



A G E N D A

**Sacramento Transportation Authority
Sacramento Abandoned Vehicle Service Authority (SAVSA)**

700 H Street, Suite 1450 • Sacramento, California • 95814
(Board of Directors may participate via teleconference)

THURSDAY

DECEMBER 8, 2022

1:30 PM

Members: Rich Desmond (Vice Chair), Sue Frost, Eric Guerra, Jeff Harris, Patrick Kennedy, Steve Miller, Don Nottoli, Rosario Rodriguez, Paul Sandhu, Jay Schenirer, Phil Serna, Bobbie Singh-Allen (Chair), Kevin Spease, Donald Terry, Katie Valenzuela, Mai Vang

Alternates: Nick Avdis, Bret Daniels, Shawn Farmer, Mike Kozlowski, Siri Pulipati, Darren Suen

The Governing Boards of the Sacramento Transportation Authority (STA) and the Sacramento Abandoned Vehicle Service Authority (SAVSA) meet concurrently.

PUBLIC COMMENT PROCEDURES

In compliance with directives of the County, State, and Centers for Disease Control and Prevention (CDC), the meeting will be live stream and open to public attendance pursuant to health and safety guidelines. The practice of social distancing and wearing of face coverings (mask or shield) is recommended for the health and safety of all persons participating in person during the meeting although it is not required.

In-Person Public Comment

Speakers will be required to complete and submit a speaker request form to Clerk staff. The Chairperson will invite each individual to the podium to make a verbal comment.

Telephonic Public Comment

On the day of the meeting dial (916) 875-2500 to make a verbal public comment (follow the prompts for instructions). Refer to the agenda and listen to the live meeting to determine when is the best time to call to be placed in queue for a specific agenda item. Callers may be on hold for up to an extended period of time and should plan accordingly. When the

Continued on back side →

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Sacramento Transportation Authority
Sacramento Abandoned Vehicle Service Authority

December 8, 2022

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Chairperson opens public comment for a specific agenda item or off-agenda matter, callers will be transferred from the queue into the meeting to make a verbal comment. Each agenda item queue will remain open until the public comment period is closed for that specific item.

Written Comment

Contact information is optional. Written communication is distributed, published and filed in the record

- Send an email comment to BoardClerk@saccounty.gov. Include meeting date and agenda item number or off-agenda item.
- Mail a comment to 700 H Street, Suite 2450, Sacramento, CA 95814. Include meeting date and agenda item number or off-agenda item.

VIEW MEETING

The meeting is videotaped and cablecast live on Metrocable 14 on the Comcast, Consolidated Communications and AT&T U-Verse Systems. It is closed captioned for hearing impaired viewers and webcast live at <http://metro14live.saccounty.gov>. There will be a rebroadcast of this meeting on Sunday at 2:00 p.m.

MEETING MATERIAL

The on-line version of the agenda and associated material is available at <https://www.sacta.org/> (click on "Meetings"). Some documents may not be posted on-line because of size or format (maps, site plans, renderings). Contact the Clerk's Office at (916) 874-5411 to obtain copies of documents.

ACCOMMODATIONS

Requests for accommodations pursuant to the Americans with Disabilities Act (ADA) should be made with the Clerk's Office by telephone at (916) 874-5411 (voice) and CA Relay Services 711 (for the hearing impaired) or BoardClerk@saccounty.gov prior to the meeting.

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CALL TO ORDER / ROLL CALL / PLEDGE OF ALLEGIANCE

COMMENT ITEMS

1. Comments From The Public Regarding Matters Not On The Agenda

2. Executive Director's Report

Kevin M. Bewsey

CONSENT ITEMS

3. Approve Action Summary For The November 10, 2022
Sacramento Transportation Authority (STA) Governing
Board Meeting ◀

Jennifer Doll

4. Approve A Resolution Extending Assembly Bill No. 361 ◀

Kevin M. Bewsey

5. Capital Project Status Reports First Quarter
Fiscal Year 2022-23

Dustin Purinton

6. Budget To Actual Reports—First Quarter Fiscal
Year 2022-23

Dustin Purinton

7. Authorize an Amendment To Extend The Term Of The
Financial Consulting Services Agreement ◀

Dustin Purinton

8. Authorize An Agreement For Sales Tax Audit And
Recovery Services ◀

Dustin Purinton

SEPARATE ITEMS

9. Independent Taxpayer Oversight Committee Presentation
And Approval Of The Annual Comprehensive Financial Report,
Agreed Upon Procedures Report, Performance Audit And
Governance Letter ◀

Joan Borucki

Dustin Purinton

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10. Reappoint A Member To The Independent Taxpayer Oversight Committee ◀ *Dustin Purinton*
11. Recognition And Appreciation Of Departing Members Of The Governing Board For Service To The Sacramento Transportation Authority *Bobbie Singh-Allen
Kevin M. Bewsey*
12. **NOTE: THIS ITEM WILL BE DROPPED**
Introduction Of Citizens' Initiative Draft Work Plan
(Continued From November 10, 2022; Item No. 11) *Kevin M. Bewsey*
13. Comments Of Authority Members *All*

◀ *Denotes items that require Board action*

Staff reports and associated materials are available online at www.sacta.org. For assistance with agenda packets, please contact STA at (916) 323-0080 or info@sacta.org. For questions regarding the agenda or any item on the agenda, please contact Kevin M. Bewsey at (916) 323-0080 or Kevin@sacta.org.



DECEMBER 8, 2022

AGENDA ITEM # 2

EXECUTIVE DIRECTOR'S REPORT

Action Requested: Receive and File

Key Staff: Kevin M. Bewsey, Executive Director

2022 Year in Review

As 2022 ends, the Executive Director will present on the agencies accomplishments.

Extension of the Richardson & Company, LLP Contract for Independent Financial/Compliance Audit Services

Measure A requires that a professional auditor conduct annual financial/compliance audits in accordance with Generally Accepted Auditing Standards and Government Auditing Standards issued by the Comptroller General of the United States. In June 2021, Richardson & Company, LLP was selected to perform financial/compliance audit services for the fiscal year ending June 30, 2021. The contract with Richardson, LLP provides the option of extending the term up to two more years upon agreement of both parties. The audit firm performed well during the audits of fiscal years ending June 30, 2021 and June 30, 2022, so the ITOC recommends extending the term for one more year at the cost of \$49,000.



DECEMBER 8, 2022

AGENDA ITEM # 3

APPROVE ACTION SUMMARY: NOVEMBER 10, 2022 STA GOVERNING BOARD MEETING

Action Requested: Approve

Key Staff: Jennifer Doll, Special Programs Manager

Recommendation

Approve the attached Action Summary of the November 10, 2022 meeting of the STA Governing Board.

Attachment

1. Action Summary



ACTION SUMMARY
SACRAMENTO TRANSPORTATION AUTHORITY
SACRAMENTO ABANDONED VEHICLE SERVICE AUTHORITY
VIA TELECONFERENCE
700 "H" STREET - SUITE 1450
SACRAMENTO, CALIFORNIA 95814

THURSDAY

NOVEMBER 10, 2022

1:30 PM

Members: Rich Desmond (Vice Chair), Sue Frost, Eric Guerra, Jeff Harris, Patrick Kennedy, Rosario Rodriguez, Steve Miller, Don Nottoli, Paul Sandhu, Jay Schenirer, Phil Serna, Bobbie Singh-Allen (Chair), Kevin Spease, Donald Terry, Katie Valenzuela, Mai Vang

(Members Guerra, Kennedy, Sandhu, Schenirer, Serna and Vang were not present. Alternate Member Pulipati was in attendance for Member Terry)

Alternates: Nick Avdis, Porsche Middleton, Shawn Farmer, Mike Kozlowski, Siri Pulipati, Darren Suen

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CALL TO ORDER / ROLL CALL / PLEDGE OF ALLEGIANCE

COMMENT ITEMS

1. Comments From The Public Regarding Matters Not On The Agenda

1:45 PM Board Action: No public comments were made.

2. Executive Director's Report

1:45 PM Board Action: Executive Director Kevin Bewsey provided an update regarding the end of the COVID-19 State of Emergency on February 28, 2023 and AB361 which enabled local public agencies to meeting virtually and that in person meetings will begin in March of 2023; the Memorandum of Understanding between the Sacramento Transportation Authority (STA) and the Sacramento Area Council of Governments (SACOG) to further define the scope, schedule and budget for the draft greenhouse gas (GHG) study which is scheduled to be heard by both boards and released for public comment in January of 2023; a summary of recent STA staff efforts to assist agencies with obtaining federal, state and regional funding; and the completion of a five-year extension of the Standby Bond Purchase Agreement for the 2009C Series with U.S. Bank including negotiation of a competitive Commitment Fee Rate of 0.34%.

CONSENT ITEMS

1:47 PM Board Action: Don Nottoli/ Rich Desmond - Approved the Consent Matters, Items 3 through 8, as recommended.

AYES: Rich Desmond, Sue Frost, Jeff Harris, Rosario Rodriguez, Steve Miller, Don Nottoli, Bobbie Singh-Allen, Kevin Spease, Siri Pulipati, Katie Valenzuela

NOES: (None)

ABSTAIN: (None)

ABSENT: Mai Vang, Eric Guerra, Phil Serna, Jay Schenirer, Paul Sandhu, Patrick Kennedy

RECUSAL:(None)

(PER POLITICAL REFORM ACT (§ 18702.5.))

3. Approve Action Summary For The October 13, 2022 Sacramento Transportation Authority (STA) Governing Board Meeting

1:47 PM Board Action: Approved as recommended.

4. Approve A Resolution Extending Assembly Bill No. 361

1:47 PM Board Action: Approved by Resolution No. **STA 22-0020**.

5. Approve The 2023 Calendar Year STA Governing Board Meeting Schedule

1:47 PM Board Action: Approved as recommended.

6. SacMetro Freeway Service Patrol Status Report First Quarter Fiscal Year 2023

1:47 PM Board Action: Received and filed the report.

7. Conflict Of Interest Biennial Update

1:47 PM Board Action: Approved as recommended.

8. Authorize A Nomination For The Senate Bill 1 Trade Corridor Enhancement Program For The Sac 5 Corridor Improvement Project

1:47 PM Board Action: Approved as recommended.

SEPARATE ITEMS

9. Reestablishment Of The Sacramento Abandoned Vehicle Service Authority Program

1:49 PM Board Action: Jeff Harris/ Rosario Rodriguez - Presentation was made by Executive Director Kevin Bewsey and Special Programs Manager Jennifer Doll. The Board authorized STA staff to pursue state legislation to provide abandoned vehicle service authorities with regulatory authority that corresponds to the related reasonable regulatory fees and charges associated with abandoned vehicles; and coordinate with Sacramento Abandoned Vehicle Service Authority member agencies, other service authorities, and state and regional organizations that have a shared interest in the role of service authorities.

AYES: Rich Desmond, Sue Frost, Jeff Harris, Rosario Rodriguez, Steve Miller, Don Nottoli, Bobbie Singh-Allen, Kevin Spease, Katie Valenzuela

NOES: (None)

ABSTAIN: Siri Pulipati

ABSENT: Mai Vang, Eric Guerra, Phil Serna, Jay Schenirer, Paul Sandhu, Patrick Kennedy

RECUSAL:(None)

(PER POLITICAL REFORM ACT (§ 18702.5.))

10. Approve A Strategy For The Smart Growth Incentive Program For The 2022-2023 SACOG Community Design Program Grant Cycle (Continued From October 13, 2022; Item No. 9)

2:05 PM Board Action: Rich Desmond/ Steve Miller - Presentation was made by Executive Director Kevin Bewsey. The Board approved a strategy for leveraging Measure A's Smart Growth Incentive Program (SGIP) as the minimum local match for the Sacramento Area Council of Governments (SACOG) Community Design Program and set aside \$1.7 million in capital funding for the SACOG 2022-2023 Funding Round.

AYES: Rich Desmond, Sue Frost, Jeff Harris, Rosario Rodriguez, Steve Miller, Don Nottoli, Bobbie Singh-Allen, Kevin Spease, Siri Pulipati, Katie Valenzuela

NOES: (None)

ABSTAIN: (None)

ABSENT: Mai Vang, Eric Guerra, Phil Serna, Jay Schenirer, Paul Sandhu, Patrick Kennedy

RECUSAL:(None)

(PER POLITICAL REFORM ACT (§ 18702.5.))

11. Introduction Of Citizens' Initiative Draft Work Plan (Continued From October 13, 2022; Item No. 10)

2:14 PM Board Action: Rosario Rodriguez/ Jeff Harris - Continued to December 8, 2022.

AYES: Rich Desmond, Sue Frost, Jeff Harris, Rosario Rodriguez, Steve Miller, Don Nottoli, Bobbie Singh-Allen, Kevin Spease, Siri Pulipati, Katie Valenzuela

NOES: (None)

ABSTAIN: (None)

ABSENT: Mai Vang, Eric Guerra, Phil Serna, Jay Schenirer, Paul Sandhu, Patrick Kennedy

RECUSAL:(None)

(PER POLITICAL REFORM ACT (§ 18702.5.))

12. Comments Of Authority Members

2:15 PM Board Action: Director Jeff Harris announced that this was his last STA meeting as a seated council member. Chairperson Bobbi Singh-Allen and Directors Sue Frost and Rosario Rodriguez thanked Director Harris for his service on the STA board. Executive Director Kevin Bewsey announced STA staff plan to recognize outgoing STA board members at the December 8, 2022 and invited Director Harris.

Adjourned at 2:17 p.m.

Respectfully Submitted,

DORELLE JOHNSON, Deputy Clerk
Sacramento Transportation Authority/
Sacramento Abandoned Vehicle Service Authority



DECEMBER 8, 2022

AGENDA ITEM # 4

APPROVE EXTENDING ASSEMBLY BILL NO. 361

Action Requested: Approve Staff Recommendations

Key Staff: Kevin M. Bewsey, Executive Director

Recommendations

Approve implementation of AB361 allowing virtual meetings to continue.

Background

A series of executive orders, starting in March 2020 and the most recent expiring September 30, 2021, the Governor's office waived all physical-presence requirements under the Brown Act as a means of limiting the spread of COVID-19. On September 16, 2021 Governor Newsom signed into law AB 361, extending the authority of public agencies to conduct meetings by teleconference, including video conference, during a proclaimed state of emergency such as the COVID-19 pandemic.

On September 28, 2021, Sacramento County Public Health Officer, Dr. Olivia Kasirye, issued a memorandum recommending utilizing teleconferencing for public meetings as a form of COVID-19 prevention.

Discussion

Every 30 days the STA Governing Board must reconsider the continuing need for virtual meetings. If a majority of the members of a legislative body do not adopt these findings, then traditional Brown Act rules apply.

Attachment

1. Resolution

SACRAMENTO TRANSPORTATION AUTHORITY

RESOLUTION NO. _____

**RESOLUTION OF THE SACRAMENTO TRANSPORTATION AUTHORITY
AUTHORIZING REMOTE TELECONFERENCE MEETINGS
FOR THE PERIOD THROUGH JANUARY 7, 2023
PURSUANT TO THE RALPH M. BROWN ACT**

WHEREAS, all meetings of SACRAMENTO TRANSPORTATION AUTHORITY and its legislative bodies are open and public, as required by the Ralph M. Brown Act (California Government Code § 54950 et seq); and

WHEREAS, on March 4, 2020, Governor Newsom issued a Proclamation of a State of Emergency declaring a state of emergency exists in California due to the threat of COVID-19, pursuant to the California Emergency Services Act (Government Code section 8625); and

WHEREAS, on March 17, 2020, Governor Newsom issued Executive Order N-29-20 that suspended the teleconferencing rules set forth in the Brown Act, provided certain requirements were met and followed; and,

WHEREAS, on June 11, 2021, Governor Newsom issued Executive Order N-08-21 that clarified the suspension of the teleconferencing rules set forth in the Brown Act, and further provided that those provisions would remain suspended through September 30, 2021; and

WHEREAS, on September 16, 2021, Governor Newsom signed AB 361 that allows a legislative body subject to the Brown Act to continue to meet without fully complying with the teleconferencing rules in the Brown Act provided the legislative body make certain findings; and

WHEREAS, as amended by AB 361, Government Code section 54953(e),

makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions and requirements; and

WHEREAS, a required condition of Government Code section 54953(e) is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558(b); and

WHEREAS, a further required condition of Government Code section 54953(e) is that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body holds a meeting to determine or has determined by a majority vote that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, as of the date of this Resolution, the Proclamation of a State of Emergency remains in effect as neither the Governor nor the state Legislature have exercised their respective powers pursuant to Government Code section 8629 to lift the state of emergency either by proclamation or by concurrent resolution the state Legislature; and

WHEREAS, the California Department of Industrial Relations has issued regulations related to COVID-19 Prevention for employees and places of employment. Title 8 of the California Code of Regulations, Section 3205(5)(D) specifically recommends physical (social) distancing as one of the measures to decrease the spread of COVID-19 based on the fact that particles containing the virus can travel more than six feet, especially indoors; and

WHEREAS, on September 28, 2021, the Sacramento County Public Health Officer Dr. Olivia Kasirye issued a Teleconference Recommendation which states that utilizing teleconference options for public meetings is an effective and recommended

social distancing measure to facilitate participation in public affairs and encourage participants to protect themselves and other from COVID-19; and

WHEREAS, SACRAMENTO TRANSPORTATION AUTHORITY the has an interest in encouraging public participation in open and public meetings while protecting the health, safety and welfare of those who participate.

NOW, THEREFORE, BE IT RESOLVED, by the SACRAMENTO TRANSPORTATION AUTHORITY as follows:

1. **State or Local Officials Have Imposed or Recommended Measures to Promote Social Distancing.** SACRAMENTO TRANSPORTATION AUTHORITY hereby finds and proclaims that state and local officials have imposed or recommended measures to promote social (physical) distancing based on the California Department of Industrial Relations' issuance of regulations related to COVID-19 Prevention through Title 8 of the California Code of Regulations, Section 3205(5)(D) and Sacramento County Public Health Officer Dr. Olivia Kasirye's Teleconference Recommendation issued September 28, 2021.

2. **Remote Teleconference Meetings.** SACRAMENTO TRANSPORTATION AUTHORITY and any of its legislative bodies are hereby authorized to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act, and Staff are directed to take all actions necessary to carry out the intent and purpose of this Resolution.

3. **Effective Date.** This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) January 7, 2023 or (ii) such time the Authority adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which it and its legislative bodies may continue to teleconference without compliance with Section 54953(b)(3).

On a motion by [Member] _____, seconded by [Member] _____, the foregoing Resolution was passed and adopted by the [Governing Board of the Sacramento Transportation Authority at a regular meeting thereof this _____ day of _____ 202_, by the following vote, to wit:

AYES: [Members],

NOES: [Members],

ABSENT: [Members],

ABSTAIN: [Members],

RECUSAL: [Members],
(PER POLITICAL REFORM ACT (§ 18702.5.)

Chair of the Governing
Body of the Sacramento
Transportation Authority

(SEAL)

ATTEST: _____
Clerk of the Governing Board of the
Sacramento Transportation Authority



DECEMBER 8, 2022

AGENDA ITEM # 5

CAPITAL PROJECT STATUS REPORTS - FIRST QUARTER FISCAL YEAR 2022-23.

Action Requested: Receive and File

Key Staff: Dustin Purinton, Accounting Manager

The Authority is currently under contract for the following 17 capital projects. This list of projects includes both projects funded out of the Capital portion of Measure A and the Smart Growth Incentive Program (SGIP) portion of Measure A's Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP):

1. Caltrans - Interstate 5 Bus and Carpool Lanes
2. Caltrans - US 50 Bus and Carpool Lanes, Phase 2
3. Sacramento (SGIP) - Envision Broadway in Oak Park
4. Sacramento - Downtown Intermodal Station
5. Sacramento - Interstate 5/Richards Blvd. Interchange Upgrade
6. County of Sacramento - Bradshaw Road Phase 2
7. County of Sacramento - Folsom Blvd. Watt Ave. to Bradshaw Rd.
8. County of Sacramento - Greenback Lane – Fair Oaks Blvd. to Main
9. County of Sacramento - Hazel Ave. Improvements, Phase 1 – US 50 to Madison Ave.
10. County of Sacramento - Hazel Ave. Improvements – US 50 to Folsom Blvd.
11. County of Sacramento - Madison Ave Improvements – Sunrise Blvd. to Hazel Ave.
12. County of Sacramento - South Watt Ave Improvements – Folsom Boulevard to Calvin Rd
13. County of Sacramento - Sunrise Blvd. Jackson Rd. to Grantline Rd.
14. County of Sacramento - Watt Ave. Improvements – Antelope Road to Business 80
15. Capital SouthEast Connector
16. Capital SouthEast Connector (SGIP)
17. Rancho Cordova (SGIP) - Chase Drive at the American River Parkway

Attached, you will find a Capital Status report for each project.

Attachment

Measure A Capital Projects Quarterly Status Report



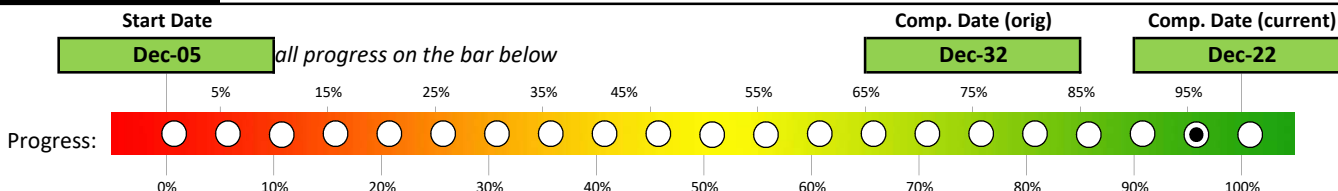
PROJECT INFO

Quarter Ended:	September 30, 2022	Fiscal Year:	2022-23	Reporting Quarter:	1
Agency:	California Department of Transportation	Project Mgr:	Jess Avila		
		Contact Info:	530-682-8488		
Project Name:	Interstate 5 Bus & Carpool Lanes				
Sponsor Project ID Number:	03-3C000 and 03-3C001	STA Project ID Number:	A-45-CT		
Original Est. Project Cost:	\$ 188,479,000.00	Current Est. Project Cost:	\$ 125,530,000.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ 3,185,454.00	Projected Spending	2Q:	\$ 5,000.00
Previous Contract(s) Spending:	\$ 3,185,454.00		3Q:	\$
Current Contract Amount:	\$ 30,000,000.00		4Q:	\$
Current Contract Spending:	\$ 24,659,030.37		1Q:	\$
Expended This Quarter:	\$ 555,462.87			
Total Remaining:	\$ 4,785,506.76	Funds leveraged using local match	\$ 332,000,000.00	

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|--|--|--|
| <input type="checkbox"/> Not Started | <input type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input type="checkbox"/> Environmental Review | <input checked="" type="checkbox"/> Under Construction |
| <input type="checkbox"/> Design and/or Engineering | <input type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

Essentially completed critical path item work (Open Grade Asphalt Overlay - OGAC). Continued work on non-critical path item work including miscellaneous drainage, median concrete barrier, metal beam guard rail, and electrical work. Started final striping and signing on the project.

Measure A Capital Projects Quarterly Status Report



PROJECT INFO

Quarter Ended: **September 30, 2022** Fiscal Year: **2022-23** Reporting Quarter: **1**

Agency: **California Department of Transportation** Project Mgr: **Jim K Rogers**
Contact Info: **916-826-6052**

Project Name: **US Highway 50 Bus & Carpool Lanes - phase 2**

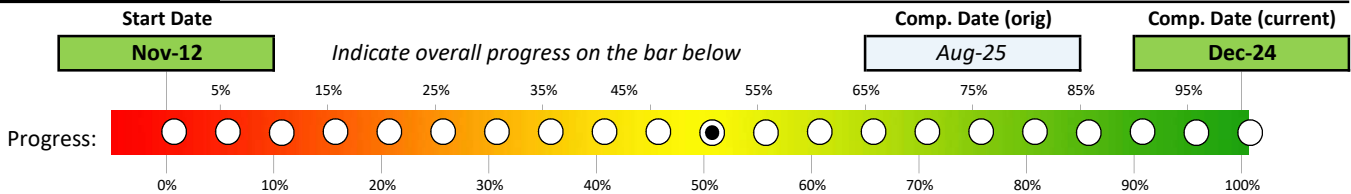
Sponsor Project ID Number: **03-3F360/03-0H08U** STA Project ID Number: **A-47-CT**

Original Est. Project Cost: \$ **68,315,000.00** Current Est. Project Cost: \$ **147,480,000.00**

MEASURE A FUNDING

Previous Contract(s) Amount:	\$	15,945,604.00	Projected Spending	2Q:	\$	875,000.00
Previous Contract(s) Spending:		15,310,227.98		3Q:	\$	875,000.00
Current Contract Amount:	\$	12,500,000.00	4Q:	\$	875,000.00	
Current Contract Spending:	\$	5,206,657.32	1Q:	\$	875,000.00	
Expended This Quarter:	\$	336,412.96				
Total Remaining:	\$	7,592,305.74				
Funds leveraged using local match					\$	442,000,000.00

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|--|---|--|
| <input type="checkbox"/> Not Started | <input type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input type="checkbox"/> Environmental Review | <input checked="" type="checkbox"/> Under Construction |
| <input type="checkbox"/> Design and/or Engineering | <input checked="" type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

Caltrans District 3 successfully competed and received State funding from the SB1 Gas/Diesel Tax programs under the Solutions for Congested Corridor Program for construction of this HOV Lanes project. The project is utilizing Design-Build instead of traditional Caltrans delivery method of Design-Bid-Build. This will expedite delivery of the project to the travelling public. The HOV lanes project has been combined with the US 50 Rehabilitation project that has already been funded by State Highway Operation and Protection Program (SHOPP).

- Coordination continued with Union Pacific Rail Road.
- Coordination continued with City of Sacramento on adjacent projects, parking impacts and utility work.
- Flatiron West Inc. with their design partner WSP have completed over 98% of the design packages.
- Construction work on soundwalls and retaining walls is nearing completion. Bridge widening is 60% complete. Drainage, traffic staging and concrete paving are ongoing at a rapid pace.

Measure A Capital Projects Quarterly Status Report



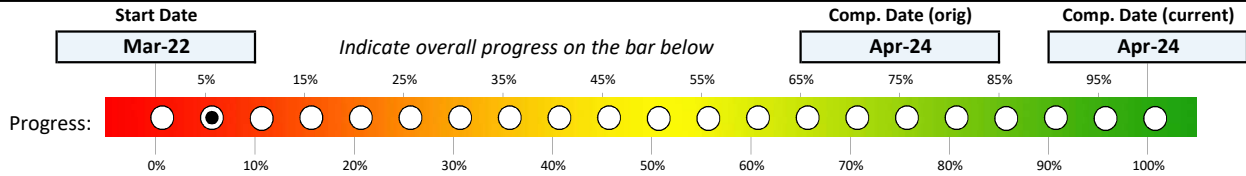
PROJECT INFO

Quarter Ended:	September 30, 2022	Fiscal Year:	2022-23	Reporting Quarter:	1
Agency:	City of Sacramento	Project Mgr:	Megan Johnson		
		Contact Info:	916/808-1967		
Project Name:	Envision Broadway in Oak Park				
Sponsor Project ID Number:	T15225000	STA Project ID Number:	A-SGIP-CS-1		
Original Est. Project Cost:	\$ 950,000.00	Current Est. Project Cost:	\$ 950,000.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ 237,000.00	Projected Spending	2Q:	\$ 30,000.00
Previous Contract(s) Spending:	\$ -		3Q:	\$ 30,000.00
Current Contract Amount:	\$ 237,000.00		4Q:	\$ 30,000.00
Current Contract Spending:	\$ -		1Q:	\$ 30,000.00
Expended This Quarter:	\$ 30,712.40			
Total Remaining:	\$ 206,287.60	Funds leveraged using local match	\$ 713,000.00	

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Not Started | <input type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input type="checkbox"/> Environmental Review | <input type="checkbox"/> Under Construction |
| <input checked="" type="checkbox"/> Design and/or Engineering | <input type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

Activities this quarter include establishing the CIP and initiating the consultant procurement.

Measure A Capital Projects Quarterly Status Report



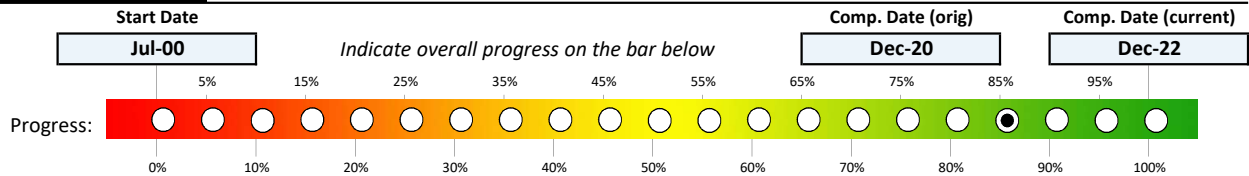
PROJECT INFO

Quarter Ended:	September 30, 2022	Fiscal Year:	2022-23	Reporting Quarter:	1
Agency:	City of Sacramento	Project Mgr:	Greg Taylor, Supervising Architect		
		Contact Info:	916-808-5268		
Project Name:	Downtown Intermodal Facility				
Sponsor Project ID Number:	T15029000	STA Project ID Number:	A-38-CS		
Original Est. Project Cost:	\$ 200,000,000.00	Current Est. Project Cost:	\$ 200,000,000.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ 70,272,500.00	Projected Spending	2Q:	\$ 75,000.00
Previous Contract(s) Spending:	\$ 70,272,500.00		3Q:	\$ 75,000.00
Current Contract Amount:	\$ 21,823,000.00		4Q:	\$ 75,000.00
Current Contract Spending:	\$ 13,553,349.55		1Q:	\$ 75,000.00
Expended This Quarter:	\$ 62,703.59			
Total Remaining:	\$ 8,206,946.86	Funds leveraged using local match	\$ 101,988,786.00	

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|--|--|---|
| <input type="checkbox"/> Not Started | <input type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input type="checkbox"/> Environmental Review | <input type="checkbox"/> Under Construction |
| <input type="checkbox"/> Design and/or Engineering | <input type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

Phase 3 –Spending for minor consultant support services on master plan, city staff administrative and management costs. City staff were awarded \$9.865 M in state TIRCP funding, leveraging STA resources.

SVS New Governance Structure – Progress made in interviewing outside agencies and developing consultant RFI/RFP process. Staff has completed internal review on the RFI.

Northbound I-5 Ramp Relocation Study (CIP T15029061) is under contract with consultants and continues to proceed in preliminary design.

SVS North Entrance / Railyards Gateway –City staff have been coordinating the developers design and easements to station entrance and preparing for state CTC Funding Allocation. No substantive work in this period on this project other than bi-weekly meeting updates.

Measure A Capital Projects Quarterly Status Report



PROJECT INFO

Quarter Ended: **September 30, 2022** Fiscal Year: **2022-23** Reporting Quarter: **1**

Agency: **City of Sacramento** Project Mgr: **William Shunk, Senior Engineer**
Contact Info: **916-808-2986**

Project Name: **Interstate 5/Richards Blvd Interchange Upgrade**

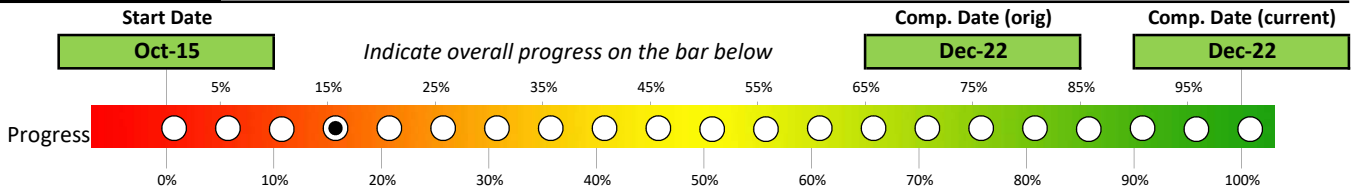
Sponsor Project ID Number: **T15165100** STA Project ID Number: **A-52-CS**

Original Est. Project Cost: \$ **90,000,000.00** Current Est. Project Cost: \$ **90,000,000.00**

MEASURE A FUNDING

Previous Contract(s) Amount:	\$	-	Projected Spending	2Q:	\$	50,000.00
Previous Contract(s) Spending:	\$	-		3Q:	\$	50,000.00
Current Contract Amount:	\$	3,115,861.73		4Q:	\$	50,000.00
Current Contract Spending:	\$	568,581.44		1Q:	\$	50,000.00
Expended This Quarter:	\$	16,269.03				
Total Remaining:	\$	2,531,011.26				
Funds leveraged using local match					\$	3,098,000.00

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|--|--|---|
| <input type="checkbox"/> Not Started | <input type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input type="checkbox"/> Environmental Review | <input type="checkbox"/> Under Construction |
| <input type="checkbox"/> Design and/or Engineering | <input type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

This past quarter the project team submitted to Caltrans the Noise Study Report, Air Quality Study Report, Section 4(F) evaluation, Water Quality Assessment Report, Stormwater Data Report, and Local Hydraulic Study. The City also resubmitted to Caltrans the Historic Resources Evaluation Report, and continued to work on the geometric approval drawings and advanced planning studies based on ongoing comments from Caltrans.

Measure A Capital Projects Quarterly Status Report



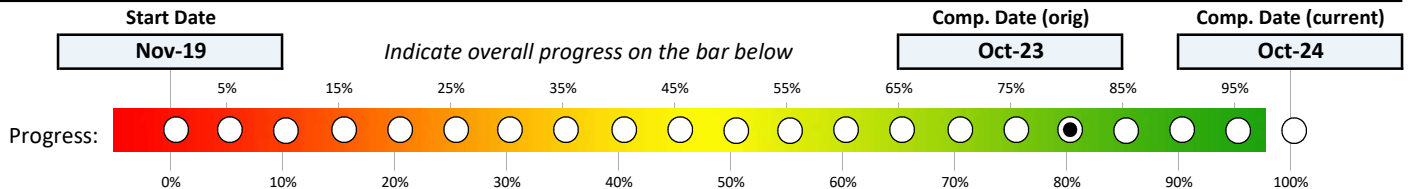
PROJECT INFO

Quarter Ended:	September 30, 2022	Fiscal Year:	2022-23	Reporting Quarter:	1
Agency:	County of Sacramento	Project Mgr:	Jenny Singh, Senior Civil Engineer		
		Contact Info:	(916) 874-6092		
Project Name:	Bradshaw Road Phase 2: Bradshaw Road/Jackson Highway Intersection				
Sponsor Project ID Number:	RFODGL	STA Project ID Number:	A-08-SC		
Original Est. Project Cost:	\$ 5,300,000.00	Current Est. Project Cost:	\$ 5,300,000.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ -	Projected Spending	2Q:	\$ 33,000.00
Previous Contract(s) Spending:	\$ -		3Q:	\$ 33,000.00
Current Contract Amount:	\$ 1,467,000.00		4Q:	\$ 33,000.00
Current Contract Spending:	\$ 108,208.06		1Q:	\$ 151,250.00
Expended This Quarter:	\$ 71,791.71			
Total Remaining:	\$ 1,287,000.23	Funds leveraged using local match	\$ -	

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Not Started | <input type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input checked="" type="checkbox"/> Environmental Review | <input type="checkbox"/> Under Construction |
| <input checked="" type="checkbox"/> Design and/or Engineering | <input type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

The project intersection improvements is the first phase of a larger project. The work will include the widening of the Bradshaw Road at Jackson Road (State Route 16) intersection with a traffic signal modification. The improvements to widen the intersection are to allow the installation of an additional through lane and dual lefts in each direction through the intersection.

Activities This Quarter

The project is currently in the design and environmental review phase of work. Environmental clearance is anticipated in fall/winter 2022 with the right-of-way acquisition anticipated to begin immediately thereafter.

Measure A Capital Projects Quarterly Status Report



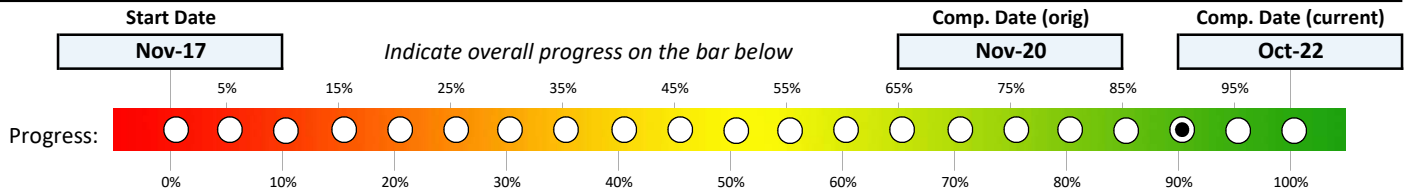
PROJECT INFO

Quarter Ended:	September 30, 2022	Fiscal Year:	2022-23	Reporting Quarter:	1
Agency:	County of Sacramento	Project Mgr:	Spencer Ord, Senior Civil Engineer		
		Contact Info:	(916) 874-6601		
Project Name:	Folsom Boulevard: Watt Avenue to Bradshaw Road				
Sponsor Project ID Number:	RFODGE/STOXEL	STA Project ID Number:	A-13-SC		
Original Est. Project Cost:	\$ 40,698,159.00	Current Est. Project Cost:	\$ 40,698,159.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ -	Projected Spending	2Q:	\$ 57,000.00
Previous Contract(s) Spending:	\$ -		3Q:	\$ 57,000.00
Current Contract Amount:	\$ 4,017,184.35		4Q:	\$ 57,000.00
Current Contract Spending:	\$ 1,511,572.83		1Q:	\$ 5,000.00
Expended This Quarter:	\$ -			
Total Remaining:	\$ 2,505,611.52	Funds leveraged using local match	\$ 5,241,231.30	

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|--|--|--|
| <input type="checkbox"/> Not Started | <input type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input type="checkbox"/> Environmental Review | <input checked="" type="checkbox"/> Under Construction |
| <input type="checkbox"/> Design and/or Engineering | <input type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

The project improvements are for a first phase of a larger project. The phase 1 project improvements are on Folsom Boulevard between Mayhew Road and Bradshaw Road.

Activities This Quarter

The project opened bids on November 4, 2021 and construction is currently underway for Phase 1. Phase 1 construction completion is tentatively scheduled in October 2022.

Topographic survey efforts have begun for Phase 2 with preliminary design expected to begin in late 2022.

Measure A Capital Projects Quarterly Status Report



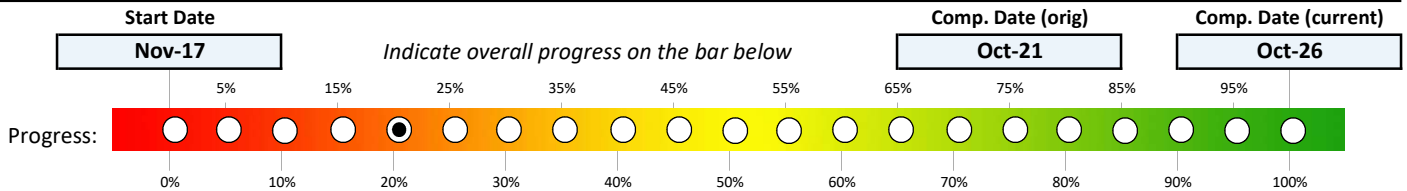
PROJECT INFO

Quarter Ended:	September 30, 2022	Fiscal Year:	2022-23	Reporting Quarter:	1
Agency:	County of Sacramento	Project Mgr:	Tim Stevens, Senior Civil Engineer		
		Contact Info:	(916) 874-6291		
Project Name:	Greenback Lane: Fair Oaks Blvd. to Main Street, Phase I				
Sponsor Project ID Number:	STOXEB	STA Project ID Number:	A-17-SC		
Original Est. Project Cost:	\$ 41,716,000.00	Current Est. Project Cost:	\$ 41,716,000.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$	116,829.91	Projected Spending	2Q:	\$	392,000.00
Previous Contract(s) Spending:	\$	116,829.91		3Q:	\$	392,000.00
Current Contract Amount:	\$	5,327,224.65		4Q:	\$	392,000.00
Current Contract Spending:	\$	320,608.86		1Q:	\$	132,000.00
Expended This Quarter:	\$	1,285.50				
Total Remaining:	\$	5,005,330.29				
			Funds leveraged using local match	\$	-	

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Not Started | <input type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input type="checkbox"/> Environmental Review | <input type="checkbox"/> Under Construction |
| <input checked="" type="checkbox"/> Design and/or Engineering | <input type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

The project limits are Greenback Lane from Chestnut Ave to the Folsom City/Sacramento County Boundary. The project includes sidewalk infill, ADA improvements (curb ramps and bus stops), Class II bike lanes, and utility undergrounding.

Preliminary design continues with further refinement made through coordination with property owners and community groups continues to further develop the preliminary design. Board approval to initiate the SMUD SD-14 system enhancement reimbursement agreements with SMUD has been made. Right of Way acquisition is anticipated to begin once the preliminary design is approved.

Measure A Capital Projects Quarterly Status Report



PROJECT INFO

Quarter Ended: **September 30, 2022** Fiscal Year: **2022-23** Reporting Quarter: **1**

Agency: **County of Sacramento** Project Mgr: **Tim Stevens, Senior Civil Engineer**
Contact Info: **(916) 874-6291**

Project Name: **Hazel Avenue: US Highway 50 to Madison Avenue**

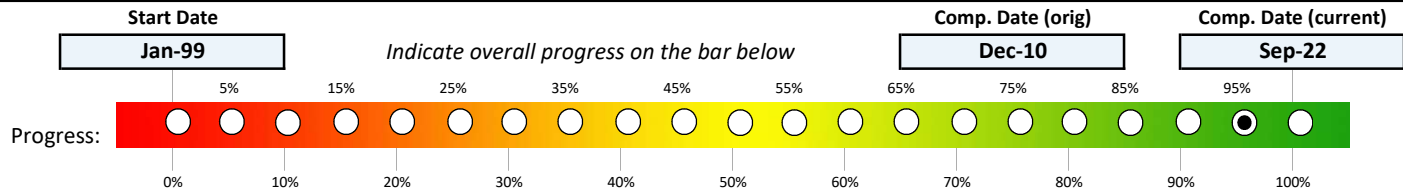
Sponsor Project ID Number: **ST0XCC;ST0XCJ;DV2L43;STR143** STA Project ID Number: **A-21-SC**

Original Est. Project Cost: \$ **79,292,680.00** Current Est. Project Cost: \$ **110,000,000.00**

MEASURE A FUNDING

Previous Contract(s) Amount:	\$	33,999,043.75	Projected Spending	2Q:	\$	740,000.00		
Previous Contract(s) Spending:	\$	33,999,043.75		3Q:	\$	740,000.00		
Current Contract Amount:	\$	13,156,000.00		4Q:	\$	740,000.00		
Current Contract Spending:	\$	10,254,609.04		1Q:	\$	-		
Expended This Quarter:	\$	779,503.88						
Total Remaining:	\$	2,121,887.08				Funds leveraged using local match	\$	20,095,453.47

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|--|--|--|
| <input type="checkbox"/> Not Started | <input type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input type="checkbox"/> Environmental Review | <input checked="" type="checkbox"/> Under Construction |
| <input type="checkbox"/> Design and/or Engineering | <input type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

Construction of the majority of improvements has been made this quarter from pavement rehab and overlay to installation of curb, gutter, & sidewalk. Landscaping has begun and is planned to be complete by the end of the quarter.

Measure A Capital Projects Quarterly Status Report



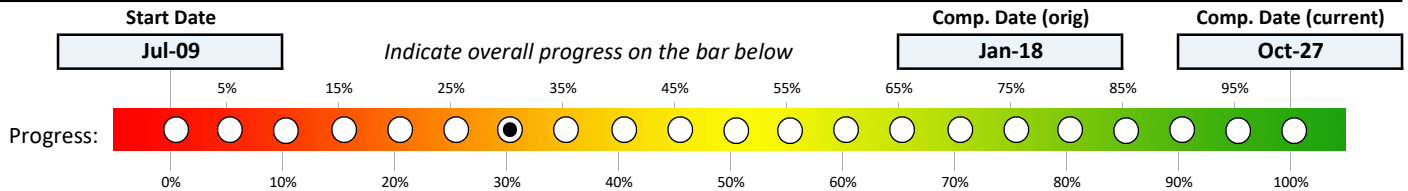
PROJECT INFO

Quarter Ended:	September 30, 2022	Fiscal Year:	2022-23	Reporting Quarter:	1
Agency:	County of Sacramento	Project Mgr:	Tim Stevens, Senior Civil Engineer		
		Contact Info:	(916) 874-6291		
Project Name:	Hazel Avenue: US Highway 50 Interchange and Folsom Blvd Intersection				
Sponsor Project ID Number:	STRL41	STA Project ID Number:	A-23-SC		
Original Est. Project Cost:	\$ 61,268,182.00	Current Est. Project Cost:	\$ 105,000,000.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$	1,679,031.22	Projected Spending	2Q:	\$	1,300,000.00
Previous Contract(s) Spending:	\$	1,679,031.22		3Q:	\$	1,300,000.00
Current Contract Amount:	\$	6,821,000.00		4Q:	\$	1,300,000.00
Current Contract Spending:	\$	253,172.30		1Q:	\$	335,000.00
Expended This Quarter:	\$	-				
Total Remaining:	\$	6,567,827.70	Funds leveraged using local match	\$	926,189.00	

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Not Started | <input type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input type="checkbox"/> Environmental Review | <input type="checkbox"/> Under Construction |
| <input checked="" type="checkbox"/> Design and/or Engineering | <input type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

The Value Analysis Study was completed and consultant is refining preliminary design to address items that were identified in the study. Topo survey and boundary mapping continue this quarter and are expected to be complete in November. Real Estate acquisitions to begin in 2023.

Measure A Capital Projects Quarterly Status Report



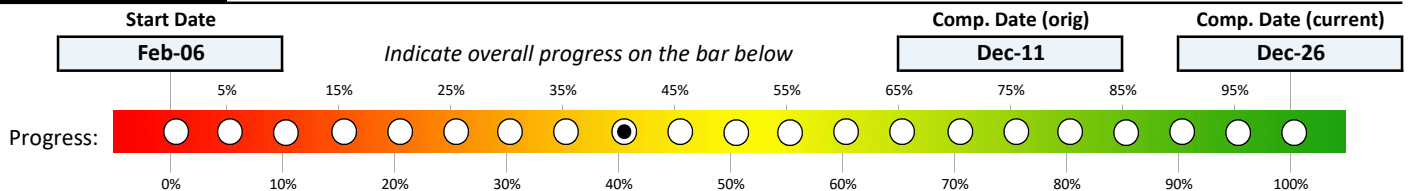
PROJECT INFO

Quarter Ended:	September 30, 2022	Fiscal Year:	2022-23	Reporting Quarter:	1
Agency:	County of Sacramento	Project Mgr:	Jenny Singh, Senior Civil Engineer		
		Contact Info:	(916)874-6291		
Project Name:	Madison Avenue: Sunrise Blvd to Hazel Avenue				
Sponsor Project ID Number:	STOXAG	STA Project ID Number:	A-24-SC		
Original Est. Project Cost:	\$ 19,929,143.00	Current Est. Project Cost:	\$ 28,872,280.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ 1,280,274.94	Projected Spending	2Q:	\$ 182,000.00
Previous Contract(s) Spending:	\$ 1,280,274.94		3Q:	\$ 182,000.00
Current Contract Amount:	\$ 2,900,000.00		4Q:	\$ 182,000.00
Current Contract Spending:	\$ 782,826.92		1Q:	\$ 100,000.00
Expended This Quarter:	\$			
Total Remaining:	\$ 2,117,173.08	Funds leveraged using local match	\$ 369,723.14	

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Not Started | <input type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input type="checkbox"/> Environmental Review | <input type="checkbox"/> Under Construction |
| <input checked="" type="checkbox"/> Design and/or Engineering | <input type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

The project will construct improvements by proposing three lanes westbound and two lanes eastbound west of Kenneth Ave and no lane widening beyond 150 feet east of Kenneth Avenue. The Roadway improvements also includes landscaping, sidewalks, drainage, pavement resurfacing, traffic signal modifications, and bike lanes. New traffic signal interconnect will also be installed to provide traffic congestion relief.

Activities This Quarter

This project is currently in preliminary design and environmental review stage. Public outreach and community input on the proposed project will be solicited through public meetings which is expected to occur spring 2023. Right-of-way acquisition process will begin after preliminary design is complete.

Measure A Capital Projects Quarterly Status Report



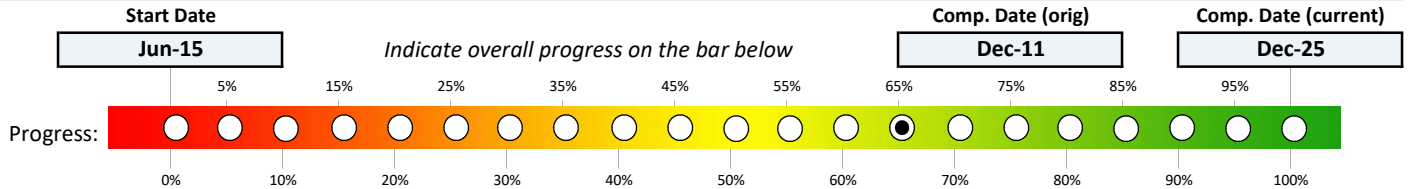
PROJECT INFO

Quarter Ended:	September 30, 2022	Fiscal Year:	2022-23	Reporting Quarter:	1
Agency:	County of Sacramento	Project Mgr:	Melissa Wright, Principal Civil Engineer		
		Contact Info:	(916) 874-9182		
Project Name:	South Watt Ave/Elk Grove-Florin Rd: Folsom Boulevard to Calvine Road				
Sponsor Project ID Number:	STOXdG	STA Project ID Number:	A-27-SC		
Original Est. Project Cost:	\$ 10,873,412.00	Current Est. Project Cost:	\$ 53,000,000.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ 3,159,720.99	Projected Spending	2Q:	\$ 653,000.00
Previous Contract(s) Spending:	\$ 3,159,720.99		3Q:	\$ 653,000.00
Current Contract Amount:	\$ 9,031,000.00		4Q:	\$ 653,000.00
Current Contract Spending:	\$ 230,512.11		1Q:	\$ 705,000.00
Expended This Quarter:	\$ -			
Total Remaining:	\$ 8,800,487.89	Funds leveraged using local match	\$ 1,935,112.29	

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Not Started | <input type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input type="checkbox"/> Environmental Review | <input type="checkbox"/> Under Construction |
| <input checked="" type="checkbox"/> Design and/or Engineering | <input type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

The project is currently in the Design and Engineering and Right-of-Way phase of work. An engineering consultant is under contract and the environmental studies for CEQA are complete. Project design is continuing and includes coordination with stakeholders such as the City of Sacramento, Caltrans, adjacent developers, the Central Valley Flood Protection Board, and Central California Traction Railroad Company. Hydromodification and drainage design alternatives on the project are being coordinated. Right of way activities are progressing. 65% Plans (B-plans) went out in August 2022.

Measure A Capital Projects Quarterly Status Report



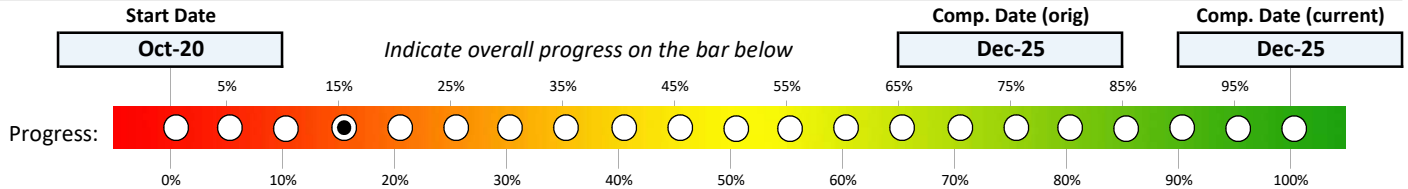
PROJECT INFO

Quarter Ended:	September 30, 2022	Fiscal Year:	2022-23	Reporting Quarter:	1
Agency:	County of Sacramento	Project Mgr:	Melissa Wright, Principal Civil Engineer		
		Contact Info:	(916) 874-6291		
Project Name:	Sunrise Boulevard: Jackson Road to Grant Line Road				
Sponsor Project ID Number:	Not Assigned	STA Project ID Number:	A-31-SC		
Original Est. Project Cost:	\$ 79,763,000.00	Current Est. Project Cost:	\$ 79,763,000.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ -	Projected Spending	2Q:	\$ 42,000.00
Previous Contract(s) Spending:	\$ -		3Q:	\$ 42,000.00
Current Contract Amount:	\$ 2,576,000.00		4Q:	\$ 42,000.00
Current Contract Spending:	\$ -		1Q:	\$ 56,250.00
Expended This Quarter:	\$ -			
Total Remaining:	\$ 2,576,000.00	Funds leveraged using local match	\$ -	

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Not Started | <input type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input type="checkbox"/> Environmental Review | <input type="checkbox"/> Under Construction |
| <input checked="" type="checkbox"/> Design and/or Engineering | <input type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

This is a Phase 1 Project and includes widening of Sunrise Boulevard between Jackson Hwy and Kiefer Road in the City of Rancho Cordova and intersection improvements at Jackson Road and Sunrise Boulevard by the County.

Activities This Quarter

The City of Rancho Cordova (City) and the County executed a reimbursement agreement for this project that is being included in the City's Sunrise Widening project. The City's consultant is underway with preliminary design efforts, including coordination with USBR.

Measure A Capital Projects Quarterly Status Report



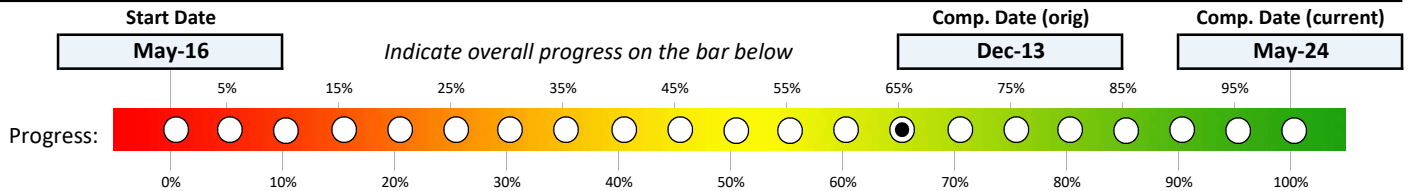
PROJECT INFO

Quarter Ended:	September 30, 2022	Fiscal Year:	2022-23	Reporting Quarter:	1
Agency:	County of Sacramento	Project Mgr:	Melissa Wright, Principal Civil Engineer		
		Contact Info:	(916) 874-6291		
Project Name:	Watt Avenue: Antelope Road to Capital City Freeway				
Sponsor Project ID Number:	STOXDN	STA Project ID Number:	A-37-SC		
Original Est. Project Cost:	\$ 40,825,817.00	Current Est. Project Cost:	\$ 40,825,817.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ 263,377.50	Projected Spending	2Q:	\$ 357,000.00
Previous Contract(s) Spending:	\$ 263,377.50		3Q:	\$ 357,000.00
Current Contract Amount:	\$ 2,720,000.00		4Q:	\$ 357,000.00
Current Contract Spending:	\$ 1,031,199.45		1Q:	\$ 35,750.00
Expended This Quarter:	\$ 290,958.27			
Total Remaining:	\$ 1,397,842.28	Funds leveraged using local match	\$ 1,270,573.17	2

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|--|--|---|
| <input type="checkbox"/> Not Started | <input checked="" type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input type="checkbox"/> Environmental Review | <input type="checkbox"/> Under Construction |
| <input type="checkbox"/> Design and/or Engineering | <input type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

Project improvements on this corridor are for a segment of Watt Avenue from Interstate 80 to Roseville Road. The design for this project will implement a complete streets concept that will include sidewalk infill, Americans With Disabilities Act (ADA) improvements (curb ramps and bus stops), Class II bike lanes, and streetscape enhancements.

Activities This Quarter

Project remains in the right-of-way phase, the design team is refining the roadway design and coordinating with utilities. Right of way is progressing, with a goal to certify the right of way by early 2023. Plan design to be 65% complete (B-plans coordination) is expected in late 2022.

Measure A Capital Projects Quarterly Status Report



PROJECT INFO

Quarter Ended: **September 30, 2022** Fiscal Year: **2022-23** Reporting Quarter: **1**

Agency: **Capital SouthEast Connector** Project Mgr: **Matt Lampa**
Contact Info: LampaM@SacCounty.gov

Project Name: **Capital SouthEast Connector**

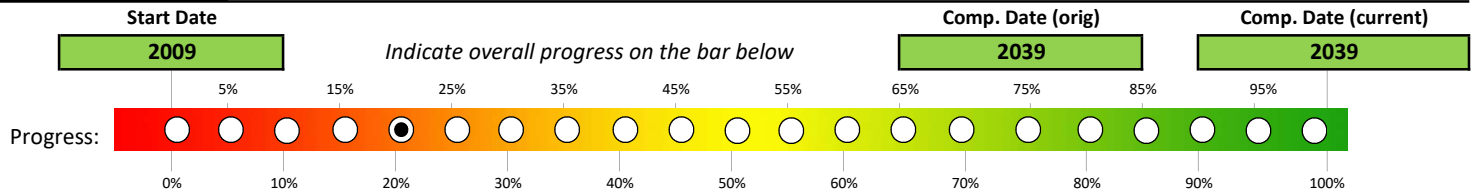
Sponsor Project ID Number: **N/A** STA Project ID Number: **A-16-JP (10&20)**

Original Est. Project Cost: \$ **1,006,014,000** Current Est. Project Cost: \$ **588,190,000**

MEASURE A FUNDING

Previous Contract(s) Amount:	\$	12,788,762.00	Projected Spending	2Q:	\$	986,001
Previous Contract(s) Spending:	\$	12,788,762.00		3Q:	\$	392,500
Current Contract Amount:	\$	27,640,000.00		4Q:	\$	392,500
Current Contract Spending:	\$	25,305,401.09		1Q:	\$	500,000
Expended This Quarter:		563,597.75				
Total Remaining:		1,771,001.16				
Funds leveraged using local match						\$ 150,300,000.00

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|--|---|---|
| <input type="checkbox"/> Not Started | <input type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input type="checkbox"/> Environmental Review | <input type="checkbox"/> Under Construction |
| <input type="checkbox"/> Design and/or Engineering | <input checked="" type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

Explanation of activities:

- **Segment A:** A1 & A2 - Revised Draft Project Report and NEPA document and re-submitted to Caltrans.
- **Segment B:** B2 Project construction is ongoing. Coordination with County of Sacramento and City of Elk Grove regarding development along Grant Line Rd.
- **Segment C:** Continued coordination w/ the City of Elk Grove on planning documents and conceptual designs for traffic signal and roundabout alternatives for various intersections along the alignment.
- **Segment D2:** Coordination with SACOG on programming and MTIP update. Preparation of a grant funding application. Coordination with County of Sacramento on development infrastructure along Grant Line Rd.
- **Segment D3:** D3a Project construction is ongoing. Scott Rd Realignment Project construction is ongoing. D3b rail crossing planning is ongoing. Preparation and submittal of a grant funding application to SACOG.

Measure A Capital Projects Quarterly Status Report



PROJECT INFO

Quarter Ended: **September 30, 2022** Fiscal Year: **2022-23** Reporting Quarter: **1**

Agency: **Capital SouthEast Connector** Project Mgr: **Derek Minnema**
Contact Info: minnemad@saccounty.gov

Project Name: **Capital SouthEast Connector**

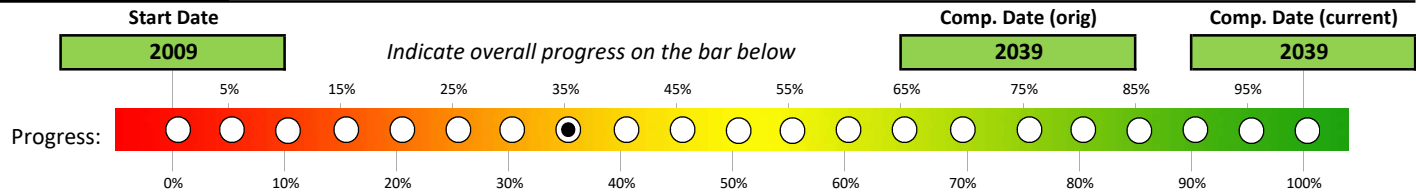
Sponsor Project ID Number: **N/A** STA Project ID Number: **A-16-JPM**

Original Est. Project Cost: \$ **1,006,014,000** Current Est. Project Cost: \$ **588,190,000**

MEASURE A FUNDING

Previous Contract(s) Amount:	\$	-	Projected Spending	2Q:	\$	891,558
Previous Contract(s) Spending:	\$	-		3Q:	\$	-
Current Contract Amount:	\$	5,000,000.00		4Q:	\$	-
Current Contract Spending:	\$	4,088,216.27		1Q:	\$	-
Expended This Quarter:		20,226.15				
Total Remaining:		891,557.58				
Funds leveraged using local match					\$	-

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- Not Started
- Pending or On-Hold
- Design and/or Engineering
- Right-of-Way Acquisition
- Environmental Review
- Planning/Financing/Approval
- Bidding and/or Contracting
- Under Construction
- Completed

Explanation of Activities this Quarter and Additional Notes

Explanation of activities:

- Evaluation of project environmental impact and mitigation strategies.

Measure A Capital Projects Quarterly Status Report



PROJECT INFO

Quarter Ended: **September 30, 2022** Fiscal Year: **2022-23** Reporting Quarter: **1**

Agency: **City of Rancho Cordova** Project Mgr: **Kristine Courdy**
Contact Info: kcourdy@cityofranhocordova.org

Project Name: **Chase Drive - American River Parkway Connection**

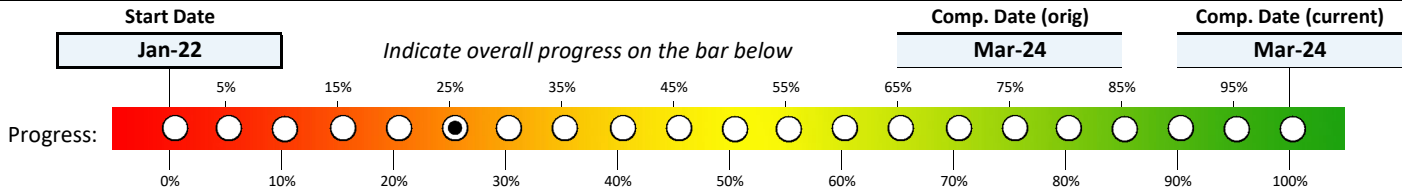
Sponsor Project ID Number: **CP22-2220** STA Project ID Number: **A-32-RC-SGIP**

Original Est. Project Cost: \$ **3,150,000.00** Current Est. Project Cost: \$ **3,300,000.00**

MEASURE A FUNDING

Total Measure A Funding:	\$	788,000.00	Projected Spending	2Q:	\$	25,000.00
Current Contract Amount:	\$	788,000.00		3Q:	\$	75,000.00
Total Previously Expended:	\$	93,561.14		4Q:	\$	100,000.00
Expended This Quarter:	\$	28,319.07		1Q:	\$	50,000.00
Total Remaining:	\$	666,119.79		Funds leveraged using local match	\$	-

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Not Started | <input type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input type="checkbox"/> Environmental Review | <input type="checkbox"/> Under Construction |
| <input checked="" type="checkbox"/> Design and/or Engineering | <input type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

The City is finalizing the 30% design for the Project and stakeholder outreach. There has been stakeholder consensus on the trail alignment and the City has initiated the community outreach.



DECEMBER 8, 2022

AGENDA ITEM # 6

BUDGET TO ACTUAL REPORTS – FIRST QUARTER FISCAL YEAR 2022-23

Action Requested: Receive and File

Key Staff: Dustin Purinton, Accounting Manager

Each quarter staff prepare analyses summarizing budgeted to actual revenue and expenditures for the Sacramento Transportation Authority's (STA) General Fund, SacMetro Freeway Service Patrol (FSP), the Sacramento Abandoned Vehicle Service Authority (SAVSA) and the Administration Fund. Notable variances for this period are as follows:

STA General Fund

1. Sales tax revenue came in \$0.4 million higher (1%) than expected - \$44.2 million versus the forecasted amount of \$43.8 million. Consumers spending continues to be strong and spending has increased on automotive service stations and wholesale building materials.
2. Interest is \$1.0 million higher than expected. This increase is due to significant swap agreement payments in the first quarter. This is due to the increasing interest rates.
3. Capital improvement program expenditures were lower than expected by \$4.9 million. This program is budgeted based on projected yearly contract spending. Agencies expenditures vary from year to year, but they never exceed the maximum contract value.
4. Transfers out (to the Debt Service Fund) were \$0.9 million higher than expected. This increase is due to rising interest rates. This is offset by the interest revenue from swap partners.

SacMetro FSP

1. State allocations for the program came in at \$629 thousand or \$126 thousand less than expected. The program receives funding on a reimbursement basis – as towing contractors bill the program, invoices are generated and sent to Caltrans for payment. State allocations trail program expenditures, there should be increased state allocations in the second quarter.

SAVSA

1. No new revenue is anticipated for Fiscal Year 2022-23. Actual fund balance exceeds budget to align with actual beginning fund from audited financial statements.

Attachments

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

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

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

Revenue:

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

Appropriations:

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

* Capitol Valley Regional Service Authority for Freeways and Expressways

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

Revenue:

	FY 23 Budget	Q1 Expected Amount	Actual Amount	Budget/Actual Variance	Comments
Vehicle License Fees	\$ -	\$ -	\$ -	\$ -	Good
Interest	20	-	305	-	Good
Total Revenue	\$ 20	\$ -	\$ 305	\$ -	
Beginning Fund Balance	119,647	134,606	134,606	-	Actual beginning fund balance - June 30, 2022 audited financial statements
Total Revenue and Beginning Fund Balance	\$ 119,667	\$ 134,606	\$ 134,911	\$ -	

Appropriations:

Contributions to SAVSA Entities	\$ -	\$ -	\$ -	\$ -	Good
Salaries and Overhead	19,285	-	-	0	Good
Total Appropriations	\$ 19,285	\$ -	\$ -	\$ -	
Ending Fund Balance	\$ 100,382	\$ 134,606	\$ 134,911	\$ -	

BUDGET TO ACTUAL ANALYSIS

STA Administration

Fiscal Year Ending September 30, 2022 (accrual basis)

Revenue:

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

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

Appropriations:

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

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



December 8, 2022

AGENDA ITEM # 7

AMENDMENT TO EXTEND THE TERM OF THE FINANCIAL CONSULTING SERVICES AGREEMENT

Action Requested: Authorize Executive Director

Presenter: Dustin Purinton, Accounting Manager

Recommendation

Authorize the Executive Director to execute a one-year amendment extension with PFM Financial Advisors LLC (PFM) for Financial Consulting Services.

Background

In September 2020, the STA Governing Board authorized the Financial Consulting Services agreement with PFM. PFM has provided high quality consulting services to the STA for more than 12 years. Past services have included determining capital program cash flow requirements, identifying types and scheduling of financing mechanisms, and assisting with debt program management such as negotiating credit facilities and remarketing agreements, as well as identifying cost saving opportunities such as refunding existing debt. The existing agreement was a three-year agreement and will expire on December 31, 2022. The existing agreement provided compensation of up to \$50,000 per year. For the three-year term, the total compensation allowed was \$150,000. However, actual expenses under this agreement have only been \$12,512.50 in total.

Most recently PFM has assisted STA with the following financial accomplishments:

- Increased Credit Rating to AAA with stable outlook from AA+ rating.
- Refinanced the existing 2012 Series Bonds with an interest savings of \$1.95 million and release of approximately \$5.6 million held in reserve for debt service.
- Completed a five-year extension of the Standby Bond Purchase Agreement, for the 2009C Series, with negotiated competitive Commitment Fee Rate of 0.34%.

Discussion

Staff recommends the STA Governing Board authorize the Executive Director to execute a one-year amendment extension with PFM Financial Advisors LLC (PFM) for Financial Consulting Services.

Attachment

SACRAMENTO TRANSPORTATION AUTHORITY

FIRST AMENDMENT TO AGREEMENT FOR FINANCIAL CONSULTING SERVICES

THIS FIRST AMENDMENT is made and entered into this 8th day of December 2022, by and between the SACRAMENTO TRANSPORTATION AUTHORITY, a California local transportation authority formed pursuant to the Public Utilities Code, hereinafter referred to as "AUTHORITY", and PFM Financial Advisors LLC hereinafter referred to as "CONSULTANT".

R E C I T A L S

WHEREAS, AUTHORITY and CONSULTANT have previously entered into an agreement on September 17, 2020 to provide Measure A revenue projections and determine cash flow requirements; facilitate and implement a preferred financing strategy; and provide on-going advisory services to STA (hereinafter "Agreement"); and

WHEREAS, AUTHORITY and CONSULTANT desire to formally amend said Agreement to extend the term during which CONSULTANT will provide services;

NOW, THEREFORE, the Agreement is amended as follows:

I. TERM

The term during which CONSULTANT will provide services is extended to December 31, 2023.

II. REAFFIRMATION

In all other respects, the above referenced Agreement, as amended, remains in full force and effect.

III. ENTIRE AGREEMENT

This Agreement, as amended, and any attachments hereto, constitute the entire understanding between AUTHORITY and CONSULTANT concerning the subject matter contained herein.

IV. EFFECTIVE DATE

This Amendment shall be deemed effective as of the date both Parties have executed below.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Agreement as of the date both parties have executed below.

SACRAMENTO TRANSPORTATION
AUTHORITY

By _____
Kevin Bewsey
Executive Director

Date: _____

PFM Financial Advisors LLC

By _____
Peter Shellenberger
Managing Director

Date: _____



December 8, 2022

AGENDA ITEM # 8

AUTHORIZE AN AGREEMENT FOR SALES TAX AUDIT AND RECOVERY SERVICES

Action Requested: Authorize Executive Director

Presenter: Dustin Purinton, Accounting Manager

Recommendation

- Authorize the Executive Director to execute a three-year agreement, with an optional two-year extension, with MuniServices, LLC (Muni) to continue performing sales tax audit, recovery services and sales tax projections.

Background

In December 2007, the Sacramento Transportation Authority (STA) engaged Muni to perform sales tax audits to capture additional revenue that may not otherwise have been collected. Some sales tax remitting entities underreport sales tax collections to the California Department of Tax and Fee Administration (CDTFA). Although the CDTFA employs sales tax auditors, in some cases they don't catch all underreported sales taxes. Therefore, the STA contracts with Muni to identify underreported sales tax, notify the CDTFA for follow-up with the violators, and collect additional revenue as warranted. This initial contract was executed in 2007 for a three-year term which automatically renewed every three-years (referred to as an evergreen clause) without action by the Authority. Under the evergreen clause, the initial contract automatically renewed four times, for a total of 12 years ending in 2019. During that time, STA was paying a 30% fee on any additional sales tax revenue collected.

In early 2019, STA staff requested bids from Muni and the only other vendor providing similar services in California – HdL Companies. The market was much more competitive, so the fees had come down considerably. The new rate offered by Muni for the same services was a 15% fee, which was less than its competitor. Muni also included revenue forecasting services twice annually for an additional \$2,500. STA used this information for budgeting and financial planning. In April of 2019, the STA Governing Board authorized a Sales Tax Audit and Recovery Services contract with Muni. The 2019 contract was a three-year term and expired on March 31st, 2022.

Discussion

STA staff researched additional firms that could provide these services and also reached out to other peer agencies. Based on this effort it was determined that the number of firms providing these services was limited to Muni and HdL Companies. STA staff then requested bids from both Muni and HdL Companies. The rate proposed by Muni for these services was a 15% fee, which was less than HDL Companies. They also proposed revenue forecasting services twice annually for an additional \$2,500.

Given the competitive rate for sale tax audit and recovery services and Muni's acceptance of a standard three-year contract with an option to extend two-years (no evergreen clause), Staff recommends the STA Governing Board authorize the Executive Director to execute a Agreement for a three-year term retroactive to April 1, 2022, with an optional two-year extension.

Attachment

Consultant Services Agreement

This Consultant Services Agreement (the “Agreement”) is made as of April 1, 2022 (“Effective Date”) by and between the **Sacramento Transportation Authority**, a local transportation authority established pursuant to Section 180000 (et seq.) of the California Public Utilities Code (“STA” or “CLIENT”) and **Avenu MuniServices, LLC**, a Delaware limited liability company, (“CONSULTANT”), collectively the Parties. In consideration of the mutual promises herein contained and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the parties agree as follows:

A. Services

1. CONSULTANT will provide CLIENT with the Services described in EXHIBIT A, Statement of Work which is attached hereto and incorporated by reference. CONSULTANT shall provide said services at the time, place, and in the manner specified in EXHIBIT A.
2. CONSULTANT shall furnish at its own expense all labor, materials, equipment and other items necessary to carry out the terms of this Agreement.

B. Compensation

1. CLIENT will pay CONSULTANT as outlined in EXHIBIT A, “Compensation”, which is attached hereto and incorporated by reference.

C. General Provisions

1. Term of the Agreement: The initial term of this Agreement shall be for a period of three years (3) following the date of mutual execution (“Initial Term”), and may be extended for two (2) successive one (1)-year terms (“Extended Term”) provided the CLIENT provides written notice of its election to extend the term at least sixty (60) days prior to expiration of the Initial or Extended Term. Either party shall have the right to terminate this Agreement in the event of a material breach by the other party. Any such termination may be made only by providing sixty (60) days prior written notice to the other party, specifically identifying the breach or breaches on which termination is based. Following receipt of such notice, the party in breach shall have thirty (30) days to cure such breach or breaches. In the event that such cure is not made, this Agreement shall terminate in accordance with the initial sixty (60) days’ notice. Provided, however, this Agreement is subject to termination upon not less than thirty (30) days written notice to CONSULTANT if CLIENT has failed to receive funds for the continued procurement of the Products or Services after every reasonable effort has been made by CLIENT to secure the necessary funding and if no substitute arrangement is made by CLIENT to obtain the same or similar System or Services from another source. CLIENT agrees to discontinue use of all hardware, software, and other CONSULTANT-owned materials no later than the effective date of termination and return the hardware, software, and other CONSULTANT-owned materials to CONSULTANT within thirty (30) calendar days after termination.
2. Effect of Termination: Notwithstanding non-renewal or termination of this Agreement, CLIENT shall be obligated to pay CONSULTANT for services performed through the effective date of termination for which CONSULTANT has not been previously paid. In addition, because the services performed by CONSULTANT prior to termination or non-renewal of this Agreement may result in the CLIENT’s receipt of revenue after termination which are subject to CONSULTANT’s fee, the CLIENT shall remain

obligated after termination or non-renewal to provide to CONSULTANT such information as is necessary for CONSULTANT to calculate compensation due as a result of the receipt of revenue by the CLIENT. Termination of this Agreement for any reason will not affect any liabilities or obligations of either party arising before termination or out of events causing termination and will not affect any damages or other remedies to which a party may be entitled under this Agreement, at law, or in equity, arising from any breach or default.

3. Certification of Confidentiality: CONSULTANT qualifies under Section 7056 of the Revenue and Taxation Code to review (Bradley-Burns) confidential taxpayer information and documentation before the State Board of Equalization (“BOE”) or its successor agency, the Department of Tax and Fee Administration (collectively, or in the alternative, the “Agency”). CONSULTANT is hereby authorized by this Agreement to examine transactions tax, sales tax and use tax records of the Agency, pertaining to the ascertainment of those sales or transactions and use taxes to be collected for the CLIENT.
 - a. CONSULTANT is required to disclose information contained in, or derived from, those transactions, sales and use tax records only to an officer or employee of the CLIENT who is authorized by resolution or designated by the CLIENT to examine the information.
 - b. CONSULTANT is prohibited from performing consulting services for a retailer during the term of this Agreement.
 - c. CONSULTANT is prohibited from retaining the information contained in, or derived from, those transactions, sales and use tax records, after this Agreement has expired.
 - d. The Parties agree that although the scope of work generically refers to “sales and use tax” those references are meant to include “sales, transactions, and use tax” as part of the scope of work, including but not limited to any transactions and use taxes adopted after the effective date of the Agreement.
 - e. The Parties agree that the Agreement is applicable to all Sales, Transactions and Use Tax Ordinances currently enacted or administered by the CLIENT and which may become enacted while the Agreement is in effect.
 - f. The Parties agree that Resolution No. STA 07-009, attached hereto as Exhibit B, was passed and adopted by the CLIENT on or about November 8, 2007, and that said Resolution designated CONSULTANT as a person authorized to examine the transaction and use tax records of the BOE pertaining to the transactions and use taxes collected for CLIENT
4. Independent Contractor: It is understood that CONSULTANT and its subcontractors, if any, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of the CLIENT. CLIENT understands that CONSULTANT may perform similar services for others during the term of this Agreement and agrees that CONSULTANT representation of other government sector clients is not a conflict of interest. CONSULTANT shall obtain no rights to retirement benefits or other benefits which accrue to CLIENT's employees, and CONSULTANT hereby expressly waives any claim it may have to any such rights.
5. Subcontractors: CONSULTANT shall have the right to hire subcontractors to provide the services described herein. CONSULTANT, in rendering performance under this Agreement shall be deemed an

independent contractor and nothing contained herein shall constitute this arrangement to be employment, a joint venture, or a partnership. CONSULTANT shall be solely responsible for and shall hold CLIENT harmless from any and all claims for any employee related fees and costs including without limitation employee insurance, employment taxes, workman's compensation, withholding taxes or income taxes.

6. Notice: Any notice required to be given under this Agreement shall be in writing and either served personally, sent prepaid first-class mail, or by express mail courier (i.e. FedEx, UPS, etc.). Any such notice shall be addressed to the other party at the address set forth below. All notices, including notices of address changes, provided under this Agreement are deemed received on the third day after mailing if sent by regular mail, or the next day if sent overnight delivery.

If to CLIENT:

Sacramento Transportation Authority

Attn: Dustin Purinton
801 12th Street Floor 5
Sacramento, CA 95814
Phone:
Email:

If to CONSULTANT:

Avenu MuniServices, LLC

Attn: Contracts Department
5860 Trinity Parkway., Suite 120
Centreville, VA 20120
Email: contracts@avenuinsights.com

7. Representative or designees: CONSULTANT Primary Representative/Project Manager shall be:

Tanmin Rima, Client Services Manager
5170 Golden Foothill Parkway, Suite 112
El Dorado Hills, CA 95762

Phone: 669 204 9539 Email: Tanmin.Rima@avenuinsights.com

8. Indemnity: CONSULTANT shall indemnify, defend, and hold harmless the CLIENT, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) to extent occurring or resulting from CONSULTANT's negligent or unlawful performance of its obligations under or breach of the terms of this Agreement, unless such claims, liabilities, or losses arise out of, or are caused at least in part by the sole negligence or willful misconduct of the CLIENT. "CONSULTANT's performance" includes CONSULTANT's action or inaction and the action or inaction of CONSULTANT's officers, employees, agents and subcontractors.

9. Limitation of Liability: **IN NO EVENT SHALL CONSULTANT, ITS EMPLOYEES, CONTRACTORS, DIRECTORS, AFFILIATES AND/OR AGENTS BE LIABLE FOR ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, SUCH AS, BUT NOT LIMITED TO, DELAY, LOST DATA, DISRUPTION, AND LOSS OF ANTICIPATED PROFITS OR REVENUE ARISING FROM OR RELATED TO THE SERVICES, WHETHER LIABILITY IS ASSERTED IN CONTRACT OR TORT, AND WHETHER OR NOT CONSULTANT HAS BEEN ADVISED OF THE POSSIBILITY OF ANY SUCH LOSS OR DAMAGE. THE FOREGOING SETS FORTH THE CLIENT'S EXCLUSIVE REMEDY FOR CLAIMS ARISING FROM OR OUT OF THIS AGREEMENT. THE PROVISIONS OF THIS SECTION ALLOCATE THE RISKS BETWEEN CONSULTANT AND THE CLIENT AND CONSULTANT'S PRICING REFLECTS THE ALLOCATION OF RISK AND LIMITATION OF LIABILITY SPECIFIED HEREIN.**

10. Insurance: CONSULTANT shall keep in full force and effect insurance coverage during the term of this Agreement, including without limitation statutory workers' compensation insurance; employer's liability and commercial general liability insurance; comprehensive automobile liability insurance; professional liability and fidelity insurance. The insurance certificate shall name the CLIENT, its agents, officers, servants and employees as additional insureds under the CGL and Automobile policies with respect to the operations and work performed by the named insured as required by written contract. The General Liability policy is Primary & Non-Contributory. Waiver of Subrogation applies under the General Liability and Workers' Compensation policies. The CGL insurance minimum coverage shall be at least \$1,000,000 per incident, claim or occurrence and \$2,000,000 aggregate. The Cybersecurity insurance minimum coverage shall be at least \$2,500,000 per incident, claim or occurrence. The Automobile Liability insurance minimum coverage shall be at least \$1,000,000 covering all owned, non-owned, and hired vehicles. The certificate shall provide that there will be no cancellation, termination, or non-renewal of the insurance coverage without a minimum 30-day written notice to the CLIENT, except in the case of cancellation for non-payment of premium which shall be at least 10-days written notice.
11. Assignment: This Agreement shall be binding upon and inure to the benefit of the parties, their successors, representatives and assigns. CONSULTANT shall not assign this Agreement, or delegate its duties or obligations under this Agreement, without the prior written consent of CLIENT, which consent shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, CONSULTANT may assign this Agreement, in whole or in part, without the consent of CLIENT to any corporation or entity into which or with which CONSULTANT has merged or consolidated; any parent, subsidiary, successor or affiliated corporation of CONSULTANT; or any corporation or entity which acquires all or substantially all of the assets of CONSULTANT. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties and their successors or assigns.
12. Ownership of Documents: Except for CONSULTANT's preexisting proprietary information and processes, any and all documents, including draft documents where completed documents are unavailable, or materials prepared or caused to be prepared by CONSULTANT pursuant to this agreement shall be the property of the CLIENT at the moment of their completed preparation.
13. Intellectual Property Rights: The entire right, title and interest in and to CONSULTANT's database and all copyrights, patents, trade secrets, trademarks, trade names, and all other intellectual property rights associated with any and all ideas, concepts, techniques, inventions, processes, or works of authorship including, but not limited to, all materials in written or other tangible form developed or created in the course of this Agreement (collectively, the "Work Product") shall vest exclusively in CONSULTANT or its subcontractors. The foregoing notwithstanding, in no event shall any CLIENT-owned data provided to CONSULTANT be deemed included within the Work Product.
14. Public Release and Statements: Neither party or its representatives or agents shall disseminate any oral or written advertisement, endorsement or other marketing material relating to each other's activities under this Agreement without the prior written approval of the other party. Neither party shall make any public release or statement concerning the subject matter of this Agreement without the express written consent and approval of the other party. No party or its agent will use the name, mark or logo of the other party in any advertisement or printed solicitation without first having prior written approval of the other party. The parties shall take reasonable efforts to ensure that its subcontractors shall not disseminate any oral or written advertisement, endorsement or other marketing materials referencing or relating to the other party

without that party's prior written approval. In addition, the parties agree that their contracts with all subcontractors will include appropriate provisions to ensure compliance with the restrictions of this Section.

15. Force Majeure: CONSULTANT shall not be in default of its obligations hereunder to the extent that its performance is delayed or prevented by causes beyond its control, including but not limited to acts of God, government, quarantines, pandemics, endemics, weather, fire, flood, earthquake, weather, climate change, elements of nature, war, terrorism, civil disturbance, labor disruptions, strikes, embargoes, power or telecommunications failures, inability to obtain supplies, breakdown of equipment or interruption in vendor services or communications, or cause beyond the reasonable control of CONSULTANT ("Force Majeure Event"). Upon the occurrence of a Force Majeure Event, the party that has experienced a delay or failure of performance caused by the Force Majeure Event will be excused from further performance or observance of the affected obligation(s) for as long as the extenuating circumstances prevail and that party continues to attempt to recommence performance or observance whenever and to whatever extent possible without delay. The party that experienced a delay or failure of performance caused by the Force Majeure Event will immediately notify the other party and describe in reasonable detail the circumstances causing the delay or failure of performance. The provisions of this Section shall survive termination of this Agreement.
16. Relationship of the Parties This Agreement shall not constitute, create, give effect to, or otherwise imply a joint venture, partnership, or business organization of any kind. CONSULTANT and CLIENT are independent parties, and neither party shall act as an agent for or partner of the other for any purpose. Nothing in this Agreement shall grant to either party any right to make any commitments of any kind for or on behalf of the other party without the prior written consent of the other party. CONSULTANT shall not be restricted from providing products or performing services for others and shall not be bound to CLIENT except as provided under this Agreement.
17. Severability If all or part of any term or condition of this Agreement, or the application of any term or condition of this Agreement, is determined by any court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of the terms and conditions of this Agreement (other than those portions determined to be invalid or unenforceable) shall not be affected, and the remaining terms and conditions (or portions of terms or conditions) shall be valid and enforceable to the fullest extent permitted by law. If a judicial determination prevents the accomplishment of the purpose of this Agreement, the invalid term or condition (or portions of terms or conditions) shall be restated to conform to applicable law and to reflect as nearly as possible the original intent of the parties.
18. Waiver Or Forbearance Any delay or failure of either party to insist upon strict performance of any obligation under this Agreement or to exercise any right or remedy provided under this Agreement shall not be a waiver of that party's right to demand strict compliance, irrespective of the number or duration of any delay(s) or failure(s). No term or condition imposed on either party under this Agreement shall be waived and no breach by either party shall be excused unless that waiver or excuse of a breach has been put in writing and signed by both parties. Waiver in any instance of any right or remedy shall not constitute waiver of any other right or remedy under this Agreement. Consent to or forbearance of any breach or substandard performance of any obligation under this Agreement shall not constitute consent to modification or reduction of the other obligations or forbearance of any other breach.
19. Entire Agreement: This Agreement constitutes the entire agreement between the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the

subject matter contained herein. Said Agreement shall not be amended, altered, or changed, except by a written amendment signed by both parties.

- 20. Headings The section headings used in this Agreement are merely for reference and have no independent legal meaning and impose no obligations or conditions on the parties.
- 21. Governing Law This Agreement shall be governed by, interpreted, construed, and enforced in accordance with the laws of the State of California, without reference to the principles of conflict of laws.
- 22. Counterparts: This Agreement may be signed in separate counterparts including facsimile copies. Each counterpart (including facsimile copies) is deemed an original and all counterparts are deemed on and the same instrument and legally binding on the parties.
- 23. Invalidity: If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
- 24. Implementation: Implementation should begin as soon as possible from the signing of this Agreement (the "Effective Date") for the performance of services under the terms of this Agreement.

IN WITNESS HEREOF, the parties have caused this Agreement to be executed on the date first written above.

"CLIENT"
Sacramento Transportation Authority
a Municipal Corporation

"CONSULTANT"
Avenu MuniServices, LLC
a Delaware limited liability company

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTEST:

Name: _____

Title: _____

APPROVED AS TO FORM:

Name: _____

Title: _____

EXHIBIT A – STATEMENT OF WORK

Approach to District Tax Work

Our goal is to maximize STA’s revenue. The objective of Avenu/MuniServices’ Sales and Use Tax Audit (“SUTA”) and Recovery service is to maximize Sacramento Transportation Authority’s (“STA or CLIENT”) district tax revenue– and minimize the cost of lost revenue. We accomplish this through the timely detection and correction of sales, use and transaction taxes misallocated and/or under-reported based on

- 1) Shipping to and/or from another jurisdiction,
- 2) another county or another state, and
- 3) deficient transaction and sales taxes that should be paid and allocated to another transportation agency rather than STA or not reporting the complete amounts.

We pursue correction of all misallocations and deficiencies to the fullest extent allowable within the statute of limitations on recoverability.

Our sales/transaction and use tax audit program

- ▶ identifies and corrects sales/transaction and use tax reporting errors of businesses that, based on the nexus of their activities, are not properly registered within the sphere of the agency;
- ▶ identifies and corrects sales/transaction and use tax reporting errors of businesses that based on delivery of sales into Sacramento County, are not properly collecting and reporting the district tax for STA;
- ▶ augments the revenue information used for ongoing economic analysis by the comprehensive audit reviews to include these identified sources of sales or use tax and how the transaction taxes would apply;
- ▶ guides and educates STA taxpayers on California Department of Tax and Fee Administration (“CDTFA”) local tax reporting rules and regulations to facilitate accurate reporting on future returns;
- ▶ assists STA with strategies to preserve and enhance sales and use tax revenue generated by existing businesses within STA’s jurisdiction; and
- ▶ pursues all revenues due to STA due to inaccurate policy, regulatory and legislative tax applications.

We work to get STA revenues quickly. We expedite the submission of misallocation and deficiency reporting errors in addition to the correction of errors, so STA receives revenue much faster. Our comprehensive investigative process and extensive documentation ensure prompt corrections – as well as a minimum of bi-weekly submissions to the CDTFA.

The nature and complexity of sales transactions leading to errors also influences how long recoveries take to process. Based on recent history, simple allocation errors correct quickly, and revenue is funded to the agency (97.5% within four quarters or less), while deficiency errors that implicate interpretations of the statutes and require a billing of the deficient tax to the taxpayer along with regulatory interpretation can take longer. Avenu/MuniServices provides detailed information and documentation at the time the error is submitted to the CDTFA to expedite correction; and we are successful in providing taxpayers with the applicable information and education than expedites and enhances the recovery of mis-reported or deficient district tax revenue. Our interaction with taxpayers is also intended to mitigation additional financial hardship while at the same time, generating the deficient revenue to STA.

Because Avenu/MuniServices is already performing the audit services there will not be delays in initiating the audit service. We are committed to continuing to provide STA with the audit process immediately upon receipt of a fully executed contract, and confidentiality resolution and will submit a list of our work in progress within the first 60 days of execution of the contract.

District Tax Audit Processes

The following is a high-level summary of our district tax audit processes and techniques we employ as we work with STA staff to maximize revenue from the STA district tax.

- ▶ **Taxable Nexus Field Audit.** We target district-based businesses that do not pay sales and use tax. We do this via a physical canvassing of the district's borders in addition to the commercial and industrial areas. We evaluate taxes paid by businesses for their products, will-call operations and other references to sales-related activities. Without this labor-intensive undertaking, misallocations may remain undetected even when electronic data mining is applied.

- ▶ **Tax Area Code (TAC)/Permitization Audit.** We identify and correct improperly registered permits of companies with point-of-sale or use operations. We also look for businesses with an incorrect tax area code due to jurisdictional/boundary confusion. Wholesalers, contractors, manufacturers and other non-retail businesses frequently do not hold a permit registered to the district because their operations do not include a point-of-sale qualifying activity. However, these companies often generate tax from the CDTFA audit deficiency assessments, new or changed operations, or the self-accrual of use tax on purchases through direct payment permits.

- ▶ **Quarterly Distribution Report (QDR) Audit.** We conduct QDR audits when we see a substantial change in historical allocation because of declining or missing payments, negative fund transfers, and audit adjustments in the sales and use tax allocation. To make sure the district gets the highest possible amount of misallocated revenue, we include the current economic period based on the calendar quarter and the three prior tax return periods. Avenu/MuniServices reviews 100% of taxpayers reporting local tax to the district each quarter in addition to a comprehensive review of the countywide pool.

Short and Long-Term Sales, Transactions and Use Tax Forecast

Avenu/MuniServices will prepare and review the updated forecast as requested by STA twice per year. Consultant will also provide a forecast that covers current fiscal year to the end of the term of the district tax measure in FY 38-39.

Consultant forecast methodology builds up from the business level performance, analyzing gains, declines, new, closed and one-time adjustments to establish an “adjusted base” before we begin the next phase. STA’s sales tax base is divided into economic categories such General Retail, Construction, Transportation, Food Products, and Business to Business. These categories are further broken down into economic segments such as department stores, service stations, hardware stores, etc, etc.

Consultant accounts for each of these components when building the forecast models.

- Actual Transactions & Use Tax data and Actual Sales & Use Tax data
- Macroeconomic trends
- Microeconomic trends
- Sales tax anomalies
- Future developments
- Threatened businesses
- Legislative actions

Deliverables

Twice per year, or more frequently upon request by STA, Consultant will deliver Sales, Transactions and Use Tax Forecasts to STA. Authority will receive a hardcopy or softcopy of the forecasts results. Additionally, during the delivery period, Consultant will meet with staff to review economic trends and the forecast. Consultant will also include a presentation to the Board and/or one of its subcommittees upon request by STA.

Clearview – Sales & Use Tax Analytics and Reporting (Optional for STA)

Avenu/MuniServices has developed state of the art technology products for our clients. Our new Sales Tax Reporting online software titled ‘*Clearview*’ is a powerful data analytics platform that allows agency staff to research local business activity and export data for further analysis.

Consolidated Economic Reports

- ▶ See key trends at the category, segment, and retailer levels.
- ▶ Access a quick view of how your key retailers are performing.
- ▶ View customized cash forecast by fiscal year.
- ▶ Search for any retailer in your jurisdiction and view their recent payment history.

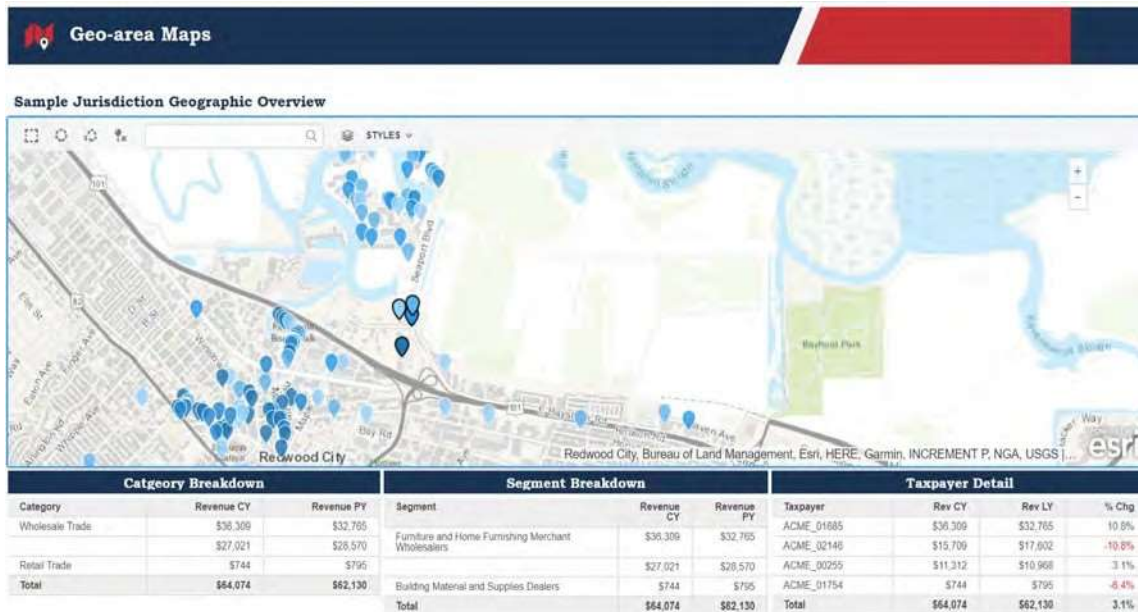
- ▶ Review and Export the rankings of the sales tax producers in your jurisdiction for recent periods.
- ▶ Locate potential one-time payments.
- ▶ Export the Excel data behind the reports for further analysis or export the visualization to pdf for inclusion in your internal reports.
- ▶ Access to our analysts to support your use of our tools.



Figure 2 - Clearview Data Analysis Tools with Graphical User Interface

Geo Area Reports (Cash and Economic) & GIS Maps

- ▶ Review trends and where the growth or declines within the geo-area are concentrated and uncover the key drivers of those changes.
- ▶ Export a 10-year history of each geo-area directly to excel for use in your internal reports.
- ▶ Visualize your geo-areas and summarize by category and segment.
- ▶ Dynamically view the revenue changes in your geo-areas over time.
- ▶ Compare the performance of one geo-area to another.



Cash Trends and Distribution Summaries

- ▶ Review the fiscal year-to-date totals for your cash.
- ▶ See which parts of your economy changed and key retailers driving cash changes.
- ▶ Compare your cash performance to other jurisdictions to benchmark performance.
- ▶ Review your cash distributions from the CDTFA.

Compensation

Sales Tax and Transactions and Use Tax Audit Services

Avenu/MuniServices proposes to provide this service to STA on a contingency fee basis for 15% of the additional revenue received by STA as a result of the accounts identified and corrected by Avenu. While correction will be pursued for all active STA measures, this fee applies to revenue received for STA for all retroactive quarters corrected within the statute of limitation prior to the Date of Knowledge quarter and for no forward quarters beginning with the quarter in which the Date of Correction falls (applicable for misallocation and deficiency errors only as specified in documentation).

As used herein, the Date of Knowledge is the quarter during which Avenu/MuniServices notifies the CDTFA of the existence of a misallocation or deficiency. As used herein, the Date of Correction refers to the quarter in which the taxpayer has correctly reported the local tax and the CDTFA distributes the local tax properly to STA based on the taxpayer's reporting. This fee shall apply to both misallocation and deficiency errors identified and corrected by Avenu.

For Quarterly Distribution Report (QDR) misallocation or deficiency errors detected and corrected, Avenu's compensation shall only include the quarter(s) for which the error actually occurred as documented in the petition filed with the SBOE. A QDR typically involves a one or two quarter reporting error for a taxpayer that has historically been reporting to the district on a quarterly basis.

The QDR errors are billed for the specific quarter(s) identified and do not involve billing for go-forward quarters.

Completion of Audit Services

Because the services performed by Avenu/MuniServices result in corrections of misallocations and other revenue after cessation of services performed by Avenu/MuniServices for STA, STA agrees that with regards to misallocations identified to the SBOE whose DOK occurred during Avenu/MuniServices performance of services for STA or for other revenue resulting from Avenu/MuniServices actions taken during the term of the Agreement, that STA's obligation to pay Avenu/MuniServices in accordance with the compensation language of the Agreement will survive expiration or termination of the Agreement for any reason. Additionally, notwithstanding any other provision of the Agreement, if the Agreement is terminated or expires, Avenu/MuniServices will continue to pursue corrections of accounts identified during the term of the Agreement that have not been corrected by the SBOE as of the effective date of termination or expiration. The period after termination during which Avenu/MuniServices is pursuing correction of accounts identified before termination is referred to as the "completion period." STA will compensate Avenu/MuniServices in accordance with the compensation language of the Agreement for corrected misallocations that result from Avenu/MuniServices efforts during the completion period. STA will also take all necessary steps to allow Avenu/MuniServices to continue to receive the required information from the SBOE during this completion period.

Sales, Transactions and Use Tax Forecasting Services

STA shall pay Consultant \$2,500 per year for two forecasts. Each delivery of sales tax forecasts will include a meeting and presentation to discuss both forecasts in detail to staff and/or committee/board meetings.

Clearview Online Reporting Services (Optional for STA)

Avenu/MuniServices annual fee of \$10,000, paid \$2,500 quarterly. The annual price shall be adjusted at the beginning of each calendar year by the percentage change in the Consumer Price Index – West Urban (CPI-WU) as reported by the Bureau of Labor Statistics. The adjustments are based on the CPI-WU from December of the prior calendar year. Each Annual Fee adjustment shall not be less than two percent (2%) or greater than ten percent (10%).

Additional Consulting

All sales tax services, ad hoc report, and geo area reports requested by STA are provided as a part of the above-mentioned compensation at no extra cost. Therefore, no additional hourly fees shall be applied. However, should both Avenu/MuniServices and STA mutually agree upon a more extensive study or consultation, Avenu/MuniServices may request an additional fee. Examples include an economic development study, an economic forecast (requiring additional consulting resources) or integrated GIS mapping for sales/use tax data.

If Avenu/MuniServices and STA agree on the scope of the additional consulting services requested, then Avenu/MuniServices shall provide the additional consulting services on a Time and Materials basis. Depending on the personnel assigned to perform the work, Avenu' standard hourly rates range from \$75 per hour to \$325 per hour.

EXHIBIT B

SACRAMENTO TRANSPORTATION AUTHORITY

RESOLUTION NO. 19-0001

A Resolution Authorizing the Examination of Sales or Transactions and Use Tax Records

WHEREAS, pursuant to Ordinance No. STA-0002 and STA-04-01 of the Sacramento Transportation Authority (STA) and Section 7270 of the Revenue and Taxation Code, the STA entered into a contract with the California Department of Tax and Fee Administration (formerly State Board of Equalization) (CDTFA) to perform all functions incident to the administration and collection of the Transactions and Use Tax Ordinances and the local sales and use taxes; and

WHEREAS, STA deems it necessary for authorized representatives of STA to examine confidential sales and transactions and use tax records of the CDTFA pertaining to sales and transactions and use taxes collected by the CDTFA for STA; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of CDTFA records and establishes criminal penalties for the unlawful disclosure of information contained in, or derived from sales or transactions and use tax records of the CDTFA; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code requires that any person designated by STA shall have an existing contract to examine STA's sales and transactions and use tax records.

NOW, THEREFORE IT IS RESOLVED AND ORDERED AS FOLLOWS:

Section 1. That the Executive Director or Chief Financial Officer, or other officer or employee of STA designated in writing by the Executive Director to the CDTFA is hereby appointed to represent STA with authority to examine all of the sales and transactions and use tax records of the CDTFA pertaining to sales and transactions and use taxes collected for STA by the CDTFA pursuant to the contract between STA and the CDTFA. The information obtained by examination of CDTFA records shall be used for purposes related to the collection of STA's sales and transactions and use taxes by the CDTFA pursuant to the contract.

Section 2. That the Executive Director or Chief Financial Officer, or other officer or employee of STA designated in writing by the Executive Director to the CDTFA, is also hereby appointed to represent STA with the authority to examine those sales and transactions and use tax records of the CDTFA for purposes related to the following governmental functions of STA:

- a) tracking and economic development
- b) forecasting and budget related functions
- c) detection of misallocations and deficiencies

The information obtained by examination of CDTFA records shall be used only for those governmental functions of STA listed above.

Section 3. That Avenu/MuniServices is hereby designated and authorized to examine all of the sales and transactions and use tax records of the CDTFA pertaining to all sales and use taxes collected for STA and any transaction and use taxes collected for STA under the following Transactions and Use Tax Ordinances and any future Transactions and Use Tax Ordinances that may be enacted in the STA:

Measure A Sales Tax for Transportation

April 1, 2009

The person or entity designated by this section meets all of the following conditions:

- a) has an existing contract with STA to examine sales and transactions and use tax records;
- b) is required by that contract to disclose information contained in, or derived from those sales and transactions and use tax records only to an officer or employee authorized under Section 1 (or Section 2) of this resolution to examine the information;
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;
- d) is prohibited by that contract from retaining the information contained in or derived from those sales and transactions and use tax records after that contract has expired.

BE IT FURTHER RESOLVED that the information obtained by examination of CDTFA records shall be used only for purposes related to the collection of STA's sales and transactions and use taxes by the CDTFA pursuant to the contracts between STA and the California Department of Tax and Fee Administration and for purposes relating to the governmental functions of STA listed in Section 2 of this resolution.

Section 4. This resolution supersedes all prior sales and transactions and use tax resolutions of STA adopted pursuant to subdivision (b) of Revenue and Taxation Code Section 7056.

On a motion by Member **Carr**, seconded by Member **Suen**, the foregoing resolution was passed and adopted by the Governing Body of the Sacramento Transportation Authority at a regular meeting thereof this 11th day of April, 2019, by the following vote, to wit:

AYES: Carr, Frost, Gatewood, Guerra, Hansen, Harris, Hume, Lozano, Miller, Nottoli, Suen, Peters

NOES: None

ABSENT: Howell, Kennedy, Schenirer, Serna

ABSTAIN: None

RECUSAL: None
(PER POLITICAL REFORM ACT (§ 18702.5.))

Suzann Price

Chairperson, Governing Body of the
Sacramento Transportation Authority



Renee White
Clerk of the Governing Body

FILED
BOARD OF DIRECTORS

APR 11 2019
Alorence Evans
BY _____
CLERK OF THE BOARD

In accordance with Section 25103 of the Government Code of the State of California a copy of the document has been delivered to the Chairman on 4-11-19

By *Renee White*
Deputy Clerk, Board of Directors



DECEMBER 8, 2022

AGENDA ITEM # 9

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE PRESENTATION OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT, AGREED UPON PROCEDURES REPORT, PERFORMANCE AUDIT, AND GOVERNANCE LETTER

Action Requested: Receive and Approve

Presenter: Joan Borucki, ITOC Member

Key Staff: Dustin Purinton, Accounting Manager

Recommendation

1. Receive a presentation from the Independent Taxpayer Oversight Committee (ITOC).
2. Approve the Annual Comprehensive Financial Report (ACFR), Agreed Upon Procedures Report (AUP), Performance Audit, and Governance Letter.

Background Information

The passage of the 2004 Measure A Ordinance mandates the ITOC supervises the fiscal and performance audits regarding the use of all sales tax funds. Sacramento Transportation Authority's (STA) 2021/22 ACFR presents STA's financial condition and the results of activities for the fiscal year that ended June 30, 2022. An independent public accounting firm, Richardson & Company, LLP, has audited the ACFR financial statements and performed the AUP and Performance Audit as required by the 2004 Measure A Ordinance.

Discussion

STA has prepared the ACFR to present financial information in a standard format prescribed by the Government Finance Officers Association. The results of the audits and AUP reflect no significant audit issues or disagreements with management in connection with the 2021/22 year.

1. Staff recommends the STA Governing Board receive a presentation from the Independent Taxpayer Oversight Committee and approve the Annual Comprehensive Financial Report, Agreed Upon Procedures Report, Performance Audit, and Governance Letter.

Attachments



2022

SACRAMENTO
TRANSPORTATION
AUTHORITY

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE YEAR ENDED
JUNE 30TH, 2022

PREPARED BY STA STAFF
SACRAMENTO, CA

www.sacta.org

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

SACRAMENTO TRANSPORTATION AUTHORITY

Sacramento, California

FOR THE

FISCAL YEAR ENDED JUNE 30, 2022

PREPARED BY

Dustin Purinton, CPA
Accounting Manager

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**SACRAMENTO TRANSPORTATION AUTHORITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**SACRAMENTO TRANSPORTATION AUTHORITY
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FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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Sacramento Transportation Authority

801 12th Street, 5th Floor
Sacramento, CA 95814

(916) 323-0080 Phone
(916) 323-0850 Fax

Email: info@sacta.org
Web: SacTA.org

November 3, 2022

**To the Sacramento Transportation Authority Governing Board
and Citizens of the County of Sacramento:**

Letter of Transmittal

State law requires that the Sacramento Transportation Authority (Authority) publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards by independent certified public accountants. Pursuant to this requirement, we are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Authority for the fiscal year ended June 30, 2022.

Management assumes responsibility for the completeness and reliability of the information presented in this report based on the Authority's comprehensive framework of internal controls established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Measure A requires that an Independent Taxpayer Oversight Committee (ITOC) supervise fiscal and performance audits regarding the use of all transportation sales tax funds and perform periodic independent reviews to ensure that all Measure A funds are spent in accordance with the provisions in the Ordinance approved by voters. Under the supervision of the ITOC, the Authority engages an independent audit firm to perform the annual financial and compliance audit of all Measure A, Sacramento County Abandoned Vehicle Service Authority (SAVSA) and Sacramento Metropolitan Freeway Service Patrol (SacMetro FSP) funds.

The Authority's current audit firm, Richardson & Company, LLP has issued an unmodified opinion on the Authority's financial statements for the year ended June 30, 2022. The Independent Auditor's Report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Authority

The Authority was established in August 1988 under the Local Transportation Authority and Improvement Act, California Public Utilities Code Division 19. The Governing Board of the Authority (Board) consists of sixteen-members – five from the Sacramento County Board of Supervisors, five from the Sacramento City Council, one from the Citrus Heights City Council, two from the Elk Grove City Council, one from the Folsom City Council, one from the Rancho Cordova City Council, and one from the Galt City Council who also

represents the City of Isleton. The Board is responsible for establishing ordinances, adopting an annual budget, and hiring and overseeing the Executive Director. The Executive Director is responsible for carrying out the policies and ordinances of the Authority as well as overseeing day-to-day operations and Authority staff consisting of the Accounting Manager and the Special Programs Manager.

The Authority serves as the taxing and implementation agency for the voter-approved Measure A Transportation Improvement Program, which imposes a half-cent sales tax to fund transportation operations and improvements throughout the County. The original 20-year measure (Original Measure A) was approved in 1988 and began in April 1989. In 2004, voters approved a 30-year extension of Original Measure A beginning in April 2009 (Measure A). All sales tax revenue is restricted for public roadway improvements and maintenance, procuring open space mitigation, public transit, air quality, and elderly and handicapped transportation programs. However, 0.75% of the net sales tax revenue is allocated to the Authority for program administration costs.

Measure A also created the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP). This program imposes a uniform transportation mitigation fee on new development in Sacramento County to assist in funding roadway and transit system improvements needed to accommodate projected growth and development.

In addition to the Measure A programs, the Board administers the SacMetro FSP program and acts concurrently as the authority over SAVSA which was established under California Vehicle Code Section 22710 in 1992. The code currently allows counties to impose a \$1 surcharge on vehicle registrations to help fund the abatement of abandoned vehicles. This program expired on April 30, 2022. There is no secured funding for the future of this program. Participating jurisdictions include the County of Sacramento and the Cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova, and Sacramento. Each participating jurisdiction has adopted a local ordinance which establishes procedures for the abatement, removal, and disposal of abandoned vehicles.

SacMetro FSP was established in 1992 through a Memorandum of Understanding (MOU) with the California Department of Transportation (Caltrans), California Highway Patrol (CHP) and the Authority. Additionally, in 2009 the Authority assumed responsibility for administering FSP for Yolo County. Funding for the program is through the State Highway Account and local match funds from the Capitol Valley Regional Service Authority for Freeways & Expressways (CVR-SAFE). The program consists of a system of roving tow trucks deployed at peak traffic times to assist motorists with stalled vehicles and remove related hazards from the roadway. This reduces freeway delays caused by minor accidents, stalled vehicles, and in-lane debris, improving highway safety, and reducing emissions by easing highway congestion.

This report includes all funds and jurisdictions that are financially accountable to the Authority. Accountability is determined through budget adoption, taxing authority, and imposition of will.

Local Economy

As of October 2022, the unemployment rate for Sacramento County decreased to 3.5%, down from 6.1% during the same month last year. State unemployment stands at 4.2% and the national unemployment rate is 3.6%. Recovery from the COVID pandemic has continued to strengthen into fiscal year 2021-22 as indicated by sales tax revenue gain of 12.6% over the prior year. Consumer spending has increased in nearly

every category, most significantly retail and other outlet stores. Recent sales tax forecasts by the Authority's consultant indicate flattening growth.

The population in Sacramento County is more than 1.5 million and continues growing at an annual rate of about one percent. Sacramento's employment base is roughly 23% governmental since it is the State's capital where many governmental agencies are headquartered providing a relatively steady employment and tax base.

Regardless of future economic conditions, the Authority faces formidable ongoing challenges in terms of providing needed infrastructure funding to support a growing population and economy that has outgrown the capacity of its existing infrastructure. However, the regional economy continues to retain many of the fundamental positive attributes that fueled earlier growth, including a large pool of skilled workers, and increasing wealth and education levels.

Long Term Financial Planning

Proactive financial planning is a critical element for the success of the Authority as it looks to the future. Regularly projecting and updating revenues and expenditures ensures that the Authority's expectations are realistic and goals achievable. The program is not anticipating additional debt funding, pay-as-you-go funding is the primary source of future funding. Monitoring program objectives and working closely with Measure A partners to meet those objectives will be an ongoing endeavor.

The Authority annually updates its long-term revenue projections and cash flows to determine the availability of funding for capital projects programmed in the Measure A Transportation Expenditure Plan. This effort ensures that funding is available when and where needed based on the latest information provided to the Authority by Measure A partner agencies. As needed, Authority staff work with the Authority's financial advisors to identify opportunities to reduce bond program costs and take advantage of opportunities that present themselves as market conditions dictate.

Accomplishments

Over the last year, Authority staff worked diligently to increase transparency and public accountability. Those efforts have led to many reports and points of public contact including the following:

- Prepared quarterly budget-to-actual summary reports for each of the programs the Authority administers. These documents are reviewed and discussed during regular public meetings held by the Board and ITOC.
- Reformatted and expanded the budget presentation to provide more information in a user-friendly format. Staff included a robust discussion regarding the Authority's capital program including all voter-approved projects and a five-year financing plan by project.
- Received the Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Award. This award is in recognition that the Authority met the very highest quality standards that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting.

- Built trusting relationships with our partner agencies by keeping clear channels of communication open through sharing information early and often.
- Continued supporting the ITOC as it carries out its mission to oversee fiscal and performance audits and ensure that all Measure A funds are spent in accordance with the provisions of the Expenditure Plan and Ordinance.
- Successfully completed the transition from our previous Executive Director who left in June 2022 to our current Executive Director.
- Affirmed AAA credit ratings with Standard & Poor's and Fitch for the Authority's bond program.

In the coming fiscal year, staff will continue to identify and act on improvements in the way it does business. The business environment and transportation industry are continuously on the move – so are we.

Awards and Acknowledgements

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for the fiscal year ended June 30, 2021. This was the 27th consecutive year the Authority achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current ACFR continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for its next certification.

The ACFR each year is a collaborative effort by Authority staff and its independent auditors. The undersigned are grateful to all staff for their willingness to expend the effort necessary to ensure the financial information contained herein is accurate and completed within established deadlines.

In closing, without the leadership and the support of the Board, preparation of this report would not have been possible. Its prudent management must be credited for the strength of the Authority's sound fiscal condition, and its vision ensures that the Sacramento Transportation Authority will be on the move planning for and building a better future for Sacramento County residents and commuters.

Respectfully Submitted,



DUSTIN PURINTON, CPA
Accounting Manager



KEVIN BEWSEY, PE
Executive Director

SACRAMENTO TRANSPORTATION AUTHORITY

LIST OF PRINCIPAL OFFICIALS

June 30, 2022

BOARD MEMBERS

PATRICK KENNEDY, County of Sacramento
PHIL SERNA, County of Sacramento
RICH DESMOND, County of Sacramento (Vice-Chair)
SUE FROST, County of Sacramento
DON NOTTOLI, County of Sacramento
ROSARIO RODRIGUEZ, City of Folsom
KATIE VALENZUELA, City of Sacramento
ERIC GUERRA City of Sacramento
MAI VANG, City of Sacramento
JEFF HARRIS, City of Sacramento
JAY SCHENIRER, City of Sacramento
STEVE MILLER, City of Citrus Heights
BOBBIE SINGH-ALLEN, City of Elk Grove (Chair)
KEVIN SPEASE, City of Elk Grove
PAUL SANDHU, City of Galt and Isleton
DONALD TERRY, City of Rancho Cordova

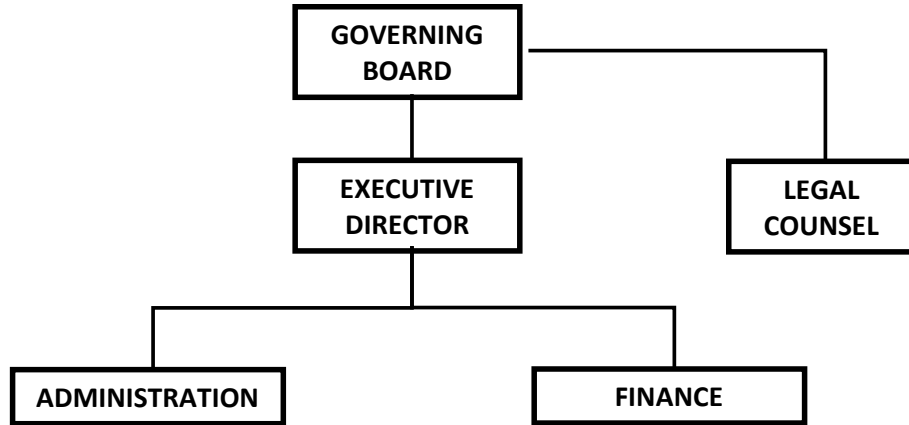
Alternates

NICK AVDIS, County of Sacramento
SHAWN FARMER, City of Galt
BRET DANIELS, City of Citrus Heights
MIKE KOZLOWSKI, City of Folsom
SIRI PULIPATI, City of Rancho Cordova
DARREN SUEN, City of Elk Grove

STAFF

KEVIN BEWSEY, Executive Director
DUSTIN PURINTON, Accounting Manager
JENNIFER DOLL, Special Programs Manager
WILLIAM BURKE, Legal Counsel

SACRAMENTO TRANSPORTATION AUTHORITY
For the Year Ended June 30, 2022
Organization Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Sacramento Transportation Authority
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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Sacramento, California 95825

Telephone: (916) 564-8727
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sacramento Transportation Authority
Sacramento, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sacramento Transportation Authority (Authority), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Authority as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Directors
Sacramento Transportation Authority

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions to Pension Plan and Schedule of Changes in the Total OPEB Liability and Related Ratios as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Directors
Sacramento Transportation Authority

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Richardson & Company, LLP

November 3, 2022

**SACRAMENTO TRANSPORTATION AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

As management of the Sacramento Transportation Authority (Authority) and the Sacramento Abandoned Vehicle Service Authority (SAVSA), collectively the Authority, we offer readers the Authority’s financial statements and this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information furnished in the transmittal letter and financial statements, which are included in this report.

Financial Highlights

- Total revenue increased to \$186.3 million in FY 2021-22 from \$167.2 million (11.4%) in the prior year, of which sales tax comprised most of the increase - \$172.9 million versus \$153.6 million (12.6%). The most significant increases are in retail and other outlet stores as consumers have increasing demand.
- Total expenditures increased \$12.4 million (7.2%) to \$184.9 million in FY 2021-22 from \$172.5 million in the prior year. Most of the increase, \$13.9 million, was attributed to ongoing allocations which are passed through to specific agencies based on a formula identified in the voter-approved Ordinance – as sales tax revenue increases, so do the allocations. This increase was offset by a reduction of \$2.1 million in project-related expenditures for the Sacramento Countywide Transportation Mitigation Fee Program. These expenditures are subject to reimbursement requests by the capital project program partners.
- Net position was negative \$296.4 million (deficit). The deficit decreased by \$1.3 million (-0.4%) when compared to the prior year. The deficit will continue since the Authority reports debt associated with its capital program, but the assets constructed are reported in the financial statements of the agencies building them.

Overview of the Financial Statements

This discussion and analysis serve as an introduction to the Authority’s basic financial statements, which are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report contains required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* provide readers with a broad overview of the Authority’s finances, like a private sector business.

The *statement of net position* presents information on all the Authority’s assets, liabilities, and deferred outflows/inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of activities* presents information showing how the Authority's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements report the functions of the Authority principally supported by sales tax and mitigation fee revenues. The governmental activities of the Authority include Measure A formulaic allocations, capital program costs, Sacramento Metropolitan (SacMetro) Freeway Service Patrol (FSP) and SAVSA services, transit services, and general administration.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting ensures and demonstrates compliance with finance-related legal requirements.

Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, governmental fund financial statements focus on near-term inflows/outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. As a result, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government-wide financial information.

The Authority's governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balance include four separate funds - the General Fund, two Special Revenue Funds, and a Debt Service Fund.

The Authority adopts an annual budget for the General Fund, SAVSA Special Revenue fund, and Debt Service fund. A budgetary comparison schedule for the General Fund and SAVSA are part of the basic financial statements, while the Debt Service budgetary comparison schedule can be found in the supplementary section.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

Within the *statement of net position*, the most significant change was a \$54.7 million (-11.9%) decrease in Non-Current Liabilities attributed primarily to the decrease of \$49.2 million (-46.9%) in the fair value of the Authority's interest rate hedging derivatives. Annually, an independent third party estimates the fair market value to exit the three forward interest rate swap agreements to hedge the variable interest rate risk associated with the Series 2009A, 2014A, and 2015A Measure A sales tax revenue bonds. During the past fiscal year federal interest rates have increased slightly from historic lows, which decreased the difference between the variable (amount of interest the Authority receives) and fixed interest rates (amount of interest the Authority pays) and in turn decreased the fair value of the hedging derivatives.

- Current and other assets and current liabilities decreased by \$5.6 million (-6.0%) and \$1.9 million (-5.2%), respectively. Current and other assets decreased primarily because of increased ongoing program spending that reduced cash balances in the Transit Services Special Revenue Fund. Current liabilities decreased primarily because of the accruals for sales tax allocations in the last two months of the fiscal year were lower than the previous fiscal year.
- Non-current liabilities decreased a total of \$54.7 million (-11.9%). The change was driven by the decreased value of the interest rate hedging derivatives reported, which is also as deferred outflows of resources.

SACRAMENTO TRANSPORTATION AUTHORITY				
STATEMENT OF NET POSITION				
	2022	2021	Variance	
			Dollar	Percent
Current and Other Assets	\$ 87,691,479	\$ 93,254,117	\$ (5,562,638)	(6.0%)
Total assets	87,691,479	93,254,117	(5,562,638)	(6.0%)
Deferred outflows of resources	55,977,244	105,160,748	(49,183,504)	(46.8%)
Current Liabilities	34,567,559	36,449,451	(1,881,892)	(5.2%)
Non -Current Liabilities	404,879,197	459,572,968	(54,693,771)	(11.9%)
Total liabilities	439,446,756	496,022,419	(56,575,663)	(11.4%)
Deferred inflows of resources	590,915	73,823	517,092	700.4%
Net position				
Restricted for Measure A	38,547,188	43,075,725	(4,528,537)	(10.5%)
Restricted for debt service	6,714,471	6,714,470	1	0.0%
Restricted for Transit	12,672,072	12,916,670	(244,598)	(1.9%)
Restricted for Other	367,382	442,016	(74,634)	(16.9%)
Unrestricted	(354,670,061)	(360,830,258)	6,160,197	1.7%
Total net position (deficit)	\$ (296,368,948)	\$ (297,681,377)	\$ 1,312,429	0.4%

The majority of the Authority's deficit net position represents debt issued to fund capital projects constructed by other local agencies and reported in their financial statements. The Authority is a pass-through agency that exists to fund projects, not build them.

Within the *Statement of Activities*, the most significant changes were an increase of \$19.4 million (12.6%) in general revenue derived from a one-half cent countywide sales tax. As previously mentioned in the financial highlights section, increases in consumer spending for retail and other outlet stores have contributed to the increased sales tax revenue. Program revenues decreased \$0.3 million (-2.4%), \$0.7 million of which is attributed to increased development fees received under the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP). This program generates a fee on new development that is used to mitigate the impacts on transportation infrastructure. This decrease was offset by an increase in Freeway Service Patrol (FSP) revenue of \$0.5 million, due to service levels returning to pre-Covid levels. The FSP program is a reimbursable grant program, so revenues are driven by expenditures.

Measure A expenditures increased by \$11.8 million (8.1%) because most of the sales tax revenue is formulaically allocated – for every dollar generated, roughly 79% is passed through.

SACRAMENTO TRANSPORTATION AUTHORITY				
STATEMENT OF ACTIVITIES				
	2022	2021	Variance	
			Dollar	Percent
Revenues:				
Program Revenue	\$ 13,148,712	\$ 13,472,954	\$ (324,242)	(2.4%)
General Revenue	173,120,203	153,721,875	19,398,328	12.6%
Total revenues	<u>186,268,915</u>	<u>167,194,829</u>	<u>19,074,086</u>	<u>11.4%</u>
Expenses:				
Measure A	157,983,986	146,184,109	11,799,877	8.1%
Debt Service	14,626,531	14,881,164	(254,633)	(1.7%)
Transit Services*	6,753,289	6,140,147	613,142	10.0%
SAVSA	1,082,042	1,338,700	(256,658)	(19.2%)
Other	4,510,638	4,003,612	507,026	12.7%
Total expenses	<u>184,956,486</u>	<u>172,547,732</u>	<u>12,408,754</u>	<u>7.2%</u>
Change in net position	1,312,429	(5,352,903)	6,665,332	(124.5%)
Net position (deficit) - beginning as previously reported	(297,681,377)	(310,454,659)	12,773,282	4.1%
Restatement**		18,126,185		
Net Position (deficit) - beginning as restated	<u>(297,681,377)</u>	<u>(292,328,474)</u>		
Net position (deficit) - ending	<u>\$ (296,368,948)</u>	<u>\$ (297,681,377)</u>	<u>\$ 1,312,429</u>	<u>0.4%</u>

* This is a new Special Revenue Fund created as a result of implementing GASB 84

** The restatement is the result of implementing GASB 84

Governmental Funds Financial Analysis

As of June 30, 2022, the Authority's governmental funds reported combined fund balances of \$60.4 million, a \$4.0 million (-6.2%) decrease from the prior year balance of \$64.4 million. This decrease is mostly attributed to a spend down of cash balances in the Transit Services Special Revenue Fund.

SACRAMENTO TRANSPORTATION AUTHORITY				
FUND BALANCE				
	2022	2021	Variance	
			Dollar	Percent
General Fund	\$ 46,215,439	\$ 44,616,768	\$ 1,598,671	3.6%
SAVSA*	134,606	162,960	(28,354)	(17.4%)
Transit Service**	7,108,570	12,916,670	(5,808,100)	(45.0%)
Debt Service	6,980,101	6,714,471	265,630	4.0%
Total	<u>\$60,438,716</u>	<u>\$64,410,869</u>	<u>(\$3,972,153)</u>	<u>(6.2%)</u>

* Sacramento Abandoned Vehicle Service Authority

All fund balances are restricted for specific purposes with exception of the amount available in the General Fund for program administration – about \$1.9 million as of June 30, 2022. The General Fund balance was expected to decrease during FY 2021-22 as the Authority increased spending on its capital improvement program using cash and lower tax revenues anticipated during the year. During FY 2021-22 revenues increased to cover much of the increased spending.

General Fund – This fund reports activity for the Measure A program, the SCTMFP, SacMetro FSP, and general administration. The General Fund ended the year with a fund balance of \$46.2 million, or \$1.6 million (3.6%) more than the prior year.

- Cash and investments decreased by \$1.2 million (-3.8%) because capital improvement program expenditures were higher than program revenues. This trend is expected to continue in the coming fiscal year.
- Interest receivable increased about \$18,000 (19.8%) because the year-end accruals were based on similar cash balances and higher interest rates close to fiscal year end.
- Due from other governments increased \$1.4 million (4.0%) because sales tax revenue accruals for the last two months of the fiscal year were \$1.1 million higher than in the prior year. The remaining increase was attributed to the FSP accruals.
- Due from other funds decreased almost \$22,000 (100.0%) because overhead allocation costs were transferred prior to year-end in the current year.
- Accounts payable increased more than \$314,000 (168.8%) because of invoices due to SacMetro FSP contractors were higher than the prior year.
- Due to Other Governments decreased by \$1.8 million (-6.6%). There were decreased accruals for the capital program in the SCTMFP program.
- Due to other funds increased by nearly \$167,000 (100%) because of an inter-fund payable between the General Fund and the Transit Services Special Revenue Fund. Sales tax cash receipts flow through the General Fund when they are received.
- SCTMFP fund balance decreased \$5.1 million (-48.0%) because capital program expenditures exceeded program revenue.
- SacMetro FSP fund balance decreased by almost \$46,000 (-16.6%) as program expenditures were greater than the associated program revenues.
- General Administration fund balance increased more than \$610,000 (48.3%) due to increasing sales tax revenue allocations and consulting expenditures were kept to a minimum in the current year.

**SACRAMENTO TRANSPORTATION AUTHORITY
BALANCE SHEET - GENERAL FUND**

	2022	2021	Variance	
			Dollar	Percent
Assets:				
Cash and Investments	\$ 30,351,915	\$ 31,537,830	(\$1,185,915)	(3.8%)
Interest Receivable	107,533	89,761	17,772	19.8%
Due From Other Governments	37,053,470	35,643,492	1,409,978	4.0%
Due From Other Funds		22,401	(22,401)	(100.0%)
Restricted Cash and Investments	5,673,417	5,658,662	14,755	0.3%
Total assets	<u>73,186,335</u>	<u>72,952,146</u>	<u>234,189</u>	<u>0.3%</u>
Liabilities:				
Accounts Payable	500,170	186,103	314,067	168.8%
Due to Other Governments	26,304,059	28,149,275	(1,845,216)	(6.6%)
Due to Other Funds	166,667		166,667	100.0%
Total liabilities	<u>26,970,896</u>	<u>28,335,378</u>	<u>(1,364,482)</u>	<u>(4.8%)</u>
Fund Balances:				
Restricted				
Measure A	38,547,188	32,366,900	6,180,288	19.1%
SCTMFP	5,563,502	10,708,825	(5,145,323)	(48.0%)
SacMetro FSP	232,776	279,056	(46,280)	(16.6%)
Unassigned				
General Administration	1,871,973	1,261,987	609,986	48.3%
Total fund balance	<u>46,215,439</u>	<u>44,616,768</u>	<u>1,598,671</u>	<u>3.6%</u>
Total Liabilities and Fund Balances	<u>\$ 73,186,335</u>	<u>\$ 72,952,146</u>	<u>\$ 234,189</u>	<u>0.3%</u>

General Fund Budgetary Highlights

Revenues – Sales tax revenues increased by more than \$29.2 million (16.9%) - exceeding all expectations. Consumers throughout the county have started returning to travel and the service sector. There has also been a return to work that has increased local travel. The Covid 19 pandemic was estimated to negatively impact sales tax revenues, but actual results have been very positive. Additionally, SCTMFP revenues came in higher than anticipated – almost \$2.1 million (25.6%) – the decrease in activity due to the pandemic did not occur as anticipated, building activity remained consistent during the pandemic. Funding for the SacMetro FSP program was lower than expected by almost \$0.5 million (-13.7%) because the drawdown of state grant funding for towing contractors came in under expectations. Use of Money and Property revenue came in consistent with expectations.

Expenditures – Intergovernmental expenditures were much higher than budgeted because sales tax revenue came in over budget – of which roughly 79% is passed through formulaically. This increase amounted to \$23.0 million which was offset by decreased spending for the capital program that was under budget by \$13.2 million. Capital outlay was higher than expectations by \$381,753 (100.0%), which is a result of the implementation of GASB No. 87 in the current year. This amount represents the right of use asset on the Government Wide financial statements.

SACRAMENTO TRANSPORTATION AUTHORITY BUDGET TO ACTUAL ANALYSIS GENERAL FUND				
	Adopted Budget	Actual	Variance	
			Dollar	Percent
Revenues:				
Taxes	\$ 143,670,000	\$ 172,916,487	\$ 29,246,487	16.9%
SCTMFP	6,132,000	8,237,424	2,105,424	25.6%
Grants for SacMetro FSP	4,131,411	3,633,885	(497,526)	(13.7%)
Use of Money and Property	75,050	257,500	182,450	70.9%
Total Revenues	<u>154,008,461</u>	<u>185,045,296</u>	<u>31,036,835</u>	<u>16.8%</u>
Expenditures:				
General Government:				
Administrative	1,409,097	603,235	805,862	133.6%
SacMetro FSP	3,617,748	3,680,165	(62,417)	(1.7%)
Intergovernmental	148,152,874	157,983,986	(9,831,112)	(6.2%)
Capital Outlay		381,753	(381,753)	(100.0%)
Debt Service:				
Principal		43,519	(43,519)	(100.0%)
Interest and other charges		12,262	(12,262)	(100.0%)
Total Expenditures	<u>153,179,719</u>	<u>162,704,920</u>	<u>(9,525,201)</u>	<u>(5.9%)</u>
Other Financing Sources (Uses):				
Transfers out	(22,054,302)	(21,116,140)	938,162	(4.4%)
Proceeds from lease assets		381,753	(381,753)	(100.0%)
Total Other Financing Sources (Uses)	<u>(22,054,302)</u>	<u>(20,734,387)</u>	<u>1,319,915</u>	<u>(6.4%)</u>
Changes in Fund Balance	(21,225,560)	1,605,989	(22,831,549)	(1,421.7%)
Fund Balance Beginning of Year	44,616,768	44,616,768		
Fund Balance End of Year	<u>\$ 23,391,208</u>	<u>\$ 46,222,757</u>	<u>\$ 22,831,549</u>	<u>49.4%</u>

Other Financing Sources (Uses) – Actual expenditures were lower than budgeted by almost \$1.3 million (-6.4%). These expenditures are all related to debt service and a small onetime \$381,753 amount for the recognition of GASB No. 87, which recognizes the lease liabilities that were previously not recognized.

Long-term Debt

In October 2009, the Authority issued \$318.3 million in variable rate sales tax revenue bonds. The bonds issued were in three Series – 2009A, B, and C. Subsequently, Series 2014A and 2015A bonds refunded Series 2009A and 2009B bonds, respectively. In July 2012, the Authority issued an additional \$53.4 million in fixed-rate sales tax revenue bonds to accelerate transportation construction projects. The Authority began making principal payments on the Series 2012 bonds in FY 2016-17. Below is a summary of the Authority's bond portfolio as of June 30, 2022. For more detailed information on long-term debt, please refer to note 8.

SACRAMENTO TRANSPORTATION AUTHORITY LONG-TERM DEBT				
	Amount	Type	Maturity	
Series 2009C	\$ 106,100,000	VRDB*	October 2038	
Series 2012	30,400,000	Fixed	October 2027	
Series 2014A	106,100,000	VRDB*	October 2038	
Series 2015A	106,100,000	VRDB*	October 2038	
Total	<u>\$ 348,700,000</u>			

* Variable Rate Demand Bond

The Series 2009C bonds are variable-rate with a weekly interest rate reset. The Authority entered into an interest rate swap agreement that synthetically fixed the interest rate at about 3.736%. The bonds are supported by a credit facility and remarketing agent agreement. The Series 2009C bondholders have the right to tender the bonds weekly. Upon tender, the remarketing agent attempts to remarket the bonds. If the remarketing is unsuccessful, the bank will draw upon the credit facility purchasing the bonds which enter a bank bond period in which they accrue interest charges. These bonds are also supported by a credit facility which has never been used since the bonds have always been remarketable.

In September 2014, the Authority refunded \$106.1 million in Series 2009A bonds with Series 2014A variable rate sales tax revenue refunding bonds to release \$8.2 million held in a reserve fund for debt service. These bonds are hedged against interest rate risk with an interest rate swap agreement that synthetically fixes the interest rate at 3.736%. These bonds are also supported by a credit facility which has never been used since the bonds have always been remarketable.

In March 2015, the Authority refunded \$106.1 million in Series 2009B bonds with Series 2015A variable rate sales tax revenue refunding bonds to release \$10.3 million held in a reserve fund for debt service. The released funds were used to pay for capital projects and issuance costs. These bonds are hedged against interest rate risk with an interest rate swap agreement that synthetically fixes the interest rate at 3.666%. These bonds are also supported by a credit facility which has never been used since the bonds have always been remarketable.

Economic Indicators

As of October 2022, the unemployment rate in Sacramento County was 3.5%, down from 6.1% during the same month last year. This compares to the national unemployment rate of 3.6%. California's unemployment rate is 4.2%. Sacramento County has fared a little better than the state, in part, because Sacramento is the state capital and home to a high concentration of government jobs. According to employment data, dated June 2022, obtained from the U.S. Bureau of Labor Statistics Economy at a Glance, government jobs in the County of Sacramento comprised 23.5% of the nonfarm labor force. Total nonfarm employment increased by 56,800 (5.7%) to 1,052,500 over the last year. The largest employment gain was in the leisure and hospitality and other services sectors – 9.5% and 6.9%, respectively. On a national level an increase in inflation and the Federal Reserve Federal Funds Rate interest rates are causing economic uncertainty going forward.

Contacting the Authority's Management

This financial report provides a general overview of the Authority's finances by showing the Authority's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Accounting Manager at 801 12th Street Floor 5, Sacramento, California 95814-2947. This report is available on the Authority's website at www.sacta.org.

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SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF NET POSITION
June 30, 2022

	Governmental Activities
ASSETS:	
Cash and investments	\$ 30,502,031
Receivables:	
Interest	144,495
Due from other governments	37,163,177
Restricted cash and investments	19,559,517
Right of use assets, net	322,259
Total assets	87,691,479
DEFERRED OUTFLOW OF RESOURCES	
Fair value of hedging derivatives (long-term interest rates)	55,731,052
Pension	215,954
OPEB	30,238
	55,977,244
LIABILITIES:	
Accounts payable	500,170
Due to other governments	26,430,334
Interest payable	3,088,429
Long-term liabilities:	
Due within one year	4,548,626
Long-term debt, due in more than one year	403,814,362
Lease liability, due in more than one year	289,608
Compensated absences, due in more than one year	9,805
Net pension liability, due in more than one year	576,412
Net OPEB liability, due in more than one year	189,010
Total liabilities	439,446,756
DEFERRED INFLOW OF RESOURCES	
Pension	572,623
OPEB	18,292
	590,915
NET POSITION:	
Restricted for Measure A projects	38,547,188
Restricted for transit services	7,108,570
Restricted for transportation mitigation	5,563,502
Restricted for freeway service patrol	232,776
Restricted for abandoned vehicle program	134,606
Restricted for debt service	6,714,471
Unrestricted	(354,670,061)
Total net position	\$ (296,368,948)

The notes to the basic financial statements are an integral part of this statement.

SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

Functions/Programs	<u>Expenses</u>	<u>Program Revenues Operating Grants and Contributions</u>	<u>Net (Expense) and Revenue Governmental Activities</u>
Governmental Activities:			
Measure A	\$ 144,610,202		\$ (144,610,202)
Sacramento Countywide Transportation Mitigation Fee Program	13,373,784	\$ 8,237,424	(5,136,360)
Transit services	6,753,289		(6,753,289)
Freeway Service Patrol Program	3,680,165	3,633,885	(46,280)
Sacramento Abandoned Vehicle Service Authority	1,082,042	1,277,403	195,361
Administration	830,473		(830,473)
Interest on long-term debt	14,626,531		(14,626,531)
Total governmental activities	<u>\$ 184,956,486</u>	<u>\$ 13,148,712</u>	(171,807,774)
General revenues:			
Sales taxes			172,916,487
Interest, investment earnings and other			<u>203,716</u>
Total general revenues			<u>173,120,203</u>
Change in net position			1,312,429
Net position - beginning			<u>(297,681,377)</u>
Net position - ending			<u>\$ (296,368,948)</u>

The notes to the basic financial statements are an integral part of this statement.

**SACRAMENTO TRANSPORTATION AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022**

	General	Abandoned Vehicle Special Revenue	Transit Services Special Revenue	Debt Service	Total Governmental Funds
ASSETS:					
Cash and investments	\$ 30,351,915	\$ 150,116			\$ 30,502,031
Receivables:					
Interest	107,533	1,058	\$ 35,904		144,495
Due from other governments	37,053,470	109,707			37,163,177
Due from other funds			166,667		166,667
Restricted cash and investments	5,673,417		6,905,999	\$ 6,980,101	19,559,517
TOTAL ASSETS	\$ 73,186,335	\$ 260,881	\$ 7,108,570	\$ 6,980,101	\$ 87,535,887
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable and other accrued liabilities	\$ 500,170				\$ 500,170
Due to other governments	26,304,059	\$ 126,275			26,430,334
Due to other funds	166,667				166,667
Total liabilities	26,970,896	126,275			27,097,171
FUND BALANCES:					
Restricted:					
Measure A projects	38,547,188				38,547,188
Transit services			\$ 7,108,570		7,108,570
Transportation mitigation	5,563,502				5,563,502
Freeway service patrol	232,776				232,776
Debt service				\$ 6,980,101	6,980,101
Abandoned vehicles		134,606			134,606
Unrestricted/unassigned:					
General administration	1,871,973				1,871,973
Total fund balances	46,215,439	134,606	7,108,570	6,980,101	60,438,716
TOTAL LIABILITIES AND FUND BALANCES	\$ 73,186,335	\$ 260,881	\$ 7,108,570	\$ 6,980,101	\$ 87,535,887

The notes to the basic financial statements are an integral part of this statement.

**SACRAMENTO TRANSPORTATION AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2022**

Ending Fund Balances per governmental fund balance sheet (page 14) \$ 60,438,716

Amounts reported for the governmental activities in the statement of net position are different because:

Long-term debt, including premium and hedging derivatives, are not due and payable in the current period and therefore are not reported in the fund statements.

Bonds, including premiums and hedging derivatives	(408,317,988)	
Fair value of hedging derivatives	<u>55,731,052</u>	(352,586,936)

Lease liability, and related right of use asset, is not due and payable in the current period and therefore are not reported in the fund statements.

Right of use asset	322,259	
Lease liability	<u>(289,608)</u>	32,651

Pension and OPEB liabilities is not due and payable in the current period and is not reported in the fund statements.

Deferred outflow of resources	246,192	
Pension liability	(576,412)	
OPEB liability	(189,010)	
Deferred inflow of resources	<u>(590,915)</u>	(1,110,145)

Interest payable is not due and payable in the current period and therefore is not reported in the fund statements. (3,088,429)

Compensated absences are not due and payable in the current period and therefore are not reported in the fund statements. (54,805)

Net position of governmental activities (page 12) \$ (296,368,948)

**SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022**

	General	Abandoned Vehicle Special Revenue	Transit Services Special Revenue	Debt Service	Totals Governmental Fund
REVENUES:					
Taxes	\$ 172,916,487				\$ 172,916,487
Mitigation fees	8,237,424				8,237,424
Vehicle registration fees		\$ 1,277,403			1,277,403
Grants for freeway services	3,633,885				3,633,885
Use of money and property	257,500	(583)	\$ (54,811)	\$ 1,610	203,716
Total revenues	<u>185,045,296</u>	<u>1,276,820</u>	<u>(54,811)</u>	<u>1,610</u>	<u>186,268,915</u>
EXPENDITURES:					
General government:					
Administrative	610,553	223,132			833,685
Freeway Service Patrol	3,680,165				3,680,165
Intergovernmental:					
Ongoing	135,341,085	1,082,042	6,753,289		143,176,416
Capital	22,642,901				22,642,901
Capital outlay	381,753				381,753
Debt Service:					
Principal	43,519			4,235,000	4,278,519
Interest and other charges	12,262			15,617,120	15,629,382
Total expenditures	<u>162,712,238</u>	<u>1,305,174</u>	<u>6,753,289</u>	<u>19,852,120</u>	<u>190,622,821</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>22,333,058</u>	<u>(28,354)</u>	<u>(6,808,100)</u>	<u>(19,850,510)</u>	<u>(4,353,906)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in			1,000,000	20,116,140	21,116,140
Transfers out	(21,116,140)				(21,116,140)
Proceeds from leases	381,753				381,753
Total other financing sources (uses)	<u>(20,734,387)</u>		<u>1,000,000</u>	<u>20,116,140</u>	<u>381,753</u>
CHANGES IN FUND BALANCES	1,598,671	(28,354)	(5,808,100)	265,630	(3,972,153)
FUND BALANCE, BEGINNING OF YEAR	<u>44,616,768</u>	<u>162,960</u>	<u>12,916,670</u>	<u>6,714,471</u>	<u>64,410,869</u>
FUND BALANCES, END OF YEAR	<u>\$ 46,215,439</u>	<u>\$ 134,606</u>	<u>\$ 7,108,570</u>	<u>\$ 6,980,101</u>	<u>\$ 60,438,716</u>

The notes to the basic financial statements are an integral part of this statement.

**SACRAMENTO TRANSPORTATION AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022**

Changes in fund balances - total governmental funds (page 16) \$ (3,972,153)

Amounts reported for governmental activities in the statement of activities are different because:

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These are the amounts by which repayments exceed proceeds.

Principal payments 4,235,000

Capital outlay and lease proceeds are reported in governmental funds. Lease payment reduce long-term liabilities in the statement of net position. Right of use asset is recorded in the statement of activities and is allocated over the life of the lease as amortization expense.

Proceeds from leases (381,753)

Capital outlay for right of use asset 381,753

Amortization - right of use asset (59,494)

Principal payments on lease liability 43,519

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not expenditures in the governmental funds.

Pension expense 51,884

OPEB expense 3,576

Change in compensated absences 7,246

Change in interest payable 247,774

Bond premium amortization 755,077

Change in Net Position of governmental activities (page 13) \$ 1,312,429

The notes to the basic financial statements are an integral part of this statement.

**SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 143,670,000	\$ 143,670,000	\$ 172,916,487	\$ 29,246,487
Mitigation fees	6,132,000	6,132,000	8,237,424	2,105,424
Grants for freeway services	4,131,411	4,131,411	3,633,885	(497,526)
Use of money and property	75,050	75,050	257,500	182,450
Total revenues	<u>154,008,461</u>	<u>154,008,461</u>	<u>185,045,296</u>	<u>31,036,835</u>
EXPENDITURES:				
General government:				
Administrative	1,409,097	1,409,097	610,553	798,544
Freeway Service Patrol	3,617,748	3,617,748	3,680,165	(62,417)
Intergovernmental:				
Ongoing	112,317,195	112,317,195	135,341,085	(23,023,890)
Capital	35,835,679	35,835,679	22,642,901	13,192,778
Capital outlay			381,753	(381,753)
Debt Service:				
Principal			43,519	(43,519)
Interest and other charges			12,262	(12,262)
Total expenditures	<u>153,179,719</u>	<u>153,179,719</u>	<u>162,712,238</u>	<u>(9,532,519)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>828,742</u>	<u>828,742</u>	<u>22,333,058</u>	<u>21,504,316</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(22,054,302)	(22,054,302)	(21,116,140)	938,162
Proceeds from lease assets			381,753	381,753
Total other financing sources (uses)	<u>(22,054,302)</u>	<u>(22,054,302)</u>	<u>(20,734,387)</u>	<u>1,319,915</u>
Changes in fund balance	(21,225,560)	(21,225,560)	1,598,671	22,824,231
FUND BALANCE, BEGINNING OF YEAR	<u>44,616,768</u>	<u>44,616,768</u>	<u>44,616,768</u>	
FUND BALANCE, END OF YEAR	<u>\$ 23,391,208</u>	<u>\$ 23,391,208</u>	<u>\$ 46,215,439</u>	<u>\$ 22,824,231</u>

The notes to the basic financial statements are an integral part of this statement.

**SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ABANDONED VEHICLE SPECIAL REVENUE FUND
For the Year Ended June 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Vehicle registration fees	\$ 1,076,389	\$ 1,076,389	\$ 1,277,403	\$ 201,014
Use of money and property - interest	200	200	(583)	(783)
Total revenues	<u>1,076,589</u>	<u>1,076,589</u>	<u>1,276,820</u>	<u>200,231</u>
EXPENDITURES:				
General government:				
Administrative	24,400	24,400	223,132	(198,732)
Intergovernmental	1,052,389	1,052,389	1,082,042	(29,653)
Total expenditures	<u>1,076,789</u>	<u>1,076,789</u>	<u>1,305,174</u>	<u>(228,385)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(200)</u>	<u>(200)</u>	<u>(28,354)</u>	<u>(28,154)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>162,960</u>	<u>162,960</u>	<u>162,960</u>	
FUND BALANCE, END OF YEAR	<u>\$ 162,760</u>	<u>\$ 162,760</u>	<u>\$ 134,606</u>	<u>\$ (28,154)</u>

The notes to the basic financial statements are an integral part of this statement.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Sacramento Transportation Authority (Authority) and the Sacramento Abandoned Vehicle Service Authority (SAVSA) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Organizations: In August 1988, the Authority was established under the Local Transportation and Improvement Act, California Public Utilities Code Division 19. In November 1988, Sacramento County voters approved an ordinance (Original Measure A) enacted by the Authority's Governing Board (Board) imposing a retail transactions and use tax (sales tax) increase throughout the County at a maximum rate of 0.5% for a period of 20 years. In November 2004, taxpayers approved a 30-year extension of the sales tax beginning in April 2009 (New Measure A).

In 1992, SAVSA was established as a separate legal entity under California Vehicle Code Section 22710. The code establishes a \$1 vehicle registration fee to be used for the abatement of abandoned vehicles for counties electing to impose the fee. The County Board of Supervisors, by a two-thirds vote, and the City Councils of a majority of the cities within the County having a majority of the incorporated population, adopted resolutions providing for the establishment of SAVSA. SAVSA reimburses the County, and the Cities of Sacramento, Galt, Folsom, Elk Grove, Citrus Heights, and Rancho Cordova according to the Sacramento Abandoned Vehicle Abatement Plan. SAVSA is considered a blended component unit of the Authority as the board and management of the Authority are also the board of SAVSA. SAVSA is presented as the Abandoned Vehicle Special Revenue Fund. SAVSA sunset in April 2022.

In 1992, the Authority entered into a Memorandum of Understanding (MOU) with the Department of Transportation (Caltrans) and the California Highway Patrol (CHP) to administer the Sacramento Metropolitan Freeway Service Patrol Program (SacMetro FSP). In 2009, the Authority began administering the SacMetro FSP program for Yolo County. Funding for the program is provided by a state grant from Caltrans and local matching funds from the Capitol Valley Regional Service Authority for Freeways & Expressways (CVR-SAFE).

The Authority's Board consists of sixteen-members – five from the Sacramento County Board of Supervisors, five from the Sacramento City Council, one from the Citrus Heights City Council, two from the Elk Grove City Council, one from the Folsom City Council, one from the Galt City Council, and one from the Rancho Cordova City Council. Under Measure A, the Authority distributes sales tax proceeds as prescribed by the ordinance to the County of Sacramento, the Cities of Sacramento, Folsom, Galt, Isleton, Citrus Heights, Rancho Cordova, and Elk Grove, the Sacramento Regional Transit District, Paratransit, Inc., the Sacramento Metropolitan Air Quality Management District, and the Neighborhood Shuttle Program.

Basis of Presentation: Government-wide financial statements (the Statement of Net Position and the Statement of Activities) provide information on all of the nonfiduciary activities of the Authority.

The Statement of Net Position reports all financial resources of the Authority as a whole in a format in which assets and deferred outflows of resources equal liabilities and deferred inflows of resources, plus net position. The Statement of Activities demonstrates the degree to which the expenses of a given function are offset by program revenues. Sales tax and interest earnings are not program related, but reported as general revenues. Fund financial statements are provided for

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

governmental funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

The Authority maintains the minimum number of funds consistent with legal and managerial requirements. Major governmental funds are reported in separate columns in the fund financial statements.

Governmental fund types are used to account for activities primarily supported by taxes, grants, and similar revenue sources.

The Authority reports the following major governmental funds:

General Fund – The General Fund is the main operating fund of the Authority. It accounts for transactions related to resources obtained and used for those services, including FSP, that need not be accounted for in another fund.

Abandoned Vehicle Special Revenue Fund – Reports the vehicle registration fee revenue and related expenditures.

Transit Services Special Revenue Fund – Reports unspent Measure A funds allocated for Consolidated Transportation Services Agency (CTSA) services and Neighborhood Transit Services.

Debt Service Fund – Reports the debt service on the Authority's Measure A Sales Tax Revenue Bonds.

Basis of Accounting: The government-wide financial statements use the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Authority records revenue sources when earned or when due, provided they are measurable and available within 90-days after the end of the fiscal year. Those revenues susceptible to accrual at both the government-wide and fund level are sales taxes, mitigation fees, vehicle license fees, FSP grants and interest revenue. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Proceeds of governmental long-term debt are reported as other financing sources.

Non-exchange transactions, in which the Authority gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Certain indirect costs are included in program expenses reported for individual functions and activities.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

BASIS OF ACCOUNTING (Continued)

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the Authority may fund certain programs with a combination of cost-reimbursement grants and general revenues. Thus, funds included in restricted and unrestricted net position may be available to finance program expenditures. The Authority's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are exchange or exchange-like transactions between functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Budgetary Principles: As required by Public Utilities Code 180105 of the State of California, the Authority prepares and legally adopts an operating budget each fiscal year. Operating budgets are adopted for the governmental fund types on the modified accrual basis of accounting. The Authority does not budget for the Transit Services Fund. Budgetary control and the legal level of control are at the program level. Significant amendments, appropriation transfers between programs and transfers from contingencies must be approved by the Authority's Board.

Restricted Assets: Certain proceeds from long-term debt are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Restricted cash includes the reserve accounts used to report resources set aside to make up potential future deficiencies in the bond's debt service. Restricted cash may also include unspent bond proceeds used to fund projects.

Capital Assets: Capital assets for governmental fund types are not capitalized in the funds used to acquire or construct them. Capital acquisitions are reflected as expenditures in the governmental fund, and the related assets are reported in the government-wide financial statements. It is the Authority's policy to capitalize furniture and equipment exceeding \$5,000.

Compensated Absences: The Authority compensates employees for unused vacation pay, up to a maximum of 400 hours, upon termination. It also pays one-half of unused sick leave at the time of retirement, up to a maximum of 500 hours pay, or applies any portion of sick leave toward retirement credit. The Authority has accrued sick leave to the extent it is expected to be paid out.

All vacation pay is accrued when earned by the employee in the government-wide financial statements. A liability for these amounts is recorded in the government funds only if they have matured, for example, as a result of employee resignations and retirements and is currently payable. The General Fund is used to liquidate compensated absences.

Long-Term Debt: In the government-wide financial statements, long-term debt is recorded as a liability in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premiums or discounts. Bond issuance costs are recognized as an expense in the period incurred.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

In the fund financial statements, governmental fund types recognize bond premiums and discounts incurred during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Pensions: For purposes of measuring the net pension liability and deferred outflow/inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the California Public Employee's Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability is liquidated by the Authority's General Fund.

Other Postemployment Benefits (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The net OPEB liability is liquidated by the General Fund.

Deferred Outflows and Inflows of Resources: In addition to liabilities, the statement of net position reports separate sections for deferred outflows and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net assets by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net assets that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until the earning process is complete. Deferred outflows and inflows of resources represent amounts deferred related to the Authority's pension and OPEB plan as described in Notes 3 and 5.

FUND BALANCE CLASSIFICATION:

Net Position - The government-wide financial statement includes the following categories of net position:

Net Investment in capital assets – represents the net amount invested in capital assets (original cost, net of accumulated depreciation and net of capital-related debt). The Authority's net investment of capital assets, which is related to the right-of-use asset and lease liability is \$(132,833), which is not reflected on the Statement of Net Position, as the amount is immaterial.

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – any amount that is not restricted.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

FUND BALANCE CLASSIFICATION (Continued)

Fund Balance - In the fund financial statements, fund balance amounts are reported based on the Authority's constraints on the use of funds.

Nonspendable fund balances are not expected to be converted to cash within the next operating cycle and are typically comprised of prepaid items. As of June 30, 2022, the Authority had no nonspendable fund balances.

Restricted fund balances are subject to external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose.

Committed fund balances are subject to constraints imposed by formal action of the Authority's Board which may be altered only by formal action of the Authority's Board consisting of an ordinance or resolution. As of June 30, 2022, the Authority had no committed fund balances.

Assigned fund balances are amounts constrained by the Authority's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the Authority's Board or management and may be changed at their discretion. As of June 30, 2022, the Authority had no assigned fund balances.

Unassigned is the residual amount of the General Fund not included in the four classifications described above. In other governmental funds in which expenditures incurred for specific purposes exceeded amounts restricted, committed, or assigned to those purposes, a negative unassigned fund balance is reported. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

The Authority typically spends resources in the following order when an expenditure is incurred: restricted, committed, assigned, and unassigned.

Insurance: The Authority provides employees with commercial worker's compensation insurance. In addition, the Authority purchases commercial insurance for general liability claims. At June 30, 2022, there were no claims outstanding. There were no reductions in coverage during the year. The amount of settlements did not exceed insurance coverage for each of the past three fiscal years.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

Governmental activities:	
Cash and investments	\$ 30,502,031
Restricted cash and investments	<u>19,559,517</u>
Total cash and investments	<u><u>\$ 50,061,548</u></u>

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 - CASH AND INVESTMENTS (Continued)

As of June 30, 2022, the Authority's cash and investments consisted of the following:

Deposits with financial institutions	\$	1,807,763
Total cash and deposits		1,807,763
Pooled Funds		
County Treasury		35,600,267
CAMP pool		5,673,417
Investments with fiscal agent		
Money market mutual fund (governmental obligations)		6,980,101
Total investments		48,253,785
Total cash and investments	\$	50,061,548

Investment policy: Investments are stated at fair value. California statutes authorize public agencies to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, and Chapter 4 - Financial Affairs. The table below identifies the investment types that are authorized for the Authority by the California Government Code (or the Authority's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. During the year ended June 30, 2022, the Authority's permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Maximum % or Amount of the Portfolio
US Treasury Bonds/Notes/Bills	5 years	100%
Bonds issued by local agencies	5 years	80%
Registered State Warrants and Municipal Notes	5 years	80%
Bankers Acceptances	180 days	40%
Commercial Paper	270 days	40%
Negotiable Certificate of Deposit	180 days	30%
CRA Bank Deposit/Certificate of Deposit	1 year	30%
Repurchase Agreements	1 year	30%
Reverse Repurchase Agreements	92 days	20%
Medium Term Corporate Notes	180 days	30%
Shares of Money Market Mutual Fund	90 days	20%
Collateralized Mortgage Obligations	180 days	20%
California Assets Management Program (CAMP)	none	none
County Pool	none	none
LAIF	none	none

Investments Authorized by Debt Agreements: Investment of debt proceeds held by the bond trustee is governed by the provisions of the debt agreements, rather than the general provisions of the California Government Code or the Authority's investment policy. The 2009, 2012, 2014A and 2015A Measure A Sales Tax Revenue Bonds debt agreements contain certain provisions that address interest rate risk and credit risk, but not concentration of credit risk.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 - CASH AND INVESTMENTS (Continued)

Authorized Investment Type	Maximum Security	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds or Obligations	None	None	None
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Bankers Acceptances	1 year	None	None
Commercial Paper	270 days	None	None
Money Market Fund	None	None	None
Certificates of Deposit	None	None	None
Investment Agreements	None	None	None
Repurchase Agreements	None	None	None
Mutual Funds	N/A	None	None
LAIF	N/A	None	None

Investment in County Treasury: The Authority's investments in the Sacramento County pooled investment funds are managed by the Sacramento County Treasurer and stated at fair value or amortized cost, which approximates fair value. The total amount invested by all public agencies as of June 30, 2022 was \$6.2 billion. The Authority's share of the pool is stated at market value in the Authority's financial statement. Sacramento County does not invest in any derivative financial products directly. The Sacramento County Treasury Investment Oversight Committee (Committee) oversees the County's cash and investment pool. The Committee consists of ten members as required by State law. The value of pooled shares that may be withdrawn from the County is determined on an amortized cost basis, which is different than the fair value of the Authority's position in the pool.

Investment in CAMP: California Asset Management Program (CAMP) was created under the provisions of the California Joint Exercise of Powers Act to provide professional investment management services and allows the participants to combine the use of a money market portfolio with an individually managed portfolio. CAMP is governed by a board of seven trustees, all of whom are officials or employees of public agencies. The money market portfolio offers daily liquidity and is rated AAAM by Standard and Poor. To maintain the AAAM rating, the portfolio's weighted average maturity may not exceed 70 days.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2022, the weighted average maturity of the investments contained in the County Pool and money market mutual funds is approximately 278 and 13 days, respectively.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Neither CAMP or the County Pool is rated by a nationally recognized statistical rating organization. The Money Market Mutual Fund is rated AAAM by Standard and Poor's.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 - CASH AND INVESTMENTS (Continued)

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2022, the carrying amount of the Authority's deposits was \$1,807,763 and the balance in financial institutions was \$1,834,279 of which \$250,000 was covered by federal depository insurance and \$1,584,279 was covered by the pledging financial institution with assets held in a common-pool for the Authority and other governmental agencies.

Fair Value of Financial Instruments: The following methods and assumptions were used by the Authority to estimate the fair value of its financial instruments as of June 30, 2022.

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are active; or other inputs that are observable can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or a liability.

The fair values of U.S. Treasury Notes and money market funds that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 - CASH AND INVESTMENTS (Continued)

The Authority reports the following recurring fair value measurements as of June 30, 2022:

	June 30, 2022	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Money market mutual fund	\$ 6,980,101		\$ 6,980,101	
Total investments by fair value level	6,980,101	\$ -	\$ 6,980,101	\$ -
Investments measured at net asset value				
County pool	35,600,267			
CAMP pool	5,673,417			
	<u>\$ 48,253,785</u>			

NOTE 3 - PENSION PLAN

General Information About the Pension Plans

Plan Descriptions: All qualified permanent and probationary employees are eligible to participate in the Authority's cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). The Authority has a single plan and within that plan has the following cost-sharing rate plans:

- Miscellaneous Plan
- PEPRM Miscellaneous Plan

Benefit provisions under the Plans are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRM Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the 1959 Survivor Benefit level 4, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

SACRAMENTO TRANSPORTATION AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2022

NOTE 3 - PENSION PLAN (Continued)

The Plan's provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous	PERPA Miscellaneous
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit formula (at full retirement)	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8.00%	6.75%
Required employer contribution rates	11.590%	7.590%

In addition to the contribution rate above, the Authority was also required to make a payment of \$105,271 towards its unfunded actuarial liability during the fiscal year ended June 30, 2022.

The Miscellaneous Plan is closed to new members that are not already CalPERS participants.

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The contributions to the Plan were \$139,206 for the year ended June 30, 2022.

Pension Liabilities, Pension Expenses and Deferred Outflow/Inflow of Resources Related to Pensions: As of June 30, 2022, the Authority reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$576,412.

The Authority's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability as of June 30, 2022 is measured as of June 30, 2021 and the total pension liability is determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The Authority's proportion of the net pension liability is based on a projection of the Authority's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Authority's proportionate share of the net pension liability as of June 30, 2022 and 2021 is as follows:

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 - PENSION PLAN (Continued)

	Miscellaneous
Proportion - June 30, 2022	0.03036%
Proportion - June 30, 2021	0.02721%
Change - Increase (Decrease)	0.00315%

For the year ended June 30, 2022, the Authority recorded pension expense of \$87,321. At June 30, 2022, the Authority reported deferred outflow of resources and deferred inflow of resources related to the Plan from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Pension contributions subsequent to measurement date	\$ 139,206	
Change in employer's proportion	12,110	
Net differences between the employer's contribution and the employer's proportionate share of contributions		\$ (69,446)
Net differences between projected and actual earnings on plan investments		(503,177)
Changes in assumption		
Difference between expected and actual experience	64,638	
Total	\$ 215,954	\$ (572,623)

The \$139,206 reported as deferred outflow of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred inflow and outflow of resources relate to pensions and will be recognized as pension expense as follows:

Year Ended June 30	
2023	\$ (118,168)
2024	(118,258)
2025	(120,397)
2026	(139,052)
	\$ (495,875)

SACRAMENTO TRANSPORTATION AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2022

NOTE 3 - PENSION PLAN (Continued)

Actuarial Assumptions: The total pension liabilities in the actuarial valuations for the Plan were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase (1)	Varies
Mortality	Derived using CalPERS Membership data for all funds

(1) Depending on age and service

The underlying mortality assumptions and all other actuarial assumptions used in June 30, 2022 were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class for the Plan as of the measurement date of June 30, 2021. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 - PENSION PLAN (Continued)

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.0%	(.92)%
Total	<u>100.00%</u>		

(a) An expected inflation of 2.00% used for this period.

(b) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Authority's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or higher than the current rate:

1% Decrease	6.15%
Net Pension Liability	\$ 1,261,230
Current Discount Rate	7.15%
Net Pension Liability	\$ 576,412
1% Increase	8.15%
Net Pension Liability	\$ 10,282

Pension Plan Fiduciary Net Position: Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 4 – DEFERRED COMPENSATION PLAN

The Authority offers its regular employees a deferred compensation plan under the provisions of Internal Revenue Code (IRC) Section 457. The plan permits these employees to defer a portion of their salary until future years. Employees contributed 5% to 18% of their pay to the plan, limited to \$20,500 for 2022 and an additional \$6,500 for those over age 50. The Authority does not contribute to the plan. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

The Authority has established a separate independent trust which is administered outside the Authority to hold the assets and earnings of its deferred compensation plans for the exclusive benefit of the participants that are not included in the Authority's financial statements.

SACRAMENTO TRANSPORTATION AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2022

NOTE 5 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description: The Authority’s defined benefit OPEB plan provides OPEB benefit for all permanent full-time employees of the Authority. Benefits are set by the Board and may be amended by the Board. The Plan is a single employer defined benefit OPEB plan administered by the Authority. No assets are accumulated in a trust.

Benefits Provided: The Plan provides healthcare benefits to all permanent full-time employees who retire directly from the Authority, at a minimum age of 52, with a minimum of five years of service. Eligible employees’ surviving spouses are also eligible for benefits. The Authority participates in the Public Employees’ Medical and Hospital Care Act (PEMHCA) provided through the California Public Employees’ Retirement System (CalPERS).

Employees Covered by Benefit Terms: As of the June 30, 2021 measurement date, the following employees were covered by the Plan’s benefit terms:

Active employees	3
Inactive employees or beneficiaries currently receiving benefit payments	1
Inactive employees not receiving benefits	5
	9

OPEB Liability: The Authority’s OPEB liability of \$189,010 was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions: The net OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date:	June 30, 2021
Measurement date:	June 30, 2021
Actuarial Cost Method:	Entry-Age Normal, Level % of Pay
Actuarial assumptions:	
Discount rate	2.18%
Inflation	2.50%
Aggregate salary increase	3.00%
Healthcare cost trend rates	5.7% in 2022 decreasing to 4.00% by 2076
Mortality rates	CalPERS 2017 Experience Study
Mortality improvement	MacLeod Watts Scale 2020

Mortality information was based on the MacLeod Watts Scale 2020 which was developed from a blending of data and methodologies found in two published sources: (1) the Society of Actuaries Mortality Improvement Scale MP-2019 Report, published October 2019 and (2) the demographic assumptions used in the 2019 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published April 2019.

Discount Rate: The discount rate used to measure the total OPEB liability was 2.18%, which is a decrease from the 2.66% used at the June 30, 2020 measurement date. The discount rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index rate for tax-exempt general obligations bonds with an average rating of AA/Aa or higher at June 30, 2021 as published by the Federal Reserve.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in the Total OPEB Liability: The change in the total OPEB liability for the plan is as follows:

	Total OPEB Liability
Balance at July, 1, 2021	\$ 203,357
Changes for the year:	
Service cost	6,406
Interest on the total OPEB liability	5,369
Differences between expected and actual experience	(22,446)
Change of assumptions	12,166
Benefit payments	(15,842)
Net changes	(14,347)
Balance at June 30, 2022	\$ 189,010

The changes in assumptions from the prior valuation to the current valuation include a change in the discount rate from 2.66% to 2.18%, demographic assumptions changes from those provided in the 2014 CalPERS experience study to the 2017 CalPERS experience study. There were no changes between the measurement date and the year ended June 30, 2022 that had a significant effect on the Authority's total OPEB liability.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease 1.18%	Discount Rate 2.18%	1% Increase 3.18%
Total OPEB liability	\$ 218,955	\$ 189,010	\$ 165,240

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (4.70% decreasing to 3.00%)	Current Healthcare Cost Trend Rates (5.70% decreasing to 4.00%)	1% Increase (6.70% decreasing to 5.00%)
Total OPEB liability	\$ 164,153	\$ 189,010	\$ 220,562

OPEB Plan Fiduciary Net Position: The Plan does not have fiduciary net position as the Authority does not contribute to a qualified trust fund on behalf of the participants.

SACRAMENTO TRANSPORTATION AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2022

NOTE 5 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2022, the Authority recognized OPEB expense of \$15,436. At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$ 19,012	
Differences between expected and actual experience		\$ (16,245)
Changes of assumptions	11,226	(2,047)
Total	\$ 30,238	\$ (18,292)

The \$19,012 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	
2023	\$ (2,561)
2024	(2,953)
2025	(1,552)
2026	
2027	
Thereafter	
	\$ (7,066)

Recognition of Deferred Outflows and Deferred Inflows of Resources: Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss. The net difference between projected and actual earnings on OPEB plan investments is recognized over 5 years. All other amounts are recognized over the expected average remaining service lifetime (EARS�), which was 3.62 years at June 30, 2022.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 – LEASE ASSETS

During the year ended June 30, 2022, the Authority implemented GASB Statement No. 87, Leases, retroactively to July 1, 2021. This Statement requires recognition of lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

The Authority leases certain premises through November 30, 2027, at which time the lease expires. The rental rate increases \$100 per month each year of the lease beginning every December 1. The Authority recorded a right of use asset as follows:

	Balance July 1, 2021 Restated	Additions	Retirements	Balance June 30, 2022
Leased building	\$ 381,753			\$ 381,753
Accumulated amortization		\$ (59,494)		(59,494)
Right of use asset, being amortized	\$ 381,753	\$ (59,494)	\$ -	\$ 322,259

For purposes of discounting future payments on the lease, the Authority used a discount rate of 2.85%. The intangible right of use asset is being amortized over 6.42 years, the remaining term of the current lease. Minimum lease payments over the term of the lease are as follows:

Fiscal Year	Principal Payments	Interest Payments	Total
FY2023	\$ 48,626	\$ 10,672	59,298
FY2024	54,233	8,982	63,215
FY2025	60,427	7,181	67,608
FY2026	67,312	5,254	72,566
FY2027	74,994	3,186	78,180
FY2028	32,642	958	33,600
	\$ 338,234	\$ 36,233	\$ 374,467

NOTE 7 – INTERFUND TRANSACTIONS

Interfund transfers from the General Fund to the Debt Service Fund were used to repay principal and interest per the debt agreement in the amount of \$20,116,140. Interfund transfers from the General Fund to the Transit Services Fund of \$1,000,000 represents the Neighborhood Shuttle annual Measure A allocation.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 – LONG-TERM LIABILITIES

The activity of the Authority's long-term liabilities during the year ended June 30, 2022 are as follows:

	Balance July 1, 2021 Restated	Additions	Reductions	Balance June 30, 2022	Due Within One Year
2009 Series C Bonds	\$ 106,100,000			\$ 106,100,000	
Fair Value (Loss) of Interest Rate Swap (2009 Series Bonds)	104,901,354		\$ (49,170,302)	55,731,052	
2012 Series Bonds	34,635,000		(4,235,000)	30,400,000	\$ 4,455,000
Unamortized Bond Premium (2012 Series Bonds)	4,593,387		(755,077)	3,838,310	
Series 2014A Bonds	106,100,000			106,100,000	
Series 2015A Bonds	106,100,000			106,100,000	
Total debt	462,429,741	-	(54,160,379)	408,269,362	4,455,000
Lease Liability	381,753		(43,519)	338,234	48,626
Compensated absences	62,051	\$ 38,142	(45,388)	54,805	45,000
Net Pension liability	1,147,819		(571,407)	576,412	
Net OPEB liability	203,357		(14,347)	189,010	
Total Long-term liabilities	<u>\$ 464,224,721</u>	<u>\$ 38,142</u>	<u>\$ (54,835,040)</u>	<u>409,427,823</u>	<u>\$ 4,548,626</u>
Amount Due Within One Year				<u>(4,548,626)</u>	
Amount Due in More Than One Year				<u>\$ 404,879,197</u>	

Long-term debt consists of the following at:

2009 Series C Bonds - In October 2009, the Authority issued Measure A Sales Tax Revenue Bonds in the amount of \$106.1 million to finance transportation projects approved by voters in 2004. The bond's variable interest rate is fixed through an interest-rate swap, whereby, the Authority pays a fixed interest rate of 3.736% and in turn, receives a variable interest rate based on 67 percent of the one month London Interbank Offered Rate (LIBOR) which is reset on a weekly basis. Principal payments of \$7.5 million begin in 2029 and increase to \$11.8 million in 2039 when they mature. These bonds are a direct placement. \$ 106,100,000

2012 Series Bonds - In July 2012, the Authority issued fixed rate Measure A Sales Tax Bonds in the amount of \$53.4 million to finance transportation projects approved by voters in 2004. The average coupon interest rate is 2.48%. Principal payments in the amount of \$3.5 million began in 2017 and increase to \$5.7 million in 2028, when the bonds mature. These bonds are a direct placement. \$ 30,400,000

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 – LONG-TERM LIABILITIES (Continued)

2014A Series A Bonds - In September 2014, the Authority issued Measure A Sales Tax Revenue Refunding Bonds in the amount of \$106.1 million to refund the outstanding series 2009A bonds and finance transportation projects approved by voters in 2004. Interest rate swaps were retained. In the floating-to-fixed rate swap, the Authority pays a fixed interest rate of 3.736% and in turn, receives a variable interest rate based on 67 percent of the one month LIBOR which is reset on a weekly basis. Principal payments range from \$7.4 million in 2029 to \$11.8 million in 2039, when the bonds mature. These bonds are a direct placement. \$ 106,100,000

2015A Series B Bonds - In March 2015, the Authority issued Measure A Sales Tax Revenue Refunding Bonds in the amount of \$106.1 million to refund the outstanding Measure A Sales Tax Revenue Series 2009B bonds and finance transportation projects approved by voters in 2004. Interest rate swaps were retained. In the floating-to-fixed rate swap, the Authority pays a fixed interest rate of 3.666% and in turn, receives a variable interest rate based on 67 percent of the three month LIBOR which is reset on a weekly basis. Principal payments range from \$7.4 million in 2029 to \$11.8 million in 2039, when the bonds mature. These bonds are a direct placement. \$ 106,100,000

The Authority has pledged all of the future sales tax proceeds to cover all debt service requirements. The total principal and interest remaining on the 2009C, 2012, 2014A, and the 2015A bonds is \$509.5 million. For the current year, the principal and interest paid and total incremental sales tax revenues were \$19.9 million and \$172.9 million, respectively.

The 2014A and 2015A Measure A Sales Tax Revenue Refunding Bonds were issued to refund the 2009A and 2009B Measure A Sales Tax Revenue Bonds, respectively. The advance refunding resulted in no differences between the reacquisition price and the net carrying amount of the outstanding debt.

As of June 30, 2022, the future annual debt service requirements and net payments on associated hedging derivative instruments on the Authority's 2009C, 2014A, and 2015A Series Bond obligations are detailed in the schedule below. These amounts assume that current interest rates on variable rate bonds will remain the same for their term. As these rates vary, interest payments on variable rate bonds and net payments on the hedging derivatives will vary. Included in the schedule are the future principal and fixed interest obligations on the 2012 Series Bonds.

Fiscal Year Ending June 30,	Principal	Bond Interest	Estimated Derivatives, Net	Hedging Ancillary Fees	Total
2023	\$ 4,455,000	\$ 2,026,040	\$ 11,078,757	\$ 1,376,907	\$ 18,936,704
2024	4,685,000	1,797,540	11,078,757	1,380,556	18,941,853
2025	4,925,000	1,557,290	11,078,757	1,376,536	18,937,583
2026	5,175,000	1,304,790	11,078,757	1,376,907	18,935,454
2027	5,440,000	1,039,415	11,078,757	1,376,907	18,935,079
2028 - 2032	104,320,000	2,860,757	48,766,373	6,067,363	162,014,493
2033 - 2037	150,300,000	1,426,188	25,590,577	3,182,332	180,499,097
2038 - 2039	69,400,000	135,974	2,439,831	303,658	72,279,463
Total	<u>\$ 348,700,000</u>	<u>\$ 12,147,994</u>	<u>\$ 132,190,566</u>	<u>\$ 16,441,166</u>	<u>\$ 509,479,727</u>

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Events of Default: Events of default with financial consequences may occur under the Indenture that allow that the Trustee may enforce its rights by any one or more of the remedies. Significant remedies under the indenture include:

- The Authority shall immediately transfer to the Trustee all revenues held by the Authority.
- Bring legal action upon the Bonds.
- Limit the Authority's ability to issue new bonds unless the issuance of those bonds will remedy the default.

Arbitrage: The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax exempt bonds after August 31, 1986. Arbitrage regulations deal with investments of all tax-exempt bond proceeds at an interest yield greater than the interest paid to bondholders. Generally, all interest paid to bond holders can be retroactive if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. The Authority's arbitrage liability is currently estimated to be immaterial.

Interest Rate Swaps

Objective of the interest rate swaps and terms: On October 18, 2006, the Authority entered into three forward interest rate swaps for \$106.1 million each in order to hedge the interest rate risk associated with the Series 2009 Measure A Sales Tax Revenue Bonds issued on October 1, 2009, and whose initial interest rate is variable.

Terms: The swap agreement requires that the Authority pay each financial institution semi-annual fixed-rate payments based on an annual rate; the financial institution, in turn, is required to pay the Authority a series of future variable-rate payments equal to 67% of the 1-month or 3-month LIBOR. The notional amounts and maturity dates of the swaps match the principal amounts and the maturity dates of the hedged bonds. The variable-rate coupons of the hedged bonds closely match the Securities Industry and Financial Markets Association (SIFMA) and percentage of LIBOR rates paid monthly. A summary of the terms are as follows:

	Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Value	Swap Term Date	Counterparty Credit Rating (1)	Valuation Level
Series 2009C	\$106,100,000	October 18, 2009	3.736%	67% USD LIBOR	\$(19,201,492)	October 1, 2038	Aa2/A+/AA-	Level 2
Series 2014A	\$106,100,000	October 18, 2009	3.736%	67% 3 month LIBOR	\$(17,330,935)	October 1, 2038	A1/A+/A+	Level 2
Series 2015A	\$106,100,000	October 18, 2009	3.666%	67% USD LIBOR	<u>\$(19,198,625)</u> \$(55,731,052)	October 1, 2038	Aa2/A+/AA	Level 2

(1) (Moody's Investor Services, Standard and Poor's Rating Services, and Fitch IBCA, Inc.)

Fair value: The swaps had a total fair value of negative \$55,731,052 as of June 30, 2022, which is reported as a deferred outflow of resources. The fair values were estimated by an independent third-party based on mid-market levels as of the close of business on June 30, 2022. The fair values take into consideration the prevailing interest rate environment and the specific terms and conditions of the swaps. The fair values were estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the yield curve are the market's best estimate of future spot

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 – LONG-TERM LIABILITIES (Continued)

interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement payment on the swaps.

Credit risk: This is the risk that the counterparty will fail to perform under the terms of the agreement. As of June 30, 2022, the Authority was not exposed to credit risk on these swaps because the fair values were negative. However, should interest rates change and the fair values of the swaps become positive, the Authority would be exposed to credit risk in the amount of the swaps' positive fair values. In order to mitigate this risk, the Authority diversified its exposure among three counterparties. The swap agreements contain varying collateral agreements with the counterparties. The swaps require collateralization of the fair value of the swap should the credit rating fall below the applicable thresholds. If the Authority's credit rating falls below certain thresholds or is withdrawn, a termination event may result, in which case the Authority could immediately owe (or be owed) the fair market value of the swap.

Basis risk: This is the risk of a mismatch between the variable rate received from the counterparty and the variable rate paid on the variable rate debt that was issued in October 2009. The Authority is exposed to basis risk should the floating rate that it receives on a swap be less than the actual variable rate the Authority pays on the bonds. Depending on the magnitude and duration of any basis risk shortfall, the effective fixed rate on the debt will vary. Based on current and historical experience, the payments received under the agreements are expected to approximate the expected bond payments over the life of the swaps.

Termination risk and termination payments: This is the risk that the transaction is terminated in a market dictating a termination payment by the Authority. The Authority can terminate a swap at the fair market value by providing notice to the counterparty, while the counterparty may only terminate the swap upon certain termination events under the terms of the agreement. The Authority or the counterparties may terminate the swap if the other party fails to perform under the terms of the contracts, such as the failure to make swap payments. If the swap is terminated, the expected variable rate bonds would no longer be hedged.

Tax Risk: The swap exposes the Authority to tax risk if a permanent mismatch occurs between the variable-rate received from the swap and the variable-rate paid on the bonds due to tax law changes such that the federal or state tax exemption on municipal debt is eliminated or its value reduced.

NOTE 9 – FUND BALANCES

The Authority's net position and fund balance are restricted for the following purposes:

Measure A Projects – bond proceeds and sales tax revenues restricted by local ordinance for transportation-related projects.

Sacramento Countywide Mitigation Fee Program – represents the fund balance of the SCTMFP to assist with funding road and transit system improvements needed to accommodate projected growth and development.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 – FUND BALANCES (Continued)

Freeway Service Patrol Program – to reflect funds restricted by the Department of Transportation for urban traffic congestion mitigation.

Sacramento Abandoned Vehicle Service Authority – represents the fund balance of SAVSA to fulfill the program objectives of the Abandoned Vehicles program.

Transit Services – represents the unspent Measure A funds allocated to CTSA and Neighborhood Shuttle.

Debt Service – represents debt service reserves required by the related debt covenants.

NOTE 10 – GOVERNMENT-WIDE NET POSITION

As of June 30, 2022, the Authority had negative net position of \$296.4 million. Under a typical bond financing arrangement, the public entity issues debt and expends the funds on capital projects that are reported on the statement of net position as capital assets. The capital assets generally offset the bonded debt. However, the Authority issues bonds that pay for assets reported in other jurisdictions' financial statements, resulting in a deficit net position. Therefore, the deficit will continue, but decrease over time as the Authority makes bond principal payments.

NOTE 11 – IMPACT OF COVID-19

In December 2019, a novel strain of coronavirus has spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. In March 2020, the State of California issued a statewide shelter-in-place order that continues to have a significant impact on the State of California and local economy. The extent to which the coronavirus may impact economic activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. Management has not included any contingencies in the financial statements specific to this recent event.

NOTE 12 – NEW PRONOUNCEMENTS

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. This Statement enhances comparability in accounting and financial reporting and consistency in authoritative literature, including the classification and reporting of derivative instruments within the scope of Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; clarification of provisions of Statement 87, Leases, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset and identification of lease incentives; clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement term, classification as short-term and recognition of a subscription liability; extension of the period during which the London Interbank Offered Rate

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 – NEW PRONOUNCEMENTS (Continued)

(LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP); disclosures related to nonmonetary transactions; pledges of future revenues when resources are not received by the pledging government; clarification of provisions in Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, related to the focus of the government-wide financial statements; terminology updates related to provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position; and terminology used in Statement No. 53 to refer to resource flows statements. The provisions of this Statement are effective immediately through periods beginning after June 15, 2023.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. This Statement requires that a liability for certain types of compensated absences, including parental leave, military leave and jury duty leave, not be recognized until the leave commences. Certain salary related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement are effective for years beginning after December 15, 2023.

The Authority will analyze the impact of these new Statements prior to the effective dates listed above.

NOTE 13 – SUBSEQUENT EVENT

On September 27, 2022, the Authority issued Measure A Sales Tax Revenue Refunding Bonds, Series 2022 of \$24,245,000 at a premium of \$2,056,815, to defease the 2012 Series bonds.

Principal payments on the bonds will occur from 2024 to 2028. The interest rate on the bonds is 5%, with a yield of 2.10% to 2.16%. As a result of this issuance, \$5,660,000 will be released from the reserve fund and will be available to fund capital projects.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

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**SACRAMENTO TRANSPORTATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022
SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years**

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.03036%	0.02721%	0.02688%	0.02659%	0.02650%	0.02616%	0.02734%	0.02463%
Proportionate share of the net pension liability	\$ 576,412	\$ 1,147,819	\$ 1,076,426	\$ 1,002,151	\$ 1,044,537	\$ 908,590	\$ 750,078	\$ 608,865
Covered payroll - measurement period	\$ 451,405	\$ 388,487	\$ 348,630	\$ 352,622	\$ 451,635	\$ 351,909	\$ 363,473	\$ 366,547
Proportionate share of the net pension liability as a percentage of covered payroll	127.69%	295.46%	308.76%	284.20%	231.28%	258.19%	206.36%	166.11%
Plan fiduciary net position as a percentage of the total pension liability	88.89%	75.98%	74.53%	75.44%	72.49%	75.57%	78.40%	79.82%
Reporting Valuation Date:	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Reporting Measurement Date:	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Notes to Schedule:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014 as they have minimal cost impact.

Changes in assumptions:

Discount rate changes in accounting valuation	7.15%	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%
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**SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years**

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	\$ 139,206	\$ 126,347	\$ 115,317	\$ 108,775	\$ 91,285	\$ 89,707	\$ 76,574	\$ 69,181
Contributions in relation to the actuarially determined contributions	(139,206)	(126,347)	(115,317)	(108,775)	(91,285)	(89,707)	(76,574)	(69,181)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll - fiscal year	\$ 434,779	\$ 451,405	\$ 388,487	\$ 348,630	\$ 352,622	\$ 451,635	\$ 351,909	\$ 363,473
Contributions as a percentage of covered payroll	32.02%	27.99%	29.68%	31.20%	25.89%	19.86%	21.76%	19.03%
Valuation date:	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012

Methods and assumptions used to determine contribution rates:

Actuarial method								
Amortization method								
Remaining amortization period								
	Market	Market	Market	Market	Market	Market	Market	15-year smoothed market
Asset valuation method	Value	Value	Value	Value	Value	Value	Value	Value
Inflation	2.50%	2.50%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases								
Payroll growth	2.75%	2.75%	2.875%	3.00%	3.00%	3.00%	3.00%	3.00%
Investment rate of return	7.00%	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Future years will be added prospectively as they become available.

**SACRAMENTO TRANSPORTATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY
AND RELATED RATIOS (UNAUDITED)**

	2022	2021	2020	2019	2018
Total OPEB liability:					
Service cost	\$ 6,406	\$ 6,042	\$ 11,244	\$ 10,559	\$ 11,232
Interest	5,369	5,614	5,427	5,308	4,497
Differences between expected and actual experience	(22,446)				
Changes in assumptions	12,166	3,687	18,668	3,160	(9,257)
Benefit payments	(15,842)	(14,302)	(7,808)	(6,521)	(1,518)
Net change in total OPEB liability	(14,347)	1,041	27,531	12,506	4,954
Total OPEB liability - beginning	203,357	202,316	174,785	162,279	157,325
Total OPEB liability - ending (a)	<u>\$ 189,010</u>	<u>\$ 203,357</u>	<u>\$ 202,316</u>	<u>\$ 174,785</u>	<u>\$ 162,279</u>
Covered-employee payroll - measurement period	<u>\$ 367,149</u>	<u>\$ 345,777</u>	<u>\$ 405,975</u>	<u>\$ 352,622</u>	<u>\$ 348,630</u>
Total OPEB liability as percentage of covered-employee payroll	<u>51.48%</u>	<u>58.81%</u>	<u>49.83%</u>	<u>49.57%</u>	<u>46.55%</u>
Notes to schedule:					
Valuation date	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

Note: No assets are accumulated in a trust that meets the criteria in GASB Statement 75, paragraph 4, to pay related benefits.

Benefit changes. None.

Assumptions:

Actuarial cost method			Entry age normal, level % of pay		
Discount rates	2.18%	2.66%	2.79%	2.98%	3.13%
Inflation	2.50%	2.50%	2.50%	2.75%	2.75%
Salary increases	3.00%	3.00%	3.00%	3.25%	3.25%
Healthcare cost trend rates	5.7% decreasing to 4% by 2076	5.4% decreasing to 4% by 2076	5.4% decreasing to 4% by 2076	7.5% decreasing to 5% by 2024	7.5% decreasing to 5% by 2024
CalPERS Experience Study	2017 Study	2017 Study	2017 Study	2014 Study	2014 Study
Mortality	MW Scale 2020	MW Scale 2020	MW Scale 2020	MW Scale 2017	MW Scale 2017

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

SUPPLEMENTARY INFORMATION

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**SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND
For the Year Ended June 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Interest	\$ 1,000	\$ 1,000	\$ 1,610	\$ 610
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>1,610</u>	<u>610</u>
EXPENDITURES:				
Principal	4,235,000	4,235,000	4,235,000	
Interest and other charges	18,751,637	18,751,637	15,617,120	3,134,517
Total expenditures	<u>22,986,637</u>	<u>22,986,637</u>	<u>19,852,120</u>	<u>3,134,517</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(22,985,637)</u>	<u>(22,985,637)</u>	<u>(19,850,510)</u>	<u>3,135,127</u>
OTHER FINANCING USES:				
Transfers in	21,054,302	21,054,302	20,116,140	(938,162)
Total other financing uses	<u>21,054,302</u>	<u>21,054,302</u>	<u>20,116,140</u>	<u>(938,162)</u>
Changes in fund balance	(1,931,335)	(1,931,335)	265,630	2,196,965
FUND BALANCE, BEGINNING OF YEAR	<u>6,714,471</u>	<u>6,714,471</u>	<u>6,714,471</u>	
FUND BALANCE, END OF YEAR	<u>\$ 4,783,136</u>	<u>\$ 4,783,136</u>	<u>\$ 6,980,101</u>	<u>\$ 2,196,965</u>

The notes to the basic financial statements are an integral part of this statement.

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STATISTICAL SECTION

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STATISTICAL SECTION

This part of the Sacramento Transportation Authority's annual comprehensive financial report presents detailed information as context for understanding the information in the financial statements, note disclosures, and required supplementary information of the government's overall financial health.

Financial Trends – These schedules contain trend information to help the reader understand how the Authority's financial performance changed over time.

Revenue Capacity – These schedules contain information to help the reader assess the Authority's most significant local revenue source - sales tax.

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place and to help make comparisons over time and with other governments.

Operating Information – These schedules contain information about the Authority's operation and resources to help the reader understand how the Authority's financial information relates to the services the Authority provides and the activities it performs.

Sources – Unless otherwise noted; the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

SACRAMENTO TRANSPORTATION AUTHORITY
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities:				
Restricted: Measure A*				
Restricted: Transit Services**				
Restricted: transportation mitigation	\$ 4,390,110	\$ 5,254,385	\$ 9,885,863	\$ 13,296,991
Restricted: freeway service patrol				164,338
Restricted: for abandoned vehicles		107,455	121,827	154,549
Restricted: debt service				6,362,460
Unrestricted	(283,641,409)	(294,193,790)	(309,078,758)	(365,923,547)
Total governmental activities net position	<u>\$ (279,251,299)</u>	<u>\$ (288,831,950)</u>	<u>\$ (299,071,068)</u>	<u>\$ (345,945,209)</u>

Source: Audited Financial Statements

* Amounts for Measure A prior to 2017 were reported as unrestricted

** New fund added as a result of implementing GASB 84

Fiscal Year

2017	2018	2019	2020	2021	2022
\$ 42,991,554	\$ 23,381,713	\$ 31,053,300	\$ 30,876,253	\$ 32,366,900	\$ 38,547,188
				12,916,670	7,108,570
4,692,718	23,315,012	21,083,317	17,303,331	10,708,825	5,563,502
	331,181	388,196	433,052	279,056	232,776
	160,919	167,490	159,226	162,960	134,606
6,588,099	6,923,116	6,919,991	6,884,105	6,714,470	6,714,471
(379,947,580)	(374,969,271)	(370,198,612)	(366,110,626)	(360,830,258)	(354,670,061)
\$ (325,675,209)	\$ (320,857,330)	\$ (310,586,318)	\$ (310,454,659)	\$ (297,681,377)	\$ (296,368,948)

SACRAMENTO TRANSPORTATION AUTHORITY
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2013	2014	2015	2016
Expenses				
Governmental Activities:				
Measure A	\$ 94,224,572	\$ 94,743,971	\$ 103,968,271	\$ 112,324,300
Transportation mitigation*		2,680,549	6,676	1,004,034
Transit Services**				
Freeway Service Patrol	1,765,562	2,164,149	2,090,267	2,000,559
Abandoned Vehicle Service Authority Administration***	1,089,746	1,125,637	1,172,574	1,216,517
Interest on long-term debt	16,257,749	16,196,388	15,538,373	15,208,203
Total governmental activities expenses	113,337,629	116,910,694	123,489,511	133,140,834
Program Revenues				
Operating grants and contributions	6,221,395	6,835,898	7,895,612	7,628,294
Net (expense) revenue	(107,116,234)	(110,074,796)	(115,593,899)	(125,512,540)
General Revenues and Other Changes in Net Position				
Sales taxes	97,390,177	100,063,237	105,564,247	110,707,633
Investment earnings	662,384	430,908	556,829	956,364
Total general revenues	98,052,561	100,494,145	106,121,076	111,663,997
Change in Net Position	\$ (9,063,673)	\$ (9,580,651)	\$ (9,472,823)	\$ (13,848,543)

Source: Audited Financial Statements

* Amounts for transportation mitigation expenses prior to 2014 are included in Measure A

** New fund added as a result of implementing GASB 84

*** Amounts for administration expenses prior to 2015 are included in Measure A

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 92,332,335	\$ 105,146,632	\$ 110,900,345	\$ 112,506,367	\$ 130,680,444	\$ 144,610,202
16,547,233	2,126,292	3,727,641	11,712,770	15,503,665	13,373,784
				6,140,147	6,753,289
2,271,606	2,126,051	1,986,738	2,658,784	3,305,277	3,680,165
1,400,871	1,118,297	1,316,666	1,333,747	1,338,699	1,082,042
979,254	633,150	813,062	1,144,831	698,336	830,473
16,227,155	17,662,386	18,570,877	18,124,579	14,881,164	14,626,531
129,758,454	128,812,808	137,315,329	147,481,078	172,547,732	184,956,486
11,196,129	11,396,632	10,044,457	11,574,361	13,472,954	13,148,712
(118,562,325)	(117,416,176)	(127,270,872)	(135,906,717)	(159,074,778)	(171,807,774)
116,877,996	119,187,748	131,757,081	131,591,165	153,560,355	172,916,487
1,954,329	3,202,114	5,784,803	4,447,211	161,520	203,716
118,832,325	122,389,862	137,541,884	136,038,376	153,721,875	173,120,203
\$ 270,000	\$ 4,973,686	\$ 10,271,012	\$ 131,659	\$ (5,352,903)	\$ 1,312,429

SACRAMENTO TRANSPORTATION AUTHORITY
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Nonspendable	\$ 10,027	\$ 10,027	\$ 10,027	\$ 10,027
Restricted	101,338,670	91,591,253	81,243,264	51,973,251
Unassigned	740,000	427,430	329,381	(195,546)
Total general fund	<u>102,088,697</u>	<u>92,028,710</u>	<u>81,582,672</u>	<u>51,787,732</u>
All Other Governmental Funds				
Restricted	4,439,725	4,232,983	4,352,188	6,517,009
Total all other governmental funds	<u>4,439,725</u>	<u>4,232,983</u>	<u>4,352,188</u>	<u>6,517,009</u>
Total Governmental Funds	<u>\$ 106,528,422</u>	<u>\$ 96,261,693</u>	<u>\$ 85,934,860</u>	<u>\$ 58,304,741</u>

Source: Audited Financial Statements

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 4,763					
47,684,272	\$ 47,027,906	\$ 52,524,813	\$ 48,612,636	\$ 43,354,781	\$ 44,343,466
(38,522)	664,031	861,894	722,530	1,261,987	1,871,973
<u>47,650,513</u>	<u>47,691,937</u>	<u>53,386,707</u>	<u>49,335,166</u>	<u>44,616,768</u>	<u>46,215,439</u>
6,588,099	7,084,035	7,087,481	7,043,331	19,794,101	14,223,277
<u>6,588,099</u>	<u>7,084,035</u>	<u>7,087,481</u>	<u>7,043,331</u>	<u>19,794,101</u>	<u>14,223,277</u>
<u>\$ 54,238,612</u>	<u>\$ 54,775,972</u>	<u>\$ 60,474,188</u>	<u>\$ 56,378,497</u>	<u>\$ 64,410,869</u>	<u>\$ 60,438,716</u>

SACRAMENTO TRANSPORTATION AUTHORITY
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2013	2014	2015	2016
Revenues				
Taxes	\$ 97,390,177	\$ 100,063,237	\$ 105,564,247	\$ 110,707,633
Mitigation Fees	3,176,382	3,540,542	4,624,139	4,363,650
Vehicle registration fees	1,130,254	1,172,833	1,220,900	1,272,697
State grant	1,914,759	2,122,523	2,050,573	1,991,947
Planning services				
Use of money and property	660,928	430,196	555,414	941,859
Miscellaneous	1,452	712	1,415	14,505
Total Revenues	104,273,952	107,330,043	114,016,688	119,292,291
Expenditures				
General government:				
Administrative	745,552	1,008,517	805,331	1,342,300
Freeway service patrol	1,765,562	2,164,149	2,090,267	2,000,559
Intergovernmental:				
Ongoing	78,028,181	80,178,967	84,573,836	88,688,421
Capital**	16,075,491	17,364,319	19,831,624	25,848,672
Capital outlay				
Debt Service:				
Principal				
Interest and other charges	16,804,043	16,880,820	17,042,463	16,016,860
Total expenditures	113,418,829	117,596,772	124,343,521	133,896,812
Excess of Expenditures over Revenue	(9,144,877)	(10,266,729)	(10,326,833)	(14,604,521)
Other Financing Sources (Uses)				
Transfers in	16,950,657	16,694,009	16,439,131	18,182,376
Transfers out	(16,950,657)	(16,694,009)	(16,439,131)	(18,182,376)
Proceeds from lease asset				
Refunding Bonds			(212,200,000)	
Bond Premium	11,326,155			
Issuance of Bonds	53,355,000		212,200,000	
Total other financing sources (uses)	64,681,155	-	-	-
Net change in fund balances	\$ 55,536,278	\$ (10,266,729)	\$ (10,326,833)	\$ (14,604,521)
Debt Service as a Percentage of Noncapital Expenditures*	17.39%	16.76%	15.88%	13.59%

Source: Audited Financial Statements

* Principal and interest/other charges, administrative, freeway service patrol, and ongoing/capital intergovernmental expenditures

** Intergovernmental capital expenditures are not capital outlay of the Authority.

Fiscal Year

	2017	2018	2019	2020	2021	2022
\$	116,877,996	\$ 119,187,748	\$ 131,757,081	\$ 131,591,165	\$ 153,560,355	\$ 172,916,487
	7,848,175	7,621,753	6,684,039	7,551,556	8,956,992	8,237,424
	1,282,433	1,275,901	1,316,666	1,319,166	1,364,680	1,277,403
	2,065,521	2,498,978	2,043,752	2,703,639	3,151,282	3,633,885
	1,795,119	3,081,259	5,784,803	4,447,211	161,520	203,716
	159,210	120,855				
	<u>130,028,454</u>	<u>133,786,494</u>	<u>147,586,341</u>	<u>147,612,737</u>	<u>167,194,829</u>	<u>186,268,915</u>
	977,515	542,737	794,117	1,133,643	615,219	833,685
	2,271,606	2,126,051	1,986,738	2,658,784	3,305,277	3,680,165
	93,578,879	95,096,646	105,217,067	105,116,994	127,582,088	143,176,416
	16,701,560	13,250,240	10,705,881	20,410,835	26,080,868	22,642,901
						381,753
	3,450,000	3,590,000	3,740,000	3,890,000	4,050,000	4,278,519
	17,115,023	18,643,460	19,444,322	18,498,171	15,655,190	15,629,382
	<u>134,094,583</u>	<u>133,249,134</u>	<u>141,888,125</u>	<u>151,708,427</u>	<u>177,288,642</u>	<u>190,622,821</u>
	<u>(4,066,129)</u>	<u>537,360</u>	<u>5,698,216</u>	<u>(4,095,690)</u>	<u>(10,093,813)</u>	<u>(4,353,906)</u>
	20,823,804	22,520,621	23,096,608	22,290,456	20,534,968	21,116,140
	(20,823,804)	(22,520,621)	(23,096,608)	(22,290,456)	(20,534,968)	(21,116,140)
						381,753
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>381,753</u>
\$	<u>(4,066,129)</u>	<u>\$ 537,360</u>	<u>\$ 5,698,216</u>	<u>\$ (4,095,690)</u>	<u>\$ (10,093,813)</u>	<u>\$ (3,972,153)</u>
	18.11%	20.03%	19.53%	17.31%	12.50%	11.69%

SACRAMENTO TRANSPORTATION AUTHORITY
Revenue Capacity - Revenue Base and Revenue Rate
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Sales Tax Rate</u>	<u>Total Sales Tax Revenue (000's)</u>	<u>Total Taxable Sales (000's)</u>
2021*	0.5%	\$ 133,513	\$ 33,918,019
2020	0.5%	131,591	27,173,405
2019	0.5%	131,757	26,351,416
2018	0.5%	119,188	25,443,669
2017	0.5%	116,878	24,610,617
2016	0.5%	110,708	23,368,174
2015	0.5%	105,564	22,218,348
2014	0.5%	100,063	21,061,901
2013	0.5%	97,390	20,097,095
2012	0.5%	92,240	19,089,848

Source: California Department of Tax and Fee Administration

*Latest information available

SACRAMENTO TRANSPORTATION AUTHORITY
Revenue Capacity - Principal Revenue Payers
Calendar Years 2021 and 2012

Business Type:	2021*			2012		
	Rank	Amount (000's)	Percentage of Taxable Sales	Rank	Amount (000's)	Percentage of Taxable Sales
All Other Outlets	1	\$ 10,122,988	29.8%	1	\$ 5,723,389	30.0%
All Other Retail Stores	2	5,564,356	16.4%	4	2,027,143	10.6%
Automotive	3	4,543,534	13.4%	2	2,266,802	11.9%
Eating and Drinking Places	4	2,973,291	8.8%	6	1,854,027	9.7%
General Merchandise Stores	5	2,921,442	8.6%	3	2,076,421	10.9%
Building Materials	6	2,124,169	6.3%	7	1,024,765	5.4%
Service Stations	7	1,994,111	5.9%	5	1,935,830	10.1%
Apparel Stores	8	1,251,413	3.7%	9	855,369	4.5%
Household & Home Furnishings	9	1,218,468	3.6%	10	278,066	1.5%
Food Stores	10	1,204,247	3.6%	8	916,005	4.8%
Nonstore Retailers	11		0.0%	11	132,031	0.7%
Total All Outlets		\$ 33,918,019	100.0%		\$ 19,089,848	100.0%

Source: California Department of Tax and Fee Administration
*Latest information available

SACRAMENTO TRANSPORTATION AUTHORITY
Principal Employers
June 30, 2021 and 2012

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

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

*Latest information available

SACRAMENTO TRANSPORTATION AUTHORITY
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (000's)	Per Capita Personal Income	Unemployment Rate
2021	1,559,000	\$ 90,908,707	\$ 58,307	9.3%
2020	1,552,000	85,775,621	55,266	3.7%
2019	1,541,000	80,969,087	52,544	3.8%
2018	1,531,000	76,832,120	50,197	4.6%
2017	1,514,000	72,878,458	48,122	5.4%
2016	1,497,000	70,110,138	46,845	6.0%
2015	1,478,000	65,486,553	44,303	7.3%
2014	1,460,000	61,654,690	42,229	8.9%
2013	1,447,000	59,775,785	41,303	10.5%
2012	1,435,000	57,498,308	40,068	12.1%

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

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SACRAMENTO TRANSPORTATION AUTHORITY
Operating Information - Employees
Last Ten Fiscal Years

Activity:	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Measure A/SAVSA	2.12	2.07	2.07	2.07	1.95	2.95	2.65	2.60	2.60	2.45
Freeway Service Patrol	0.88	0.93	0.93	0.93	1.05	1.05	1.15	1.20	1.20	1.35
Source - Payroll Allocation										

SACRAMENTO TRANSPORTATION AUTHORITY
Operating Information - Demand for Services
Measure A - By Jurisdiction
Last Ten Fiscal Years

Jurisdiction	Fiscal Year			
	2022	2021	2020	2019
City of Citrus Heights	\$ 3,397,512	\$ 3,017,591	\$ 2,589,796	\$ 2,594,616
County of Sacramento	26,033,861	23,142,052	19,780,254	19,824,716
CTSA Set Aside*	-			1,078,447
City of Elk Grove	7,125,601	6,275,989	5,356,571	5,367,420
City of Folsom	3,430,713	3,081,437	2,600,243	2,603,896
City of Galt	1,729,165	1,535,604	1,315,912	1,317,357
City of Isleton	69,167	61,424	52,636	52,694
Neighborhood Shuttle	1,000,000	1,000,000	1,000,000	1,000,000
Paratransit	2,296,595	2,038,005	5,815,018	4,743,008
Sacramento Regional Parks	1,000,000	1,000,000	1,000,000	1,000,000
City of Rancho Cordova	3,390,744	2,904,098	2,492,262	2,497,862
Regional Transit	64,049,486	56,837,693	44,581,803	44,631,157
City of Sacramento	20,266,469	17,944,897	15,285,468	15,270,445
SMAQMD	2,551,772	2,264,450	1,938,339	1,940,485
Debt Service	19,852,119	19,705,190	22,388,171	23,184,323
Administration	1,040,770	1,132,225	969,170	970,243
Total allocations	\$ 157,233,974	\$ 141,940,655	\$ 127,165,643	\$ 128,076,669

Source: Authority accounting records

* Per Authority Ordinance, allocations to this fund were discontinued June 30, 2019

Fiscal Year

	2018	2017	2016	2015	2014	2013
\$	2,347,540	\$ 2,302,514	\$ 2,152,319	\$ 2,071,744	\$ 1,985,463	\$ 1,891,987
	17,951,156	17,620,170	16,530,072	15,862,799	15,134,616	14,424,979
	1,168,157	1,146,027	1,069,997	1,027,592	983,258	938,205
	4,780,559	4,739,611	4,318,918	4,135,491	3,927,291	3,706,060
	2,335,123	2,294,486	2,105,522	2,018,853	1,978,191	1,905,848
	1,191,381	1,168,176	1,091,347	1,048,496	1,003,696	958,170
	47,656	46,727	43,654	41,940	40,150	38,327
	1,083,334	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	4,088,549	4,011,094	3,744,989	3,596,572	3,441,403	3,283,718
	1,083,334	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	2,239,524	2,201,648	2,013,909	1,922,210	1,803,645	1,711,239
	40,301,412	39,537,925	36,914,890	35,451,925	33,922,401	32,368,073
	13,652,724	13,390,589	12,539,139	12,037,403	11,534,598	11,011,678
	1,752,235	1,719,040	1,604,995	1,541,388	1,474,887	1,407,308
	22,233,460	20,565,023	22,202,434	21,322,534	20,402,604	19,467,754
	1,033,546	899,939	802,498	770,694	737,444	703,654
\$	117,289,690	\$ 113,642,969	\$ 109,134,683	\$ 104,849,641	\$ 100,369,647	\$ 95,817,000

SACRAMENTO TRANSPORTATION AUTHORITY
Ratios of Outstanding Debt
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Sales Tax Revenue Bonds</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2021*	\$ 352,935,000	0.4%	\$227
2020	356,985,000	0.4%	230
2019	360,875,000	0.4%	234
2018	364,615,000	0.5%	238
2017	368,205,000	0.5%	243
2016	371,655,000	0.5%	248
2015	371,655,000	0.6%	251
2014	371,655,000	0.6%	255
2013	371,655,000	0.6%	257
2012	318,300,000	0.6%	222

Source: Sacramento County June 30, 2021 Annual Comprehensive Financial Report (ACFR) and Audited Financial Statements

* Latest information available

SACRAMENTO TRANSPORTATION AUTHORITY
Operating Information - Abandoned Vehicle Abatements
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Abatements</u>
2022	21,413
2021	19,790
2020	22,518
2019	18,877
2018	14,670
2017	13,019
2016	8,586
2015	5,037
2014	5,247
2013	6,222

Source: Authority records

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS*

To the Board of Directors
Sacramento Transportation Authority
Sacramento, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Sacramento Transportation Authority (Authority), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 3, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws,

To the Board of Directors
Sacramento Transportation Authority

regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

November 3, 2022



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INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES
APPLIED TO APPROPRIATIONS LIMIT TESTING

Board of Directors
Sacramento Transportation Authority
Sacramento, California

We have performed the procedures enumerated below to the accompanying calculation of the Appropriations Limit of the Sacramento Transportation Authority (Authority) for the year ended June 30, 2022. The Authority's management is responsible for complying with the Appropriations Limit Calculation. The Authority and the League of California Cities (as presented in the publication entitled Agreed-Upon Procedures applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution) have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to assist the Authority in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. We obtained the Authority's calculation of the 2021/2022 appropriations limit and compared the limit and annual adjustment factors included in the calculation to the limit and annual adjustment factors that were adopted by resolution of the Board of Directors.

Finding: No exceptions were noted as a result of our procedures.

2. We compared the methodology used to determine the cost-of-living adjustment component to Article XIII-B which states that the Authority may annually adjust the component for either the change in California per capita personal income or, the percentage change in the Authority's assessed valuation which is attributable to non-residential new construction. We recalculated the factor based on the above information.

Finding: No exceptions were noted as a result of our procedures.

3. We compared the methodology used to determine the population adjustment component to Article XIII-B which states that the Authority may annually choose to adjust the component for either the change in population in the County in which the Authority is located, or the change in population within the unincorporated area of the County in which the Authority is located. We recalculated the factor based on the above information.

Finding: No exceptions were noted as a result of our procedures.

4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Calculation to the prior year appropriations limit adopted by the Board of Directors for the prior year.

Finding: No exceptions were noted as a result of our procedures.

5. We recalculated the 2021/2022 Appropriation Limit by multiplying the product of the two above factors by the 2020/2021 appropriation limit.

Finding: No exceptions were noted as a result of our procedures.

6. We compared the Authority's actual expenditures to the computed appropriation limit for fiscal year 2021/2022.

Finding: For the 2021/2022 fiscal year the Authority's actual expenditures and actual revenues did not exceed the appropriation limit calculated by us.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on accompanying calculation of the Appropriation Limit. Accordingly, we do not express such an opinion or conclusion. No procedures have been performed with respect to the determination of the Appropriations Limit for the base year, as defined by *Article XIII-B* of the California Constitution.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the use of the Board of Directors and management of the Authority and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Richardson & Company, LLP

November 3, 2022

APPENDIX A

**SACRAMENTO TRANSPORTATION AUTHORITY
APPROPRIATION LIMIT CALCULATION**

Year Ended June 30, 2022

**APPROPRIATION LIMIT
ADOPTED BY AUTHORITY:**

Recorded in Final 2021/2022 Budget \$ 315,753,737

**APPROPRIATION LIMIT
COMPUTATION PER REVIEW:**

2020/2021 Appropriation Limit \$ 296,919,442

Cost of Living Factor:

Change in California per capita income 1.00580

Population Adjustment Factor:

Population change in Sacramento County 1.05730

Auditor computed limitation 315,753,737

Variance \$ 0



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GOVERNANCE LETTER

To the Board of Directors
Sacramento Transportation Authority
Sacramento, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sacramento Transportation Authority (Authority) for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards

As stated in our engagement letter dated June 21, 2022, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Planned Scope and Timing of the Audit, Significant Risks, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involves judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We noted not material weaknesses in internal control as a result of our audit. However, material weaknesses may exist that have not been identified.

We have identified the following significant risks of material misstatement as part of our auditing planning: Management override of controls and revenue recognition.

We performed the audit according to the planned scope previously communicated to you in our engagement letter dated June 21, 2022.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. The Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The implementation of GASB Statement No. 87 resulted in the recognition of a lease liability and an intangible right-to-use lease asset. Note 6 to the financial statements describes the impact of GASB Statement No. 87 on the Authority's financial statements. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Authority's financial statements was the accrual of the unfunded pension and other postemployment benefit liabilities. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole. The accrual for the unfunded pension liability was determined by an actuarial valuation performed by CalPERS. The accrual for postemployment benefit liabilities was determined by an actuarial valuation, which is required to be performed by an Agency-contracted actuary every two years.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the following:

- Information on the Authority's pension plans, including the Authority's share of the unfunded pension liability, is shown in Note 3. The Authority's share of the unfunded pension liability at June 30, 2022, the most recent measurement date, was \$576,412, which is reflected as a liability in the Authority's financial statements as of June 30, 2022. The liability decreased significantly during the year due to the investment earnings on the plan assets as of the June 30, 2021 measurement date being unusually large.
- The postemployment benefit (OPEB) disclosure in Note 5 shows that the Authority's postemployment benefits liability has decreased to \$189,010 as of June 30, 2022. Retiree premium payments are being made on a pay-as-you-go basis and no contributions are made to a trust.
- The Authority has interest rate swaps that were entered into when the Series 2009 bonds were issued with a variable interest rate, to hedge the interest rate risk. Because of the decrease in interest rates since these bonds and related swaps were issued, the swaps have a negative fair value, which is described in Note 8 of the financial statements.
- Note 13 of the financial statements describes the issuance of the 2022 refunding bonds subsequent to year-end.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We noted no material misstatements during our audit.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter November 3, 2022.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, Schedule of Proportionate Share of the Net Pension Liability and Schedule of Changes in the Total OPEB Liability and Related Ratios, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in

the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction of Use

This information is intended solely for the information and use of the Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Richardson & Company, LLP

November 3, 2022



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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Sacramento Transportation Authority
Sacramento, California

We have performed the procedures enumerated in Attachment I, for the Measure A recipients as of June 30, 2022 and for the year then ended. Sacramento Transportation Authority (Authority)'s management is responsible for monitoring of recipient compliance with applicable Transportation Expenditure Agreements for Measure A funds between the Authority and the respective recipient entity as it relates to the Entity Allocation.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of monitoring compliance with the Transportation Expenditures Agreements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We were engaged by Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on any of the Measure A entities. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Authority and is not intended to be and should not be used by anyone other than the Sacramento Transportation Authority.

Richardson & Company, LLP

November 3, 2022

ATTACHMENT I

PROCEDURES PERFORMED

At your request, we have performed certain procedures as of June 30, 2022 and for the year then ended with respect to recipient compliance with the applicable Transportation Expenditure Agreement between the Authority and the respective recipient entities. Such procedures performed were as follows:

1. We read the recipient's accounting system narrative as it specifically relates to the accounting for, and control over, Measure A receipts and expenditures.
2. We read the recipient's indirect cost allocation methodology, if indirect costs are charged to the Measure A projects.
3. We read the recipient's methodology for allocating and recording interest related to Measure A receipts and recomputed reported interest income for the year ended June 30, 2022 based on the amount set forth in the supporting schedules provided by the recipient entities.
4. Selected certain projects from the Measure A on-going annual program report, and the Measure A capital projects general ledger detail for the fiscal year ended June 30, 2022 as follows:

On-going Measure A

County of Sacramento: Street and Road maintenance program

City of Sacramento: Street and Road maintenance program

City of Folsom: Street and Road maintenance program

City of Rancho Cordova: Street and Road maintenance program

Sacramento Metro Air Quality Management District: Air Monitoring, Planning, & Rural Development.

Regional Transit: Transit Operations

Paratransit: Traffic Control and Safety Program

Measure A Capital Projects

County of Sacramento: Hazel Avenue/US-50 to Madison

Caltrans: I-5 HOV lanes

Connector JPA: Capital/Southeast Connector

For the projects selected above, we performed the following:

- a. Obtained the on-going annual program report and capital projects general ledger detail for fiscal year ended June 30, 2022.
- b. Obtained detail listing of project costs. Ensured amounts agreed to the reports provided by the recipient to the Authority. From the period selected for testing we Haphazardly selected a maximum sample of 5, or 50% coverage, whichever is less, expenditures for the fiscal year ended June 30, 2022 and agreed amounts to supporting documentation.

- c. Determined that the expenditures are consistent with the project descriptions in the County Transportation Expenditure Plan.
- d. Determined that the expenditures are consistent with the project descriptions in the contract.

In connection with the procedures performed, the following items came to our attention:

Current Year Findings

None noted.

Prior Year Findings

None noted.



DECEMBER 8, 2022

AGENDA ITEM # 10

REAPPOINTMENT OF INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE MEMBER

Action Requested: Appoint

Key Staff: Dustin Purinton, Accounting Manager

Recommendation

Reappoint Robert Holderness as an Independent Taxpayer Oversight Committee (ITOC) voting member for an additional four-year term.

Background

Measure A requires that an ITOC be established pursuant to Exhibit B of the Ordinance which requires there to be three voting and three ex-officio members. Each voting member serves a four-year term and may serve up to eight years total.

The ex-officio members are the Governing Board Chair or their designee, the Authority's Executive Director, and the County Auditor or their designee. Each ex-officio member serves throughout the program. Currently, the ex-officio members are:

1. Governing Board Chair or their designee – vacant
2. Authority's Executive Director – Kevin Bewsey
3. County Auditor or their designee – Joyce Renison, Assistant Auditor/Controller, County of Sacramento

The voting members are required to be residents of Sacramento County and possess the following professional and/or community credentials:

1. One member who is a professional – active or retired – in the field of municipal audit, finance, and/or budgeting with at least five years in a relevant and senior decision-making position in the public or private sector. This position is currently filled By Joan Borucki. Joan is on her last four-year term, which expires in December 2022.
2. One member who is a licensed civil engineer or trained transportation planner – active or retired – with at least five years of demonstrated experience in the field of transportation in government and/or the private sector.

3. One member who is a current or retired manager of major public and/or privately financed development or construction projects, who by training and experience would understand the complexity, costs and implementation issues involved in building large scale infrastructure improvements. This position is currently filled by Robert Holderness.

STA has been actively recruiting to fill the vacant voting member positions. ITOC voting member are appointed by the STA Governing Board.

Discussion

Mr. Holderness' first four-year term will expire in December 2022, but he would like to continue serving another four-year term for a total of eight years allowed under the Ordinance. STA staff recommend the STA Governing Board reappoint Robert Holderness as an Independent Taxpayer Oversight Committee (ITOC) voting member for an additional four-year term.



DECEMBER 8, 2022

AGENDA ITEM # 11

RECOGNITION AND APPRECIATION OF DEPARTING MEMBERS OF THE GOVERNING BOARD FOR SERVICE TO THE SACRAMENTO TRANSPORTATION AUTHORITY

Action Requested: Present Certificate of Appreciation

Presenter: Chair, Bobbie Singh-Allen

Key Staff: Kevin M. Bewsey, Executive Director

Recommendation

Present certificates of appreciation to Jeff Harris, Steve Miller, Don Nottoli, and Jay Schenirer for their service after serving as members of the STA Governing Board.

Discussion

Jeff Harris, Steve Miller, Don Nottoli, and Jay Schenirer will part from the STA Governing Board at the end of 2022. Staff has prepared certificates of appreciation to acknowledge them for their years of policy leadership, and in particular, contributions to the Measure A transportation sales tax program.

Jeff Harris was first elected to the Sacramento City Council in 2014 and appointed to the STA Governing Board at that time. He has provided eight years of continuous serviced from 2014 to 2022 and served as Board Chair in 2018.

Steve Miller has served on the Citrus Heights City Council since 2005 and was appointed to the STA Governing Board in 2019, serving as an alternate for STA in 2008 and 2014. He has provided three years of continuous serviced from 2019 to 2022.

Don Nottoli was first elected to the Board of Supervisors in 1994 and appointed to the STA Governing Board at that time. Prior to that he served as an alternate for STA in 1992 and 1993. He has provided thirty years of continuous serviced from 1992 to 2022 and has served as Board Chair in 1996, 2004, and 2021.

Jay Schenirer was first elected to the Sacramento City Council in 2010 and appointed to the STA Board at that time. He has provided twelve years of continuous serviced from 2010 to 2022.

C: Jeff Harris
Steve Miller
Don Nottoli
Jay Schenirer