



**STA**

**2019-20**

Sacramento Transportation Authority  
FY 2019-20 Final Budget

Sacramento, California

# SACRAMENTO TRANSPORTATION AUTHORITY

## ANNUAL BUDGET *Fiscal Year 2019-20*

### GOVERNING BOARD

#### Sacramento County Board of Supervisors

Don Nottoli  
Phil Serna  
Sue Frost  
Patrick Kennedy  
Susan Peters (Vice Chair)

#### Rancho Cordova City Council

Garrett Gatewood

#### Folsom City Council

Kerri Howell

#### Sacramento City Council

Jeff Harris (Chair)  
Larry Carr  
Eric Guerra  
Steve Hansen  
Jay Schenirer

#### Citrus Heights City Council

Steve Miller

#### Galt City Council

Rich Lozano

#### Elk Grove City Council

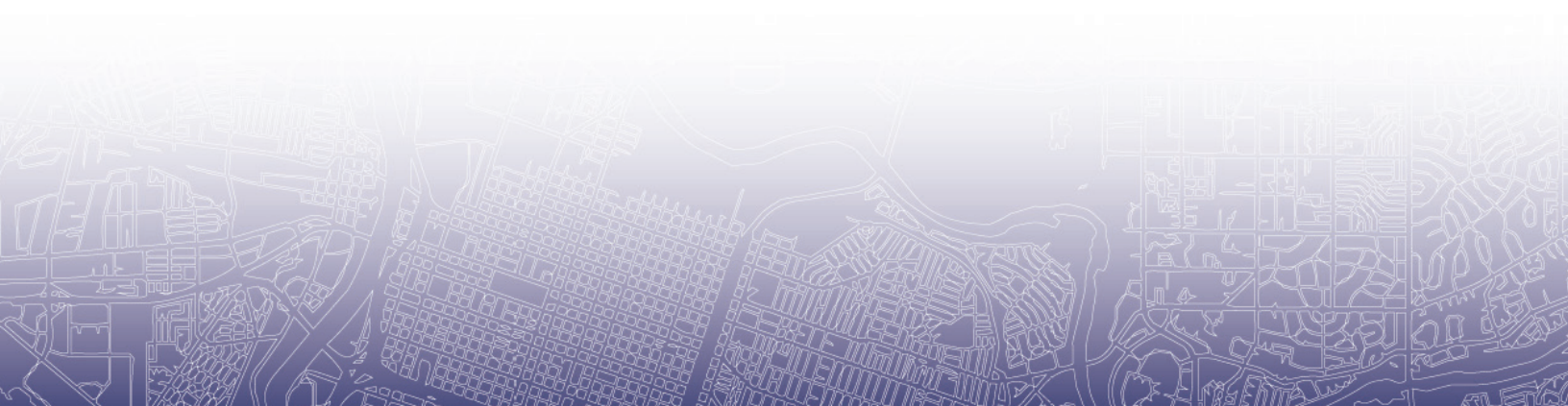
Patrick Hume  
Darren Suen

#### Executive Director

Norman Hom

#### General Counsel

William Burke





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

. PRESENTED TO

**Sacramento Transportation Authority  
California**

For the Fiscal Year Beginning

**July 1, 2018**

*Christopher P. Morill*

Executive Director

# TABLE OF CONTENTS

## **6 LETTER OF TRANSMITTAL**

- 7 Budget Overview
- 9 Budget Improvements for FY 2019-20
- 9 Strategic Planning Goals and Strategies
- 14 Challenges
- 15 Capital Improvement Program
- 17 Long-Term Financial Planning
- 19 Factors Affecting Financial Condition

## **22 AUTHORITY OVERVIEW**

- 22 Authority Profile
- 24 Measure A Safeguards
- 25 Revenue Sources
- 27 Debt
- 29 Consolidated Budget Summary
- 31 Factors Affecting Financial Condition

## **34 BUDGET PROCESS AND FISCAL POLICIES**

- 34 Budget Process
- 37 Fiscal Policies
- 48 Strategic Direction
- 49 Performance Measures
- 50 Long-Term Financial Planning

## **54 BUDGET SCHEDULES AND FUND INFORMATION**

- 54 Consolidated Budget
- 57 General Fund
- 64 Capital Improvement Program
- 66 Sacramento Metropolitan Freeway Service Patrol Program
- 68 Administration
- 70 Special Revenue Fund
- 71 Debt Service Fund

## **74 CAPITAL IMPROVEMENT PROGRAM**

- 74 Capital Project Financing
- 75 The Projects
- 76 Projects by Agency
- 86 Financing

## **89 ORGANIZATIONAL OVERVIEW**

- 90 Authority Position Descriptions
- 93 Authority Accomplishments

## **95 STATISTICAL INFORMATION**

## **102 GLOSSARY**

**SACRAMENTO TRANSPORTATION AUTHORITY**

**FINAL BUDGET**

**FISCAL YEAR 2019-20**

# LETTER OF TRANSMITTAL

May 9, 2019

Chairman and Members of the Board:

We are pleased to submit the Fiscal Year 2019-20 (FY 2019-20) Final Budget (Final Budget). 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 current revenues and fund balance pay for all operating, ongoing, and capital 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 public resources;
- Collaborate with partner agencies to ensure the timing of their funding needs and the availability of funding resources are complimentary;
- Provide accurate and timely preparation and 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 and;
- 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 Comprehensive Annual Financial Report (CAFR). The process continues in February and March as staff update the budget with revenue forecasts developed in conjunction with the Authority's consultant. 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 April, the Proposed Budget is presented to the Board in a public hearing for its consideration and comments. In May, the Final Budget is presented to the Board in a public hearing for adoption.

## BUDGET OVERVIEW

The Final Budget anticipates \$147.4 million in total revenue, which is an increase of about \$5.8 million (4.1%) over the prior year. This includes revenue from all funding sources. Appropriations for FY 2019-20 are expected to total \$131.5 million, a decrease of about \$22.3 million (-14.5%) compared to the prior year. In addition, other financing uses, reported as transfers out, are expected to be \$23.6 million in FY 2019-20 which is an increase of about \$1.3 million (6%) over the prior year. The net impact on fund balance is an increase of \$33.3 million.

- Major factors impacting the budget are as follows:
- Sales tax revenue is forecast to increase by \$2.4 million (1.9%) to nearly \$131.8 million based on the Authority's March 2019 revenue forecast;
- Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP) revenue is expected to be \$7 million, an increase of \$1 million (16.7%);
- Interest revenue from the Authority's swap program is expected to increase by \$2 million (84.4%) to roughly \$4.5 million as interest rates rise and the Authority changed its methodology for reporting this income to be consistent with its Comprehensive Annual Financial Report (CAFR);
- Capital Improvement Program (CIP) appropriations are expected to decrease by \$24.7 million (-52.4%) to \$22.5 million as many capital projects throughout the region were delayed because construction bids came in higher than engineers' estimates;
- Ongoing allocation appropriations are expected to increase \$1.9 million (1.85%) to \$103.9 million since ongoing allocations change at essentially the same rate as sales tax revenue and;
- Transfers out to the debt service fund are expected to increase by \$1.3 million as interest rates increase and the Authority changed its methodology for budgeting transfers out to better align with the reporting in the Comprehensive Annual Financial Report (CAFR).

**BUDGET OVERVIEW** *CONTINUED*Consolidated Budget General Fund, SAVSA, and Debt Service -  
Revenue, Appropriations, and Fund Balance

Description	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Proposed	Change from FY 2019
<b>Revenues</b>					
Sales Tax	\$119,187,748	\$129,372,000	\$129,372,000	\$131,773,144	\$2,401,144
SCTMFP Fees *	7,621,753	6,000,000	7,524,124	7,000,000	1,000,000
Interest and Other	3,150,943	2,441,000	4,687,626	4,500,400	2,059,400
FSP State Allocation/CVR-SAFE **	2,498,978	2,487,499	1,922,859	2,889,222	401,723
SAVSA***	1,279,216	1,259,077	1,260,522	1,259,939	862
<b>Revenues</b>	<b>\$133,738,638</b>	<b>\$141,559,576</b>	<b>\$144,767,131</b>	<b>\$147,422,705</b>	<b>\$5,863,129</b>
<b>Appropriations</b>					
Administration	498,402	981,160	778,915	899,328	(81,832)
FSP	2,126,050	2,273,024	2,206,303	2,918,749	645,725
SAVSA	1,118,297	1,259,077	1,337,422	1,260,335	1,258
<b>Contributions to Measure A Entities:</b>					
Ongoing Allocations	93,989,704	102,061,296	102,061,296	103,951,563	1,890,267
Capital Improvement Program (CIP)	13,283,220	47,207,000	13,859,223	22,488,454	(24,718,546)
<b>Total Appropriations</b>	<b>\$111,015,673</b>	<b>\$153,781,557</b>	<b>\$120,243,158</b>	<b>\$131,518,429</b>	<b>(\$22,263,127)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers Out (to the Debt Service Fund)	(22,520,621)	(22,300,000)	(23,635,231)	(23,640,000)	(1,340,000)
<b>Total Financing Sources (Uses)</b>	<b>(\$22,520,621)</b>	<b>(\$22,300,000)</b>	<b>(\$23,635,231)</b>	<b>(\$23,640,000)</b>	<b>(\$1,340,000)</b>
Net Increase (decrease) in Fund Balance	<b>202,345</b>	<b>(34,521,981)</b>	<b>888,742</b>	<b>(7,735,724)</b>	<b>26,786,256</b>
Beginning Fund Balance	<b>47,650,513</b>	<b>42,208,133</b>	<b>47,852,858</b>	<b>48,741,600</b>	<b>6,533,467</b>
<b>Ending Fund Balance</b>	<b>\$47,852,858</b>	<b>\$7,686,152</b>	<b>\$48,741,600</b>	<b>\$41,005,876</b>	<b>\$33,319,723</b>
Fund Reserve****	0	1,100,000	1,100,000	2,000,000	900,000
<b>Ending Fund Balance Less Reserve</b>	<b>\$47,852,858</b>	<b>\$6,586,152</b>	<b>\$47,641,600</b>	<b>\$39,005,876</b>	<b>\$32,419,723</b>

\* Sacramento Countywide Transportation Mitigation Fee Program

\*\* SacMetro Freeway Service Patrol

\*\*\* Sacramento Abandoned Vehicle Service Authority

\*\*\*\* FY 2020 \$1.8 million for the Capital Improvement Program and \$200,000 for administration



## BUDGET IMPROVEMENTS FOR FY 2019-20

Fund balance reserves were increased in the CIP and administration funds to better align with guidelines published by GFOA. GFOA recommends that 2-4 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 2019-20, the CIP and administration reserve fund balances are budgeted at \$1.8 million and \$200,000 respectively. Other improvements include the following:

- **DEBT PROGRAM** - added a table and graph summarizing the debt program, legal debt limits, and the effects of debt on current operations;
- **CIP** - added significant information about the projects approved by voters in 2004 and the projects that will be under construction during the budget year as well as a cash-flow plan to pay for project costs;
- **FISCAL POLICIES** - added the Authority's records retention and contracting policies;
- **PERFORMANCE MEASURES** - added detail including what department is responsible for each performance measure and linked the metrics with program initiatives and objectives;
- **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.

Authority  
Goals

1. FINANCIAL STABILITY
2. OPERATIONAL STABILITY
3. OUTREACH AND EDUCATION
4. TRANSPORTATION PROJECT PLANNING AND PRIORITIZATION

## STRATEGIC PLANNING GOALS AND STRATEGIES *CONTINUED*

### Goal 1: Financial Stability

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 three funding sources for its Measure A program are local sales tax, mitigation fee revenue, and bonded debt. The table below summarizes five years' data for the Authority's funding sources, debt metrics, and cash.

### Key Performance Indicators

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Estimate	FY 2019-20 Forecast
Sales Tax Revenue	\$110,708,000	\$116,878,000	\$119,188,000	\$129,372,000	\$131,773,000
Mitigation Fee Revenue	4,363,650	7,848,175	7,621,753	7,524,124	7,000,000
Bonded Debt Outstanding	371,655,000	368,205,000	364,615,000	360,875,000	356,825,000
Debt Service Coverage Ratio	6.91x	5.68x	5.36x	5.51x	5.61x
Bond Rating (S & P)	AA+	AA+	AA+	AA+	AA+
Fiscal-Year-End Cash	\$33,906,000	\$30,727,000	\$35,458,000	\$39,653,493	\$41,468,316

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 taken as needed for the program's long-term financial stability.

1. Perform sales tax revenue forecast at least annually

Engage revenue forecasting consultant to assist Authority staff in developing revenue projections through the end of the program in FY 2038-39

2. Monitor mitigation fee revenue received from each jurisdiction

Semiannually review actual mitigation fee revenue received to develop an understanding of the trends in local construction activity and engage program partners collecting the fee to determine future fee revenue expectations

3. Perform cash flow analyses for the capital program for three fiscal years including the budget year

Review cash flow and available fund balance twice annually – September and March - to ensure adequate program funding

4. Provide updated financial information to bond rating agencies

To maintain the Authority's credit rating, proactively provide financial and local economic information to each bond rating agency

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

Within 60-days after the end of each fiscal quarter and upon completion of the audited financial statements, provide required financial reporting information to each financial institution

## STRATEGIC PLANNING GOALS AND STRATEGIES *CONTINUED*

### Goal 2: Operational Efficiency

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 .75% of the sales tax proceeds. However, non-recurring revenue from one-time sources may increase the total revenue available for program administration. The following tables summarize sales tax allocations and expenditures for administration for five fiscal years including the budget year.

	FY 2015-16 Actual	FY 2016-17 Actual*	FY 2017-18 Actual*	FY 2018-19 Estimate	FY 2019-20 Forecast
Sales tax allocation for administration	\$814,172	\$1,022,402	\$1,159,208	\$952,748	\$970,570
Beginning Fund Balance	324,824	(195,546)	3,224	664,030	837,864
<b>Total Revenues and Fund Balance</b>	<b>\$1,138,996</b>	<b>\$826,856</b>	<b>\$1,162,432</b>	<b>\$1,616,778</b>	<b>\$1,808,434</b>
<b>Expenditures:</b>					
Salaries and Benefits	489,990	509,998	345,343	443,888	484,327
Overhead	201,194	83,593	53,553	46,142	49,701
Professional Services	643,358	230,041	99,506	288,884	365,300
<b>Total Expenditures</b>	<b>1,334,542</b>	<b>823,632</b>	<b>498,402</b>	<b>778,914</b>	<b>899,328</b>
<b>Ending Fund Balance</b>	<b>(\$195,546)</b>	<b>\$3,224</b>	<b>\$664,030</b>	<b>\$837,864</b>	<b>\$909,106</b>

\*Includes non-recurring revenue such as outreach and education reimbursements and legal settlement

Generally, sales tax allocations combined with non-recurring revenues exceed expenditures leaving a fund balance to carry into the following year. However, there is one exception which occurred in FY 2015-16. In this case, a contract for professional services related to outreach and education for a ballot measure in November 2016 resulted in expenditures exceeding revenues and beginning fund balance, creating a deficit in the administration fund. Since that time, the Authority has proactively reduced total annual expenditures, providing an appropriate healthy fund balance beginning in FY 2017-18. Two of the five years in the table include non-recurring revenues – FY 2016-17 reimbursements from local jurisdictions for outreach and education expenditures in FY 2015-16 and a legal settlement related to hedging derivatives in FY 2017-18. To maximize operational efficiency, staff implemented strategic objectives to ensure that every appropriated dollar is justified.

#### 1. Prepare multi-year cash-flow analyses

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

#### 2. Establish a fund balance reserve

Beginning in FY 2018-19 a fund balance reserve of \$100,000 was established. The reserve has been increased to \$200,000 in FY 2019-20. This amount is consistent with GFOA guidelines

## STRATEGIC PLANNING GOALS AND STRATEGIES *CONTINUED*

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

In FY 2016-17 when our lease for office space expired, the Authority found better office space for less money - \$5,000 monthly versus \$3,000 monthly

When the Authority's general liability insurance policy expired, a new vendor was selected to provide similar services. Annual costs were reduced from about \$36,000 to \$17,000

When the Authority's dental, vision, and life insurance policies expired in FY 2016-17, new benefit providers were selected. Annual costs decreased from about \$10,000 to about \$6,000

Staff developed a methodology to allocate administration costs to the SAVSA and SacMetro FSP programs using an annually updated formula

### Goal 3: Outreach and Education

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 do so.

1. Promote an awareness of the monthly Independent Taxpayer Oversight Committee (ITOC) public meetings.

Developed a website dedicated to the ITOC. Established a calendar to post all meeting materials.

Invite ITOC to regularly update the Board in its efforts to carry out its responsibilities as identified in the Measure A Ordinance

2. Promote attending the regular Board meetings

Invite local advocate groups to participate in monthly Board meetings

3. Enlist awareness at the local agency level

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

4. Initiate performance audit

Provide funding and staff support for the ITOC to conduct the first of a series of performance audits performed under contract by an independent audit firm

## STRATEGIC PLANNING GOALS AND STRATEGIES *CONTINUED*

### Goal 4: Project Planning and Prioritization

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

#### 1. Regularly engage program partners

Meet regularly with the Professional Advisory Group (PAG). This group consists of representatives from each partner agency – members are typically the public works directors and staff.

Regularly communicate the Authority's financing plans by fiscal year and project

Present a status update of each project underway to the Board and ITOC on a quarterly basis

#### 2. Assess program financing needs

Perform cash-flow analyses at least semi-annually and determine what financing mechanisms are available to meet program needs as necessary

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 Authority faces some near-term challenges. The Measure A CIP is currently financed with pay-as-you-go (pay-go) and SCTMFP funding after the remaining proceeds from all bonds issued were expended in FY 2017-18. Although the Authority has roughly \$65-70 million in additional debt capacity based on a January 2019 review, pay-go and SCTMFP cash continues to accumulate at a higher rate than claims against it. This is the result of many project delays including construction bids coming in higher than engineers' estimates – delaying the related spending. This presents a challenge because the opportunity to issue additional bonds is diminishing as time passes since any new debt needs to be repaid by FY 2027-28 when principal payments for the majority of the Authority's existing debt begin, preventing the addition of any new debt service. Because of the delayed spending and debt program constraints, demand for funding and available cash may not align creating future challenges for staff and program partners.

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, –for example the Neighborhood Shuttle in July 2018 and the Consumnes River Permanent Open Space Preserve program in Fall 2019.

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

## CAPITAL IMPROVEMENT PROGRAM (CIP)

In 2004 voters approved 54 projects which are identified in the Sacramento County Transportation Expenditure Plan 2009-2039 (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 District (SRTD), 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 allocation plan serves as a roadmap for the program's projects, but the Measure A Ordinance requires a review beginning in 2019 and every 10 years thereafter. This effort affords an opportunity to update the 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. This effort will begin during FY 2019-20.

The Authority does not construct, operate, or report the related capital assets for any of the projects in the Plan. The Authority exists, in part, to administer pass-through funding for the CIP. As such, there is no impact on the Authority's operating costs in relation to the projects in the Plan.

There are 14 projects programmed to receive Measure A funding during FY 2019-20 through multi-year 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. Since Measure A funding is normally the local matching component for other funding sources, the Authority and CIP agencies 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. Projects in the budget include the following:



- **FOLSOM BOULEVARD/COMPLETE STREETS** – This project will improve safety and connectivity along Folsom Boulevard between Bradshaw Road and Mayhew Road. FY 2019-20 funding \$250,000.
- **GREENBACK LANE/COMPLETE STREETS** – This project, which is on Greenback Lane between Chestnut Avenue and Folsom City Limits, will improve safety and connectivity. FY 2019-20 funding \$500,000.
- **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. FY 2019-20 funding \$350,000.

## CAPITAL IMPROVEMENT PROGRAM (CIP) CONTINUED

- **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. FY 2019-20 funding \$2,000,000.
- **MADISON AVENUE/PHASE 1** – 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. FY 2019-20 funding \$200,000.
- **SUNRISE BOULEVARD/JACKSON TO GRANT LINE** – This project will widen the existing intersection at Jackson Road and Sunrise Boulevard. FY 2019-20 funding \$75,000.
- **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, FY 2019-20 funding \$875,000.
- **SOUTH WATT/ELK GROVE-FLORIN ROAD** – This project will widen South Watt Avenue from two to four lanes between Florin Road and Jackson Road. FY 2019-20 funding \$600,000.



- **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. FY 2019-20 funding \$833,454.
- **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. FY 2019-20 funding \$1,030,000.



- **FOLSOM BOULEVARD ENHANCEMENTS** – This multi-phase project will provide improved aesthetics and safety along Folsom Boulevard between Horn Road and Tiffany West Way, Horn Road and Bradshaw Road, and between Kilgore Road and Sunrise Boulevard. FY 2019-20 funding \$2,460,000.



## CAPITAL IMPROVEMENT PROGRAM (CIP) CONTINUED



- **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. FY 2019-20 funding \$1,000,000.
- **I-5 HOV** – This project, in its first phase, will construct approximately 19 miles of bus/carpool lanes on I-5 from Bach Lake Bridge to U.S. 50. Phase two will construct 6 miles of bus/carpool lanes from 1.1 mile south of Elk Grove Boulevard to Beach Lake Bridge. FY 2019-20 funding \$5,100,000.



- 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. FY 2019-20 funding \$7,215,000.

## LONG-TERM FINANCIAL PLANNING

Sales tax revenue forecasts are the starting point for short and long-term financial planning. Annually, Authority staff work with a revenue forecasting consultant to provide updated revenue projections for each remaining fiscal year of the Measure A sales tax program. This information is important because it provides 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 (Plan) approved by voters in 2004. 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 ratios which are important to investors and financial institutions holding its debt and providing financial liquidity. Furthermore, this effort allows the Authority to determine if forecasted revenue supports the issuance of additional debt if needed in the future.

In the Final Budget, the Authority uses the current year revenue forecast reported as "FY 2019 Estimate", and the coming year amount, reported as "FY 2020 Proposed". The FY 2019 Estimate is based on roughly 7 months of actual sales tax receipts (modified accrual basis), while the remainder of the fiscal year is based on estimates. The following table summarizes the most recent revenue forecast updated in March 2019. The actual revenue for FY 2017-18 was about \$3.5 million lower than expected because the agency that collects the sales tax on behalf of the Authority - the California Department of Tax and Fee Administration (CDTFA) - implemented a new revenue tracking system that crashed, delaying remittance of some fourth quarter FY 2017-18 revenue until well into FY 2018-19.

## LONG-TERM FINANCIAL PLANNING

	Sacramento County Taxable Sales (000's)	STA Sales Tax Revenue (000's)	Taxable Sales Growth Ratio	STA Sales Tax Growth Ratio	
2009-10	\$16,638,458	\$81,414			Actual 4.9% Average
2010-11	17,416,097	87,299	4.7%	7.2%	
2011-12	18,608,568	92,240	6.8%	5.7%	
2012-13	19,552,242	97,390	5.1%	5.6%	
2013-14	20,624,371	100,063	5.5%	2.7%	
2014-15	21,536,376	105,564	4.4%	5.5%	
2015-16	22,655,018	110,708	5.2%	4.9%	
2016-17	23,624,106	116,878	4.3%	5.6%	
2017-18	24,919,389	119,188	5.5%	2.0%	
2018-19	25,874,419	129,372	3.8%	8.5%	Forecast 2.1% Average
2019-20	26,354,600	131,773	1.9%	1.9%	
2020-21	25,417,800	127,089	-3.6%	-3.6%	
2021-22	25,011,200	125,056	-1.6%	-1.6%	
2022-23	25,761,600	128,808	3.0%	3.0%	
2023-24	26,534,400	132,672	3.0%	3.0%	
2024-25	27,330,400	136,652	3.0%	3.0%	
2025-26	28,150,400	140,752	3.0%	3.0%	
2026-27	28,995,000	144,975	3.0%	3.0%	
2027-28	29,864,800	149,324	3.0%	3.0%	
2028-29	30,760,800	153,804	3.0%	3.0%	
2029-30	31,683,600	158,418	3.0%	3.0%	
2030-31	32,634,200	163,171	3.0%	3.0%	
2031-32	33,613,200	168,066	3.0%	3.0%	
2032-33	32,418,400	162,092	-3.6%	-3.6%	
2033-34	31,899,800	159,499	-1.6%	-1.6%	
2034-35	32,856,800	164,284	3.0%	3.0%	
2035-36	33,842,600	169,213	3.0%	3.0%	
2036-37	34,857,800	174,289	3.0%	3.0%	
2037-38	35,903,600	179,518	3.0%	3.0%	
2038-39	36,980,800	184,904	3.0%	3.0%	
<b>Total/Average</b>		<b>\$4,094,475</b>	<b>2.8%</b>	<b>2.9%</b>	

Based on the information in the table, the Authority's forecast for total sales tax revenue is \$4.09 billion over the life of the program. This amount is less than the amount projected in 2004 when voters approved the Measure - \$4.74 billion. Although the actual revenue growth rate averaged 4.9% from program inception through June 30, 2018, the Authority's revenue forecast consultant believes that an average growth rate of 2.1% is most likely over the remaining life of the program. Actual sales tax revenue has proven to be volatile, varying from a low of 2.0% to a high of 7.2%. Given the volatility, staff present information that best represents baseline revenue.

## LONG-TERM FINANCIAL PLANNING *CONTINUED*

Greater variation in actual growth rates is expected since those rates represent the actual fluctuations in the underlying economic indicators, which differs from the forecast growth rates that represent an average based on expectations. Variations in economic indicators such as construction activity, net population growth, the unemployment rate, and changes in personal income are among the factors that impact revenue growth rates most significantly.

## FACTORS AFFECTING FINANCIAL CONDITION

Declining unemployment, increasing per capita personal income, and modest population growth continue to support increases in County taxable sales and related Measure A sales tax revenue. Additionally, beginning in April 2019, CDTFA requires out-of-state retailers to collect and remit use tax if their sales in California exceed certain thresholds. The Authority's revenue forecasting consultant estimates this effort will result in additional revenue of \$2 million beginning in FY 2019-20. The table below summarizes some of the key data supporting the County's sales tax base.

### Factors Affecting Financial Condition

Year	Unemployment Rate	Per Capita Personal Income	Change in Percent	Population Growth	Change in Percent
2009	7.2%	\$39,280		1,394,438	
2010	11.0%	38,213	-2.7%	1,408,601	1.0%
2011	12.6%	38,443	0.6%	1,422,018	1.0%
2012	12.1%	40,068	4.2%	1,435,002	0.9%
2013	10.5%	41,303	3.1%	1,447,236	0.9%
2014	8.9%	42,229	2.2%	1,460,023	0.9%
2015	7.3%	44,303	4.9%	1,478,137	1.2%
2016	6.0%	46,845	5.7%	1,496,644	1.3%
2017	5.4%	48,122	2.7%	1,514,460	1.2%
2018	4.1%	50,197	4.3%	1,529,501	1.0%
<b>Average</b>	<b>8.5%</b>	<b>\$42,900</b>	<b>2.8%</b>	<b>1,458,606</b>	<b>1.0%</b>

As shown in the table above, the unemployment rate in 2018 dropped to 4.1%, reaching its lowest rate since 2009 when the tax measure program began. At the same time, per capital personal income increased to its highest amount - \$50,197 while the County's population grew modestly, averaging 1.0% annually.


Sales tax collected in the County is the Authority's largest revenue source and is forecast to increase to \$131.8 million (1.9%) in FY 2019-20. Although modest, the increase represents 10 years in a row that sales tax revenue has grown.

**FACTORS AFFECTING FINANCIAL CONDITION** *CONTINUED*

A portion of the current growth is net migration from surrounding, more expensive counties. Estimates from 2018 indicate about 20,000 people moved to the County from 8 neighboring counties, where home prices are, on average, much higher. In February 2019, the median home price in the County was about \$360,000 while 8 neighboring, more expensive, counties varied from \$425,000 in Solano County to over \$1.5 million in San Francisco County. 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. Additionally, per capita income has grown steadily since 2011 with an increase of 4.3% in 2018, which is consistent with state and national trends.

In summary, the County continues to prosper which provides the Authority with more revenue to support its programs and promising, financially stable future. In the coming years, the Authority's Board and staff will strive to serve the public with transparency and continue practicing good stewardship over public resources in its effort to fund the region's transportation needs.

Sincerely,



**Norman K. Hom**  
*Executive Director*



**Timothy Jones CPA, CPFO**  
*Chief Financial Officer*



# 1

## **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 \$147.4 million in revenue from all funding sources reported in the General Fund and Sacramento Abandoned Vehicle Service Authority Fund (SAVSA). The budget includes 3 authorized full-time equivalent (FTE) positions.

**\$147.4 MILLION**

Final FY 2019-20  
Total Revenue



3 authorized full-time  
equivalent (FTE) positions

## AUTHORITY PROFILE

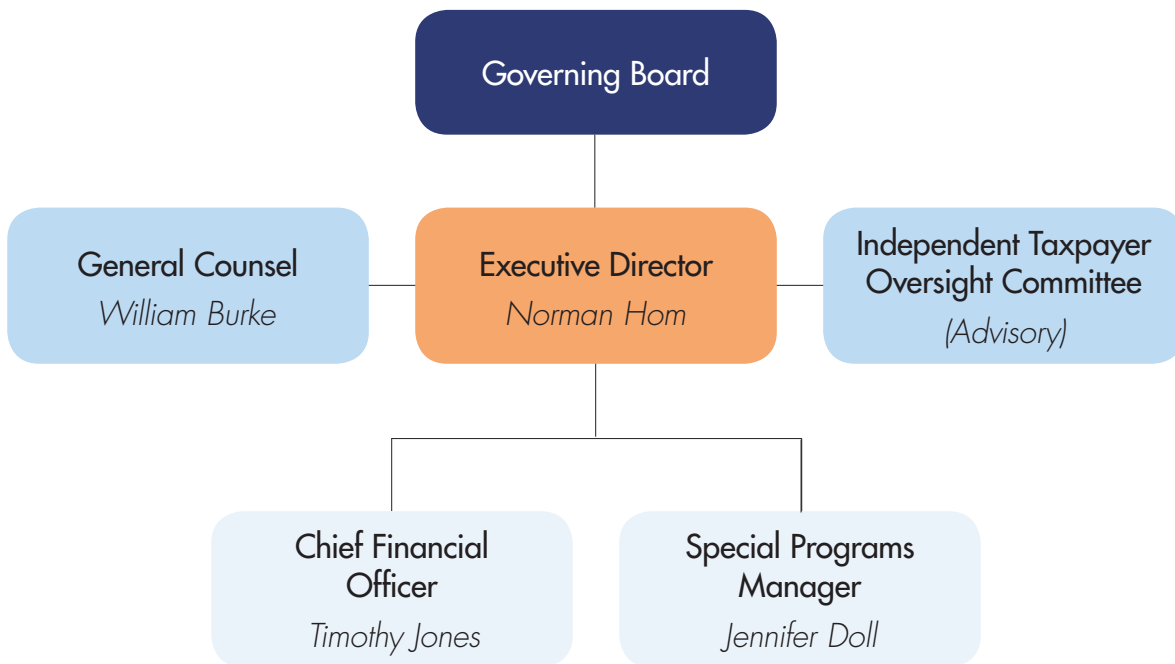
The Sacramento Transportation Authority (Authority)—a Local Transportation Authority—was created in August 1988 under the Local Transportation Authority and Improvement Act (Act), commencing with California Public Utility Code Section 180000 to administer the Measure A sales tax program. In November 1988, Sacramento County voters passed Measure A, an Ordinance enacted by the Authority imposing a one-half cent 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 SAVSA and the Sacramento Metropolitan Freeway Service Patrol (SacMetro FSP) programs, neither of which is affiliated with the Measure A sale tax program.

The Authority’s Governing Board (Board) is composed of 16 members, including all five Sacramento County Supervisors, five members of the Sacramento City Council, two members of the Elk Grove City Council, and one council-member each from the Cities of Citrus Heights, Folsom, Galt/Isleton, and Rancho Cordova. The Board meets 8-9 times per year. 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 holds public meetings regularly.

**AUTHORITY PROFILE** *CONTINUED*

The ITOC consists of six members total - 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: the Board Chair or his/her designee, the County Auditor or his/her designee, and the Authority’s Executive Director.

**Organational Structure**



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 for the specified, voter-approved transportation construction projects, improvements, and new programs identified in the Expenditure Plan (Plan). Those safeguards include the following:



- Specific projects and programs included in the Plan are carried out by the Authority which administers Measure A funds;
- A Plan review once every ten years to ensure that it reflects projected funding availability and current community needs such as demographics, economics, and technology changes;
- The 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;
- An Independent Taxpayer Oversight Committee (ITOC) tasked with supervising annual fiscal and periodic performance audits over the use of all Measure A funds and providing an independent review to ensure that Measure A funds are spent in accordance with provisions of the voter-approved 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 sales tax while a smaller revenue source is generated from development fees. 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 2019-20. The sales tax growth rate averages 5.3% per year including an estimate for FY 2018-19 and forecast for FY 2019-20. The SCTMFP growth rate averages 14% per year; however, the growth rate fluctuates year-over-year from a low of -7.0% forecast for budget year FY 2019-20 and a high of 79.9% in FY 2016-17

Authority staff, with the assistance of a consultant, forecast revenue twice annually (spring and fall). Using these projections, staff monitor program cash-flows in relation to expected spending to determine what actions, if any, are necessary to align them.

Fiscal Year	Sacramento County Taxable Sales (000's)	STA Sales Tax Revenue (000's)	STA Sales Tax Revenue Growth Rate	SCTMFP Fees (000's)	SCTMFP Fees Growth Rate
2009-10	\$16,638,458	\$81,414		\$2,322	
2010-11	17,416,097	87,299	7.2%	2,334	0.5%
2011-12	18,608,568	92,240	5.7%	2,957	26.7%
2012-13	19,552,242	97,390	5.6%	3,176	7.4%
2013-14	20,624,371	100,063	2.7%	3,541	11.5%
2014-15	21,536,376	105,564	5.5%	4,624	30.6%
2015-16	22,655,018	110,708	4.9%	4,364	-5.6%
2016-17	23,624,106	116,878	5.6%	7,848	79.9%
2017-18	24,919,389	119,188	5.2%	7,622	-2.9%
2018-19*	26,166,831	129,372	8.5%	7,524	-1.3%
2019-20**	26,354,600	131,773	1.9%	7,000	-7.0%
<b>Average</b>	<b>\$21,645,096</b>	<b>\$106,535</b>	<b>5.3%</b>	<b>\$4,847</b>	<b>14.0%</b>

\* estimate

\*\*forecast

The Authority also receives revenue for 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 \$1.2 million annually. Additionally, the Authority administers SacMetro FSP which is funded with state and local grants averaging \$2 million in total annually. The California Department of Transportation (Caltrans) annually approves the state grant that is received on a reimbursement basis as the Authority bills it for services.

## REVENUE SOURCES *CONTINUED*

The local portion is received annually in 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 table below summarizes the programs’ revenue by fiscal year since FY 2009-10.

### SacMetro FSP and SAVSA Revenue by Fiscal Year

Fiscal Year	SacMetro FSP	SAVSA	Total	Year-Over-Year Growth
2009-10	\$1,694,962	\$1,109,922	\$2,804,884	
2010-11	1,828,358	1,073,144	2,901,502	3.4%
2011-12	1,842,098	1,167,736	3,009,834	3.7%
2012-13	1,914,759	1,131,905	3,046,664	1.2%
2013-14	2,122,523	1,173,231	3,295,754	8.2%
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*	1,922,859	1,262,422	3,185,281	-15.7%
2019-20**	2,889,222	1,260,339	4,149,561	30.3%
<b>Average</b>	<b>\$2,074,709</b>	<b>\$1,203,789</b>	<b>\$3,278,498</b>	<b>4.6%</b>

\* Estimate

\*\* Forecast

The revenue from the programs and fiscal years represented in the table above annually increases 4.6% on average including estimates for FY 2018-19 and forecasts for FY 2019-20.

The Authority’s only other revenue source is interest income which is estimated to be \$4.7 million in FY 2018-19 and \$4.5 million in FY 2019-20. Nearly all of the 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.

## DEBT

The Measure A Ordinance allows the Authority to issue debt to advance fund the transportation projects described in the Expenditure Plan (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 financial advisory team to determine how much funding is forecast to be available for debt service which in turn drives decisions related to how much debt is affordable.

In October 2009 the Authority issued \$318.3 million in variable-rate Measure A Sales Tax Revenue Bonds. In July 2012, fixed rate bonds in the amount of \$53.4 million were issued – bringing the total outstanding debt to \$371.7 million. To reduce interest rate risk, the Authority entered into 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 financial advisory team, regularly monitors 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
		<b>\$371,655,000</b>	<b>Total issued</b>
		<b>10,780,000</b>	<b>Principal payments through June 2019</b>
		<b>\$360,875,000</b>	<b>Total Outstanding June 2019</b>

All debt is paid for by a monthly allocation of 20.75% of the net sales tax proceeds (CIP proceeds) as directed by the Measure A Ordinance, which limits the amount of debt the Authority can issue. Prior to issuing any debt, Authority staff with the help of its financial advisory team develop forecasts to determine future revenue and associated CIP proceeds. Using these amounts and the estimated debt service, calculations are performed to determine the maximum annual debt service – referred to as MADS. This ratio represents the cash flow available to pay, in this case, the annual debt obligation – available cash/debt obligation. Based on calculations developed in January 2019, the Authority’s MADS is about 6.57x for fiscal years 2018-19 through 2027-28 and 3.49x to 3.30x during fiscal years 2028-29 through 2038-39, using conservative revenue amounts for each fiscal year respectively. A minimum MADS ratio of roughly 2x is desired by the financial institutions underwriting the Authority’s debt.

**DEBT CONTINUED**

The funds remaining after paying debt service are available for the Authority’s capital program. The allocation column in the table below summarizes the amount of CIP proceeds available by fiscal year based on 20.75% of the net sales tax proceeds. This amount is first used to pay for interest, principle, and ancillary fees on the Authority’s outstanding bonds. Any amount left over is available for capital projects and is referred to as pay-as-you-go (pay-go) funding.

**Measure A Debt Service Allocation by Fiscal Year**

<b>Fiscal Year</b>	<b>Allocation</b>	<b>Debt Service (net of swap interest income)</b>	<b>Principal Payments</b>	<b>Total Debt Service</b>	<b>Available for pay- as-you-go</b>
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	0	15,666,763	1,740,474
FY 2011-12	18,575,811	14,387,010	0	14,387,010	4,188,801
FY 2012-13	19,467,755	15,924,449	0	15,924,449	3,543,306
FY 2013-14	20,402,606	16,325,969	0	16,325,969	4,076,637
FY 2014-15	21,322,533	15,909,241	0	15,909,241	5,413,292
FY 2015-16	22,202,432	15,349,397	0	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*	26,358,005	15,739,259	3,740,000	19,479,259	6,878,746
FY 2019-20**	26,851,061	15,589,241	3,890,000	19,479,241	7,371,820
<b>Totals</b>	<b>\$237,622,747</b>	<b>\$168,032,939</b>	<b>\$14,670,000</b>	<b>\$182,702,939</b>	<b>\$54,919,808</b>

\* Estimate

\*\* Forecast

As seen in the table above, the Authority’s allocation for the CIP covers interest, principal, and ancillary fees with money left over for pay-go. Authority staff regularly assess the information above as a means to determine how much funding is available for the program in relation to the demands for funding. At this time, the Authority does not have any plans to issue more debt for two reasons:

- In FY 2028-29 the Authority will begin making principle payments in the amount of \$22.3 million on its variable-rate debt. This amount will increase to \$35.4 million when the program sunsets in FY 2038-39. This debt will consume most of the forecast CIP allocation, which reduces or eliminates the possibility of issuing any more debt needing to be repaid during this time.
- Based on information provided by the Authority’s capital program partners for the next three years, the accumulation of pay-go cash and (SCTMFP proceeds), are forecast to be sufficient to fund program costs. Since the opportunity to issue more debt diminishes as the timeframe to pay it back is limited due to financial constraints beginning in FY 2028-29, monitoring available cash is 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 reflects its role as the administrator of Measure A sales tax revenue used to reimburse claims for 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, and SAVSA 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 budget is prepared on a modified accrual basis of accounting which recognizes revenue when it becomes measurable and available; expenditures are recognized when the obligation to pay is incurred. The Authority's cut off is 90-days after the fiscal year end. The annual budget is foundational to short and long-term financial planning and appropriation control.

The Authority reports two funds for its three programs:

### The General Fund

Operating fund for Measure A and SacMetro FSP programs. The fund receives all Measure A money collected from a countywide one-half cent sales tax and fees collected for the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP). This fund supports ongoing operations and maintenance of county-wide transportation infrastructure and provides local funding for capital construction projects and program administration costs. Most ongoing funding is passed through to local entities on a monthly basis, while capital construction projects are funded on a reimbursement basis using a combination of sales tax and SCTMFP proceeds.

### The Special Revenue Fund

Operating fund for SAVSA. This program is funded by a \$1 registration fee collected annually on each eligible vehicle registration within the County.

Total revenues are expected to increase by \$5.8 million in FY 2019-20 to \$147.4 million when compared to the adopted FY 2018-19 budget. There are expected revenue increases of \$2.4 million in the sales tax program, \$1 million in the SCTMFP, and \$2 million in interest income. The growth in sales tax is about 1.9% which is much less than the last several years but represents the 10th year in a row of growth. The SCTMFP revenue remains strong as development in the County and cities incorporated in the County, which generates the fee, continues at a robust pace. Interest income is primarily from the Authority's interest rate swap partners. As interest rates have risen, so have the interest payments.

**CONSOLIDATED BUDGET SUMMARY** *CONTINUED*

Consolidated Budget General Fund, SAVSA, and Debt Service - Revenue, Appropriations, and Fund Balance

Description	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Proposed	Change from FY 2019
<b>Revenues</b>					
Sales Tax	\$119,187,748	\$129,372,000	\$129,372,000	\$131,773,144	\$2,401,144
SCTMFP Fees *	7,621,753	6,000,000	7,524,124	7,000,000	1,000,000
Interest and Other	3,150,943	2,441,000	4,687,626	4,500,400	2,059,400
FSP State Allocation/CVR-SAFE **	2,498,978	2,487,499	1,922,859	2,889,222	401,723
SAVSA ***	1,279,216	1,259,077	1,260,522	1,259,939	862
<b>Revenues</b>	<b>\$133,738,638</b>	<b>\$141,559,576</b>	<b>\$144,767,131</b>	<b>\$147,422,705</b>	<b>\$5,863,129</b>
<b>Appropriations</b>					
Administration	498,402	981,160	778,915	899,328	(81,832)
FSP	2,126,050	2,273,024	2,206,303	2,918,749	645,725
SAVSA	1,118,297	1,259,077	1,337,422	1,260,335	1,258
<b>Contributions to Measure A Entities:</b>					
Ongoing Allocations	93,989,704	102,061,296	102,061,296	103,951,563	1,890,267
Capital Improvement Program (CIP)	13,283,220	47,207,000	13,859,223	22,488,454	(24,718,546)
<b>Total Appropriations</b>	<b>\$111,015,673</b>	<b>\$153,781,557</b>	<b>\$120,243,158</b>	<b>\$131,518,429</b>	<b>(\$22,263,127)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers Out (to the Debt Service Fund)	(22,520,621)	(22,300,000)	(23,635,231)	(23,640,000)	(1,340,000)
<b>Total Financing Sources (Uses)</b>	<b>(\$22,520,621)</b>	<b>(\$22,300,000)</b>	<b>(\$23,635,231)</b>	<b>(\$23,640,000)</b>	<b>(\$1,340,000)</b>
<b>Net Increase (decrease) in Fund Balance</b>	<b>202,345</b>	<b>(34,521,981)</b>	<b>888,742</b>	<b>(7,735,724)</b>	<b>26,786,256</b>
Beginning Fund Balance	47,650,513	42,208,133	47,852,858	48,741,600	6,533,467
<b>Ending Fund Balance</b>	<b>\$47,852,858</b>	<b>\$7,686,152</b>	<b>\$48,741,600</b>	<b>\$41,005,876</b>	<b>\$33,319,723</b>
Fund Reserve ****	0	1,100,000	1,100,000	2,000,000	900,000
<b>Ending Fund Balance Less Reserve</b>	<b>\$47,852,858</b>	<b>\$6,586,152</b>	<b>\$47,641,600</b>	<b>\$39,005,876</b>	<b>\$32,419,723</b>

\* Sacramento Countywide Transportation Mitigation Fee Program

\*\* SacMetro Freeway Service Patrol

\*\*\* Sacramento Abandoned Vehicle Service Authority

\*\*\*\* FY 2020 \$1.8 million for the Capital Improvement Program and \$200,000 for administration

General Fund appropriations are expected to decrease \$22.3 million to \$131.5 million in FY 2019-20 when compared to the adopted FY 2018-19 budget. The largest variance is attributed to decreased capital program costs, which are expected to decrease \$24.7 million. Many of the agencies currently under contract with the Authority to construct capital projects have delayed spending on those projects because construction bids came in higher than the engineers' estimates. Much of the funding not used as planned during FY 2018-19 will be spent in FY 2019-20 and FY 2020-21. Ongoing allocations will increase in FY 2019-20 because they are formulaically distributed based on sales tax revenue – which is expected to increase in FY 2019-20.

## **CONSOLIDATED BUDGET SUMMARY** *CONTINUED*

Because actual appropriations will be much less than expected in FY 2018-19, the estimated ending fund balance for FY 2018-19 will be \$48.7 million, which is roughly \$41 million higher than the adopted FY 2018-19 budget. Capital program appropriations were budgeted at \$47.2 million in FY 2018-19, but actual spending is expected to be \$13.9 million. The beginning fund balance for FY 2019-20 combined with increased revenue and moderate appropriations should allow for a solid ending fund balance of \$41 million.

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. In the budget year – FY 2019-20 – transfers out are expected to increase because principle payments on the Series 2012 bonds are increasing and interest rates are expected to rise.

## **FACTORS AFFECTING FINANCIAL CONDITION**

Declining unemployment, increasing median income, and modest population growth continue to support increases in County taxable sales and related Measure A sales tax revenue.



### **POPULATION GROWTH**

- In February 2019, the median home price in the County was about \$360,000 while the other 8 neighboring counties varied from \$425,000 in Solano County to over \$1.5 million in San Francisco County. The remaining growth is primarily attributable to people moving into the County for employment reasons.

## FACTORS AFFECTING FINANCIAL CONDITION *CONTINUED*



### INCOME

- Per capita income in Sacramento County has grown steadily since 2011 reaching \$50,197 in 2018, representing an annual growth rate of 4.3% over 2017 which is consistent with state and national levels.



### DECLINING UNEMPLOYMENT

- According to the California Employment Development Department (EDD), the unemployment rate in Sacramento County declined to 4.1% in 2018 from 5.4% in 2017. Over the last year, the leading indicators for increased sales tax revenue were in the areas of professional services, health and education, and leisure.





# 2

## **BUDGET PROCESS AND FISCAL POLICIES**

# BUDGET PROCESS AND FISCAL POLICIES

## BUDGET PROCESS

This budget presents three years of financial information – actual audited amounts for FY 2017-18, estimated amounts for FY 2018-19, and proposed amounts for FY 2019-20. Common budgetary terms can be found in the Glossary.

The Authority's fiscal year is July 1 through June 30. This budget is prepared by fund and program on a modified accrual basis of accounting which recognizes revenue when it becomes measurable and available; expenditures are recognized when the obligation to pay is incurred. The Authority's cut off is 90-days after the fiscal year end. The budget is proposed to the Board in April and brought back in May for adoption - both public meetings. The budget is a living document until it is adopted - staff incorporate changes suggested by the Board and Independent Taxpayer Oversight Committee (ITOC) along the way. Once adopted, the budget is posted on the Authority's website – [www.sacta.org](http://www.sacta.org) and the ITOC's website – [www.sacitoc.org](http://www.sacitoc.org).

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 Comprehensive Annual Financial Report (CAFR). The CAFR provides audited ending fund balances from the previous year which serve as the beginning balances for the current year. Since the audited prior year ending fund balances often differ from the estimated beginning fund balances used in the adopted budget for the current year, the audited fund balances are incorporated in the FY 2018-19 estimate. Using this information as a starting point, staff identify any significant changes to expected revenues and appropriations for the remainder of the current fiscal year. If revenue is expected to come in lower and/or appropriations higher than expected, which in either case causes estimated fund balance to be lower than in the adopted budget, staff determine the cause of the change and the overall impact on fund balance. This information is discussed with the Executive Director and if necessary, with the Board and/or its fiscal policy subcommittee to determine an appropriate course of action. Additionally, budget staff work with the Authority's Special Programs Manager to develop the budgets for the SacMetro FSP and SAVSA programs. This is a collaborative process since budget staff is responsible for preparing 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 March budget 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 multi-year funding agreements between the Authority and the agencies constructing the projects.

## BUDGET PROCESS *CONTINUED*

In March, the Authority prepares an updated long-term revenue forecast developed in conjunction with a consulting firm. The Authority's consultant, Muni Services (Muni), has expertise in the forecast of sales tax revenue for local governments, including transportation authorities. The consultant 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 (CDTFA) - to develop the forecast. In addition, Muni factors in economic indicators such as employment, housing starts, and population growth. Authority staff collaborate with the consultant during the process to ensure staff understand the forecast when completed. The forecast is used to update the current year's estimated revenue and proposed budget year revenue. Muni's forecast through the remainder of the Measure A program which sunsets in 2039, is used for long-term financial planning such as calculating additional debt capacity. In March, enough financial information is available to begin preparing a comprehensive budget. 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 May.

In March, the Independent Taxpayer Oversight Committee (ITOC) reviews the proposed budget tables during a public meeting. Budget staff attend the meeting to explain the tables and receive comments from committee members. The committee's comments are carefully considered, and the budget updated as necessary before the proposed budget is presented to the Board during its April meeting.

During the April meeting, the Board may ask questions, make comments, and provide direction to staff. In addition, members of the public may comment. Using this information, budget staff work with the Executive Director to refine the proposed budget as needed. This is the first of two public meetings in which the budget is presented – the second is in May. This timeline complies with California Public Utility Code Section 180108 which states that notice of the time and place of the public hearing on the adoption of the annual budget shall be published 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.

In May, the final budget is presented to the Board in a public meeting for its adoption. In general, the final version of the budget is materially consistent with the proposed budget presented in April, typically containing only minor financial and/or text revisions. Any material changes are highlighted by Authority staff during the May meeting. Adoption of the budget requires a quorum of Board members and a majority of the voting quorum. Once the budget is adopted, it is posted on the Authority's and ITOC's websites. In the event that the final budget is not adopted by June 30, the Board may vote to adopt a resolution allowing the Authority to continue normal operations under the proposed budget. An amended budget may subsequently be brought to the Board if changes in revenue and/or appropriations warrant it.

## BUDGET PROCESS *CONTINUED*

### Budget Development Schedule

#### JANUARY 2019

- Budget-to-actual analysis for the first two quarters is completed
- Comprehensive Annual Financial Report (CAFR) approved
- Budget discussions with local agency program managers

#### MARCH 2019

- Revenue forecast completed
- Proposed Budget reviewed by the Executive Director
- Proposed Budget presented to the ITOC

#### APRIL 2019

- Proposed Budget presented to the Governing Board/First public hearing

#### MAY 2019

- Final Budget presented to Board/Second public hearing – vote to adopt
- Adopted Budget posted to Authority’s and ITOC’s websites

#### ANY TIME AFTER ADOPTION

- Amendments after adoption

## FISCAL POLICIES

California’s Public Utility Code, 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 introduce the proposed budget on the second Thursday in April and the Board adopts the final budget on the second Thursday in May.

Primary among the responsibilities that the Authority has to the citizens in Sacramento County is the care of public funds and wise management of government finances while providing for the adequate funding of the services and projects approved by voters. Foundational to this effort are fiscal policies designed to protect all public assets under the Authority’s administration.

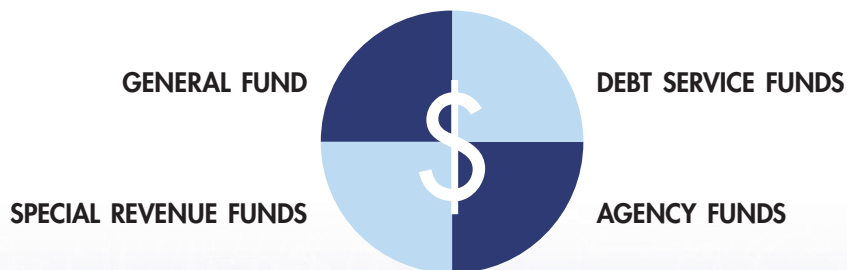
### Overview

Benefits of establishing financial policies include the following:

- Board approved policies establish the agency’s commitment to 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 a 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 issue and;
- 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:



## FISCAL POLICIES *CONTINUED*

### General Fund

- **ADMINISTRATION** – this fund pays for 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 from 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 pay for the program’s costs – most notably towing contractors and administration and;
- **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 pay-as-you-go (pay-go) CIP funding.

### Special Revenue Fund

- **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.

### Debt Service Fund

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

### Agency Funds

- These funds are used to account for assets held by the Authority as an agent for other governments and programs. As such, the money in these funds is not available for appropriation and not included elsewhere in the budget presentation.

## FISCAL POLICIES *CONTINUED*

### Financial Planning

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

Financial forecasting is the process of projecting revenues and expenditures over the long-term by making assumptions about economic conditions, future spending scenarios, and other notable objectives. It provides insight into future financial capacity so that strategies can be developed to achieve long-term program stability in light of 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

<b>TIME HORIZON</b>	Sales tax and mitigation fee revenues forecast through fiscal year 2039 when Measure A sunsets. Appropriations for a minimum of one-year and up to five-years for the CIP.
<b>SCOPE</b>	All appropriated funds, in particular sales tax and SCTMFP revenues and associated appropriations.
<b>FREQUENCY</b>	Update long-term revenue projections and detailed cash-flow analyses at least annually.
<b>CONTENT</b>	Analyses of the financial environment, revenue and appropriation forecasts, debt position, strategies for achieving and maintaining financial balance, and methods for monitoring key assumptions underlying the plan.
<b>PRESENTATION</b>	Annually present the plan during the normal budget presentation cycle, April and May. The approved plan is posted to the Authority’s and ITOC’s websites.

## FISCAL POLICIES *CONTINUED*

### 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) and;
- 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, the Authority requests updated information from each participating agency to determine the appropriate allocation ratios for the upcoming fiscal year.

Similarly, Measure A requires the Authority to update the STMFP 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.

### Fund Balance Designation and Reserve

The Authority strives to maintain adequate fund balances in its general, debt service, and administration funds. 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 and;
- 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. Revenue is more stable; therefore, the Authority uses it as the basis to establish the minimum reserve funding goal.



## FISCAL POLICIES *CONTINUED*

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

**GENERAL FUND** - This fund consists of four sub-funds – administration, CIP, SacMetro FSP, and the SCTMFP. The reserve balances are addressed at the sub-fund level as explained below.

- **ADMINISTRATION FUND** – The Authority’s Final Budget includes \$200,000 reserve which is equivalent to GFOA’s recommended two-month, revenue-based minimum. This reserve was increased from \$100,000 in FY 2018-19.
- **CIP FUND** – This fund contains the amount of money left over each month after the Authority’s trustee withholds enough money to pay all debt service costs. The Measure A Ordinance requires that 20.75% of the net sales tax revenue be dedicated to the CIP, which includes pay-as-you-go (pay-go) funds. Under GFOA guidelines, approximately \$1.8 million; or roughly 2 months’ pay-go revenues is an acceptable reserve. The Authority maintains this reserve amount and regularly monitors fund activity. This reserve was increased from \$1 million in FY 2018-19.
- **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 sufficient funding from sales tax proceeds each month to pay bond principal, interest, and ancillary . The fund balance fluctuates based on the accumulation of cash to pay debt service costs.

Authority staff regularly monitor all fund balance to ensure adequate cash is available for anticipated claims, administrative costs, and other foreseeable expenditures. The Authority established fund reserves beginning last year. The table below summarizes desired to actual/proposed amounts:

### Fund Balance Reserves

Fiscal Year	Fund	Policy/Desired Amount*	Actual/Proposed Amount	Meets Reserve Requirement
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

\*Policy established beginning in FY 2018-19

\*\*Estimate

\*\*\*Proposed

## FISCAL POLICIES *CONTINUED*

### Appropriation 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.

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

### Investments

To ensure that funds are prudently invested to earn a reasonable interest rate until spent, the following objectives are ranked in the order of importance:



## FISCAL POLICIES *CONTINUED*

The Authority's treasurer is the County of Sacramento Director of Finance who oversees a team of investment officers. The County administers an investment pool that holds idle cash until spent. The Authority participates in the pool which historically pays better interest rates than a commercial bank. This money is liquid, so the Authority has access to it as needed to pay claims. The average deposits for FY 2018-19 are over \$40 million. Additionally, the Authority's Series 2012 bonds require a reserve which is about \$5 million. This money is actively managed by the California Asset Management Program (CAMP). The remaining cash is related to the SacMetro FSP and administration programs. These funds are held in interest bearing accounts at a commercial bank. The balances for these two programs are relatively immaterial. The Authority's investment policy captures the overall objectives of the investment program. The treasurer maintains a comprehensive, well-documented reporting system which complies with California Government Code Section 53607.

### 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 (Plan) based on estimated revenue. The Plan approved by voters identifies 54 projects to be funded with Measure A money. The project list within the Plan is subject to change under a provision of the law that requires a review every 10 years and, where necessary, allows for amendments to the Plan under certain conditions in order to meet changing transportation needs. Amendments to the Plan must be approved by a majority of the city councils constituting a majority of the incorporated population

Agencies with capital projects currently supported by Measure A funding annually submit 5-year expenditure plans that identify spending by project and fiscal year. This information is the basis for the Authority's annually updated cash flow plan used to identify the estimated resource inflows and outflows.

### Personnel Resource Management

Regular employees are the core work force that staff ongoing activities. Where possible and justified, the Authority strives to provide competitive compensation and benefits for its regular workforce. To manage staffing costs the Authority will:

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

## FISCAL POLICIES *CONTINUED*

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

- Bond legal counsel
- Revenue forecasting 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. Regular meetings are held to discuss each employee's workflow to ensure deliverables are completed on time. Authority staff proactively look for opportunities to streamline workload through the use of technology and procedural improvements.

### Cost Allocations

The Authority oversees three programs – Measure A, SAVSA, and SacMetro FSP. All Authority staff are involved to varying degrees in each program:

- **EXECUTIVE DIRECTOR** – oversees each program's staff and is involved in key decisions
- **SPECIAL PROGRAMS MANAGER** – oversees SacMetro FSP and SAVSA day-to-day program operations
- **CHIEF FINANCIAL OFFICER** – oversees all financial accounting and reporting

Since each staff member invests time in each program, salaries, benefits and overhead costs, are charged to the programs accordingly. Periodically, the Executive Director reviews the ratios assigned to each program to ensure that the appropriate ratios are utilized. The ratios can be found in the Organizational Overview section of this budget.

### Record 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 retention schedule that allows for the destruction of records that staff determine to be unimportant and unnecessary. Therefore, records and documents that are more than five years old and no longer needed or deemed unimportant may be destroyed. 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.

## FISCAL POLICIES *CONTINUED*

### Contracting Practices

California State Public Utilities Code Section 180154 requires that contracts for the purchase of services, supplies, equipment, and materials in excess of \$10,000 are required to 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 responsibility 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 in amounts of \$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 current resources and future revenue streams. This effort is performed at least twice annually to identify additional debt capacity, if any. In January 2019, such an analysis was performed. The analysis supported the issuance of additional bonds in the amount of \$60-70 million. However, based on current pay-as-you-go (pay-go) and SCTMFP cash balances and expected expenditures, the Authority determined that issuing additional debt is not necessary at this time.

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** future program flexibility
- MAINTAIN** strong credit ratings and good investor relations
- MAINTAIN** ready and cost-effective access to the capital markets

## FISCAL POLICIES *CONTINUED*

The policy is reviewed periodically and updated as necessary, for Board approval. 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 where 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 consistent with limiting the Authority’s risk exposure and;
- 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 consistent with the Authority’s debt management and project delivery objectives.

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

<b>FINANCING</b>	<b>REFINANCING</b>	<b>REIMBURSEMENT</b>
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 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, make recommendations to the Board for changes to the bond program.

## FISCAL POLICIES *CONTINUED*

### Investment Policy

The Authority’s Investment Policy (Policy) sets forth its investment guidelines. This investment policy fulfills the objectives required under California Government Code Section 53646(a). Investments may only be made as authorized by the Authority’s Policy.

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:

#### **SAFETY OF PRINCIPAL**

The preservation of principal is of primary importance. Capital losses are avoided, whether they are from securities default or erosion of market value of securities

#### **LIQUIDITY**

The investment portfolio should remain sufficiently flexible to enable the Authority to meet all operating and capital requirements which may be reasonably anticipated in any fund

#### **PUBLIC TRUST**

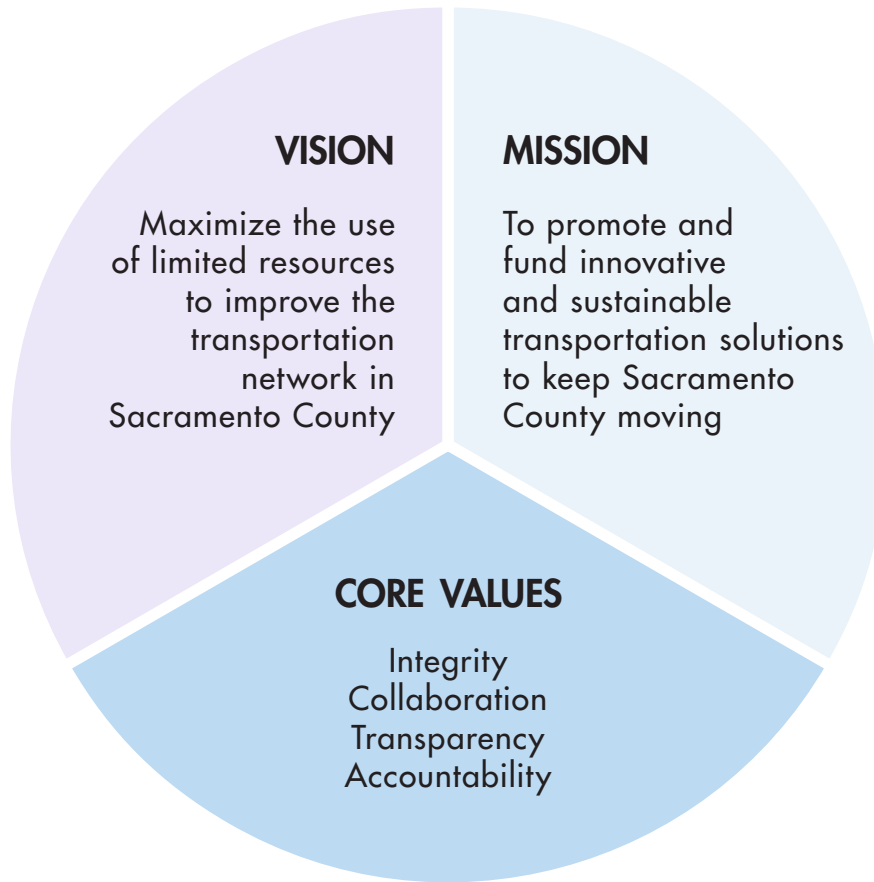
In managing its investment portfolio, the authorized investment traders should avoid any transactions that might impair the public’s confidence in the Authority. Investments should be made with precision and care, considering the probable safety of capital as well as the probable income to be derived

#### **MAXIMUM RATE OF RETURN**

The investment portfolio should be designed to attain a market average rate of return through budgetary and economic cycles, consistent with the risk limitations, prudent investment principles and cash flow characteristics identified in this policy

The Board is responsible for approving the Policy and 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. Investable funds will be 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.

## STRATEGIC DIRECTION



## STRATEGIC GOALS

1. Financial Stability
2. Operational Efficiency
3. Outreach and Education
4. 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 coming year.

Performance Measure	Responsible Department	Relates to Strategic Goal #	FY 2018-19 Planned	FY 2018-19 Actual	FY 2019-20 Planned
<b>Financial Stability and Operational Efficiency:</b>					
Allocate monthly Measure A funding timely and accurately	Finance	1,2	12	12	12
Percent of revenue receipts received by electronic funds transfer	Finance	1,2	90%	100%	100%
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
Publish key financial and policy documents on website monthly	Finance	1,2	12	12	12
Prepare and submit all required quarterly financial information required under the Authority's bond covenants	Finance	1,2	4	4	4
Complete annual financial audit prior to December 31	Finance	1,2	Yes	Yes	Yes
<b>Outreach and Education:</b>					
Plan and support Board meetings	Executive Director	3	8	8	8
Respond to all Public Record Act (PRA) requests within 10 calendar days	Executive Director and Finance	3	2	2	2
Plan and support ITOC meetings	Finance	3	8	8	8
Initiate Performance Audit	Executive Director and Finance	3	1	0	1
<b>Transportation Project Planning and Prioritization:</b>					
Meet regularly with Professional Advisory Group (PAG)	Executive Director	4	2	2	2
Complete quarterly capital project status reports	Finance	4	4	4	4
Perform semi-annual cash-flow analyses	Executive Director and Finance	4	2	2	2

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

The revenue forecast is 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 to provide an updated revenue forecast for each remaining fiscal year of the Measure A sales tax program. This information is important because it provides overall program revenues based on audited revenue amounts for past years and forecasts for the remaining years as a comparison to the revenue forecast included in the Expenditure Plan approved by voters in 2004. 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 ratios 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 forecast revenue can support the issuance of additional debt. In the budget, the Authority forecasts the amounts of revenue for “FY 2019 Estimate”, and the coming year amount, reported as “FY 2020 Proposed”. The FY 2019 Estimate is based on roughly 7 months of actual sales tax receipts (on the modified accrual basis of accounting), while the remainder of the fiscal year is an estimate. The following table summarizes the most recent revenue forecast completed in March 2019.

	Sacramento County Taxable Sales (000's)	STA Sales Tax Revenue (000's)	Taxable Sales Growth Ratio	STA Sales Tax Growth Ratio	
2009-10	\$16,638,458	\$81,414			Actual 4.9% Average
2010-11	17,416,097	87,299	4.7%	7.2%	
2011-12	18,608,568	92,240	6.8%	5.7%	
2012-13	19,552,242	97,390	5.1%	5.6%	
2013-14	20,624,371	100,063	5.5%	2.7%	
2014-15	21,536,376	105,564	4.4%	5.5%	
2015-16	22,655,018	110,708	5.2%	4.9%	
2016-17	23,624,106	116,878	4.3%	5.6%	
2017-18	24,919,389	119,188	5.5%	2.0%	
2018-19	25,874,419	129,372	3.8%	8.5%	Forecast 2.1% Average
2019-20	26,354,600	131,773	1.9%	1.9%	
2020-21	25,417,800	127,089	-3.6%	-3.6%	
2021-22	25,011,200	125,056	-1.6%	-1.6%	
2022-23	25,761,600	128,808	3.0%	3.0%	
2023-24	26,534,400	132,672	3.0%	3.0%	
2024-25	27,330,400	136,652	3.0%	3.0%	
2025-26	28,150,400	140,752	3.0%	3.0%	
2026-27	28,995,000	144,975	3.0%	3.0%	
2027-28	29,864,800	149,324	3.0%	3.0%	
2028-29	30,760,800	153,804	3.0%	3.0%	
2029-30	31,683,600	158,418	3.0%	3.0%	
2030-31	32,634,200	163,171	3.0%	3.0%	
2031-32	33,613,200	168,066	3.0%	3.0%	
2032-33	32,418,400	162,092	-3.6%	-3.6%	
2033-34	31,899,800	159,499	-1.6%	-1.6%	
2034-35	32,856,800	164,284	3.0%	3.0%	
2035-36	33,842,600	169,213	3.0%	3.0%	
2036-37	34,857,800	174,289	3.0%	3.0%	
2037-38	35,903,600	179,518	3.0%	3.0%	
2038-39	36,980,800	184,904	3.0%	3.0%	
<b>Total/Average</b>		<b>\$4,094,475</b>	<b>2.8%</b>	<b>2.9%</b>	

## LONG-TERM FINANCIAL PLANNING *CONTINUED*

Based on the information in the previous table, the Authority is expecting total sales tax revenue of \$4.09 billion over the life of the program. This amount is \$700 million less 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 is 4.9% while the forecast for the remainder of the program is just 2.1%. Although the forecast average growth rate appears conservative in comparison to actual growth rate, the local economy has been recovering from the severe recession experienced 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 forecast amounts are combined is 2.9%.

Greater variation in the actual growth rate is expected since it represents the actual fluctuations in the underlying economic indicators, which differs from the forecast 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 forecast growth rates because variations in the economic indicators are incorporated in a weighted average model that smooths the impact of each economic indicator over the life of the program. The weighted average growth rate in fiscal years other than recession years is 3.0%. This model factors in two economic downturns – one in fiscal years 2020-21 and 2021-22 and another in fiscal years 2032-33 and 2033-34.

### Sacramento Countywide Mitigation Fee Program (SCTMFP)

Measure A includes a second revenue source, SCTMFP, which is a development fee collected by the County and each incorporated city within its boundaries. Each agency receiving sales tax proceeds from the Measure A program is required to participate in the SCTMFP. This revenue is not pledged to the Authority's debt program; rather it is used for pay-as-you-go (pay-go) funding for the Authority's Capital Improvement Program (CIP). The revenue forecast for this program is developed internally by Authority staff. Since new development drives the revenue received by this program, it is highly volatile as seen in the following table:

LONG-TERM FINANCIAL PLANNING *CONTINUED*

Fiscal Year	Development Impact Fees	Growth Rate	Actual/Forecast
2009/10	\$3,073,658		Actual 15.4% Average
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	7,524,124	-1.3%	Forecast 1.9% Average
2019/20	7,000,000	-7.0%	
2020/21	7,175,000	2.5%	
2021/22	7,354,375	2.5%	
2022/23	7,538,234	2.5%	
2023/24	7,726,690	2.5%	
2024/25	7,919,857	2.5%	
2025/26	8,117,854	2.5%	
2026/27	8,320,800	2.5%	
2027/28	8,528,820	2.5%	
2028/29	8,742,041	2.5%	
2029/30	8,960,592	2.5%	
2030/31	9,184,607	2.5%	
2031/32	9,414,222	2.5%	
2032/33	9,649,577	2.5%	
2033/34	9,890,817	2.5%	
2034/35	10,138,087	2.5%	
2035/36	10,391,539	2.5%	
2036/37	10,651,328	2.5%	
2037/38	10,917,611	2.5%	
2038/39	11,190,551	2.5%	
<b>TOTAL</b>	<b>\$225,876,825</b>		
	<b>Average Growth Rate</b>	<b>5.61%</b>	

Actual revenue growth rates from FY 2009-10 through FY 2017-18, the most recent audited financial statement amount, varied dramatically. The growth rates varied year-over-year from a low of -24.1% in FY 2010-11 to a high of 79.9% in FY 2016-17, averaging 15.4% during this period. This variation is directly related to new construction activity throughout the County. Early in the program, construction activity in the area was low to moderate because of the recession; however, construction activity has been robust over the last several years, particularly in the City of Sacramento which is undergoing a revitalization.

Based on the information in the table, the Authority forecasts total SCTMFP revenue of \$225.9 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. Authority staff use a 2.5% growth rate, which is quite conservative, beginning with FY 2020-21.



# 3

## **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 2017-18, estimated amounts for FY 2018-19, and proposed amounts for FY 2019-20. In the Comprehensive Annual Financial Report (CAFR), the Authority reports three governmental funds – the General Fund, Special Revenue Fund, and a Debt Service Fund. All budgetary information is reported on the modified accrual basis of accounting, similar to the fund statements found in the CAFR. 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 end.

## 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. Sales tax revenue reported in the General Fund continues to grow at a moderate rate, representing most of the increases in revenue over the three fiscal years presented in the table. The Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP) and interest revenue impacts overall program revenues to a lesser extent. As seen in the General Fund table later in this section, the ratio of sales tax revenue to SCTMFP revenue in FY 2018-19 is expected to be 94.5% to 5.5% respectively. More detail about changes in revenue can be found in the individual budgets later in this document.

Most appropriations in the General Fund are the result of funds passed through to Measure A agencies on a monthly basis. The Measure A Ordinance specifies, by ratio, how much is to be allocated to each agency and to the CIP. The appropriations in FY 2019-20 are primarily formulaic allocations and those for the capital program. In the adopted budget for FY 2018-19, CIP appropriations were expected to be \$47.2 million, while \$22.5 million is planned for FY 2019-20, a decrease of \$24.7 million. The appropriations reported as other financing uses are transfers from the General Fund to the Authority's Debt Service fund for the payment of principal, interest, and ancillary fees. More detail about changes in appropriations can be found in the individual budget tables later in this document.

The Authority considers the budget balanced when:

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

The Authority's budget is balanced under scenario number three for FY 2019-20.

## CONSOLIDATED BUDGET *CONTINUED*

### Consolidated Budget Summary by Fund

Description	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Proposed	Change from FY 2019
General Fund	\$132,459,422	\$140,300,499	\$143,504,709	\$146,162,366	\$5,861,867
Special Revenue Fund	1,279,216	1,259,077	1,262,422	1,260,339	1,262
<b>Total Revenues</b>	<b>\$133,738,638</b>	<b>\$141,559,576</b>	<b>\$144,767,131</b>	<b>\$147,422,705</b>	<b>\$5,863,129</b>
<b>Appropriations</b>					
General Fund	109,897,377	152,522,480	118,905,737	130,258,094	(22,264,386)
Special Revenue Fund	1,118,297	1,259,077	1,337,422	1,260,335	1,258
<b>Total Appropriations</b>	<b>\$111,015,674</b>	<b>\$153,781,557</b>	<b>\$120,243,158</b>	<b>\$131,518,429</b>	<b>(\$22,263,128)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers Out (to the Debt Service Fund)	(22,520,621)	(22,300,000)	(23,635,231)	(23,640,000)	(1,340,000)
<b>Total Financing Sources (Uses)</b>	<b>(\$22,520,621)</b>	<b>(\$22,300,000)</b>	<b>(\$23,635,231)</b>	<b>(\$23,640,000)</b>	<b>(\$1,340,000)</b>
Net Increase (decrease) in Fund Balance	202,343	(34,521,981)	888,742	(7,735,724)	26,786,257
Beginning Fund Balance	47,650,513	42,208,133	47,852,856	48,741,598	6,533,465
<b>Ending Fund Balance</b>	<b>\$47,852,856</b>	<b>\$7,686,152</b>	<b>\$48,741,598</b>	<b>\$41,005,874</b>	<b>\$33,319,722</b>
Fund Reserve*	0	1,100,000	1,000,000	2,000,000	2,000,000
<b>Ending Fund Balance Less Reserve</b>	<b>\$47,852,856</b>	<b>\$6,586,152</b>	<b>\$47,741,598</b>	<b>\$39,005,874</b>	<b>\$31,319,722</b>

\* Includes \$1.8 million for the Capital Improvement Program and \$200,000 for administration

The following table presents the information in the Consolidated Budget Summary by Fund in more detail. The General Fund reports all sales tax revenue and SCTMFP fees as well as all SacMetro FSP program revenue. Appropriations for program administration, ongoing allocations, and the CIP are funded with sales tax proceeds. General Fund transfers out pay for principal, interest, and ancillary fees on the Authority's debt. In FY 2019-20 the Authority increased its fund balance reserves for the CIP and administration to \$1.8 million and \$200,000 from \$1 million and \$100,000 in the prior year respectively. These amounts are in conformance with the Government Finance Officers Association (GFOA) guidelines.

**CONSOLIDATED BUDGET** *CONTINUED*

Consolidated Budget General Fund, SAVSA, and Debt Service - Revenue, Appropriations, and Fund Balance

Description	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Proposed	Change from FY 2019
<b>Revenues</b>					
Sales Tax	\$119,187,748	\$129,372,000	\$129,372,000	\$131,773,144	\$2,401,144
SCTMFP Fees *	7,621,753	6,000,000	7,524,124	7,000,000	1,000,000
Interest and Other	3,150,943	2,441,000	4,687,626	4,500,400	2,059,400
FSP State Allocation/CVR-SAFE **	2,498,978	2,487,499	1,922,859	2,889,222	401,723
SAVSA***	1,279,216	1,259,077	1,260,522	1,259,939	862
<b>Revenues</b>	<b>\$133,738,638</b>	<b>\$141,559,576</b>	<b>\$144,767,131</b>	<b>\$147,422,705</b>	<b>\$5,863,129</b>
<b>Appropriations</b>					
Administration	498,402	981,160	778,915	899,328	(81,832)
FSP	2,126,050	2,273,024	2,206,303	2,918,749	645,725
SAVSA	1,118,297	1,259,077	1,337,422	1,260,335	1,258
<b>Contributions to Measure A Entities:</b>					
Ongoing Allocations	93,989,704	102,061,296	102,061,296	103,951,563	1,890,267
Capital Improvement Program (CIP)	13,283,220	47,207,000	13,859,223	22,488,454	(24,718,546)
<b>Total Appropriations</b>	<b>\$111,015,673</b>	<b>\$153,781,557</b>	<b>\$120,243,158</b>	<b>\$131,518,429</b>	<b>(\$22,263,127)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers Out (to the Debt Service Fund)	(22,520,621)	(22,300,000)	(23,635,231)	(23,640,000)	(1,340,000)
<b>Total Financing Sources (Uses)</b>	<b>(\$22,520,621)</b>	<b>(\$22,300,000)</b>	<b>(\$23,635,231)</b>	<b>(\$23,640,000)</b>	<b>(\$1,340,000)</b>
Net Increase (decrease) in Fund Balance	202,345	(34,521,981)	888,742	(7,735,724)	26,786,256
Beginning Fund Balance	47,650,513	42,208,133	47,852,858	48,741,600	6,533,467
<b>Ending Fund Balance</b>	<b>\$47,852,858</b>	<b>\$7,686,152</b>	<b>\$48,741,600</b>	<b>\$41,005,876</b>	<b>\$33,319,723</b>
Fund Reserve****	0	1,100,000	1,100,000	2,000,000	900,000
<b>Ending Fund Balance Less Reserve</b>	<b>\$47,852,858</b>	<b>\$6,586,152</b>	<b>\$47,641,600</b>	<b>\$39,005,876</b>	<b>\$32,419,723</b>

\* Sacramento Countywide Transportation Mitigation Fee Program

\*\* SacMetro Freeway Service Patrol

\*\*\* Sacramento Abandoned Vehicle Service Authority

\*\*\*\* FY 2020 \$1.8 million for the Capital Improvement Program and \$200,000 for administration



## GENERAL FUND

### Programs

The General Fund reports all Measure A revenues including sales tax proceeds and SCTMFP fees. In addition, it reports interest income on the agency's fund balance and interest from its bond program swap partners. Furthermore, the General Fund reports SacMetro FSP program funding from a state grant and local match. SAVSA is reported separately as a Special Revenue fund in the CAFR and therefore not included in the General Fund table but separately.

Measure A consists of two revenue components – one-half cent retail sales tax collected throughout the County and mitigation fees charged for certain new construction in the 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 the fee is dedicated to transportation operations, maintenance, and construction throughout the County. Of the two funding sources, sales tax is the largest and least volatile.

The sales tax is collected by the California Department of Tax and Fee Administration (CDTFA) and allocated to the Authority monthly. The Authority's trustee (US Bank) intercepts the sales tax remittance and pays all debt service costs before forwarding the remainder to the Authority's General Fund. Subsequently, Authority staff allocate the sales tax proceeds to each Measure A agency using the ratios identified in the Measure A Ordinance. The CIP is allocated 20.75% of the net proceeds of which the amount remaining after the trustee pays all debt service costs is available as pay-as-you-go (pay-go) funding.

The SCTMFP fees are remitted to the Authority semi-annually from each member agency. Initially, the fees 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 the result of new construction, the amount received by the Authority has 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). The grant amount is determined annually by Caltrans. The 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 to fund the program until reimbursements from the state grant are received.

GENERAL FUND *CONTINUED*

## Fund Balance

Fund balance in the General fund is expected to decrease to \$40.9 million in FY 2019-20 from \$48.7 million in FY 2018-19 (based on the “Estimate” amount) primarily because appropriations for the CIP are expected to increase. The increase is indicative of the increased construction phase activity throughout the County and a shift of construction expenditures from FY 2018-19 into FY 2019-20 because of delays in starting some projects. Additionally, although sales tax revenue is forecast to increase by \$2.4 million to \$131.8 million, appropriations for ongoing allocations are expected to increase \$1.9 million to \$103.9 million because they change at the same rate as sales tax revenue, both increasing about 1.9% in FY 2019-20 over the amount in the FY 2018-19 adopted budget. Finally, debt service appropriations (transfers out) are expected to increase by \$1.3 million because of increasing principle payments on the Series 2012 bonds and increasing interest rates. The remaining appropriation changes are immaterial to the budget.

## General Fund Budget - Revenue, Appropriations, and Fund Balance

Description	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Proposed	Change from FY 2019
<b>Revenues</b>					
Sales Tax	\$119,187,748	\$129,372,000	\$129,372,000	\$131,773,144	\$2,401,144
SCTMFP Fees *	7,621,753	6,000,000	7,524,124	7,000,000	1,000,000
Interest and Other	3,150,943	2,441,000	4,685,726	4,500,000	2,059,000
FSP State Allocation/CVR-SAFE **	2,498,978	2,487,499	1,922,859	2,889,222	401,723
<b>New Revenues</b>	<b>\$132,459,422</b>	<b>\$140,300,499</b>	<b>\$143,504,709</b>	<b>\$146,162,366</b>	<b>\$5,861,867</b>
<b>Appropriations</b>					
Administration	498,402	981,160	778,915	899,328	(81,832)
FSP	2,126,051	2,273,024	2,206,303	2,918,749	645,725
<b>Contributions to Measure A Entities:</b>					
Ongoing Allocations	93,989,704	102,061,296	102,061,296	103,951,563	1,890,267
Capital Improvement Program (CIP)	13,283,220	47,207,000	13,859,223	22,488,454	(24,718,546)
<b>Total Appropriations</b>	<b>\$109,897,377</b>	<b>\$152,522,480</b>	<b>\$118,905,737</b>	<b>\$130,258,094</b>	<b>(\$22,264,386)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers Out (to the Debt Service Fund)	(22,520,621)	(22,300,000)	(23,635,231)	(23,640,000)	(1,340,000)
<b>Total Financing Sources (Uses)</b>	<b>(\$22,520,621)</b>	<b>(\$22,300,000)</b>	<b>(\$23,635,231)</b>	<b>(\$23,640,000)</b>	<b>(\$1,340,000)</b>
Net Increase (decrease) in Fund Balance	41,424	(34,521,981)	963,742	(7,735,728)	26,786,253
Beginning Fund Balance	<b>47,650,513</b>	<b>42,208,133</b>	<b>47,691,937</b>	<b>48,655,679</b>	<b>6,447,546</b>
<b>Ending Fund Balance</b>	<b>\$47,691,937</b>	<b>\$7,686,152</b>	<b>\$48,655,679</b>	<b>\$40,919,951</b>	<b>\$33,233,799</b>
Fund Reserve***	0	1,100,000	1,100,000	2,000,000	900,000
<b>Ending Fund Balance Less Reserve</b>	<b>\$47,691,937</b>	<b>\$6,586,152</b>	<b>\$47,555,679</b>	<b>\$38,919,951</b>	<b>\$32,333,799</b>

\* Sacramento Countywide Transportation Mitigation Fee Program

\*\* SacMetro Freeway Service Patrol

\*\*\* Includes \$1.8 million for the Capital Improvement Program and \$200,000 for administration

## GENERAL FUND *CONTINUED*

### Revenue and Other Financing Sources

Sales tax revenue, which is relatively stable, is forecast to be \$131.8 million in FY 2019-20, representing a growth rate of about 1.9% over the FY 2018-19 adopted budget amount of \$129.4 million. The growth rate is considerably lower than the actual growth rate of 4.9% from program inception through June 30, 2018. Authority staff in conjunction with its revenue forecast consultant – Muni Services - expect the local economy to slow over the next few years as construction begins slowing and the unemployment rate stabilizes.

Two significant accruals are posted to the General Fund at the end of each fiscal year. Measure A Sales tax revenue for the last two months of the fiscal year is received in July and August (for receipts collected in May and June respectively) and a clean-up payment in August, representing the difference between the advances received for the months of April through June (fourth quarter) and the actual sales tax receipts. Additionally, SCTMFP revenues collected during January through June and received in July are accrued. Together, these accruals represent roughly \$20 million.

SCTMFP revenue has proven to be volatile. This program generates revenue by charging a fee for certain new construction throughout the County. Annual revenue for this program are near all-time highs of about \$7.6 million in fiscal year 2017-18 and \$7.5 million in FY 2018-19, based on actual and estimated amounts respectively. 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. The average growth rate from program inception through June 30, 2018 was 15.4%.

SacMetro FSP revenue is typically stable. However, with the recent passage of Senate Bill 1 (SB 1), new revenue created by the law has started flowing to the program. Caltrans administers this funding source and is still working out procedural elements while implementing the program. The revenue is generated by a tax on gasoline sales throughout the state. The revenue from those sales is allocated formulaically statewide. Roughly \$1 million in new revenue is expected during FY 2019-20.

### Appropriations and Other Financing Uses

Overall General Fund appropriations are projected to decrease almost \$22.3 million to \$130.3 million in FY 2019-20 (excluding transfers to the Debt Service Fund). Funding for the CIP is expected to decrease more than \$24.7 million because estimated spending in FY 2018-19 is significantly less than budgeted; \$13.9 million versus \$47.2 million respectively. As such, some of the spending planned in FY 2018-19 has been deferred to FY 2019-20 and beyond. Ongoing allocations which are formulaic are expected to increase about \$1.9 million (about 1.9%) since the allocations are driven by sales tax revenue which is forecast to increase by a similar ratio - as sales tax revenue increases, the amount passed through increases proportionately. The allocation ratios by agency are identified in a table near the end

**GENERAL FUND** *CONTINUED*

of this section. As noted in the Revenue and Other Financing Sources discussion, the only significant accruals are related to the Measure A sales tax program and SCTMFP fees. In July and August, the Authority receives advances for the months of May and June. Additionally, in August, a clean-up payment for the 4th Quarter of the fiscal year is received. Since about 80% of the sales tax revenue is passed-through to Measure A agencies, the Authority accrues the appropriations at the same time it records the revenue.

CIP appropriations vary from year-to-year based on the number of projects and phase of construction. In general, appropriations increase when projects move into the construction phase. In FY 2019-20, significant construction activity is expected with planned appropriations totaling almost \$22.5 million. The appropriations are spread across five agencies – the County, the cities of Sacramento and Rancho Cordova, 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.

Other financing uses (transfers out) are expected to increase about \$1.3 million as interest rates and principal payments increase in FY 2019-20. The transfers go into the Debt Service Fund which is administered by the Authority’s trustee - U.S. Bank. The trustee intercepts the sales tax proceeds and withholds enough funds to pay current debt service charges and remits the balance to the Authority.

Sales tax proceeds are allocated at the rate of 20.75% to the Authority’s CIP for debt service and pay-as-you-go (pay-go) project funding. The table below shows the portion of the allocation that pays for debt service on an annual basis. The ratio of debt service to the sales tax allocation for CIP is forecast to be lower in FY 2019-20 at 72.6% than estimated in FY 2018-19 – 74.7%. The ratio is expected to be stable through FY 2028-29 based on the most recent revenue forecast and expected debt service costs. Tables summarizing revenue forecasts and debt service costs through the end of the program can be found elsewhere in this document. In general, the money left over after paying debt service costs is available for appropriation to the CIP as pay-go funding.

**Debt Service to Revenue Allocation Rates**

Description	FY 2020 (est)	FY 2019 (est)	FY 2018	FY 2017*	FY 2016
Sales Tax Allocation for CIP**	\$26,851,061	\$26,358,005	\$24,266,751	\$23,792,455	\$22,525,427
Debt Service Charges***	19,479,241	19,694,471	18,231,437	16,863,319	13,139,565
<b>Ratio</b>	<b>72.55%</b>	<b>74.72%</b>	<b>75.13%</b>	<b>70.88%</b>	<b>58.33%</b>

\* Principal payments for the Series 2012 bonds began in FY 2017

\*\* Equals 20.75 of the net sales tax proceeds

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

**GENERAL FUND** *CONTINUED*

The SCTMFP program appropriates more than \$13.3 million in FY 2019-20 to the CIP which is less than the amount in the adopted FY 2018-19 budget. Estimated actual spending for FY 2018-19 is almost \$9.7 million, lower than expected because some projects were delayed until FY 2019-20 and beyond. Ending fund balance for FY 2018-19 is expected to be \$21.4 million and decrease in FY 2019-20 to \$15.3 million. The decrease reflects the Authority’s reliance on pay-go funding since it does not currently plan to issue more debt . Staff monitor program cash flows to determine an appropriate balance between General Fund and SCTMFP pay-go funding to reimburse capital claims.

**Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP)  
Revenue, Appropriations, and Fund Balance**

Description	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Proposed	Change from FY 2019
<b>Revenue</b>					
Fees	\$7,621,753	\$6,000,000	\$7,524,124	\$7,000,000	\$1,000,000
Interest	162,869	26,000	257,448	250,000	224,000
<b>Total Revenue</b>	<b>\$7,784,622</b>	<b>\$6,026,000</b>	<b>\$7,781,572</b>	<b>\$7,250,000</b>	<b>\$1,224,000</b>
<b>Appropriations</b>					
Caltrans	-	2,500,000	\$789,409	3,000,000	500,000
Capital SouthEast Connector	434,878	2,400,000	2,402,331	3,600,000	1,200,000
Rancho Cordova	-	2,750,000	2,440,000	2,460,000	(290,000)
Sacramento City	1,076,989	3,000,000	1,702,728	1,863,454	(1,136,546)
Sacramento County	-	5,000,000	2,350,000	2,400,000	(2,600,000)
Sacramento Regional Transit District	614,425	0	0	0	0
<b>Total Appropriations</b>	<b>\$2,126,292</b>	<b>\$15,650,000</b>	<b>\$9,684,468</b>	<b>\$13,323,454</b>	<b>(\$2,326,546)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	13,174,202	0	0	0	0
<b>Total Financing Sources (Uses)</b>	<b>\$13,174,202</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Increase (decrease) in Fund Balance</b>	<b>18,832,532</b>	<b>(9,624,000)</b>	<b>(1,902,896)</b>	<b>(6,073,454)</b>	<b>3,550,546</b>
Beginning Fund Balance	4,482,480	22,098,373	23,315,012	21,412,116	(686,257)
<b>Ending Fund Balance</b>	<b>\$23,315,012</b>	<b>\$12,474,373</b>	<b>\$21,412,116</b>	<b>\$15,338,662</b>	<b>\$2,864,289</b>

## GENERAL FUND *CONTINUED*

### Formulaic Allocations

Measure A prescribes the allocation of all sales tax proceeds. The following table summarizes by ratio and annual amount, the proceeds each agency and program will receive in FY 2019-20 based on forecast sales tax revenue. The allocations are completed monthly.

- Total Revenue is the total sales tax proceeds. The amount is net of the administration fees charged by the California Department of Tax and Fee Administration (CDTFA). CDTFA administration costs average about 1.1% of the total sales tax proceeds. The administration charges are withheld on a quarterly basis by the CDTFA before the sales tax revenue is remitted.
- Isleton and Galt receive .04% and 1% of the total revenue respectively.
- The Neighborhood Shuttle is programed to receive \$30 million over the life of the 30-year program. Therefore, the Authority distributes \$1 million to the program annually.
- The “Net Proceeds” is the amount that is used to determine the remaining allocations. Only Isleton and Galt receive allocations based on the “Total Revenue.”
- Similar to the Neighborhood Shuttle, County Regional Parks is programmed to receive \$30 million over the life of the program, so the Authority distributes \$1 million to the program annually.
- Capital Improvement Program (CIP), which amounts to 20.75% of the net proceeds, is the amount allocated to pay for debt service costs. Any money remaining is available for pay-as-you-go (pay-go) funding.
- Program administration funding is limited to 0.75% of the net proceeds, which is used to pay for Measure A staff salaries and benefits, overhead, professional consultants, and audits supervised by the Independent Taxpayer Oversight Committee (ITOC).
- Sacramento Metropolitan Air Quality Management District receives 1.5% of the net proceeds to fund air quality monitoring and improvement activities.
- Paratransit is to receive an average of 4.5% of the net proceeds for the Consolidated Transportation Services Agency (CTSA) To accomplish this, Measure A specifies that 3.5% of the net proceeds be distributed to the program in years 1-10 (FY 2009-10 through FY 2018-19) , 4.5% in program years 11-20 (FY 2019-20 through FY 2028-29), and 5.5% in program years 21-30 (FY 2029-30 through FY 2038-39). During years 1-10, 1% of the net proceeds have been set aside in a separate fund. This accumulation will cease June 30, 2019. Beginning in July 2019, Paratransit will receive 4.5% of the net proceeds – effectively receiving the 1% that was previously set-aside in the CTSA fund. In July 2029, the funds held in the CTSA set aside fund will begin flowing to Paratransit to accomplish the 5.5% prescribed allocation in years 21-30.
- Sacramento Regional Transit District receives the largest ratio of the net sales tax proceeds at 34.5%. This money funds transit operations and maintenance.

**GENERAL FUND** *CONTINUED*

General Fund - Measure A Ongoing Allocations

Description	Percentage*	FY 2017-18 Actual	FY 2018-19 Budget	FY 2018-19 Estimate	FY 2019-20 Proposed
<b>Total Revenue</b>		<b>\$119,187,748</b>	<b>\$129,372,000</b>	<b>\$129,372,000</b>	<b>\$131,773,144</b>
Isleton	0.04	47,675	51,749	51,749	52,709
Galt	1.00	1,191,877	1,293,720	1,293,720	1,317,731
Neighborhood Shuttle		1,000,000	1,000,000	1,000,000	1,000,000
<b>Net Proceeds</b>		<b>\$116,948,195</b>	<b>\$127,026,531</b>	<b>\$127,026,531</b>	<b>\$129,402,703</b>
County Regional Parks		1,000,000	1,000,000	1,000,000	1,000,000
Capital Improvement Program (CIP)	20.75	24,266,751	26,358,005	26,358,005	26,851,061
Program Administration	0.75	877,111	952,699	952,699	970,520
SMAQMD*	1.50	1,754,223	1,905,398	1,905,398	1,941,041
Traffic Control & Safety**	3.00	3,508,446	3,810,796	3,810,796	3,882,081
Paratransit (CTSA)	4.50	5,262,669	5,716,194	5,716,194	5,823,122
Safety, Streetscaping, Ped and Bike Facilities **	5.00	4,847,410	5,351,327	5,351,327	5,470,135
Street & Road Maintenance**	30.00	35,084,459	38,107,959	38,107,959	38,820,811
Sacramento Regional Transit District	34.50	40,347,127	43,824,153	43,824,153	44,643,933
<b>Total</b>	<b>100.00</b>	<b>\$116,948,195</b>	<b>\$127,026,531</b>	<b>\$127,026,531</b>	<b>\$129,402,703</b>

\* Sacramento Metropolitan Air Quality Management District

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

An additional formulaic allocation is performed on the following three categories distributed to the following jurisdictions (see table following text): 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 activities are funded by 3% of the net proceeds.
- Safety, Streetscaping, Pedestrian, and Bike Facilities activities are funded by 5% of the net proceeds. 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 proceeds.

The amounts in the following table represent the total annual allocations by agency of the three categories above combined. The allocation ratios are updated annually based on population as reported by the California Department of Finance and lane miles reported by each jurisdiction.

**GENERAL FUND** *CONTINUED*

Allocation Per Population and Lane Miles (75/25 ratio respectively)

Entity	Population*	Lane Miles*	Allocation Ratio	Amount
City of Citrus Heights	87,731	464	5.38368%	\$2,640,575
City of Elk Grove	172,116	1,175	11.13526%	5,461,598
City of Folsom	78,447	688	5.40539%	2,651,227
City of Rancho Cordova	74,210	682	5.18092%	2,541,129
City of Sacramento	501,344	3,118	31.77548%	15,585,174
County of Sacramento	588,798	5,417	41.11926%	20,168,090
<b>Total</b>	<b>1,502,646</b>	<b>11,544</b>	<b>100%</b>	<b>\$49,047,793</b>

\* Based on data provided by each agency in Spring 2019

**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 Authority’s Expenditure Plan are the cities of Folsom, Galt, and Elk Grove. These agencies do not have projects programmed during any of the three fiscal years in the table. Actual and estimated spending in the program during FY 2017-18 and FY 2018-19 is much less than the adopted budget amount for FY 2018-19 and proposed amount for FY 2019-20. Many projects entering the construction phase during FY 2017-18 and FY 2018-19 were delayed because bids came in higher than expected. As such, funding for some projects will be incorporated in the FY 2019-20 CIP and beyond instead of as originally planned. As noted earlier and in the CIP section of this document, sales tax proceeds and the SCTMFP fees provide funding to support the planned appropriations.

The CIP section of this document provides more detail at the project level regarding sources of funding and appropriations over the next several years.



## CAPITAL IMPROVEMENT PROGRAM (CIP) CONTINUED

### General Fund - Capital Improvement Program (CIP)

Description*	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Proposed	Change from FY 2019
Caltrans	\$1,781,115	\$11,600,000	\$789,409	\$6,100,000	(\$5,500,000)
Capital SouthEast Connector JPA	7,330,198	11,000,000	5,954,853	7,215,000	(3,785,000)
Rancho Cordova	434,878	5,470,000	2,440,000	2,460,000	(3,010,000)
Sacramento City	2,937,653	11,492,000	1,702,728	1,863,454	(9,628,546)
Sacramento County	614,425	7,645,000	2,350,000	4,850,000	(2,795,000)
Sacramento Regional Transit District	151,971	0	622,233	0	0
<b>Total Capital Appropriations</b>	<b>\$13,250,240</b>	<b>\$47,207,000</b>	<b>\$13,859,223</b>	<b>\$22,488,454</b>	<b>(\$24,718,546)</b>

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

There are currently two funding sources for the CIP, both reported in the General Fund – SCTMFP and pay-as-you-go (pay-go). Pay-go funding is money in excess of funding withheld from the CIP allocation for debt service. The Measure A Ordinance directs 20.75% of the net sales tax proceeds to the CIP program. Most of the money pays for principle, interest, and ancillary fees on the bonded debt issued to advance fund capital projects. Any money left over after paying debt service is available to fund projects on a pay-go basis. The table below summarizes the planned funding from the two sources by agency.

#### FY 2019 Total Budget

Description*	FY 2019 Total Budget	Funded by SCTMFP	Funded by Pay as-you-go
Caltrans	\$11,600,000	\$2,500,000	\$9,100,000
Capital SouthEast Connector JPA	11,000,000	2,400,000	8,600,000
Rancho Cordova	5,470,000	2,750,000	2,720,000
Sacramento City	11,492,000	3,000,000	8,492,000
Sacramento County	7,645,000	5,000,000	2,645,000
Sacramento Regional Transit District	0	0	0
<b>Total Capital Appropriations</b>	<b>\$47,207,000</b>	<b>\$15,650,000</b>	<b>\$31,557,000</b>

#### FY 2019 Estimate

Description*	FY 2019 Estimate	Funded by SCTMFP	Funded by Pay-as-you-go
Caltrans	\$789,409	\$789,409	\$0
Capital SouthEast Connector JPA	5,954,853	2,402,331	3,552,522
Rancho Cordova	2,440,000	2,440,000	0
Sacramento City	1,702,728	1,702,728	0
Sacramento County	2,350,000	2,350,000	0
Sacramento Regional Transit District	622,233	0	622,233
<b>Total Capital Appropriations</b>	<b>\$13,859,223</b>	<b>\$9,684,468</b>	<b>\$4,174,755</b>

#### FY 2020 Estimate

Description*	FY 2020 Estimate	Funded by SCTMFP	Funded by Pay-as-you-go
Caltrans	\$6,100,000	\$3,000,000	\$3,100,000
Capital SouthEast Connector JPA	7,215,000	3,600,000	3,615,000
Rancho Cordova	2,460,000	2,460,000	0
Sacramento City	1,863,454	1,863,454	0
Sacramento County	4,850,000	2,400,000	2,450,000
Sacramento Regional Transit District	0	0	0
<b>Total Capital Appropriations</b>	<b>\$22,488,454</b>	<b>\$13,323,454</b>	<b>\$9,165,000</b>

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

## SACRAMENTO METROPOLITAN FREEWAY SERVICE PATROL (SACMETRO FSP) PROGRAM

### Program

SacMetro FSP is a program which reduces freeway congestion by quickly removing vehicles that are stalled or have been involved in an accident. Minor incidents, such as stalled cars and “fender-bender” accidents account for more than half of all non-recurring freeway congestion. SacMetro FSP is coordinated by the Authority, California Highway Patrol (CHP), and the California Department of Transportation (Caltrans). Major funding is provided by a grant administered by Caltrans and the Capitol Valley Regional Service Authority for Freeways and Expressways (CVR-SAFE) which is administered by the Sacramento Area Council of Governments (SACOG). The service is provided without charge to motorists.

A team of tow truck drivers patrol Sacramento freeways during the times when they are the busiest from 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 quickly get the vehicle running, it is towed to a CHP-approved location off the freeway away from fast-moving traffic where the motorist can make arrangements for towing and/or repair.

SacMetro FSP operates on the following Sacramento 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 2019-20 is expected to be about \$18,000 in comparison to an estimated ending fund balance of \$47,000 in FY 2018-19. This program ideally is break-even in that all revenue is used to aid stranded motorists and fund program administration. Therefore, there is no concern that the fund balance is so low. The FY 2018-19 budgeted fund balance is much higher than the actual fund balance because a new funding stream expected from a recent statewide increase in fuel tax (Senate Bill 1 or SB 1) was delayed and not expected in earnest until fall 2019. However, the increased funding is already committed to contractors providing towing services. Most of the contracts for these vendors expired this year and were rebid under the competitive bid process. The hourly costs for contractors under the new contracts are much higher, so the extra funding will generally be used to maintain the same level of service currently provided.

## SACRAMENTO METROPOLITAN FREEWAY SERVICE PATROL (SACMETRO FSP) PROGRAM *CONTINUED*

### Revenue

As mentioned above in the fund balance section, new revenue from increases to the statewide gas tax (SB 1) is expected in FY 2019-20. This revenue will be part of the state grant administered by Caltrans. Grant funding from the CVR-SAFE program is expected to increase about \$190,000 in FY 2019-20. This money is used as a local match which is required to receive the state funding administered by Caltrans. In the prior year, the local match was higher because the state grant combined with the minimum required local match was not sufficient to cover the program's appropriations, so the CVR-SAFE program provided a higher ratio of the overall funding.

### General Fund - FSP Budget - Revenue, Appropriations, and Fund Balance

Description	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Proposed	Change from FY 2019
<b>Revenue</b>					
State Allocation	\$1,555,378	\$1,989,999	1,174,859	2,201,222	\$211,223
CVR-SAFE (local match)	943,600	497,500	748,000	688,000	190,500
<b>Total Revenue</b>	<b>\$2,498,978</b>	<b>\$2,487,499</b>	<b>\$1,922,859</b>	<b>\$2,889,222</b>	<b>\$401,723</b>
<b>Appropriations</b>					
Salaries and Benefits	136,232	139,346	129,455	141,176	1,830
Overhead	2,888	58,593	43,054	45,046	(13,547)
Conferences and Travel	1,649	1,100	1,442	1,650	550
Communications	34,055	49,970	41,831	50,210	240
Professional Services	165,304	0	267,230	0	0
Other Operating Expenditures	34,848	3,750	2,164	4,350	600
Contractors	1,751,074	2,020,265	1,721,127	2,676,317	656,052
<b>Total Appropriations</b>	<b>\$2,126,050</b>	<b>\$2,273,024</b>	<b>\$2,206,303</b>	<b>\$2,918,749</b>	<b>\$645,725</b>
Net Increase (decrease) in Fund	372,928	214,475	(283,444)	(29,527)	(244,002)
Beginning Fund Balance	(41,746)	638,581	331,182	47,739	(590,842)
<b>Ending Fund Balance</b>	<b>\$331,182</b>	<b>\$853,056</b>	<b>\$47,739</b>	<b>\$18,212</b>	<b>(\$834,845)</b>

## SACRAMENTO METROPOLITAN FREEWAY SERVICE PATROL (SACMETRO FSP) PROGRAM *CONTINUED*

### Appropriations

Overall appropriations will increase by more than \$645,000 in FY 2019-20. The most significant changes are expected in the costs for contractors who provide towing services. Contractor appropriations are expected to increase by \$656,000 in FY 2019-20 because vendor contracts expired during FY 2018-19 and costs under the new contracts are much higher. The budget for professional services is \$0 for FY 2018-19 and FY 2019-20 but the estimated costs for FY 2018-19 are about \$267,000. This variance was caused when funding from SB 1 earmarked to pay for services provided by the CHP directly, has been delayed so the program is paying the costs in FY 2018-19.

### ADMINISTRATION

The Authority, consisting of three staff members, is tasked with overseeing Measure A programs as well as the SAVSA and SacMetro FSP programs. The Executive Director and Chief Financial Officer charge 93% and 95% of their time respectively administering the Measure A program, while the Administrative Services Officer (Special Programs Manager) spends 94% of her time administering the SAVSA and SacMetro FSP programs (for more detail, see Organizational Overview section). As such, each program pays its fair share of salaries, benefits and overhead charges. 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 \$470,000 in FY 2019-20 when compared to the adopted budget for FY 2018-19. The increase can be explained by a combination of fiscal restraint related to operations and continued increases in sales tax revenue. The estimated fund balance for FY 2018-19 is expected to be higher than budgeted because the audited beginning fund balance is almost \$200,000 higher than planned - \$664,030 versus \$465,766 respectively. Additionally, actual spending estimated for FY 2018-19 is about \$200,000 less than budgeted. Costs for professional services are lower than budgeted in FY 2018-19 because some costs for consulting services have been delayed until FY 2019-20 and costs for a performance audit planned by the ITOC in FY 2018-19 have been delayed until FY 2019-20. The fund balance reserve has been increased to \$200,000 in the budget year to be in conformity with the Government Finance Officers Association (GFOA) guidelines – roughly two months revenue.

ADMINISTRATION *CONTINUED*

Administration Budget - Revenue, Appropriations, and Fund Balance

Description	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Proposed	Change from FY 2019
<b>Revenue</b>					
Sales Tax*	\$1,038,310	\$952,699	\$952,698	\$970,520	\$17,821
Interest and Other	120,899	1,500	50	50	(1,450)
<b>Total Revenue</b>	<b>\$1,159,208</b>	<b>\$954,199</b>	<b>\$952,748</b>	<b>\$970,570</b>	<b>\$16,371</b>
<b>Appropriations</b>					
Salaries and Benefits	340,579	452,746	443,888	484,327	31,581
Rent	17,815	24,467	23,855	24,635	168
Conferences and Travel	7,155	6,000	7,051	6,950	950
Insurance	20,212	14,547	5,151	7,066	(7,481)
Professional Services	61,951	354,400	257,302	263,450	(90,950)
ITOC	37,556	113,000	31,582	101,850	(11,150)
Other Operating Expenditures	13,135	16,000	10,086	11,050	(4,950)
<b>Total Appropriations</b>	<b>\$498,402</b>	<b>\$981,160</b>	<b>\$778,915</b>	<b>\$899,328</b>	<b>(\$81,832)</b>
Net Increase (decrease) in Fund Balance	660,806	(26,961)	173,833	71,242	98,203
Beginning Fund Balance	3,224	465,766	664,030	837,864	372,098
<b>Ending Fund Balance</b>	<b>\$664,030</b>	<b>\$438,805</b>	<b>\$837,864</b>	<b>\$909,106</b>	<b>\$470,301</b>
Fund Reserve	0	100,000	100,000	200,000	100,000
<b>Ending Fund Balance Less Reserve</b>	<b>\$664,030</b>	<b>\$338,805</b>	<b>\$737,864</b>	<b>\$709,106</b>	<b>\$370,301</b>

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

Appropriations

In the budget year, salaries and benefits are expected to increase because of normal merit salary adjustments and Cost of Living Allowances (COLA). The appropriations variances were previously explained in the fund balance section of the administration section. Authority staff regularly monitor actual spending to adjust planned spending as appropriate.

## SPECIAL REVENUE FUND

### Program

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. This program will sunset in FY 2022 without action by the State Legislature.

### Fund Balance

This is a pass-through fund for the abandoned vehicle abatement program. Other than administration costs, all of the revenue received is used to reimburse SAVSA claims. Distributions to entities are based 50% on population and 50% on the relative number of abatements performed during each calendar quarter. As shown in the table below over the three-year period presented, revenue and appropriations roughly equal one another, leaving the program with a proposed \$86,000 ending fund balance in FY 2019-20. Administration costs were higher than normal in FY 2018-19 when unreimbursed accumulated administration charges for FY 2015-16, FY 2016-17 for FY 2017-18 were paid by the program in FY 2018-19.

### SAVSA Budget - Revenue, Appropriations, and Fund Balance

Description	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Proposed	Change from FY 2019
<b>Revenue</b>					
Vehicle License Fees	\$1,275,901	\$1,258,677	\$1,260,522	\$1,259,939	\$1,262
Interest	3,315	400	1,900	400	0
<b>Total Revenue</b>	<b>\$1,279,216</b>	<b>\$1,259,077</b>	<b>\$1,262,422</b>	<b>\$1,260,339</b>	<b>\$1,262</b>
<b>Appropriations</b>					
Abandoned Vehicle Abatement	1,073,962	1,231,473	1,241,175	1,237,439	5,966
Salaries and Benefits/Overhead	44,335	27,604	96,247	22,896	(4,708)
<b>Total Appropriations</b>	<b>\$1,118,297</b>	<b>\$1,259,077</b>	<b>\$1,337,422</b>	<b>\$1,260,335</b>	<b>\$1,258</b>
Net Increase (decrease) in Fund Balance	160,919	0	(75,000)	4	4
Beginning Fund Balance	0	0	160,919	85,919	85,919
<b>Ending Fund Balance</b>	<b>\$160,919</b>	<b>\$0</b>	<b>\$85,919</b>	<b>\$85,923</b>	<b>\$85,923</b>

### Revenue and Appropriations

As mentioned earlier, revenue and appropriations roughly equal one another leaving the program with a small ending fund balance in FY 2019-20. Revenue and appropriations for FY 2019-20 are expected to increase to \$1.26 million in which is consistent with the amounts in the adopted FY 2018-19 budget.

## 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 \$360.9 million as of June 30, 2019. Funding for servicing the debt is provided by the 20.75% allocation of net sales tax revenue.

### Fund Balance

Ending fund balance for FY 2019-20 is expected to be \$6.7 million which is about \$800,000 lower than budgeted for FY 2018-19. Currently, the only bond series that the Authority is making principal payments on is the Series 2012. The lower fund balance in FY 2019-20 is, in part, due to higher appropriations in the current year. The higher appropriations in the current year reduced the estimated fund balance for FY 2018-19. This lower amount is the beginning fund balance in FY 2019-20 which drives the variance noted.

### Debt Service - Revenue, Appropriations, Other Financing Sources, and Fund Balance

Description	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Proposed	Change from FY 2019
<b>Revenue</b>					
Interest	\$47,856	\$500	\$79,883	\$80,000	\$79,500
<b>Total Revenues</b>	<b>\$47,856</b>	<b>\$500</b>	<b>\$79,883</b>	<b>\$80,000</b>	<b>\$79,500</b>
<b>Appropriations</b>					
Principal	3,590,000	3,740,000	3,740,000	3,890,000	150,000
Interest	18,643,460	18,015,000	20,277,648	19,750,000	1,735,000
<b>Total Appropriations</b>	<b>\$22,233,460</b>	<b>\$21,755,000</b>	<b>\$24,017,648</b>	<b>\$23,640,000</b>	<b>\$1,885,000</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	22,520,621	22,300,000	23,635,231	23,640,000	1,340,000
<b>Total Financing Sources (Uses)</b>	<b>\$22,520,621</b>	<b>\$22,300,000</b>	<b>\$23,635,231</b>	<b>\$23,640,000</b>	<b>\$1,340,000</b>
Net Increase (decrease) in Fund Balance	335,017	545,500	(302,535)	80,000	(465,500)
Beginning Fund Balance	6,588,099	6,963,856	6,923,116	6,620,581	(343,275)
<b>Ending Fund Balance</b>	<b>\$6,923,116</b>	<b>\$7,509,356</b>	<b>\$6,620,581</b>	<b>\$6,700,581</b>	<b>(\$808,775)</b>

### Revenue and Other Financing Sources

Interest is received for accumulated fund balance used to pay debt principal and interest. This amount fluctuates based on market interest rates and the amount of cash accumulated in the funds and duration it is held before expenditure. Transfers to the debt service fund are received from the General Fund to pay for all debt service costs.

## DEBT SERVICE FUND *CONTINUED*

### Appropriations

On a monthly basis, one-sixth of the semi-annual interest payments due to bond holders of each bond series is accumulated in the interest subfunds. 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 represents the cost for the Authority’s outstanding debt of \$360.9 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” is the annual net swap payment (the fixed interest payment 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
6/30/2020	\$3,890,000	\$6,149,022	\$8,442,249	\$997,970	\$19,479,241
6/30/2021	4,050,000	5,990,222	8,442,249	994,951	19,477,422
6/30/2022	4,235,000	5,803,347	8,442,249	995,388	19,475,984
6/30/2023	4,455,000	5,586,097	8,442,249	995,388	19,478,734
6/30/2024	4,685,000	5,357,597	8,442,249	997,970	19,482,816
6/30/2025	4,925,000	5,117,347	8,442,249	994,951	19,479,547
6/30/2026	5,175,000	4,864,847	8,442,249	995,388	19,477,484
6/30/2027	5,440,000	4,599,472	8,442,249	995,388	19,477,109
6/30/2028	5,720,000	4,320,472	8,442,249	997,970	19,480,691
6/30/2029	22,300,000	4,031,265	8,146,483	960,121	35,437,869
6/30/2030	24,400,000	3,724,687	7,527,104	887,624	36,539,415
6/30/2031	25,400,000	3,397,892	6,866,683	809,762	36,474,336
6/30/2032	26,500,000	3,057,315	6,178,413	730,398	36,466,126
6/30/2033	27,600,000	2,702,049	5,460,933	643,897	36,406,879
6/30/2034	28,800,000	2,331,943	4,712,986	556,004	36,400,934
6/30/2035	30,000,000	1,946,088	3,933,212	464,069	36,343,370
6/30/2036	31,300,000	1,543,952	3,120,354	368,965	36,333,271
6/30/2037	32,600,000	1,124,630	2,272,946	268,104	36,265,680
6/30/2038	34,000,000	687,590	1,389,732	164,100	36,241,422
6/30/2039	35,400,000	125,027	562,328	53,683	36,141,039
<b>TOTAL</b>	<b>\$360,875,000</b>	<b>\$72,460,865</b>	<b>\$126,151,414</b>	<b>\$14,872,090</b>	<b>\$574,359,369</b>

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

\*\* Liquidity facilities and remarketing agent fees





# 4

## CAPITAL IMPROVEMENT PROGRAM

# CAPITAL IMPROVEMENT PROGRAM

## CAPITAL PROJECT FINANCING

The Authority is strictly a funding mechanism for the CIP. The voter-approved sales tax measure generates about \$130 million per year currently, of which 20.75% is destined for this program. The Expenditure Plan approved by voters identifies the projects that are to be constructed over the life of the program – a total of 54. Those projects are summarized later in this section. Since the Authority does not construct any capital projects nor does it report any capital assets in its financial statements, there are no calculations for the impact on operating costs.


Annually, the Authority requests expenditure plans from each agency with capital projects programmed to receive Measure A funding during all or part of the next five years. This reporting is required for all agencies participating in the Measure A Capital Improvement Program (CIP) and is essential for planning the annual budget and related cash flows. Only projects approved by voters in 2004 and contained in the Expenditure Plan are eligible for Measure A funding.

In general, the Authority's funding agreements are for a three-year term. The current three-year funding agreements are due to expire June 30, 2021. Funding for the CIP has been primarily through the issuance of debt. However, proceeds from the issuance of debt were exhausted in FY 2017-18. Therefore, cash accumulated in the SCTMFP and to pay-as-you-go (pay-go) funds are the only funding sources currently available. Measure A caps the allocation for the CIP program at 20.75% of the net sales tax proceeds, which funds debt service costs and provides pay-go funding. At this point in the program, pay-go funding accumulates at the rate of approximately \$6.5 million per fiscal year. In addition, the SCTMFP generates \$6-7 million in revenue per fiscal year. Together, these two funding sources along with accumulated fund balance are programmed to pay for the budget year CIP.

## THE PROJECTS

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 do the following:

### Measure A Guiding Principles

- 
- To reduce traffic congestion
  - To improve air quality
  - To maintain and strengthen the county's road and transportation systems
  - To enhance the region's ability to secure state and federal funding for transportation by providing local matching funds
  - To preserve unique, natural amenities
  - To preserve agricultural land
  - To serve all Sacramento County residents

The projects are funded by a one-half cent sales tax and the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP). Both funding sources are dedicated to transportation planning, design, construction, operation, and maintenance. These funds cannot be used for other governmental purposes or programs.

All 54 projects voters approved in 2004 are contained in the Expenditure Plan and summarized in the next few pages. The agencies implementing the projects in the Expenditure Plan are the County, the cities of Galt, Elk Grove, Rancho Cordova, Sacramento, Citrus Heights, and Folsom, the California Department of Transportation (Caltrans), Sacramento Regional Transit District (SRTD), 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. The resulting plan serves as a roadmap for the program's projects and funding through FY 2019-20, at which time the plan will be revised.

## 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

PROJECTS BY AGENCY *CONTINUED*

County of Sacramento Expenditures by Project				
	Complete	In Progress	Not Started	Grand Total
Antelope Rd. Watt Ave to Auburn Blvd.			\$0	\$0
Watt Ave to Roseville Rd.			0	0
Arden Way ITS Del Paso Blvd. to Fair Oaks Blvd.			0	0
Ethan Way to Fair Oaks Blvd.			0	0
Bradshaw Rd. Grantline Rd. to Folsom Blvd.	\$7,923,277		0	7,923,277
Calvine Rd. to Florin Rd. Phase 1	7,923,277			7,923,277
Calvine Rd. to Old Placerville Rd. Phase 2			0	0
Folsom Blvd: 65th St. to Sunrise Blvd.		\$160,661		160,661
Watt Ave. to Bradshaw Rd.		160,661		160,661
Greenback Ln. I/80 to Auburn/Folsom Rd.		141,451	0	141,451
Fair Oaks Blvd. to Main Ave. Phase 1		141,451		141,451
Fair Oaks Blvd. to Main Ave. Phase 2			0	0
I-80 to Madison Ave.			0	0
Hazel Ave. Placer County to Folsom Blvd.		43,570,491		43,570,491
Hwy 50 to Folsom Blvd.		1,770,770		1,770,770
Hwy 50 to Madison Ave.		41,799,721		41,799,721
Madison Ave. to Placer County Line				
Madison Ave. Watt Ave. to Greenback Ln.		1,975,175	0	1,975,175
Hazel Ave. to Greenback Ln.			0	-
Sunrise Blvd. to Hazel Ave.		1,975,175		1,975,175
Watt Ave. to Sunrise Blvd.			0	-
South Watt Ave./Elk Grove-Florin Rd.		3,295,161	0	3,295,161
Folsom Blvd. to Calvine Rd. Phase 1		3,295,161		3,295,161
Folsom Blvd. to Calvine Rd. Phase 2			0	0
Sunrise Blvd. Placer Co. to Grant Line Rd.		0	0	0
Jackson Rd. to Grant Line Rd.		0		0
Madison Ave. to Gold Country Blvd.			0	0
Watt Ave. Antelope - Capital City Freeway		284,683		284,683
Antelope Rd.- Capital City Freeway		284,683		284,683
Watt Ave. Hwy 50 Interchange	11,835,390			11,835,390
Watt Ave. Hwy 50 Interchange	11,835,390			11,835,390
<b>Grand Total</b>	<b>\$19,758,667</b>	<b>\$49,427,622</b>	<b>\$0</b>	<b>\$69,186,289</b>

PROJECTS BY AGENCY *CONTINUED*



- **ARDEN WAY ITS IMPROVEMENTS** (Del Paso – Ethan)
- **BRUCEVILLE ROAD WIDENING** (Sheldon Rd - Consumnes River Blvd)
- **COSUMNES RIVER BOULEVARD** (Freeport – Franklin)
- **COSUMNES RIVER BOULEVARD/INTERSTATE 5** Interchange Upgrade
- **FOLSOM BOULEVARD** (65th St. – Watt Ave.)
- **RICHARDS BOULEVARD / INTERSTATE 5** Interchange Improvements
- **DOWNTOWN INTERMODAL STATION**

City of Sacramento Expenditures by Project				
	Complete	In Progress	Not Started	Grand Total
Arden Way ITS Del Paso Blvd. to Fair Oaks Blvd.			\$0	\$0
Del Paso Blvd. to Ethan Way			0	0
Bruceville Rd. Sheldon Rd. to Consumnes Blvd.			0	0
Bruceville Rd. Sheldon Rd. to Consumnes Blvd.			0	0
Consumnes Blvd. I-5 Interchange	8,588,138			8,588,138
Consumnes Blvd. I-5 Interchange	8,588,138			8,588,138
Folsom Blvd: 65th St. to Sunrise Blvd.			0	0
65th St. to Watt Ave.			0	0
Richards Blvd. I-5 Interchange		90,832		90,832
Richards Blvd. I-5 Interchange		90,832		90,832
Sacramento Intermodal Station		80,316,283		80,316,283
Sacramento Intermodal Station		80,316,283		80,316,283
<b>Grand Total</b>	<b>\$8,588,138</b>	<b>\$80,407,116</b>	<b>\$0</b>	<b>\$88,995,254</b>



- **FOLSOM BOULEVARD** Streetscape
- **SUNRISE BOULEVARD**

Rancho Cordova Expenditures by Project			
	Complete	In Progress	Grand Total
Folsom Blvd: 65th St. to Sunrise Blvd.	\$5,102,720	\$2,617,017	\$7,719,737
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		1,997,324	1,997,324
Bradshaw Rd. to Sunrise Blvd. Phase 5		619,694	619,694
Sunrise Blvd. Placer Co. to Grant Line Rd.		8,347,174	8,347,174
Gold Country Blvd. to Jackson Rd.		8,347,174	8,347,174
<b>Grand Total</b>	<b>\$5,102,720</b>	<b>\$10,964,192</b>	<b>\$16,066,912</b>

PROJECTS BY AGENCY *CONTINUED*



**CITRUS  
HEIGHTS**  
CALIFORNIA

- **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)

**Citrus Heights Expenditure by Project**

	Complete	In Progress	Not Started	Grand Total
Antelope Road Watt Ave to Auburn Blvd.	\$1,088,744		\$0	\$1,088,744
I-80 to Auburn Blvd.			0	0
Roseville Rd. to I-80 Phase 1	1,088,744			1,088,744
Greenback Ln. I/80 to Auburn/Folsom Rd.	2,225,000			2,225,000
West City Limit to Fair Oaks Blvd.	2,225,000			2,225,000
Sunrise Blvd. Placer Co. to Grant Line Rd.	4,528,000	0		4,528,000
Antelope Rd. to City Limit Phase 3		0		-
Greenback Ln. to Oak Ave Phase 2		0		-
Oak Ave. to Antelope Rd. Phase 1	4,528,000			4,528,000
<b>Grand Total</b>	<b>\$7,841,744</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,841,744</b>



- **GRANT LINE RD. /SR99** Interchange Upgrade
- **SHELDON RD. / SR99 INTERCHANGE UPGRADE**
- **BRADSHAW ROAD** - (Grantline Road - Calvin Road)
- **SHELDON ROAD.** (Bruceville Rd - Bradshaw Rd)
- **ELK GROVE-FLORIN ROAD** (Calvine Rd - Elk Grove Blvd)
- **ELK GROVE BOULEVARD** (Big Horn Blvd - Waterman Rd)

PROJECTS BY AGENCY *CONTINUED*

Elk Grove Expenditures by Project			
	Complete	Not Started	Grand Total
Bradshaw Rd. Grantline Rd. to Folsom Blvd.		\$0	\$0
Bradshaw Rd. Grantline Rd. to Calvine Rd.		0	0
Elk Grove Blvd. Bighorn Rd. to Waterman Rd.		0	0
Elk Grove Blvd. Big Horn Rd. to Waterman Rd.		0	0
Elk Grove Florin Rd. Calvine Rd. to Elk Grove Blvd.		0	0
Grantline Rd..Hwy 99 Interchange Upgrade	37,229,290		37,229,290
Grantline Rd..Hwy 99 Interchange Upgrade	37,229,290		37,229,290
Sheldon Rd. Bruceville Rd. to Bradshaw Rd.		0	0
Sheldon Rd. Bruceville Rd. to Bradshaw Rd.		0	0
Sheldon Rd. Hwy 99 Interchange Upgrade	8,291,743		8,291,743
Sheldon Rd. Hwy 99 Interchange Upgrade	8,291,743		8,291,743
<b>Grand Total</b>	<b>\$45,521,033</b>	<b>\$0</b>	<b>\$45,521,033</b>



CITY OF  
**FOLSOM**  
DISTINCTIVE BY NATURE

I • FOLSOM LAKE CROSSING

Folsom Expenditures by Project		
	Complete	Grand Total
Folsom Bridge Crossing	\$37,577,078	\$37,577,078
Folsom Bridge Crossing	37,577,078	37,577,078
<b>Grand Total</b>	<b>\$37,577,078</b>	<b>\$37,577,078</b>



I • CENTRAL GALT INTERCHANGE

Galt Expenditures by Category		
	Complete	Grand Total
Central Galt Interchange	\$9,966,000	\$9,966,000
Central Galt Interchange	9,966,000	9,966,000
<b>Grand Total</b>	<b>\$9,966,000</b>	<b>\$9,966,000</b>



PROJECTS BY AGENCY *CONTINUED*



- 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

**Caltrans Expenditures by Project**

	Complete	In Progress	Not Started	Grand Total
Hwy 50 /I-5 Ramp Widening for Connetors			\$0	\$0
Hwy 50 /I-5 Ramp Widening for Connetors			0	0
Hwy 50 Bus/Carpool Lanes Sunrise Blvd. to Downtown	32,793,233	14,743,752		47,536,984
Sunrise Blvd. to Downtown Phase 1	32,793,233			32,793,233
Sunrise Blvd. to Downtown Phase 2		14,743,752		14,743,752
Hwy 50/Hwy 99 Bus/Carpool Ramp Connection			0	0
Hwy 50/Hwy 99 Bus/Carpool Ramp Connection			0	0
I-5 Bus/Carpool Lanes		3,185,454		3,185,454
I-5 Bus/Carpool Lanes		3,185,454		3,185,454
I-5/I-80 Interchange Upgrade	1,500,000			1,500,000
I-5/I-80 Interchange Upgrade	1,500,000			1,500,000
I-80 I-5 to Capital City Freeway	722,688			722,688
I-80 I-5 to Capital City Freeway	722,688			722,688
<b>Grand Total</b>	<b>\$35,015,921</b>	<b>\$17,929,206</b>	<b>\$0</b>	<b>\$52,945,126</b>



- DOWNTOWN NATOMAS AIRPORT LRT EXTENSION
- SOUTH SACRAMENTO LRT CORRIDOR - Phase 2 (Meadowview - CRC)
- NORTHEAST CORRIDOR (NEC)
- REGIONAL RAIL

**SRTD Expenditures by Project**

	In Progress	Not Started	Grand Total
DNA LRT Extension	\$36,786,409		\$36,786,409
DNA LRT Extension	36,786,409		36,786,409
LRT I-80 Corridor Improvements	247,200		247,200
LRT I-80 Corridor Improvements	247,200		247,200
Regional Rail Commuter Service		0	0
Regional Rail Commuter Service		0	0
South Sac LRT Extension	16,493,730		16,493,730
South Sac LRT Extension	16,493,730		16,493,730
<b>Grand Total</b>	<b>\$53,527,339</b>	<b>\$0</b>	<b>\$53,527,339</b>

PROJECTS BY AGENCY *CONTINUED*



• I-5 / SR 99 / US 50 CONNECTOR

**CSCA Expenditures by Project**

	In Progress	Grand Total
Capital SouthEast Connector	\$27,967,557	\$27,967,557
I-5/Hwy 99/Hwy 50	27,967,557	27,967,557
<b>Grand Total</b>	<b>\$27,967,557</b>	<b>\$27,967,557</b>

There are 16 projects programmed to receive Measure A funding in one or more of the next three fiscal years of which 14 are funded in FY 2019-20. 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 sufficient 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 project 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.

PROJECTS BY AGENCY *CONTINUED*

- **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 2019-20 funding request is \$250,000. The remaining capital allocation contract amount as of April 2019 is \$1.1 million.
- **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 2019-20 funding request is \$500,000. The remaining capital allocation contract amount as of April 2019 is \$2.9 million.
- **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 2019-20 funding request is \$350,000. The remaining capital allocation contract amount as of April 2019 is \$10.7 million.
- **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 2019-20 funding request is \$2,000,000. The remaining capital allocation contract amount as of April 2019 is \$6.1 million.
- **MADISON AVE.: SUNRISE AVE. 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 2019-20 funding request is \$200,000. The remaining capital allocation contract amount as of April 2019 is \$2.9 million.
- **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 2019-20 funding request is \$75,000. The remaining capital allocation contract amount as of April 2019 is \$2.4 million.

PROJECTS BY AGENCY *CONTINUED*

- **WATT AVENUE: 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 2019-20 funding request is \$875,000. The remaining capital allocation contract amount as of April 2019 is \$3.3 million.
- **SOUTH WATT: 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 2019-20 funding request is \$600,000. The remaining capital allocation contract amount as of April 2019 is \$6.9 million.



- **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 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 2019-20 funding request is \$833,454. The remaining capital allocation contract amount as of April 2019 is \$3 million.
- **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 2019-20 funding request is \$1,030,000. The remaining capital allocation contract amount as of April 2019 is \$9.7 million.

PROJECTS BY AGENCY *CONTINUED*

- FOLSOM BLVD.: BRADSHAW RD. TO SUNRISE BLVD.** – This multi-phase project will provide for improved aesthetics and safety along Folsom Boulevard between Horn Road and Tiffany West Way, Horn Road and Bradshaw Road, and between Kilgore Road and Sunrise Boulevard. The proposed enhancements include the installation of landscaped medians, construction of sidewalks, landscaping, streetscape improvements at intersections, and the installation of street lights. The FY 2019-20 funding request is \$2,460,000. The remaining capital allocation contract amount as of April 2019 is \$4.5 million.



- 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 2019-20 funding request is \$1,000,000. The remaining capital allocation contract amount as of April 2019 is \$13.7 million.
- I-5 BUS/CARPOOL LANES** – This project, in its first phase, will construct approximately 19 miles of bus/carpool lanes on I-5 from Bach Lake Bridge to U.S. 50. Phase two will construct 6 miles of bus/carpool lanes from 1.1 mile south of Elk Grove Boulevard to Beach Lake Bridge. 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 in order 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 2019-20 funding request is \$5,100,000. The remaining capital allocation contract amount as of April 2019 is \$30 million.



- 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 2019-20 funding request is \$7,215,000. The remaining capital allocation contract amount as of April 2019 is \$10.5 million.

## FINANCING

Planning and monitoring financing for the CIP program is a continuous endeavor. The table below represents the Authority's plan over the next three fiscal years. The projects and funding amounts by fiscal year are the result of a collaborative process between Authority staff and each agency building the projects. The result is a working plan that is implemented through funding agreements between the Authority and the agencies building the projects.

Financing the CIP is supported primarily by two funding sources – sales tax which is the largest of the two sources and SCTMFP fees. Measure A sales tax revenue allocated to the CIP is forecasted to decrease some over the next three years – from \$26.8 million in FY 2019-20 to \$25.5 million in FY 2021-22. Most of this money is used to pay debt service costs. As the table below shows, \$19.5 million (net) is expected to be used for debt service costs in FY 2019-20, increasing to \$19.7 million in FY 2021-22. Debt service costs include principal, interest, and ancillary fees. The difference between the sales tax revenue amount allocated to the CIP and the debt service costs is the amount available as pay-go funding.

The SCTMFP is an increasingly important funding source since the CIP shifted to pay-go financing in FY 2017-18. For FY 2019-20, the SCTMFP is expected to contribute \$13.3 million (see table with more detail in the Budget Schedule section) toward the CIP. This amount compares to an estimated \$9.7 million in FY 2018-19.

**FINANCING** *CONTINUED*

Measure A Capital Improvement Program, FY2020–FY2022

Measure A Sales Tax Growth	\$131,773,144	\$127,088,609	\$125,056,462
1% for Galt, .04% for Isleton	1,370,441	1,321,722	1,300,587
<b>Net Sales Tax</b>	<b>129,402,703</b>	<b>124,766,887</b>	<b>122,755,875</b>
RESOURCES	FY2019/20	FY2020/21	FY2021/22
Capital Program Beginning Fund Balance (PAYGO & SCTMFP)	\$47,770,127	\$39,653,493	\$41,468,316
Measure A Sales Tax Revenue (CIP)	26,851,061	25,889,129	25,471,844
SCTMFP Development Impact Fee Revenue (Capital)	7,000,000	6,365,400	6,556,362
<b>AVAILABLE RESOURCES</b>	<b>\$81,621,188</b>	<b>\$71,908,022</b>	<b>\$73,496,522</b>

EXPENDITURES	FY2019/20	FY2020/21	FY2021/22
<b>Bond Program Debt Service</b>	<b>19,479,241</b>	<b>19,579,241</b>	<b>19,679,241</b>
<b>Sacramento County</b>	<b>4,850,000</b>	<b>30,428,000</b>	<b>4,400,000</b>
Folsom Blvd : Watt Ave—Bradshaw Rd	250,000	803,000	0
Greenback Lane: Fair Oaks Blvd—Main Avenue, Phase 1	500,000	2,350,000	0
Hazel Avenue: US Highway 50—Folsom Blvd	350,000	10,200,000	0
Hazel Avenue: US Highway 50—Madison Ave	2,000,000	3,900,000	0
Madison Avenue, Phase 1: Sunrise Blvd—Hazel Avenue	200,000	2,600,000	0
Sunrise Blvd: Jackson Road—Grant Line Road	75,000	2,275,000	0
Watt Avenue Improvements: Antelope Rd—Business 80	875,000	2,320,000	0
S Watt Ave/Elk Grove-Florin Rd Improvements, Phase 1	600,000	5,980,000	0
Future Projects	0	0	4,400,000
<b>City of Sacramento</b>	<b>833,454</b>	<b>300,000</b>	<b>6,306,000</b>
Richards Blvd/Interstate 5: Interchange Upgrade	833,454	300,000	6,306,000
Folsom Blvd: 65th Street—Watt Avenue	0	0	0
<b>Sacramento Region (via the City of Sacramento)</b>	<b>1,030,000</b>	<b>7,885,957</b>	<b>7,750,000</b>
Downtown Intermodal Station	1,030,000	7,885,957	7,750,000
<b>City of Rancho Cordova</b>	<b>2,460,000</b>	<b>0</b>	<b>0</b>
Folsom Blvd Improvements: Bradshaw Rd—Sunrise Blvd	2,460,000	0	0
<b>City of Citrus Heights</b>	<b>0</b>	<b>500,000</b>	<b>2,300,000</b>
Antelope Road, Phase 2: Interstate 80—Auburn Blvd	0	300,000	1,100,000
Sunrise Blvd, Phase 2: Greenback Lane—Oak Avenue	0	200,000	1,200,000
<b>Caltrans</b>	<b>6,100,000</b>	<b>11,400,000</b>	<b>8,400,000</b>
US Highway 50 Bus & Carpool Lanes, Phase 2	1,000,000	3,000,000	0
Interstate 5 Bus & Carpool Lanes	5,100,000	8,400,000	8,400,000
<b>ConnectorJPA</b>	<b>7,215,000</b>	<b>0</b>	<b>0</b>
Capital   SouthEast Connector	7,215,000	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$41,967,695</b>	<b>\$70,093,198</b>	<b>\$48,835,241</b>

<b>ENDING FUND BALANCE</b>	<b>\$ 39,653,493</b>	<b>\$41,468,316</b>	<b>\$66,129,597</b>
----------------------------	----------------------	---------------------	---------------------



# 5

## **ORGANIZATIONAL OVERVIEW**

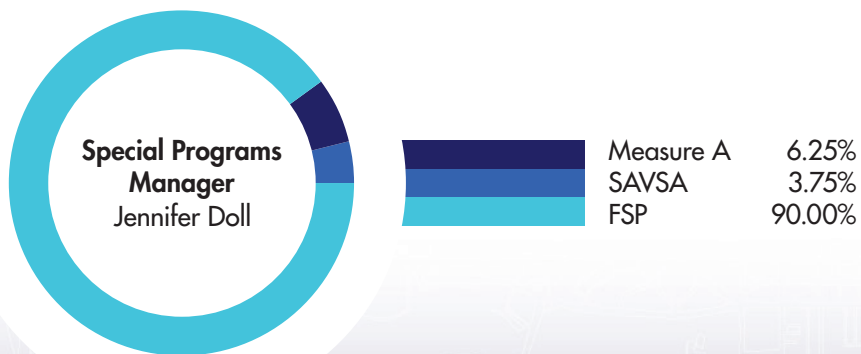
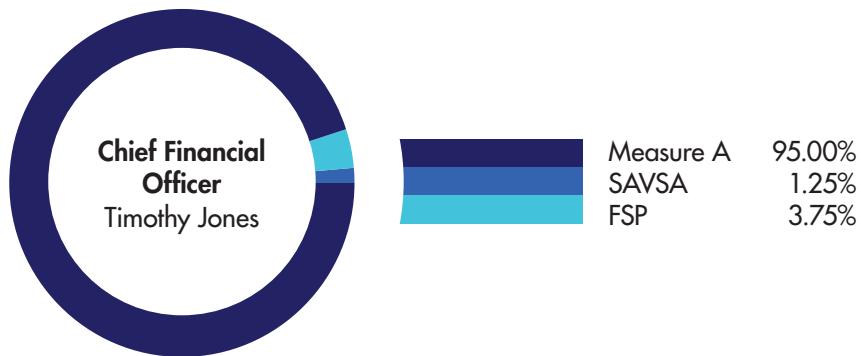


# ORGANIZATIONAL OVERVIEW

The Authority administers three programs – Measure A, SacMetro FSP, and SAVSA. 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 has been consistent during FY 2017-18, FY 2018-19, and no changes are planned for FY 2019-20. Because of its small size, staff work in multiple programs. All positions are funded according to the following ratios:

## FY 2020 Ratios



## 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;

## AUTHORITY POSITION DESCRIPTIONS *CONTINUED*

- 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 forecasting 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 Comprehensive Annual Financial Report (CAFR) 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 multi-year budgets for Authority operations, special programs, and its CIP. Presents this information to the Board, ITOC, other stakeholders, and the public;
- Tracks actual budgetary expenditures in relation to adopted appropriation categories 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;

## AUTHORITY POSITION DESCRIPTIONS *CONTINUED*

- 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 if and 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 and;
- 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.

### Administrative Services Officer III

Under the direction of the ED, the Administrative Services Officer III (ASO) 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 ASO's key responsibilities/duties are:

#### Responsibilities/Duties

- Lead 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 annual reporting requirements;
- 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 are in compliance with 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.

## AUTHORITY POSITION DESCRIPTIONS *CONTINUED*

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 2018-19 with an estimated 2% cost of living adjustment (COLA) for FY 2019-20.

### Pay Schedules for FY 2019-20 (including an estimated 2% COLA)\*

Classification	Monthly Minimum	Monthly Maximum
Executive Director	\$171,531	\$189,123
Chief Financial Officer	128,105	141,246
Administrative Services Officer III	105,764	116,604

\* Cost of Living Allowance

## AUTHORITY ACCOMPLISHMENTS

During FY 2018-19, the Authority achieved numerous accomplishments including the following:

- Worked with the City of Isleton to program uses for old Measure A funds in its CIP
- Launched the Neighborhood Shuttle Program
- Programmed Senate Bill 1 (SB 1) funds
- ITOC initiated the Authority’s first performance audit
- Updated Functional Guidelines for the ITOC
- Completed several significant bond-related transactions
- Completed a comprehensive update of the Measure A program’s revenue forecast
- Completed an analysis to determine the potential for future bonding capacity
- Successfully lobbied for the release of additional SB 1 funding for the SacMetro FSP program
- Established reserve balances in the CIP and administration funds that meet GFOA guidelines
- Revamped the budget to include more information that is useful to stakeholders
- Received GFOA’s Distinguished Budget Presentation Award for the first time
- Increased collaboration between the Board, staff, and Measure A partner agencies
- Responded to all Public Records Act requests within 10 business days



# 6

## STATISTICAL INFORMATION

# STATISTICAL INFORMATION

Sacramento County was incorporated in 1850 as one of the original 27 counties of the State of California. The County’s largest city, the City of Sacramento, is the seat of government for the State of California and also 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.

## Demographic and Economic Statistics

Fiscal Year	Population	Personal Income (000's)	Per Capita Personal Income	Unemployment Rate
2018	1,529,501	\$76,776,362	\$50,197	4.1%
2017	1,514,460	72,878,458	48,122	5.4%
2016	1,496,644	70,110,138	46,845	6.0%
2015	1,478,137	65,486,553	44,303	7.3%
2014	1,460,023	61,654,690	42,229	8.9%
2013	1,447,236	59,775,785	41,303	10.5%
2012	1,435,002	57,498,308	40,068	12.1%
2011	1,422,018	54,666,004	38,443	12.6%
2010	1,408,601	53,826,177	38,213	11.0%
2009	1,394,438	54,773,648	39,280	7.2%

Sources: Bureau of Economic Analysis and California Employment Development Department

STATISTICAL INFORMATION *CONTINUED*

Private Sector Principal Employers

Employer:	2017*			2008		
	Rank	Employees	Percentage of Total County Employment	Rank	Employees	Percentage of Total County Employment
UC Davis Health System	1	10,145	1.54%	5	6,404	0.98%
Sutter/California Health Services	2	8,905	1.35%	1	10,405	1.59%
Kaiser Permanente	5	8,885	1.35%	2	9,319	1.43%
Dignity/Mercy Healthcare	3	7,853	1.19%	6	5,119	0.78%
Intel Corporation	4	6,000	0.91%	4	7,000	1.07%
Apple Inc.	7	4,000	0.61%			
Raley's Inc/Belair	6	3,149	0.48%	3	7,565	1.16%
VSP Global	8	2,906	0.44%			
Health Net of California Inc.	9	2,706	0.41%			
Wells Fargo & Co.	10	2,015	0.31%	10	3,167	0.48%
AT&T California				7	4,828	0.74%
Hewlett Packard				8	3,800	0.58%
Target Corporations				9	3,482	0.53%
<b>Total</b>		<b>56,564</b>	<b>8.59%</b>		<b>61,089</b>	<b>9.34%</b>

Source: Sacramento County June 30, 2017 Comprehensive Annual Financial Report  
 \*Latest information available

Revenue Capacity - Principal Revenue Payers

Business Type:	2016*			2008		
	Rank	Amount (000's)	Percentage of Taxable Sales	Rank	Amount (000's)	Percentage of Taxable Sales
All Other Outlets	1	\$7,167,643	30.9%	1	\$6,358,311	32.9%
Motor Vehicle and Parts Dealers	2	3,528,648	15.3%	4	1,949,153	10.1%
Food Services and Drinking Places	3	2,437,820	10.5%	6	1,713,915	8.8%
General Merchandise Stores	4	2,018,904	8.7%	2	2,301,556	11.9%
Other Retail Group	5	1,932,719	8.3%	3	2,155,812	11.1%
Gasoline Stations	6	1,452,889	6.3%	5	1,724,117	8.9%
Building Material and Garden Equipment and Supplies Dealers	7	1,432,809	6.2%	7	1,036,318	5.4%
Home Furnishings and Appliance Stores	8	1,190,152	5.1%	10	577,869	3.0%
Clothing and Clothing Accessories Stores	9	1,021,647	4.4%	9	673,787	3.5%
Food and Beverage Stores	10	1,001,268	4.3%	8	841,011	4.4%
<b>Total All Outlets</b>		<b>\$23,184,499</b>	<b>100.0%</b>		<b>\$19,331,849</b>	<b>100.0%</b>

Source: Board of Equalization  
 \*Latest information available



STATISTICAL INFORMATION *CONTINUED*

Revenue Capacity - Revenue Base and Revenue Rate

Fiscal Year	Sales Tax Rate	Total Sales Tax Revenue (000's)	Total Taxable Sales* (000's)
2018*	0.5%	\$119,188	\$23,837,550
2017*	0.5%	116,878	23,375,600
2016	0.5%	110,708	22,141,600
2015	0.5%	105,564	22,043,196
2014	0.5%	100,063	21,061,901
2013	0.5%	97,390	20,097,095
2012	0.5%	92,240	19,089,848
2011	0.5%	87,299	18,003,765
2010	0.5%	81,414	16,904,528
2009	0.5%	89,395	16,563,853

Source: Board of Equalization

\*Fiscal Years 2017 and 2018 are estimated - actuals not available

Ratios of Outstanding Debt

Fiscal Year	Sales Tax Revenue Bonds	Percentage of Personal Income	Per Capita
2017*	\$375,818,695	0.5%	\$250
2016	380,023,772	0.5%	253
2015	380,778,849	0.6%	257
2014	381,533,926	0.6%	260
2013	382,289,003	0.6%	264
2012	318,300,000	0.5%	222
2011	318,300,000	0.6%	224
2010	318,300,000	0.6%	226
2009	182,320,000	0.3%	131
2008	182,320,000	0.3%	132

Source: Bureau of Economic Analysis

\* Latest Information Available

STATISTICAL INFORMATION *CONTINUED*

Operating Information - Demand for Services, Measure A - By Jurisdiction

Jurisdiction	Fiscal Year				
	2018	2017	2016	2015	2014
City of Citrus Heights	\$2,347,539	\$2,302,514	\$2,152,319	\$2,071,744	\$1,985,463
County of Sacramento	17,951,156	17,620,170	16,530,072	15,862,799	15,134,616
CTSA Set Aside	1,168,157	1,146,027	1,069,997	1,027,592	983,258
City of Elk Grove	4,780,559	4,739,611	4,318,918	4,135,491	3,927,291
City of Folsom	2,335,123	2,294,486	2,105,522	2,018,853	1,978,191
City of Galt	1,191,381	1,168,176	1,091,347	1,048,496	1,003,696
City of Isleton	47,656	46,727	43,654	41,940	40,150
Neighborhood Shuttle	1,083,334	1,000,000	1,000,000	1,000,000	1,000,000
Paratransit	4,088,549	4,011,094	3,744,989	3,596,572	3,441,403
Sacramento Regional Parks	1,083,334	1,000,000	1,000,000	1,000,000	1,000,000
City of Rancho Cordova	2,239,524	2,201,648	2,013,909	1,922,210	1,803,645
Regional Transit	40,301,412	39,537,925	36,914,890	35,451,925	33,922,401
City of Sacramento	13,652,724	13,390,589	12,539,139	12,037,403	11,534,598
SMAQMD	1,752,235	1,719,040	1,604,995	1,541,388	1,474,887
Debt Service	22,233,460	20,565,023	22,202,434	21,322,534	20,402,604
Administration	1,033,547	899,939	802,498	770,694	737,444
<b>Total allocations</b>	<b>\$117,289,690</b>	<b>\$113,642,969</b>	<b>\$109,134,683</b>	<b>\$104,849,641</b>	<b>\$100,369,647</b>

Source: Authority accounting records

Balances of Governmental Funds (Modified Accrual)

	2014	2015	2016	2017	2018
<b>General Fund</b>					
Nonspendable	\$10,027	\$10,027	\$10,027	\$4,763	\$0
Restricted	91,591,253	81,243,264	51,973,251	47,684,272	47,027,906
Unassigned	427,430	329,381	(195,546)	(38,522)	664,031
<b>Total General Fund</b>	<b>\$92,028,710</b>	<b>\$81,582,672</b>	<b>\$51,787,732</b>	<b>\$47,650,513</b>	<b>\$47,691,937</b>
<b>All Other Governmental Funds</b>					
Restricted	4,232,983	4,352,188	6,517,009	6,588,099	7,084,035
<b>Total all other governmental funds</b>	<b>\$4,232,983</b>	<b>\$4,352,188</b>	<b>\$6,517,009</b>	<b>\$6,588,099</b>	<b>\$7,084,035</b>
<b>Total Governmental Funds</b>	<b>\$96,261,693</b>	<b>\$85,934,860</b>	<b>\$58,304,741</b>	<b>\$54,238,612</b>	<b>\$54,775,972</b>

STATISTICAL INFORMATION *CONTINUED*

Changes in Balances of Governmental Funds (Modified Accrual)

	2014	2015	2016	2017	2018
<b>Revenues</b>					
Taxes	\$100,063,237	\$105,564,247	\$110,707,633	\$116,877,996	\$119,187,748
Develop Mitigation Fees	3,540,542	4,624,139	4,363,650	7,848,175	7,621,753
Vehicle registration fees	1,172,833	1,220,900	1,272,697	1,282,433	1,275,901
State grant	2,122,523	2,050,573	1,991,947	2,065,521	2,498,978
Use of money and property	430,196	555,414	941,859	1,795,119	3,081,259
Miscellaneous	712	1,415	14,505	159,210	120,855
<b>Total Revenues</b>	<b>\$107,330,043</b>	<b>\$114,016,688</b>	<b>\$119,292,291</b>	<b>\$130,028,454</b>	<b>\$133,786,494</b>
<b>Expenditures</b>					
<b>General government:</b>					
Administrative*	1,008,517	805,331	1,342,300	977,515	542,737
Freeway service patrol*	2,164,149	2,090,267	2,000,559	2,271,606	2,126,051
Intergovernmental*	97,543,286	104,405,460	114,537,093	110,280,439	108,346,886
<b>Debt Service:</b>					
Principal	0	0	0	3,450,000	3,590,000
Interest and other charges	16,880,820	17,042,463	16,016,860	17,115,023	18,643,460
<b>Total expenditures</b>	<b>\$117,596,772</b>	<b>\$124,343,521</b>	<b>\$133,896,812</b>	<b>\$134,094,583</b>	<b>\$133,249,134</b>
<b>Excess of Expenditures over Revenue</b>	<b>(\$10,266,729)</b>	<b>(\$10,326,833)</b>	<b>(\$14,604,521)</b>	<b>(\$4,066,129)</b>	<b>\$537,360</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	16,694,009	16,439,131	18,182,376	20,823,804	22,520,621
Transfers out	(16,694,009)	(16,439,131)	(18,182,376)	(20,823,804)	(22,520,621)
Refundir Refunding Bonds	0	(212,200,000)	0	0	0
Bond Premium	0	0	0	0	0
Issuance of Bonds	0	212,200,000	0	0	0
<b>Total other financing sources (uses)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net change in fund balances</b>	<b>(\$10,266,729)</b>	<b>(\$10,326,833)</b>	<b>(\$14,604,521)</b>	<b>(\$4,066,129)</b>	<b>\$537,360</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>16.76%</b>	<b>15.88%</b>	<b>13.59%</b>	<b>18.11%</b>	<b>20.03%</b>

\*noncapital expenditures

STATISTICAL INFORMATION *CONTINUED*

Operating Information - Abandoned Vehicle Abatements

Fiscal Year	Abatements
2018	14,670
2017	13,019
2016	8,586
2015	5,037
2014	5,247
2013	6,222
2012	6,239
2011	7,334
2010	8,718
2009	11,575

Source: Authority records



# 7

## GLOSSARY

# GLOSSARY

## A

- **ACCOUNT** – The accounting category used to describe the type of financial transaction.
- **ACCRUAL BASIS** – Sometimes 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** – The Authority approved annual budget establishing the legal authority to spend in specific accounts
- **APPROPRIATION** – An 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** – A 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 equal 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** – The Authority may raise capital by 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.
- **BUDGET** – A plan of financial operation consisting of proposed/approved appropriations for specified purposes and the proposed/approved means of financing them.
- **BUDGET CALENDAR** – A 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 the Authority and public with 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)** – The 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 (see below for definition).
- **CAPITAL IMPROVEMENT PROGRAM (CIP)** – 56 voter-approved capital projects to be funded by Measure A resources. Sales tax proceeds are set aside for debt service costs and pay-as-you-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)** - Sacramento region's Call Box and 511 Motorist Aid Program – funded by an annual \$1 charge on eligible vehicle registrations in the County.
- **COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)** - Government financial statements comprising the Authority's financial report that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB).
- **COUNTY OF SACRAMENTO POOLED INVESTMENT FUND** – A pool of local agency funds managed by the Sacramento County Department of Finance.

## D

- **DEBT ISSUE** – Issuance of bonds to finance capital projects throughout the County.
- **DEBT LIMIT** – the policy setting specific limits of acceptable ranges of each type of debt based on legal, public policy, and financial reasons.
- **DEBT SERVICE** – The costs of paying the principal, interest, and ancillary fees on borrowed money according to a predetermined payment schedule.
- **DEFICIT** – An excess of expenditures and other financing uses over revenues and other financing sources.

## 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

- **FIDUCIARY FUNDS** – Used to report assets held in a trustee or agency capacity for others.
- **FISCAL YEAR** – A time period 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)** – The hours worked by one employee on a full-time basis. On an annual basis, an FTE is considered to be 2,080 hours, which is calculated as 8 hours per day for 52 weeks in a year.
- **FUND** – A 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** – The 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** – The Authority’s primary fund used to account for most revenues and expenditures for the capital program, SacMetro Freeway Service Patrol Program, and administration costs.
- **GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA)** - The 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** – Funds are 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 AGENCY INVESTMENT FUND (LAIF)** – A pool of local agency funds managed by the California State Treasurer’s Office.
- **LOCAL TRANSPORTATION AUTHORITY AND IMPROVEMENT ACT (ACT)** - commences with California Public Utility Code Section 180000.

## M

- **MEASURE A RETAIL SALES TAX (2004 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 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 the required allocations to the cities of Isleton and Galt, and the Neighborhood Shuttle Program as required under the Measure A Ordinance.

## O

- **MEASURE A ORDINANCE** – The 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** – Performance measures are 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.
- **PROPOSED BUDGET** – the proposed budget is presented initially during a public meeting in May, prior to being brought to the Board for adoption in June.

## R

- **REIMBURSEMENT** – Payment of an amount remitted on behalf of another party, department, or fund.
- **RESERVE** – A portion of a fund's balance that is available for appropriation but has been reserved for economic uncertainties.
- **RESOLUTION** – A 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** – A budgetary category that generally accounts for all employee salaries and benefits such as medical, dental, and retirement.
- **SPECIAL REVENUE FUND** – A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

# T

- **TAXES** – Charges levied by a government for the purpose of financing projects and programs that benefit the community at large.

# V

- **VARIANCE** – Change in revenue or appropriations between fiscal years.