



# 2018/19 Fiscal Year

Sacramento Transportation Authority  
Final Budget



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# Sacramento Transportation Authority Annual Budget

*Fiscal Year 2018-19*

## Governing Board

### Sacramento County Board of Supervisors

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Susan Peters (Vice Chair)

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### Rancho Cordova City Council

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### Folsom City Council

Kerri Howell

### Citrus Heights City Council

Albert Fox

### Galt City Council

Curt Champion

### Executive Director

Norman Hom

### General Counsel

William Burke



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
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**Sacramento Transportation Authority  
California**

For the Fiscal Year Beginning

**July 1, 2017**

*Christopher P. Morill*

Executive Director

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# Letter of Transmittal

June 14, 2018

Chairman and Members of the Board:

We are pleased to submit for your review and consideration, the Fiscal Year 2018-19 (FY 2018-19) Final Budget (Final Budget). California Public Utilities Code Section 180105 instructs the Authority to adopt an annual budget. This budget was created in accordance with State Law, the Authority's policies, and the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Awards Program criteria. This budget is balanced in that current revenues and fund balance pay for all operating, ongoing, and capital appropriations.

As the Authority's policy makers, the Governing Board (Board) sets the direction of the agency. This budget provides a framework for the Authority's finances and serves as a source of information for the Board, staff, Measure A agencies, and the public. The programs and services provided in this budget focus on the Authority's mission to maximize the use of limited available resources to best improve the transportation network in Sacramento County.

To that end, the following goals have been established:

- Maximize program effectiveness through efficient and effective stewardship of public resources;
- Collaborate with partner agencies to ensure the timing of their funding needs and the availability of funding resources are complimentary;
- Provide accurate and timely preparation and distribution of required financial reports;
- Effectively implement taxpayer safeguards identified in the Measure A Ordinance;
- Provide support to the Independent Taxpayer Oversight Committee (ITOC) in its mission to safeguard public resources by overseeing annual fiscal and periodic performance audits and;
- Engage the public and solicit its input on important Authority matters.

The budget process is structured to allow the Board, staff, ITOC, and the public adequate time for review and analysis of the budget's key components. The budget process begins in January after completion and approval of the prior year's audited Comprehensive Annual Financial Report (CAFR). The process continues in March and April as staff update the budget with revenue forecasts developed in conjunction with the Authority's consultant. At the same time, staff work with each Measure A agency to gather financial information for the Capital Improvement Program (CIP) and other ongoing transportation programs. In May, the Proposed Budget is presented to the Board in a public hearing for its consideration and comments. In June, the Final Budget is presented to the Board in a public hearing for adoption.

## Budget Overview

The Final Budget anticipates \$141.6 million in total new revenue, which is \$8 million (6%) more than the Fiscal Year 2017-18 Amended Budget (Amended Budget). This includes revenue from all funding sources. Appropriations for FY 2018-19 are \$153.8 million, \$37 million (31.7%) more than the Amended Budget. In addition, other financing uses, reported as transfers out, are expected to be \$22.3 million in FY 2018-19 which is \$1.5 million (7.2%) more than the Amended Budget. The net impact on fund balance is a decrease of \$23.7 million.

Major factors impacting the budget are as follows:

- Sales tax revenue is forecast to increase by \$6.7 million (5.5%) over the Amended Budget amount based on the Authority's March 2018 revenue forecast;
- Interest revenue from the Authority's swap program is expected to increase by \$891,000 (57.5%) as interest rates rise;
- New revenue from Senate Bill 1 (SB 1) for the Sacramento Metropolitan Freeway Service Patrol (SacMetro FSP) program is expected to increase \$344,000 (16%) over the amount in the Amended Budget;
- Ongoing allocation appropriations are expected to increase by \$5.28 million (5.5%) over the amount forecast in the Amended Budget, since ongoing allocations change at the same rate as sales tax revenue;
- Capital Improvement Program (CIP) appropriations are expected to increase by \$31.1 million (193.8%) as capital projects throughout the region are started or move into a new construction phase and;
- Transfers out are expected to increase by \$1.5 million, in part because the FY 2017-18 Amended Budget amount was understated by \$1.3 million when staff reduced the transfers out by the amount of swap revenue and Series 2012 bond principal payments are increasing.

## Budget Improvements for FY 2018-19

New for FY 2018-19 is the establishment of fund balance reserves for the CIP and administration funds. GFOA guidelines recommend that 2-4 months revenue or expenditures, whichever is more stable, be set aside for economic uncertainties and any other unforeseeable changes in revenue or expenditures impacting fund balance. The more stable basis in the Authority's case is revenue. For FY 2018-19, the CIP reserve fund balance is planned at \$1 million and administration reserve fund balance at \$100,000. Both amounts are less than GFOA's minimum of 2 months; however, staff will be recommending increases to the reserves in the future. Other improvements include the following:

- **FISCAL POLICIES**- added a comprehensive section summarizing the Authority's fiscal policies including fund structure, financial planning, personnel resource management, and its debt and investment policies;
- **CAPITAL IMPROVEMENT PROGRAM (CIP)** - added significant information about the projects approved by voters in 2004 and the projects that will be under construction during the budget year as well as a cash-flow plan to pay for project costs;
- **LONG-TERM FINANCIAL PLAN** - added a new year-by-year revenue forecast updated in March 2018 and a staff analysis of the forecast in comparison to the revenue included in the voter approved Expenditure Plan;
- **SACRAMENTO COUNTYWIDE TRANSPORTATION MITIGATION FEE PROGRAM (SCTMFP)** - added a new budget table representing how the funds from this program will be used to fund the CIP in the coming year;
- **BUDGET TABLES** - reformatted so that financial information is easier for the user to read and understand;
- **DEBT SERVICE COSTS** - added a table showing a breakdown of costs year-by-year through the end of the program in 2039;
- **PERSONNEL POSITION DESCRIPTIONS** - added comprehensive summary of responsibilities and duties.

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

Description	FY 2017 Actual	FY 2018 Amended Budget	FY 2018 Estimate	FY 2019 Final	Change from FY 2018
<b>Revenues</b>					
Sales Tax	\$116,877,996	\$122,668,000	\$122,962,000	\$129,372,000	\$6,704,000
SCTMFP Fees *	7,848,174	6,000,000	6,500,000	6,000,000	-
Interest and Other	2,037,530	1,550,000	2,684,192	2,441,000	891,000
SacMetro FSP State Allocation/CVR-SAFE**	2,065,521	2,143,057	2,901,097	2,487,499	344,442
SAVSA***	1,286,741	1,175,000	1,178,124	1,259,077	84,077
<b>New Revenues</b>	<b>\$130,115,962</b>	<b>\$133,536,057</b>	<b>\$136,225,413</b>	<b>\$141,559,576</b>	<b>\$8,023,519</b>
<b>Appropriations</b>					
Administration	860,393	606,662	564,935	981,160	374,498
SacMetro FSP	2,271,606	2,122,824	2,220,769	2,273,024	150,200
SAVSA	1,441,290	1,199,842	1,178,124	1,259,077	59,235
<b>Contributions to Measure A Entities:</b>					
Ongoing Allocations	92,225,542	96,783,667	97,015,113	102,061,296	5,277,629
Capital Improvement Program (CIP)	16,701,560	16,069,048	13,416,328	47,207,000	31,137,952
<b>Total Appropriations</b>	<b>\$113,500,391</b>	<b>\$116,782,043</b>	<b>\$114,395,269</b>	<b>\$153,781,557</b>	<b>\$36,999,514</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In (release 2009C reserve fund)	-	-	7,100,000	-	-
Transfers Out (to the Debt Service Fund)	(20,783,385)	(20,800,000)	(22,146,763)	(22,300,000)	(1,500,000)
<b>Total Financing Sources (Uses)</b>	<b>\$(20,783,385)</b>	<b>\$(20,800,000)</b>	<b>\$(15,046,763)</b>	<b>\$(22,300,000)</b>	<b>\$(1,500,000)</b>
<b>Net Increase (decrease) in Fund Balance</b>	<b>(4,167,814)</b>	<b>(4,045,986)</b>	<b>6,783,381</b>	<b>(34,521,981)</b>	<b>(30,475,995)</b>
Beginning Fund Balance	39,592,566	35,424,752	35,424,752	42,208,133	6,783,381
<b>Ending Fund Balance</b>	<b>\$35,424,752</b>	<b>\$31,378,766</b>	<b>\$42,208,133</b>	<b>\$7,686,152</b>	<b>\$(23,692,613)</b>
Fund Reserve****	-	-	-	1,100,000	1,100,000
<b>Ending Fund Balance Less Reserve</b>	<b>\$35,424,752</b>	<b>\$31,378,766</b>	<b>\$42,208,133</b>	<b>\$6,586,152</b>	<b>\$(24,792,613)</b>

\* Sacramento Countywide Transportation Mitigation Fee Program

\*\* Sacramento Metropolitan Freeway Service Patrol

\*\*\* Sacramento Abandoned Vehicle Service Authority

\*\*\*\* Includes \$1 million for the Capital Improvement Program and \$100,000 for administration



## Challenges

The Authority faces some challenges in the near term. The Measure A program shifted to pay-as-you-go funding over the last 18 months after exhausting available bond proceeds. Although the transition was planned, funding the CIP involves continuous monitoring as staff work with program partners to align expected revenues with anticipated expenditures. Given that the program continues until FY 2038-39 and the Authority can only issue a limited amount of additional debt, staff will be challenged with establishing prudent reserves, monitoring revenue and expenditures and communicating necessary spending adjustments to its program partners.

The Ordinance only allows for 0.75% of the net sales tax revenue to be used to fund administration. Since sales tax revenue fluctuates but salaries, benefits, and other costs such as the CalPERS unfunded liability continue to rise, the current staffing level of 3 full-time equivalent (FTE) positions is not likely to increase in the near term. At the same time, workload continues to increase as the Authority implements additional programs such as the Neighborhood Shuttle beginning in July 2018 and the Smart Growth Incentive Program in the next several years.

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

## Capital Improvement Program (CIP)

All 54 projects voters approved in 2004 are contained in the Sacramento County Transportation Expenditure Plan 2009-2039 (Expenditure Plan). The agencies implementing the projects are County of Sacramento (County), the cities of Galt, Elk Grove, Rancho Cordova, Sacramento, Citrus Heights, and Folsom, the California Department of Transportation (Caltrans), Sacramento Regional Transit District (SRTD), and the Capital SouthEast Connector Authority. After voters approved Measure A in 2004 and before collection of the sales tax began in April 2009, Authority staff coordinated a multi-year effort to determine funding by fiscal year for each project through the end of the Measure A program in 2039. The allocation plan serve as a roadmap for the program's projects for the first 10 years of the program. A new CIP will be drafted in FY 2018-19 as a guide for the remainder of the program.

There are 15 projects programmed to receive Measure A funding through multi-year interagency funding agreements beginning in FY 2018-19. All CIP projects are multi-year or long-term in nature, therefore many projects span multiple funding agreement cycles. Since availability of funding is a primary driver for the construction cycle, some projects may stall while sufficient funding is identified. Therefore, it is not uncommon to reallocate funding from one project to another based on the availability of other funding sources. Since Measure A funding is normally

## LETTER OF TRANSMITTAL

the local matching component for other funding sources, the Authority and CIP agencies work together throughout the project lifecycle to ensure funding is available when and where needed. Since most projects receive funding from multiple sources, a project's allocation of Measure A funding may be exhausted before completion of the project. Projects in the budget include the following:



- **FOLSOM BOULEVARD/COMPLETE STREETS** – This project will improve safety and connectivity along Folsom Boulevard between Bradshaw Road and Mayhew Road. FY 2018-19 funding \$250,000.
- **GREENBACK LANE/COMPLETE STREETS** – This project, which is on Greenback Lane between Chestnut Avenue and Folsom City Limits, will improve safety and connectivity. FY 2018-19 funding \$900,000.
- **HAZEL AVENUE/U.S. 50 TO FOLSOM BOULEVARD** – This project proposes to construct capacity, safety, and access improvements at the U.S. 50/Hazel Avenue interchange and the Hazel Avenue/Folsom Boulevard intersection. FY 2018-19 funding \$750,000.
- **HAZEL AVENUE/U.S. 50 TO MADISON** - This is the 3rd phase of the Hazel Avenue project that will widen Hazel Avenue from four to six lanes from Sunset Avenue to Madison Avenue. FY 2018-19 funding \$1,000,000.
- **MADISON AVENUE/PHASE 1** – This project will widen Madison Avenue from 4 to 6 lanes with raised medians between Fair Oaks Boulevard and Hazel Avenue in the Citrus Heights and Fair Oaks areas. FY 2018-19 funding \$1,500,000.
- **SUNRISE BOULEVARD/JACKSON TO GRANT LINE** – This project will widen the existing intersection at Jackson Road and Sunrise Boulevard. FY 2018-19 funding \$400,000.
- **WATT AVENUE/ANTELOPE TO CAPITAL CITY FREEWAY** – This project is located on Watt Avenue, north of I-80, from Orange Grove Avenue to Roseville Road will provide safety and connectivity improvements. FY 2018-19 funding \$1,345,000.
- **SOUTH WATT/ELK GROVE-FLORIN ROAD** – This project will widen South Watt Avenue from two to four lanes between Florin Road and Jackson Road. FY 2018-19 funding \$1,500,000.



- **RICHARDS BOULEVARD/I-5 INTERCHANGE** – This project will provide long-term operational and circulation improvements to address future impacts resulting from high density development in the Central City. FY 2018-19 funding \$747,000.
- **FOLSOM BOULEVARD** - This project has developed a complete street plan. Related projects are under construction this year which include the Ramona Avenue Extension which connects Ramona Ave to Folsom Boulevard and opens up 240 acres for development of the future Sacramento Center for Innovation. There is no funding for this project in FY 2018-19; however, funding is planned for FY 2020-21 and therefore included in the multi-year funding agreement.
- **INTERMODAL STATION/PHASE III** – This project is currently in the planning phase for the expansion of the existing station facility which will better connect transportation services closer to the relocated train track and platform alignment. The timeline for full build-out is currently 2040 and is planned to be implemented in distinct phases. FY 2018-19 funding \$10,745,000.



- **FOLSOM BOULEVARD ENHANCEMENTS** – This multi-phase project will provide for improved aesthetics and safety along Folsom Boulevard between Horn Road and Tiffany West Way, Horn Road and Bradshaw Road, and between Kilgore Road and Sunrise Boulevard. FY 2018-19 funding \$5,470,000.



- **U.S. 50 HIGH OCCUPANCY VEHICLES (HOV)/I-5 TO WATT AVENUE** – This project is designed to reduce recurring congestion on U.S. 50 from the Watt Avenue Interchange (where the current HOV lanes start and stop on U.S. 50) to the I-5 Interchange in downtown Sacramento. FY 2018-19 funding \$2,600,000.
- **I-5 HOV** – This project, in its first phase, will construct approximately 19 miles of bus/carpool lanes on I-5 from Bach Lake Bridge to U.S. 50. Phase two will construct 6 miles of bus/carpool lanes from 1.1 mile south of Elk Grove Boulevard to Beach Lake Bridge. FY 2018-19 funding \$9,000,000.



- This project consists of a 34 mile long expressway that will serve as a beltway through the southern area of Sacramento County into El Dorado County, enabling travelers to bypass downtown Sacramento and Highway 50 congestion between Elk Grove, Rancho Cordova, Folsom and El Dorado Hills. FY 2018-19 funding \$11,000,000.

## Long-Term Financial Planning

Sales tax revenue forecasts are the starting point for short and long-term financial planning. Annually, Authority staff work with its revenue forecasting consultant to provide updated revenue projections for each remaining fiscal year of the Measure A sales tax program. This information is important because it provides overall program revenues based on audited revenue amounts for past years and forecasts for the remaining years as a comparison to the revenue forecasts included in the Expenditure Plan approved by voters in 2004. This revenue is pledged to bondholders and financial institutions participating in the Authority's debt program. Additionally, it is used to determine the Authority's debt coverage ratios which are important to investors and financial institutions holding its debt or providing financial liquidity. Furthermore, this effort allows the Authority to determine if forecasted revenue could support the issuance of additional debt if needed in the future.

In the Final Budget, the Authority uses the current year revenue forecast reported as "FY 2018 Estimate", and the coming year amount, reported as "FY 2019 Final". The FY 2018 Estimate is based on roughly 7 months of actual sales tax receipts (modified accrual basis), while the remainder of the fiscal year is forecasted. The following table summarizes the most recent revenue forecast updated in March 2018. The FY 2017 Estimated revenue is expected to be slightly higher at \$122.96 million than the Amended Budget amount of \$122.67 million, resulting of growth rates of 5.5% and 5.2% respectively.



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Fiscal Year	Sacramento County Taxable Sales	STA Sales Tax Revenue	Sacramento County Taxable Sales (\$000s)	STA Sales Tax Revenue Growth Rate	
2009-10	16,638,458	81,414			Actual
2010-11	17,416,097	87,299	4.7%	7.2%	
2011-12	18,608,568	92,240	6.8%	5.7%	
2012-13	19,552,242	97,390	5.1%	5.6%	
2013-14	20,624,371	100,063	5.5%	2.7%	
2014-15	21,536,376	105,564	4.4%	5.5%	
2015-16	22,655,018	110,708	5.2%	4.9%	
2016-17	23,624,106	116,878	4.3%	5.6%	
2017-18	24,919,389	122,962	5.5%	5.2%	
2018-19	26,166,831	129,372	5.0%	5.2%	
2019-20	27,122,772	134,098	3.7%	3.7%	
2020-21	27,910,346	138,010	2.9%	2.9%	
2021-22	28,673,655	141,701	2.7%	2.7%	
2022-23	29,509,691	145,730	2.9%	2.8%	
2023-24	30,454,776	150,274	3.2%	3.1%	
2024-25	31,479,300	155,231	3.4%	3.3%	
2025-26	32,540,187	160,379	3.4%	3.3%	
2026-27	33,645,422	165,728	3.4%	3.3%	
2027-28	34,813,670	171,374	3.5%	3.4%	
2028-29	36,039,561	177,304	3.5%	3.5%	
2029-30	37,301,320	183,416	3.5%	3.4%	
2030-31	38,594,748	189,676	3.5%	3.4%	
2031-32	39,925,473	196,111	3.4%	3.4%	
2032-33	41,267,802	202,617	3.4%	3.3%	
2033-34	42,611,522	209,124	3.3%	3.2%	
2034-35	43,945,303	215,588	3.1%	3.1%	
2035-36	45,272,417	222,011	3.0%	3.0%	
2036-37	46,622,499	228,526	3.0%	2.9%	
2037-38	47,995,470	235,155	2.9%	2.9%	
2038-39	49,402,228	241,935	2.9%	2.9%	
<b>Total/Average</b>		<b>4,707,879</b>	<b>3.8%</b>	<b>3.8%</b>	

Source: Actual amounts are from the Authority’s audited financial statements and forecast amounts were developed in conjunction with Beacon Economics in March 2018.

Based on the information in the table, the Authority forecasts total sales tax revenue of \$4.71 billion over the life of the program. This amount is materially consistent with the amount projected in 2004 when voters approved the Measure - \$4.74 billion. However, a review of the information above indicates that actual revenue growth fluctuates from year-to-year. From FY 2009-10 when the 2004 Measure A began through FY 2016-17, the most recent audited amounts, the actual yearly growth rate has varied from a low of 2.7% to a

## LETTER OF TRANSMITTAL

high of 7.2% but averaged 5.3%. The forecast growth rate beginning in FY 2017-18 through the end of the program varies from a low of 2.7% to a high of 5.2% but averages 3.4%. The overall program growth rate when actual and forecast amounts are combined is 3.8%.

Greater variation in the actual growth rate is expected since it represents the actual fluctuations in the underlying economic indicators, which differs from the forecast growth rates. Variations in economic indicators such as construction activity, net population growth, the unemployment rate, and changes to personal income are among the factors that impact revenue growth rates most significantly. Less variation is seen in the forecast growth rates because variations in the economic indicators, including the impact of recessions which typically occur every 7 years, are incorporated in this weighted average model that smooths the impact of each economic indicator over the life of the program.

### Factors Affecting Financial Condition

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

Sales tax collected in the County is the Authority's largest revenue source and is forecast to increase in FY 2018-19 to \$129.37 million from an FY 2017-18 Amended Budget amount of \$122.67 million, representing a 5.5% growth rate. The County's population continues to grow an average of 1.1% per year.

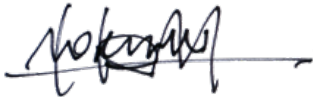
A portion of the current growth seen in the County is net migration from surrounding, more expensive counties. Estimates from 2017 indicate about 25,000 people moved to the County from 8 neighboring counties, where home prices are, on average, much higher. In February 2018, the median home price in the County was about \$360,000 while 8 neighboring, more expensive, counties varied from \$430,000 in Solano County to over \$1.3 million in San Francisco County. The remaining growth is attributable to people moving into the County for employment reasons. Population growth directly supports increases in taxable retail sales and associated revenues. Additionally, per capita income has grown steadily at a compound annual rate of 3.4% and is consistent with state and national levels.

According to the California Employment Development Department (EDD), the unemployment rate in the County declined to 3.9% in March 2018 from 5.1% in March 2017. This compares to an unadjusted March 2018 unemployment rate of 4.2% for California and 4.1% for the nation. Over the last year, the leading indicators for increased sales tax revenue were in the areas of professional services, health and education, and leisure.

**LETTER OF TRANSMITTAL**

In summary, the Authority is financially stable and its future promising. In the coming years, we will serve the Board, local agencies, and the public with transparency and continue practicing good stewardship over public resources in our effort to fund the region's transportation needs.

Sincerely,



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



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

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An aerial photograph of a highway interchange. A large white number '1' is overlaid on the left side of the image. The highway has several lanes with a truck and a car visible. In the background, there are industrial buildings and two large white cylindrical storage tanks. The sky is clear and blue.

# 1

## Authority Overview

### **AUTHORITY GOAL**

Maximize program effectiveness through efficient and effective stewardship of public resources



## Authority Overview

This section contains the Authority’s profile, Measure A safeguards, and a summary of its Final Budget. It also includes a discussion of the factors affecting the Authority’s financial condition. The Final Budget totals \$141.6 million in new revenue from all funding sources reported in the General Fund and Sacramento Abandoned Vehicle Service Authority Fund (SAVSA). The budget includes 3 authorized full-time equivalent (FTE) positions.

**Final FY 2018-19  
Budget Total**  
**\$141.6 million**



**3 authorized full-time  
equivalent (FTE) positions**

## Authority Profile

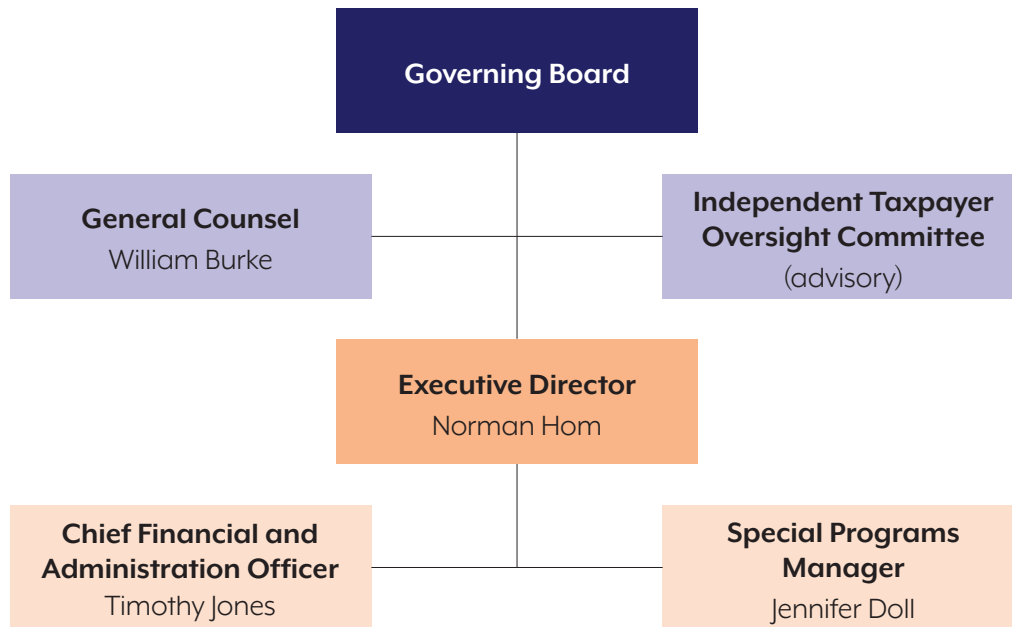
The Sacramento Transportation Authority (Authority)—a Local Transportation Authority—was created in August 1988 under the Local Transportation Authority and Improvement Act (Act), commencing with California Public Utility Code Section 180000 to administer the Measure A sales tax program. In November 1988, Sacramento County voters passed Measure A, an Ordinance enacted by the Authority imposing a one-half cent sales tax to fund transportation improvements throughout Sacramento County for a 20-year period. In November 2004, voters approved a 30-year extension of the one-half cent retail sales tax beginning in April 2009 (Measure A). At the same time, the 1988 Measure A sales tax sunsetted. The Authority also administers SAVSA and the Sacramento Metropolitan Freeway Service Patrol (SacMetro FSP) programs, neither of which is affiliated with the Measure A sale tax program.

The Authority’s Governing Board (Board) is composed of 16 members, including all five Sacramento County Supervisors, five members of the Sacramento City Council, two members of the Elk Grove City Council, and one council-member each from the Cities Citrus Heights, Folsom, Galt/Isleton, and Rancho Cordova. The Board appoints the Authority’s Executive Director. The Executive Director is responsible for carrying out the policies and ordinances of the Authority and overseeing day-to-day operations and Authority staff consisting of the Chief Financial and Administrative Officer, and Special Programs Manager. The Measure A Ordinance created the Independent Taxpayer Oversight Committee (ITOC). The ITOC consists of six members total - three voting members with

# 1 AUTHORITY OVERVIEW *authority overview*

specific professional and/or community credentials in the areas of finance, engineering or transportation planning, and management of major construction projects. In addition, there are three non-voting members: the Board Chair or his/her designee, the County Auditor or his/her designee, and the Authority's Executive Director.

## Authority Organizational Structure



The Board advances the Authority's mission, vision, and core values by overseeing the prompt, cost-effective, delivery of sales tax and fee revenues to each Measure A agency. In doing so, the Authority helps to support each agency's ongoing transportation programs related to street and road maintenance, traffic control and safety, streetscaping, pedestrian, and bike facilities. Additionally, the funding supports major capital construction projects throughout the region. To ensure that funding and other resources are available when needed, Authority staff regularly work with each Measure A agency to ensure that the short and long-term plans of the Authority and agency are complimentary.

## Measure A Safeguards

Under Measure A, specific safeguards are in place to ensure that all funding is spent for the specified, voter-approved transportation construction projects, improvements, and new programs identified in the Expenditure Plan. Those safeguards include the following:



- Specific projects and programs included in the Expenditure Plan are carried out by using Measure A funds and the Expenditure Plan can only be changed upon approval by the County Board of Supervisors and a majority of the cities in the County representing a majority of the incorporated population.



- An Independent Taxpayer Oversight Committee (ITOC) supervises annual fiscal and periodic performance audits over the use of all Measure A funds and provides an independent review to ensure that Measure A funds are spent in accordance with provisions of the voter-approved Expenditure Plan.



- Sales tax proceeds can only be used for transportation programs; not to replace traditional revenues generated through development fees and assessment districts.



- A limit of 0.75% of the net sales tax can be used for the administration of the sales tax program.



- An Expenditure Plan review once every ten years to ensure that the plan reflects projected funding availability and current community needs as demographics, economics, and technology change.



## Revenue Sources

The Authority’s primary revenue source is generated from the Measure A sales tax. The larger of the two revenue sources under the program is a one-half cent sales tax on retail sales throughout the County. The second and smaller revenue source is from fees collected under the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP). The table below summarizes each Measure A revenue source by fiscal year from program inception in FY 2009-10 through the budget year FY 2018-19. The sales tax growth rate is relatively stable, growing an average of 5.3% per year, with the largest growth rate in FY 2010-11 at 7.2% and smallest in FY 2013-14 at 2.7%. The SCTMFP growth rate is quite volatile, averaging 14% per year; however, the growth rate fluctuated year-over-year from -17.2% in FY 2017-18 (estimated) to 79.9% in FY 2016-17.

Fiscal Year	Sacramento County Taxable Sales (000’s)	STA Sales Tax Revenue (000’s)	STA Sales Tax Revenue Growth Rate	SCTMFP Fees (000’s)	SCTMFP Fees Growth Rate
2009-10	16,638,458	81,414		2,322	
2010-11	17,416,097	87,299	7.2%	2,334	0.5%
2011-12	18,608,568	92,240	5.7%	2,957	26.7%
2012-13	19,552,242	97,390	5.6%	3,176	7.4%
2013-14	20,624,371	100,063	2.7%	3,541	11.5%
2014-15	21,536,376	105,564	5.5%	4,624	30.6%
2015-16	22,655,018	110,708	4.9%	4,364	-5.6%
2016-17	23,624,106	116,878	5.6%	7,848	79.9%
2017-18*	24,919,389	122,962	5.2%	6,500	-17.2%
2018-19**	26,166,831	129,372	5.2%	6,000	-7.7%

\*estimated \*\*forecasted

# 1 AUTHORITY OVERVIEW *authority overview*

The Authority also receives revenue for SAVSA. This program is funded by a \$1 surcharge on certain vehicle registrations within the County. This revenue is remitted to the Authority by the California Department of Motor Vehicles (DMV) on a quarterly basis. Additionally, the Authority administers SacMetro FSP which is funded with state and local grants. The California Department of Transportation (Caltrans) annually approves the state grant that is received on a reimbursement basis as the Authority bills for services. The local portion is received annually in a lump sum through the Capitol Valley Regional Service Authority for Freeways and Expressways (CVR-SAFE) program administered by the Sacramento Area Council of Governments (SACOG). The table below summarizes the programs' revenue by fiscal year over a 10 year period.

## Sacramento Metro FSP and SAVSA Revenue by Fiscal Year

Fiscal Year	Sacramento Metro FSP***	SAVSA****	Total	Year-Over-Year Growth
2009-10	1,694,962	1,109,922	2,804,884	
2010-11	1,828,358	1,073,144	2,901,502	3.4%
2011-12	1,842,098	1,167,736	3,009,834	3.7%
2012-13	1,914,759	1,131,905	3,046,664	1.2%
2013-14	2,122,523	1,173,231	3,295,754	8.2%
2014-15	2,050,573	1,220,911	3,271,484	-0.7%
2015-16	1,991,947	1,276,112	3,268,059	-0.1%
2016-17	2,065,521	1,286,741	3,352,262	2.6%
2017-18*	2,901,097	1,178,124	4,079,221	21.7%
2018-19**	2,487,499	1,259,077	3,746,576	-8.2%

\*estimated

\*\*forecasted

\*\*\*Reported as a subfund of the General Fund

\*\*\*\*Reported as a Special Revenue Fund

3.5% average growth over the last 10 fiscal years

The revenue from the programs represented in the table above is relatively stable, averaging 3.5% growth over 10 years including estimated and forecasted amounts for FYs 2017-18 and 2018-19 respectively. The largest increase year-over-year is 21.7% in FY 2017-18 which is directly attributable to the SacMetro FSP program. With the recent passage of Senate Bill 1 (SB1) which levies additional fees and taxes on gasoline sales, the program is expecting to receive roughly \$730,000 in new revenue beginning in FY 2017-18.

## **Consolidated Budget Summary**

The Authority’s budget reflects its role as the administrator of Measure A sales tax revenue used to reimburse claims for programs and projects that reduce traffic congestion, improve air quality, maintain and strengthen the county’s road and transportation systems, and enhance each local agencies’ ability to secure state and federal funding by providing local matching funds.

In June of each year, the Board adopts a budget for the next fiscal year. In this section we present a summary of Measure A and SAVSA revenues and appropriations in a consolidated budget summary which consists of the General and Special Revenue funds. Detailed budgets for each fund and program can be found in the “Budget Schedules” section of this document. The budget is prepared on a modified accrual basis. The annual budget is foundational to short and long-term financial planning and appropriation control.

The Authority reports two funds for its three programs:

### **General Fund**

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

### **Special Revenue Fund**

The Special Revenue Fund – operating fund for SAVSA. This program is funded by a \$1 registration fee collected annually on each eligible vehicle registration within the County.

# 1 AUTHORITY OVERVIEW *consolidated budget summary*

## Consolidated Budget Summary by Fund

Description	FY 2017 Actual	FY 2018 Amended Budget	FY 2018 Estimate	FY 2019 Final	Change from FY 2018
General Fund	\$128,829,221	\$132,361,057	\$135,047,289	\$140,300,499	\$7,939,442
Special Revenue Fund	1,286,741	1,175,000	1,178,124	1,259,077	84,077
<b>Total Revenues</b>	<b>\$130,115,962</b>	<b>\$133,536,057</b>	<b>\$136,225,413</b>	<b>\$141,559,576</b>	<b>\$8,023,519</b>
<b>Appropriations</b>					
General Fund	112,059,101	115,582,201	113,217,145	152,522,480	36,940,279
Special Revenue Fund	1,441,290	1,199,842	1,178,124	1,259,077	59,235
<b>Total Appropriations</b>	<b>\$113,500,391</b>	<b>\$116,782,043</b>	<b>\$114,395,269</b>	<b>\$153,781,557</b>	<b>\$36,999,514</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In (release 2009c reserve fund)	-	-	7,100,000	-	-
Transfers Out (to the Debt Service Fund)	(20,783,385)	(20,800,000)	(22,146,763)	(22,300,000)	(1,500,000)
<b>Total Financing Sources (Uses)</b>	<b>(\$20,783,385)</b>	<b>(\$20,800,000)</b>	<b>(\$15,046,763)</b>	<b>(\$22,300,000)</b>	<b>(\$1,500,000)</b>
<b>Net Increase (decrease) in Fund Balance</b>	<b>(4,167,814)</b>	<b>(4,045,986)</b>	<b>6,783,381</b>	<b>(34,521,981)</b>	<b>(30,475,995)</b>
Beginning Fund Balance	39,592,566	35,424,752	35,424,752	42,208,133	6,783,381
<b>Ending Fund Balance</b>	<b>\$35,424,752</b>	<b>\$31,378,766</b>	<b>\$42,208,133</b>	<b>\$7,686,152</b>	<b>(23,692,613)</b>
Fund Reserve*	-	-	-	1,100,000	1,100,000
<b>Ending Fund Balance Less Reserve</b>	<b>\$35,424,752</b>	<b>\$31,378,766</b>	<b>\$42,208,133</b>	<b>\$6,586,152</b>	<b>(\$24,792,613)</b>

\*Includes \$1 million for the Capital Improvement Program (CIP) and \$100,000 for administration

## **1** AUTHORITY OVERVIEW *consolidated budget summary*

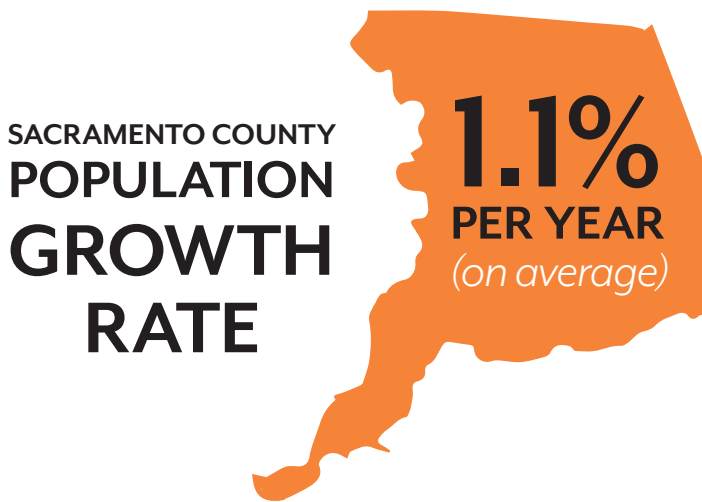
As seen in the table on the previous page, the ending fund balance for the FY 2017-18 Estimate is expected to increase by about \$7 million over the FY 2016-17 Actual ending fund balance amount. This can be explained by the release of \$7 million held in a reserve fund for the Series 2009C bonds. The reserve was no longer required by the financial institution remarketing the bonds, so the Authority worked with its financial consulting team to complete a transaction to release the funds in May 2018. These funds will be used to pay for capital construction projects in FY 2018-19. In FY 2018-19, General Fund appropriations are expected to increase to \$152.5 million from \$115.6 million in the Amended Budget primarily because of increased activity in the region's Capital Improvement Program (CIP). Capital costs are expected to be roughly \$47.2 million in FY 2018-19 in comparison to about \$16 million in the Amended Budget. Additionally, ongoing Measure A allocations which are distributed formulaically, are expected to increase by about \$5.3 million in FY 2018-19.

The General Fund transfers money monthly to the Debt Service Funds to pay for interest, principal, and ancillary fees such as those for remarketing, liquidity, and credit surveillance. Further information regarding the costs to service the Authority's debt can be found in the Long-Term Financial Planning and Debt Service Funds sections.

## Factors Affecting Financial Condition

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

Sales tax is the Authority's largest revenue source and is forecast to increase in FY 2018-19.



A portion of the current population growth seen in the County is net migration from surrounding, more expensive counties.

**25,000 PEOPLE**  
moved to Sacramento County from  
**8 MORE EXPENSIVE**  
**NEIGHBORING COUNTIES**

*2017 estimates*



In February 2018, the median home price in the County was about \$360,000 while the other 8 neighboring counties varied from \$430,000 in Solano County to over \$1.3 million in San Francisco County. The remaining growth is attributable to people moving into the County for employment reasons.

**Population growth directly supports increases in taxable retail sales and associated revenues.**

Per capita income has grown steadily at a compound annual rate of 3.4% and is consistent with state and national levels.

**UNEMPLOYMENT RATE**



According to the California Employment Development Department (EDD), the unemployment rate in Sacramento County declined to 3.9% in March 2018 from 5.1% in March 2017. This compares to an unadjusted March 2018 unemployment rate of 4.2% for California and 4.1% for the nation. Over the last year, the leading indicators for increased sales tax revenue were in the areas of professional services, health and education, and leisure.

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# 2

## Budget Process

### AUTHORITY GOAL

Collaborate with partner agencies to ensure the timing of their funding needs and the availability of funding resources are complementary



# Budget Process

The Proposed Budget presents three years of financial information – actual amounts for FY 2016-17, amended and estimated amounts for FY 2017-18, and forecast amounts for FY 2018-19. Common budgetary terms can be found in Appendix A – Glossary.

The Authority’s fiscal year is July 1 through June 30. This budget is prepared by fund and program on a modified accrual basis of accounting. The budget is proposed to the Board in May each year and brought back in June for adoption - both public meetings. Staff incorporate changes suggested by the Board and Independent Taxpayer Oversight Committee (ITOC) and continues refining budget information until June. Once adopted, the budget is posted on the Authority’s website - [sacta.org](http://sacta.org).

Budget development begins in January after reviewing actual expenditures for the first two quarters of the fiscal year (the period ending December 31) and after Board approval of the previous years’ audited Comprehensive Annual Financial Report (CAFR). The CAFR provides audited ending fund balances from the previous year which serves as the beginning balances for this budget. Since the audited prior year ending fund balances often differ from the estimated beginning fund balances used in the adopted/amended budget for the current year, the audited fund balances are incorporated in the estimated current year budget. Using this information as a starting point, staff identify any significant changes to expected revenues and appropriations for the remainder of the current fiscal year. If revenue is expected to come in lower and/or appropriations higher than expected, which in either case causes estimated fund balance to be lower than in the adopted/amended budgets, staff determine the cause of the change and the overall impact on fund balance. This information is discussed with the Executive Director and if necessary, with the Board and/or its fiscal policy subcommittee to determine an appropriate course of action. Additionally, budget staff works with the Authority’s Special Programs Manager to develop the budgets for the SacMetro FSP and SAVSA programs. This is a collaborative process since budget staff is responsible for preparing a schedule for salaries, benefits, and administration overhead while the Special Programs Manager develops estimates for revenue and the remaining appropriations for the two programs.

Also in January, budget staff begin working with each Measure A agency to determine the funding needs for capital construction projects. This process is collaborative, but is centered around the CIP finance plan that summarizes the use of funds by fiscal year for each project approved by voters in 2004. In addition, the use of funds is detailed by project in funding agreements between the Authority and the agencies constructing the projects.

## 2 BUDGET PROCESS *budget process*

In March, the Authority receives updated long-term revenue forecasts developed in conjunction with its consulting firm. The Authority's consultant, Beacon Economics, has expertise in the forecast of sales tax revenue for local governments, including transportation authorities. The consultant uses proprietary software to develop the forecast using current data from the California Department of Tax and Fee Administration (CDTFA), and economic indicators such as employment, housing starts, and population growth. Authority staff collaborate with the consultant during the process to ensure staff understand the forecast when completed. The forecast is used to update the current year's estimated revenue and budget year revenue. Additionally, the forecast through the remainder of the Measure A program which sunsets in 2039, is used for long-term financial planning such as calculating additional debt capacity. In March, enough financial information is available to begin preparing a comprehensive budget. Staff concurrently work with the Executive Director to incorporate desired updates and define the Authority's vision for the coming year. This process continues through the end of the budget cycle in June.

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

During the May meeting, the Board may ask questions, make comments, and provide direction. In addition, members of the public may comment. Using this information, budget staff work with the Executive Director to refine the Proposed Budget as needed. This is the first of two public meetings in which the budget is presented – the second is in June. This timeline complies with California Public Utility Code Section 180108 which states that notice of the time and place of the public hearing on the adoption of the annual budget shall be published no later than the 15th day prior to the day of the hearing and that the budget shall be available for public inspection at least 15 days prior to the hearing.

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

## 2 BUDGET PROCESS *budget process*

### Budget Development Schedule

- January 2018**
  - Budget-to-actual analysis for the first two quarters is completed
  - Comprehensive Annual Financial Report (CAFR) approved
  - Budget discussions with local agency program managers
  
- March 2018**
  - Financial consultant completes revenue projections
  
- April 2018**
  - Proposed Budget reviewed by the Executive Director
  - Proposed Budget presented to the ITOC
  
- May 2018**
  - Proposed Budget presented to the Governing Board/First public hearing
  
- June 2018**
  - Final Budget presented to Board/Second public hearing – vote to adopt
  - Adopted Budget posted to Authority’s website
  
- Any time after adoption**
  - Amendments after adoption

## Fiscal Policies

California’s Public Utility Code (CPUC), Section 18105 requires the Authority to adopt an annual budget and hire a Certified Public Accountant to perform an annual financial audit. CPUC Section 180108 requires the Authority to notice the time and place of the public hearing on the adoption of the annual budget no later than the 15th day prior to the day of the hearing and that the budget shall be available for public inspection at least 15 days prior to the hearing. To fulfill this requirement, staff introduce the Proposed Budget in May and the Board adopts the Final Budget in June. The overall goal of the Authority is to effectively manage public resources. Foundational to this effort are fiscal policies designed to protect all public assets under the Authority’s administration.

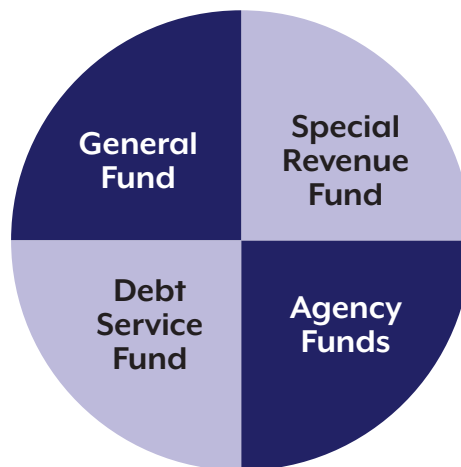
### Overview

Benefits of establishing financial policies include the following:

- Board approved policies establish the agency’s commitment to appropriate stewardship of public funds, which helps build the public’s confidence in the Authority;
- Investors are attracted to agencies committed to sound fiscal management and integrity;
- Comprehensive fiscal policies help the Authority link long-term financial planning with day-to-day operations and;
- Promotes positive financial condition by setting a forward-looking approach to planning.

### Fund Structure

The annual budget is divided into several funds, each with a specific purpose. Understanding each fund’s structure is helpful for interpreting the Authority’s finances. As such, the budget document is divided into the following funds:





### General Fund

The General Fund is the Authority's main operating fund. The fund is comprised of numerous sub-funds that separately account for specific programs and the Authority's operations.

- **ADMINISTRATION** – this fund pays for operating costs such as staff salaries, benefits, and overhead costs such as office space, consulting fees, and staff training.
- **SACRAMENTO COUNTYWIDE TRANSPORTATION MITIGATION FEE PROGRAM (SCTMFP)** – This fund receives semi-annual remittances from development mitigation fees collected throughout the County which, in turn, are used to fund the Capital Improvement Program (CIP).
- **SACMETRO FSP** – this fund receives state and local grant funding to pay for the program's costs – most notably towing contractors, professional services provided by the California Highway Patrol, and administration.
- **CIP** – this fund receives monthly allocations of 20.75% of the net Measure A Sales Tax revenue. The allocations first pay for principal, interest, and ancillary fees on the Authority's bond program by transferring the necessary amounts to the appropriate debt service funds. The remaining amount is available for pay-as-you-go CIP funding.

### Special Revenue Fund

- **SACRAMENTO ABANDONED VEHICLE SERVICE AUTHORITY (SAVSA)** – this fund accounts for revenues received from a \$1 vehicle registration fee collected by the Department of Motor Vehicles (DMV). These funds are used to pay vehicle abatement claims and program administration costs.

### Debt Service Fund

- These funds receive transfers from the CIP to pay for debt principal, interest, and ancillary fees.

### Agency Funds

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

## Financial Planning

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

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

Long-term financial planning is the process of aligning financial capacity with long-term program objectives.

The Authority is committed to regularly updating its financial plan to ensure long-term program sustainability. Elements of this plan are incorporated annually into the budget.

### Financial Plan Elements

<b>Time horizon</b>	Sales tax and revenue forecast through fiscal year 2039 when Measure A sunsets. Appropriations for a minimum of one-year and up to five-years for the CIP.
<b>Scope</b>	All appropriated funds, in particular sales tax and SCTMFP revenue and associated appropriations.
<b>Frequency</b>	Annually update long-term revenue projections and detailed cash-flow analyses.
<b>Content</b>	Analyses of the financial environment, revenue and appropriation forecasts, debt position, strategies for achieving and maintaining financial balance, and methods for monitoring key assumptions underlying the plan.
<b>Frequency</b>	Annually, the plan will be presented, at a minimum, in May and June each year during the normal budget presentation cycle. The approved plan will be available to the public on the Authority’s website.

### Financial Activity Reporting

The Authority's financial activity is reported in a variety of funds, which are the basic accounting and reporting structure in governmental accounting. Using this structure ensures the following:

- That the Authority presents fairly and with full disclosure the financial position and results of financial operations of the funds in conformity with generally accepted accounting principles (GAAP) and government auditing standards (GAS) and;
- Demonstrates the Authority's compliance with finance-related legal and contractual provisions.

### Allocations and Rates

As required under Measure A, agencies participating in the City Street and County Road Maintenance Program receive monthly distributions based in part on population and the number of lane miles within their boundaries. Agencies receiving these distributions are Sacramento County and the cities of Rancho Cordova, Sacramento, Elk Grove, Folsom, and Citrus Heights. Annually, the Authority requests updated information from each participating agency to determine the appropriate allocations for the upcoming fiscal year.

Similarly, Measure A requires the Authority to update the STMFP fees charged by each participating agency. The fees are adjusted annually by Board action and reflect changes in construction costs based on the McGraw-Hill Engineering News Record (ENR) 20-city Construction Cost Index.

### Fund Balance Designations and Reserve

The Authority strives to maintain adequate fund balances in its General Fund, Debt Service funds, and Administration fund. This is necessary to maintain the Authority's credit worthiness and to adequately provide for:

- Economic uncertainties and other financial hardships or downturns in the local economy;
- Contingencies for unforeseen operational and capital needs and;
- Cash-flow requirements

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



## 2 BUDGET PROCESS *fiscal policies*

As a guideline, the Government Finance Officers Association (GFOA) recommends a minimum of two months revenue or expenditures as a reserve, whichever is more stable. Revenue is more stable, therefore we use it as the basis to establish the minimum funding goal.

**GENERAL FUND** - This fund consists of three sub-funds – administration, CIP, and the SCTMFP, so we address the reserve funds at the sub-fund level as explained below.

**ADMINISTRATION FUND** – The Authority’s Final Budget includes \$100,000 reserve which is less than the recommended two-month, revenue-based minimum of \$160,000 (roughly \$80,000 per month). However, the Authority plans to increase the reserve in FY 2019-20.

**CIP FUND** – The revenue received by this fund is the amount of money left over each month after the Authority’s trustee withholds enough funding to pay all debt service costs. The Measure A ordinance requires that 20.75% of the net sales tax revenue be dedicated to the CIP, which includes pay-as-you-go funds. Using GFOA guidelines suggest that approximately \$1 million, roughly 2 months pay-as-you-go revenues, is an acceptable reserve. The Authority maintains this reserve amount and regularly monitors fund activity.

**SCTMFP FUND** – the Authority does not maintain a reserve balance for this fund because it functions as a supplemental fund to the CIP fund; however, Authority staff will monitor fund activity and work with the Independent Taxpayer Oversight Committee (ITOC) and Board to determine if or when a reserve fund should be established.

**DEBT SERVICE FUNDS** – these funds are managed by the Authority’s trustee (U.S. Bank). The trustee withholds sufficient funding from sales tax proceeds each month to ensure bond principal and interest obligations, as well as ancillary fees, are met.

Authority staff regularly monitor fund balance to ensure adequate balances are available for anticipated claims, administrative costs, and other foreseeable expenditures.

### Appropriation Limit

The Authority annually adopts a resolution establishing its appropriation limit calculated in accordance with Article XIII B of the California State Constitution, Government Code Section 7900, and any other voter-approved state legislation amendments that impact the Authority’s appropriation limit. The table on the following page summarizes the appropriation limit for each fiscal year from program inception through the budget year.

## 2 BUDGET PROCESS *fiscal policies*

Fiscal Year	Appropriations Limit	Fiscal Year	Appropriations Limit
FY 2018-19	270,414,034	FY 2013-14	219,646,845
FY 2017-18	258,079,711	FY 2012-13	206,961,839
FY 2016-17	245,944,139	FY 2011-12	198,490,091
FY 2015-16	231,328,068	FY 2010-11	192,036,079
FY 2014-15	220,807,134	FY 2009-10	195,000,000

### Investments

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



Investing idle cash is primarily the responsibility of the Sacramento County Director of Finance (Treasurer). However, bond fund reserves are managed by the California Asset Management Program (CAMP). The Authority’s investment policy captures the overall objectives of the investment program. The treasurer maintains a comprehensive, well-documented reporting system which complies with Government Code Section 53607.

### Capital Construction Budget

The CIP budget is the product, in part, of the Authority’s financing plan. When voters approved Measure A in 2004, they also approved a revenue and expenditure plan. The expenditure plan approved by voters identified each project to be funded with Measure A money, but a more detailed financing plan identifying each project’s funding by fiscal year and total funding over the duration of the program was developed subsequently.

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

### Personnel Resource Management

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

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

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

- Bond legal counsel
- Revenue forecasting
- Bond financing
- Public relations
- Audit services

### Productivity Review

The Authority regularly monitors and reviews its operational procedures to ensure that all services are provided in the most cost-effective manner. Regular meetings are held to discuss each employee's workflow to ensure deliverables are completed on time. Authority staff proactively look for opportunities to streamline workload through the use of technology and procedural improvements.

### Cost Allocations

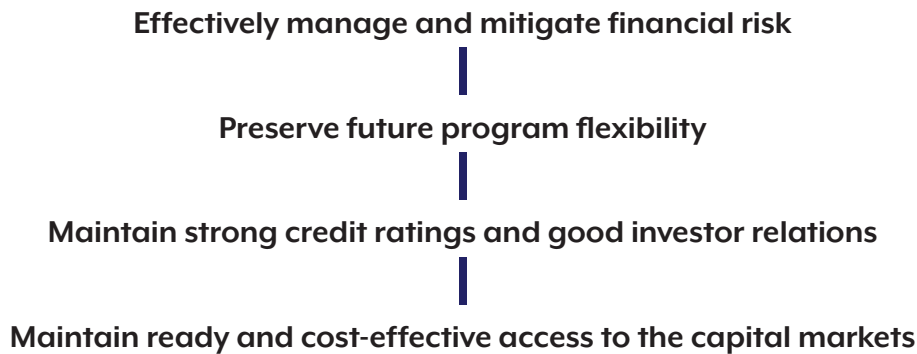
The Authority oversees three programs – Measure A, SAVSA, and the SacMetro FSP. All Authority staff members are involved in each program in differing ways:

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

Since each staff member invests time in each program, salaries, benefits and overhead costs, are charged to them using a ratio. Periodically, the Executive Director reviews the ratios assigned to each program to ensure that the appropriate ratio for salaries, benefits, and overhead are utilized. As needed, the ratios are adjusted (ratios can be found in the Organizational Overview section).

## Debt Policy

The Authority's debt policy establishes guidelines for the issuance and management of current and future debt. The objectives of the debt policy are as follows:



The policy is reviewed periodically and updated as necessary, for Board approval. Board authorization is required for all debt financings. As borrowing needs are identified, the Authority evaluates the nature of the capital investment to ensure that long-term debt is the appropriate financing mechanism. Standards for the appropriate use of debt financing will include those described below:

- **LONG-TERM CAPITAL PROJECTS** – Long-term debt should be used to finance essential capital projects where cost effective and fiscally prudent. The debt repayment period should not exceed 120% of the useful life of the project being financed. The ability or need to expedite or maintain the programmed schedule of approved capital projects will be a factor in the decision to issue long-term debt;
- **DEBT FINANCING MECHANISM** – The Authority will evaluate the use of financial alternatives available including, but not limited to, long-term debt, short-term debt, commercial paper, direct bank loans, private placement and interfund borrowing. The Authority will utilize the most cost advantageous financing alternative consistent with limiting the Authority's risk exposure and;
- **CREDIT QUALITY** – Credit quality is an important consideration for the Authority. All debt management activities for new debt issuances will be conducted in a manner conducive to receiving the highest credit ratings possible consistent with the Authority's debt management and project delivery objectives.

## 2 BUDGET PROCESS *fiscal policies*

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

**Finance new capital infrastructure**

**Refinance existing bonds to reduce financing costs, restructure the repayment schedule, change the type of debt instruments used, risk, or both.**

**To reimburse an agency for eligible capital expenditures made within the last 18 months**

The Authority and its consultants regularly assess the Authority's bond portfolio to determine if the debt structure in place at that time is the most advantageous to the Authority given debt market conditions. If market conditions are such that changes to the debt portfolio may be beneficial to the Authority, then Authority staff, consultants, and legal counsel will consider the options, and if sufficiently beneficial, make recommendations to the Board for changes to the bond program.

### **Investment Policy**

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

To ensure funds are prudently invested in order to earn a reasonable return while awaiting application for governmental purposes, specific objectives of the invested funds are ranked in the following order of importance:

### Investment Objectives

#### **Safety of Principal**

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

#### **Liquidity**

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

#### **Public Trust**

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

#### **Maximum Rate of Return**

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

The Board is responsible for approving the Policy and ensuring investments are made in compliance with it. The Authority's Treasurer (the Sacramento County Director of Finance) is responsible for making investments on behalf of the Authority and for compliance with the Policy. Investable funds will be deposited in the State of California Local Agency Investment Fund (LAIF) or the Sacramento County Pooled Investment Fund (Pool) and invested according to the policies of LAIF and the Pool. Certain bond funds are held by the California Asset Management Program (CAMP) and are limited to investments permitted under Government Code 53601.

## Strategic Direction

The table below summarizes the Authority’s commitment to its stakeholders to ensure it effectively manages limited resources while providing excellent customer service.

<b>Vision</b>	Maximize the use of limited resources to improve the transportation network in Sacramento County
<b>Mission</b>	To promote and fund innovative and sustainable transportation solutions to keep Sacramento County moving
<b>Core Values</b>	<ul style="list-style-type: none"><li>• Integrity</li><li>• Collaboration</li><li>• Transparency</li><li>• Accountability</li></ul>
<b>Strategic Goals</b>	<ul style="list-style-type: none"><li>• Maximize program effectiveness through efficient and effective stewardship of public resources</li><li>• Collaborate with partner agencies to ensure the timing of their funding needs and the availability of funding resources are complimentary</li><li>• Accurate and timely preparation and distribution of required financial information</li><li>• Effectively implement the safeguards identified in Measure A</li><li>• Provide support for the ITOC in its mission to safeguard public resources by overseeing fiscal and performance audits</li><li>• Engage the public by soliciting input on important Authority decisions</li></ul>

## Performance Measures

The Authority tracks select performance measures which are tied to its key strategic goals. These metrics provide broad measures of the Authority’s effectiveness, efficiency, timeliness, and productivity in critical activities. While these initiatives may change year to year, performance measures generally reflect progress in core business operations over multiple years. The table below lists key performance measures for the coming year.

Performance Measure	FY 2017-18 Planned	FY 2017-18 Actual	FY 2018-19 Planned
Allocate monthly Measure A funding timely and accurately	12	12	12
Review, comment on, and approve all required quarterly reporting by Measure A agencies.	4	4	4
Plan and support ITOC meetings	8	10	9
Fund CIP projects as promised	13	13	15
Hold meetings with partner agencies	6	4	6
Publish key financial and policy documents on website monthly	12	12	12
Quarterly assessment of cash flows for the CIP	4	4	4
Process claims for SacMetro FSP within 10 business days	24	24	24
Respond to all Public Record Requests (PRA) within 10 calendar days	10	10	12
Prepare and submit all required quarterly financial information required under the Authority’s bond covenants	4	4	4



## **Long-Term Financial Planning**

### **Sales Tax**

The revenue forecast is the starting point for short and long-term financial planning. Annually, Authority staff work in conjunction with its consultant to provide an updated revenue forecast for each fiscal year of the Measure A sales tax program. This information is important because it provides overall program revenues based on audited revenue amounts for past years and a forecast for the remaining years as a comparison to the revenue forecast included in the Expenditure Plan approved by voters in 2004. This revenue is pledged to bondholders and financial institutions participating in the Authority's debt program. Additionally, it is used to determine the Authority's debt coverage ratios which are important to investors and the financial institutions holding its debt or providing financial liquidity. Furthermore, this effort allows the Authority to determine if forecast revenue can support the issuance of additional debt. In the budget, the Authority uses revenue forecast for the "FY 2017 Estimate", and the coming year amount, reported as the "FY 2019 Final". The "FY 2017 Estimate" is based on roughly 7 months of actual sales tax receipts, while the remainder of the fiscal year is estimated. The following table summarizes the most recent revenue forecast completed in March 2018.

## 2 BUDGET PROCESS *long-term financial planning*

Fiscal Year	Sacramento County Taxable Sales	STA Sales Tax Revenue	Sacramento County Taxable Sales (\$ 000s)	STA Sales Tax Revenue Growth Rate	Series	
2009-10	16,638,458	81,414			Actual	
2010-11	17,416,097	87,299	4.7%	7.2%		
2011-12	18,608,568	92,240	6.8%	5.7%		
2012-13	19,552,242	97,390	5.1%	5.6%		
2013-14	20,624,371	100,063	5.5%	2.7%		
2014-15	21,536,376	105,564	4.4%	5.5%		
2015-16	22,655,018	110,708	5.2%	4.9%		
2016-17	23,624,106	116,878	4.3%	5.6%		
2017-18	24,919,389	122,962	5.5%	5.2%		Forecast
2018-19	26,166,831	129,372	5.0%	5.2%		
2019-20	27,122,772	134,098	3.7%	3.7%		
2020-21	27,910,346	138,010	2.9%	2.9%		
2021-22	28,673,655	141,701	2.7%	2.7%		
2022-23	29,509,691	145,730	2.9%	2.8%		
2023-24	30,454,776	150,274	3.2%	3.1%		
2024-25	31,479,300	155,231	3.4%	3.3%		
2025-26	32,540,187	160,379	3.4%	3.3%		
2026-27	33,645,422	165,728	3.4%	3.3%		
2027-28	34,813,670	171,374	3.5%	3.4%		
2028-29	36,039,561	177,304	3.5%	3.5%		
2029-30	37,301,320	183,416	3.5%	3.4%		
2030-31	38,594,748	189,676	3.5%	3.4%		
2031-32	39,925,473	196,111	3.4%	3.4%		
2032-33	41,267,802	202,617	3.4%	3.3%		
2033-34	42,611,522	209,124	3.3%	3.2%		
2034-35	43,945,303	215,588	3.1%	3.1%		
2035-36	45,272,417	222,011	3.0%	3.0%		
2036-37	46,622,499	228,526	3.0%	2.9%		
2037-38	47,995,470	235,155	2.9%	2.9%		
2038-39	49,402,228	241,935	2.9%	2.9%		
<b>Total/Average</b>		<b>4,707,879</b>	<b>3.8%</b>	<b>3.8%</b>		

Source: Actual amounts are from the Authority's audited financial statements and forecast amounts were developed in conjunction with Beacon Economics in March 2018

Based on the information in the table, the Authority is expecting total sales tax revenue of \$4.71 billion over the life of the program. This amount is materially consistent with the amount projected in 2004 when voters approved the Measure - \$4.74 billion. However, a review of the information above indicates that actual revenue growth fluctuates year-to-year. From FY 2009-10 when Measure A began through FY 2016-17, the actual yearly growth rate has varied from a low of 2.7% to a high of 7.2% but averaged 5.3%. The forecast growth rate beginning in FY 2017-18 through the end of the program varies from a low of 2.7% to a high of 5.2% but averages 3.4%. The overall program growth rate when actual and forecast amounts are combined is 3.8%.

## 2 BUDGET PROCESS *long-term financial planning*

Greater variation in the actual growth rate is expected since it represents the actual fluctuations in the underlying economic indicators, which differs from the forecast growth rates. Variations in economic indicators such as construction activity, net population growth, unemployment rates, and personal income growth are among the factors that impact revenue growth rates most significantly. Less variation is seen in the forecast growth rates because variations in the economic indicators, including the impact of recessions which typically occur every seven years, are incorporated in this weighted average model that smooths the impact of each economic indicator over the life of the program.

### Sacramento Countywide Mitigation Fee Program (SCTMFP)

Measure A includes a second revenue source, SCTMFP, which is a development fee collected by the County and each city in the Measure A program. This revenue is not pledged to the Authority's debt program; rather it is used for pay-as-you-go funding for the Authority's Capital Improvement Program (CIP). The revenue forecast for this program is developed internally by Authority staff. Since new development drives the revenue received by this program, it is highly volatile as seen in the table to the right.

Actual revenue and growth rates from FY 2009-10 through FY 2016-17, the most recent audited financial statement amount, varied dramatically. The growth rates varied from a low of -24.1% in FY 2010-11 to a high of 79.9% in FY 2016-17, averaging 18% during this time. This variation is directly related to new construction activity throughout the County. Early in the program, construction activity in the area was low to moderate because of the recession; however, that changed with the construction of the Golden 1 Center in downtown Sacramento, home of the Kings basketball team. This project was completed in September 2016 and continues to generate new construction in the heart of the city.

Based on the information in the table, the Authority is forecasting total SCTMFP revenue of \$215.1 million over the life of the program. This amount is less than half the amount projected in 2004 when voters approved Measure A - \$488 million. Authority staff use a 3% growth rate, which is quite conservative, beginning with the budget year. However, given the volatile nature of this revenue source and its importance to the CIP, the Authority will consider hiring a consultant to provide a revenue forecast for this program for next year's budget.

Year	Development Impact Fees	Growth Rate	Total
2009-10	\$3,073,658		\$3,073,658
2010-11	\$2,334,437	-24.1%	\$5,408,095
2011-12	\$2,957,362	26.7%	\$8,365,457
2012-13	\$3,176,382	7.4%	\$11,541,839
2013-14	\$3,540,542	11.5%	\$15,082,381
2014-15	\$4,624,139	30.6%	\$19,706,520
2015-16	\$4,363,650	-5.6%	\$24,070,170
2016-17	\$7,848,175	79.9%	\$31,918,345
2017-18	\$6,000,000	-23.5%	\$37,918,345
2018-19	\$6,180,000	3.0%	\$44,098,345
2019-20	\$6,365,400	3.0%	\$50,463,745
2020-21	\$6,556,362	3.0%	\$57,020,107
2021-22	\$6,753,053	3.0%	\$63,773,160
2022-23	\$6,955,644	3.0%	\$70,728,804
2023-24	\$7,164,314	3.0%	\$77,893,118
2024-25	\$7,379,243	3.0%	\$85,272,361
2025-26	\$7,600,620	3.0%	\$92,872,981
2026-27	\$7,828,639	3.0%	\$100,701,620
2027-28	\$8,063,498	3.0%	\$108,765,118
2028-29	\$8,305,403	3.0%	\$117,070,521
2029-30	\$8,554,565	3.0%	\$125,625,086
2030-31	\$8,811,202	3.0%	\$134,436,288
2031-32	\$9,075,538	3.0%	\$143,511,826
2032-33	\$9,347,804	3.0%	\$152,859,630
2033-34	\$9,628,239	3.0%	\$162,487,869
2034-35	\$9,917,086	3.0%	\$172,404,955
2035-36	\$10,214,598	3.0%	\$182,619,553
2036-37	\$10,521,036	3.0%	\$193,140,589
2037-38	\$10,836,667	3.0%	\$203,977,256
2038-39	\$11,161,767	3.0%	\$215,139,023
<b>Total: \$215,139,023</b>		<b>5.72% average growth rate</b>	

**18.0% average revenue growth rate based on actual revenue from program inception through June 30, 2017.**

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# 3

## Budget Schedules and Fund Information

### **AUTHORITY GOAL**

Provide accurate and timely preparation and distribution of required financial reports

## Budget Schedules and Fund Information

This section contains budgets for each of the Authority's programs and administration, as well as fund descriptions. The budget tables present actual revenues and appropriations for FY 2016-17, the amended budget and estimated amounts for FY 2017-18, and the proposed budget for FY 2018-19. In the Comprehensive Annual Financial Report (CAFR), the Authority reports three governmental funds – the General Fund, Special Revenue Fund, and a Debt Service Fund (which consists of many subfunds). All budgetary information is reported on the modified accrual basis of accounting, similar to the fund statements found in the CAFR.

### Consolidated Budget

The Consolidated Budget Summary by Fund table captures revenue, appropriations, and other financing sources and uses for the General and Special Revenue funds. Sales tax revenue reported in the General Fund continues to grow at a moderate rate, representing most of the increased revenue over the three fiscal years presented in the table. To a lesser extent, Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP) revenue impacts overall program revenues. As seen in the General Fund table later in this section, sales tax revenue to SCTMFP revenue in FY 2016-17 was 93.7% to 6.3% respectively. The FY 2017-18 estimate includes a non-recurring addition in the other financing sources category of \$7.1 million in Series 2009C bond reserves, released in May 2018, increasing fund balance. More detail about changes in revenue can be found in the individual budgets later in this document.

The ratio of appropriations to revenue were about the same during FY 2016-17 and FY 2017-18. Most appropriations in the General Fund are the result of funds passed through to Measure A agencies on a monthly basis. The Ordinance specifies, by ratio, how much is to be allocated to each agency and to the CIP. The increased appropriations for FY 2018-19 are the result of increased spending for the CIP. In the Amended Budget, CIP appropriations were \$16.1 million, while \$47.2 million is planned for FY 2018-19, an increase of \$31.1 million. The appropriations reported as other financing uses are transfers to the Authority's Debt Service funds for the payment of principal, interest, and ancillary fees. More detail about changes in appropriations can be found in the individual budgets later in this document.

### 3 BUDGET SCHEDULES AND FUND INFORMATION *consolidated budget*

#### Consolidated Budget Summary by Fund

Description	FY 2017 Actual	FY 2018 Amended Budget	FY 2018 Estimate	FY 2019 Final	Change from FY 2018
General Fund	\$128,829,221	\$132,361,057	\$135,047,289	\$140,300,499	\$7,939,442
Special Revenue Fund	1,286,741	1,175,000	1,178,124	1,259,077	84,077
<b>Total Revenues</b>	<b>\$130,115,962</b>	<b>\$133,536,057</b>	<b>\$136,225,413</b>	<b>\$141,559,576</b>	<b>\$8,023,519</b>
<b>Appropriations</b>					
General Fund	112,059,101	115,582,201	113,217,145	152,522,480	36,940,279
Special Revenue Fund	1,441,290	1,199,842	1,178,124	1,259,077	59,235
<b>Total Appropriations</b>	<b>\$113,500,391</b>	<b>\$116,782,043</b>	<b>\$114,395,269</b>	<b>\$153,781,557</b>	<b>\$36,999,514</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In (release 2009c reserve fund)	-	-	7,100,000	-	-
Transfers Out (to the Debt Service Fund)	(20,783,385)	(20,800,000)	(22,146,763)	(22,300,000)	(1,500,000)
<b>Total Financing Sources (Uses)</b>	<b>(\$20,783,385)</b>	<b>(\$20,800,000)</b>	<b>(\$15,046,763)</b>	<b>(\$22,300,000)</b>	<b>(\$1,500,000)</b>
<b>Net Increase (decrease) in Fund Balance</b>	<b>(4,167,814)</b>	<b>(4,045,986)</b>	<b>6,783,381</b>	<b>(34,521,981)</b>	<b>(30,475,995)</b>
Beginning Fund Balance	39,592,566	35,424,752	35,424,752	42,208,133	6,783,381
Ending Fund Balance	\$35,424,752	\$31,378,766	\$42,208,133	\$7,686,152	(23,692,613)
Fund Reserve*	-	-	-	1,100,000	1,100,000
Ending Fund Balance Less Reserve	\$35,424,752	\$31,378,766	\$42,208,133	\$6,586,152	(\$24,792,613)

\*Includes \$1 million for the Capital Improvement Program and \$100,000 for administration

The table on the next page presents the information in the Consolidated Budget Summary by Fund in more detail. The General Fund reports all sales tax revenue and SCTMFP fees as well as all SacMetro FSP program revenue. SAVSA is a Special Revenue fund reported separately in the CAFR. Appropriations for program administration, ongoing allocations, and the CIP are funded with sales tax proceeds. Transfers out pay for principal, interest, and ancillary fees on the Authority's debt. There is a one-time transfer in representing the release of \$7.1 million from the Series 2009C Debt Service Reserve Fund in May 2018. New for FY 2018-19 is the establishment of fund reserves for the CIP and administration. These amounts are generally in conformance with the Government Finance Officers Association (GFOA) guidelines.

### 3 BUDGET SCHEDULES AND FUND INFORMATION *consolidated budget*

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

Description	FY 2017 Actual	FY 2018 Amended Budget	FY 2018 Estimate	FY 2019 Final	Change from FY 2018
<b>Revenues</b>					
Sales Tax	\$116,877,996	\$122,668,000	\$122,962,000	\$129,372,000	\$6,704,000
SCTMFP Fees *	7,848,174	6,000,000	6,500,000	6,000,000	-
Interest and Other	2,037,530	1,550,000	2,684,192	2,441,000	891,000
SacMetro FSP State Allocation/CVR-SAFE**	2,065,521	2,143,057	2,901,097	2,487,499	344,442
SAVSA***	1,286,741	1,175,000	1,178,124	1,259,077	84,077
<b>New Revenues</b>	<b>\$130,115,962</b>	<b>\$133,536,057</b>	<b>\$136,225,413</b>	<b>\$141,559,576</b>	<b>\$8,023,519</b>
<b>Appropriations</b>					
Administration	860,393	606,662	564,935	981,160	374,498
SacMetro FSP	2,271,606	2,122,824	2,220,769	2,273,024	150,200
SAVSA	1,441,290	1,199,842	1,178,124	1,259,077	59,235
<b>Contributions to Measure A Entities:</b>					
Ongoing Allocations	92,225,542	96,783,667	97,015,113	102,061,296	5,277,629
Capital Improvement Program (CIP)	16,701,560	16,069,048	13,416,328	47,207,000	31,137,952
<b>Total Appropriations</b>	<b>\$113,500,391</b>	<b>\$116,782,043</b>	<b>\$114,395,269</b>	<b>\$153,781,557</b>	<b>\$36,999,514</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In (release 2009C reserve fund)	-	-	7,100,000	-	-
Transfers Out (to the Debt Service Fund)	(20,783,385)	(20,800,000)	(22,146,763)	(22,300,000)	(1,500,000)
<b>Total Financing Sources (Uses)</b>	<b>\$(20,783,385)</b>	<b>\$(20,800,000)</b>	<b>\$(15,046,763)</b>	<b>\$(22,300,000)</b>	<b>\$(1,500,000)</b>
<b>Net Increase (decrease) in Fund Balance</b>	<b>(4,167,814)</b>	<b>(4,045,986)</b>	<b>6,783,381</b>	<b>(34,521,981)</b>	<b>(30,475,995)</b>
Beginning Fund Balance	39,592,566	35,424,752	35,424,752	42,208,133	6,783,381
<b>Ending Fund Balance</b>	<b>\$35,424,752</b>	<b>\$31,378,766</b>	<b>\$42,208,133</b>	<b>\$7,686,152</b>	<b>\$(23,692,613)</b>
Fund Reserve****	-	-	-	1,100,000	1,100,000
<b>Ending Fund Balance Less Reserve</b>	<b>\$35,424,752</b>	<b>\$31,378,766</b>	<b>\$42,208,133</b>	<b>\$6,586,152</b>	<b>\$(24,792,613)</b>

\* Sacramento Countywide Transportation Mitigation Fee Program

\*\* Sacramento Metropolitan Freeway Service Patrol

\*\*\* Sacramento Abandoned Vehicle Service Authority

\*\*\*\* Includes \$1 million for the Capital Improvement Program and \$100,000 for administration



## General Fund

### Programs

The General Fund reports all Measure A revenues including sales tax proceeds and SCTMFP fees. In addition, it reports interest income on the agency's fund balance and interest from its bond program swap partners. Furthermore, the General Fund reports SacMetro FSP program funding from a state grant and local match.

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

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

The SCTMFP fees are remitted to the Authority semi-annually from each member agency. Initially, the fees were determined by a Nexus study performed prior to the program's inception. Thereafter, the fees have been annually updated using criteria prescribed in Measure A. Since the fees are the result of new construction, the amount received by the Authority has been volatile.

SacMetro FSP receives funding from two sources – a state grant and a local match. The state grant is formulaic and administered by the California Department of Transportation (Caltrans). The grant amount is determined annually by Caltrans. The funding is received as claims are submitted for reimbursement. The local match is provided by the Capital Valley Regional Service Authority for Freeways and Expressways (CVR-SAFE). This funding is distributed in a lump sum by the Sacramento Area Council of Governments (SACOG) early in the fiscal year and used to fund the program until reimbursements from the state grant are received.

### Fund Balance

Fund balance is expected to decrease to \$7.7 million in FY 2018-19 from \$42.2 million in FY 2017-18 (based on the "Estimate" amount) primarily because appropriations for the CIP are expected to increase by \$31.1 million in FY 2018-19. The increase is indicative of the increased construction phase activity throughout the County. Additionally, although sales tax revenue is forecast to increase by \$6.7 million, appropriations for ongoing allocations change at the same rate as sales tax revenue, both increasing about 5.5% in FY 2018-19 over the amount in the FY 2017-18 Amended Budget. Finally, debt service appropriations (transfers out) are expected to increase by \$1.5 million because the amount appropriated in the FY 2017-18 Amended Budget was understated by about \$1.3 million due to a miscalculation by Authority staff. The remaining appropriation changes are immaterial to the budget as a whole.

### 3 BUDGET SCHEDULES AND FUND INFORMATION *general fund*

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

Description	FY 2017 Actual	FY 2018 Amended Budget	FY 2018 Estimate	FY 2019 Final	Change from FY 2018
<b>Revenues</b>					
Sales Tax	\$116,877,996	\$122,668,000	\$122,962,000	\$129,372,000	\$6,704,000
SCTMFP Fees*	7,848,174	6,000,000	6,500,000	6,000,000	-
Interest and Other	2,037,530	1,550,000	2,684,192	2,441,000	891,000
SacMetro FSP State Allocation/CVR-SAFE**	2,065,521	2,143,057	2,901,097	2,487,499	344,442
<b>New Revenues</b>	<b>\$128,829,221</b>	<b>\$132,361,057</b>	<b>\$135,047,289</b>	<b>\$140,300,499</b>	<b>\$7,939,442</b>
<b>Appropriations</b>					
Administration	860,393	606,662	564,935	981,160	374,498
SacMetro FSP	2,271,606	2,122,824	2,220,769	2,273,024	150,200
<b>Contributions to Measure A Entities:</b>					
Ongoing Allocations	92,225,542	96,783,667	97,015,113	102,061,296	5,277,629
Capital Improvement Program (CIP)	16,701,560	16,069,048	13,416,328	47,207,000	31,137,952
<b>Total Appropriations</b>	<b>\$112,059,101</b>	<b>\$115,582,201</b>	<b>\$113,217,145</b>	<b>\$152,522,480</b>	<b>\$36,940,279</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In (release 2009C reserve fund)	-	-	7,100,000	-	-
Transfers Out (to the Debt Service Fund)	(20,783,385)	(20,800,000)	(22,146,763)	(22,300,000)	(1,500,000)
<b>Total Financing Sources (Uses)</b>	<b>(\$20,783,385)</b>	<b>(\$20,800,000)</b>	<b>(\$15,046,763)</b>	<b>(\$22,300,000)</b>	<b>(\$1,500,000)</b>
<b>Net Increase (decrease) in Fund Balance</b>	<b>(4,013,265)</b>	<b>(4,021,144)</b>	<b>6,783,381</b>	<b>(34,521,981)</b>	<b>(30,500,837)</b>
Beginning Fund Balance	39,438,017	35,424,752	35,424,752	42,208,133	6,783,381
<b>Ending Fund Balance</b>	<b>\$35,424,752</b>	<b>\$31,403,608</b>	<b>\$42,208,133</b>	<b>\$7,686,152</b>	<b>(\$23,717,455)</b>
Fund Reserve***	-	-	-	1,100,000	1,100,000
<b>Ending Fund Balance Less Reserve</b>	<b>\$35,424,752</b>	<b>\$31,403,608</b>	<b>\$42,208,133</b>	<b>\$6,586,152</b>	<b>(\$24,817,455)</b>

\* Sacramento Countywide Transportation Mitigation Fee Program

\*\* Sacramento Metropolitan Freeway Service Patrol

\*\*\* Includes \$1 million for the Capital Improvement Program and \$100,000 for administration

#### Revenue and Other Financing Sources

Sales tax revenue, which is relatively stable, is forecast to be \$129.37 million in the FY 2018-19 Final Budget (Final Budget), representing a growth rate of 5.5% over the FY 2017-18 Amended Budget amount of \$122.67 million. The growth rate is consistent with the actual growth rate from program inception through June 30, 2017 of 5.3%. The revenue forecast is prepared in conjunction with a consultant who has expertise in retail sales tax projections – Beacon Economics. In the other financing sources category, \$7.1 million represents the amount released from the 2009 bond reserve fund in May 2018.

### **3 BUDGET SCHEDULES AND FUND INFORMATION** *general fund*

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

SCTMFP revenue has proven to be volatile. This program generates revenue by charging a fee for certain new construction throughout the County. Annual revenue for this program reached an all-time high of \$7.85 million in FY 2016-17, representing a growth rate of 80% over FY 2015-16 when \$4.37 million was received. Since program inception in 2009, the growth rate has varied from a low of -24.1% in FY 2010-11 to a high of 80% in FY 2016-17. The average growth rate from program inception through June 30, 2017 was 18%. Authority staff forecast the revenue for this program internally, but consideration is being given to working with a consultant in the coming year. Funding from this program is dedicated to the CIP.

SacMetro FSP revenue is typically stable. However, with the recent passage of Senate Bill 1 (SB 1), new revenue created by the law will start flowing to the program at the end of FY 2017-18. The revenue is generated by a tax on gasoline sales throughout the state. The revenue from those sales is allocated formulaically statewide. Roughly \$700,000 is expected late in FY 2017-18 and a similar amount in FY 2018-19.

#### **Appropriations and Other Financing Uses**

Overall General Fund appropriations will be much higher in FY 2018-19. Increased appropriations are almost entirely related to ongoing allocations and the CIP. The majority of funding, which is generated by sales tax proceeds, is passed through to Measure A entities formulaically on a monthly basis. Therefore, as sales tax revenue increases, the amount passed through increases proportionately. The Final Budget includes \$102 million for ongoing programs, representing a 5.5% growth rate over the FY 2017-18 Amended Budget. This growth rate is the same as the sales tax growth rate discussed in an earlier section. The allocation ratios by agency are identified in a table near the end of this section. As noted in the Revenue and Other Financing Sources discussion, the only significant accruals are related to the Measure A sales tax program and SCTMFP fees. In July and August the Authority receives advances for the months of May and June. Additionally, in August, a clean-up payment for the 4th Quarter of the fiscal year is received. Since about 80% of the sales tax revenue is passed-through to Measure A agencies, the Authority accrues the appropriations at the same time it records the revenue.

CIP appropriations vary from year-to-year based on the number of projects under construction and their construction phase. In general, appropriations increase when projects move into the construction phase. In FY 2018-19, significant construction activity is expected, representing a \$31.1 million increase in appropriations over the amount in the FY 2017-18 Amended Budget. The appropriations are spread across five agencies – the

### 3 BUDGET SCHEDULES AND FUND INFORMATION *general fund*

County, the cities of Sacramento and Rancho Cordova, Caltrans, and the Capital Southeast Connector Authority. More detail about the projects and spending can be found in the CIP section of this budget and a table later in this section.

Sales tax proceeds are allocated at the rate of 20.75% to the Authority’s CIP for debt service and pay-as-you-go project funding. The table below shows the portion of the allocation that pays for debt service on an annual basis. The ratio of debt service to sales tax is forecast to be lower in FY 2018-19 at 72.8%, than it was in FY 2017-18 since revenue increased more than net debt service costs. This pattern is expected to continue through FY 2027-28 based on the most recent revenue forecast and the expected debt service costs, barring issuing more debt beforehand (tables for revenue forecasts and debt service costs through the end of the program can be found elsewhere in this document) In general, the money is in excess of debt service costs is available for appropriation to the CIP.

#### Revenue Allocation to Debt Service Cost Ratios

Description	2019 (forecast)	2018 (estimate)	2017*	2016	2015
Sales Tax Allocation for CIP**	\$26,358,005	\$25,041,763	\$23,792,455	\$22,525,426	\$21,469,273
Debt Service Costs***	19,187,655	19,184,255	18,969,064	15,590,994	16,300,401
Ratio	72.80%	76.61%	79.73%	69.22%	75.92%

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

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

\*\*\* Principal, interest, hedging derivatives (net), and ancillary fees

The SCTMFP program appropriated \$2.4 million in funding to the CIP during FY 2017-18, while the Final Budget appropriates \$15.7 million for FY 2018-19. The increase is attributable to the Authority’s reliance on pay-as-you-go funding and substantial SCTMFP fund balance carried over from FY 2017-18. In most years since the program’s inception in FY 2009-10, revenue exceeded appropriations leading to an increasing fund balance. Even with the increased spending in the budget year, the program is forecast to end FY 2018-19 with a fund balance of almost \$12.5 million

### 3 BUDGET SCHEDULES AND FUND INFORMATION *general fund*

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

Description	FY 2017 Actual	FY 2018 Amended Budget	FY 2018 Estimate	FY 2019 Final	Change from FY 2018
<b>Revenue</b>					
Fees	\$7,848,174	\$6,000,000	\$6,500,000	\$6,000,000	-
Interest	94,786	50,000	65,000	26,000	(\$24,000)
<b>Total Revenue</b>	<b>\$7,942,960</b>	<b>\$6,050,000</b>	<b>\$6,565,000</b>	<b>\$6,026,000</b>	<b>(\$24,000)</b>
<b>Appropriations</b>					
Caltrans	3,047,319	-	-	2,500,000	2,500,000
Capital Southeast Connector	2,275,776	-	-	2,400,000	2,400,000
Rancho Cordova	666,782	700,000	700,000	2,750,000	2,050,000
Sacramento City	8,578,391	900,000	900,000	3,000,000	2,100,000
Sacramento County	1,872,358	840,154	840,154	5,000,000	4,159,846
Sacramento Regional Transit District	106,607	-	-	-	-
<b>Total Appropriations</b>	<b>\$16,440,626</b>	<b>\$2,440,154</b>	<b>\$2,440,154</b>	<b>\$15,650,000</b>	<b>\$13,209,846</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	13,174,202	13,174,202	-	(13,174,202)
<b>Total Financing Sources (Uses)</b>	<b>\$0</b>	<b>\$13,174,202</b>	<b>\$13,174,202</b>	<b>\$0</b>	<b>(\$13,174,202)</b>
<b>Net Increase (decrease) in Fund Balance</b>	<b>(8,497,666)</b>	<b>16,784,048</b>	<b>17,299,048</b>	<b>(9,624,000)</b>	<b>(26,408,048)</b>
Beginning Fund Balance	13,296,991	4,692,718	4,799,325	22,098,373	17,405,655
<b>Ending Fund Balance</b>	<b>\$4,799,325</b>	<b>\$21,476,766</b>	<b>\$22,098,373</b>	<b>\$12,474,373</b>	<b>(\$9,002,393)</b>

#### Formulaic Allocations

Measure A prescribes the allocation of all sales tax proceeds. The following table summarizes by ratio and annual amount, the proceeds each agency and program will receive in FY 2018-19 based on the forecast amount. The allocations are completed monthly.

- Total Revenue is the total sales tax proceeds forecast to be received for FY 2018-19. The amount is net of the administration fees charged by the California Department of Tax and Fee Administration (CDTFA). CDTFA administration costs average about 1.1% of the total sales tax proceeds. The administration charges are withheld on a quarterly basis by the CDTFA before the sales tax revenue is remitted.
- Isleton and Galt receive .04% and 1% of the total revenue respectively.
- The Neighborhood Shuttle is programed to receive \$30 million over the life of the 30-year program. Therefore, the Authority distributes \$83,333 monthly, or \$1 million to the program annually.

### 3 BUDGET SCHEDULES AND FUND INFORMATION *general fund*

- The “Net Proceeds” is the amount that is used to determine the remaining allocations. Only Isleton and Galt receive allocations based on the “Total Revenue.”
- Similar to the Neighborhood Shuttle, County Regional Parks is programmed to receive \$30 million over the life of the program, paid out at the rate of \$83,333 monthly, or \$1 million annually.
- Capital Improvement Program (CIP), which amounts to 20.75% of the net proceeds, is the amount allocated to pay for debt service costs. Any money remaining is available for pay-as-you-go funding.
- Program administration funding is limited to 0.75% of the net proceeds, which is used to pay for Measure A staff salaries and benefits, overhead, professional consultants, and audits performed by the Independent Taxpayer Oversight Committee (ITOC).
- Sacramento Metropolitan Air Quality Management District receives 1% of the net proceeds to fund air quality monitoring and improvement activities.
- Paratransit currently receives 3.5% of the net proceeds. Measure A requires that 4.5% of the net proceeds, on average, be set aside for the Consolidated Transportation Services Agency (CTSA), which is the agency providing funding to Paratransit. To accomplish this, Measure A requires that 3.5% of the net proceeds be distributed to the program in years 1-10, 4.5% in program years 11-20, and 5.5% in program years 21-30. During years 1-10, 1% of the net proceeds (see CTSA set-aside in the table) has been accumulating in an agency fund. This accumulation will cease June 30, 2019. Beginning in July 2019, Paratransit will receive 4.5% of the net proceeds – effectively receiving an additional 1% that was previously set-aside in the CTSA fund. In July 2029, the funds held in the CTSA set aside fund will begin flowing to Paratransit to accomplish the 5.5% prescribed allocation in years 21-30.
- Sacramento Regional Transit District receives the largest ratio of the net sales tax proceeds at 34.5%. This money funds transit operations and maintenance.

### 3 BUDGET SCHEDULES AND FUND INFORMATION *general fund*

#### General Fund - Measure A Ongoing Allocations

Description	Percentage	Amount	Explanation
Total Revenue		\$129,372,000	This amount represents the total revenue net of estimated CDTFA administrative costs - \$1.44 million
Isleton	0.04	51,749	
Galt	1.00	1,293,720	
Neighborhood Shuttle		1,000,000	Set annual amount
Net Proceeds		\$127,026,531	This is the amount used for the remaining allocations below (net proceeds)
County Regional Parks		1,000,000	Set annual amount
Capital Improvement Program (CIP)	20.75	26,358,005	This is used exclusively to pay debt service costs and pay-as-you-go capital claims
Program Administration	0.75	952,699	
SMAQMD*	1.50	1,905,398	
Traffic Control & Safety**	3.00	3,810,796	
Paratransit (CTSA)	3.50	4,445,929	
CTSA Set Aside	1.00	1,270,265	
Safety, Streetscaping, Ped and Bike Facilities (Allocation equals 5 percent less \$83,333 for Regional Parks)**	5.00	5,351,327	Equals 5% less \$1,000,000 to fund the County Regional Parks Program
Street & Road Maintenance**	30.00	38,107,959	
Sacramento Regional Transit District	34.50	43,824,153	
<b>Total</b>	<b>100.00</b>	<b>\$127,026,531</b>	<b>Total monthly allocations</b>

\* Sacramento Metropolitan Air Quality Management District

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

The following three allocation categories are distributed formulaically (see table on next page) to the County and the cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, and Sacramento based on population and lane miles:

- Traffic Control and Safety activities are funded by 3% of the net proceeds.
- Safety, Streetscaping, Pedestrian, and Bike Facilities activities are funded by 5% of the net proceeds. The total amount is reduced by \$1 million per year to fund county regional parks.
- Street and road maintenance activity is funded by 30% of the net proceeds.

The amounts in the following table represent the total annual allocations by agency of the three categories above combined. The allocation ratios are updated annually based on the population and lane miles provided to the Authority by each agency.

### 3 BUDGET SCHEDULES AND FUND INFORMATION *general fund*

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

Entity	Population*	Lane Miles*	Allocation Ratio	Amount
City of Citrus Heights	87,731	464	5.38761%	2,546,727
City of Elk Grove	172,116	1,175	11.14522%	5,268,353
City of Folsom	78,447	686	5.40688%	2,555,835
City of Rancho Cordova	74,210	682	5.18670%	2,451,759
City of Sacramento	501,344	3,075	31.70842%	14,988,598
County of Sacramento	588,798	5,417	41.16517%	19,458,810
<b>Total</b>	<b>1,502,646</b>	<b>11,499</b>	<b>100%</b>	<b>47,270,082</b>

\*Based on data provided by each agency in March 2018

The table below summarizes the total annual allocation by agency for the Measure A ongoing program. The amounts for the FY 2017-18 Estimate and FY 2018-19 Final are based on the March 2018 revenue forecast. In practice, the allocations are passed through to each agency on a monthly basis. As mentioned previously, since the allocations are driven by sales tax proceeds, they change at the same rate. Since sales tax revenue has increased at a moderate rate over the three years in this table, so have the allocations. The growth rate for FY 2018-19 over the FY 2017-18 Amended Budget amount is forecast at 5.5%.

#### General Fund Ongoing Measure A Allocations

Description	FY 2017 Actual	FY 2018		FY 2019 Final	Change from FY 2018
		Amended Budget	FY 2018 Estimate		
Isleton	\$46,751	\$49,067	\$49,185	\$51,749	\$2,564
Galt	1,168,780	1,226,680	1,229,620	1,293,720	64,100
Neighborhood Shuttle Set-Aside	1,000,000	1,000,000	1,000,000	1,000,000	-
Administration	899,939	902,942	905,124	952,699	47,575
SMAQMD	1,719,937	1,805,884	1,810,248	1,905,398	95,150
Traffic Control & Safety	3,439,873	3,611,768	3,620,496	3,810,796	190,300
Paratransit (CTSA)	4,013,185	4,213,729	4,223,912	4,445,929	222,017
CTSA Set Aside	1,146,624	1,203,923	1,206,832	1,270,265	63,433
County Regional Parks	1,000,000	1,000,000	1,000,000	1,000,000	-
Safety, Streetscaping, Ped, Bike	4,733,122	5,019,613	5,034,160	5,351,327	317,167
Street & Road Maintenance	34,398,731	36,117,676	36,204,959	38,107,959	1,903,001
SRTD	39,558,540	41,535,327	41,635,702	43,824,153	2,188,451
<b>Total Allocations</b>	<b>\$93,125,481</b>	<b>\$97,686,609</b>	<b>\$97,920,237</b>	<b>\$103,013,995</b>	<b>\$5,093,758</b>



## Capital Improvement Program (CIP)

The table below summarizes the CIP appropriations at the agency level for three fiscal years. Agencies that are not represented in the table below but are part of the Authority’s Expenditure Plan are the cities of Folsom, Galt, and Elk Grove. These three agencies are part of the CIP, but do not have projects programmed during any of the three fiscal years in the table. Spending for the CIP has been moderate over the last two fiscal years because many projects were in the planning and design phases. However, some of those projects will be entering the construction phase in FY 2018-19, increasing appropriations significantly. As noted earlier and in the CIP section of this document, sales tax proceeds and the SCTMFP fees provide funding to support the planned appropriations.

Authority staff have been working with the financial consulting team to determine if an opportunity exists to issue more debt to fund the CIP as more projects begin construction over the next several years. Currently, Authority staff believe additional funding may be needed as soon as fall 2019. The CIP section of this document provides more detail at the project level regarding sources of funding and appropriations over the next several years.

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

Description	FY 2017 Actual	FY 2018		FY 2019 Final	Change from FY 2018
		Amended Budget	FY 2018 Estimate		
Caltrans	\$3,047,319	\$2,001,704	\$1,901,704	\$11,600,000	\$9,598,296
Capital Southeast Connector (JPA)	2,425,776	9,332,179	6,970,000	11,000,000	1,667,821
Rancho Cordova	666,782	858,339	858,339	5,470,000	4,611,661
Sacramento City	8,582,718	2,860,664	2,741,212	11,492,000	8,631,336
Sacramento County	1,872,358	911,243	840,154	7,645,000	6,733,757
Sacramento Regional Transit District	106,607	104,919	104,919	-	(104,919)
<b>Total Capital Expenditures</b>	<b>\$16,701,560</b>	<b>\$16,069,048</b>	<b>\$13,416,328</b>	<b>\$47,207,000</b>	<b>\$31,137,952</b>

\*Represents only those entities the Authority has funding agreements with in FY 2017 FY 2018, and FY 2019

## Sacramento Metropolitan Freeway Service Patrol (SacMetro FSP) Program

### Program

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

### 3 BUDGET SCHEDULES AND FUND INFORMATION *SacMetro FSP program*

A team of tow truck drivers patrol Sacramento freeways during the times when they are the busiest from 6:30-9:30 am and 2:30-6:30 pm Monday through Friday (except holidays). Drivers assist stranded motorists by helping them change a flat tire, providing a gallon of fuel, jump-starting their car, or making other minor repairs as needed. If the driver cannot quickly get the vehicle running, it is towed to a CHP-approved location off the freeway away from the fast-moving traffic where the motorist can make arrangements for towing and/or repair.

SacMetro FSP operates on the following Sacramento freeways:

- **HIGHWAY 99** - Grant Line Road to the Hwy 99/50 Interchange
- **CAPITAL CITY FREEWAY (BUSINESS 80)** - Hwy 99/50 Interchange to the I-80 Interchange
- **INTERSTATE 5** - Elk Grove Blvd to the Highway 99 Interchange
- **HIGHWAY 50** - Interstate 5 to Scott Road
- **INTERSTATE 80** - Interstate 5 to the Placer County Line; in Yolo County from Mace Blvd. to Jefferson Blvd.

#### **Fund Balance**

Ending fund balance for FY 2018-19 is expected to be \$853,000 in comparison to a deficit fund balance in the FY 2017-18 Amended Budget. This increased fund balance can be explained by a new revenue source created with the passage of Senate Bill 1 (SB 1) which increased the sales tax on gasoline throughout the state. The new tax is dedicated to transportation and infrastructure operations, maintenance, and construction. For FY 2017-18, SB 1 funding for the local program is expected to be about \$700,000. This increased the FY 2017-18 Estimated fund balance by about the same amount. The fund balance is expected to increase similarly in FY 2018-19 until additional tow truck routes are identified, at which time appropriations will increase and fund balance decrease. There is an effort underway in the State to repeal the new law, so the Authority will wait until after the elections in November 2018 to determine if more tow truck routes will be added.

#### **Revenue**

As mentioned above in the fund balance section, new revenue is expected beginning in FY 2017-18. This revenue will be part of the state grant administered by Caltrans. Beginning in FY 2018-19, the CVR-SAFE local match will decrease to 25% of the state grant amount, which equals the required minimum match. In prior years, the local match was higher because the state grant combined with the minimum required match was not sufficient to cover the program's appropriations, so the CVR-SAFE program provided a higher ratio of the overall funding.

### 3 BUDGET SCHEDULES AND FUND INFORMATION *SacMetro FSP program*

#### Appropriations

Overall appropriations will increase by \$150,000 in FY 2018-19. The most significant changes are expected in the professional services and contractors categories. Contractor appropriations will increase by \$233,000 in FY 2018-19 as some program services curtailed during the recession are reinstated. Professional services are provided by the CHP, which have historically been paid at the local level, but will be paid directly by Caltrans using grant funding beginning in FY 2018-19, resulting in a decrease of \$130,000. Therefore, there is no appropriation for professional services in FY 2018-19.

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

Description	FY 2017 Actual	FY 2018 Amended Budget	FY 2018 Estimate	FY 2019 Final	Change from FY 2018
<b>Revenue</b>					
State Allocation	\$1,238,521	\$1,199,457	\$1,957,497	\$1,989,999	\$790,542
CVR-SAFE (local match)	827,000	943,600	943,600	497,500	(446,100)
<b>Total Revenue</b>	<b>\$2,065,521</b>	<b>\$2,143,057</b>	<b>\$2,901,097</b>	<b>\$2,487,499</b>	<b>\$344,442</b>
<b>Appropriations</b>					
Salaries and Benefits	128,769	126,379	106,136	139,346	12,967
Overhead	17,105	12,000	55,511	58,593	46,593
Conferences and Travel	1,861	850	1,033	1,100	250
Communications	66,267	46,125	42,900	49,970	3,845
Professional Services	228,910	130,375	218,090	-	(130,375)
Other Operating Expenditures	28,958	19,925	9,929	3,750	(16,175)
Contractors	1,799,736	1,787,170	1,787,170	2,020,265	233,095
<b>Total Appropriations</b>	<b>\$2,271,606</b>	<b>\$2,122,824</b>	<b>\$2,220,769</b>	<b>\$2,273,024</b>	<b>\$150,200</b>
Net Increase (decrease) in Fund Balance	(206,085)	20,233	680,328	214,475	194,242
Beginning Fund Balance	164,338	(41,747)	(41,747)	638,581	680,328
<b>Ending Fund Balance</b>	<b>(\$41,747)</b>	<b>(\$21,514)</b>	<b>\$638,581</b>	<b>\$853,056</b>	<b>\$874,570</b>

## Administration

The Authority, consisting of three staff members, is tasked with overseeing Measure A programs as well as the SAVSA and SacMetro FSP programs. The Executive Director and Chief Financial and Administrative Officer spend 93% and 95% of their time respectively administering the Measure A program, while the Administrative Services Officer (Special Programs Manager) spends 90% of her time administering the SAVSA and SacMetro FSP programs (for more detail, see Organizational Overview section). As such, each program pays its fair share of salaries, benefits and overhead charges. Measure A limits administration funding to 0.75% of the net sales tax proceeds.

## Fund Balance

Ending fund balance is expected to increase by about \$18,000 in FY 2018-19. Although this is an immaterial increase when compared to the FY 2017-18 Amended Budget, the Authority exercised fiscal restraint during FY 2017-18 in order to build up fund balance which was \$3,224 at the beginning of the fiscal year on July 1, 2017. For example, one staff position was left unfilled, reducing salary and benefit costs by over \$100,000 and the Authority leased new office space that is less expensive than its previous office space. In addition, professional services costs were reduced by shifting some work in house that was previously performed by consultants. Furthermore, benefit costs for dental and vision were renegotiated at much lower rates.

## Appropriations

In the budget year, salaries and benefits are expected to increase with normal merit salary adjustments and Cost of Living Allowances (COLA). Additionally, the Accounting and Finance Manager was promoted to Chief Financial and Administrative Officer (CFAO) which increases salaries and benefits by approximately \$17,000. Costs for professional services will be much higher in FY 2018-19, in part because of the fiscal restraint discussed in the Fund Balance section above (i.e. FY 2017-18 professional services costs were lower than normal), and because the Authority will undertake two significant projects needing professional consultants beginning in FY 2018-19. The Authority will be starting outreach and education for a potential new sales tax measure that will be taken to voters in 2020. Additionally, under Measure A, beginning in 2019 and every ten years thereafter, the Expenditure Plan is required to be reassessed, and where necessary, amended to meet changing transportation needs.

The ITOC is planning its first performance audit in FY 2018-19, which is estimated to cost about \$57,000. Under the Ordinance, the ITOC is tasked with hiring an independent professional auditing firm to periodically complete a performance audit. A Request for Information (RFI) is planned for distribution in the summer of 2018, followed by a Request for Proposals (RFP) in the fall, and selection of a firm shortly afterwards.

### 3 BUDGET SCHEDULES AND FUND INFORMATION

For the first time, a reserve has been established for the fund. The reserve represents a little more than one month's revenue, with plans to add to it in budget year 2019-20 in an effort to build a reserve balance that is consistent with Government Finance Officers Association (GFOA) guidelines – a minimum of two months of revenue or expenditures, whichever is more predictable.

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

Description	FY 2017 Actual	FY 2018 Amended Budget	FY 2018 Estimate	FY 2019 Final	Change from FY 2018
<b>Revenue</b>					
Sales Tax*	\$899,939	\$902,942	\$905,124	\$952,699	\$49,757
Other	159,224	120,853	122,353	1,500	(119,353)
<b>Total Revenue</b>	<b>\$1,059,163</b>	<b>\$1,023,795</b>	<b>\$1,027,477</b>	<b>\$954,199</b>	<b>(\$69,596)</b>
<b>Appropriations</b>					
Salaries and Benefits	457,105	332,849	358,907	400,736	67,887
CalPERS Unfunded Liability/OPEB	52,893	59,971	41,079	52,010	(7,961)
Rent	43,046	19,071	17,815	24,467	5,396
Conferences and Travel	7,341	6,000	6,000	6,000	-
Insurance	9,395	30,318	20,212	14,547	(15,771)
Professional Services	212,902	81,120	67,700	354,400	273,280
ITOC	53,900	56,333	38,555	113,000	56,667
Other Operating Expenditures	23,811	21,000	14,667	16,000	(5,000)
<b>Total Appropriations</b>	<b>\$860,393</b>	<b>\$606,662</b>	<b>\$564,935</b>	<b>\$981,160</b>	<b>\$374,498</b>
<b>Net Increase (decrease) in Fund Balance</b>	<b>198,770</b>	<b>417,133</b>	<b>462,542</b>	<b>(26,961)</b>	<b>(444,094)</b>
Beginning Fund Balance	(195,546)	3,224	3,224	465,766	462,542
<b>Ending Fund Balance</b>	<b>\$3,224</b>	<b>\$420,357</b>	<b>\$465,766</b>	<b>\$438,805</b>	<b>\$18,448</b>
Fund Reserve	-	-	-	100,000	100,000
<b>Ending Fund Balance Less Reserve</b>	<b>\$3,224</b>	<b>\$420,357</b>	<b>\$465,766</b>	<b>\$338,805</b>	<b>(\$81,552)</b>

\* 0.75% of the net sales tax revenue is available for administration

### Special Revenue Fund

#### Program

The Sacramento Abandoned Vehicle Service Authority (SAVSA) was created in 1991 to combat the growing problem of abandoned vehicles on private and public property. SAVSA is funded by a \$1 vehicle registration fee collected by the California Department of Motor Vehicles (DMV). Each year, SAVSA helps to fund the removal of over 20,000 abandoned vehicles in the County and within the cities of Sacramento, Galt, Rancho Cordova, Folsom, Citrus Heights, and Elk Grove. This program will sunset in FY 2022 without action by the State Legislature.

### 3 BUDGET SCHEDULES AND FUND INFORMATION *special revenue fund*

#### Fund Balance

This is a pass-through fund for the abandoned vehicle abatement program. Other than administration costs, all of the fees received are used to reimburse SAVSA claims.

Distributions to entities are based 50% on population and 50% on the relative number of abatements performed during each calendar quarter. As shown in the table below over the three-year period presented, revenue and appropriations roughly equal one another, leaving the program with zero ending fund balance in FY 2018-19. Administration costs were higher than normal in FY 2017-18 because unreimbursed accumulated administration charges for FY 2015-16, FY 2016-17 for FY 2017-18 were paid by the program in FY 2017-18.

#### Revenue and Appropriations

As mentioned earlier, revenue and appropriations roughly equal one another leaving the program with a zero fund balance in FY 2018-19. Revenue and appropriations for FY 2018-19 are expected to increase to \$1.26 million or 6.8% from the FY 2017-18 estimated amount when they were each \$1.18 million.

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

Description	FY 2017 Actual	FY 2018 Amended Budget	FY 2018 Estimate	FY 2019 Final	Change from FY 2018
<b>Revenue</b>					
Vehicle License Fees	\$1,282,433	\$1,174,600	\$1,174,600	\$1,258,677	\$84,077
Interest	4,308	400	3,524	400	-
<b>Total Revenue</b>	<b>\$1,286,741</b>	<b>\$1,175,000</b>	<b>\$1,178,124</b>	<b>\$1,259,077</b>	<b>\$84,077</b>
<b>Appropriations</b>					
Abandoned Vehicle Abatement	1,400,871	1,112,623	995,776	1,231,473	118,850
Salaries and Benefits/Overhead	40,419	87,219	182,348	27,604	(59,615)
<b>Total Appropriations</b>	<b>\$1,441,290</b>	<b>\$1,199,842</b>	<b>\$1,178,124</b>	<b>\$1,259,077</b>	<b>\$59,235</b>
Net Increase (decrease) in Fund Balance	(154,549)	(24,842)	-	-	24,842
Beginning Fund Balance	154,549	-	-	-	-
<b>Ending Fund Balance</b>	<b>\$0</b>	<b>(\$24,842)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,842</b>

### **3 BUDGET SCHEDULES AND FUND INFORMATION**

## **Debt Service Funds**

The Authority established debt service funds in compliance with the indenture for each issuance – Series 2009C, Series 2012, Series 2014A, and Series 2015A. Outstanding debt totals \$364.6 million as of June 30, 2018. Funding for servicing the debt is provided by the 20.75% allocation of net sales tax revenue.

### **Fund Balance**

Ending fund balance for FY 2018-19 is expected to be \$7.51 million which is \$.5 million higher than the FY 2017-18 Estimated ending fund balance of \$6.96 million. Currently, the only bond series that the Authority is making principal payments on is the Series 2012. The higher fund balance in FY 2018-19 is in part, the result of accumulated funds needed to pay a principal payment due in October 2018 that is larger than the payment made in October 2017.

### **Revenue and Other Financing Sources**

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

### **Appropriations**

On a monthly basis, one-sixth of the semi-annual interest payments due to bond holders of each bond series is accumulated in the interest subfunds. Similarly, one-twelfth of the annual principal payment for the Series 2012 bonds is accumulated. Since interest payments are made in the spring and fall and principal payments in the fall, fund balance at the end of the fiscal year is usually significant.

### 3 BUDGET SCHEDULES AND FUND INFORMATION *debt service fund*

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

Description	FY 2017 Actual	FY 2018 Amended Budget	FY 2018 Estimate	FY 2019 Final	Change from FY 2018
<b>Revenue</b>					
Interest	\$7,277	\$500	\$500	\$500	-
<b>Total Revenues</b>	<b>\$7,277</b>	<b>\$500</b>	<b>\$500</b>	<b>\$500</b>	<b>\$0</b>
<b>Appropriations</b>					
Principal Payments	3,450,000	3,590,000	3,590,000	3,740,000	150,000
Interest Payments	17,069,420	16,104,047	17,885,552	17,715,000	1,610,953
Other	45,604	295,953	295,953	300,000	4,047
<b>Total Appropriations</b>	<b>\$20,565,024</b>	<b>\$19,990,000</b>	<b>\$21,771,505</b>	<b>\$21,755,000</b>	<b>\$1,765,000</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	20,783,385	20,800,000	22,146,763	22,300,000	1,500,000
<b>Total Financing Sources (Uses)</b>	<b>\$20,783,385</b>	<b>\$20,800,000</b>	<b>\$22,146,763</b>	<b>\$22,300,000</b>	<b>\$1,500,000</b>
<b>Net Increase (decrease) in Fund Balance</b>	<b>225,638</b>	<b>810,500</b>	<b>375,758</b>	<b>545,500</b>	<b>(265,000)</b>
<b>Beginning Fund Balance</b>	<b>6,362,460</b>	<b>6,588,098</b>	<b>6,588,098</b>	<b>6,963,856</b>	<b>375,758</b>
<b>Ending Fund Balance</b>	<b>\$6,588,098</b>	<b>\$7,398,598</b>	<b>\$6,963,856</b>	<b>\$7,509,356</b>	<b>\$110,758</b>

The following table summarizes debt service costs by fiscal year through the remainder of the Measure A program. The information in the table represents the cost for the Authority's outstanding debt of \$364.6 million. This amount consists of four issuances – Series 2009C, Series 2014A, and Series 2015A all of which are Variable Rate Demand Bonds (VRDB) and the Series 2012 which are fixed rate bonds.

The principal payments through FY 2027-28 are only for the Series 2012 bonds which will be paid off at that time. Then in FY 2028-29 through the remainder of the program, principal payments will be made on the other three issuances. The column titled "Hedging Derivatives, Net" is the annual net swap payment (the fixed interest payment to the Authority's swap partners minus the variable rate interest payments received from the Authority's three swap partners) for the VRDBs. The swap interest revenue is recorded in the General Fund. The "Ancillary Fees" column represents VRDB liquidity facilities and remarketing agent fees.



### 3 BUDGET SCHEDULES AND FUND INFORMATION *debt service fund*

#### Total Debt Service Costs

Fiscal Year Ending	Principal Amortization	Estimated Bond Interest	Hedging Derivatives, Net*	Ancillary Fees**	Total Estimated Debt Service and Fees
6/30/2018	3,590,000	4,519,121	10,112,379	962,755	19,184,255
6/30/2019	3,740,000	4,372,521	10,112,379	962,755	19,187,655
6/30/2020	3,890,000	4,219,921	10,112,379	965,248	19,187,548
6/30/2021	4,050,000	4,061,121	10,112,379	962,318	19,185,819
6/30/2022	4,235,000	3,874,246	10,112,379	962,755	19,184,380
6/30/2023	4,455,000	3,656,996	10,112,379	962,755	19,187,130
6/30/2024	4,685,000	3,428,496	10,112,379	965,248	19,191,123
6/30/2025	4,925,000	3,188,246	10,112,379	962,318	19,187,944
6/30/2026	5,175,000	2,935,746	10,112,379	962,755	19,185,880
6/30/2027	5,440,000	2,670,371	10,112,379	962,755	19,185,505
6/30/2028	5,720,000	2,391,371	10,112,379	965,248	19,188,998
6/30/2029	22,300,000	2,169,640	9,758,104	928,623	35,156,367
6/30/2030	24,400,000	2,004,673	9,016,197	858,509	36,279,379
6/30/2031	25,400,000	1,828,787	8,225,125	783,200	36,237,112
6/30/2032	26,500,000	1,645,485	7,400,694	706,434	36,252,613
6/30/2033	27,600,000	1,454,353	6,541,277	622,763	36,218,393
6/30/2034	28,800,000	1,255,157	5,645,364	537,761	36,238,282
6/30/2035	30,000,000	1,047,485	4,711,327	448,840	36,207,652
6/30/2036	31,300,000	831,013	3,737,657	356,860	36,225,530
6/30/2037	32,600,000	605,328	2,722,607	259,303	36,187,238
6/30/2038	34,000,000	370,107	1,664,667	158,712	36,193,487
6/30/2039	35,400,000	125,027	562,328	53,683	36,141,039
<b>Total</b>	<b>368,205,000</b>	<b>52,655,216</b>	<b>171,221,517</b>	<b>16,311,600</b>	<b>608,393,333</b>

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

\*\* Liquidity facilities and remarketing fees

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# 4

## Capital Improvement Program

### AUTHORITY GOAL

Effectively implement taxpayer safeguards identified in the Measure A Ordinance

# Capital Improvement Program

## Capital Project Financing

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

In general, the Authority's funding agreements are for a three-year term. The current three-year funding agreements are due to expire June 30, 2018. However, since Measure A requires the Authority to review the CIP program and propose amendments as necessary, beginning in 2019 and every ten years thereafter, Authority staff are negotiating extensions to the current funding agreements while the review is undertaken. During FY 2018-19, new multi-year funding agreements based on the amended CIP will be in place.

Funding for the CIP has been primarily through the issuance of debt. However, proceeds from the issuance of debt were exhausted in FY 2016-17. Therefore, funding has shifted to pay-as-you-go. Measure A caps the allocation for the CIP program at 20.75% of the net sales tax proceeds, which funds debt service costs and provides pay-as-you-go funding. At this point in the program, pay-as-you-go funding provides at the rate of approximately \$6 million per fiscal year. In addition, the SCTMFP generates about \$6 million in revenue per fiscal year. Together, these two funding sources along with accumulated fund balance are programmed to pay for the budget year CIP.

In May 2018, the Authority completed a transaction that released about \$7 million in Series 2009C bond reserves. The receipts from this transaction provided a non-recurring cash inflow that will be used for the CIP in the budget year.

### The Projects

#### Measure A Guiding Principles

The guiding principles of Measure A are to maintain and improve the quality of life in the County by implementing the Sacramento County Transportation Expenditure Plan 2009-2039 (Expenditure Plan) which strives:

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

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

All 54 projects voters approved in 2004 are contained in the Expenditure Plan and summarized in the next few pages. The agencies implementing the projects in the Expenditure Plan are the County, the cities of Galt, Elk Grove, Rancho Cordova, Sacramento, Citrus Heights, and Folsom, the California Department of Transportation (Caltrans), Sacramento Regional Transit District (SRTD), and the Capital Southeast Connector Authority. After voters approved Measure A in 2004 and before collection of the sales tax began in April 2009, Authority staff coordinated a multi-year effort to determine funding by fiscal year for each project. The resulting plan serves as a roadmap for the program's projects and funding through FY 2018-19, at which time the plan will be revised.

## Projects by Agency



- ANTELOPE ROAD (Watt Ave – Roseville Rd)
- ARDEN WAY ITS IMPROVEMENTS Phase 2
- BRADSHAW ROAD - Phase 1
- BRADSHAW ROAD - Phase 2
- FOLSOM BOULEVARD (Watt Ave – Bradshaw Rd)
- GREENBACK LANE (Fair Oaks Blvd – Main Ave) – Phase 1
- GREENBACK LANE (Fair Oaks Blvd – Main Ave) – Phase 2
- GREENBACK LANE (I-80 – Manzanita Ave)
- HAZEL AVENUE - Phase 1 (US 50 – Madison Ave)
- HAZEL AVENUE - Phase 2 (Madison Ave - Placer Co. Line)
- HAZEL AVENUE - (US Highway 50 – Folsom Blvd)
- MADISON AVENUE - Phase 1 (Sunrise Blvd – Hazel Ave)
- MADISON AVENUE - Phase 2 (Hazel Ave – Greenback Lane)
- MADISON AVENUE - Phase 3 (Watt Ave – Sunrise Blvd)
- SOUTH WATT/ELK GROVE-FLORIN ROAD - Phase 1
- SOUTH WATT / ELK GROVE-FLORIN ROAD - Phase 2
- SUNRISE BOULEVARD (Jackson Rd – Grant Line Rd)
- SUNRISE BOULEVARD (Madison Ave – Gold Country Blvd)
- WATT AVENUE (Antelope Rd – Capital City Freeway)
- WATT AVENUE / SR50 INTERCHANGE Upgrade



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



## 4 CAPITAL IMPROVEMENT PROGRAM *projects in implementation*



- FOLSOM BOULEVARD Streetscape
- SUNRISE BOULEVARD



- ANTELOPE ROAD - Phase 1 (Roseville Rd - I-80)
- ANTELOPE ROAD - Phase 2 (I-80 - Auburn Blvd)
- GREENBACK LANE (West City Limit to Fair Oaks Blvd)
- SUNRISE BOULEVARD - Phase 1 (Oak Ave - Antelope Rd)
- SUNRISE BOULEVARD - Phase 2 (Greenback Lane – Oak Ave)
- SUNRISE BOULEVARD - Phase 3 (Antelope Rd – City Limit)



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



- FOLSOM BRIDGE CROSSING



- CENTRAL GALT INTERCHANGE

## 4 CAPITAL IMPROVEMENT PROGRAM *projects in implementation*



- I-5/50 INTERCHANGE IMPROVEMENTS
- I-5/80 INTERCHANGE UPGRADE, HOV CONNECTOR, and I-5 HOV LANES
- OAK PARK (SR99/50) INTERCHANGE IMPROVEMENTS
- I-5 BUS/CARPOOL LANES
- I-80 BUS/CARPOOL LANES
- US 50 BUS/CARPOOL LANES



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



- I-5 / SR 99 / US 50 CONNECTOR
- REGIONAL RAIL

There are 15 projects programmed to receive Measure A funding in the next three fiscal years. All CIP projects are multi-year or long-term in nature, therefore many projects span multiple funding agreement cycles. Since availability of funding is a primary driver for the construction cycle, some projects may stall while sufficient funding is identified. Therefore, it is not uncommon to reallocate funding from one project to another based on the availability of other funding sources. Measure A funding is normally the local matching component for other funding sources, so the Authority and CIP agencies work together throughout the project lifecycle to ensure funding is allocated when and where needed. Since most projects receive funding from multiple sources, Measure A funding may be exhausted before completion of the project.



## 4 CAPITAL IMPROVEMENT PROGRAM *projects in implementation*



- **FOLSOM BOULEVARD/COMPLETE STREETS** – This project will improve safety and connectivity along Folsom Boulevard between Bradshaw Road and Mayhew Road by providing sidewalk continuity, buffered bike lanes, pedestrian safety lighting, functional landscaping and pedestrian signal upgrades. The FY 2018-19 funding request is \$250,000.
- **GREENBACK LANE/COMPLETE STREETS** – This proposed project on Greenback Lane between Chestnut Avenue and Folsom City Limits will install Class II Bike lanes, separated sidewalks, ADA upgrades that include curb ramps, bicycle detection, bus stop and transit access improvements, and landscape/streetscape enhancements. The FY 2018-19 funding request is \$900,000.
- **HAZEL AVENUE/U.S. 50 TO FOLSOM BOULEVARD** – This project proposes to construct capacity, safety, and access improvements at the U.S. Highway 50/Hazel Avenue interchange and the Hazel Avenue/Folsom Boulevard intersection. Proposed improvements includes modifications to the interchange structure and freeway ramps; extension of Hazel Avenue as a six lane roadway south of U.S. 50 and Folsom Boulevard; construction of a grade separation at the Hazel Avenue/Folsom Boulevard intersection to separate the Hazel Avenue extension from Folsom Boulevard and the light rail tracks; and construction of a connection road to provide new access between Folsom Boulevard and the Hazel Avenue extension. This project will provide for connections with residential and business development areas south of U.S. 50. The FY 2018-19 funding request is \$750,000.
- **HAZEL AVENUE/U.S. 50 TO MADISON** - This is the third phase of the Hazel Avenue project that will widen Hazel Avenue from four to six lanes from Sunset Avenue to Madison Avenue, and construct new bike lanes, separated sidewalks, landscaped medians and parkway features throughout the corridor. New traffic signals are proposed at Roediger Land and Phoenix Avenue. This project will improve existing and projected traffic congestion, enhance pedestrian and bicycle mobility, improve safety, and generally improve the aesthetics of the corridor. The FY 2018-19 funding request is \$1,000,000.
- **MADISON AVENUE/PHASE I** – This project will widen Madison Avenue from 4 to 6 lanes with raised medians between Fair Oaks Boulevard and Hazel Avenue in the Citrus Heights and Fair Oaks areas. The project also proposes to construct bicycle and pedestrian facilities, traffic signal modifications, traffic operations system upgrades, landscaping, and streetscape enhancements, and soundwalls. The FY 2018-19 funding request is \$1,500,000.

## 4 CAPITAL IMPROVEMENT PROGRAM *projects in implementation*

- **SUNRISE BOULEVARD/JACKSON TO GRANT LINE** – This project will widen the existing intersection at Jackson Road and Sunrise Boulevard to add additional lanes and modify the existing traffic signal for improved efficiency. The FY 2018-19 funding request is \$400,000.
- **WATT AVENUE/ANTELOPE TO CAPITAL CITY FREEWAY** – This project is located on Watt Avenue, north of I-80, from Orange Grove Avenue to Roseville Road. Improvements include the design and construction of sidewalk infill, ADA improvements such as curb ramps and bus stops, class II bike lanes, and streetscape enhancements. The FY 2018-19 funding request is \$1,345,000.
- **SOUTH WATT/ELK GROVE-FLORIN ROAD** – This project will widen South Watt Avenue from two to four lanes between Florin Road and Jackson Road. Proposed improvements include landscaped medians, ADA upgrades, bicycle and pedestrian facilities, and intersection upgrades. The FY 2018-19 funding request is \$1,500,000.

## *City of* **SACRAMENTO**

- **RICHARDS BOULEVARD/I-5 INTERCHANGE** – This project will provide long-term operational and circulation improvements to address future impacts resulting from high density development in the Central City. The interchange was originally constructed in 1969 as part of the interstate freeway network. The interchange is a critical access point to the northern part of the Central City and reconstruction of the interchange is needed to serve planned growth in Downtown, the Railyards, and River District areas. The proximity of the Sacramento River to the west and the American River to the north restricts development west and north of the interchange and limits improvement options. The FY 2018-19 funding request is \$747,000.
- **FOLSOM BOULEVARD** - This project has developed a complete street plan. Related projects are under construction this year which include the Ramona Avenue Extension which connects Ramona Ave to Folsom Boulevard and opens up 240 acres for development of the future Sacramento Center for Innovation. Also, the city will be constructing the Folsom Blvd Complete Streets project near the intersection of 65th Street extending east along Folsom towards the floodgate. These improvements include sidewalk, curb, and gutter and implementation of elements of the 65th Street Transit Village plan. The next phase of the project will continue to provide for the future implementation of the 65th Street Transit Village Plan. There is no funding request for FY 2019; however the agency would like funding beginning in FY 2021.
- **INTERMODAL STATION/PHASE III** – This project is currently in the planning phase for the expansion of the existing station facility which will better connect transportation services closer to the relocated train track and platform alignment. The timeline for

## 4 CAPITAL IMPROVEMENT PROGRAM *projects in implementation*

full build-out is currently 2040 and is planned to be implemented in distinct phases. The program elements of the plan include a bus station for Amtrak Thruway, regional and local transit agencies and private carriers; new bike facilities, improved drop-off and pick-up areas, implementation of current light rail and streetcar projects, public space and new supportive transit-oriented development. Programing for future uses in the historic station will be evaluated to support the transit complex. The FY 2018-19 funding request is \$10,745,000.



- **FOLSOM BOULEVARD ENHANCEMENTS** – This multi-phase project will provide for improved aesthetics and safety along Folsom Boulevard between Horn Road and Tiffany West Way, Horn Road and Bradshaw Road, and between Kilgore Road and Sunrise Boulevard. The proposed enhancements include the installation of landscaped medians, construction of sidewalks, landscaping, streetscape improvements at intersections, and the installation of street lights. The FY 2018-19 funding request is \$5,470,000.



- **U.S. 50 HIGH OCCUPANCY VEHICLES (HOV)/I-5 TO WATT AVENUE** – This project is designed to reduce recurring congestion on U.S. 50 from the Watt Avenue Interchange (where the current HOV lanes start and stop on U.S. 50) to the I-5 Interchange in downtown Sacramento. In addition, this project will allow connectivity and consistency with the planned HOV system in the Sacramento region, enhance mobility and provide incentives for ridesharing during peak period travel, achieve the goals of the current SACOG MTP/SCS by promoting ridesharing, improving U.S. 50 to meet the growing travel demand in the Sacramento region, provide an option for reliable peak period travel time, and improved bicycle and pedestrian access. The FY 2018-19 funding request is \$2,600,000.
- **I-5 HOV** – This project, in its first phase, will construct approximately 19 miles of bus/carpool lanes on I-5 from Bach Lake Bridge to U.S. 50. Phase two will construct 6 miles of bus/carpool lanes from 1.1 mile south of Elk Grove Boulevard to Beach Lake Bridge. The purpose of this project is to promote ride sharing and the use of high occupancy vehicles such as carpools, vanpools, and express bus services during peak period travel, provide congestion relief in order to improve traffic flow and mobility by carrying more people in fewer vehicles during peak traffic periods, use highway facilities as efficiently as possible, and improve traffic operations and safety. The FY 2018-19 funding request is \$9,000,000.

## 4 CAPITAL IMPROVEMENT PROGRAM



This project consists of a 34 mile long expressway that will serve as a beltway through the southern area of Sacramento County into El Dorado County, enabling travelers to bypass downtown Sacramento and Highway 50 congestion between Elk Grove, Rancho Cordova, Folsom and El Dorado Hills. The Connector will provide easier access to jobs, reduced congestion, more efficient goods movement, increased safety and significant economic impact. The project's first phase includes construction of four continuous lanes from Interstate 5 and Highway 99 in Elk Grove to the new Silva Valley interchange at Highway 50 in El Dorado Hills, expanded at-grade intersections at all major access points, and a continuous path for pedestrians, bicyclists and equestrians. The FY 2018-19 funding request is \$11,000,000.

### Financing

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

Financing the CIP is supported primarily by two funding sources – sales tax which is the largest of the two sources and SCTMFP fees. Measure A sales tax revenue allocated to the CIP is forecasted to grow at a moderate rate over the next three years – from \$26.4 million in FY 2018-19 to \$28.1 million in FY 2020-21. Most of this money is used to pay debt service costs. As the table below shows, \$19.5 million (net) is expected to be used for debt service costs in FY 2018-19, increasing to \$25.4 million in FY 2020-21. The increase in debt service in FY 2019-20 and FY 2020-21 is based on a plan to issue approximately \$61 million in additional debt in the fall of 2019. Debt service costs include principal, interest, and ancillary fees. The difference between the sales tax revenue amount allocated to the CIP and the debt service costs is the amount available as pay-as-you-go funding.

The SCTMFP is an increasingly important funding source since the CIP shifted to pay-as-you-go financing in FY 2016-17. For FY 2018-19, the SCTMFP is expected to contribute \$15.7 million (see table with more detail in the Budget Schedule section) toward the CIP. This amount compares to an estimated \$2.4 million in FY 2017-18. Most of the money in the budget year is coming from fund balance carried over from FY 2017-18 – estimated at \$22 million.

## 4 CAPITAL IMPROVEMENT PROGRAM *financing*

Included in the financing plan is the proposed issuance of \$61 million in new debt in the fall of 2019. To determine this amount, staff worked with the Authority's financial advisory team using forecasted revenue and existing debt service costs to identify new funding opportunities. This effort resulted in a conservative estimate of \$61 million and a maximum of \$70 million in potential new funding in FY 2019-20. If this debt is issued, it will be paid off in FY 2027-28 before principal payments for the existing debt begin escalating. Staff will be working with the Authority's financial advisory team during FY 2018-19 to solidify plans for the issuance of new debt.

#### 4 CAPITAL IMPROVEMENT PROGRAM *financing*

### Measure A Capital Improvement Program, FY2019–FY2021

	FY2018/19	FY2019/20	FY2020/21
Measure A Sales Tax Growth	\$129,372,000	\$134,098,000	\$138,010,000
1% for Galt, .04% for Isleton	\$1,345,469	\$1,394,619	\$1,435,304
<b>Net Sales Tax</b>	<b>\$127,026,531</b>	<b>\$131,703,381</b>	<b>\$135,574,696</b>
<b>Revenue</b>			
Capital Program Beginning Fund Balance (PAYGO & SCTMFP)	\$41,363,801	\$7,182,777	\$43,365,566
Measure A Sales Tax Revenue (CIP)	\$26,358,005	\$27,328,452	\$28,131,749
SCTMFP Development Impact Fee Revenue (Capital)	\$6,180,000	\$6,365,400	\$6,556,362
Measure A Proposed Bond Issuance		\$61,000,000	
<b>Available Fund Balance</b>	<b>\$73,901,806</b>	<b>\$101,876,629</b>	<b>\$78,053,677</b>
<b>Appropriations</b>			
<b>Bond Program Debt Service</b>	<b>\$19,512,029</b>	<b>\$24,538,840</b>	<b>\$25,421,844</b>
<b>Sacramento County</b>	<b>\$7,645,000</b>	<b>\$14,880,000</b>	<b>\$15,103,000</b>
Folsom Blvd Improvements: Watt Ave–Bradshaw Rd	\$250,000	\$180,000	\$603,000
Greenback Lane: Fair Oaks Blvd–Main Avenue, Phase 1	\$900,000	\$1,000,000	\$1,000,000
Hazel Avenue: US Highway 50–Folsom Blvd	\$750,000	\$5,000,000	\$5,000,000
Hazel Avenue: US Highway 50–Madison Ave	\$1,000,000	\$200,000	\$1,000,000
Madison Avenue, Phase 1: Sunrise Blvd–Hazel Avenue	\$1,500,000	\$4,500,000	\$2,000,000
Sunrise Blvd: Jackson Road–Grant Line Road	\$400,000	\$1,500,000	\$1,500,000
Watt Avenue Improvements: Antelope Rd–Business 80	\$1,345,000	\$1,000,000	\$1,000,000
S Watt Ave/Elk Grove–Florin Rd Improvements, Phase 1	\$1,500,000	\$1,500,000	\$3,000,000
<b>City of Sacramento</b>	<b>\$747,000</b>	<b>\$700,000</b>	<b>\$8,752,000</b>
Richards Blvd/Interstate 5: Interchange Upgrade	\$747,000	\$700,000	\$6,306,000
Folsom Blvd: 65th Street–Watt Avenue	-	-	\$2,446,000
Sacramento Region (via the City of Sacramento)	\$10,745,000	\$8,950,000	\$8,950,000
Downtown Intermodal Station	\$10,745,000	\$8,950,000	\$8,950,000
<b>City of Rancho Cordova</b>	<b>\$5,470,000</b>	<b>\$25,000</b>	<b>-</b>
Folsom Blvd Improvements: Bradshaw Rd–Sunrise Blvd	\$5,470,000	\$25,000	-
<b>City of Citrus Heights</b>	<b>-</b>	<b>\$500,000</b>	<b>\$2,300,000</b>
Antelope Road, Phase 2: Interstate 80–Auburn Blvd	-	\$300,000	\$1,100,000
Sunrise Blvd, Phase 2: Greenback Lane–Oak Avenue	-	\$200,000	\$1,200,000
<b>Caltrans</b>	<b>\$11,600,000</b>	<b>\$13,600,000</b>	<b>\$13,800,000</b>
US Highway 50 Bus & Carpool Lanes, Phase 2	\$2,600,000	\$3,600,000	\$3,800,000
Interstate 5 Bus & Carpool Lanes	\$9,000,000	\$10,000,000	\$10,000,000
<b>Connector/JPA</b>	<b>\$11,000,000</b>	<b>\$2,500,000</b>	<b>-</b>
Capital SouthEast Connector	\$11,000,000	\$2,500,000	-
<b>Total Expenditures</b>	<b>\$66,719,029</b>	<b>\$65,693,840</b>	<b>\$74,326,844</b>
<b>Ending Fund Balance</b>	<b>\$7,182,777</b>	<b>\$43,365,566</b>	<b>\$47,092,399</b>





# 5

## Organizational Overview

### **AUTHORITY GOAL**

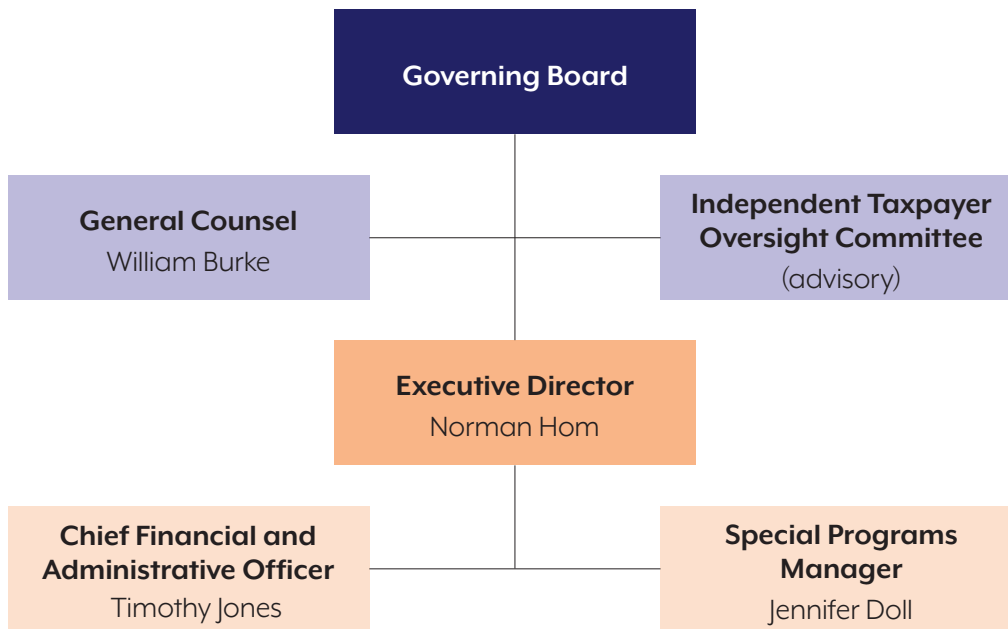
Provide support to the Independent Taxpayer Oversight Committee (ITOC) in its mission to safeguard public resources by overseeing annual fiscal and periodic performance audits



## Organizational Structure

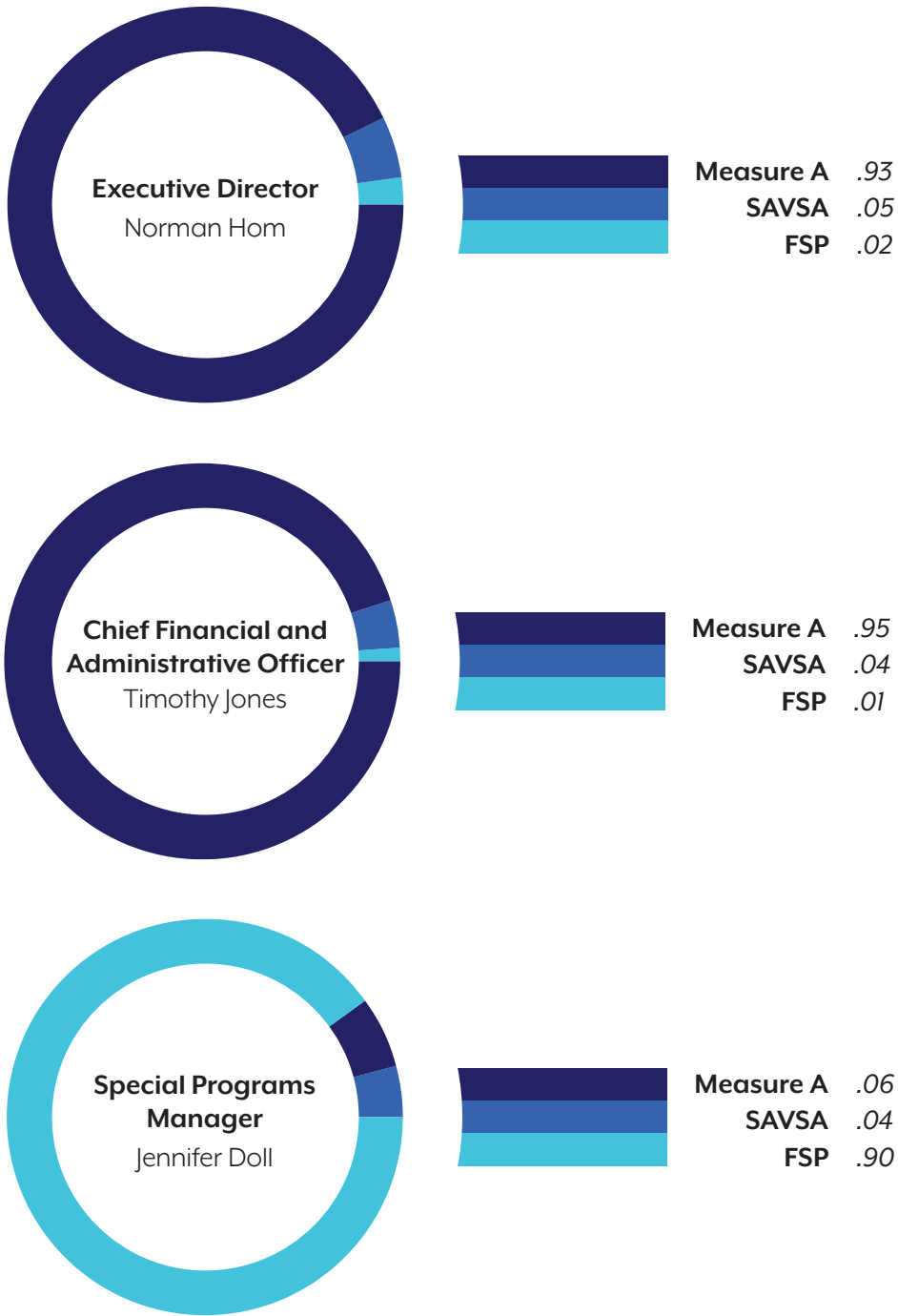
The Authority administers three programs – Measure A, SacMetro FSP, and SAVSA. This section includes the Authority’s organizational structure, each staff member’s area of responsibility, pay schedules, and the Authority’s accomplishments.

### Authority Organizational Structure



The Authority employs 3 full-time personnel. Because of its small size, staff work in multiple programs. All positions are funded according to the ratios on the following page. There are no anticipated staffing changes for FY 2018-19.

Personnel - Full-Time Equivalent FY 2018-19



## Authority Position Descriptions

### Executive Director

Working under broad policy direction from the Governing Board, the Executive Director (ED) plans, organizes, evaluates, and directs the operations and activities of the Sacramento Transportation Authority. This position is responsible for all Authority functions including planning, finance, administration, and operations. The following are more descriptive of the ED responsibilities/duties:

#### Responsibilities/Duties

- Identifies and oversees the Authority’s strategic direction based upon the agency’s vision, mission, and overall strategic plan;
- Implements the Measure A projects and programs in compliance with its provisions and requirements;
- Safeguards the Authority through the adherence to all applicable laws and regulations by identifying and responding to risks;
- Regularly updates the Governing Board on important issues facing the Authority and requests input and direction to address them;
- Prepares meeting agendas and oversees the development of meeting reports and materials;
- Plans, organizes, directs and evaluates the operations of the Authority; develops, and/or evaluates proposals for programs, services, and projects approved by the Governing Board, responds to regulatory or legislative changes, resolves identified problems; ensures effective utilization of available resources by managing organizational change, allocates staff resources, and work processes;
- Develops and maintains effective working relationships with Federal, State, and local government agencies and community groups to ensure service goals/requirements are met;
- Directs the review, planning, evaluation, and development of the Authority’s budget. Oversees administration of the budget and ensures appropriate fiscal controls and reporting processes are in place;

**Executive Director**  
*continued*

- Reviews, analyzes and interprets legislation and regulations; develops, recommends and oversees the implementation of policies and procedures for compliance;
- Represents the Authority; works closely with governmental agencies, public and private organizations and community groups to provide technical assistance and address issues of mutual concern; makes presentations to regulatory, governing, and related councils and boards;
- Prepares and coordinates the preparation of a wide variety of reports and presentations regarding Authority services and operations;
- Serves as an ex-officio member of the Measure A Independent Taxpayer Oversight Committee (ITOC) and;
- Concurrently acts as the Executive Director of the Sacramento Abandoned Vehicle Service Authority (SAVSA).

**Chief Financial  
and Administrative  
Officer**

Under the direction of the ED, the Chief Financial and Administrative Officer (CFAO) is responsible for all financial related matters, including day-to-day accounting duties, financial statement and budget preparation, payroll and benefits administration, contract administration, and overseeing financial forecasting and related planning activities. The following are more descriptive of the CFAO's responsibilities/duties:

**Responsibilities/Duties**

- Maintains all accounting functions including managing the chart of accounts, entering all accounting data, reconciling bank statements, and reporting financial data to financial institutions and other stakeholders;
- Prepares the Comprehensive Annual Financial Report (CAFR) under the supervision of the Independent Taxpayer Oversight Committee (ITOC), represents the Authority during audits, and presents all financial information to the Board, ITOC, other stakeholders, and the public;
- Establishes and monitors funds and reserves and assesses the overall financial condition of the Authority and its ability to fund operations, ongoing programs and the Capital Improvement Program (CIP);

**Chief Financial  
and Administrative  
Officer**  
*continued*

- Reviews, researches, analyzes, prepares, and presents multi-year budgets for Authority operations, special programs, and its CIP. Presents this information to the Board, ITOC, other stakeholders, and the public;
- Tracks actual budgetary expenditures in relation to adopted appropriation categories and presents a quarterly summary, including explanations for variances, to the Board, ITOC, other stakeholders, and the public;
- Performs administrative support services such as studying organizational and administrative problems and making recommendations to resolve them; recommends changes to the Authority’s structure due to operational deficiencies, promotes quality management;
- Oversees the Authority’s bond program by monitoring the municipal bond market to identify opportunities to reduce debt service costs, collaborates with financial advisory consultants to renew liquidity facilities and determine if and when additional debt could be issued if needed, and ensures compliance with all bond covenants;
- Oversees all human resource functions, including payroll, vacation and sick leave accrual, pension benefits, and other benefits such as dental, health, and vision and;
- Reviews and updates all vendor contracts, Memorandum of Understandings (MOUs), and funding agreements for the CIP under the supervision of the ED and legal team.

**Administrative  
Services Officer III**

Under the direction of the ED, the Administrative Services Officer III (ASO) is responsible for managing the SacMetro FSP and SAVSA programs. Responsibilities include partnership coordination, contract procurement and administration, funding and budget management, compliance review, data collection and analysis. Some of the ASO's key responsibilities/duties are:

**Responsibilities/Duties**

- Lead point of contact for authority's special programs—SacMetro FSP and SAVSA. Facilitates communication and coordination between local and state level government agencies and contractor partnerships;
- Program contract procurement. Prepares and distributes request for qualifications (RFQ) and request for proposals (RFP) packets, coordinates and participates in the review of RFQ and RFP packets and presents recommendations for contract procurement to the Governing Board;
- Program financial management. Budget preparation, reviews and approves monthly and quarterly reports and invoices, completes required state financial annual reporting requirements;
- Analyzes program data to assess productivity, needs and concerns for long-term planning and sustainability. Uses data to prepare and provide detailed program analysis reports to inform contractors of operational concerns and historical trends;
- Ensures program members and contractors are in compliance with state and local laws, guidelines and contract obligations. Partners with California Highway Patrol (CHP) officers to oversee, review and enforce program standards of operation. Maintains a standard compliance form used by similar local programs.

## 5 ORGANIZATIONAL OVERVIEW *organizational overview*

The Authority aligns its pay schedules to comparable Sacramento County classifications. The following pay schedules represent the monthly minimum and maximum published amounts for FY 2017-18 with an estimated 1.8% cost of living adjustment for FY 2018-19.

### Pay Schedules FY 2018-19 (including an estimated 1.8% COLA)

Classification	Monthly Minimum	Monthly Maximum
Executive Director	13,715	15,120
Chief Financial and Administrative Officer	10,344	11,405
Administrative Services Officer III	8,541	9,416



## Authority Accomplishments

During FY 2017-18, the Authority achieved numerous accomplishments including the following:

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

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An aerial photograph of a suburban town, showing residential neighborhoods, commercial buildings, and a major road. A large white number '6' is overlaid on the left side of the image.

# 6

## Statistical Information

### **AUTHORITY GOAL**

Engage the public and solicit its input on important Authority matters



## Statistical Information

The Authority measures numerous operational and financial statistics. Financial statistics are from the Authority's June 30, 2017 audited financial statements.

### Operational Statistics

#### Sacramento Abandoned Vehicle Abatements

##### Abatements by Fiscal Year

2017	13,019
2016	8,586
2015	5,037
2014	5,247
2013	6,222
2012	6,239
2011	7,334
2010	8,718
2009	11,575
2008	13,736
<b>Total</b>	<b>85,713</b>

## Financial Statistics

### Fund Balances in Governmental Funds (Modified Accrual)

	General Fund	All Other Governmental Funds	Total Governmental Funds
2017	Nonspendable 4,763	Restricted 6,588,099	Total \$54,238,612
	Restricted 47,684,272	Total \$6,588,099	
	Unassigned (38,522)		
	Total \$47,650,513		
2016	Nonspendable 10,027	Restricted 6,517,009	Total \$58,304,741
	Restricted 51,973,251	Total \$6,517,009	
	Unassigned (195,546)		
	Total \$51,787,732		
2015*	Nonspendable 10,027	Restricted 4,352,188	Total \$85,934,860
	Restricted 81,243,264	Total \$4,352,188	
	Unassigned 329,381		
	Total \$81,582,672		
2014	Nonspendable 10,027	Restricted 4,232,983	Total \$96,261,693
	Restricted 91,591,253	Total \$4,232,983	
	Unassigned 427,430		
	Total \$92,028,710		
2013	Nonspendable 10,027	Restricted 4,439,725	Total \$106,528,422
	Restricted 101,338,670	Total \$4,439,725	
	Unassigned 740,000		
	Total \$102,088,697		

\*Restricted balance was reduced by \$13,025,598 in FY 2015-16 because of a reinstatement related to a change in accrual methodology.

Changes in Fund Balances of Governmental Funds (Modified Accrual)

	2017	2016		
<b>Revenues</b>	Taxes	\$116,877,996	Taxes	\$110,707,633
	Development Impact Fees (Mitigation)	7,848,175	Development Impact Fees (Mitigation)	4,363,650
	Vehicle Registration Fees	1,282,433	Vehicle Registration Fees	1,272,697
	State Grant	1,238,521	State Grant	1,234,947
	SAFE Funds	827,000	SAFE Funds	757,000
	Use of money and property	1,795,119	Use of money and property	941,859
	Miscellaneous	159,210	Miscellaneous	14,505
	<b>Total Revenues</b>	<b>\$130,028,454</b>	<b>Total Revenues</b>	<b>\$119,292,291</b>
	<b>Expenditures</b>	<b>General government:</b>		<b>General government:</b>
Administrative		\$977,515	Administrative	\$1,342,300
Freeway service patrol		2,271,606	Freeway service patrol	2,000,559
Intergovernmental		110,280,439	Intergovernmental	114,537,093
<b>Debt Service:</b>			<b>Debt Service:</b>	
Principal		3,450,000	Principal	-
Interest and other charges		17,115,023	Interest and other charges	16,016,860
<b>Total expenditures</b>		<b>\$134,094,583</b>	<b>Total expenditures</b>	<b>\$133,896,812</b>
<b>Excess of Expenditures over Revenue</b>		<b>(\$4,066,129)</b>	<b>Excess of Expenditures over Revenue</b>	<b>(\$14,604,521)</b>
<b>Other Financing Sources (Uses)</b>		Transfers in	\$20,823,804	Transfers in
	Transfers out	(20,823,804)	Transfers out	(18,182,376)
	Refunding 2009A and 2009B Series Bonds	-	Refunding 2009A and 2009B Series Bonds	-
	Premium from issuance of long term debt	-	Premium from issuance of long term debt	-
	Issuance of 2014A and 2015 Series Bonds	-	Issuance of 2014A and 2015 Series Bonds	-
	<b>Total other financing sources (uses)</b>	<b>\$0</b>	<b>Total other financing sources (uses)</b>	<b>\$0</b>
	<b>Net change in fund balances</b>	<b>(\$4,066,129)</b>	<b>Net change in fund balances</b>	<b>(\$14,604,521)</b>

Debt Service as a Percentage of Non-Capital Expenditures : **12.76%**

Debt Service as a Percentage of Non-Capital Expenditures : **11.96%**

### Changes in Fund Balances of Governmental Funds (Modified Accrual)

2015

2014

**Revenues**

Taxes	\$105,564,247
Development Impact Fees (Mitigation)	4,624,139
Vehicle Registration Fees	1,220,900
State Grant	1,303,573
SAFE Funds	747,000
Use of money and property	555,414
Miscellaneous	1,415
<b>Total Revenues</b>	<b>\$114,016,688</b>

Taxes	\$100,063,237
Development Impact Fees (Mitigation)	3,540,542
Vehicle Registration Fees	1,172,833
State Grant	1,375,523
SAFE Funds	747,000
Use of money and property	430,196
Miscellaneous	712
<b>Total Revenues</b>	<b>\$107,330,043</b>

**Expenditures**

<b>General government:</b>	
Administrative	\$805,331
Freeway service patrol	2,090,267
Intergovernmental	104,405,460
<b>Debt Service:</b>	
Principal	-
Interest and other charges	17,042,463
<b>Total expenditures</b>	<b>\$124,343,521</b>
Excess of Expenditures over Revenue	(\$10,326,833)

<b>General government:</b>	
Administrative	\$1,008,517
Freeway service patrol	2,164,149
Intergovernmental	97,543,286
<b>Debt Service:</b>	
Principal	-
Interest and other charges	16,880,820
<b>Total expenditures</b>	<b>\$117,596,772</b>
Excess of Expenditures over Revenue	(\$10,266,729)

**Other Financing Sources (Uses)**

Transfers in	\$16,439,131
Transfers out	(16,439,131)
Refunding 2009A and 2009B Series Bonds	(212,200,000)
Premium from issuance of long term debt	-
Issuance of 2014A and 2015 Series Bonds	212,200,000
<b>Total other financing sources (uses)</b>	<b>\$0</b>
Net change in fund balances	(\$10,326,833)

Transfers in	\$16,694,009
Transfers out	(16,694,009)
Refunding 2009A and 2009B Series Bonds	-
Premium from issuance of long term debt	-
Issuance of 2014A and 2015 Series Bonds	-
<b>Total other financing sources (uses)</b>	<b>\$0</b>
Net change in fund balances	(\$10,266,729)

Debt Service as a Percentage of Non-Capital Expenditures : **13.71%**

Debt Service as a Percentage of Non-Capital Expenditures : **14.35%**



**Changes in Fund Balances of Governmental Funds (Modified Accrual)**

**2013**

<b>Revenues</b>	Taxes	\$97,390,177
	Development Impact Fees (Mitigation)	3,176,382
	Vehicle Registration Fees	1,130,254
	State Grant	1,167,759
	SAFE Funds	747,000
	Use of money and property	660,928
	Miscellaneous	1,452
	<b>Total Revenues</b>	<b>\$104,273,952</b>
	<b>Expenditures</b>	<b>General government:</b>
Administrative		\$745,552
Freeway service patrol		1,765,562
Intergovernmental		94,103,672
<b>Debt Service:</b>		
Principal		-
Interest and other charges		16,804,043
<b>Total expenditures</b>		<b>\$113,418,829</b>
<b>Excess of Expenditures over Revenue</b>		<b>(\$9,144,877)</b>
<b>Other Financing Sources (Uses)</b>		Transfers in
	Transfers out	(16,950,657)
	Refunding 2009A and 2009B Series Bonds	-
	Premium from issuance of long term debt	11,326,155
	Issuance of 2014A and 2015 Series Bonds	53,355,000
	<b>Total other financing sources (uses)</b>	<b>\$64,681,155</b>
	<b>Net change in fund balances</b>	<b>(\$55,536,278)</b>

**Debt Service as a Percentage of Non-Capital Expenditures : 14.82%**

## Revenue Capacity - Sales Tax Revenue and Rate

### 2017

Sales Tax Rate	0.5%
Total Sales Tax Revenue	\$116,878
Total Taxable Sales	\$23,375,600

### 2012

Sales Tax Rate	0.5%
Total Sales Tax Revenue	\$92,240
Total Taxable Sales	\$19,089,848

### 2016

Sales Tax Rate	0.5%
Total Sales Tax Revenue	\$110,708
Total Taxable Sales	\$22,141,600

### 2011

Sales Tax Rate	0.5%
Total Sales Tax Revenue	\$87,299
Total Taxable Sales	\$18,003,765

### 2015

Sales Tax Rate	0.5%
Total Sales Tax Revenue	\$105,564
Total Taxable Sales	\$22,043,196

### 2010

Sales Tax Rate	0.5%
Total Sales Tax Revenue	\$81,414
Total Taxable Sales	\$16,904,528

### 2014

Sales Tax Rate	0.5%
Total Sales Tax Revenue	\$100,063
Total Taxable Sales	\$21,061,901

### 2009

Sales Tax Rate	0.5%
Total Sales Tax Revenue	\$89,395
Total Taxable Sales	\$16,563,853

### 2013

Sales Tax Rate	0.5%
Total Sales Tax Revenue	\$97,390
Total Taxable Sales	\$20,097,095

### 2008

Sales Tax Rate	0.5%
Total Sales Tax Revenue	\$101,155
Total Taxable Sales	\$19,331,847

### Revenue Capacity - Principal Revenue Payers

**2015**

Rank	Business Type	Amount	Percentage of Taxable Sales
1	All Other Outlets	\$6,821,972	30.9%
2	Motor Vehicle and Parts Dealers	3,201,485	14.5%
3	Food Services and Drinking Places	2,273,722	10.3%
4	General Merchandise Stores	2,003,553	9.1%
5	Other Retail Group	1,825,439	8.3%
6	Gasoline Stations	1,575,528	7.1%
7	Building Material and Garden Equipment and Supplies Dealers	1,275,705	5.9%
8	Home Furnishings and Appliance Stores	1,116,793	5.0%
9	Food and Beverage Stores	989,546	4.5%
10	Clothing and Clothing Accessories Stores	959,454	4.4%
	<b>Total All Outlets</b>	<b>\$22,043,197</b>	<b>100.0%</b>

**2007**

Rank	Business Type	Amount	Percentage of Taxable Sales
1	All Other Outlets	\$6,306,643	30.7%
2	Motor Vehicle and Parts Dealers	2,567,020	12.4%
3	Other Retail Group	2,544,502	12.3%
4	General Merchandise Stores	2,447,216	11.9%
5	Food Services and Drinking Places	1,717,772	8.4%
6	Gasoline Stations	1,563,668	7.6%
7	Building Material and Garden Equipment and Supplies Dealers	1,290,861	6.3%
8	Food and Beverage Stores	920,698	4.5%
9	Clothing and Clothing Accessories Stores	653,594	3.2%
10	Home Furnishings and Appliance Stores	548,536	2.7%
	<b>Total All Outlets</b>	<b>\$20,560,510</b>	<b>100.0%</b>

## Allocations by Jurisdiction/Program

Jurisdiction/Program	2017	2016	2015	2014	2013
City of Citrus Heights	\$2,302,514	\$2,152,319	\$2,071,744	\$1,985,463	\$1,891,987
County of Sacramento	17,620,170	16,530,072	15,862,799	15,134,616	14,424,979
CTSA Set Aside	1,146,027	1,069,997	1,027,592	983,258	938,205
City of Elk Grove	4,739,611	4,318,918	4,135,491	3,927,291	3,706,060
City of Folsom	2,294,486	2,105,522	2,018,853	1,978,191	1,905,848
City of Galt	1,168,176	1,091,347	1,048,496	1,003,696	958,170
City of Isleton	46,727	43,654	41,940	40,150	38,327
Neighborhood Shuttle	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Paratransit	4,011,094	3,744,989	3,596,572	3,441,403	3,283,718
Sacramento Regional Parks	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
City of Rancho Cordova	2,201,648	2,013,909	1,922,210	1,803,645	1,711,239
Regional Transit	39,537,925	36,914,890	35,451,925	33,922,401	32,368,073
City of Sacramento	13,390,589	12,539,139	12,037,403	11,534,598	11,011,678
SMAQMD	1,719,040	1,604,995	1,541,388	1,474,887	1,407,308
Debt Service	20,565,023	22,202,434	21,322,534	20,402,604	19,467,754
Administration	899,939	802,498	770,694	737,444	703,654
<b>Total allocations</b>	<b>\$113,642,969</b>	<b>\$109,134,683</b>	<b>\$104,849,641</b>	<b>\$100,369,647</b>	<b>\$95,817,000</b>

## Ratios of Outstanding Debt

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

## Demographic Statistics

### Private Sector Principal Employers

**2016**

Rank	Employer	Employees	Percentage of Total County Employment
1	UC Davis Health System	9,905	1.57%
2	Sutter/California Health Services	7,352	1.16%
3	Dignity/Mercy Healthcare	6,212	0.98%
4	Intel Corporation	6,000	0.95%
5	Kaiser Permanente	5,421	0.86%
6	Raley's Inc/Belair	3,289	0.52%
7	Apple Inc.	2,500	0.40%
8	VSP Global	2,382	0.38%
9	Health Net of California Inc.	2,299	0.36%
10	Wells Fargo & Co.	2,190	0.35%
	<b>Total</b>	<b>47,550</b>	<b>7.53%</b>

**2007**

Rank	Employer	Employees	Percentage of Total County Employment
1	Kaiser Permanente	11,729	1.86%
2	Sutter/California Health Services	11,284	1.79%
3	Raley's Inc./Bel Air	8,203	1.30%
4	University of California, Davis	8,000	1.27%
5	Intel Corporation	6,500	1.03%
6	SBC Communitions	5,753	0.91%
7	CHW/Mercy Health Care	5,229	0.83%
8	Hewlett Packard	4,500	0.71%
9	Target Corporations	3,693	0.58%
10	Wal-Mart	3,300	0.52%
	<b>Total</b>	<b>68,191</b>	<b>10.80%</b>

## Demographic and Economic Statistics

Fiscal Year	Population	Personal Income (000's)	Per Capita Per Income	Unemployment Rate
2017	1,514,460	\$72,878,458	\$48,122	5.4%
2016	1,496,644	70,110,138	46,845	6.0%
2015	1,478,137	65,486,553	44,303	7.3%
2014	1,460,023	61,654,690	42,229	8.9%
2013	1,447,236	59,775,785	41,303	10.5%
2012	1,435,002	57,498,308	40,068	12.1%
2011	1,422,018	54,666,004	38,443	12.6%
2010	1,408,601	53,826,177	38,213	11.0%
2009	1,394,438	54,773,648	39,280	7.2%
2008	1,381,161	52,721,398	38,172	5.4%

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# Glossary

## A

**ACCOUNT** – The accounting category used to describe the type of financial transaction.

**ACCRUAL BASIS** – Sometimes referred to as “full accrual” basis. Revenues and expenditures are recognized in the period earned or incurred regardless of whether cash is received or disbursed in that period.

**ACTUAL** – Actual level of expenditures.

**ADOPTED BUDGET** – The Authority approved annual budget establishing the legal authority to spend in specific accounts

**APPROPRIATION** – An authorization by the Authority to make expenditures and to incur obligations for a specific purpose. An appropriation is usually limited in amount and to the time when it may be expended.

**AUDIT** – A systematic collection of sufficient and competent evidential matter needed to attest to the fairness of management’s assertions in the financial statements, or to evaluate whether management has efficiently and effectively carried out its responsibilities.

## B

**BALANCED BUDGET** – refers to a budget in which revenues equal appropriations. Oftentimes, fund balance is used to balance the budget.

**BEGINNING/ENDING FUND BALANCE** – Unencumbered resources available in a fund from the prior/current year after payment of the prior/current year’s expenditures. Not necessarily cash on hand. Also refer to fund balance.

**BOND** – The Authority may raise capital by issuing a written promise to pay a specific sum of money at a specified date or dates in the future together with periodic interest payments.

**BUDGET** – A plan of financial operation consisting of proposed/approved appropriations for specified purposes and the proposed/approved means of financing them.

**BUDGET CALENDAR** – A schedule of key dates and milestones that a government follows in the preparation and adoption of its budget.

## GLOSSARY

**BUDGET MESSAGE** – Included in the opening section of the budget, the budget message (Transmittal Letter) provides the Authority and public with an overall summary of the most important elements of the budget, changes from the prior fiscal year, and the views and recommendations of the Authority.

## C

**CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION (CDTFA)** – The public agency charged with tax administration and fee collection in the State of California. This agency collects sales tax on behalf of the Authority.

**CAPITAL APPROPRIATIONS** – Expenditures related to specific capital construction projects identified in the Expenditure Plan (see below for definition).

**CAPITAL IMPROVEMENT PROGRAM (CIP)** – 56 voter-approved capital projects to be funded by Measure A resources. Sales tax proceeds are set aside for debt service costs and pay-as-you-go capital expenditure funding. Measure A establishes the rate as 20.75% of the net sales tax proceeds. Also funded with SCTMFP fees.

**CAPITOL VALLEY REGIONAL SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS (CVR-SAFE)** Sacramento region's Call Box and 511 Motorist Aid Program – funded by an annual \$1 charge on eligible vehicle registrations in the County.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)** - Government financial statements comprising the Authority's financial report that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB).

**COUNTY OF SACRAMENTO POOLED INVESTMENT FUND** – A pool of local agency funds managed by the Sacramento County Department of Finance.

## D

**DEBT ISSUE** – Issuance of bonds to finance capital projects throughout the County.

**DEBT SERVICE** – The costs of paying the principal, interest, and ancillary fees on borrowed money according to a predetermined payment schedule.

**DEFICIT** – An excess of expenditures and other financing uses over revenues and other financing sources.

## GLOSSARY

### E

**EXPENDITURE** – Funds authorized by an appropriation that are generally divided into various categories such as employee salaries and benefits, services and supplies, debt service, and capital construction costs.

**EXPENDITURE PLAN** – Sacramento County Transportation Expenditure Plan 2009-2039. This plan identifies specific projects and funding for the Measure A program.

### F

**FIDUCIARY FUNDS** – Used to report assets held in a trustee or agency capacity for others.

**FISCAL YEAR** – A time period designated by the Authority signifying the beginning and ending period for recording financial transactions. The Authority’s fiscal year is July 1 through June 30.

**FULL-TIME EQUIVALENT (FTE)** – The hours worked by one employee on a full-time basis. On an annual basis, an FTE is considered to be 2,080 hours, which is calculated as 8 hours per day for 52 weeks in a year.

**FUND** – A group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Each fund has its own budget and tracks revenues and expenditures separately.

**FUND BALANCE** – The total amount remaining after current appropriations and other financing uses are subtracted from the sum of the beginning fund balance, revenue, and other financing sources.

### G

**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)** – Uniform minimum standards and guidelines for financial accounting and reporting.

**GENERAL FUND** – The Authority’s primary fund used to account for most revenues and expenditures for the capital program, SacMetro Freeway Service Patrol Program, and administration costs.

**GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA)** - The GFOA was founded in 1906 to represent public finance officials throughout the United States and Canada. GFOA’s mission is to promote excellence in state and local government financial management.

**GOVERNMENTAL FUNDS** – Funds are typically used to account for most of a government’s activities, including those that are tax supported.

## GLOSSARY

### I

**INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE (ITOC)** – Citizen volunteers that supervise annual fiscal and periodic performance audits regarding the use of all sales tax funds and provide for independent review to ensure compliance with the Expenditure Plan approved by voters.

**INTERFUND TRANSFER** – Monies moved from one fund to another. The money is transferred to finance the operations of another fund or to reimburse the fund for expenses.

### L

**LOCAL AGENCY INVESTMENT FUND (LAIF)** – A pool of local agency funds managed by the California State Treasurer’s Office.

**LOCAL TRANSPORTATION AUTHORITY AND IMPROVEMENT ACT (ACT)** - commences with California Public Utility Code Section 180000.

### M

**MEASURE A RETAIL SALES TAX (2004 MEASURE A)** – In 2004, voters approved a one-half of one-percent retail sales and use tax collected over a 30-year period in the County and dedicated for transportation planning, design, construction, operation and maintenance through 2039.

**MODIFIED ACCRUAL** - Method under which revenues are recognized in the period they become available and measurable and expenditures are recognized in the period the associated liability is incurred.

### N

**NET SALES TAX REVENUE** – Equals total sales tax proceeds less the required allocations to the cities of Isleton and Galt, and the Neighborhood Shuttle Program as required under the Ordinance.

## GLOSSARY

### O

**ORDINANCE** – The result of actions carried out by the Governing Board establishing the one-half of one percent sales and use tax within the County.

### P

**PERFORMANCE MEASURES** – Performance measures are an important component of decision making, and at a minimum, are based on program goals and objectives, measure program results or accomplishments, provide for comparisons over time, measure efficiency and effectiveness, and are reliable, verifiable, and understandable.

**PROPOSED BUDGET** – the proposed budget is presented initially during a public meeting in May, prior to being brought to the Board for adoption in June.

### R

**REIMBURSEMENT** – Payment of an amount remitted on behalf of another party, department, or fund.

**RESERVE** – A portion of a fund's balance that is available for appropriation but has been reserved for economic uncertainties.

**RESOLUTION** – A written motion adopted by the Governing Board

**REVENUES** - Income received from various sources including retail sales tax, fees, grants, and interest income.

### S

**SALARIES AND BENEFITS** – A budgetary category that generally accounts for all employee salaries and benefits such as medical, dental, and retirement.

**SPECIAL REVENUE FUND** – A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

## GLOSSARY

### T

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

### V

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

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