



AGENDA

Independent Taxpayer Oversight Committee

December 15, 2022 – 4:00 pm

Join the meeting virtually at:

<https://us02web.zoom.us/j/83832163975?pwd=eEdoYTRnL3UwUmZZZlgvSG1FaE5zZz09>

Voting Members:	Joan Borucki, Chair Robert Holderness
Ex-Officio Members:	Joyce Renison (Sacramento County Auditor-Controller designee) Kevin Bewsey - STA Executive Director
Staff:	Dustin Purinton, STA

1. Call to order.
2. Review and approve minutes from the November 17, 2022, meeting.
3. Review Q1 FY23 Budget to Actual Analyses.
4. Executive Director summary of the December 2022 STA Board meeting and any current initiatives.
5. Recognition and Appreciation of Departing Members of the ITOC Committee for Service to the Sacramento Transportation Authority.
6. Employee Benefits Proposals
7. Comments from the public regarding matters not on the agenda.

Meeting Minutes

To: ITOC Committee Members

From: Dustin Purinton, ITOC Staff

Re: November 17, 2022 ITOC Meeting Minutes

Attendees:

Joan Borucki – Chair, Robert Holderness – voting members

Kevin Bewsey – ex-officio members

Meeting called to order at 4:02 pm and adjourned at 4:55 pm

Agenda Items:

1. Call to order.
2. Review and approve minutes from the October 20, 2022 meeting
 - a. No changes
3. Ingrid Shepline, Managing Partner, Richardson & Company, LLP provided a summary of the financial audit the firm recently completed for the fiscal year ending June 30, 2022.
 - a. Reports issued – Audit Opinion, Internal Control and Compliance, Governance letter, Appropriations Limit, and Agreed Upon Procedures.
 - b. Unmodified/Clean opinion
 - c. No internal control weaknesses noted
 - d. In compliance with applicable laws and regulations
 - e. No material audit adjustments or unadjusted differences
 - f. No difficulties in performing the audit and no unusual accounting practices
 - g. There were no management recommendations
 - h. Agreed Upon Procedures – no findings noted
4. Review the Capital Project Status reports for the quarter ending September 30, 2022
 - a. It was noted that City of Sacramento started their Smart Growth Incentive Program (SGIP) in Q1 FY23.

5. Review Measure A Ongoing Quarterly reports for the quarter ending September 30, 2022
 - a. Discussed the level of detail that is provide in the reports.
6. Hybrid Meeting Law Changes
 - a. Discussed the upcoming change in the State of Emergency in the State of California. This will require in person meetings to resume in March, 2023.
7. Consider financial audit contract with Richardson & Company LLP for the fiscal year ending June 30, 2023. This will be the third consecutive fiscal year as allowed under the Measure A Ordinance. STA will need to procure a new auditor in the 2024 fiscal year.
 - a. Approved retaining Richardson & Company LLP for the fiscal year ending June 30, 2023.
8. Executive Director Report and summary of the November 2022 STA Board meeting.
 - a. Discussed Smart Growth Incentive Program Strategy and SAVSA plan that the Board approved in the November 10, 2022 meeting.
 - b. Noted that the Authority renewed the Standby Bond Purchase Agreement for the 2009 Bond Series.
9. Comments from the public
 - a. None

BUDGET TO ACTUAL ANALYSIS
STA General Fund
Fiscal Year Ending September 30, 2022 (accrual basis)

	FY 23 Budget	Q1 Expected Amount	Actual Amount	Budget/Actual Variance	Comments
Revenue:					
Sales Tax	\$ 174,980,000	\$ 43,745,000	\$ 44,194,060	\$ 449,060	Sales tax revenue continues to outpace expectations as consumers spend on automotive service stations and wholesale building materials.
Mitigation Fees	6,002,671	-	-	-	The first payments for the period ending December 31, 2022 are due the end of February 2023.
Interest	250,000	-	1,046,723	1,046,723	Interest from swap agreements and various bank balances are significantly higher this year due to the increases in interest rates.
Total Revenue	\$ 181,232,671	\$ 43,745,000	\$ 45,240,783	\$ 1,495,783	
Beginning Fund Balance	43,391,296	44,110,690	44,110,690	-	Actual beginning fund balance - June 30, 2022 audited financial statements
Total Revenue and Beginning Fund Balance	\$ 224,623,967	\$ 87,855,690	\$ 89,351,473	\$ 1,495,783	
Appropriations:					
Ongoing allocations to Measure A Entities	\$ 138,036,473	\$ 34,509,118	\$ 34,594,905	\$ (85,787)	Allocations are a percentage of sales tax - which is higher so allocations are too
Capital Improvement Program	27,076,268	6,769,067	2,396,718	4,372,349	The capital improvement program budget is based on contracts with projected yearly spending. Expenditure timing varies from year to year, but never exceeds contract maximums.
Total Appropriations	\$ 165,112,741	\$ 41,278,185	\$ 36,991,623	\$ 4,286,562	
Other Financing Sources (Uses):					
Transfers out (to the Debt Service Fund)	\$ (20,001,251)	\$ (5,000,313)	\$ (5,863,891)	\$ (863,578)	Rising interest rates have increase debt service costs. This is offset mostly by the interest revenue from swap partners.
Total Financing Sources (Uses)	\$ (20,001,251)	\$ (5,000,313)	\$ (5,863,891)	\$ (863,578)	
Ending Fund Balance	\$ 39,509,975	\$ 41,577,192	\$ 46,495,959	\$ -	

BUDGET TO ACTUAL ANALYSIS
SacMetro Freeway Service Patrol (FSP)
Fiscal Year Ending September 30, 2022 (accrual basis)

Revenue:

	FY 23 Budget	Q1 Expected Amount	Actual Amount	Budget/Actual Variance	Comments
State Allocation	\$ 3,020,122	\$ 755,031	\$ 628,675	\$ (126,356)	State allocations are received on a reimbursement basis. Higher expenditures are trailed by increasing state allocations.
CVR-SAFE*	900,000	900,000	455,000	(445,000)	Half of the budgeted amount was paid in the first half of the year. Remaining half will be paid in the second half of the year.
Total Revenue	\$ 3,920,122	\$ 1,655,031	\$ 1,083,675	\$ (571,356)	
Beginning Fund Balance	231,584	232,776	232,776	-	Actual beginning fund balance - June 30, 2022 audited financial statements
Total Revenue and Beginning Fund Balance	\$ 4,151,706	\$ 1,887,807	\$ 1,316,451	\$ (571,356)	

Appropriations:

Salaries and Benefits	\$ 157,072	\$ 39,268	\$ 33,474	\$ 5,794	Good
Overhead	75,794	-	-	-	Good
Conferences and Travel	1,150	-	-	-	Good
Communications	59,640	14,910	8,817	6,093	Communications includes the purchase of radios that aren't purchased consistently. Historically, this was CHP Services. There have been none in the current fiscal year.
Professional Services	33,196	5,000	-	5,000	Good
Other Operating Expenditures	2,550	1,000	115	885	Good
Contractors	3,267,076	816,769	942,508	(125,739)	
Total Appropriations	\$ 3,596,478	\$ 876,947	\$ 984,914	\$ (107,967)	
Ending Fund Balance	\$ 555,228	\$ 1,010,860	\$ 331,537	\$ -	

* Capitol Valley Regional Service Authority for Freeways and Expressways

BUDGET TO ACTUAL ANALYSIS
Sacramento Abandoned Vehicle Service Authority (SAVSA)
Fiscal Year Ending September 30, 2022 (accrual basis)

Revenue:

Vehicle License Fees

Interest

Total Revenue

Beginning Fund Balance

Total Revenue and Beginning Fund Balance

FY 23 Budget	Q1 Expected Amount	Actual Amount	Budget/Actual Variance	Comments
\$ -	\$ -	\$ -	\$ -	Good
20	-	305	-	Good
\$ 20	\$ -	\$ 305	\$ -	
119,647	134,606	134,606	-	Actual beginning fund balance - June 30, 2022 audited financial statements
\$ 119,667	\$ 134,606	\$ 134,911	\$ -	

Appropriations:

Contributions to SAVSA Entities

Salaries and Overhead

Total Appropriations

Ending Fund Balance

\$ -	\$ -	\$ -	\$ -	Good
19,285	-	-	0	Good
\$ 19,285	\$ -	\$ -	\$ -	
\$ 100,382	\$ 134,606	\$ 134,911	\$ -	

BUDGET TO ACTUAL ANALYSIS

STA Administration

Fiscal Year Ending September 30, 2022 (accrual basis)

Revenue:

Sales Tax	
Other	
Total Revenue	
Beginning Fund Balance	
Total Revenue and Beginning Fund Balance	

FY 23 Budget	Q1 Expected Amount	Actual Amount	Budget/Actual Variance	Comments
\$ 1,291,202	\$ 322,801	\$ 326,133	\$ 3,333	Sales tax revenue up, so allocations for administration were up too
50	12	21	9	Good
\$ 1,291,252	\$ 322,813	\$ 326,154	\$ 3,342	
1,880,645	1,871,973	1,871,973	-	Actual beginning fund balance - June 30, 2022 audited financial statements
\$ 3,171,897	\$ 2,194,786	\$ 2,198,127	\$ 3,342	

Appropriations:

Salaries and Benefits	
Rent	
Conferences and Travel	
Insurance	
Professional Services	
ITOC	
Other Operating Expenditures	
Total Appropriations	
Ending Fund Balance	

\$ 526,310	\$ 131,578	\$ 216,175	\$ (84,598)	The unfunded pension liability is paid in full in July (\$94,000) however, SAVSA and FSP do not pay for their fair share until the end of the fiscal year.
38,539	9,635	14,289	(4,654)	The FSP and SAVSA programs will pay their fair share of the rent at the end of the fiscal year.
4,875	1,219	987	232	Good
9,100	9,100	14,042	(4,942)	Insurance is paid in full at the beginning of the fiscal year. The FSP and SAVSA programs will pay their fair share of the insurance costs at the end of the fiscal year.
55,250	13,813	17,922	(4,110)	Good
98,000	6,000	450	5,550	The financial audit does not bill until around the second or third quarter of the fiscal year.
7,150	1,788	1,421	367	Good
\$ 739,224	\$ 173,131	\$ 265,286	\$ (92,155)	
\$ 2,432,673	\$ 2,021,655	\$ 1,932,841	\$ -	

DECEMBER 15, 2022

AGENDA ITEM # 5

RECOGNITION AND APPRECIATION OF DEPARTING MEMBER OF THE ITOC COMMITTEE FOR SERVICE TO THE SACRAMENTO TRANSPORTATION AUTHORITY

Action Requested: Present Certificate of Appreciation
Presenter: Kevin M. Bewsey, Executive Director
Key Staff: Dustin Purinton, Accounting Manager

Recommendation

Present certificates of appreciation to Joan Borucki for her service after serving as a voting member and the chair of the ITOC Committee.

Discussion

Joan Borucki will part from the STA ITOC Committee at the end of 2022. Staff has prepared certificates of appreciation to acknowledge them for their years of policy leadership, and in particular, contributions to the Measure A transportation sales tax program.

Joan Borucki was first appointed to the ITOC Committee in 2014 and has been the ITOC Chair for two successive four-year terms.

C: Joan Borucki