

AGENDA

Independent Taxpayer Oversight Committee

October 20, 2022 – 4:00 pm

700 H Street – Hearing Room 1 – Sacramento, CA 95814

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 August 18, 2022 meeting
3. Next steps ITOC members?
4. SCTMFP Annual Report.
5. Citizens Initiative Draft Workplan.
6. Employee Benefits review.
7. Executive Director summary of the September and October 2022 STA Board meetings and any current initiatives.
8. Comments from the public

Agenda Item #2

Meeting Minutes

To: ITOC Committee Members
From: Tim Jones, ITOC Staff
Re: August 18, 2022 ITOC Meeting Minutes

Attendees:

Joan Borucki – Chair, Robert Holderness – voting members

Joyce Renison and Sabrina Drago – ex-officio members

Meeting called to order at 4:02 pm and adjourned at 5:07 pm

Agenda Item #2

- Reviewed and approved minutes from the May 17, 2022 meeting
 - Added Richardson and Company LLP to the last sentence of Item #4

Agenda Item #3

- Ingrid Shepline, Managing Partner, Richardson and Company LLP summarized the status of the annual financial audit for the period ending June 30, 2022.
 - See outline on the page following these meeting minutes.

Agenda Item #4

- Reviewed Q4 FY22 Measure A Ongoing Quarterly Reports. No comments or concerns.

Agenda Item #5

- Reviewed Q4 FY22 Measure A Capital Status reports.
 - Confirm completion dates for Caltrans I-5 and Hwy 50 projects.

Agenda Item #6

- Reviewed Q3 Budget to Actual analyses. No comments or concerns.

Agenda Item #7

- The Authority's Executive Director provided a summary of the July and August Governing Board meetings.

- July
 - Ministerial action by the STA Board to place the Citizens' Initiative on the November 2022 ballot since the STA is identified as the administering agency.
 - Discussed MOU between SACOG and the Authority that addresses the importance of meeting GHG reduction targets. Some projects in the Citizens' Initiative Expenditure Plan are not in the region's MTP, so mitigation measures will need to be identified to ensure non-MTP projects meet the new GHG standards.
- August
 - STA received an upgraded credit rating to AAA from AA+ from S&P and Fitch.
 - Summarized the distribution methodology for the formulaic component of cycle four of the SB1 program.
 - Summarized the project ranking process and call for projects for the competitive component of cycle four of the SB1 program.

Agenda Item #8

- Comments from the public
 - Wesley Fagundes joined the meeting but did not have any comments or questions.

**Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP)
Program Summary Through June 30, 2022**

Entity	Sacramento	County	RC	EG	Galt	Folsom	CH	Caltrans	SRTD	CSCA	
<u>Revenue</u>											<u>Total</u>
FY 2009	\$140,644	\$75,381	\$92,800	\$51,729	\$784	\$388,909	\$1,452	\$0	\$0	\$0	\$751,700
FY 2010	774,416	540,256	259,378	539,123	32,697	160,098	15,989	-	-	-	2,321,958
FY 2011	549,987	476,898	204,379	860,663	-	235,420	7,091	-	-	-	2,334,437
FY 2012	587,824	864,400	302,467	990,421	-	151,321	60,930	-	-	-	2,957,362
FY 2013	871,942	925,576	378,345	588,839	17,152	372,038	22,491	-	-	-	3,176,382
FY 2014	601,826	768,585	360,591	665,916	629,402	504,350	9,872	-	-	-	3,540,542
FY 2015	1,628,337	901,922	352,981	835,144	246,253	563,908	95,594	-	-	-	4,624,139
FY 2016	1,330,694	1,053,408	428,758	920,723	127,781	387,388	114,898	-	-	-	4,363,650
FY 2017	4,433,942	1,709,179	708,906	408,227	188,900	309,544	89,477	-	-	-	7,848,174
FY 2018	3,871,298	1,009,173	400,807	1,434,011	52,510	833,234	20,720	-	-	-	7,621,753
FY 2019	2,707,448	1,233,164	471,078	1,338,725	80,266	782,022	71,335	-	-	-	6,684,037
FY 2020	3,198,236	1,479,587	916,239	964,492	96,852	878,685	17,465	-	-	-	7,551,556
FY 2021	1,712,959	2,850,723	934,092	1,658,050	376,875	1,165,476	258,817	-	-	-	8,956,993
FY 2022	2,660,711	1,448,899	1,014,918	1,175,200	179,181	1,385,171	373,344	-	-	-	8,237,425
Total	\$25,070,264	\$15,337,151	\$6,825,740	\$12,431,261	\$2,028,652	\$8,117,565	\$1,159,476	\$0	\$0	\$0	\$70,970,108

<u>Expenditures</u>											
FY 2009	-	-	-	-	-	-	-	-	-	-	-
FY 2010	-	-	-	-	-	-	-	-	-	-	-
FY 2011	-	-	-	-	-	-	-	-	-	-	-
FY 2012	371,690	382,219	-	-	-	-	59,275	1,400,667	3,940,833	1,370,479	7,525,163
FY 2013	-	-	-	-	-	-	-	20,078	-	-	20,078
FY 2014	1,471,903	1,084,917	-	-	-	-	-	-	-	-	2,556,820
FY 2015	-	-	-	-	-	-	-	-	-	-	-
FY 2016	-	-	-	-	-	-	-	-	-	-	-
FY 2017	8,578,391	1,872,358	666,782	-	-	-	-	3,047,319	106,607	2,275,776	16,547,233
FY 2018	1,076,989	614,425	434,878	-	-	-	-	(6,599,873)	(4,047,440)	(2,316,651)	(10,837,673)
FY 2019	716,073	1,689,048	1,322,520	-	-	-	-	1,193,987	-	4,659,492	9,581,120
FY 2020	193,614	1,867,750	1,569,163	-	-	-	-	937,911	-	7,144,332	11,712,770
FY 2021	483,507	6,372,770	2,756,887	-	-	-	-	1,883,549	-	4,006,952	15,503,666
FY 2022	447,031	4,334,452	93,561	-	-	-	600,000	-	-	7,898,740	13,373,785
Total	13,339,198	18,217,939	6,843,791	-	-	-	659,275	1,883,639	-	25,039,120	65,982,962
Fund Balance	\$11,731,066	(\$2,880,788)	(\$18,052)	\$12,431,261	\$2,028,652	\$8,117,565	\$500,201	(\$1,883,639)	\$0	(\$25,039,120)	\$4,987,147
									Interest program to date		576,355
									Fund balance		\$5,563,502



OCTOBER 13, 2022

AGENDA ITEM # 10

INTRODUCTION OF CITIZENS' INITIATIVE DRAFT WORK PLAN

Action Requested: Receive and Comment

Key Staff: Kevin M. Bewsey, Executive Director

Recommendation

Receive information on a draft work plan for the Citizens' Initiative.

Background

On June 10, 2022, a citizens' group known as "A Committee For A Better Sacramento" ("the Committee") filed an initiative petition and signatures with the Sacramento County Department of Voter Registration & Elections (VRE) for a local ballot measure called the "Sacramento County Transportation, Maintenance, Safety and Congestion Relief Act of 2022 - Retail Transactions and UseTax" Initiative (herein, "Initiative"). The Committee drafted the Initiative as an ordinance of the Sacramento Transportation Authority (STA) identifying STA as the administering agency responsible for the implementation of the requirements of this Initiative, including the Expenditure Plan.

The Initiative qualified for the ballot for the general election on November 8, 2022. Should the Initiative pass with a simple majority vote, collection of the retail transaction and use tax would begin on April 1, 2023 and STA would begin receiving revenue in late June 2023.

Should the Initiative pass, STA staff anticipates initiating the development of necessary administrative policies and new funding programs in December 2022 in collaboration with the Professional Advisory Group (PAG), Independent Taxpayer Oversight Committee (ITOC) and other stakeholders prior to making recommendations to the STA Governing Board.

The STA Governing Board has already taken action to adopt the necessary administrative policies and funding programs under Measure A. STA staff anticipates leveraging that work to the extent feasible and consider any lessons learned from the implementation of Measure A and prior comments from the PAG, ITOC, and stakeholders.

Discussion

Staff has reviewed the Initiative and developed the following draft work plan and schedule to adopt the necessary administrative policies, implement the new funding programs, and provide needed staffing to administer the Initiative. The elements that are included in the work plan are shown in Figure 1.

STA staff anticipates reaching out to the PAG, ITOC, and other stakeholders prior to making any updates to the work plan and another presentation to the STA Governing Board. It is anticipated that the work plan and schedule function as a roadmap to implementation of the Initiative and STA staff will adapt the work plan and schedule based on STA Governing Board direction.



Figure 1. Work Plan Elements

1. Policy

The Initiative contains thirty-six pages encompassing a variety of sections, including a detailed expenditure plan. Staff has reviewed the Initiative to determine where administrative policy development is needed prior to finalizing the various funding programs. The below list contains major administrative policy areas although there may be minor policy work needed to finalize the funding programs.

- a. **Performance Standards (Program Wide Policy)**
Section I, Subsection D of the Expenditure Plan details the Requirement for Annual Financial and Performance Audits of Initiative funds similar to the existing measure. The performance audits are based on performance standards adopted by the STA Governing Board. These performance standards as well as progress reporting should be developed with consideration of the policies discussed below and the Initiative's overall goals and purpose.
- b. **Five-Year Programs and Annual Reporting (Program Wide Policy)**
The Initiative requires each implementing agency to annually adopt a Five-Year Expenditure Program that is approved by the STA Governing Board. The Initiative also includes implementation guidelines to ensure that progress can be evaluated through reporting.
- c. **"Fix it First" (Program Wide Policy)**
The Initiative guarantees a certain level of funding for "Fix it First" to be used for local streets and roads, bridges, and transit. This guarantee includes performance metrics that need to be monitored for the first five years and thereafter by STA.
- d. **Federal Air Quality, Metropolitan Transportation Plan and GHG Reduction Targets (Program Wide Policy)**
Section I, Subsection J and K of the Expenditure Plan details the requirement for meeting federal air quality conformity, and Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) greenhouse gas (GHG) reduction targets. STA and the Sacramento Area Council Of Governments (SACOG) have already executed a memorandum of understanding that detail the roles and responsibilities of each agency.

- e. Geographic and Social Equity (Program Wide Policy)
The Initiative includes a goal to distribute transportation funding in a geographically and socially equitable manner and provide mobility options for all County residents without specific implementation guidelines or reporting requirements. As such, staff suggests the STA Governing Board create and adopt policies and reporting requirements considering eligible projects listed in the expenditure plan. The policy should consider how geographic and social equity have been incorporated into federal and state competitive grant programs and how that could affect the leveraging of Initiative funds. The STA Governing Board should consider a Geographic and Social Equity study of the Initiative to inform the policy work.
- f. Debt Policy and Plan of Finance (Program Wide Policy)
Staff recommends adopting a debt policy to guide the use of STA's bonding authority under the Initiative. Additionally guiding principles designed to support a sustainable long-term financing plan need to be developed that take into consideration lessons learned.
- g. Local Banking Requirements (Program Wide Policy)
Policies for the Initiative's local banking requirement should be adopted.
- h. Project Implementation Policies
Accountability policies in the following areas are needed.
 - Environmental Review,
 - Complete Streets,
 - Road and Health Safety, &
 - Skilled and Trained Workforce

2. Programs

Staff has assessed the Initiative to determine where additional funding program work is needed as summarized below.

- a. Definition of Eligible Expenditures
Similar to the existing Measure, staff recommends that the STA Governing Board adopt a list of eligible expenditures as guidance to implementing agencies. The Professional Advisory Group will provide recommendations prior to taking these definitions to the STA Governing Board.
- b. Regional Mobility Innovation Program (RMIP)
This program is intended to support innovative mobility solutions that reduce vehicle miles traveled by increasing access to transportation options for all residents. STA is required to convene all implementing agencies and SACOG to collaborate in the creation of a mobility innovation program. The program will be funded through the Local Street and Road Repair and Transformative System Improvements Funding Program, but the County and the incorporated Cities must choose to invest a portion of their funding into the program.

- c. “Off the Top” Programs
The Initiative has several funding programs that are “Off the Top”. Similar to Measure A these programs will need a MOU with quarterly reporting of expenditures.
 - Regional Mobility Center
 - Commuter Rail Service Enhancements
 - Sacramento Intermodal Transportation Facility
 - Transportation Management Agencies
 - American River Parkway
- d. Ongoing Programs (Services)
The Initiative has several funding programs that are formulaically allocated. Similar to the existing Measure A, a Memorandum Of Understanding (MOU) will need to be developed to align with programs requirements.
 - Senior and Disabled Transportation Services, and
 - Air Quality
- e. Ongoing Programs (Capital)
Several of the formulaically allocated funding programs Initiative require Five-Year Programs and a MOU that needs to be developed to align with programs requirements.
 - Local Street and Road Repair and Transformative System Improvements
 - SacRT Maintenance, Operations, and Transformative System Improvements
- f. Capital Programs
Capital projects have typically operated under a capital contract using a reimbursement approach with quarterly reporting of capital projects status. A new capital contract or MOU is needed to align with the program requirements and need for Five-Year Programs.
 - Local Projects of Regional Significance
 - Transit and Rail Congestion Improvement Projects
 - Highway Congestion Improvement Projects

3. Staffing

The implementation and administration of the Initiative will require additional staff to implement the policies and programs discussed earlier. A review of those additional positions and office space is described below.

- a. Program Manager
Staff anticipates hiring one (1) program manager that would work for the Executive Director and with the Accounting Manager to assist with funding program management, policy implementation, reimbursement and reporting review of the new programs.
- b. Accounting Support
Staff anticipates hiring one (1) additional staff member that would report to the Accounting Manager to assist with the accounting needs of the new programs.
- c. Office Space
STA's current office space can accommodate two (2) additional staff with onsite improvements.

4. Schedule

STA will have approximately six (6) months to develop and adopt policies and implement certain funding programs before the initial revenue is received in June of 2023. Additionally, Five-year Programs are due in December 2023. Staff has outlined reflecting those activities occurring in the first six months and those in the first 12 months.

First Six Months

- a. *Policy:* Staff anticipates the administrative policy work to support the funding programs below would be complete within this time period. Certain policies such as Geographic and Social Equity as well as Debt Policy will likely extend beyond June 2023 in order to have sufficient time to complete.
- b. *Programs:* Similarly, staff anticipates completing the work necessary to implement the following funding programs by July 2023:
 - i. Definition of Eligible Expenditures, this work is needed for all of the funding programs and is foundational for agencies to understand allowable expenditures.
 - ii. Regional Mobility Innovation Program (RMIP), given the optional nature of this program, early adoption of the RMIP would inform the funding for other programs.
 - iii. "Off the Top" Programs, because most of these programs funds have a fairly defined scope these can be easily implemented.
 - iv. Ongoing Programs (Services), these programs are similar in nature to the "Off the Top" programs and can easily implemented.
- c. *Staffing:* Staff anticipates hiring both a program manager, accounting support, and addressing office space needs by June 2023.

First Twelve Months

- a. *Policy:* Staff anticipates completing the Geographic and Social Equity Policy as well as the Debt Policy by December 2023. The Plan of Finance work may go into summer of 2024.
- b. *Programs:* Similarly, staff anticipates completing the work necessary to implement the remaining funding programs by December of 2023. These funding program categories are listed below:
 - v. Ongoing Programs (Capital),
 - vi. Capital Programs

Fiscal Impact

This item is for information only and outlines a draft work plan for the Initiative. There is no fiscal impact associated with this receive and comment item. The work plan proposes distributing revenue beginning in July 2023 for the "Off the Top" Programs and Ongoing Programs (Services). For the funding programs with capital dollars, such as the Ongoing Programs (Capital) and Capital Programs, these funds cannot be distributed until the Five-Year Programs are approved in December 2023. Since most agencies approve an agency wide five-year capital improvement program in June of each year, it is likely that these agencies will need to process a fiscal year 2023-24 budget amendment. Staff may also have to work with Implementing Agency's to help align the timing of each agency's annual budget and capital improvement program five-year plan with STA's annual need for five-year programs.