Based on the information in the previous table, the Authority is expecting total sales tax revenue of \$5.11 billion over the life of the program - \$370 million more than the amount projected in 2004 when voters approved the Measure - \$4.74 billion. The average sales tax growth rate year-over-year since program inception through FY 2021-22 is 6.1% while the forecasts for the remainder of the program averages 2.6%. Although the projected average growth rate appears conservative in comparison to actual growth rate, the local economy had been recovering from the Great Recession earlier in the decade. As such, sales tax revenue likely increased faster than it would have had the recession not happened at all or been less severe than it was. The overall program growth rate when actual and projected amounts are combined is 4.1%.

Greater variation in the actual growth rate is expected since it represents the actual fluctuations in the underlying economic indicators, which differs from the projected growth rates. Variations in economic indicators such as construction activity, net population growth, unemployment rates, and personal income growth are among the factors that impact revenue growth rates most significantly. Less variation is seen in the projected growth rates because variations in the economic indicators are incorporated into a smoothed rate that anticipates the impact of each economic indicator over the life of the program. The average growth rate considers one mild/moderate recession over the remaining life of the program.



SACRAMENTO COUNTYWIDE TRANSPORTATION MITIGATION FEE PROGRAM (SCTMFP)

Measure A includes a second, but smaller, revenue source – SCTMFP - which is a development fee collected by the County and each incorporated city within its boundaries. As a condition of receiving sales tax allocations, each agency is required to participate in the SCTMFP. This revenue is not pledged to the Authority’s debt program; rather it is only used to fund the Authority’s Capital Improvement Program (CIP). Historically, revenue forecasts for this program have been developed internally by Authority staff. However, since the CIP is completely funded with pay-go, the Authority hired Economic & Planning Systems, a consultant with expertise in development fee forecasts, to develop revenue forecasts through the remainder of the program. The project was completed in August 2021. The Authority intends to continue using a consultant for revenue forecasts in this program given the volatile nature of development and related revenues. The following table shows how volatile the revenue for this program has been program to date.

Fiscal Year	Development Impact Fees	Growth Rate	Average
2009-10	\$3,073,658		13.0%
2010-11	2,334,437	-24.1%	
2011-12	2,957,362	26.7%	
2012-13	3,176,382	7.4%	
2013-14	3,540,542	11.5%	
2014-15	4,624,139	30.6%	
2015-16	4,363,650	-5.6%	
2016-17	7,848,175	79.9%	
2017-18	7,621,753	-2.9%	
2018-19	6,684,039	-12.3%	
2019-20	7,551,556	13.0%	
2020-21	8,956,992	18.6%	2.2%
2021-22*	5,432,303	2.2%	
2022-23**	6,002,671	2.2%	
2023-24	6,022,951	2.2%	
2024-25	6,428,566	2.2%	
2025-26	5,438,407	2.2%	
2026-27	5,540,711	2.2%	
2027-28	5,689,339	2.2%	
2028-29	5,841,954	2.2%	
2029-30	6,107,963	2.2%	
2030-31	6,159,576	2.2%	
2031-32	6,324,805	2.2%	
2032-33	6,494,466	2.2%	
2033-34	6,668,679	2.2%	
2034-35	10,368,287	2.2%	
2035-36	7,031,249	2.2%	
2036-37	7,219,860	2.2%	
2037-38	7,413,531	2.2%	
2038-39	7,612,398	2.2%	
Total	\$180,530,401		

* Estimate

** Forecast FY 2022-23 through FY 2038-39

Actual revenue growth rates from FY 2009-10 through FY 2020-21 varied dramatically from a low of -24.1% in FY 2010-11 to a high of 79.9% in FY 2016-17, averaging 13% during this period. The variation is directly related to new construction activity throughout the County. Early in the program construction activity was depressed because of the Great Recession, but has been robust more recently, particularly in the City of Sacramento which is undergoing a revitalization. The projected average growth rate year-over-year beginning with FY 2021-22 is conservatively set at 2.2%.

Based on the information in the table, the Authority projects total SCTMFP revenue of \$180.5 million over the life of the program. This amount is less than half the amount projected in 2004 when voters approved Measure A - \$488 million.





4

BUDGET SCHEDULES AND FUND INFORMATION



BUDGET SCHEDULES AND FUND INFORMATION

This section contains budgets for each of the Authority’s programs and administration, as well as fund descriptions. The budget tables present actual revenues and appropriations for FY 2020-21, estimated amounts for FY 2021-22, and proposed amounts for FY 2022-23. In its Annual Comprehensive Financial Report (ACFR), the Authority reports four governmental funds – the General Fund, two Special Revenue Funds, and a Debt Service Fund. All budgetary information is reported on the modified accrual basis of accounting, like the fund statements found in the ACFR. This method recognizes revenue when it becomes measurable and available, while expenditures are recognized when the obligation to pay is incurred. The Authority’s cut off is 90-days after the fiscal year ends.



CONSOLIDATED BUDGET

The Consolidated Budget Summary by Fund table captures revenue, appropriations, and other financing sources and uses for the General and Special Revenue funds. Revenues are expected to increase \$29.9 million to \$185.1 million (19.3%) using projections developed in February 2022.

Appropriations are expected to increase by \$20.2 million to \$174.9 million, nearly all attributable to anticipated increases in ongoing allocations offset by a decrease in Capital Improvement Program (CIP) costs. The other sources and uses category is expected to increase by \$2 million in the budget year.

The budget year ending fund balance will increase by \$14.1 million (49.6%) to \$42.6 million when compared to the budgeted amount of \$28.4 million in FY 2021-22. The ending fund balance from year to year is impacted most significantly by the Authority’s CIP which operates on a pay-go basis and makes up nearly all the fund balance. The Authority’s budget is balanced, in part, because significant fund balance in the current year is available in the budget year.



The Authority considers the budget balanced when:

1. Total revenues are greater than or equal to total appropriations, or
2. Total revenues and available fund balance are greater than or equal to total appropriations.

The Authority’s budget is balanced under scenario two for FY 2022-23.

The following table presents the information in the Consolidated Budget Summary by Fund in more detail. Appropriations for program administration and ongoing allocations are funded solely with sales tax proceeds, while the CIP is funded with a blend of sales tax proceeds and SCTMFP fees. General Fund “transfers out” pay for principal, interest, and ancillary fees on bonded debt. In FY 2022-23 the fund balance reserves for the CIP will increase to \$7.5 million from \$2 million in FY 2021-22 and the administration fund reserve will increase to \$300,000 from \$200,000 in FY 2021-22.

CONSOLIDATED BUDGET GENERAL FUND, SAVSA, AND DEBT SERVICE - REVENUE, APPROPRIATIONS, AND FUND BALANCE

Description	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimate	FY 2023 Proposed	Change from FY 2022	Change in Percent
Revenues						
Sales Tax	\$153,560,355	\$143,670,000	\$165,101,000	\$174,980,000	\$31,310,000	21.79%
SCTMFP Fees *	8,956,993	6,132,000	5,432,303	6,002,671	(129,329)	-2.11%
Interest and Other	230,300	250,200	290,200	259,520	9,320	3.73%
SacMetro FSP/CVR-SAFE **	3,151,282	4,131,411	3,525,186	3,920,122	(211,289)	-5.11%
SAVSA***	1,364,680	1,076,389	1,222,957	-	(1,076,389)	-100.00%
Total Revenues	\$167,263,610	\$155,260,000	\$175,571,646	\$185,162,313	\$29,902,313	19.3%
Appropriations						
Administration	592,819	850,278	599,276	739,223	(111,055)	-13.06%
SacMetro FSP	3,305,278	3,617,748	3,572,658	3,596,477	(21,271)	-0.59%
SAVSA	1,361,101	1,076,789	1,462,736	19,285	(1,057,504)	-98.21%
Transit	6,140,147	-	5,896,289	5,462,106	5,462,106	0.00%
Contributions to Measure A Entities:						
Ongoing Allocations	121,103,239	113,336,953	130,243,226	138,036,473	24,699,520	21.79%
Capital Improvement Program (CIP)	26,080,868	35,835,679	21,517,552	27,076,268	(8,759,411)	-24.44%
Total Appropriations	\$158,583,452	\$154,717,447	\$163,291,737	\$174,929,833	\$20,212,386	13.06%
Other Financing Sources (Uses)						
Transfers In (Transit Fund)	1,000,000	-	1,000,000	1,000,000	1,000,000	0.00%
Transfers Out (Debt Service Fund)	(19,534,968)	(21,054,302)	(19,601,251)	(20,001,251)	1,053,051	-5.00%
Total Financing Sources (Uses)	(\$18,534,968)	(\$21,054,302)	(\$18,601,251)	(\$19,001,251)	\$2,053,051	-9.75%
Net Increase (decrease) in Fund Balance	(9,854,810)	(20,511,749)	(6,321,342)	(8,768,771)	11,742,978	-57.25%
Beginning Fund Balance	67,551,209	48,981,576	57,696,399	51,375,057	2,393,481	4.89%
Ending Fund Balance	\$57,696,399	\$28,469,827	\$51,375,057	\$42,606,286	\$14,136,459	49.65%
Fund Reserve****	2,000,000	2,000,000	2,000,000	7,800,000	5,800,000	290.00%
Ending Fund Balance Less Reserve	\$55,696,399	\$26,469,827	\$49,375,057	\$34,806,286	\$8,336,459	31.49%

* Sacramento Countywide Transportation Mitigation Fee Program

** Sacramento Metropolitan Freeway Service Patrol/Captial Valley Regional Service Authority for Freeways and Expressways

*** Sacramento Abandoned Vehicle Service Authority

**** FY 2022-23 \$7.5 million for the capital program and \$300,000 for administration





GENERAL FUND

PROGRAMS

The General Fund reports all Measure A revenues including sales tax, SCTMFP fees and interest income on fund balance and interest rate hedging derivatives. The General Fund also reports SacMetro FSP state and local grants. The Sacramento Abandoned Vehicle Service Authority (SAVSA), Neighborhood Shuttle, and Consolidated Transportation Services Agency (CTSA) are reported separately as a Special Revenue funds and therefore not included in the General Fund table.

Measure A revenue consists of a countywide one-half cent sales tax and mitigation fees charged for certain new construction by the Sacramento County and each city incorporated within its boundaries. The imposition of the mitigation fee is required to participate in the Measure A sales tax program. All funding from Measure A is dedicated to transportation operations, maintenance, and construction throughout the County. Sales tax is the largest and least volatile of the two funding sources.

Sales tax is collected by the California Department of Tax and Fee Administration (CDTFA) and remitted monthly. The Authority's trustee, US Bank, intercepts the sales tax remittance and pays all debt service costs before forwarding the remaining funds to the Authority's General Fund. Subsequently, Authority staff allocate the sales tax proceeds to each Measure A agency according to the percentages identified in the Measure A Ordinance.

The SCTMFP fees are remitted directly to the Authority semi-annually from each member agency. Initially, the fees for the program were determined by a Nexus study performed prior to the program's inception. Thereafter, the fees have been annually updated using criteria prescribed in the Ordinance. Since the fees are generated by construction activity, remittances have been volatile.

SacMetro FSP receives funding from two sources – a state grant and a local match. The state grant is formulaic and administered by the California Department of Transportation (Caltrans). This funding is received as claims are submitted for reimbursement. The local match is provided by the Capital Valley Regional Service Authority for Freeways and Expressways (CVR-SAFE). This funding is distributed in a lump sum by the Sacramento Area Council of Governments (SACOG) early in the fiscal year and used as the matching component for the state grant.

FUND BALANCE

The fund balance in the General fund is expected to increase to \$39.1 million in FY 2022-23 from a budgeted amount of \$11.5 million in FY 2021-22 because revenues have outpaced appropriations over the last year. In general, increased sales tax and decreased CIP expenditures are the primary factors driving the increased fund balance. Since the ongoing allocations are formulaic, they increase as sales tax revenue increases – which is expected in FY 2022-23. Appropriations for the CIP in FY 2022-23 are expected to be \$8.7 million lower than budgeted in FY 2021-22.

GENERAL FUND BUDGET - REVENUE, APPROPRIATIONS, AND FUND BALANCE

Description	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimate	FY 2023 Proposed	Change from FY 2022	Change in Percent
Revenues						
Sales Tax	\$153,560,355	\$143,670,000	\$165,101,000	\$174,980,000	\$31,310,000	21.79%
SCTMFP Fees *	8,956,993	6,132,000	5,432,303	6,002,671	(129,329)	-2.11%
Interest and Other	230,145	250,000	250,000	250,000	-	0.00%
SacMetro FSP/CVR-SAFE **	3,151,282	4,131,411	3,525,186	3,920,122	(211,289)	-5.11%
Total Revenues	\$165,898,775	\$154,183,411	\$174,308,489	\$185,152,793	\$30,969,382	20.09%
Appropriations						
Administration	592,819	850,278	599,276	739,223	(111,055)	-13.06%
FSP	3,305,277	3,617,748	3,572,658	3,596,477	(21,271)	-0.59%
Contributions to Measure A Entities:						
Ongoing Allocations	121,103,239	113,336,953	130,243,226	138,036,473	24,699,520	21.79%
Capital Improvement Program (CIP)	26,080,868	35,835,679	21,517,552	27,076,268	(8,759,411)	-24.44%
Total Appropriations	\$151,082,203	\$153,640,658	\$155,932,712	\$169,448,441	\$15,807,783	10.29%
Other Financing Sources (Uses)						
Transfers Out (to the Debt Service Fund)	(19,534,968)	(21,054,302)	(19,601,251)	(20,001,251)	1,053,051	-5.00%
Total Financing Sources (Uses)	(\$19,534,968)	(\$21,054,302)	(\$19,601,251)	(\$20,001,251)	\$1,053,051	-5.00%
Net Increase (decrease) in Fund Balance	(4,718,396)	(20,511,549)	(1,225,474)	(4,296,899)	16,214,650	-79.05%
Beginning Fund Balance	49,335,166	32,051,021	44,616,770	43,391,296	11,340,275	35.38%
Ending Fund Balance	\$44,616,770	\$11,539,472	\$43,391,296	\$39,094,397	\$27,554,925	238.79%
Fund Reserve***	2,000,000	2,200,000	2,000,000	7,800,000	5,600,000	254.55%
Ending Fund Balance Less Reserve	\$42,616,770	\$9,339,472	\$41,391,296	\$31,294,397	\$21,954,925	235.08%

* Sacramento Countywide Transportation Mitigation Fee Program

** Sacramento Metropolitan Freeway Service Patrol/Captial Valley Regional Service Authority for Freeways and Expressways

*** Includes \$7.5 million for the capital program and \$300,000 for administration



REVENUE AND OTHER FINANCING SOURCES

Sales tax revenue is projected to increase to \$174.9 million in FY 2022-23, representing a growth rate of about 21.8% over the FY 2021-22 budgeted amount of \$143.6 million. This growth rate has surpassed all expectations and is significantly higher than the average growth rate of 6.1% based on reported amounts from program inception in 2009 through June 30, 2022. However, since the program started in the middle of the Great Recession, the average growth rate may be somewhat higher than it would have been without the Great Recession. Sales tax revenue did not recover to pre-recession levels until FY 2015-16. Since then, sales tax revenue has continued to grow at an accelerated rate, in particular more recently, with the inflow of new revenues from tax on out-of-state vendors that sell goods destined for the Sacramento region. This new revenue is directly attributable to the Wayfair Decision, which was rolled out in phases. The last phase took effect in January 2020, so the Authority has benefitted from the new revenue over the last two years. Our revenue forecasting consultant – Avenu Insights & Analytics – estimates the new revenue will amount to about \$8-10 million for FY 2022-23.

SCTMFP revenue has proven to be volatile. Since program inception in 2009, the growth rate has varied from a low of -24.1% in FY 2010-11 to a high of almost 80% in FY 2016-17. This program generates revenue by charging a fee for certain construction activity throughout the County. Annual revenue is estimated at \$5.4 million in FY 2021-22 and \$6 million in the budget year FY 2022-23. The average growth rate from program inception through June 30, 2021 was 13%. Historically, revenue forecasts have been developed by staff internally; However, in April 2021 the Authority hired consulting firm – Economic & Planning Systems – to develop revenue forecasts through the remainder of the program which sunsets in 2039. That effort was completed in August 2021 and the updated forecasts included in this budget document. The Authority will continue using the services of a consultant to forecast revenues as the CIP program has become increasingly reliant on this funding source and up-to-date information is needed to appropriately program capital projects.

SacMetro FSP budgeted revenue is expected to decrease by \$211,000 in FY 2022-23 when compared to budgeted revenues in FY 2021-22. Local funding has increased to \$900,000 in FY 2022-23 from \$748,000 in FY 2021-22. However, State grant funding, which is generated in part by gasoline tax, is expected to decrease since fewer people are driving and consuming less gasoline.

APPROPRIATIONS AND OTHER FINANCING USES

Appropriations are projected to increase \$15.8 million to \$169.4 million in FY 2022-23. Transfers out (other financing uses) are expected to be \$20 million, \$1 million less than the budgeted amount in FY 2021-22. The amount transferred pays for debt service on the Authority's bond program which consists almost entirely of variable rate debt. Since interest rates have plummeted, interest payments to bondholders have too. The budget assumes interest rates remaining relatively low through the budget year.

Ongoing allocations are expected increase by \$24.7 million (21.8%) in FY 2022-23. The allocations increase (or decrease) in direct relation to changes in sales tax revenue. The Measure A Ordinance requires that about 80% of all sales tax dollars pass-through to local jurisdictions at a prescribed rate. CIP funding is expected to decrease to \$27 million in FY 2022-23 from a budgeted amount of \$35.8 million in FY 2021-22. The decrease of \$8.7 million (-24.4%) is indicative of some capital projects being completed and because of cash flow constraints. The actual spending in FY 2021-22 is estimated to be \$21.5 million, \$14.3 million less than budgeted.

CIP appropriations vary from year-to-year based on the number of projects under contract with the Authority and whether they are in the planning or construction phase. In general, appropriations increase when projects move into the construction phase. In the budget year, appropriations are spread across five agencies – the County, the cities of Sacramento and Citrus Heights, Caltrans, and the Capital SouthEast Connector Authority. More detail about the projects and spending can be found in the CIP section of this budget and a table later in this section.

The table below summarizes the percentage of the CIP allocation that pays for debt service on an annual basis net of the interest received from the Authority's swap partners. The percentage of debt service costs in relation to the sales tax allocation for CIP is budgeted to be slightly higher in FY 2022-23 at 45.5% than estimated in FY 2021-22 at 42.3%. The increased ratio in FY 2022-23 is caused by anticipated interest rate increases. The percentage is expected to be relatively stable through FY 2028-29 when principal payments begin on \$318.3 million in variable rate debt issued in FY 2009-10. Thereafter, more of the sales tax allocation will be committed to paying those debt costs. Money left over after paying debt service costs is available for appropriation to the CIP as pay-go funding.

DEBT SERVICE TO SALES TAX ALLOCATION PERCENTAGES

Description	FY 2023 Proposed	FY 2022 Estimate	FY 2021 Actual	FY 2020 Actual	FY 2019 Actual
Sales Tax Allocation for CIP*	\$35,723,243	\$33,694,670	\$31,324,890	\$26,813,659	\$24,266,751
Debt Service Charges**	16,257,063	14,257,063	15,655,190	18,498,171	18,231,437
Ratio	45.51%	42.31%	49.98%	68.99%	75.13%

* Equals 20.75 of the net sales tax proceeds

** Principal, interest, hedging derivatives, and ancillary fees net of interest rate swap revenue

The SCTMFP is expected to receive about the same revenue in FY 2022-23 as budgeted in FY 2021-22. However, appropriations are expected to be \$9.1 million in FY 2022-23, \$6.4 million less than the amount budgeted in FY 2021-22. Estimated actual spending for FY 2021-22 is expected to be about \$12 million, which is \$3.6 million less than expected because spending for projects programmed to receive SCTMFP funding during FY 2021-22 did not come in as high as budgeted. The estimated ending fund balance for FY 2021-22 is expected to be \$4.2 million and about \$1 million in FY 2022-23. As remaining fund balance decreases, cash constraints limit available funding for the CIP. Staff regularly monitor program cash flows to determine an appropriate balance between sales tax and SCTMFP resources to reimburse capital claims. Below is a table summarizing SCTMFP activities.

SACRAMENTO COUNTYWIDE TRANSPORTATION MITIGATION FEE PROGRAM (SCTMFP) REVENUE, APPROPRIATIONS, AND FUND BALANCE

Description	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimate	FY 2023 Proposed	Change from FY 2022	Change in Percent
Revenues						
Fees	\$8,956,993	\$6,132,000	\$5,432,303	\$6,002,671	(\$129,329)	-2.11%
Interest	88,020	75,000	30,000	15,000	(60,000)	-80.00%
Total Revenues	\$9,045,013	\$6,207,000	\$5,462,303	\$6,017,671	(\$189,329)	-3.05%
Appropriations						
Caltrans	1,883,549	-	-	-	-	0.00%
Capital SouthEast Connector	4,006,952	2,000,000	4,016,000	1,955,197	(44,803)	-2.24%
Citrus Heights	-	600,000	-	600,000	-	100.00%
Rancho Cordova	2,756,887	-	-	-	-	0.00%
Sacramento City	483,507	2,200,589	217,520	1,946,442	(254,147)	-11.55%
Sacramento County	6,372,770	5,000,000	2,700,000	2,000,000	(3,000,000)	-60.00%
Smart Growth Incentive Program	-	5,835,989	5,133,821	2,669,179	(3,166,810)	-54.26%
Total Appropriations	15,503,666	15,636,578	12,067,341	9,170,818	(6,465,760)	-41.35%
Net Increase (decrease) in Fund Balance	(6,458,653)	(9,429,578)	(6,605,038)	(3,153,147)	6,276,431	-66.56%
Beginning Fund Balance	17,303,331	9,637,194	10,844,678	4,239,640	(5,397,554)	-56.01%
Ending Fund Balance	\$10,844,678	\$207,616	\$4,239,640	\$1,086,493	\$878,877	423.32%

FORMULAIC ALLOCATIONS

Measure A prescribes the allocation of all sales tax proceeds. The following table summarizes by percentage and annual amount, the proceeds each agency and program will receive in FY 2022-23 based on projected sales tax revenue. The allocations are disbursed monthly.

- Total revenues are the total sales tax proceeds. The amount is net of the administration fees charged by the California Department of Tax and Fee Administration (CDTFA) averaging 1.1% of the total sales tax proceeds. The administration charges are withheld quarterly before the sales tax is remitted.
- Isleton and Galt receive .04% and 1% of the total revenues, respectively.
- The Neighborhood Shuttle is programmed to receive \$30 million over the life of the 30-year program. Therefore, the Authority distributes \$1 million to the program annually.
- Net revenues are the amount used to determine the remaining allocations.
- County Regional Parks are programmed to receive \$30 million over the life of the program, so the Authority distributes \$1 million to the program annually. However, the allocation to Safety, Streetscaping, Pedestrian and Bike Facilities is reduced by \$1 million annually to fund the county regional parks program.
- Capital Improvement Program (CIP), which amounts to 20.75% of the net revenues, is the amount allocated to pay for debt service costs. Any money remaining is available for pay-go funding.
- Program administration funding is limited to 0.75% of the net revenues, which is used to pay for salaries and benefits, overhead, professional consultants, and audits supervised by the Independent Taxpayer Oversight Committee (ITOC).
- Sacramento Metropolitan Air Quality Management District is allocated 1.5% of the net revenues to fund air quality monitoring and improvement activities.
- Sacramento Regional Transit (SacRT) and Paratransit combined are allocated 4.5% of the net revenues for the Consolidated Transportation Services Agency (CTSA)
- SacRT receives the largest allocation of the net revenues at 34.5% to fund transit operations and maintenance.

GENERAL FUND - MEASURE A ONGOING ALLOCATIONS

Description	Percentage	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimate	FY 2023 Proposed	Change from FY 2022	Change in Percent
Total Revenues		\$153,560,355	\$143,670,000	\$165,101,000	\$174,980,000	\$31,310,000	21.79%
Isleton	0.04	61,424	57,468	66,040	69,992	12,524	21.79%
Galt	1.00	1,535,604	1,436,700	1,651,010	1,749,800	313,100	21.79%
Neighborhood Shuttle	Fixed	1,000,000	1,000,000	1,000,000	1,000,000	-	0.00%
Net Revenues		\$150,963,327	\$141,175,832	\$162,383,950	\$172,160,208	\$30,984,376	21.95%
County Regional Parks	Fixed	1,000,000	1,000,000	1,000,000	1,000,000	-	0.00%
Capital Improvement Program (CIP)	20.75	31,324,890	29,293,985	33,694,670	35,723,243	6,429,258	21.95%
Program Administration	0.75	1,132,225	1,058,819	1,217,880	1,291,202	232,383	21.95%
SMAQMD*	1.50	2,264,450	2,117,637	2,435,759	2,582,403	464,766	21.95%
Traffic Control & Safety**	3.00	4,528,900	4,235,275	4,871,518	5,164,806	929,531	21.95%
SacRT***/Paratransit (CTSA)	4.50	6,793,350	6,352,912	7,307,278	7,747,209	1,394,297	21.95%
Safety, Streetscaping, Ped and Bike Facilities**	5.00	6,548,166	6,058,792	7,119,197	7,608,010	1,549,219	25.57%
Street & Road Maintenance**	30.00	45,288,998	42,352,750	48,715,185	51,648,062	9,295,313	21.95%
SacRT	34.50	52,082,348	48,705,662	56,022,463	59,395,272	10,689,610	21.95%
Total	100.00	\$150,963,327	\$141,175,832	\$162,383,950	\$172,160,208	\$30,984,376	21.95%

* Sacramento Metropolitan Air Quality Management District

** Subject to further allocation - see Allocation Per Population and Lane Miles Table

*** Sacramento Regional Transit

An additional formulaic allocation is performed to the following three categories and distributed to the County of Sacramento and the cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, and Sacramento based on relative population and lane miles:

- Traffic Control and Safety costs funded by 3% of the net revenues.
- Safety, Streetscaping, Pedestrian, and Bike Facilities activities funded by 5% of the net revenues. The total amount is reduced by \$1 million per year to fund county regional parks.
- Street and road maintenance activity is funded by 30% of the net revenues.

The amounts in the following table represent the total annual allocations by agency of the three categories above combined – less \$1 million for regional parks. The allocation percentages are updated annually based on population as reported by the California Department of Finance and lane miles reported by each jurisdiction.

ALLOCATION PER POPULATION AND LANE MILES (75/25 RATIO RESPECTIVELY)

Entity	Population*	Lane Miles**	Allocation Ratio	Amount***
City of Citrus Heights	87,811	474	5.32313%	\$3,429,206
City of Elk Grove	178,124	1,175	11.26189%	7,255,006
City of Folsom	82,303	638	5.41024%	3,485,325
City of Rancho Cordova	79,662	682	5.37674%	3,463,745
City of Sacramento	515,673	3,118	31.98699%	20,606,302
County of Sacramento	590,493	5,417	40.64101%	26,181,294
Total	1,534,066	11,504	100%	\$64,420,879

* Per California Department of Finance Report E-1

** Based on data provided by each agency in Spring 2022

*** Represents total amount less \$1 million for regional parks





CAPITAL IMPROVEMENT PROGRAM (CIP)

The table below summarizes the total CIP appropriations at the agency level for three fiscal years. Agencies that are not represented in the table below but are part of the capital program are the cities of Folsom, Galt, and Elk Grove. These agencies do not have projects programmed during any of the three fiscal years presented. The estimated spending in FY 2021-22 is \$14.3 million less than budgeted because some projects were completed or experienced delays; however, the remaining funding is programmed to be used in the future. Below is a summary of capital construction costs regardless of funding source.

GENERAL FUND - CAPITAL IMPROVEMENT PROGRAM (CIP)

Description*	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimate	FY 2023 Proposed	Change from FY 2022	Change in Percent
Caltrans	\$11,727,235	\$9,500,000	\$7,224,198	\$9,113,450	(\$386,550)	-4.07%
Capital SouthEast Connector JPA	4,568,037	3,794,692	4,016,000	1,955,197	(1,839,495)	-48.48%
Citrus Heights	-	600,000	-	600,000	-	0.00%
Rancho Cordova	2,756,887	-	-	-	-	0.00%
Sacramento City	655,938	2,200,589	217,520	1,946,442	(254,147)	-11.55%
Sacramento County	6,372,769	13,904,409	4,926,013	10,792,000	(3,112,409)	-22.38%
Smart Growth Incentive Program	-	5,835,989	5,133,821	2,669,179	(3,166,810)	-54.26%
Total Capital Appropriations	\$26,080,866	\$35,835,679	\$21,517,552	\$27,076,268	(\$8,759,411)	-24.44%

* Represents only those entities with funding agreements during the fiscal years represented in the table

There are currently two funding sources for the CIP, sales tax and SCTMFP. The Measure A Ordinance directs 20.75% of the net sales tax proceeds to the CIP program, however only the amount remaining after paying debt service – pay go - is available to fund projects. Most of the money pays for principal, interest, and ancillary fees on the bonded debt issued early in the program to advance capital projects – most notably in the first five years of the program. The table below summarizes the planned funding from the two sources by agency.

GENERAL FUND - CAPITAL IMPROVEMENT PROGRAM (CIP)

Description*	FY 2022 Budget	Funded with SCTMFP	Funded with General Fund	FY 2022 Estimate	Funded with SCTMFP	Funded with General Fund	FY 2023 Budget	Funded with SCTMFP	Funded with General Fund
Caltrans	\$9,500,000	\$0	\$9,500,000	\$7,224,198	\$0	\$7,224,198	\$9,113,450	\$0	\$9,113,450
Capital SouthEast Connector JPA	3,794,692	2,000,000	1,794,692	4,016,000	4,016,000	-	1,955,197	1,955,197	-
Citrus Heights	600,000	600,000	-	-	-	-	600,000	600,000	-
Sacramento City	2,200,589	2,200,589	-	217,520	217,520	-	1,946,442	1,946,442	-
Sacramento County	13,904,409	5,000,000	8,904,409	4,926,013	2,700,000	2,226,013	10,792,000	2,000,000	8,792,000
Smart Growth Incentive Plan	5,835,989	5,835,989	-	5,133,821	5,133,821	-	2,669,179	2,669,179	-
Total Capital Appropriations	\$35,835,679	\$15,636,578	\$20,199,101	\$21,517,552	\$12,067,341	\$9,450,211	\$27,076,268	\$9,170,818	\$17,905,450

* Represents only those entities with funding agreements during the fiscal years represented in the table





SACRAMENTO METROPOLITAN FREEWAY SERVICE PATROL PROGRAM (SACMETRO FSP)

PROGRAM

SacMetro FSP reduces freeway congestion by removing vehicles that are stalled or have been involved in an accident which account for more than half of all non-recurring freeway congestion. The program is a collaboration of the Authority, California Highway Patrol (CHP), and the California Department of Transportation (Caltrans). Major funding is provided by a state grant administered by Caltrans and a local grant administered by the Sacramento Area Council of Governments (SACOG) which allocates Capitol Valley Regional Service Authority for Freeways and Expressways (CVR-SAFE) funds.

A team of tow truck drivers patrol Sacramento freeways during the times when they are the busiest - 6:30-9:30 am and 2:30-6:30 pm Monday through Friday (except holidays). Drivers assist stranded motorists by helping them change a flat tire, providing a gallon of fuel, jump-starting their car, or making other minor repairs as needed. If the driver cannot get the vehicle running, it is towed to a CHP-approved location where the motorist can arrange for towing and/or repair.

SacMetro FSP operates on the following freeways:

- Highway 99 - Grant Line Road to the Hwy 99/50 Interchange.
- Capital City freeway (business 80) - Hwy 99/50 Interchange to the I-80 Interchange.
- Interstate 5 - Elk Grove Blvd to the Highway 99 Interchange.
- Highway 50 - Interstate 5 to Scott Road.
- Interstate 80 - Interstate 5 to the Placer County Line; in Yolo County from Mace Blvd. to Jefferson Blvd.

FUND BALANCE

Ending fund balance for FY 2022-23 is expected to be about \$555,000 in comparison to an estimated ending fund balance of \$231,000 in FY 2021-22. The SacMetro FSP program does not typically carry much fund balance because it is essentially a break-even program. Local revenue is received at the beginning of each fiscal year as a match for the state grant. The local portion is received in a lump sum while the state grant funding is received on a reimbursement basis and often takes 45-60 to process. Therefore, the fund balance is often low, in part, because of the timing difference between when contractors bill the program with net 30 terms and the receipt of reimbursement funds. Over the next couple of fiscal years fund balance will likely decrease more as new and expanded services are implemented.

REVENUE

Total revenues are expected to be \$3.9 million. State grant funding is expected to decrease by about \$363,000 (-10.7%) because the funding is generated, in part, by a tax on gasoline sales which declined significantly during the pandemic and are slowly increasing. Local grant funding (CVR-SAFE) is negotiated with SACOG and expected to increase 20.3% to \$900,000 in FY 2022-23. These funds are used as a local match for the state funding received from Caltrans.

SACMETRO FSP BUDGET - REVENUE, APPROPRIATIONS, AND FUND BALANCE

Description	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimate	FY 2023 Proposed	Change from FY 2022	Change in Percent
Revenues						
State Allocation	\$2,403,282	\$3,383,411	2,777,186	3,020,122	(\$363,289)	-10.74%
CVR-SAFE* (local match)	748,000	748,000	748,000	900,000	152,000	20.32%
Total Revenues	\$3,151,282	\$4,131,411	\$3,525,186	\$3,920,122	(\$211,289)	-5.11%
Appropriations						
Salaries and Benefits	149,354	153,248	132,936	157,072	3,824	2.50%
Overhead	60,695	62,572	58,509	75,794	13,222	21.13%
Conferences and Travel	0	1,150	56	1,150	-	0.00%
Communications	54,521	63,400	82,172	59,640	(3,760)	-5.93%
Professional Services	48,350	71,746	55,147	33,196	(38,550)	-53.73%
Other Operating Expenditures	7,277	4,750	1,891	2,550	(2,200)	-46.32%
Contractors	2,985,080	3,260,882	3,241,947	3,267,076	6,194	0.19%
Total Appropriations	\$3,305,278	\$3,617,748	\$3,572,658	\$3,596,477	(\$21,271)	-0.59%
Net Increase (decrease) in Fund Balance	(153,996)	513,663	(47,472)	323,645	(190,018)	-36.99%
Beginning Fund Balance	433,052	413,640	279,056	231,584	(182,056)	-44.01%
Ending Fund Balance	\$279,056	\$927,303	\$231,584	\$555,229	(\$372,074)	-40.12%

* Capitol Valley Regional Service Authority for Freeways and Expressways

APPROPRIATIONS

Budgeted appropriations are expected to remain about the same in FY 2022-23 when compared to the budgeted amount for FY 2021-22. Professional services provided by the CHP during FY 2022-23 are expected to decrease by about \$38,000 (-53.7%) to \$33,000 in FY 2022-23 because less services are anticipated in the budget year.



ADMINISTRATION FUND

Three staff members are tasked with overseeing the Measure A, SacMetro FSP, SAVSA, Neighborhood Shuttle, and Consolidated Transportation Services Agency (CTSA) programs. The Executive Director and Chief Financial Officer charge 93% and 95% of their time respectively administering the Measure A, Neighborhood Shuttle and CTSA programs, while the Special Programs Manager charges 94% of her time administering the SacMetro FSP and SAVSA programs. As such, each program pays its fair share of salaries, benefits, and overhead charges through a cost allocation process. Measure A limits administration funding to 0.75% of the net sales tax proceeds.

FUND BALANCE

Ending fund balance is expected to increase by about \$1.1 million in FY 2022-23 when compared to the budgeted fund balance of \$1.3 million for FY 2021-22. The increase can be explained by administration estimated costs coming in under budget by \$250,000 in FY 2021-22, increased sales tax revenue in the current and budget years, and an anticipated decrease in administration costs in the budget year. Total appropriations in FY 2022-23 are expected to decrease by \$111,000 when compared to budgeted appropriations for FY 202-221. The fund balance reserve has been increased \$100,000 in the budget year to \$300,000 from the prior year.

ADMINISTRATION BUDGET - REVENUE, APPROPRIATIONS, AND FUND BALANCE

Description	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimate	FY 2023 Proposed	Change from FY 2022	Change in Percent
Revenues						
Sales Tax*	\$1,132,225	\$1,058,819	\$1,217,880	\$1,291,202	\$232,383	21.95%
Interest and Other	55	50	50	50	-	0.00%
Total Revenues	\$1,132,280	\$1,058,869	\$1,217,930	\$1,291,252	\$232,383	21.95%
Appropriations						
Salaries and Benefits	470,836	528,507	481,900	526,310	(2,197)	-0.42%
Rent	30,820	36,258	36,258	38,539	2,281	6.29%
Conferences and Travel	1,083	4,875	4,875	4,875	-	0.00%
Insurance	7,308	8,288	8,643	9,100	812	9.80%
Professional Services	39,096	157,500	29,250	55,250	(102,250)	-64.92%
I/TOC	34,932	104,450	33,150	98,000	(6,450)	-6.18%
Other Operating Expenditures	8,743	10,400	5,200	7,150	(3,250)	-31.25%
Total Appropriations	\$592,819	\$850,278	\$599,276	\$739,223	(\$111,055)	-13.06%
Net Increase (decrease) in Fund Balance	539,461	208,591	618,654	552,028	343,437	164.65%
Beginning Fund Balance	722,530	1,099,063	1,261,991	1,880,645	781,582	71.11%
Ending Fund Balance	\$1,261,991	\$1,307,654	\$1,880,645	\$2,432,673	\$1,125,019	86.03%
Fund Reserve	100,000	200,000	200,000	300,000	100,000	50.00%
Ending Fund Balance Less Reserve	\$1,161,991	\$1,107,654	\$1,680,645	\$2,132,673	\$1,025,019	92.54%

* .75% of the net sales tax revenue is available for administration

APPROPRIATIONS

As mentioned previously, appropriations are expected to decrease in the budget year. The most notable decrease is in the amount of \$102,000 for professional services. The Authority had plans to engage a consultant to determine if voters in the County are supportive of an additional sales tax measure; however, that project has been deferred.



SPECIAL REVENUE FUNDS

SACRAMENTO ABANDONED VEHICLE SERVICE AUTHORITY (SAVSA) FUND

The Sacramento Abandoned Vehicle Service Authority (SAVSA) was created in 1991 to combat the growing number of abandoned vehicles on private and public property. SAVSA is funded by a \$1 vehicle registration fee collected by the California Department of Motor Vehicles (DMV). Each year, SAVSA helps to fund the removal of thousands of abandoned vehicles in the County and within the cities of Sacramento, Galt, Rancho Cordova, Folsom, Citrus Heights, and Elk Grove. Distributions to entities are based 50% on population and 50% on the relative number of abatements performed during each calendar quarter. This program will sunset in April 2022 without action by voters or the State Legislature. Given the benefits of the program over the last three decades, the Authority is pursuing a tax measure to continue funding. Voters will be asked in June 2022 to consider continuing the \$1 charge on registration fees to fund the program.

FUND BALANCE

Since the program is sunsetting in the current year and nearly all of the revenue that comes in pays claims and administration costs, the fund balance in FY 2022-23 will decrease to \$119,000. If voters approve the \$1 charge on the June 2022 ballot, the program will restart, but may not begin generating revenue until the last quarter of FY 2022-23 or early in the following fiscal year.

SAVSA BUDGET - REVENUE, APPROPRIATIONS, AND FUND BALANCE

Description	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimate	FY 2023 Proposed	Change from FY 2022	Change in Percent
Revenues						
Vehicle License Fees	\$1,364,680	\$1,076,389	\$1,222,957	\$0	(\$1,076,389)	-100.00%
Outreach and Education	-	-	200,000	-	-	0.00%
Interest	155	200	200	20	(180)	-90.00%
Total Revenues	\$1,364,835	\$1,076,589	\$1,423,157	\$20	(\$1,076,569)	-100.00%
Appropriations						
Abandoned Vehicle Abatement	1,338,700	1,052,389	1,222,957	-	(1,052,389)	-100.00%
Outreach and Education	-	-	200,000	-	-	0.00%
Salaries and Benefits/Overhead	22,401	24,400	39,779	19,285	(5,115)	-20.96%
Total Appropriations	\$1,361,101	\$1,076,789	\$1,462,736	\$19,285	(\$1,057,504)	-98.21%
Net Increase (decrease) in Fund Balance	3,734	-	(39,579)	-	(19,065)	0.00%
Beginning Fund Balance	159,226	154,895	159,226	119,647	(35,248)	-22.76%
Ending Fund Balance	\$162,960	\$154,895	\$119,647	\$119,647	(\$35,248)	-22.76%

REVENUE AND APPROPRIATIONS

Revenue and appropriations estimates for FY 2021-22 are expected to be \$1.4 million which is about \$100,000 more than the prior year, and \$400,000 more than budgeted. As mentioned above, the program will not likely generate any revenue in budget year FY 2022-23.

TRANSIT SERVICES FUND

The Transit Services Fund reports two programs; the Neighborhood Shuttle, and the Consolidated Transportation Services Agency (CTSA). This fund and these two programs are new to the budget this year. At the beginning of FY 2021-22, the Authority implemented Governmental Accounting Standards Board (GASB) 84, Fiduciary Activities. As a result of the implementation, the Authority reevaluated whether its fiduciary funds met the revised definition of fiduciary activities. The Authority determined that the former Measure A Agency Fund met the criteria to be reported as part of the Authority's operations and reclassified it into a Special Revenue Fund.



The Neighborhood Shuttle program funds the development of additional services throughout Sacramento County to serve senior, disabled, and underserved citizens. The CTSA works to expand the availability and use of specialized transportation services. The program facilitates coordination of transportation needs of seniors, people with disabilities, and others.

FUND BALANCE

Fund balance for these two programs will decrease quickly since contracts for services have been executed for the first time since the Measure A program began in 2009. The beginning fund balance in FY 2020-21 was \$18 million, but the year ended with a fund balance of \$12.9 million. The fund balance is expected to decrease in FY 2021-22 to \$8 million as appropriations outpace revenues. In budget year FY 2022-23, the fund balance is expected to decline further to \$3.6 million.

TRANSIT BUDGET - REVENUE, APPROPRIATIONS, AND FUND BALANCE*

Description	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimate	FY 2023 Proposed	Change from FY 2022	Change in Percent
Revenues						
Interest	-	-	40,000	9,500	9,500	0.00%
Total Revenues	\$0	\$0	\$40,000	\$9,500	\$9,500	0.00%
Appropriations						
Ongoing Allocations	6,140,147	-	5,896,289	5,462,106	5,462,106	0.00%
Total Appropriations	\$6,140,147	\$0	\$5,896,289	\$5,462,106	\$5,462,106	0.00%
Other Financing Sources (Uses)						
Transfers In	1,000,000	-	1,000,000	1,000,000	1,000,000	0.00%
Total Financing Sources (Uses)	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$1,000,000	0.00%
Net Increase (decrease) in Fund Balance	(5,140,147)	-	(4,856,289)	(4,452,606)	(5,452,606)	0.00%
Beginning Fund Balance	18,056,817	-	12,916,670	8,060,381	8,060,381	0.00%
Ending Fund Balance	\$12,916,670	\$0	\$8,060,381	\$3,607,775	\$3,607,775	0.00%

*This fund is new as a result of implementing GASB 84, Fiduciary Activities



REVENUES AND APPROPRIATIONS

Revenue for the CTSA program was accumulated from program inception in 2009 through June 30, 2019 per the Measure A Ordinance. The revenue accumulated at the rate of one percent of the net sales tax revenue each year, plus accumulated interest. During this time there were no appropriations, so fund balance accumulated. The Neighborhood Shuttle program is funded at the rate of \$1 million per year for the duration of the tax program.

The CTSA did not begin appropriating funds until FY 2020-21 when contracts between the Authority and program partners Paratransit and Sacramento Regional Transit (SacRT) were executed. In that first year appropriations totaled \$6.1 million, while appropriations are expected to be \$5.9 million in FY 2021-22. In budget year FY 2022-23, appropriations are expected to be \$5.4 million. Although the appropriations are a mix of funds from both programs, most of the appropriations are drawing down CTSA funds which will likely be extinguished during FY 2022-23.

The Neighborhood Shuttle program is ongoing and allocates funding to Paratransit and SacRT through contracts.



DEBT SERVICE FUND

The Authority established a debt service fund in compliance with the indenture for each bond issuance – Series 2009C, Series 2012, Series 2014A, and Series 2015A. Outstanding debt totals \$348.7 million as of June 30, 2022. Funding for servicing the debt is provided by the 20.75% allocation of net sales tax revenue.

FUND BALANCE

Ending fund balance for FY 2022-23 is expected to be \$7.1 million which is about \$3.9 million higher than budgeted for FY 2021-22. The reason for the significant variance is that staff overestimated the debt interest costs in FY 2021-22. Most of the Authority's debt is variable rate, so interest payments to bond holders fluctuate as interest rates do. The budget assumes that the federal interest rates will continue rising during the budget year.

However, there are interest rate swaps in place for each series of variable rate debt, so interest costs equal the difference between the fixed interest rate the Authority pays its swap partners and the variable interest rate its swap partners pays the Authority. As such, interest costs can fluctuate year based on market conditions.

Currently, the Authority is only making principal payments on the Series 2012 bonds, while the remaining bond series' principal payments begin in FY 2028-29. The fund balance represents the monthly accumulation of money to pay anticipated debt service costs – which fluctuate based on interest rates related to the Authority's variable rate bonds and ancillary costs such as liquidity facility and remarketing agent costs.

DEBT SERVICE - REVENUE, APPROPRIATIONS, OTHER FINANCING SOURCES, AND FUND BALANCE

Description	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimate	FY 2023 Proposed*	Change from FY 2022	Change in Percent
Revenue						
Interest	\$588	\$1,000	\$1,436	\$2,400	\$1,400	140.00%
Total Revenues	\$588	\$1,000	\$1,436	\$2,400	\$1,400	140.00%
Appropriations						
Principal	4,050,000	4,235,000	4,235,000	4,455,000	220,000	5.19%
Interest	15,655,190	18,751,637	14,257,063	16,257,063	(2,494,575)	-13.30%
Total Appropriations	\$19,705,190	\$22,986,637	\$18,492,063	\$20,712,063	(\$2,274,575)	-9.90%
Other Financing Sources (Uses)						
Transfers In	19,534,968	21,054,302	19,601,251	20,001,251	(1,053,051)	-5.00%
Total Financing Sources (Uses)	\$19,534,968	\$21,054,302	\$19,601,251	\$20,001,251	(\$1,053,051)	-5.00%
Net Increase (decrease) in Fund Balance	(169,634)	(1,931,335)	1,110,625	(708,411)	-	0.00%
Beginning Fund Balance	6,884,105	5,152,894	6,714,471	7,825,096	2,672,202	51.86%
Ending Fund Balance	\$6,714,471	\$3,221,559	\$7,825,096	\$7,116,684	\$3,895,125	120.91%

* Interest appropriations factor in rising interest rates during the budget year

REVENUE AND OTHER FINANCING SOURCES

Interest is received for accumulated fund balance. Other financing sources (transfers in) to the debt service fund are received from the General Fund to pay for all debt service costs.

APPROPRIATIONS

On a monthly basis, one-sixth of the semi-annual interest payments due to the Authority’s swap partners is accumulated in sub funds created by the Authority’s trustee, US Bank. Similarly, one-twelfth of the annual principal payment for the Series 2012 bonds is accumulated. Since interest payments are made in the spring and fall and principal payments in the fall, fund balance at the end of the fiscal year is usually significant.

The following table summarizes debt service costs by fiscal year through the remainder of the Measure A program. The information in the table is based on the outstanding debt of \$348.7 million. This amount consists of four issuances – Series 2009C, Series 2014A, and Series 2015A all of which are Variable Rate Demand Bonds (VRDB) and the Series 2012 which are fixed rate bonds.

The principal payments through FY 2027-28 are only for the Series 2012 bonds which will be paid off at that time. Then in FY 2028-29 through the remainder of the program, principal payments will be made on the other three issuances. The column titled “Hedging Derivatives, Net” represents the fixed interest payments to the Authority’s three swap partners minus the variable rate interest payments received from them for the VRDBs. The swap interest revenue is recorded in the General Fund. The “Ancillary Fees” column represents VRDB liquidity facilities and remarketing agent fees.

TOTAL DEBT PORTFOLIO

Fiscal Year Ending	Principal Amortization	Estimated Bond Interest	Hedging Derivatives, Net	Ancillary Fees	Total Estimated Debt Service and Fees
6/30/23	\$ 4,455,000	\$ 1,563,898	\$ 10,454,514	\$ 1,376,907	\$ 17,850,319
6/30/24	4,685,000	1,335,398	10,454,514	1,380,556	17,855,469
6/30/25	4,925,000	1,095,148	10,454,514	1,376,536	17,851,198
6/30/26	5,175,000	842,648	10,454,514	1,376,907	17,849,069
6/30/27	5,440,000	577,273	10,454,514	1,376,907	17,848,694
6/30/28	5,720,000	298,273	10,454,514	1,380,556	17,853,344
6/30/29	22,300,000	149,833	10,088,113	1,328,456	33,866,401
6/30/30	24,400,000	138,441	9,320,822	1,227,831	35,087,095
6/30/31	25,400,000	126,294	8,502,985	1,120,124	35,149,404
6/30/32	26,500,000	113,635	7,650,662	1,010,395	35,274,692
6/30/33	27,600,000	100,440	6,762,027	890,620	35,353,088
6/30/34	28,800,000	86,684	5,835,802	768,885	35,491,371
6/30/35	30,000,000	72,342	4,870,164	641,713	35,584,219
6/30/36	31,300,000	57,391	3,863,833	510,296	35,731,519
6/30/37	32,600,000	41,805	2,814,440	370,818	35,827,063
6/30/38	34,000,000	25,561	1,720,707	226,883	35,973,150
6/30/39	35,400,000	8,634	581,354	76,777	36,066,765
TOTAL	\$ 348,700,000	\$ 6,633,701	\$ 124,737,994	\$ 16,441,166	\$ 496,512,861

* Annual net interest rate swap payments related to the Series 2009C, 2014A, and 2015A bonds

** Liquidity facilities and remarketing agent fees



5

CAPITAL IMPROVEMENT PROGRAM



CAPITAL IMPROVEMENT PROGRAM (CIP)



CAPITAL PROJECT FINANCING

The Authority is a planning and funding mechanism for the CIP. The voter-approved sales tax measure has generated about \$1.44 billion since the program's inception in 2009, of which 20.75% is dedicated to the capital program. The Expenditure Plan approved by voters identifies the projects to be constructed over the life of the program. The Authority does not construct any capital projects, nor does it own them. As such, there is no impact on the Authority's operating costs resulting from activity associated with the projects in the Expenditure Plan.

Annually, the Authority requests updated spending plans from each agency with capital projects programmed to receive Measure A funding. This information is essential for planning the annual budget and related cash flows. Only approved projects are eligible for Measure A funding.

Capital allocation contracts are typically for multiple years. Funding to date has been primarily through the issuance of debt issued early in the program to advance projects. However, proceeds from the issuance of debt were exhausted in FY 2017-18. Therefore, SCTMFP and sales tax pay-go are the only funds currently available for projects. Sales tax pay-go funding is expected to be about \$16.9 million in the budget year. In addition, the SCTMFP is expected to generate \$6 million in revenue in the budget year. Together, these two funding sources along with accumulated fund balance are programmed to pay for the budget year CIP.



IMPACT OF CAPITAL IMPROVEMENTS ON THE OPERATING BUDGET

The Authority is a financing mechanism for transportation services and capital improvement projects throughout the region. When voters approved the sales tax measure, the Expenditure Plan within the Ordinance laid out specific programs, agencies, and projects the funding was to be allocated to.

There are 54 capital projects in the Expenditure Plan. All of them are to be built using a mix of funding types – e.g., local, state, and federal. The Authority provides local funding that is used to leverage other funding sources. In all cases, the agencies building the capital projects submit claims to the Authority that are reimbursed using Measure A dollars. None of the projects are built by or assets of the Authority. The Authority exists as a pass-through funding source. All capital assets are reported on the financial statements of the agencies building them.

Given the structure of the capital program, capital assets constructed with Measure A funds never have an impact on the Authority's operating budget.



THE PROJECTS

MEASURE A GUIDING PRINCIPLES

The guiding principles of Measure A are to maintain and improve the quality of life in the County by implementing the Sacramento County Transportation Expenditure Plan 2009-2039 (Expenditure Plan) which strives to:

GUIDING PRINCIPLES

- Reduce traffic congestion.
- Improve air quality.
- Maintain and strengthen the county's road and transportation systems.
- Enhance the region's ability to secure state and federal funding for transportation by providing local matching funds.
- Preserve unique, natural amenities.
- Preserve agricultural land.

The agencies implementing the projects are the Sacramento County, the cities of Galt, Elk Grove, Rancho Cordova, Sacramento, Citrus Heights, and Folsom, the California Department of Transportation (Caltrans), Sacramento Regional Transit (SacRT), and the Capital SouthEast Connector Authority. Following is a list of the approved projects.



PROJECTS BY AGENCY



- **Antelope Road** (Watt Ave – Roseville Rd)
- **Arden Way** ITS Improvements Phase 2
- **Bradshaw Road** - Phase 1
- **Bradshaw Road** - Phase 2
- **Folsom Boulevard** (Watt Ave – Bradshaw Rd)
- **Greenback Lane** (Fair Oaks Blvd – Main Ave) – Phase 1
- **Greenback Lane** (Fair Oaks Blvd – Main Ave) – Phase 2
- **Greenback Lane** (I-80 – Manzanita Ave)
- **Hazel Avenue** - Phase 1 (US 50 – Madison Ave)
- **Hazel Avenue** - Phase 2 (Madison Ave - Placer Co. Line)
- **Hazel Avenue** - (US Highway 50 – Folsom Blvd)
- **Madison Avenue** - Phase 1 (Sunrise Blvd – Hazel Ave)
- **Madison Avenue** - Phase 2 (Hazel Ave – Greenback Lane)
- **Madison Avenue** - Phase 3 (Watt Ave – Sunrise Blvd)
- **South Watt/Elk Grove** – Florin Road - Phase 1
- **South Watt/Elk Grove** – Florin Road - Phase 2
- **Sunrise Boulevard** (Jackson Rd – Grant Line Rd)
- **Sunrise Boulevard** (Madison Ave – Gold Country Blvd)
- **Watt Avenue** (Antelope Rd – Capital City Freeway)
- **Watt Avenue/SR50** Interchange Upgrade

County of Sacramento Expenditures by Project	Complete	In Progress	Not Started	Grand Total
Antelope Rd.- Capital City Freeway	-	1,051,091	-	1,051,091
Bradshaw Rd. at Jackson Rd.	-	64,932	-	64,932
Calvine Rd. to Florin Rd. Phase 1	7,923,277	-	-	7,923,277
Ethan Way to Fair Oaks Blvd.	-	-	-	-
Fair Oaks Blvd. to Main Ave. Phase 1	-	406,178	-	406,178
Fair Oaks Blvd. to Main Ave. Phase 2	-	-	-	-
Folsom Blvd. to Calvine Rd. Phase 1	-	3,390,233	-	3,390,233
Folsom Blvd. to Calvine Rd. Phase 2	-	-	-	-
Hazel Ave. to Greenback Ln.	-	-	-	-
Hwy 50 to Folsom Blvd.	-	1,932,204	-	1,932,204
Hwy 50 to Madison Ave.	-	42,806,021	-	42,806,021
I-80 to Madison Ave.	-	-	-	-
Jackson Rd. to Grant Line Rd.	-	-	-	-
Madison Ave. to Gold Country Blvd.	-	-	-	-
Madison Ave. to Placer County Line	-	-	-	-
Sunrise Blvd. to Hazel Ave.	-	2,055,165	-	2,055,165
Watt Ave to Roseville Rd.	-	-	-	-
Watt Ave. Hwy 50 Interchange	11,835,390	-	-	11,835,390
Watt Ave. to Bradshaw Rd.	-	1,403,597	-	1,403,597
Watt Ave. to Sunrise Blvd.	-	-	-	-
Grand Total	19,758,667	53,109,420	-	72,868,088

City of
SACRAMENTO

- **Arden Way ITS Improvements** (Del Paso Blvd. – Ethan Way)
- **Bruceville Road Widening** (Sheldon Rd - Consumnes River Blvd)
- **Cosumnes River Boulevard** (Freeport Blvd. – Franklin Blvd.)
- **Cosumnes River Boulevard/ I-5 Interchange Upgrade**
- **Folsom Boulevard** (65th St. – Watt Ave.)
- **Richards Boulevard/I-5 Interchange Improvements**
- **Downtown Intermodal Station**

City of Sacramento Expenditures by Project	Complete	In Progress	Not Started	Grand Total
65th St. to Watt Ave.	-	-	-	-
Bruceville Rd. Sheldon Rd. to Consumnes Blvd.	-	-	-	-
Consumnes Blvd. I-5 Interchange	8,588,138	-	-	8,588,138
Del Paso Blvd. to Ethan Way	-	-	-	-
Richards Blvd. I-5 Interchange	-	476,029	-	476,029
Sacramento Intermodal Station	-	83,688,891	-	83,688,891
Grand Total	8,588,138	84,164,920	-	92,753,058





- **Folsom Boulevard** Streetscape
- **Sunrise Boulevard**

	Complete	In Progress	Grand Total
City of Rancho Cordova Expenditures by Project	9,641,952	10,948,038	20,589,990
Bradshaw Rd. to Sunrise Blvd. Phase 1	5,066,265	-	5,066,265
Bradshaw Rd. to Sunrise Blvd. Phase 2	36,455	-	36,455
Bradshaw Rd. to Sunrise Blvd. Phase 4	3,093,804	-	3,093,804
Bradshaw Rd. to Sunrise Blvd. Phase 5	1,445,428	-	1,445,428
Gold Country Blvd. to Jackson Rd.	-	10,948,038	10,948,038
Grand Total	9,641,952	10,948,038	20,589,990



- **Antelope Road** - Phase 1 (Roseville Rd - I-80)
- **Antelope Road** - Phase 2 (I-80 - Auburn Blvd)
- **Greenback Lane** (West City Limit to Fair Oaks Blvd)
- **Sunrise Boulevard** - Phase 1 (Oak Ave - Antelope Rd)
- **Sunrise Boulevard** - Phase 2 (Greenback Lane – Oak Ave)
- **Sunrise Boulevard** - Phase 3 (Antelope Rd – City Limit)

	complete	in progress	not started	Grand Total
City of Citrus Heights Expenditures by Project	7,841,744	-	-	7,841,744
Antelope Rd. to City Limit Phase 3	-	-	-	-
Greenback Ln. to Oak Ave Phase 2	-	-	-	-
I-80 to Auburn Blvd.	-	-	-	-
Oak Ave. to Antelope Rd. Phase 1	4,528,000	-	-	4,528,000
Roseville Rd. to I-80 Phase 1	1,088,744	-	-	1,088,744
West City Limit to Fair Oaks Blvd.	2,225,000	-	-	2,225,000
Grand Total	7,841,744	-	-	7,841,744





- **Grantline Road/SR99** Interchange Upgrade
- **Sheldon Road / SR99** Interchange Upgrade
- **Bradshaw Road** - (Grantline Rd. - Calvine Rd.)
- **Sheldon Road.** (Bruceville Rd - Bradshaw Rd)
- **Elk Grove** - Florin Road (Calvine Rd - Elk Grove Blvd)
- **Elk Grove** - Florin Road (Big Horn Blvd - Waterman Rd)

	complete	not started	Grand Total
City of Elk Grove Expenditures by Project	45,521,033	-	45,521,033
Bradshaw Rd. Grantline Rd. to Calvine Rd.	-	-	-
Elk Grove Blvd. Big Horn Rd. to Waterman Rd.	-	-	-
Elk Grove Florin Rd. Calvine Rd. to Elk Grove Blvd.	-	-	-
Grantline Rd..Hwy 99 Interchange Upgrade	37,229,290	-	37,229,290
Sheldon Rd. Bruceville Rd. to Bradshaw Rd.	-	-	-
Sheldon Rd. Hwy 99 Interchange Upgrade	8,291,743	-	8,291,743
Grand Total	45,521,033	-	45,521,033



- **Folsom Lake** Crossing

	Complete	Grand Total
City of Folsom Expenditures by Project	37,577,078	37,577,078
Folsom Bridge Crossing	37,577,078	37,577,078
Grand Total	37,577,078	37,577,078





- **Central Galt** Interchange

	complete	Grand Total
City of Galt Expenditures by Project	9,966,000	9,966,000
Central Galt Interchange	9,966,000	9,966,000
Grand Total	9,966,000	9,966,000



- **I-5/50** Interchange Improvements
- **I-5/80** Interchange Upgrade, HOV Connector, and I-5 HOV Lanes
- **Oak Park (SR99/50)** Interchange Improvements
- **I-5** Bus/Carpool Lanes
- **I-80** Bus/Carpool Lanes
- **US 50** Bus/Carpool Lanes

	Complete	In Progress	Not Started	Grand Total
Caltrans Expenditures by Project	35,015,921	47,230,320	-	82,246,241
Hwy 50 /I-5 Ramp Widening for Connectors	-	-	-	-
Hwy 50/Hwy 99 Bus/Carpool Ramp Connection	-	-	-	-
I-5 Bus/Carpool Lanes	-	27,844,484	-	27,844,484
I-5/I-80 Interchange Upgrade	1,500,000	-	-	1,500,000
I-80 I-5 to Capital City Freeway	722,688	-	-	722,688
Sunrise Blvd. to Downtown Phase 1	32,793,233	-	-	32,793,233
Sunrise Blvd. to Downtown Phase 2	-	19,385,835	-	19,385,835
(blank)	-	-	-	-
(blank)	-	-	-	-
Grand Total	35,015,921	47,230,320	-	82,246,241





- Downtown Natomas Airport LRT Extension
- South Sacramento LRT Corridor - Phase 2 (Meadowview - CRC)
- Northeast Corridor (NEC)
- Regional Rail

	complete	not started	Grand Total
SacRT Expenditures by Project	58,883,050	-	58,883,050
DNA LRT Extension	37,311,000	-	37,311,000
LRT I-80 Corridor Improvements	247,200	-	247,200
Regional Rail Commuter Service	-	-	-
South Sac LRT Extension	21,324,850	-	21,324,850
Grand Total	58,883,050	-	58,883,050



- I-5 / SR 99 / US 50 Connector

	Complete	In Progress	Grand Total
Capital SouthEast Connector Expenditures by Project	5,000,000.00	37,985,518.03	42,985,518.03
Consumnes River Permanent Open Space Preserve	5,000,000.00	-	5,000,000.00
I-5/Hwy 99/Hwy 50	-	37,985,518.03	37,985,518.03
Grand Total	5,000,000.00	37,985,518.03	42,985,518.03



There are 15 projects and the Smart Growth Incentive Program (SGIP) programmed to receive Measure A funding during FY 2022-23 through interagency funding agreements. All CIP projects are multi-year or long-term in nature, therefore many projects span multiple funding agreement cycles. Since availability of funding is a primary driver for the construction cycle, some projects may stall while enough funding is identified. Therefore, it is not uncommon to reallocate funding from one project to another based on the availability of other funding sources. Measure A funding is normally the local matching component for other funding sources, so the Authority and CIP agencies work together throughout the projects' lifecycle to ensure funding is allocated when and where needed. Since most projects receive funding from multiple sources, Measure A funding may be exhausted before completion of the project.



- **Bradshaw Rd.: Phase 2** – this project will construct capacity, safety, and access improvements at the Bradshaw Rd./Jackson Rd. intersection. This project will reduce GHG emissions, improve mobility for all modes of travel by adding through lanes in each direction and bicycle and pedestrian facilities including bike lanes, sidewalks, and disability access features. The FY 2022-23 funding request is \$226,000.
- **Folsom Blvd: Watt Ave. to Bradshaw Rd.** – this project will improve safety and connectivity along Folsom Boulevard between Bradshaw Road and Mayhew Road by providing sidewalk continuity, buffered bike lanes, pedestrian safety lighting, functional landscaping, and pedestrian signal upgrades. The FY 2022-23 funding request is \$660,000.
- **Greenback Lane: Fair Oaks Blvd. to Main Ave.** – this project on Greenback Lane between Chestnut Avenue and Folsom City Limits will install Class II Bike lanes, separated sidewalks, ADA upgrades that include curb ramps, bicycle detection, bus stop and transit access improvements, and landscape/streetscape enhancements. The FY 2022-23 funding request is \$1,128,000.
- **Hazel Ave: Hwy 50 to Folsom Blvd.** – this project proposes to construct capacity, safety, and access improvements at the U.S. Highway 50/Hazel Avenue interchange and the Hazel Avenue/Folsom Boulevard intersection. Improvements include modifications to the interchange structure and freeway ramps; extension of Hazel Avenue as a six-lane roadway south of U.S. 50 and Folsom Boulevard; construction of a grade separation at the Hazel Avenue/Folsom Boulevard intersection to separate the Hazel Avenue extension from Folsom Boulevard and the light rail tracks; and construction of a connection road to provide new access between Folsom Boulevard and the Hazel Avenue extension. This project will provide for connections with residential and business development areas south of U.S. 50. The FY 2022-23 funding request is \$5,045,000.

- **Hazel Ave: Hwy 50 to Madison Ave.** - this is the third phase of the Hazel Avenue project that will widen Hazel Avenue from four to six lanes from Sunset Avenue to Madison Avenue, and construct new bike lanes, separated sidewalks, landscaped medians and parkway features throughout the corridor. New traffic signals are proposed at Roediger Lane and Phoenix Avenue. This project will improve existing and projected traffic congestion, enhance pedestrian and bicycle mobility, improve safety, and generally improve the aesthetics of the corridor. The FY 2022-23 funding request is \$1,029,000.
- **Madison Ave.: Sunrise Blvd. to Hazel Ave.** - this project will widen Madison Avenue from 4 to 6 lanes with raised medians between Fair Oaks Boulevard and Hazel Avenue in the Citrus Heights and Fair Oaks areas. The project will construct bicycle and pedestrian facilities, traffic signal modifications, traffic operations system upgrades, landscaping, and streetscape enhancements, and soundwalls. The FY 2022-23 funding request is \$470,000.
- **Sunrise Blvd.: Jackson Rd. to Grant Line Rd.** - this project will widen the existing intersection at Jackson Road and Sunrise Boulevard to add additional lanes and modify the existing traffic signal for improved efficiency. The FY 2022-23 funding request is \$125,000.
- **Watt Ave.: Antelope Rd. to Capital City Freeway** - this project is located on Watt Avenue, north of I-80, from Orange Grove Avenue to Roseville Road. Improvements include the design and construction of sidewalk infill, ADA improvements such as curb ramps and bus stops, class II bike lanes, and streetscape enhancements. The FY 2022-23 funding request is \$91,000.
- **South Watt Ave.: Folsom Blvd. to Calvine Rd.** - this project will widen South Watt Avenue from two to four lanes between Florin Road and Jackson Road. Proposed improvements include landscaped medians, ADA upgrades, bicycle and pedestrian facilities, and intersection upgrades. The FY 2022-23 funding request is \$2,018,000.

City of
SACRAMENTO

- **Richards Blvd.: I-5 Interchange** - this project will provide long-term operational and circulation improvements to address future impacts resulting from high density development in the Central City. The interchange was originally constructed in 1969 as part of the interstate freeway network. The interchange is a critical access point to the northern part of the Central City and reconstruction of the interchange is needed to serve planned growth in Downtown, the Railyards, and River District areas. The proximity of the Sacramento River to the west and the American River to the north restricts development west and north of the interchange and limits improvement options. The FY 2022-23 funding request is \$539,833.

- **Sacramento Intermodal Station** – this project is currently in the planning phase for the expansion of the existing station facility which will better connect transportation services closer to the relocated train track and platform alignment. The timeline for full build-out is currently 2040 and is planned to be implemented in distinct phases. The program elements of the plan include a bus station for Amtrak Thruway, regional and local transit agencies, and private carriers; new bike facilities, improved drop-off and pick-up areas, implementation of current light rail and streetcar projects, public space, and new supportive transit-oriented development. Programing for future uses in the historic station will be evaluated to support the transit complex. The FY 2022-23 funding request is \$1,406,609.



- **Greenback Lane/Sunrise Blvd. to Fair Oaks Blvd.** – Traffic signal upgrades and modifications, ADA, pedestrian, bicycle and transit enhancements, drainage improvements, and pavement restoration. The FY 2022-23 funding request is \$600,000.



- **Hwy 50 Bus/Carpool Lanes Sunrise Blvd. to Downtown** – this project is designed to reduce recurring congestion on U.S. 50 from the Watt Avenue Interchange (where the current HOV lanes start and stop on U.S. 50) to the I-5 Interchange in downtown Sacramento. In addition, this project will allow connectivity and consistency with the planned HOV system in the Sacramento region, enhance mobility and provide incentives for ridesharing during peak period travel, achieve the goals of the current SACOG MTP/SCS by promoting ridesharing, improving U.S. 50 to meet the growing travel demand in the Sacramento region, provide an option for reliable peak period travel time, and improved bicycle and pedestrian access. The FY 2022-23 funding request is \$3,513,450.
- **I-5 Bus/Carpool Lanes** – this project will construct approximately 25 miles of bus/carpool lanes on I-5 from Beach Lake Bridge north to Interstate 80. The purpose of this project is to promote ride sharing and the use of high occupancy vehicles such as carpools, vanpools, and express bus services during peak period travel, provide congestion relief to improve traffic flow and mobility by carrying more people in fewer vehicles during peak traffic periods, use highway facilities as efficiently as possible, and improve traffic operations and safety. The FY 2022-23 funding request is \$5,600,000.



- This project** consists of a 34-mile-long expressway that will serve as a beltway through the southern area of Sacramento County into El Dorado County, enabling travelers to bypass downtown Sacramento and Highway 50 congestion between Elk Grove, Rancho Cordova, Folsom, and El Dorado Hills. The Connector will provide easier access to jobs, reduced congestion, more efficient goods movement, increased safety, and significant economic impact. The project’s first phase includes construction of four continuous lanes from Interstate 5 and Highway 99 in Elk Grove to the new Silva Valley interchange at Highway 50 in El Dorado Hills, expanded at-grade intersections at all major access points, and a continuous path for pedestrians, bicyclists, and equestrians. The FY 2022-23 funding request is \$1,955,197.

SMART GROWTH INCENTIVE PROGRAM

- Smart Growth Incentive Program (SGIP)** – Used to promote transit oriented joint development. This funding is made available to all Authority partner agencies using a formulaic model administered by the Sacramento Area Council of Governments (SACOG). The funding is then used as a local match to compete for state and federal funding. It is also available for planning, development, and acquisition of the Consumnes River Permanent Open Space Preserve and/or any other environmental mitigation needed to offset the impacts from the Capital SouthEast Connector. The FY 2022-23 funding request is \$2,669,179.



FINANCING

The following table represents the Authority’s financing plan including updated estimates for FY 2021-22 and appropriations for FY 2022-23. The projects and funding amounts by fiscal year are the result of a collaborative process between Authority staff and each agency building the projects. This working plan is implemented through funding agreements between the Authority and the agencies building the projects.

Sales tax revenue allocated to the CIP is projected to increase from an estimated \$33.7 million in FY 2021-22 to \$35.7 million in FY 2022-23 of which \$18.7 million is expected to be spent on debt service costs. Debt service costs include principal, interest, and ancillary fees while the remainder is available as pay-go funding.

The SCTMFP is expected to contribute \$5.4 million FY 2021-22 and \$ 6 million in FY 2022-23 to the CIP.

CAPITAL IMPROVEMENT PROGRAM FINANCING PLAN

	FY 2021-22 est.	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Beginning Fund Balance	37,993,208	36,850,990	38,006,127	38,831,104	26,795,514
Revenue Assumptions:	-	-	-	-	-
Sales Tax	165,101,000	174,980,000	183,191,000	190,632,000	197,334,000
Off the top	2,717,050	2,819,792	2,905,186	2,982,573	3,052,274
Net Sales Tax Available to CIP	162,383,950	172,160,208	180,285,814	187,649,427	194,281,726
Sales tax CIP allocation	33,694,670	35,723,243	37,409,306	38,937,256	40,313,458
Debt Service (net of swap interest)	18,751,637	18,754,387	18,759,542	18,755,266	18,753,137
Sales tax pay go	14,943,033	16,968,856	18,649,764	20,181,990	21,560,321
SCTMFP	5,432,303	6,002,671	6,022,951	6,428,566	5,438,407
Release 2012 bond reserve	-	5,259,878	-	-	-
Net Available for Expenditure	58,368,544	65,082,395	62,678,842	65,441,660	53,794,242
Expenditure Assumptions	-	-	-	-	-
California DOT:	-	-	6,100,000	12,000,000	14,000,000
I-5 Elk Grove	5,825,265	-	-	-	-
I-5 Carpool Lanes US 50 - I-80	-	5,600,000	-	-	-
Hwy 50 HOV	1,398,934	3,513,450	3,500,000	2,001,000	-
Capital SouthEast Connector	4,016,000	1,955,197	2,800,000	-	-
City of Citrus Heights:	-	-	-	-	-
Greenback Lane	-	600,000	-	-	-
City of Sacramento:	-	-	-	-	-
Intermodal	133,365	1,406,609	1,250,000	5,750,000	-
Richards/I-5	84,156	539,833	500,000	1,600,000	-
County of Sacramento:	-	-	-	-	-
Bradshaw Rd. Phase 2	400,000	226,000	605,000	717,000	12,000
Folsom Blvd.	292,624	660,000	81,000	1,502,534	-
Greenback Lane Phase 1	600,000	1,128,000	1,279,000	2,659,466	415,000
Hazel Ave. Phase 1	158,389	1,029,000	-	-	-
Hazel Ave. 50 to Folsom	1,200,000	5,045,000	654,295	5,389,861	6,696,203
Madison Ave. Phase 1	400,000	470,000	1,068,000	2,023,000	3,627,000
South Watt Phase 1	400,000	2,018,000	2,835,000	3,656,000	-
Sunrise - Jackson to Grant Line	225,000	125,000	225,000	377,000	1,789,000
Watt Ave. - Antelope to Cap City	1,250,000	91,000	133,000	6,000	-
Smart Growth Incentive Program	5,133,821	2,669,179	2,817,443	964,285	1,598,761
Total Expenditures	21,517,554	27,076,268	23,847,738	38,646,146	28,137,964
Fund Balance Reserve	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
Ending Fund Balance	29,350,990	30,506,127	31,331,104	19,295,514	18,156,278



6

ORGANIZATIONAL OVERVIEW



ORGANIZATIONAL OVERVIEW

The Authority administers five programs – Measure A, SacMetro FSP, SAVSA, Neighborhood Shuttle, and the Consolidated Transportation Services Agency (CTSA). This section includes the Authority’s organizational structure, each staff member’s area of responsibility, pay schedules, and the Authority’s accomplishments.

The Authority employs 3 full-time personnel. Staffing levels have remained the same during FY 2020-21, FY 2021-22, and no changes are planned for FY 2022-23. Because of its small size, staff work in multiple programs.

SACRAMENTO TRANSPORTATION AUTHORITY PROGRAMS



SACRAMENTO TRANSPORTATION AUTHORITY STAFF





AUTHORITY POSITION DESCRIPTIONS



EXECUTIVE DIRECTOR

Working under broad policy direction from the Governing Board, the Executive Director (ED) plans, organizes, evaluates, and directs the operations and activities of the Sacramento Transportation Authority. This position is responsible for all Authority functions including planning, finance, administration, and operations. The following are more descriptive of the ED responsibilities/duties:

RESPONSIBILITIES/DUTIES

- Identifies and oversees the Authority's strategic direction based upon the agency's vision, mission, and overall strategic plan.
- Implements the Measure A projects and programs in compliance with its provisions and requirements.
- Safeguards the Authority through the adherence to all applicable laws and regulations by identifying and responding to risks.
- Regularly updates the Governing Board on important issues facing the Authority and requests input and direction to address them.
- Prepares meeting agendas and oversees the development of meeting reports and materials.
- Plans, organizes, directs, and evaluates the operations of the Authority; develops, and/or evaluates proposals for programs, services, and projects approved by the Governing Board, responds to regulatory or legislative changes, resolves identified problems; ensures effective utilization of available resources by managing organizational change, allocates staff resources, and work processes.
- Develops and maintains effective working relationships with Federal, State, and local government agencies and community groups to ensure service goals/requirements are met.

- Directs the review, planning, evaluation, and development of the Authority’s budget. Oversees administration of the budget and ensures appropriate fiscal controls and reporting processes are in place.
- Reviews, analyzes, and interprets legislation and regulations; develops, recommends, and oversees the implementation of policies and procedures for compliance.
- Represents the Authority by working closely with governmental agencies, public and private organizations, and community groups to provide technical assistance and address issues of mutual concern and makes presentations to regulatory, governing, and related councils and boards.
- Prepares and coordinates the preparation of a wide variety of reports and presentations regarding Authority services and operations.
- Serves as an ex-officio member of the Measure A Independent Taxpayer Oversight Committee (ITOC) and;
- Concurrently acts as the Executive Director of the Sacramento Abandoned Vehicle Service Authority (SAVSA).



CHIEF FINANCIAL OFFICER

Under the direction of the ED, the Chief Financial Officer (CFO) is responsible for all financial related matters, including day-to-day accounting duties, financial statement and budget preparation, payroll and benefits administration, contract administration, and overseeing financial forecasts and related planning activities. The following are more descriptive of the CFO’s responsibilities/duties:

RESPONSIBILITIES/DUTIES

- Maintains all accounting functions including managing the chart of accounts, entering all accounting data, reconciling bank statements, and reporting financial data to financial institutions and other stakeholders.
- Prepares the Annual Comprehensive Financial Report (ACFR) under the supervision of the Independent Taxpayer Oversight Committee (ITOC), represents the Authority during audits, and presents all financial information to the Board, ITOC, other stakeholders, and the public.

- Establishes and monitors funds and reserves and assesses the overall financial condition of the Authority and its ability to fund operations, ongoing programs, and the Capital Improvement Program (CIP).
- Reviews, researches, analyzes, prepares, and presents annual budgets for Authority operations, special programs, and its CIP. Presents this information to the Board, ITOC, other stakeholders, and the public.
- Tracks actual to budget expenditures and presents a quarterly summary, including explanations for variances, to the Board, ITOC, other stakeholders, and the public.
- Performs administrative support services such as studying organizational and administrative problems and making recommendations to resolve them; recommends changes to the Authority's structure due to operational deficiencies, promotes quality management.
- Oversees the Authority's bond program by monitoring the municipal bond market to identify opportunities to reduce debt service costs, collaborates with financial advisory consultants to renew liquidity facilities and determine when additional debt could be issued if needed, and ensures compliance with all bond covenants.
- Oversees all human resource functions, including payroll, vacation and sick leave accrual, pension benefits, and other benefits such as dental, health, and vision.
- Reviews and updates all vendor contracts, Memorandum of Understandings (MOUs), and funding agreements for the CIP under the supervision of the ED and legal team.



SPECIAL PROGRAMS MANAGER

Under the direction of the ED, the Special Programs Manager is responsible for managing the SacMetro FSP and SAVSA programs. Responsibilities include partnership coordination, contract procurement and administration, funding and budget management, compliance review, data collection and analysis. Some of the Special Programs Manager's key responsibilities/duties are:

RESPONSIBILITIES/DUTIES

- Point of contact for the Authority's special programs—SacMetro FSP and SAVSA. Facilitates communication and coordination between local and state-level government agencies and contractor partnerships.

- Program contract procurement. Prepares and distributes request for qualifications (RFQ) and request for proposals (RFP), coordinates and participates in the review of RFQ and RFP packets and presents recommendations to the Governing Board.
- Program financial management. Budget preparation, reviews and approves monthly and quarterly reports and invoices, completes required state financial reports.
- Analyzes program data to assess productivity, needs and concerns for long-term planning and sustainability. Uses data to prepare and provide detailed program analysis reports to inform contractors of operational concerns and historical trends.
- Ensures program members and contractors follow state and local laws, guidelines, and contract obligations. Partners with California Highway Patrol (CHP) officers to oversee, review and enforce program standards of operation. Maintains a standard compliance form used by similar local programs.

The Authority aligns its pay schedules to comparable Sacramento County classifications. The following pay schedules represent the monthly minimum and maximum published amounts for FY 2020-21 with an estimated 2% cost of living adjustment (COLA) for FY 2022-23.

**PAY SCHEDULES FOR FY 2022-23
(INCLUDING AN ESTIMATED 2% COLA*)**

Classification	Monthly Minimum	Monthly Maximum
Executive Director	\$189,208	\$208,589
Chief Financial Officer	136,518	150,489
Special Programs Manager	112,664	124,207

* Cost of Living Allowance





AUTHORITY ACCOMPLISHMENTS

During FY 2021-22, the Authority achieved numerous accomplishments including the following:

- Implemented GASB 84, Fiduciary Activities, which required the Authority to reclassify the Neighborhood Shuttle and CTSA programs from Agency Funds to Special Revenue Funds.
- Programmed Senate Bill 1 (SB 1) funds.
- Completed a project performed by a consultant to forecast the SCTMFP revenues through the remainder of the program.
- Began the process to refinance the Series 2012 bonds to reduce interest costs.
- Completed an update of the Measure A program's sales tax revenue forecasts.
- Maintained reserve balances in the CIP and administration funds consistent with GFOA guidelines.
- Revamped the budget to include more information that is useful to stakeholders.
- Received GFOA's Distinguished Budget Presentation Award.
- Increased collaboration between the Board, staff, and Measure A partner agencies.
- Responded to all Public Records Act requests within 10 business days.





7

STATISTICAL INFORMATION



STATISTICAL INFORMATION

DEMOGRAPHIC AND ECONOMIC STATISTICS

Fiscal Year	Population	Personal Income (000's)	Per Capita Personal Income	Unemployment Rate
2021	1,559,000	\$90,908,707	\$58,307	9.30%
2020	1,552,000	85,775,621	55,266	3.70%
2019	1,541,000	80,969,087	52,544	3.8%
2018	1,531,000	76,832,120	50,197	4.6%
2017	1,514,000	72,878,458	48,122	5.4%
2016	1,497,000	70,110,138	46,845	6.0%
2015	1,478,000	65,486,553	44,303	7.3%
2014	1,460,000	61,654,690	42,229	8.9%
2013	1,447,000	59,775,785	41,303	10.5%
2012	1,435,000	57,498,308	40,068	12.1%

Source: County of Sacramento Annual Comprehensive Financial Report



PRINCIPAL EMPLOYERS

Employer:	2021			2012		
	Rank	Employees	Percentage of Total County Employment	Rank	Employees	Percentage of Total County Employment
UC Davis Health System	1	14,618	2.18%			
Kaiser Permanente	2	12,078	1.80%	1	9,932	1.67%
Dignity/Mercy Healthcare	3	10,888	1.63%			
Sutter/California Health Services	4	10,764	1.61%	2	9,609	1.62%
Intel Corporation	5	5,992	0.90%	4	6,147	1.03%
Raley's Inc/Belair	6	3,394	0.51%			
VSP Global	7	2,834	0.42%			
Sacramento Municipal Utility District	8	2,099	0.31%			
Siemens Mobility Inc.	9	2,000	0.30%			
Safeway	10	1,823	0.27%			
CHW/Mercy Healthcare				3	7,107	1.20%
Hewlett-Packard				5	3,500	0.59%
Wells Fargo & Co.				6	2,986	0.50%
Heath Net of California				7	2,440	0.41%
Cache Creek Casino Resort				8	2,376	0.40%
Pacific Gas and Electric Co.				9	2,060	0.35%
Thunder Valley Casino Resort				10	2,025	0.34%
Total		66,490	9.93%		48,182	8.11%

Source: Sacramento County June 30, 2021 Annual Comprehensive Financial Report



REVENUE CAPACITY - REVENUE BASE AND REVENUE RATE

Fiscal Year	Sales Tax Rate	Total Sales Tax Revenue	Total Taxable Sales
2021	0.5%	\$ 153,560	\$ 30,712,000
2020	0.5%	131,591	26,318,200
2019	0.5%	131,757	26,836,365
2018	0.5%	119,188	25,443,669
2017	0.5%	116,878	24,610,617
2016	0.5%	110,708	23,368,174
2015	0.5%	105,564	22,218,348
2014	0.5%	100,063	21,061,901
2013	0.5%	97,390	20,097,095
2012	0.5%	92,240	19,089,848

Source: California Department of Tax and Fee Administration



RATIOS OF OUTSTANDING DEBT

Fiscal Year	Sales Tax Revenue Bonds	Percentage of Personal Income	Per Capita
2021	\$ 352,935,000	0.4%	\$ 226
2020	356,985,000	0.4%	230
2019	360,875,000	0.4%	234
2018	364,615,000	0.5%	238
2017	368,205,000	0.5%	243
2016	371,655,000	0.5%	248
2015	371,655,000	0.6%	251
2014	371,655,000	0.6%	255
2013	371,655,000	0.6%	257
2012	318,300,000	0.6%	222

Source: Audited Financial Statements and the Bureau of Economic Analysis

OPERATING INFORMATION - DEMAND FOR SERVICES

Jurisdiction	Fiscal Year				
	2021	2020	2019	2018	2017
City of Citrus Heights	\$ 3,017,591	\$ 2,589,796	\$ 2,594,616	\$ 2,347,540	\$ 2,302,514
County of Sacramento	23,142,052	19,780,254	19,824,716	17,951,156	17,620,170
City of Elk Grove	6,275,989	5,356,571	5,367,420	4,780,559	4,739,611
City of Folsom	3,081,437	2,600,243	2,603,896	2,335,123	2,294,486
City of Galt	1,535,604	1,315,912	1,317,357	1,191,381	1,168,176
City of Isleton	61,424	52,636	52,694	47,656	46,727
Neighborhood Shuttle	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Paratransit	2,038,005	5,815,018	5,821,455	5,256,706	5,234,576
Sacramento Regional Parks	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
City of Rancho Cordova	2,904,098	2,492,262	2,497,862	2,239,524	2,201,648
Regional Transit	56,837,693	44,581,803	44,631,157	40,301,412	39,537,925
City of Sacramento	17,944,897	15,285,468	15,270,445	13,652,724	13,390,589
SMAQMD	2,264,450	1,938,339	1,940,485	1,752,235	1,719,040
Capital Improvement Program	19,741,076	22,360,669	23,096,608	22,520,621	20,783,385
Administration	675,934	969,170	970,243	898,290	899,939
Total allocations	\$ 141,520,250	\$ 127,138,141	\$ 127,988,954	\$ 117,274,927	\$ 113,938,786

Source: Authority accounting records



CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS

	2017	2018	2019	2020	2021
Revenues					
Taxes	\$ 116,877,996	\$ 119,187,748	\$ 131,757,081	\$ 131,591,165	\$ 153,560,355
Mitigation Fees	7,848,175	7,621,753	6,684,037	7,551,556	8,956,992
Vehicle registration fees	1,282,433	1,275,901	1,316,666	1,319,166	1,364,680
State grant	2,065,521	2,498,978	2,043,752	2,703,639	3,151,282
Use of money and property	1,795,119	3,081,259	5,784,803	4,447,211	161,520
Miscellaneous	159,210	120,855	-	-	-
Total Revenues	130,028,454	133,786,494	147,586,338	147,612,737	167,194,829
Expenditures					
General government:					
Administrative	977,515	542,737	794,117	1,133,643	615,219
Freeway service patrol	2,271,606	2,126,051	1,986,738	2,658,784	3,305,277
Intergovernmental	110,280,439	108,346,886	115,922,947	125,527,829	153,662,956
Debt Service:					
Principal	3,450,000	3,590,000	3,740,000	3,890,000	4,050,000
Interest and other charges	17,115,023	18,643,460	19,444,323	18,498,171	15,655,190
Total expenditures	134,094,583	133,249,134	141,888,125	151,708,427	177,288,642
Excess of Expenditures over Revenue	(4,066,129)	537,360	5,698,213	(4,095,690)	(10,093,813)
Other Financing Sources (Uses)					
Transfers in	20,823,804	31,628,063	23,096,608	22,290,456	20,534,968
Transfers out	(20,823,804)	(31,628,063)	(23,096,608)	(22,290,456)	(20,534,968)
Refunding Bonds	-	-	-	-	-
Bond Premium	-	-	-	-	-
Issuance of Bonds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	\$ (4,066,129)	\$ 537,360	\$ 5,698,213	\$ (4,095,690)	\$ (10,093,813)
Debt Service as a Percentage of Noncapital Expenditures*	18.11%	20.03%	19.53%	17.31%	12.50%

Source: Authority Audited Financial Statements

FUND BALANCE OF GOVERNMENTAL FUNDS

	2017	2018	2019	2020	2021
General Fund					
Nonspendable	\$ 4,763	\$ -	\$ -	\$ -	\$ -
Restricted	47,684,272	47,027,906	52,524,814	48,612,636	43,354,781
Unassigned	(38,522)	664,031	861,894	1,059,756	1,261,987
Total general fund	47,650,513	47,691,937	53,386,708	49,672,392	44,616,768
All Other Governmental Funds					
Restricted	6,588,099	7,084,035	7,087,480	7,043,332	19,794,101
Total all other governmental funds	6,588,099	7,084,035	7,087,480	7,043,332	19,794,101
Total Governmental Funds	\$ 54,238,612	\$ 54,775,972	\$ 60,474,188	\$ 56,715,724	\$ 64,410,869

Source: Audited Financial Statements



FSP

Fiscal year	Assists
2020-21	34,482
2019-20	31,609
2018-19	30,674
2017-18	36,693
2016-17	37,347
2015-16	37,091
2014-15	34,395
2013-14	30,097
2012-13	36,538
2011-12	38,180
Total	347,106

SAVSA

Fiscal year	Abatements
2020-21	19,790
2019-20	22,518
2018-19	18,877
2017-18	14,670
2016-17	13,019
2015-16	8,586
2014-15	5,037
2013-14	5,247
2012-13	6,222
2011-12	6,239
Total	120,205





8

GLOSSARY



GLOSSARY

A

- **account** – accounting category used to describe the type of financial transaction.
- **accrual basis** – also referred to as “full accrual” basis. Revenues and expenditures are recognized in the period earned or incurred regardless of whether cash is received or disbursed in that period.
- **actual** – actual level of expenditures.
- **adopted budget** – approved annual budget establishing the legal authority to spend in specific accounts.
- **appropriation** – authorization by the Authority to make expenditures and to incur obligations for a specific purpose. An appropriation is usually limited in amount and to the time when it may be expended.
- **audit** – systematic collection of sufficient and competent evidential matter needed to attest to the fairness of management’s assertions in the financial statements, or to evaluate whether management has efficiently and effectively carried out its responsibilities.

B

- **balanced budget** – refers to a budget in which revenues are equal to or greater than appropriations. Oftentimes, fund balance is used to balance the budget.
- **beginning/ending fund balance** – unencumbered resources available in a fund from the prior/current year after payment of the prior/current year’s expenditures. Not necessarily cash on hand. Also refer to fund balance.
- **bond** – issuing a written promise to pay a specific sum of money at a specified date or dates in the future together with periodic interest payments.



B

- **budget** – plan of financial operation consisting of proposed/approved appropriations for specified purposes and the proposed/approved means of financing them.
- **budget calendar** – schedule of key dates and milestones that a government follows in the preparation and adoption of its budget.
- **budget message** – included in the opening section of the budget, the budget message (Transmittal Letter) provides an overall summary of the most important elements of the budget, changes from the prior fiscal year, and the views and recommendations of the Authority.

C

- **California Department of Tax and Fee Administration (CDTFA)** – public agency charged with tax administration and fee collection in the State of California. This agency collects sales tax on behalf of the Authority.
- **capital appropriations** – expenditures related to specific capital construction projects identified in the Expenditure Plan.
- **Capital Improvement Program (CIP)** – voter-approved capital projects funded by Measure A resources. Sales tax proceeds are set aside for debt service costs and pay-go capital expenditure funding. Measure A establishes the rate as 20.75% of the net sales tax proceeds. Also funded with SCTMFP fees.
- **Capitol Valley Regional Service Authority for Freeways and Expressways (CVR-SAFE)** – funded by an annual \$1 charge on eligible vehicle registrations in the County.
- **Annual Comprehensive Financial Report** - financial statements comprising the Authority's financial report that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB).
- **Sacramento County Pooled Investment Fund** – pool of local agency funds managed by the Sacramento County Department of Finance.

D

- **debt issuance** – issuance of bonds to finance capital projects throughout the County.
- **debt limit** – policy setting specific limits of acceptable ranges of each type of debt based on legal, public policy, and financial reasons.
- **debt service** – costs of paying the principal, interest, and ancillary fees on borrowed money according to a predetermined payment schedule.
- **draft budget** – presented initially during May, prior to being brought to the Board for adoption in June.

E

- **expenditure** – funds authorized by an appropriation that are generally divided into various categories such as employee salaries and benefits, services and supplies, debt service, and capital construction costs.
- **Expenditure Plan** – Sacramento County Transportation Expenditure Plan 2009-2039. This plan identifies specific projects and funding for the Measure A program.

F

- **fiscal year** – time designated by the Authority signifying the beginning and ending period for recording financial transactions. The Authority’s fiscal year is July 1 through June 30.
- **full-time equivalent (FTE)** – hours worked by one employee on a full-time basis. On an annual basis, an FTE is 2,080 hours, which is calculated as 40 hours per week for 52 weeks in a year.
- **fund** – group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Each fund has its own budget and tracks revenues and expenditures separately.
- **fund balance** – total amount remaining after current appropriations and other financing uses are subtracted from the sum of the beginning fund balance, revenue, and other financing sources.

G

- **Generally Accepted Accounting Principles (GAAP)** – uniform minimum standards and guidelines for financial accounting and reporting.
- **General Fund** – fund used for the capital program, SCTMFP, SacMetro FSP, and program administration.
- **Government Finance Officers Association (GFOA)** - GFOA was founded in 1906 to represent public finance officials throughout the United States and Canada. GFOA’s mission is to promote excellence in state and local government financial management.
- **governmental funds** – typically used to account for most of a government’s activities, including those that are tax supported.

I

- **Independent Taxpayer Oversight Committee (ITOC)** – citizen volunteers that supervise annual fiscal and periodic performance audits regarding the use of all sales tax funds and provide for independent review to ensure compliance with the Expenditure Plan approved by voters.
- **interfund transfer** – monies moved from one fund to another. The money is transferred to finance the operations of another fund or to reimburse the fund for expenses.

L

- **Local Transportation Authority and Improvement Act (ACT)** - commences with California Public Utility Code Section 180000.

M

- **Measure A** – in 2004, voters approved a one-half of one-percent retail sales and use tax collected over a 30-year period in the County beginning in April 2009 and dedicated for transportation planning, design, construction, operation, and maintenance through 2039.
- **modified accrual** - recognizes revenue when it becomes measurable and available, expenditures are recognized when the obligation to pay is incurred.

N

- **net sales tax revenue** – equals total sales tax proceeds less CDTEFA administration costs and allocations to the cities of Isleton and Galt, and the Neighborhood Shuttle Program as required under the Measure A Ordinance.

O

- **Measure A ordinance** – result of actions carried out by the Governing Board establishing the one-half of one percent sales and use tax within the County.

P

- **performance measures** – an important component of decision making, and at a minimum, are based on program goals and objectives, measure program results or accomplishments, provide for comparisons over time, measure efficiency and effectiveness, and are reliable, verifiable, and understandable.

R

- **reimbursement** – payment of an amount remitted on behalf of another party, department, or fund.
- **reserve** – portion of a fund’s balance that is available for appropriation but has been reserved for economic uncertainties.
- **resolution** – written motion adopted by the Governing Board.
- **revenues** - income received from various sources including retail sales tax, fees, grants, and interest income.

S

- **salaries and benefits** – budgetary category that generally accounts for all employee salaries and benefits such as medical, dental, and retirement.
- **Special Revenue Fund** – fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.