

AGENDA

Independent Taxpayer Oversight Committee

September 16, 2021 – 4:00 pm

Join the meeting virtually at:

<https://us02web.zoom.us/j/83090653846>

Voting Members: Joan Borucki, Chair
Robert Holderness

Ex-Officio Members: Joyce Renison (Sacramento County Auditor-Controller designee)
Terri Kletzman (Board Chair designee)
Sabrina Drago - STA Executive Director

Staff: Tim Jones, STA

1. Call to order.
2. Review and approve minutes from the July 15, 2021 and August 19, 2021 meetings.
3. Review Q4 FY 2020-21 budget to actual analyses.
4. SCTMFP Annual Report.
5. Executive Director summary of the September STA Board meeting and any current initiatives.
6. Comments from the public

Agenda Item #2

Meeting Minutes

To: ITOC Committee Members
From: Tim Jones, ITOC Staff
Re: July 15, 2021 ITOC Meeting Minutes

Attendees:

Joan Borucki – Chair, Robert Holderness – voting members

Joyce Renison, Terri Kletzman, and Sabrina Drago – ex-officio members

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

Agenda Item #2

- Reviewed and approved May 20, 2021 meeting minutes.
 - Correct spelling – use “contact”, not “contract” in the last item.

Agenda Item #3

- Financial audit entrance conference
 - Ingrid Sheipline, Managing Partner, Richardson and Company, LLP joined the meeting to summarize the audit process, the timing of significant components of the audit, and STA and auditor responsibilities.
 - Interim work begins early August, year-end work starts in September after final entries to accounting system are made.
 - Draft statements ready for ITOC during its November meeting, final statements completed by December 1 in time for presentation to the Board and submission to GFOA by December 31 for the Certificate of Achievement Award.

Agenda Item #4

- Reviewed budget to actual reports for the period ending March 31, 2021.
 - Staff walked the committee through each report and responded to comments.
 - Conversated about the possibility that the Sacramento Abandoned Vehicle Service Authority (SAVSA) program will sunset in April 2022. Preliminary efforts are underway regarding a new funding measure to support the program or promoting a legislator to champion updates/revisions to the law to continue the program.

Agenda Item #5

- The Executive Director, Sabrin Drago summarized significant actions of the STA Governing Board during its June meeting
 - Adopted the FY 2021-22 budget.
 - STA staff provided a status update on the SAVSA program.
 - Investigating the costs to prepare for a ballot measure.
 - Provided information about the possibility of Legislative action instead of a local ballot measure.
 - STA staff are determining the interest for continuing the program by attending council/supervisor meetings where the topic is discussed.

Agenda Item #8

- Comments from the public
 - Wesley Fagundes from MMS strategies listened in on the meeting but had no comments.

Agenda Item #2

Meeting Minutes

To: ITOC Committee Members
From: Tim Jones, ITOC Staff
Re: August 19, 2021 ITOC Meeting Minutes

Attendees:

Joan Borucki – Chair, Robert Holderness (absent) – voting members

Joyce Renison, Terri Kletzman, and Sabrina Drago – ex-officio members

Meeting called to order at 4:12 pm and adjourned at 4:56 pm

Agenda Item #2

- Unable to review and approve July 15, 2021 meeting minutes because there was not a quorum. Moved approval of minutes to September meeting.

Agenda Item #3

- Reviewed Capital Status Reports for Q4 FY 2021. No notable comments or concerns.

Agenda Item #4

- Reviewed the FY 2021 annual summary of the ongoing Measure A programs. No notable comments or concerns.

Agenda Item #5

- The Executive Director, Sabrin Drago summarized significant actions of the STA Governing Board during its August meeting.
 - Summarized minor changes to the Board approved “Definitions of Eligible Expenditures” document revisited during the Decennial Review process.
 - Discussed the impending sunset of the Sacramento Abandoned Vehicle Abatement Program in April 2022. Provided context and proposed STA and/or legislative actions to potentially revive the program.
 - Provided update on the outreach and polling efforts regarding a potential sales tax measure in November 2022

Agenda Item #8

- Comments from the public
 - Wesley Fagundes from MMS strategies listened in on the meeting but had no comments.

Item not on the agenda

- Staff distributed an informational report regarding the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP). The report is the culmination of several month's work performed by Economic & Planning Systems (EPS) to develop revenue forecasts through the end of the program in FY 2038-39. Staff summarized the key elements of the report. No actions were taken.

BUDGET TO ACTUAL ANALYSIS

STA General Fund

Quarter Ending June 30, 2021 (accrual basis)

	FY 21 Budget	Actual Amount	Budget/Actual Variance	Comments
Revenue:				
Sales Tax	\$133,513,377	\$153,560,354	\$20,046,977	Sales tax revenue exceeded all expectations as consumers continued spending during the pandemic
Mitigation Fees	6,000,000	8,956,992	2,956,992	Housing permits in Folsom, Rancho Cordova, and Elk Grove were up more than expected, while the pace of commercial permits, particularly in the City of Sacramento slowed down
Interest	4,000,000	277,669	(3,722,331)	Historically low interest rates reduced interest income from STA's interest rate swap partners. However, interest expense for STA's variable rate bonds decreased as a result.
Total Revenue	143,513,377	162,795,015	19,281,638	See above
Beginning Fund Balance	48,314,453	48,179,584	(134,869)	Actual beginning fund balance - June 30, 2020 audited financial statements
Total Revenue and Beginning Fund Balance	\$191,827,830	\$210,974,599	\$19,146,769	See above
Appropriations:				
Ongoing allocations to Measure A Entities	\$105,321,537	\$121,103,239	(\$15,781,702)	Allocations are a percentage of sales tax - which is higher so allocations are too
Capital Improvement Program	29,625,296	26,080,867	3,544,429	Good. The unspent funding will be carried into FY 2022.
Total Appropriations	\$134,946,833	\$147,184,106	(\$12,237,273)	See above
Other Financing Sources (Uses):				
Transfers out (to the Debt Service Fund)	(\$22,108,139)	(\$19,741,075)	\$2,367,064	See comment under interest.
Total Financing Sources (Uses)	(\$22,108,139)	(\$19,741,075)	\$2,367,064	See above
Ending Fund Balance	\$34,772,858	\$44,049,418	-	

BUDGET TO ACTUAL ANALYSIS
SacMetro Freeway Service Patrol (FSP)
Quarter Ending June 30, 2021 (accrual basis)

	FY 21 Budget	Actual Amount	Budget/Actual Variance	Comments
Revenue:				
State Allocation	\$3,603,113	\$2,403,281	(\$1,199,832)	The remaining grant funding will carry over into FY 2022
CVR-SAFE*	748,000	748,000	-	Good
Total Revenue	4,351,113	3,151,281	(1,199,832)	See above
Beginning Fund Balance	538,348	433,052	(105,296)	Actual beginning fund balance - June 30, 2020 audited financial statements
Total Revenue and Beginning Fund Balance	\$4,889,461	\$3,584,333	(\$1,305,128)	See above
Appropriations:				
Salaries and Benefits	\$150,763	\$149,354	\$1,409	Good
Overhead	58,846	60,694	(1,848)	Good
Conferences and Travel	1,825	-	1,825	In-person conference cancelled due to COVID
Communications	58,818	54,520	4,298	Good
Other Operating Expenditures	3,400	7,277	(3,877)	Office equipment and supplies higher than expected.
Contractors	2,973,663	2,985,080	(11,417)	Good
Total Appropriations	\$3,247,315	\$3,256,925	(\$9,610)	See above
Ending Fund Balance	\$1,642,146	\$327,408	-	

* Capitol Valley Regional Service Authority for Freeways and Expressways

BUDGET TO ACTUAL ANALYSIS
Sacramento Abandoned Vehicle Service Authority (SAVSA)
Quarter Ending June 30, 2021 (accrual basis)

Revenue:

Vehicle License Fees

Interest

Total Revenue

Beginning Fund Balance

Total Revenue and Beginning Fund Balance

FY 21 Budget	Actual Amount	Budget/Actual Variance	Comments
\$1,273,975	\$1,364,679	\$90,704	Good
400	155	(245)	Good
1,274,375	1,364,834	90,459	See above
128,775	159,226	30,451	Actual beginning fund balance - June 30, 2020 audited financial statements
\$1,403,150	\$1,524,060	\$120,910	

Appropriations:

Contributions to SAVSA Entities

Salaries and Overhead

Total Appropriations

Ending Fund Balance

\$1,252,334	\$1,338,699	(\$86,365)	Good
22,041	22,401	(360)	Good
\$1,274,375	\$1,361,100	(\$86,725)	See above
\$128,775	\$162,960	-	

BUDGET TO ACTUAL ANALYSIS
STA Administration
Quarter Ending June 30, 2021 (accrual basis)

	FY 21 Budget	Actual Amount	Budget/Actual Variance	Comments
Revenue:				
Sales Tax	\$983,436	\$1,132,224	\$148,788	Sales tax revenue up, so allocations for administration were up too
Other	50	51	1	Good
Total Revenue	983,486	1,132,275	148,789	See above
Beginning Fund Balance	764,141	722,530	(41,611)	Actual beginning fund balance - June 30, 2020 audited financial statements
Total Revenue and Beginning Fund Balance	\$1,747,627	\$1,854,805	\$107,178	See above
Appropriations:				
Salaries and Benefits	\$462,324	\$470,836	(\$8,512)	Good
Rent	30,820	30,820	-	Good
Conferences and Travel	2,600	1,083	1,517	No in-person conferences due to COVID
Insurance	7,150	7,308	(158)	Good
Professional Services	32,500	39,096	(6,596)	Good
ITOC	35,750	34,932	818	Good
Other Operating Expenditures	10,400	8,742	1,658	Good
Total Appropriations	\$581,544	\$592,817	(\$11,273)	see above
Ending Fund Balance	\$1,166,083	\$1,261,988	-	

**Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP)
Program Summary Through June 30, 2021**

Entity	Sacramento	County	RC	EG	Galt	Folsom	CH	Caltrans	SRTD	CSCA	Total	
<u>Revenue</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	
Total	\$22,409,553	\$13,888,252	\$5,810,821	\$11,256,061	\$1,849,470	\$6,732,394	\$786,132	\$0	\$0	\$0	\$62,732,683	
<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	
Total	12,892,167	13,883,487	6,750,230	-	-	-	59,275	1,883,639	-	17,140,379	52,609,177	
Fund Balance	\$9,517,386	\$4,765	(\$939,409)	\$11,256,061	\$1,849,470	\$6,732,394	\$726,857	(\$1,883,639)	\$0	(\$17,140,379)	\$10,123,506	
									Interest program to date		585,319	
										Fund balance		\$10,708,825