



A G E N D A

Sacramento Transportation Authority Sacramento Abandoned Vehicle Service Authority (SAVSA)

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

THURSDAY

JUNE 17, 2021

1:30 PM

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

Alternates: Nick Avdis, Bret Daniels, Shawn Farmer, Siri Pulipati, Rosario Rodriguez, Darren Suen

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

PUBLIC COMMENT PROCEDURES

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Live Meeting comment

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Written comment

- Send an email comment to BoardClerk@saccounty.net. Include meeting date and agenda item number or off-agenda item. Contact information is optional.
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- Written comments are distributed to members, filed in the record, and will not be read aloud.

VIEW MEETING

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MEETING MATERIAL

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ACCOMMODATIONS

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CALL TO ORDER / ROLL CALL / PLEDGE OF ALLEGIANCE

COMMENT ITEMS

1. Comments From The Public Regarding Matters Not On The Agenda
2. Executive Director's Report

Sabrina Drago

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CONSENT ITEMS

3. Approve Action Summary: May 13, 2021 STA Governing Board Meeting ◀ *Jennifer Doll*
4. Approve The SacMetro Freeway Service Patrol—Caltrans FSP18SB1 Fund Transfer Agreement Amendment ◀ *Jennifer Doll*
5. Approve Amendments To The Current SacMetro Freeway Service Patrol Contracts ◀ *Jennifer Doll*
6. Approve The Selection And Contract For The SacMetro Freeway Service Patrol Zones 3 And 4 ◀ *Jennifer Doll*
7. Approve The Selection And Contract For A Consultant To Conduct Public Surveys ◀ *Sabrina Drago*
8. Notice Of Selection Of A Consultant To Perform Public Outreach *Sabrina Drago*
9. Measure A 3rd Quarter Fiscal Year 2021 Capital Project Status Reports *Timothy Jones*
10. Adopt Appropriations Limit For Fiscal Year 2021-22 ◀ *Timothy Jones*
11. Approve Allocation And Expenditure Contract For The Capital SouthEast Connector Authority ◀ *Timothy Jones*
12. Approve The Selection And Contract For An Independent Financial/Compliance Auditor ◀ *Timothy Jones*

SEPARATE ITEMS

13. Adopt STA Final Budget For Fiscal Year 2021-22 ◀ *Timothy Jones*
(Continued From May 13, 2021; Item No. 6)
14. Sacramento Abandoned Vehicle Service Authority Sunset 2022 Status Update *Jennifer Doll*

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15. Comments Of Authority Members

All

◀ *Denotes items that require Board action*

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



JUNE 17, 2021

AGENDA ITEM # 2

EXECUTIVE DIRECTOR'S REPORT

Action Requested: Receive and File

Key Staff: Sabrina Drago, Executive Director

Measure A Decennial Review Update

All partner agencies have received notification that the STA Governing Board has approved the updates to the Measure A Expenditure Plan. Each Council and Board of Supervisors has until June 30 to either approve the update or respond with comments. To date, there has not been any negative feedback on the amendments.

ITOC Committee Member Replacement

Independent Taxpayer Oversight Committee (ITOC) is still in search for a new voting member with the departure of one of its committee members. If you know a good candidate, please direct them to the STA or ITOC websites for application information.

Smart Growth Incentive Program

The Authority has met with SACOG on formalizing a policy to utilize Smart Growth Incentive Program (SGIP) funds as a match for partner agencies with SACOG's Community Design Grant program. Staff is currently writing a draft policy and anticipates presenting to the Governing Board at the August Board meeting.

Personnel Handbook

The Authority is actively reviewing and updating the "Sacramento Transportation Authority Personnel Rules and Regulations". This document was last amended in March 2008. Staff anticipates bringing forward amendments to the Governing Board for approval at the August Board meeting.

State of California Budget Surplus to Fund Transportation Projects

As part of his May Revise, Governor Newsom announced that the State of California had a \$76 billion surplus in its budget. He recommended that \$11.5 billion of that surplus go towards transportation. The package is now in the legislature for review, edits and approval. While we don't know the final package yet, the Governor's package is as follows:

- \$500 million for Sustainable Community Strategies (SCS) Block Grants
- \$1 billion for priority rail and transit, likely to run through the Transit and Intercity Rail Capital Program (TIRCP)
- \$2 billion for highways and roads (inclusive of the \$912 million of the from the Federal Coronavirus Response and Relief Supplemental Appropriations Act for "highway infrastructure programs.")

- \$500 million for Active Transportation Program (ATP) augmentation
- \$500 million for grade separation improvements
- \$1.4 billion for electrification of buses and fleet trucks
- \$400 million for Zero Emission Rail
- \$1 billion for transportation projects related to the 2028 Olympics
- \$4.2. billion for California High Speed Rail

Again, we don't know what the State Legislature will approve, but this funding could have great impact on our local partners to serve as matching funds for the Measure A program.



JUNE 17, 2021

AGENDA ITEM # 3

APPROVE ACTION SUMMARY: MAY 13, 2021 STA GOVERNING BOARD MEETING

Action Requested: Approve

Key Staff: Jennifer Doll, Special Programs Manager

Recommendation

Approve the attached Action Summary of the May 13, 2021 meeting of the STA Governing Board.

Attachment



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

THURSDAY

MAY 13, 2021

1:30 PM

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

(Members Guerra and Schenirer were not present)

Alternates: Nick Avdis, Bret Daniels, Shawn Farmer, Rosario Rodriguez, Darren Suen, Siri Pulipati

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CALL TO ORDER / ROLL CALL / PLEDGE OF ALLEGIANCE

COMMENT ITEMS

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

1:35 PM Board Action: No public comments were made.

2. Executive Director's Report

1:35 PM Board Action: Executive Director Sabrina Drago provided an update regarding responses received to the Request for Proposals for a polling consultant, the Independent Taxpayer Oversight Committee accepting applications to fill a vacant committee seat, the Authority hiring Economic and Planning System, Inc., to develop revenue projections and analyze the land use categories for the Sacramento Countywide Transportation Mitigation Fee Program, and that the Request for Bids for the Freeway Service Patrol contract for Zones 3 and 4 on Highway 50 was sent to a prequalified pool of bidders on May 3, 2021.

CONSENT ITEMS

1:38 PM Board Action: Jeff Harris/ Donald Terry - Approved the Consent Matters, Items 3 through 6, as recommended.

AYES: Sue Frost, Jeff Harris, Patrick Kennedy, Steve Miller, Don Nottoli, Paul Sandhu, Phil Serna, Bobbie Singh-Allen, Kevin Spease, Katie Valenzuela, Mai Vang, Donald Terry, Mike Kozlowski, Richard Desmond

NOES: (None)

ABSTAIN: (None)

ABSENT: Eric Guerra, Jay Schenirer

RECUSAL: (None)

(PER POLITICAL REFORM ACT (§ 18702.5.))

3. Approve Action Summary: April 8, 2021 STA Governing Board Meeting

1:38 PM Board Action: Approved as recommended.

4. SacMetro Freeway Service Patrol Status Report — Third Quarter Fiscal Year 2021

1:38 PM Board Action: Received and filed the report.

5. Approve The SacMetro Freeway Service Patrol Field Supervision Agreement Amendment

1:38 PM Board Action: Approved as recommended.

6. Introduce Draft STA Budget For Fiscal Year 2021-22 And Continue To Next Board Meeting

1:38 PM Board Action: Opened the public hearing and continued to June 17, 2021.

SEPARATE ITEMS

7. Approve The Release Of Request For Proposals – Public Outreach Firm

1:47 PM Board Action: Richard Desmond/ Jeff Harris - Executive Director Sabrina Drago provided an oral presentation regarding the request for proposal for a public outreach consultant in conjunction with an expenditure plan to conduct public outreach. Approved the release of a Request for Proposal (RFP) and subsequent selection of an outreach firm to support the Authority in talking to the public of the successes of the Measure A and the benefits of a local funding source for transportation infrastructure.

AYES: Sue Frost, Jeff Harris, Patrick Kennedy, Steve Miller, Don Nottoli, Paul Sandhu, Phil Serna, Bobbie Singh-Allen, Kevin Spease, Katie Valenzuela, Mai Vang, Donald Terry, Mike Kozlowski, Richard Desmond

NOES: (None)

ABSTAIN: (None)

ABSENT: Eric Guerra, Jay Schenirer

RECUSAL:(None)

(PER POLITICAL REFORM ACT (§ 18702.5.))

8. Approve Change Of Meeting Date For June STA Governing Board Meeting

1:52 PM Board Action: Mike Kozlowski/ Richard Desmond - Executive Director Sabrina Drago provided an oral presentation regarding the schedule conflict for the regularly scheduled Sacramento Transportation Authority Board meeting in June. The Board approved the selection of June 17, 2021 at 1:30 p.m. as the new date for the June 2021 Sacramento Transportation Authority Board meeting.

AYES: Sue Frost, Jeff Harris, Patrick Kennedy, Steve Miller, Don Nottoli, Paul Sandhu, Phil Serna, Bobbie Singh-Allen, Kevin Spease, Katie Valenzuela, Mai Vang, Donald Terry, Mike Kozlowski, Richard Desmond

NOES: (None)

ABSTAIN: (None)

ABSENT: Eric Guerra, Jay Schenirer

RECUSAL:(None)

(PER POLITICAL REFORM ACT (§ 18702.5.))

CLOSED SESSION

**9. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph
(2) or (3) of subdivision (d) of section 54956.9: (one case)**

1:57 PM Board Action: Closed session was held. Chairperson Don Nottoli reconvened to open session. No report was made.

SEPARATE ITEMS

**10. Sacramento Abandoned Vehicle Service Authority 2022 Renewal
Status Report**

2:23 PM Board Action: Special Programs Manager Jennifer Doll provided a presentation regarding the Sacramento County Abandoned Vehicle Abatement Program including a brief history, upcoming expiration date for the program and outlined the request for direction from the Board. The Board directed staff to take the necessary next steps to continue the program, including providing the Board with a cost breakdown for the ballot measure, polling services and outreach efforts. The Board also requested staff contact the California Department of Motor Vehicles to determine if there are any alternative solutions to avoid a one year delay in the implementation of the abatement fee.

11. Comments Of Authority Members

2:50 PM Board Action: No member comments were made.

Adjourned at 2:50 p.m.

Respectfully Submitted,


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



JUNE 17, 2021

AGENDA ITEM # 4

SACMETRO FREEWAY SERVICE PATROL—CALTRANS FSP18SB1 FUND TRANSFER AGREEMENT AMENDMENT

Action Requested: Authorize Executive Director

Key Staff: Jennifer Doll, Special Programs Manager

Recommendation

Staff requests authorization for the Executive Director to execute an Amendment extending the term of the FSP18SB1 Fund Transfer Agreement with Caltrans.

Discussion

The FSP18SB1 Fund Transfer Agreement (FTA) between the California Department of Transportation (Caltrans) and the Sacramento Transportation Authority (STA) is for the transfer of fiscal year 2018 Senate Bill 1 (SB1) funds for the operation of the SacMetro Freeway Patrol Service (FSP) program. The FTA committed a portion of the SB1 funding to the California Highway Patrol (CHP) for field supervision and related services provided for the FSP program.

The Board authorized extension of the FTA in 2020 for a one-year period. The current term is set to expire June 30, 2021 and to date there is still a balance of \$ 83,677 in the committed funds for CHP. All three parties to this arrangement (Caltrans, CHP and STA) agree that these funds will not be fully exhausted by June 30th. Caltrans and STA have agreed to the attached amendment, extending the FTA term by one year, so these funds can be utilized.

Attachment

SPECIAL COVENANT OR REMARKS

**AMENDMENT TO:
FREEWAY SERVICE PATROL PROGRAM
FUND TRANSFER AGREEMENT (NON-FEDERAL) for:**

**Sacramento Transportation Authority
Agreement No. FSP18SB1-6228(024)
AMS Adv ID: 0318000328**

It is mutually agreed that for this Agreement, the clause which states:

SECTION III, Article 9

“9. This Agreement shall terminate on 6/30/2020. However, the non-expendable equipment, and liability clauses shall remain in effect until terminated or modified in writing by mutual agreement.”

IS AMENDED TO READ:

“9. This Agreement shall terminate on 6/30/2022. However, the non-expendable equipment, and liability clauses shall remain in effect until terminated or modified in writing by mutual agreement.”

STATE OF CALIFORNIA

Sacramento Transportation Authority

Department of Transportation

By: _____

By: _____

Office of Project Implementation, South
Division of Local Assistance

Title: _____

Date: _____

Date: _____



JUNE 17, 2021

AGENDA ITEM # 5

SACMETRO FREEWAY SERVICE PATROL TOW SERVICE CONTRACT AMENDMENT

Action Requested: Authorize Executive Director

Key Staff: Jennifer Doll, Special Programs Manager

Recommendation

Authorize Executive Director to execute an Amendment to all current tow company contracts modifying the FSP construction compensation rate.

Background

The SacMetro Freeway Service Patrol (FSP) Program is a joint effort between the Sacramento Transportation Authority (STA), the California Department of Transportation (Caltrans) and the California Highway Patrol (CHP).

The FSP program is to assist in transportation system management efforts, provide traffic congestion relief, reduce traffic accidents and expedite the removal of freeway impediments. FSP activities are integrated with existing incident and traffic management operations to maximize public benefit, of which, can include providing special construction coverage as part of traffic management plans (TMP) for major construction projects.

Discussion

FSP services provided to the motoring public are delivered by contracted private tow companies. The primary scope of services in these contracts is regular coverage across eight zones with 20 trucks covering the most congested portions of every major highway and freeway in the Sacramento and Yolo Counties. Additionally, enhanced and/or construction coverage may be employed at or near freeway projects.

In recent years, the request for FSP coverage on Caltrans' construction projects has significantly increased. One reason for the increased utilization of FSP service on construction projects is the contractors tenured knowledge of the Sacramento and Yolo Counties freeway system and cooperative relationship with the CHP.

FSP program management and contractors are pleased to provide this additional coverage in an effort to be good partners with both Caltrans and CHP, as well as the motoring public. However, the additional service is a hardship on the tow companies and typically requires overtime. Current contracts with the tow companies do not adequately compensate for the additional service.

Staff requests Board authorization to amend the FSP construction compensation rate in all current tow company contracts with the following: Base Rate—One and one-half times the hourly contracted rate and Overtime Rate—Double time of the hourly base rate (with FSP management approval).



JUNE 17, 2021

AGENDA ITEM # 6

SACMETRO FREEWAY SERVICE PATROL—ZONES 3 & 4 TOW SERVICE SELCTION AND CONTRACT

Action Requested: Authorize Executive Director

Key Staff: Jennifer Doll, Special Programs Manager

Recommendation

1. Authorize the Executive Director to enter into an agreement similar to the attached draft agreement with Sierra Hart Auto Service, Inc., subject to STA legal counsel review, and
2. Authorize the Executive Director to extend Contract 16-FSP-01 at least six months.

Background

Contract 16-FSP-01 for SacMetro Freeway Service Patrol (FSP) Zones 3 and 4 (US Highway 50) will expire June 30, 2021.

On March 15, 2021 staff released a Request for Qualification (RFQ) on Public Purchase, posted a notice on the STA website and directly sent the notice to twenty tow companies. From the RFQ four responses were received and reviewed by a committee comprised of the FSP program manager and the two CHP Officers assigned to the SacMtero FSP program. The committee deemed three of the companies were qualified and the Executive Director concurred.

On May 3, 2021 a Request for Bids (RFB) was issued to the following preapproved list of qualified bidders.

- All American Towing
- Myers Towing, Inc.
- Sierra Hart Auto Service, Inc.

Both Myer's Towing, Inc. and Sierra Hart Auto Services, Inc. submitted a total hourly bid price proposal by the RFB deadline. The total hourly bid for each Bidder was:

- Myers Towing, Inc. \$570
- Sierra Hart Auto Service, Inc. \$420

Discussion

The STA recommends the Board authorize the Executive Director to execute a contract for Zones 4 and 4 with Sierra Hart Auto Service, Inc., the lowest responsible bidder, in accordance with Section 180154 of the Local Transportation Authority and Improvement Act (Public Utilities Code,

§180000 et seq). The contract is for a term of four (4) years with an option to extend the contract period for one (1) year based on satisfactory performance.

Additionally, due to effects of the COVID pandemic on the tow truck supply and construction industry, Sierra Hart Auto Service, Inc. has requested additional time to procure and equip the new flat bed tow trucks required in the new contract. This is a common request from new FSP contracts amongst the FSP program statewide. This request means the current contract for the zones will expire before the Contractor is able to provide service on the new contract, consequently pushing the new contract start date. In order to provide continuous FSP service to the motoring public the STA recommends Board authorization to extend the current contract at least six months.

Attachment

CONTRACT AGREEMENT

between

Company Name)
Street Address)
City, State, Zip Code)
(hereinafter "Contractor"))

CONTRACT NO.: XX-FSP-XX

and)

Sacramento Transportation Authority)
801 12th Street, Fifth Floor)
Sacramento, CA 95814)
(hereinafter "Authority"))

Term: MM/DD/YYYY – MM/DD/YYYY

for

FREEWAY SERVICE PATROL SERVICES

on

ZONE # — Zone Limits

This Agreement is made and entered into as of this ____ day of MONTH 2021 by and between the SACRAMENTO TRANSPORTATION AUTHORITY (hereinafter "Authority") and **COMPANY NAME** (hereinafter "Contractor").

RECITALS

WHEREAS, the Authority, a California local transportation authority, exists under the authority of Section 180000 et seq. of the California Public Utilities Code;

WHEREAS, the Authority requires the services of a Contractor to provide the Freeway Service Patrol (FSP) services described in the Scope of Services;

WHEREAS, the Authority has determined that Contractor is lowest responsible bidder to perform the required services;

WHEREAS, Contractor is able and willing to perform the required services under the terms and conditions of this Contract;

NOW, THEREFORE, for the consideration hereinafter stated, the parties agree as follows:

1.0 SCOPE OF SERVICES AND STANDARD OPERATING PROCEDURES

Contractor will perform Freeway Service Patrol (FSP) services as set forth in the Scope of Services of this Contract and the California Highway Patrol’s FSP Standard Operating Procedures Manual, dated January 2018 (or later).

2.0 PERIOD OF PERFORMANCE

The period of performance shall be from **MM/DD/YYYY** through **MM/DD/YYYY**. Authority and Contractor may execute a single, one (1) year extension of the Contract period based on satisfactory performance of the Contract services.

3.0 PAYMENT

- A. Subject to the provisions set forth below for services satisfactorily performed hereunder, Authority shall pay Contractor on an all-inclusive hourly rate basis.
- B. Authority shall not be obligated to pay costs that exceed the hourly rate as proposed herein.
- C. For its performance of services, Contractor shall be paid at the rate specified below.

FSP Services, per patrolling tow truck Hourly Rate: **\$ 0.00**

FSP Services, per patrolling service truck Hourly Rate: **\$ 0.00**

- D. Fuel Cost Adjustment. The normal range of the price of fuel for the purposes of this Contract is \$2.50 to \$3.50 per gallon of diesel. In the event the average retail price for diesel fuel in Northern California falls below \$2.50 per gallon or rises above \$3.50 per gallon, a fuel cost adjustment (FCA) shall be calculated into the hourly rate of compensation on a bi-monthly basis as follows:

In billing periods where the average price of diesel fuel is above \$3.50/gallon:

$$(A - \$3.50) * 3.75 = \text{FCA } \underline{\text{added}} \text{ to hourly rate specified above}$$

In months where the average price of diesel fuel is below \$2.50/gallon:

$$(\$2.50 - A) * 3.75 = \text{FCA } \underline{\text{subtracted}} \text{ from hourly rate specified above}$$

where A is the average monthly cash price for diesel fuel in Northern California, as reported weekly by the California Energy Commission and 3.75 is a factor approximating the average number of gallons of fuel consumed or used per hour of operation for one (1) truck.

- E. Overtime. Overtime hours of service, defined as service outside of the contracted hours of this contract specified in Section 9 of the Scope of Services shall be subject to prior approval by Authority, CHP and/or Caltrans. CHP shall document all extended hours requests in writing. Overtime shall be reimbursed at the hourly rate specified in Section 1.0(C) plus 62 percent of the minimum wage specified in Section 2.6 of the Scope of Services and paid in quarter-hour increments.
- F. Special Compensation Rate. Back-up coverage, and extended or special FSP as defined in Section 7.0 shall be paid at the overtime hourly rate specified in Section 3.0(E). Exceptions to this section are:

- I. Construction FSP coverage as defined in Section 7.0 shall be paid at the following special compensation rates.

Base Rate	One and one-half (1.5) times the hourly rate defined in Section 3.0(C)
Overtime Rate*	Double (2) times the hourly rate defined in Section 3.0(C)
*Overtime rate is defined as all hours worked in excess of 12 hours in any workday and for all hours worked in excess of eight on the seventh consecutive day of work in a workweek per FSP Operator.	

- II. Overtime shall be subject to approval by Authority. Contractor shall provide documentation proving overtime hours meet the definition in Section 3.0(F)I.

- G. The compensation set forth above will cover and include all applicable labor surcharges such as taxes, insurance, and fringe benefits, as well as equipment, supplies, tools, indirect costs, overhead, general and administrative expenses, and profit.
- H. Authority shall pay Contractor for the services satisfactorily performed hereunder an amount as calculated above and invoiced to the Authority not more often than bi-monthly. All invoices

shall be submitted to Authority and be supported by documentation from CHP dispatch, completed timesheets or other proof as may be reasonably required by Authority. Payment of the approved portion of such invoice shall be made to Contractor by Authority within thirty (30) calendar days following receipt. Errors in billing will be resolved by CHP, Authority, Caltrans and/or Contractor within ten (10) working days of receipt of invoice.

- I. Records and Audit. Contractor shall permit authorized representatives of Authority and any other applicable government agency to inspect and audit all records of Contractor relating to its performance under this Contract from date of Contract through and until expiration of three (3) years after completion of Contract. For purposes of audit, the date of completion of the Contract shall be the date of Authority's payment for Contractor's final billing (so noted on the invoice) under this Contract, or a period of ninety (90) days from the date of Authority's Notice of Final Acceptance.
- J. Contractor shall not be compensated for any hours not worked, such as when the FSP driver is late coming on-shift or leaves the shift early, or when an FSP vehicle is removed from service and a suitable back-up vehicle is not deployed.
- K. Fines. Contractor shall be fined whenever a contracted FSP truck is not in service during scheduled work hours, removed from service or is otherwise unavailable for service and no suitable back-up truck is deployed. Fines for violations are listed in Section 8 of the Scope of Services and shall be subtracted from Contractor's payments.

4.0 AUTHORITY REPRESENTATIVES

Jennifer Doll shall be the Authority's designated representative for the Contract. Representative shall manage all technical aspects related to the performance of this Contract. Contractor shall make such oral or written reports to Authority's Representative as he may request in addition to those specifically required elsewhere by this Contract. The Authority Executive Director shall be the alternate representative.

5.0 TERMINATION

- A. Termination by Authority
 - 1. Authority may, by thirty (30) days' advance written notice to Contractor, terminate this Contract in whole or in part at any time, either for Authority's convenience or because of the failure of Contractor to fulfill its Contract obligations. Upon receipt of such notice, Contractor shall immediately discontinue all services and deliver to Authority all records relating to services provided before termination.
 - 2. If the termination is for the convenience of Authority, Authority shall pay Contractor the allowable costs incurred prior to effective date of termination.
 - 3. If the termination is due to the failure of Contractor to fulfill its Contract obligations, Authority may award a contract to a back-up contractor. In such case, Contractor shall be liable to the Authority for any reasonable cost or damages occasioned to the Authority

thereby. Termination under this provision will be considered an adverse action against Contractor that may be considered in future FSP contract procurements.

4. If, after the notice of termination for failure to fulfill Contract obligations, it is determined that the Contractor has not so failed, the termination shall be deemed to have been effected for the convenience of Authority. In such event, adjustment shall be made as provided in Section A.2 of this Article.
5. The rights and remedies of the parties provided in this Article are in addition to any other rights and remedies provided by law or under this Contract.
6. Contractor, in executing this Contract, shall be deemed to have waived any and all claims for damages in the event of Authority's termination for convenience as provided in paragraph B of this Article

B. Termination by Contractor

1. Contractor may, with minimum 60 days written notice to Authority, terminate this Contract in whole or in part. Upon termination, Contractor shall immediately discontinue all affected services and deliver to Authority all records relating to services provided before termination.
2. Authority may award remaining term of contracted work to another FSP contractor already under contract with Authority under the same terms of this Contract, or may solicit new low bids for a replacement contract, whichever is determined to best meet the immediate and long-term needs of the Authority and the local commuting public.
3. Termination by contractor will be considered an adverse action that will disqualify contractor from all FSP contract procurements occurring in the sixty (60) months immediately following termination.

6.0 INSURANCE REQUIREMENTS FOR CONTRACTORS

Contractor shall procure and maintain for the duration of the Contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his/her agents, representatives, or employees.

- A. Minimum Scope of Insurance. Coverage shall be at least as broad as:
 1. Insurance Services Office Commercial General Liability Coverage (Form CG 001)
 2. Insurance Services Office form CA 0001 (Ed. 1/87) covering Automobile Liability, Code 1 (any auto)
 3. Employer's Liability Insurance
 4. On-Hook Insurance

5. Umbrella Insurance
6. Workers' Compensation insurance as required by the State of California, with a Waiver of Subrogation endorsement in favor of STA

B. Minimum Limits of Insurance. Contractor shall maintain limits no less than:

1. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/ location or the general aggregate limit shall be twice the required occurrence limit.
2. Owned, Non-Owned, and Hired Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

- | | | |
|-------------|--|--|
| 4. On-Hook: | <u>Gross Weight #</u>
10,000 - 20,000 | <u>Minimum Coverage Per Accident</u>
\$ 100,000 |
|-------------|--|--|

5. Umbrella Insurance: \$1,000,000 providing excess limits over Employer's Liability, Automobile Liability, and Commercial General Liability Insurance.
6. Workers' Compensation insurance as required by the State of California, with a Waiver of Subrogation endorsement in favor of STA.

C. Deductibles and Self-Insured Retention

Any deductibles or self-insured retentions must be declared to and approved by Authority. At the option of Authority, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects Authority and its subsidiaries, officers, officials, employees, and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claims administration, and defense expenses.

D. Other Insurance Provisions

The general liability and automobile liability are to contain, or be endorsed to contain, the following provisions:

1. Authority, CHP, Caltrans, State of California, and their officials, employees and volunteers are to be covered as insureds as respects:
 - a. Liability arising out of activities performed by or on behalf of the Contractor;
 - b. Products and completed operations of the Contractor;
 - c. Premises owned, occupied or used by the Contractor;
 - d. Automobiles owned, leased, hired, or borrowed by the Contractor.

The coverage shall contain no special limitations on the scope of the protection afforded to Authority, its subsidiaries, officers, officials, employees, or volunteers.

2. For any claims related to this project, Contractor's insurance coverage shall be primary insurance as respects the Authority, its subsidiaries, officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by Authority, its subsidiaries, officers, officials, employees, or volunteers shall be excess of Contractor's insurance and shall not contribute with it.
3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to Authority, its subsidiaries, officers, officials, employees, or volunteers.
4. Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to Authority and its subsidiaries.

E. Acceptability of Insurers

All insurance, with the exception of workers' compensation coverage, is to be placed with insurers currently admitted in California, with a current A.M. Best's rating no less than A. Workers' compensation coverage is to be placed with insurers currently admitted in California.

F. Verification of Coverage

Contractor shall furnish Authority with original endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The endorsements are to be on forms approved by Authority. All endorsements are to be received and approved by Authority before work commences. Authority may at any time request written verification that insurance coverage is being maintained.

G. Liability and Indemnification

Contractor shall indemnify, hold harmless and defend Authority, CHP, Caltrans, State of California, Sacramento Area Council of Governments, Central Valley Service Authority for Freeway Emergencies, and their officers, officials, by law, from and against all liability, claims, losses, actions, and expenses (including attorney's fees) on account of bodily injury to or death of any person (including employees of the parties to be indemnified) or for damage to or loss of use of property (including property of Authority) arising out of or resulting from the acts or omissions to act of Contractor, its subcontractors, anyone directly or indirectly employed by any of them, or anyone of whose acts any of them are liable in the performance of the Work, whether occurring during the course of the Contract or after its completion, unless caused solely by the negligence or willful misconduct of the parties to be indemnified.

This indemnity shall survive termination of the Contract or final payment thereunder. This indemnity is in addition to any other rights or remedies which Authority may have under the

law. In the event of any claim or demand made against any party which is entitled to be indemnified hereunder, Authority may in its sole discretion reserve, retain, or apply any monies due to Contractor under the Contract for the purpose of resolving such claims, provided, however, that Authority may release such funds if Contractor provides Authority with reasonable assurance of protection of Authority's interests. Authority shall in its sole discretion determine whether such assurances are reasonable.

Claims against the parties to be indemnified, by any employee of Contractor, its subcontractors, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, shall not limit Contractor's indemnification obligation, set forth above, in any way, by any limitation on the amount or type of damages, compensation, or benefits payable by or for Contractor or its subcontractors under workers' compensation acts, disability benefit acts, or other employee benefit acts or insurances.

7.0 REVISIONS IN SCOPE OF SERVICES

Authority may, from time to time, make changes in the Scope of Services of this Contract through a Change Order. A Change Order shall not modify the overall purpose of this Contract. Revisions in Scope of Services may include, but is not limited to, adding:

- A. **Construction FSP.** Construction FSP coverage is for the purposes of mitigating traffic congestion during highway construction projects within the Contractor's regular FSP beat boundaries or immediately adjacent areas where the traffic flow may be significantly affected by the highway construction, as ordered by the California Department of Transportation (Caltrans). Construction FSP is compensated at the overtime hourly rate specified in Section 3.0(E).
- B. **Extended or Special Coverage.** Extended coverage or special FSP coverage is for the purpose of mitigating potential or realized traffic congestion due to special events, emergencies or other out-of-the-ordinary circumstances within the Contractor's regular beat boundaries. Extended or special coverage is compensated at the overtime hourly rate specified in Section 3.0(E).
- C. **Back-Up Coverage.** Back-up coverage is defined as providing backup service for other FSP tow contractors in the SacMetro FSP program that are temporarily unable to fulfill their contracted service obligations. Back-up coverage is compensated at the overtime hourly rate specified in Section 3.0(E).
- D. **Extra Work.** Extra work is defined as any work that is not otherwise defined or contained in this Contract; is determined by the Authority to be necessary; and bears a reasonable relation to the work originally described in the Contract. Extra work is compensated at the standard hourly rate specified in Section 3.0(C) or at the overtime hourly rate specified in Section 3.0(E), depending on the unique circumstances of each extra work situation and as determined by Authority.

Upon receipt of a Change Order approved by Authority, Contractor shall continue performance of the Scope of Services as changed. Changes in the Scope of Services and equitable adjustments in compensation and schedule shall be incorporated in written amendments to this Contract either prior to or subsequent to Authority's issuance of a Change Order.

8.0 VIOLATIONS AND PENALTIES

- A. Standards. The SacMetro FSP program upholds high standards for professionalism, performance, appearance and conduct. Truck operators, being in direct contact with motorists, are the most-visible representatives of SacMetro FSP to the public. In order to enforce the program's high standards, an objective system of violations and penalties has been established in Chapter 12 of the FSP Standard Operating Procedures Manual (SOP), dated January 2018, and Section 8 of the Scope of Services.
- B. Notice of Violation. When a violation occurs, CHP and/or Authority shall issue a violation notice to Contractor, and to truck operator, if applicable. The violation notice shall indicate the type of and details of the violation. The Authority shall notify Contractor of disciplinary action to be taken on the truck operator and of any penalties imposed on the Contractor.
- C. Contractor Penalties. As the employer, Contractor is responsible for its truck operators. Violations incurred by truck operators, as well as by the Contractor, shall result in penalties assessed to Contractor in the form of monetary fines which shall be subtracted from Contractor payments. The Fine Schedule is contained in Section 8.5 of the Scope of Services.
- D. Repeated Violations. The purpose of fines and penalties is to get the Contractor to correct violations and to take proactive steps to prevent all violations. A pattern of repeated instances of the same violation by the same truck operators, or an increasing sum total of different outstanding or uncorrected violations will result in increased fines or termination of Contract.
- E. Appeals. Contractor may appeal any violation notice, penalty/fines, truck operator disciplinary suspension or Contract termination if Contractor can demonstrate that the determination of violation was made in error, or if Contractor can cite special or extenuating circumstances not the fault of the Contractor or the truck operator involved that should be considered.
 - 1. Process. Contractor may request an appeal of any penalty or termination of Contract by submitting a completed Request for Appeal available from Authority within ten (10) business days from the date of the Notice of Violation or Contract termination. Appeals regarding disqualification of truck operators from FSP must be submitted by the Contractor (not the FSP truck operator) within five (5) business days from disqualification.
 - 2. Review and Determination. The FSP Technical Advisory Committee (TAC), consisting of staff from Authority, CHP, and other FSP agencies in the Sacramento region, shall review appeal requests for merit and new information and render a determination and notify contractor within ten (10) business days of the appeal. Where an FSP truck operator is disqualified and the disqualification is related to a criminal conviction, the decision on the appeal will be made solely by CHP due to confidentiality of criminal histories.
 - 3. FSP Involvement During and After Appeal. In the period between an FSP truck operator suspension or disqualification and the determination on an appeal request, the FSP truck operator may not be involved in any manner with FSP. In the event the FSP truck operator disqualification is upheld after review of the appeal, the operator shall be indefinitely barred from participating in all FSP programs within CHP's Valley Division.

9.0 EQUAL EMPLOYMENT OPPORTUNITY/FAIR EMPLOYMENT & HOUSING ACT

During the performance of this Agreement, Contractor, for itself, its assignees and successors in interest, agrees as follows:

- A. Compliance with Regulation. Contractor shall comply with the Executive Order 11246 entitled "Equal Opportunity in Federal Employment," as amended by Executive Order 11375 and 12086, and as supplemented in Department of Labor regulations (41 CFR Chapter 60), hereinafter collectively referred to as the "Regulations."
- B. Compliance with FEHA. Contractor shall comply with the provisions of the Fair Employment and Housing Act (Cal. Gov. Code Section 12900 et seq.) and the applicable regulations promulgated thereunder (Cal. Code of Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Sec 12900, set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into the Contract by reference and made a part hereof as if set forth in full.
- C. Nondiscrimination. Contractor, with regards to the work performed by it after award and prior to completion of the work pursuant to this Agreement, shall not discriminate on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual orientation in selection and retention of subcontractors, including procurement of materials and leases of equipment. Contractor shall not participate either directly or indirectly in discrimination prohibited by the Regulations.
- D. Solicitations for Subcontractors, Including Procurement of Materials and Equipment. In all solicitations either by competitive bidding or negotiations made by Contractor for work to be performed under any subcontract, including all procurement of materials or equipment, each potential subcontractor or supplier shall be notified by Contractor of Contractor's obligation under this Agreement and the Regulations relative to nondiscrimination on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual orientation.
- E. Information and Reports. Contractor shall provide all information and reports required by the Regulations, or by any orders or instructions issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information and its facilities a may be determined by the Authority to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of Contractor is in the exclusive possession of another who fails or refuses to furnish this information, Contractor shall so certify to the Authority, and shall set forth what efforts it has made to obtain the information.
- F. Sanctions for Noncompliance. In the event of noncompliance by Contractor with the nondiscrimination provisions of this Agreement, the Authority shall impose such sanctions as it may determine to be appropriate including, but not limited to:
 - I. Withholding of payments to Contractor under this Agreement until Contractor complies
 - II. Cancellation, termination, or suspension of the Agreement, in whole or in part.

- G. Incorporation of Provisions. Contractor shall include the provisions of subsections A through F, above, in every subcontract, including procurement of materials and leases of equipment, unless exempted by the Regulations, or by any order or instructions issued pursuant thereto. Contractor shall take such action with respect to any subcontract or procurement as the Authority may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event Contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, Contractor may request the Authority to enter such litigation to protect the interests of the Authority.

10.0 DRUG FREE POLICY

Contractor shall provide a drug free workplace by adopting a drug free workplace policy as set forth in Attachment A.

11.0 INDEPENDENT CONTRACTOR STATUS

In the performance of the services to be provided hereunder, Contractor's relationship to Authority shall be that of an independent contractor and not an employee, agent or other representative of Authority. Contractor has, and hereby retains, full control over the employment, direction, compensation and discharge of all persons employed by Contractor who are assisting in the performance of services under this Agreement. Contractor shall be fully responsible for all matters relating to the payment of its employees, including compliance with social security, withholding tax and all other laws and regulations governing such matters. Contractor shall be responsible for its own acts and those of its agents and employees during the term of this Agreement.

12.0 PROHIBITED INTERESTS

- A. Contractor warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Contract and that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gifts, or any other consideration, contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, the Authority shall have the right to annul this Contract without liability.
- B. Contractor agrees that, for the term of this Contract, no member, officer, or employee of Authority or of a local public agency during his/her employment and for one (1) year thereafter, or member or delegate to the Congress of the United States, shall have any interest, direct or indirect, in this Contract, or to any benefit arising thereof.
- C. The employment by Contractor of personnel on the payroll of the Authority will not be permitted in the execution of this Contract, even though such employment may be outside of the employee's regular working hours. Further, the employment by the Contractor of personnel who have been on the Authority payroll within one (1) year prior to the date of Contract award, where such employment is caused by and/or dependent upon Contractor securing this or related contract with Authority, is also prohibited.

13.0 NOTIFICATION

All notices hereunder and communications regarding interpretation of the terms of this Contract or changes thereto shall be made by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid, and addressed as follows:

Sacramento Transportation Authority
801 12th Street, Fifth Floor
Sacramento, CA 95814
ATTN: Jennifer Doll

COMPANY NAME
STREET ADDRESS
CITY, STATE, ZIP CODE
ATTN: CONTACT PERSON

14.0 COMPLIANCE WITH LAW

Contractor shall familiarize him/herself with and perform the work required under this Contract in conformity with requirements and standards of Authority, municipal and public agencies, public and private utilities, special districts, and railroad agencies whose facilities and services may be affected by work under this Contract. Contractor shall also comply with all Federal, California, and local laws and ordinances applicable to any of the work involved in this Contract. This includes but is not limited to compliance with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act, Section 508 of the Clean Water Act, Executive Order 11738, Environmental Protection Agency regulations, and the State of California's Energy Policy and Conservation Act.

15.0 DISPUTES

In the event of a disagreement or dispute arising between the parties under this Contract, Authority shall, upon its own initiative or promptly upon the written request of Contractor, make a determination thereof and such determination shall be complied with pending judicial determination of the dispute. Pending final resolution of any dispute hereunder, Contractor shall continue diligently to perform the services under this Contract and in accordance with the Authority's decision or position concerning the disputed matter.

Damage Disputes. Upon receiving a damage complaint from a motorist that Contractor damaged his/her vehicle while lending assistance, Contractor shall immediately notify CHP verbally and provide a follow-up written statement from the involved operator within three (3) working days. Contractor must also notify CHP in writing within three (3) working days regarding the nature of the damage complaint and its disposition. Contractor shall reply to the motorist by telephone within 24 hours of receiving the damage complaint notification. If necessary, Contractor shall send his/her authorized representative and/or insurance company representative to inspect the subject vehicle and complete an incident report within 48 hours after receiving the damage complaint. If the investigation shows that the damage to the vehicle could have been caused by Contractor, Contractor shall negotiate in good faith to try and resolve the issue and shall report in writing to the CHP the result of the negotiations. All complaints shall be resolved within a reasonable period of time after being received.

16.0 GOVERNING LAW

The validity of this Contract and of any of its terms or provisions, as well as the rights and duties of the parties hereunder, shall be governed by the laws of the State of California.

17.0 ENTIRE AGREEMENT

This Contract, and any attachments or documents incorporated herein by inclusion or by reference, constitutes the complete and entire agreement between Authority and Contractor and supersedes any prior representations, understanding, communications, commitments, agreements, and proposals, oral or written.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed on the date shown below, but effective on the date first hereinabove written.

COMPANY NAME

SACRAMENTO TRANSPORTATION AUTHORITY

COMPANY REPRESENTATIVE

Sabrina Drago, Executive Director

Date

Date

DRAFT

SCOPE OF SERVICES

1. GENERAL DESCRIPTION OF SERVICE

The Sacramento Transportation Authority (STA) is the administrative agency for the SacMetro Freeway Service Patrol (FSP).

FSP patrols the busiest freeways and highways in the Sacramento metropolitan area, including Yolo County. FSP runs regular weekdays Monday through Friday during the hours when congestion is greatest, from 6:30 a.m. to 10: 00 a.m. and 2:30 p.m. to 6:30 p.m. (holidays and breaks excluded).

FSP operators, driving special tow trucks and service trucks, continuously patrol their assigned beats on the constant lookout for stopped or disabled vehicles. When found, FSP operators introduce themselves to motorist and provide them with an FSP informational brochure and a survey card and then quickly assess the situation. FSP operators may spend up to 10 minutes attempting to mobilize a vehicle through quick fixes and minor repairs such as providing a gallon of fuel, jump starting, changing a flat tire, etc. If a vehicle cannot be mobilized within the 10-minute timeframe, the vehicle is towed to a designated drop location identified by the CHP off of the busy freeway. When requested, the FSP operator may call the CHP Communications Center to request a CHP rotation tow, a specified tow or a relative/friend to assist them. FSP operators may occasionally deal with non-vehicle impediments to smooth traffic flow, such as clearing debris in traffic lanes, traffic control, and other situations.

CHP may dispatch a FSP vehicle to incident locations within and beyond the vehicle's patrol limits when necessary. In addition, there may be some instances where FSP operators may be requested to lend assistance to peace officers. FSP operators are required to follow the instructions of the peace officer while at the scene of any incident.

FSP operators are not allowed to tow as independent contractors from incidents that occur during the FSP shift. If called as a rotation tow after a FSP shift, a different driver must be dispatched to respond to the incident. FSP truck operators are also not allowed to accept gratuities, perform secondary towing services, recommend secondary tows, or recommend repair/body shop businesses.

FSP is operated through a partnership agreement between the STA, Caltrans and CHP. CHP provides field supervision of the program, operator certification and training, dispatching, complaint investigation, and vehicle inspections. Caltrans provides state funding, program analysis, evaluations, and operational recommendations. STA provides contract administration services, accounting controls, match funding procurement, and overall program management.

2. CONTRACTOR REQUIREMENTS

- 2.1 Contractor Office. Contractor shall provide an office for contract administration purposes. The office shall be staffed by an authorized representative who has the authority to conduct business and make decisions on behalf of Contractor. The office shall be open for business between the

hours of 9:00 a.m. and 5:00 p.m. Contractor shall also provide an authorized representative during regular FSP hours to answer any inquiries from the Authority, CHP, or Caltrans. Contractor shall furnish radio service, telephone service, email service, or any combination of the above such that all inquiries can be responded to within 15 minutes from receipt. At all other times, Contractor shall provide service as necessary to log all calls, complaints, or any inquiries relative to FSP activities.

Where Contractor's office is in excess of 30 minutes' drive time from its FSP beats, Contractor must utilize a remote location for staging and parking approved by Authority. The remote location does not need to be staffed, however, it shall be a secure location with adequate storage space for FSP trucks and minor FSP equipment (e.g., forms, brochures, records, flares, sand). Drivers operating from the staging/parking/satellite location must have the ability to communicate with the main office location at all times.

2.2 Driver-Accessible Features. Staging facilities where FSP drivers meet pre- or post-shift or where the FSP trucks are parked when not in use must have the following features: access to adequate restrooms for drivers going on or coming off shift; a conspicuous bulletin board for the posting of notices, policies, and reports; a collection area for completed daily inspection/inventory sheets, and an easily-accessible area for the storage and replenishment of paper forms and cards and other necessary supplies carried in the trucks.

2.3 Permits, Certificates and Licenses. Contractor must obtain any and all permits, certificates, and business licenses required by the local agency or agencies having jurisdiction over the FSP beat area. The scope of a local agency's jurisdiction may extend to the contractor's facilities (including satellite parking sites), vehicles, vehicle operators, and tow operations. Contractor shall submit documentation of compliance with this provision to the Authority no later than fifteen (15) working days prior to the start of work. Documentation shall be in the form of:

A. Copies of all required permits, certificates, and licenses; and/or

B. Waivers and exemptions, if and as applicable.

Contractor shall further ensure all required permits, certificates and business licenses remain current during the entire period of performance of this Contract and are filed with Authority.

2.4 Accounting System. Contractor must have in place and maintain an accounting system that meets the requirements of the Authority and Caltrans. Principally, this system must maintain accountability of FSP related costs and income, and document with verifiable source documents all FSP costs, including tow operator timesheets.

2.5 Financial Stability. Contractor must be financially sound, having sufficient funds or business credit to obtain and maintain all required equipment, maintain payments on all FSP related purchases or leases, and support the payroll of FSP tow operators.

2.6 Insurance. Contractor, at its own expense, must obtain and maintain in effect for the duration of the Contract the following insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, or employees:

- A. Workers' Compensation insurance as required by the State of California, such policy shall contain a Waiver of Subrogation endorsement in favor of STA;
- B. Employer's Liability of at least \$1,000,000 per accident for bodily injury or disease;
- C. Commercial General Liability of at least \$1,000,000 per occurrence for bodily injury, personal injury and property damage (if Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project location or the general aggregate limit shall be twice the required occurrence limit);
- D. Owned, Non-Owned and Hired Automobile Liability of at least \$1,000,000 per accident for bodily injury and property damage;
- E. On-hook Insurance of at least \$100,000 per accident;
- F. Umbrella insurance in the amount of \$1,000,000 providing excess limits over Employers Liability, Automobile Liability, and Commercial General Liability Insurance.

Contractor must have original insurance certificates and the required endorsements approved by Authority on file before Contract performance begins. Insurance carriers shall be required to have an established place of business in California. Authority may request a claims report at any time.

- 2.7 Minimum Wage and Benefit Requirement. Contractor must pay each truck operator a minimum wage of **\$14.00** per hour when health benefits are provided or **\$15.00** per hour without health benefits for all FSP service. Contractor may pay above these minimums as it sees fit.
- 2.8 Hours of Service and Log Books. Contractor shall ensure that truck operators comply with Title 13, California Code of Regulations, Sections 1212, 1212.5 and 1213 regarding the requirements for log books and hours of service.
- 2.9 Audits. Contractor is subject to financial and operational audits to document and ensure compliance with the provisions of this Contract, including interviews with Contractor employees.
- 2.10 Contractor Communication. Contractor must keep open lines of communication with CHP and STA staff at all times. Contractor is responsible for notifying CHP and STA whenever there are changes in their FSP operations. Examples include when: drivers or trucks are pulled out of service, drivers or trucks start new service or are put back into service, new drivers are hired, when existing drivers separate from service or employment either long-term or permanently, a driver or truck is involved in an accident, changes to radio assignments, all changes to contact information, etc.

3. VEHICLES

- 3.1 Exclusive Use. Trucks shall be exclusively dedicated to the FSP program during FSP hours of operation for the entire term of Contract. Use of FSP trucks for rotation tow, auto club calls or other non-FSP calls during FSP hours of operation may result in the immediate termination of this Contract. Trucks specified for this contract may be used for rotation tow, auto club calls or other non-FSP calls during non-FSP hours.

3.2 Number of Required Vehicles. Contractor shall maintain the number of certified FSP vehicles in Section 9. 2 plus the associated number of truck operators.

3.3 Tow Trucks. Requirements and specifications for tow trucks are as follows:

- A. Flat-bed carriers only
- B. Body painted white in color
- C. Model year 2017 or newer
- D. Not previously registered prior to award of contract
- E. Less than 5,500 miles on the odometer at the start of Contract service
- F. Minimum Gross Vehicle Weight Rating (GVWR) of 25,500 lbs.
- G. Total weight of the truck, including the load, must fall within the manufacturer's GVWR and not exceed either the front or rear axle weight ratings
- H. Front axle load must be a minimum of 50 percent of its normal or unladen weight after any load is in place
- I. Carrier bed shall be new, meaning one that has not been previously used or refurbished. The bed shall be a minimum of 21 feet in length and may be of steel or aluminum construction. The bed may be left unfinished or painted silver, black or FSP blue.
- J. Equipped at a minimum with the materials identified below where any equipment not placed in a storage compartment shall be secured to the truck:
 - Winch rated at minimum of 8,000 lbs. on first layer of cable
 - Winch cable – 50 feet, 3/8" diameter, 6x9 cable or OEM specification with a working limit of 3,500 lbs.
 - Bed and winch controls on both sides of the vehicle
 - Minimum eight (8) tie-down locations, one near each corner of bed and two (2) distributed along each side of bed. Tie-down locations must be capable of mounting a snatch block.
 - Wheel lift with a minimum rating of 2,500 lbs.
 - Set of four (4) axle straps
 - Set of four (4) tie-down chains
 - Motorcycle tie-down straps
 - One (1) 20-foot recovery-type chain with hooks on both ends
 - One (1) four-ton snatch block with hook.

- Safety chains with positive locking device, 5-foot minimum length, 5/16" alloy or OEM specification
- Two (2) 4" x 6" x 12" wood blocks
- Two (2) 4" x 4" wooden cross beams, 48" and 60" in length

3.4 Service Trucks. Specifications for service trucks are as follows:

- A. Pickup-style truck with standard, extended or crew cab
- B. Painted white in color
- C. Half-ton, three-quarter ton, or one-ton
- D. Model year 2013 or newer
- E. Less than 10,000 miles on the odometer at the start of Contract service
- F. Equipped with Setina Bodyguard PB-400 vertical push bumper

3.5 Equipment Requirements for All Trucks. All FSP tow trucks and service vehicles must be equipped with the following materials and equipment:

- Front/rear directional amber warning lights with flashing capability and on/off switch in cab. A directional light bar may be installed but must be able to display at a minimum right, left, split (center to outwards), and warning flash.
- Mounted spot light capable of directing a beam both front and rear.
- Suitable cab lighting
- Rear work lights
- Flashlight and spare batteries or rechargeable flashlight
- Portable remote tail lights/brake lights with extension cord
- External speaker and public address system
- Radios to communicate with contractor's base office
- Programmable scanners for scanning frequencies used by Caltrans and CHP
- Trailer hitch capable of handling a 1-7/8" and 2" ball
- Hydraulic floor jack (2-ton capacity)
- Hydraulic trolley jack (2-ton capacity) with 5½" to 15¼" lifting range
- Heavy duty, 60+ amp battery
- Power outlets ("hot boxes"), front and rear mounted, with outlets compatible with 12-volt booster cables or "Jump-and-Carry" portable battery jump box with 2000 peak amp minimum rating

- Booster cables, 25 feet minimum, 3-gauge copper wire with heavy-duty clamps, one end adapted to truck's power outlet
- Rechargeable air bottle, hoses, fittings, and valve stems with 100 psi capacity or 12-volt on-board air compressor with 75 psi capacity and 50 feet hose
- Unleaded gasoline (5 gallons, less than 60 days old)
- Funnel, multi-purpose, flexible spout
- 5-gallon trash can with lid containing a sealed sack filled with dry sand
- First aid kit (small 5" x 9")
- Fire extinguisher with aggregate rating of at least 4-B, C units
- Pry bar – 36" minimum
- 24" coarse-bristle street broom
- Square point shovel
- Highway flares (15-minute duration) (36)
- 28" safety cones (6)
- Four-way standard lug wrench
- Four-way metric lug wrench
- Lock out set
- Toolbox containing the following:
 - Standard screwdrivers: 1/8", 3/16", 1/4", and 5/16"
 - Phillips screwdrivers: #1 and #2
 - Needle nose pliers
 - Adjustable rib joint pliers, 2" minimum capacity
 - Crescent wrench, 8" and 12"
 - 4 lb. hammer
 - Rubber mallet / hubcap tool
 - Electrical tape
 - Duct tape
 - Tire pressure gauge
 - Mechanic's wire
 - Bolt cutters

Above equipment may be new or used in excellent condition subject to CHP approval. Additional equipment may be supplemented at Contractor's option and expense. Any equipment not placed in a storage compartment shall be secured to the truck.

3.6 Vehicle Markings and Logos. Markings and logos on FSP vehicles shall be provided and maintained at the contractor's expense and conform to the requirements below. It is Contractor's responsibility to ensure that all FSP markings and logos are displayed properly during FSP service hours. Said markings must either be removed or covered immediately upon the completion of each FSP shift. The method of attachment or cover of FSP required markings/logos must be approved by CHP and Authority.

- A. FSP trucks shall prominently display the SacMetro FSP logo on both front doors against a plain white background. The circular portion of the logo shall be no smaller than fifteen (15) inches in diameter. An alternative to the door signs may be allowed with approval from STA and CHP.
- B. FSP trucks shall display the word "FSP" on the back of the vehicle in a conspicuous location in minimum four (4) inch or larger letters.
- C. Beat/truck identification numbers must be displayed at a location approved by the CHP.
- D. The maximum size of all other letters and numbers below the roof is four (4) inches in height.
- E. Any lettering relating to FSP must be black in color unless applied to a black or other dark-colored surface, in which case the lettering may be a contrasting white, blue or yellow.
- F. Any additional proposed trim must be black in color and limited to a single stripe, a maximum of four (4) inches in width. Exact placement and size of proposed trim must be approved in writing by Authority or CHP.
- G. (Optional) Contractor information—including name, logo, address, phone number, etc.—is restricted to a eight (8) inch tall by ten (10) inch wide rectangular area on both sides of the truck rear of the front doors and below the door midline as measured between the bottom of the side window and the lower edge of the vehicle door, subject to prior CHP approval.

Contractor shall be required to keep FSP markings/logos clean and in readable condition throughout the FSP operation. All FSP markings and logos shall be removed and destroyed at the expiration or termination of the Contract.

3.7 Replacement Trucks.

- A. Trucks original to the start of this Contract may only be replaced prior to the third anniversary of this Contract due to the significant or total loss of the vehicle, or by written permission of Authority.

3.8 After the third anniversary of this Contract, tow trucks may be replaced at the contractor's discretion. Replacement trucks shall not be older or have more miles on the odometer than the truck(s) being replaced. All replacement trucks must be approved by CHP for acceptable appearance and condition. All replacement tow trucks must additionally pass Level 1 Commercial Inspection for safety and roadworthiness

3.9 Back-Up Trucks.

- A. A back-up truck of at least the same capability may be temporarily used when a regular FSP truck is unavailable. Back-up trucks must meet all of the specification and equipment requirements set forth above for regular FSP tow trucks and service trucks except that the age and mileage requirements are waived in lieu of CHP approval of each individual truck on a case-by-case basis on the determination that the temporary back-up truck will be able to maintain high standards of appearance and performance and be safe and roadworthy.
- B. Use of a back-up truck shall be limited to no more than 15 consecutive workdays at a time, except by written permission from Authority. If Contractor is not able to resume FSP service after 15 consecutive workdays, Authority may make provision with another FSP tow provider already under contract with Authority to provide back-up service.
- C. Back-up trucks will be compensated at the same rate as the vehicle it is substituting for.
- D. Contractor must notify CHP whenever a regular FSP truck is removed from service and a backup truck is substituted. Contractor must also notify CHP when a regular FSP vehicle is returned to service.

3.10 Additional Trucks. Additional tow trucks entering service to provide extended or special FSP coverage per Section 7 shall be subject to the age and condition requirements as listed:

- A. Additional tow trucks entering service to provide extended or special FSP coverage for an anticipated total period of 12 months or less shall be required to pass Level 1 Commercial Inspection for safety and be approved by CHP for acceptable appearance and condition on a case-by-case basis.
- B. Trucks added for extended or special FSP coverage for an anticipated total period lasting between 12 and 36 months shall be model year 2013 or later, have no more than 100,000 miles on the odometer at the time it enters FSP service, pass Level 1 Commercial Inspection for safety, and be approved by CHP for acceptable appearance and condition.
- C. Trucks added for extended or special FSP coverage for an anticipated total period lasting longer than 36 months shall meet the same criteria as for new trucks at the start of the Contract.

Added trucks must meet all of the other specification and equipment requirements set forth above for regular FSP tow trucks and service trucks in Sections 3.3 through 3.6.

3.11 Vehicle Appearance and Maintenance.

- A. Regular routine maintenance shall be performed on all FSP trucks so as to maintain their mechanical reliability and expected functionality.
- B. All FSP trucks shall be washed regularly as needed to maintain a clean and professional appearance.

- C. Vehicle maintenance and washing shall be the Contractor's responsibility and may only be performed during off-shift hours or on non-working days unless an appropriate back-up truck(s) are deployed.

3.12 Truck Inspections.

- A. Prior to commencement of service, Contractor must have CHP inspect all trucks designated for FSP service. The inspections must conclude no later than fifteen (15) working days prior to the start of service. If a vehicle does not pass CHP inspection, all problems must be rectified, or another vehicle must be substituted no later than five (5) working days prior to the start of the contracted service.
- B. Succeeding inspections will occur periodically. Inspection records will be kept on file at CHP offices and at Contractor's local office. Contractor shall also maintain a maintenance record for each FSP vehicle.
- C. The FSP operator shall be required to complete a pre-operation inspection of the vehicle as well as an inventory of the required equipment prior to the start of each shift. An inspection/inventory sheet shall be completed prior to the start of each shift. The sheets must be kept on file at Contractor's office or remote location and available for CHP or Authority inspection upon request. Any item(s) missing during the inspection must be replaced prior to the start of the shift.
- D. Tow trucks must, at any time when ordered by CHP, be able to pass Level 1 commercial truck inspection in order to be in service.
- E. Any dirty, unsafe or poorly maintained vehicle or improperly equipped vehicle shall be removed from service or repaired as directed by CHP.

4. **COMMUNICATION & TRACKING EQUIPMENT**

- 4.1 FSPTracker. Contractor shall provide for each FSP truck or truck operator a Contractor-owned smart mobile device (phone or tablet) equipped and compatible with the FSPTracker application provided by Authority for the purposes of providing Global Positioning System (GPS) vehicle tracking and real-time recording of assist information and details. CHP and Authority must be granted access to the mobile devices at any time upon request to check for connectivity and functionality. FSPTracker must be turned on and communicating for all trucks and operators during FSP hours.
- 4.2 Push-to-Talk. Contractor shall provide each FSP truck operator with a cellular device compatible with the Sprint service provider or current service provider of the CHP officers' devices for the purposes of direct communication (a.k.a. "shop radio") between the FSP truck operators and the supervising CHP officers. Contractors may use any Push-to-Talk device of their choosing which has been confirmed compatible with the CHP officers' devices and has been approved by the CHP officers no later than fifteen (15) working days prior to the start of the contract. Contractor must provide up-to-date information to CHP and Authority as to the cellular device numbers assigned to each truck operator and immediately notify CHP and Authority of changes. Where the shop

radios can also be used to instantly communicate with contractor's base office, they may be substituted for the radios specified in Section 3.5.

4.3 FSP Radios.

- A. All FSP trucks shall be equipped with Motorola digital mobile radios provided by Authority for two-way communication between FSP truck operators and dispatchers at the CHP Communications Center over the Sacramento Regional Radio Communications System (SRRCS). The Authority-supplied communications equipment shall be in addition to any Contractor's radios.
- B. Authority shall provide Contractor with one (1) Motorola handheld radio and mobile charger for temporary use as backup when a standard radio is out of service to minimize downtime. Should an installed dispatched radio and the backup handheld radio both fail, Contractor will not be paid for time the vehicle is not in service but will not incur not-in-service penalties per Section 3.K of the Contract.
- C. STA shall be responsible for the costs of routine maintenance and normal repairs, but the contractor shall be liable for repairs caused by negligence or willful damage on the part of the contractor or the authorized operator. Installation of radios, including extra parts and labor, shall be at the Contractor's expense.

4.4 Communication Equipment Security. Contractor shall be responsible for maintaining the security of the vehicle communication equipment. Contractor shall be liable for any damage other than normal wear and tear to the communication equipment supplied by Authority. Contractor shall also be liable for the full replacement value of the communication equipment installed in the trucks while said equipment is in the care, custody, and control of Contractor or its agents. Authority shall deduct repair fees as well as the full replacement cost of any Authority equipment from the contractor's payment for the month in which Authority must replace or repair equipment (other than as described above). Authority-supplied vehicle equipment shall be returned upon Contract termination. The cost of any equipment not returned shall be deducted from the contractor's final payment.

5. **VEHICLE OPERATORS**

5.1 Background Requirements. All FSP operators shall be required to have a safe driving record and a current California driver's license legally appropriate for the tow vehicle being driven. All operators shall be 18 years of age or older with no felony convictions within the last 7 (seven) years and no history of a violent felony arrest or conviction. Potential operators shall be subject to driving record and criminal background checks. The driving record and criminal background checks shall be conducted by CHP upon application for tow operator permit DL64. All application fees for said permit shall be paid by Contractor.

5.2 Certificates and Reports. All FSP truck operators must hold a valid tow operator permit DL 64 and a completed Medical Examination Report (DL 51) on file with the Department of Motor Vehicles (DMV). All FSP operators must be competent and have completed a Tow Service Agreement Advisory Committee (TSAAC) approved tow truck driver training

program (e.g., California Tow Truck Association (CTTA) Level 1 Light Duty Towing & Recovery certification). Contractor shall ensure that the required certificates and reports for FSP truck operators remain up-to-date and valid during the entire period of this Contract.

- 5.3 Competency. FSP truck operators shall be sufficiently experienced in tow truck operation and proficient with all required FSP equipment so as to provide safe and proper service. FSP truck operators must be capable of demonstrating their tow operating abilities to the satisfaction of CHP prior to formal FSP training. Additionally, truck operators are required to exercise sound judgment in carrying out their duties while conforming to procedures outlined in the FSP Standard Operating Procedures Manual.
- 5.4 Drug and Alcohol Policy. CHP, Caltrans, and the Authority maintain strict drug and alcohol policies. Any FSP vehicle operator found working under the influence of drugs or alcohol shall be disqualified from participation in FSP immediately. Contractor shall be responsible for finding a replacement FSP operator for that vehicle.
- 5.5 Initial Training. Contractor and truck operators shall be required to complete a two-day (16 hours) FSP training program. Contractor shall pay operators for the time spent in the training class. No truck operator will be allowed to begin FSP patrols without attending the mandatory training class. Any FSP truck operator found on patrol without completing the mandatory training class may be prohibited from further FSP service and the Contract agreement may be subject to immediate termination.
- 5.6 Refresher Training. Mandatory FSP refresher training classes shall be scheduled during non-FSP hours. The refresher training shall be two (2) hours per quarter [for a total of eight (8) hours per year]. Contractors shall pay FSP operators for attending the training.
- 5.7 Special Training. In the event of special FSP training classes or sessions conducted by the CHP Field Supervisors are in excess of two (2) hours per quarter [or beyond eight (8) hours per year], Authority shall reimburse Contractor for each FSP operator attending the training at the rate of 1.62 times the hourly rate specified in Section 2.6 of the Scope of Services for workers without medical benefits.
- 5.8 Notification. FSP operators must inform the CHP Communications Center any time they leave an assigned beat. This includes replenishing expendable items such as gasoline, fire extinguishers, etc., and transporting a disabled vehicle to a CHP-designated drop location. FSP operators are required to complete an electronic or manual motorist assist record for each assist.
- 5.9 Travel Time. Travel time for the truck operator to and from the beat will be at Contractor expense.
- 5.10 Independent Towing. FSP truck operator may not tow as an independent contractor from an incident that occurred during an FSP shift under any circumstances. If directed by CHP rotation tow, Contractor may respond with a different, non-FSP driver in a non-FSP truck. Violations may subject the Contract agreement to immediate termination.

5.11 Tips and Recommendations. All FSP services are provided at no cost to the motorist. Operators cannot accept gratuities, perform secondary towing services, recommend secondary tows, or recommend repair/body shop businesses.

6. UNIFORMS

6.1 Uniforms. Contractor is responsible for providing vehicle operators with specified uniforms, safety vests, shoes, and other equipment. The equipment includes navy blue jump suits or shirts and pants.

- A. If coveralls are worn they shall have two-way zip front with heavy-duty brass zipper. Coveralls or shirtsleeves shall be half raglan type or set-in sleeve with pleated-action back. Long sleeves may have plain barrel cuff or be equipped with snap or button closure on wrist. The length of the sleeve on short-sleeve coveralls/shirts shall come to within approximately 1 inch of the inside forearm when the wearer's arm is bent at a 90-degree angle.
- B. The coveralls shall have shape-holding sanforized waist banding with elastic inserts for trim fit. Legs shall be moderately tapered to avoid excessive fullness. All main seams shall be at least double-stitched with good quality thread.
- C. Shirts or coveralls shall have one (1) or two (2) chest pockets. Single pocket coveralls/shirts shall have the chest pocket placed on the left.
- D. The first name initial and full last name shall be sewn above the right chest pocket so that it shall be clearly visible with the collar open. Letters shall not exceed one-half inch in height. A detachable metal or plastic nameplate may be worn in place of the embroidered name at Contractor's option. A 4" by 4" FSP logo patch supplied by Authority shall be sewn above the left front pocket and on the right shoulder. If awarded, "Driver of the Year" or other special patches may be sewn on the left shoulder. The uniform should include no other markings or decoration.
- E. Reflective white stripes may be sewn around both sleeve cuffs and both leg cuffs and across the upper back.

6.2 Safety Apparel. FSP truck operators shall wear high-visibility safety apparel in conformance with ANSI/ISEA 107-2004 and ANSI/ISEA 207-2006 whenever he or she is outside of the vehicle performing an assist. At a minimum, this shall include an orange or green-colored safety vest. The letters "FSP" shall be sewn or silk-screened across the middle portion of the back of each safety vest or may be sewn on a patch of the same color as the uniform which is sewn across the middle portion of the back of each safety vest. The letters shall be at least four (4) inches in height and shall be white in color and shall be centered.

6.3 Photo ID Card. The Authority will issue each FSP truck operator a photo identification card. The FSP identification card must be carried on the person so that it is readily visible to the motorists they are assisting and must be readily available to be produced upon request at any time. FSP ID cards are the property of the Authority and must be either returned or destroyed immediately upon the FSP truck operator's disqualification from the FSP program

or separation of service from Contractor, or upon termination or completion of this Contract.

- 6.4 Footwear. All FSP operators shall wear general duty black work boots with protective steel toe.
- 6.5 Cold Weather Clothing. During cold weather, a navy-blue sweater or sweatshirt may be worn under the uniform shirt/jumpsuit. A navy-blue jacket may replace the sweater or sweatshirt at the Contractor's option, if it meets all the uniform specifications, including patches, reflective tape, etc.
- 6.6 Rain Gear. Rain gear shall be waterproofed material, yellow in color. Reflective white tape shall be applied to both sleeve cuffs and both leg cuffs and across the upper back.
- 6.7 Headwear. Hats are optional. They shall be baseball type cap, navy blue in color. At Contractor's option, the Freeway Service Patrol logo or the initials "FSP" shall be embroidered above the brim. The logo or initials shall be centered. Initials shall be sewn in white. No other logos/names shall be accepted.
- 6.8 Condition. All uniform items, including optional items when worn, must be clean and in presentable condition. FSP operators wearing dirty or excessively worn uniforms may be placed out of service until the condition is corrected.
- 6.9 Uniform Costs. All uniform costs, except the purchase cost of FSP logo patches, shall be borne by Contractor.
- 6.10 Disposition at End of Contract. Upon termination or completion of this Contract, Contractor shall surrender to Authority or destroy any and all uniform items featuring the FSP logo or bearing the word 'FSP'. Items destroyed by Contractor shall be documented to Authority with a signed letter listing the items and the method of destruction used.

7. COMPLIANCE WITH STANDARD OPERATING PROCEDURES

Contractor shall comply with all provisions of the CHP Freeway Service Patrol Standard Operating Procedures (SOP) Manual—dated January 2018, or later—which more specifically details the standards for professionalism and conduct, operator duties and responsibilities, policies and procedures for operational situations, safety, tow procedures, radio communications, documentation and reporting, sexual harassment, drug and alcohol policies, criminal conduct while on or off duty, violations and penalties, and certification requirements. The SOP is incorporated into this Scope of Services and Contract by reference.

8. VIOLATIONS AND PENALTIES

This section supplements Chapter 12 — Violations and Penalties of the FSP SOP, dated January 2018, or later.

8.1 Type of Violations.

A. Minor Violations. Minor violations are less serious violations that may be incidental or accidental lapses of the provisions of this contract and/or the SOP which do not involve willful disobedience or subterfuge, and that do not compromise personal safety or the safety or the motoring public. Examples include, but are not limited to:

1. Tardiness (less than 45 minutes late) starting the FSP shift
2. Failure to adequately or accurately communicate status to dispatch
3. Failure to properly display FSP logos or signage during FSP hours
4. Failure to cover or remove FSP logos or signage while off-duty or during non-FSP hours
5. Wearing FSP uniform while off duty or during non-FSP hours while performing other tow services
6. Presenting personal appearance with obvious poor grooming
7. Failure to comply with the established minimum uniform standards
8. Failure to replace or repair deficiencies noted on the CHP pre-operation inspection sheet
9. Failure to address equipment violations constituting an out-of-service status
10. Failure to complete/submit required motorist assist records or other required records
11. Failure to possess pre-operation inspection forms for a previous 30-day period at Contractor's place of business
12. Abusing or misusing FSP-related equipment, such as radios and phones
13. Violating break policy (early, prolonged or excessive breaks) by 10 minutes or less
14. Failure to distribute FSP brochures and FSP survey cards to motorists

B. Major Violations. Major violations compromise the work, goals, values or integrity of the FSP program or are actions that could potentially increase risks to personal safety or the safety of the motoring public. Examples include, but are not limited to:

1. Failure to be vigilant in the performance of FSP duties during FSP hours
2. Signing on or starting the shift late (45 or more minutes after the start of shift)
3. Signing off, leaving the beat, or ending the shift early
4. Reporting "in service" (going "10-8") when not on beat or actually in service
5. Sleeping or giving the appearance of sleeping while on duty (including breaks)
6. Smoking while on duty (excluding breaks)
7. Falsifying pre-operation inspection forms
8. Failure to report any known damage caused when servicing a vehicle
9. Disobeying a lawful order given by sworn law enforcement personnel
10. Failure to notify dispatch if involved in a traffic collision
11. Failure to notify CHP or FSP management when a shift or shifts will be missed
12. Leaving the beat during FSP hours without authorization

13. Providing or recommending any tow company, legal assistance, or medical practitioners
14. Failure to advise dispatch when transporting a female or juvenile
15. Towing a vehicle to a location other than a designated drop location (except at the direction of CHP)
16. Leaving a motorist stranded in an unsafe location or without access to a phone, shelter, or help in route
17. Causing damage to a vehicle due to negligence
18. Equipment not in conformance with California Vehicle Code and is not serviceable or missing (e.g., worn tires, expired fire extinguisher, cracked windshield, etc.)
19. Unauthorized refueling of truck or fuel containers while on duty
20. Inappropriate behavior such as the use of abusive or foul language, vulgarity, rudeness, offensive hand gestures, unsafe driving or other untoward behavior to motorist, officers, dispatchers, or other tow operators
21. Missing an entire shift without providing a replacement driver or truck
22. Violating safety guidelines (e.g., not using safety chains, standing between vehicles, not watching traffic, not protecting motorist, misuse of equipment)
23. Intentional involvement in law enforcement activities beyond normal scope of FSP duties (e.g., apprehending suspects, vehicle pursuits)
24. Falsifying information, orally or written, to FSP management, the motoring public, CHP, or dispatch
25. Failure to notify CHP or dispatch of a truck breakdown, truck not in service and/or the use of a backup truck
26. Unexcused absence of Operator from quarterly training sessions
27. Violating break policy (early, prolonged or excessive breaks) by more than 10 minutes
28. Operating with an invalid, withheld, suspended, or revoked required license
29. Repeat of a Minor Violation within 15 days

C. Flagrant Violations. Examples of flagrant violations include, but are not limited to, charging for FSP service; theft; being under the influence of drugs or alcohol; possession of firearms or illegal weapons; tampering, interfering, or manipulating tracking equipment; performing an unauthorized vehicle recovery; solicitation or receiving and keeping tips or other gratuities; use of dedicated FSP trucks for non-FSP purposes; recommending or providing secondary tow or repair services; not keeping business licenses, certificates, permits and insurance coverage up-to-date and current; sexual misconduct; disobeying direct orders from CHP; etc.

1. Willful failure to perform contracted FSP duties during FSP work hours
2. Charging for FSP service
3. Soliciting any service that would require subsequent compensation

4. Providing or recommending a secondary tow service for compensation following an initial service
5. Providing commercial services during FSP hours
6. Soliciting and/or retaining tips or other gratuities
7. Referring a motorist to any garage, private tow service, mechanic, legal service, or medical facility
8. Performing a vehicle recovery (except in rare instances as ordered by CHP)
9. Use of dedicated FSP trucks for non-FSP purposes
10. Theft of any kind
11. Selling items, including items found while on duty
12. Possessing of a firearm or illegal weapon while on duty
13. Operator having an odor of an alcoholic beverage even if not under the influence
14. Being under the influence of alcohol and/or drugs while on duty
15. Failure of operator to submit to a substance abuse test (e.g., drug or alcohol test)
16. Insubordination to CHP supervisors
17. Operating without up-to-date and current business licenses, certificates, permits and insurance coverage
18. Operating a non-CHP-approved truck
19. Putting into FSP service a non-qualified or non-certified truck operator
20. Manipulating, tampering with or attempting to interfere with FSPTTracker equipment, software, and/or data
21. Repeat of a Major Violation within 30 days

8.2 Violations Committed by FSP Operators. FSP truck operators found in violation of this Contract and/or the SOP may be issued a written reprimand, placed out of service by CHP until a correction is made, and/or disciplined by a temporary suspension, and a financial penalty shall be assessed to the Contractor. For multiple instances of the same violation, cumulative instances of a variety of violations by the same FSP truck operator, or for major or flagrant violations, the FSP operator may be suspended for an extended period of time or disqualified from participating indefinitely in Freeway Service Patrol.

8.3 Violations Committed by Contractor. Violations of this Contract or the SOP by Contractor will result in—but are not limited to—financial penalties (fines). Major violations or flagrant violations may result in termination of Contract.

8.4 Contractor's Responsibility. Contractor is responsible for ensuring compliance with Contract and the SOP, both by itself and the FSP truck operators in Contractor's employ. Therefore, fines incurred by FSP truck operators are levied against Contractor to ensure the Contractor assumes its due responsibility to resolve any and all incidences of noncompliance and to prevent future occurrences. Failure to adequately address, correct or prevent violations may result in termination of Contract.

8.5 Financial Penalties. The fine schedule shall be as follows:

A. Minor Violations.

1. Minor violations involving uniforms, personal grooming, truck appearance, and supplies or equipment shall result in a fine to the Contractor of \$50 per occurrence.

2. All other minor violations shall result in a fine to the Contractor of \$50 for the first occurrence per FSP truck operator, \$100 for the second occurrence of the same violation by the same FSP truck operator within a 6-month period, and \$150 for the third occurrence of the same violation by the same FSP truck operator within 6 (six) months of the second occurrence. The contractor shall be fined \$250 for the fourth cumulative occurrence of the same violation by the same FSP truck operator regardless of when the previous violations occurred; thereafter, the Contractor may be fined \$500 for every subsequent occurrence.

B. Major Violations. Major violations shall result in a fine to the Contractor of \$100 for the first occurrence per FSP truck operator or the Contractor, \$250 for the second occurrence of the same major violation within a 6-month period by the same FSP truck operator or by the Contractor, and \$500 for the third occurrence of the same major violation within 6 (six) months of the second occurrence by the same FSP truck operator or by the Contractor. The Contractor shall be fined \$1,000 for the fourth cumulative occurrence of the same violation by the same FSP truck operator or by the Contractor regardless of when the previous violations occurred; thereafter, the Contractor may be fined \$2,500 for every subsequent occurrence. Moreover, a pattern of violations—major or minor—committed by the Contractor and/or any of its FSP truck operators, particularly when concentrated within a short time period, may result in extended suspensions, disqualification of truck operators from participating in FSP or immediate termination of the Contract.

C. Flagrant Violations. At a minimum, flagrant violations shall result in a fine to the Contractor of \$1,000 to \$2,500, as determined by Authority, for each and every occurrence. Depending on the severity or the frequency of the flagrant violation(s), Authority may immediately terminate the Contract.

9. ZONE, BEAT AND COVERAGE DESCRIPTIONS

9.1 Zones. The SacMetro FSP program area of coverage is made up of eight (8) Zones. Zones are assigned a specific set of beats, that only operate within the assigned zone

9.2 Beats. The FSP operates on selected freeway segments referred to as 'beats'. Each beat has specified turnaround locations and designated drop locations identified by the CHP.

Below are the general limits, number of tow or service trucks, and the contracted hours of operation of the beats that are the subject of this Contract.

Zone	Beat	Location	Vehicles	Contracted Hours
#	###-##, ###-##A	Zone Limits	# 1 tow trucks # 1 service truck	Monday through Friday: 6:30 am - 10:00 am and 2:30 pm - 6:30 pm

At any time during the Contract's terms, Authority reserves the right to make minor adjustments to the beat specifications to better accommodate demand for service. These changes can occur during the course of the Contract through written change orders. If warranted, Contractor may be required to temporarily expand his/her assigned beat area and hours of operation.

9.3 FSP Holidays. SacMetro FSP observes the same holidays as the State of California plus a break between Christmas and New Year's. Generally, work holidays are:

- New Year's Day ● Martin Luther King, Jr. Day ● Presidents Day (Washington's Birthday)
- Memorial Day ● Independence Day ● Labor Day ● Columbus Day ● Veterans Day
- Thanksgiving (including Thanksgiving Day and the Friday after)
- Holiday Break (Christmas Eve through New Year's Eve)

Authority reserves the right to make minor adjustments or to add to or delete holidays from the work schedule with a minimum of ten (10) days' notice to Contractor.

Attachment A

DRUG-FREE WORKPLACE POLICY

The company is committed to providing and maintaining a drug-free workplace consistent with the provisions of the Drug-Free Workplace Act of 1988.

Unlawful manufacture, distribution, dispensing, possession of, or use of any controlled substance in the company offices is strictly prohibited. Compliance with this prohibition is a condition of employment. Staff violating this prohibition will be subject to disciplinary action up to and including termination.

The company will provide a drug-free awareness program to inform its staff about:

- The dangers of drug abuse in the workplace;
- The company's policy of maintaining a drug-free workplace;
- Drug counseling, rehabilitation, and other assistance programs that are available; and
- The penalties that may be imposed upon staff members for drug abuse violations occurring in the workplace.

Any staff member who has been convicted of violating any criminal drug statute in the workplace is required to notify the Owner within five (5) days after such conviction. Within ten (10) days after receiving such notice of conviction, the Owner shall notify any federal funding agency requiring such notification, as mandated by the Drug-Free Work-Place Act of 1988. Within thirty (30) days of receiving notice of such conviction, the Owner shall also take one (1) of the following actions with respect to any staff member so convicted:

Initiate disciplinary action and/or require the convicted staff member to participate satisfactorily in a drug-abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency.

Dissemination of Policy: To achieve the goals of the company's Drug-Free Policy and to ensure that all staff members are aware of the firm's official policy regarding a drug-free workplace, the following steps have been and will be taken:

- Every staff member will be given a copy of the company's Drug-Free Policy.
- The company's Drug-Free Policy will be discussed periodically at management and other staff meetings.
- All new staff members will receive a copy of the company's Drug-Free Policy as part of their initial orientation.



JUNE 17, 2021

AGENDA ITEM # 7

APPROVE SELECTION AND CONTRACT OF CONSULTANT TO CONDUCT PUBLIC SURVEYS

Action Requested: Authorize Executive Director

Presenter: Sabrina Drago, Executive Director

Recommendation

Authorize Executive Director to execute a consultant contract with Fairbank, Maslin, Maullin, Metz & Associates (FM3) for public surveys not to exceed \$60,000.

Background Information

On March 11, 2021, the STA Board authorized the release of a Request for Proposals (RFP) to conduct public surveys to better understand where the public stands, at this time, regarding their viewpoint of transportation and a potential future expenditure plan.

Discussion

The Authority issued an RFP for public survey services on April 19, 2021. Staff reached out to all polling firms who responded to the last RFP to inform them of the new opportunity. Additionally, the RFP was posted to Public Purchase, a web-based procurement site. The bid close date was May 7, 2021.

Under the competitive procurement rules of the Authority, a total of four (4) proposals were received. Of the four proposals received, one was a standout in terms of qualifications, including experience with transportation authorities, and cost.

The scope of the contract includes:

- Conduct qualitative research through an online focus group. Key deliverables include:
 - Screening questionnaire used to recruit participants
 - Discussion guide used during the session
 - Copy of the session transcripts
 - Tallies of written exercises conducted during the session
 - Analysis of the results
 - Presentation of the results
- Conduct survey research – sample size 800, survey length 15 minutes. Key deliverables include:
 - A questionnaire with the topline results of the survey for easy reference

- A complete set of crosstabs in an easy-to-read, comprehensive format
- Verbatim responses to any open-ended questions
- A complete analysis of survey results in PowerPoint
- A presentation of the survey results.

FM3 will present the findings of the survey at the August 12, 2021 meeting to the Governing Board.

Based on a combination of firm resources and availability, the recommended firm is FM3. Please see attached contract, approved by STA legal counsel.

Attachment

CONTRACT AGREEMENT STA-21-CNS-001

THIS AGREEMENT is made and entered into this _____ day of June 2021, by and between the **SACRAMENTO TRANSPORTATION AUTHORITY** (hereinafter called "AUTHORITY"), and **FAIRBANK, MASLIN, MAULLIN, METZ & ASSOCIATES** (hereinafter called "CONSULTANT").

RECITALS

WHEREAS, the AUTHORITY, a California local transportation authority, exists under the authority of Section 180000 et seq. of the California Public Utilities Code;

WHEREAS, the AUTHORITY requires the services of consultant(s) to provide opinion research services in connection with a possible supplemental transportation funding measure in Sacramento County in November 2022.

WHEREAS, the AUTHORITY has determined that CONSULTANT is best qualified to perform the required services;

WHEREAS, CONSULTANT is able and willing to perform these services under the terms and conditions of this Agreement;

NOW, THEREFORE, for the consideration hereinafter stated, the parties agree as follows:

AGREEMENT

1. SCOPE OF SERVICES

AUTHORITY hereby engages CONSULTANT, and CONSULTANT agrees to complete the scope of services attached hereto as Attachment A, and incorporated herein by reference, in accordance with the terms of this Agreement.

2. COMPENSATION

Compensation for services rendered by CONSULTANT under this agreement shall not exceed sixty thousand dollars (\$60,000) unless authorized in writing by AUTHORITY. CONSULTANT shall be compensated for labor and actual costs incurred for reimbursable expenses including: subcontractors, communication, reproduction, and travel. Compensation shall occur on a schedule that generally approximates billings for key deliverables in the Timeline which is attached hereto as Attachment B, and incorporated herein by reference.

3. PAYMENT

Upon submission of invoices by CONSULTANT and upon approval by the Executive Director, AUTHORITY shall pay CONSULTANT monthly in arrears for costs incurred and for payment of work performed for the prior month. Monthly invoices submitted by CONSULTANT shall itemize costs incurred in relation to work performed. Each invoice shall be accompanied by a progress report of work performed during the period for which payment is claimed.

Additionally, CONSULTANT shall submit all receipts and documentation for reimbursable expenses with its monthly invoice.

4. TIME OF COMMENCEMENT AND COMPLETION OF WORK

The time for commencing work under this agreement shall be the date upon which it has been duly approved by both affected parties.

The contract period will end October 31, 2021. If indicated, specified tasks will be completed according to dates set forth in the Timeline (Attachment B).

5. MODIFICATION OR TERMINATION

This Agreement may be modified or amended only by written instrument signed by both parties hereto. CONSULTANT'S compensation and the time of performance of the Agreement shall be adjusted by mutual written agreement of the parties if they are materially affected by such modifications or amendment.

This Agreement may be terminated, without cause, by either party upon fourteen (14) days written notice to the other party. Upon termination and upon compliance with Section 16, Ownership of Work Product, CONSULTANT will be paid for all costs incurred in good faith in accordance with the terms of this Agreement that are unpaid on the effective date of termination. CONSULTANT shall only be paid for any services completed and provided prior to AUTHORITY'S issuance of a written notice of termination.

6. DISPUTES

If a question of fact in connection with the work described herein cannot be resolved between CONSULTANT and the Executive Director, the question shall be submitted to the AUTHORITY'S Governing Board for resolution. If the Governing Board cannot develop a mutually satisfactory resolution, the dispute will be brought before a disinterested third party, agreed upon by both parties to this Agreement. The resolution recommended by the disinterested third party shall be final.

7. BEST EFFORTS OF CONSULTANT

CONSULTANT agrees to assign primary responsibility for managing the work performed under this Agreement to Dave Metz, Partner and President. CONSULTANT further agrees that assigned personnel, including subcontractors, will always faithfully, industriously, and to the best of their ability, experience, and talent, perform all of the duties that may be required of or from them, pursuant to the express and implicit terms of this Agreement, to the reasonable satisfaction of the AUTHORITY. AUTHORITY may reject the assignment of any tasks performed under this Agreement to a subcontractor it deems inadequate or otherwise inappropriate for this project.

8. STANDARD OF CARE

AUTHORITY has relied upon the professional ability and training of CONSULTANT as represented by CONSULTANT as a material inducement to enter into this Agreement. CONSULTANT hereby agrees that all its work will be performed, at a minimum, in accordance with generally accepted professional practices and standards.

9. CONFLICT OF INTEREST

CONSULTANT shall comply with applicable requirements of the Political Reform Act and Fair Political Practices Commission (FPPC) implementing regulations. Following the execution of this Agreement and during the term of this Agreement, CONSULTANT shall not enter into any new agreements with other entities that would constitute a financial conflict of interest with the AUTHORITY or the purposes of this AGREEMENT.

10. INDEMNITY AND HOLD HARMLESS

CONSULTANT shall indemnify, hold harmless and assume defense of, in any actions at law or in equity, the AUTHORITY, its officers, directors, employees, agents, and member jurisdictions from claims, losses, actions, causes of action, damage, including property damage, personal injury, including death, and liability of every kind, nature, and description, including reasonable attorney's fees, consultant and expert witness fees, and cost of litigation, to the extent arising from the negligent acts, errors, or omissions of CONSULTANT or of any persons directly or indirectly employed by or acting on behalf of, or as agent for CONSULTANT, in its performance of work hereunder or its failure to comply with any obligations contained in the Agreement, but not including the negligence or willful misconduct of the AUTHORITY. This indemnification shall extend to claims, losses, actions, causes of action, damages, injury, death, and any type of liability occurring after completion of but arising out of the aforementioned operations, as well as during the works' progress. Acceptance of insurance certificates required under this Agreement does not relieve CONSULTANT from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to all damages and claims for damages of every kind suffered by reason of any of CONSULTANT'S operations regardless of

whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

11. INSURANCE REQUIREMENTS FOR CONSULTANTS

CONSULTANT shall procure and maintain for the duration of the contract, insurance against claims for injuries to person or damages to property which may arise from or in connection with the performance of work hereunder by the CONSULTANT, its agents, representatives, employees or subcontractors.

A. Minimum Scope of Insurance

1. Coverage shall be at least as broad as: Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 0001).
2. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability insurance.

B. Minimum Limits of Insurance

1. Consultant shall maintain limits no less than:
2. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury, and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this location or the general aggregate limit shall be twice the required occurrence limit.
3. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
4. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

C. Deductibles and Self-Insurance Retentions

Any deductibles or self-insured retention must be declared to and approved by the AUTHORITY. At the option of the AUTHORITY, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the AUTHORITY, its officers, officials, employees and volunteers; or the CONSULTANT shall provide a financial guarantee satisfactory to the AUTHORITY guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

D. Other Insurance Provisions

The general liability policies are to contain, or be endorsed to contain, the following provisions:

1. The AUTHORITY, its officers, officials, employees and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the CONSULTANT, and with respect to liability arising out of work or operations by or on behalf of the CONSULTANT including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the CONSULTANT'S insurance or as a separate owner's policy.
2. For any claims related to this project, the CONSULTANT'S insurance coverage shall be primary insurance as respects the AUTHORITY, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the AUTHORITY, its officers, officials, employees and volunteers shall be excess of the CONSULTANT'S insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the AUTHORITY.

E. Acceptability of Insurers

All insurance, with the exception of workers' compensation coverage, is to be placed with insurers currently admitted in California with a current A.M. Best's rating of no less than A:VII. Workers' compensation coverage is to be placed with insurers currently admitted in California.

F. Verification of Coverage

CONSULTANT shall furnish the AUTHORITY with original certificate and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the AUTHORITY or on other than AUTHORITY'S forms, provided those endorsements or policies conform to the requirements stated in this clause. All certificates and endorsements are required to be received and approved by the AUTHORITY before work commences. The AUTHORITY reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting coverage required by these specifications at any time.

G. Subcontractors

CONSULTANT shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all requirements stated above.

12. DISCRIMINATION

Services rendered under this Agreement shall be rendered without discrimination on the basis of age, ancestry, color, gender, marital status, medical condition, national origin, physical or mental disability, race, religion or sexual orientation. Further, there shall be no discrimination against any employee who is employed in the work covered by this Agreement because of age, ancestry, color, gender, marital status, medical condition, national origin, physical or mental disability, race, religion or sexual orientation. This includes, but is not limited to employment upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

13. COMPLIANCE WITH THE LAW

CONSULTANT shall be subject to and comply with all federal, state, and local laws and regulations applicable with respect to its performance under this agreement, including but not limited to, licensing, employment, and purchasing practices; and wages, hours, and conditions of employment.

14. INSPECTION

CONSULTANT'S performance, place of business, and records pertaining to this Agreement are subject to monitoring, inspection, review, and audit by authorized representatives of AUTHORITY.

15. RECORDS

CONSULTANT shall keep and make available for inspection and copying by authorized representatives of AUTHORITY, the CONSULTANT'S regular business and financial records and such additional records pertaining to this Agreement for at least three years after final payment to CONSULTANT.

16. SUBCONTRACT AND ASSIGNMENT

This Agreement binds the heirs, successors, assigns, and representatives of CONSULTANT. CONSULTANT shall not enter into subcontracts for any work contemplated under this Agreement except as shown in Exhibit B (Project Cost Estimate) and shall not assign this Agreement or monies due or to become due, without the prior written consent of the AUTHORITY.

17. OWNERSHIP OF WORK PRODUCT

AUTHORITY shall be the owner of, the owner of the copyright with respect to, and shall be entitled to possession of any computations, plans, correspondence, and other pertinent data and information gathered by, computed by, or prepared by CONSULTANT pursuant to this Agreement and prior to termination of this Agreement by either party or upon completion of the work pursuant to this Agreement.

18. INDEPENDENT CONTRACTOR STATUS

This Agreement is by and between two independent entities and is not intended to and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture, or association between and among the parties hereto.

19. NOTIFICATION

Any notices hereunder and communications regarding interpretation of the terms of this Agreement or changes thereto, shall be effected by the mailing thereof by registered or certified mail, return receipt requested, postage pre-paid, and addressed as follows:

AUTHORITY

Sabrina Drago, Executive Director
Sacramento Transportation Authority
801 12th Street, 5th Floor
Sacramento, California 95814

CONSULTANT

Dave Metz, Partner
Fairbank, Maslin, Maullin, Metz & Assoc.
1999 Harrison Street, Suite 2020
Oakland, California 94612

20. COMPONENT PARTS OF THE AGREEMENT

The Agreement entered into consists of the following contract documents, all of which are component parts of the contract and which are incorporated herein by reference:

- A. This Agreement.
- B. Scope of Services, attached hereto as Attachment A
- C. Project Timeline, attached hereto as Attachment B.

21. NON-WAIVER OF BREACH

CONSULTANT agrees that any waiver of any breach or violation of any term or condition of this Agreement, or failure to enforce any term or condition of this Agreement, shall not be deemed to be a waiver of any other term or condition contained herein, or a waiver of any subsequent breach or violation of the same or any other term or condition. The acceptance by the AUTHORITY of the performance of any work or services by CONSULTANT shall not be deemed to be a waiver of any term or condition of this Agreement.

22. GOVERNING LAW

The validity of this Agreement and of any of its terms or provisions, as well as the rights and duties of the parties hereunder, shall be governed by the laws of the State of California.

23. COUNTERPARTS TO AGREEMENT

This Agreement may be executed simultaneously or in any number of counterparts, each of which shall be deemed an original, equally admissible in evidence, but all of which together shall constitute one and the same Agreement, notwithstanding that the signatures of each party or their respective representatives do not appear on the same page of this agreement.

24. SEVERABILITY

If any provision or any part of any provision of this Agreement is, for any reason, held to be invalid, unenforceable, or contrary to any public policy, law, statute, regulation or ordinance, the remainder of this agreement shall not be affected thereby and shall remain valid and fully enforceable.

25. ENTIRE AGREEMENT

This Agreement, and any attachments or documents incorporated herein by inclusion or by reference, constitutes the complete and entire Agreement between the parties hereto, and there are no inducements, promises, terms, conditions, or obligations made or entered into by the AUTHORITY or CONSULTANT other than those contained herein. The foregoing provisions are understood and agreed to by CONSULTANT.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT the day and year first written above.

SACRAMENTO
TRANSPORTATION AUTHORITY

FAIRBANK, MASLIN, MAULLIN, METZ &
ASSOCIATES

Sabrina Drago, Executive Director

Dave Metz, Partner

Date

Date

SCOPE OF SERVICES

Opinion Research

CONSULTANT believes that the way in which CONSULTANT engages with stakeholders and voters must be methodical to collect usable data. FM3 will develop the data collection tools in support of the program to address the AUTHORITY'S outreach needs as well as its need to continue the development and testing a potential ballot measure.

Deliverables:

- Conduct qualitative research through an online focus group. Key deliverables include:
 - Screening questionnaire used to recruit participants
 - Discussion guide used during the session
 - Copy of the session transcripts
 - Tallies of written exercises conducted during the session
 - Analysis of the results
 - Presentation of the results

- Conduct survey research – sample size 800, survey length 15 minutes. Key deliverables include:
 - A questionnaire with the topline results of the survey for easy reference
 - A complete set of crosstabs in an easy-to-read, comprehensive format
 - Verbatim responses to any open-ended questions
 - A complete analysis of survey results in PowerPoint
 - A presentation of the survey results.

TIMELINE

Date	Task	Project Phase
June 18	Contract execution and start of work	Qualitative and Survey
June 21	Project kickoff meeting	Qualitative and Survey
June 22-23	Develop screening questionnaire	Qualitative
June 24	Provide feedback on screening questionnaire	Qualitative
June 25-28	Begin recruiting participants Draft discussion guide	Qualitative
June 29-30	Provide feedback on discussion guide	Qualitative
July 1	Second draft of discussion guide	Qualitative
July 6-7	Feedback on second draft	Qualitative
July 8-9	Finalize discussion guide	Qualitative
July 13-15	Conduct focus groups/discussion boards	Qualitative
July 16	Transcripts and tallies available	
July 19-22	Conduct analysis of QualBoard, Draft survey	Qualitative and Survey
July 23	Present analysis of qualitative results to STA	Qualitative
July 26-27	Provide feedback on survey draft	Survey
July 28-30	Update survey draft Finalize and program draft	Survey
July 31- August 5	Conduct interviews	Survey
August 6	Provide toplines and cross-tabulated analysis	Survey
August 9-11	Conduct analysis of survey results	Survey
August 12	Present final results to STA	Survey



JUNE 17, 2021

AGENDA ITEM # 8

NOTICE OF SELECTION OF CONSULTANT TO CONDUCT PUBLIC OUTREACH

Action Requested: Receive and File

Presenter: Sabrina Drago, Executive Director

Background Information

On May 13, 2021, the STA Board authorized the release of a Request for Proposals (RFP) to retain a consultant to conduct public outreach to support the Authority in talking to the public of the successes of Measure A and the benefits of a local funding source for transportation infrastructure.

Updates

The Authority issued the RFP on May 13 at the end of the day. The RFP was posted to Public Purchase, a web-based procurement site, the STA website, and Alliance for Jobs, per their request. The bid close date was May 21.

While a total of six firms requesting the RFP, we only had one submittal, FSB Public Affairs. We did not have any firms reach out to extend the deadline. Staff reviewed the proposal and under the competitive procurement rules of the Authority, deemed it competitive. Staff interviewed the firm, called references, and considered the submittal highly qualified with experience with transportation authorities and within the \$28,000 budget.

The scope of the contract includes:

Traditional Media Relations:

Traditional media offers a stable and reliable communication line to residents in Sacramento County including press releases and proactively engaging media outlets. Deliverables include:

- Drafting press releases about topics such as STA's achievements, key milestones for transportation projects and funding, and updates on STA's efforts.
- Developing and distributing media kits to community newspapers and regional media outlets.

Social Media:

A social media program to build awareness, education, and a shared understanding about STA and the projects that are being delivered with

transportation revenues, specifically those from Measure A. Leverage existing community leaders' and community-based organizations' social media pages to share posts.

- In addition to the organic social media reach, create a monthly social media paid media campaign – the cost-to-impression ratio of social media, especially one that can be geo-fenced and appropriately targeted to desired demographics make this the best medium to engage Sacramento County residents and increase awareness of Measure A across all market segments.

Stakeholder Engagement:

Engage community leaders, industry stakeholders, and elected officials in a series of in person, one-on-one or small group meetings in three tiers of decision makers and community transportation leaders:

Tier I:

STA Board Members
Select Local Elected Officials
Construction Industry Leaders
Labor Leaders
Business Interest Groups
Environmental Groups
Bike, Pedestrian &
Transit Advocacy Groups

Tier II:

Additional Elected Officials
Additional Business Leaders
Faith-Based Groups
Social Justice Advocates

Tier III:

Philanthropic Leaders
Service Group Leaders
Education Leaders

FSB's contract will run through October 2021

Please see the attachment for the draft contract, reviewed by STA legal counsel and currently in review with the consultant.

Attachment

CONTRACT AGREEMENT STA-21-CNS-002

THIS AGREEMENT is made and entered into on _____, 2021, by and between the **SACRAMENTO TRANSPORTATION AUTHORITY** (hereinafter called "AUTHORITY"), and **FSB PUBLIC AFFAIRS, INC.** (hereinafter called "CONSULTANT").

RECITALS

WHEREAS, the AUTHORITY, a California local transportation authority, exists under the authority of Section 180000 et seq. of the California Public Utilities Code;

WHEREAS, the AUTHORITY requires the services of consultant(s) to provide public outreach services in connection with a the existing Measure A program.

WHEREAS, the AUTHORITY has determined that CONSULTANT is best qualified to perform the required services;

WHEREAS, CONSULTANT is able and willing to perform these services under the terms and conditions of this Agreement;

NOW, THEREFORE, for the consideration hereinafter stated, the parties agree as follows:

AGREEMENT

1. SCOPE OF SERVICES

AUTHORITY hereby engages CONSULTANT, and CONSULTANT agrees to complete the scope of services attached hereto as Attachment A, and incorporated herein by reference, in accordance with the terms of this Agreement.

2. COMPENSATION

Compensation for services rendered by CONSULTANT under this agreement shall not exceed twenty-seven thousand six-hundred sixty-seven dollars (\$27,667) unless authorized in writing by AUTHORITY. CONSULTANT shall be compensated for labor and actual costs incurred for reimbursable expenses including: subcontractors, communication, reproduction, and travel. Compensation shall occur on a schedule that generally approximates billings for key deliverables in the Timeline which is attached hereto as Attachment B, and incorporated herein by reference.

3. PAYMENT

Upon submission of invoices by CONSULTANT and upon approval by the Executive Director, AUTHORITY shall pay CONSULTANT monthly in arrears for costs incurred and for payment of work performed for the prior month. Monthly invoices submitted by CONSULTANT shall itemize costs incurred in relation to work performed. Each invoice shall be accompanied by a progress report of work performed during the period for which payment is claimed.

Additionally, CONSULTANT shall submit all receipts and documentation for reimbursable expenses with its monthly invoice.

4. TIME OF COMMENCEMENT AND COMPLETION OF WORK

The time for commencing work under this agreement shall be the date upon which it has been duly approved by both affected parties.

The contract period will end December 31, 2021. If indicated, specified tasks will be completed according to dates set forth in the Timeline (Attachment B).

5. MODIFICATION OR TERMINATION

This Agreement may be modified or amended only by written instrument signed by both parties hereto. CONSULTANT'S compensation and the time of performance of the Agreement shall be adjusted by mutual written agreement of the parties if they are materially affected by such modifications or amendment.

This Agreement may be terminated, without cause, by either party upon fourteen (14) days written notice to the other party. Upon termination and upon compliance with Section 16, Ownership of Work Product, CONSULTANT will be paid for all costs incurred in good faith in accordance with the terms of this Agreement that are unpaid on the effective date of termination. CONSULTANT shall only be paid for any services completed and provided prior to AUTHORITY'S issuance of a written notice of termination.

6. DISPUTES

If a question of fact in connection with the work described herein cannot be resolved between CONSULTANT and the Executive Director, the question shall be submitted to the AUTHORITY'S Governing Board for resolution. If the Governing Board cannot develop a mutually satisfactory resolution, the dispute will be brought before a disinterested third party, agreed upon by both parties to this Agreement. The resolution recommended by the disinterested third party shall be final.

7. BEST EFFORTS OF CONSULTANT

CONSULTANT agrees to assign primary responsibility for managing the work performed under this Agreement to Andrew Fields, Project Manager. CONSULTANT further agrees that assigned personnel, including subcontractors, will always faithfully, industriously, and to the best of their ability, experience, and talent, perform all of the duties that may be required of or from them, pursuant to the express and implicit terms of this Agreement, to the reasonable satisfaction of the AUTHORITY. AUTHORITY may reject the assignment of any tasks performed under this Agreement to a subcontractor it deems inadequate or otherwise inappropriate for this project.

8. STANDARD OF CARE

AUTHORITY has relied upon the professional ability and training of CONSULTANT as represented by CONSULTANT as a material inducement to enter into this Agreement. CONSULTANT hereby agrees that all its work will be performed, at a minimum, in accordance with generally accepted professional practices and standards.

9. CONFLICT OF INTEREST

CONSULTANT shall comply with applicable requirements of the Political Reform Act and Fair Political Practices Commission (FPPC) implementing regulations. Following the execution of this Agreement and during the term of this Agreement, CONSULTANT shall not enter into any new agreements with other entities that would constitute a financial conflict of interest with the AUTHORITY or the purposes of this AGREEMENT.

10. INDEMNITY AND HOLD HARMLESS

CONSULTANT shall indemnify, hold harmless and assume defense of, in any actions at law or in equity, the AUTHORITY, its officers, directors, employees, agents, and member jurisdictions from claims, losses, actions, causes of action, damage, including property damage, personal injury, including death, and liability of every kind, nature, and description, including reasonable attorney's fees, consultant and expert witness fees, and cost of litigation, to the extent arising from the negligent acts, errors, or omissions of CONSULTANT or of any persons directly or indirectly employed by or acting on behalf of, or as agent for CONSULTANT, in its performance of work hereunder or its failure to comply with any obligations contained in the Agreement, but not including the negligence or willful misconduct of the AUTHORITY. This indemnification shall extend to claims, losses, actions, causes of action, damages, injury, death, and any type of liability occurring after completion of but arising out of the aforementioned operations, as well as during the works' progress. Acceptance of insurance certificates required under this Agreement does not relieve CONSULTANT from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to all damages and claims for damages of every kind suffered by reason of any of CONSULTANT'S operations regardless of

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2. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability insurance.

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2. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury, and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this location or the general aggregate limit shall be twice the required occurrence limit.
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1. The AUTHORITY, its officers, officials, employees and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the CONSULTANT, and with respect to liability arising out of work or operations by or on behalf of the CONSULTANT including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the CONSULTANT'S insurance or as a separate owner's policy.
2. For any claims related to this project, the CONSULTANT'S insurance coverage shall be primary insurance as respects the AUTHORITY, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the AUTHORITY, its officers, officials, employees and volunteers shall be excess of the CONSULTANT'S insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the AUTHORITY.

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AUTHORITY

Sabrina Drago, Executive Director
Sacramento Transportation Authority
801 12th Street, 5th Floor
Sacramento, California 95814

CONSULTANT

Andrew Fields, Project Manager
FSB Public Affairs, Inc.
1800 J Street
Sacramento, California 95811

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- C. Project Timeline, attached hereto as Attachment B.

21. NON-WAIVER OF BREACH

CONSULTANT agrees that any waiver of any breach or violation of any term or condition of this Agreement, or failure to enforce any term or condition of this Agreement, shall not be deemed to be a waiver of any other term or condition contained herein, or a waiver of any subsequent breach or violation of the same or any other term or condition. The acceptance by the AUTHORITY of the performance of any work or services by CONSULTANT shall not be deemed to be a waiver of any term or condition of this Agreement.

22. GOVERNING LAW

The validity of this Agreement and of any of its terms or provisions, as well as the rights and duties of the parties hereunder, shall be governed by the laws of the State of California.

23. COUNTERPARTS TO AGREEMENT

This Agreement may be executed simultaneously or in any number of counterparts, each of which shall be deemed an original, equally admissible in evidence, but all of which together shall constitute one and the same Agreement, notwithstanding that the signatures of each party or their respective representatives do not appear on the same page of this agreement.

24. SEVERABILITY

If any provision or any part of any provision of this Agreement is, for any reason, held to be invalid, unenforceable, or contrary to any public policy, law, statute, regulation or ordinance, the remainder of this agreement shall not be affected thereby and shall remain valid and fully enforceable.

25. ENTIRE AGREEMENT

This Agreement, and any attachments or documents incorporated herein by inclusion or by reference, constitutes the complete and entire Agreement between the parties hereto, and there are no inducements, promises, terms, conditions, or obligations made or entered into by the AUTHORITY or CONSULTANT other than those contained herein. The foregoing provisions are understood and agreed to by CONSULTANT.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT the day and year first written above.

SACRAMENTO
TRANSPORTATION AUTHORITY

FSB PUBLIC AFFAIRS, INC.

Sabrina Drago, Executive Director

Andrew Fields, Project Manager

Date

Date

SCOPE OF SERVICES

Public Outreach Methods

CONSULTANT believes that the way in which CONSULTANT engages with the public and stakeholders must be through a variety of methods. FSB will engage with the media in the following forms:

Traditional Media Relations:

Traditional media offers a stable and reliable communication line to residents in Sacramento County including press releases and proactively engaging media outlets. Deliverables include:

- Drafting press releases about topics such as STA's achievements, key milestones for transportation projects and funding, and updates on STA's efforts.
- Developing and distributing media kits to community newspapers and regional media outlets.

Social Media:

A social media program to build awareness, education, and a shared understanding about STA and the projects that are being delivered with transportation revenues, specifically those from Measure A. Leverage existing community leaders' and community-based organizations' social media pages to share posts.

- In addition to the organic social media reach, create a monthly social media paid media campaign – the cost-to-impression ratio of social media, especially one that can be geo-fenced and appropriately targeted to desired demographics make this the best medium to engage Sacramento County residents and increase awareness of Measure A across all market segments.

Stakeholder Engagement:

Engage community leaders, industry stakeholders, and elected officials in a series of in person, one-on-one or small group meetings in three tiers of decision makers and community transportation leaders:

Tier I:

STA Board Members
Select Local Elected Officials
Construction Industry Leaders
Labor Leaders
Business Interest Groups
Environmental Groups
Bike, Pedestrian &
Transit Advocacy Groups

Tier II:

Additional Elected Officials
Additional Business Leaders
Faith-Based Groups
Social Justice Advocates

Tier III:

Philanthropic Leaders
Service Group Leaders
Education Leaders

TIMELINE

Date	Task
June 18	Contract execution and start of work
June 21	Project kickoff meeting
June 22-30	Develop mutually agreed upon stakeholder meeting target list and social media campaign theme
July	Stakeholder meetings, paid and organic social media campaigns begin, opinion research development
August	Earned media campaign begins in conjunction with opinions survey results, ongoing social and stakeholder outreach
September	Press event, community meetings, ongoing other programs
October	Project completion / analysis of results



JUNE 17, 2021

AGENDA ITEM # 9

CAPITAL PROJECT STATUS REPORTS – 3RD QUARTER FISCAL YEAR 2021

Action Requested: Receive and File

Key Staff: Timothy Jones, Chief Financial Officer

The Authority is currently under contract for the following 17 capital projects:

1. US 50 Bus and Carpool Lanes, Phase 2 (California Department of Transportation)
2. Interstate 5 Bus and Carpool Lanes (California Department of Transportation)
3. Greenback Lane/Sunrise Blvd. to Fair Oaks Blvd. (City of Citrus Heights)
4. Capital SouthEast Connector (Connector JPA)
5. Capital SouthEast Connector Mitigation Program (Connector JPA)
6. Folsom Blvd. Watt Ave. to Bradshaw Rd. (County of Sacramento)
7. Greenback Lane – Fair Oaks Blvd. to Main (County of Sacramento)
8. Hazel Ave. Improvements – US 50 to Folsom Blvd. (County of Sacramento)
9. Hazel Ave. Improvements, Phase 1 – US 50 to Madison Ave. (County of Sacramento)
10. Madison Ave Improvements – Sunrise Blvd. to Hazel Ave. (County of Sacramento)
11. South Watt Ave. Improvements - Route 16 (County of Sacramento)
12. Sunrise Blvd. Jackson Rd. to Grantline Rd. (County of Sacramento)
13. Watt Ave. Improvements – Antelope Road to Business 80 (County of Sacramento)
14. Folsom Blvd. Improvements – Bradshaw Road to Sunrise Blvd. (City of Rancho Cordova)
15. Sunrise Blvd. Improvements – Gold Country to Jackson Roads (City of Rancho Cordova)
16. Downtown Intermodal Station (City of Sacramento)
17. Interstate 5/Richards Blvd. Interchange Upgrade (City of Sacramento)

Attached, you will find a status report for each project under contract with the Authority.

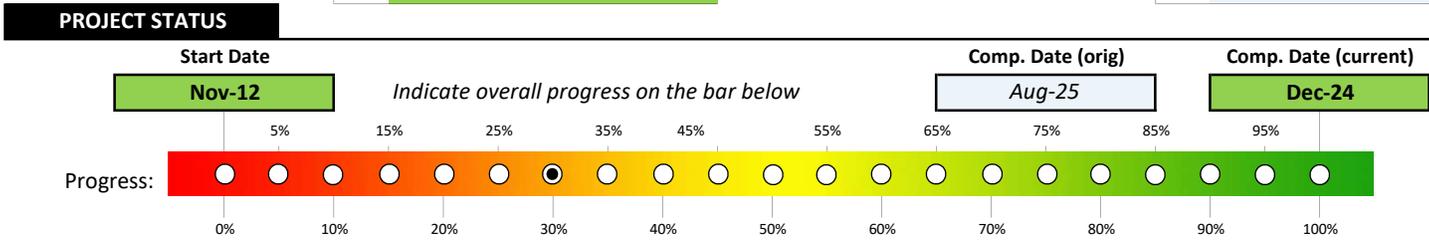
Attachment

Measure A Capital Projects Quarterly Status Report



PROJECT INFO			
Quarter Ended:	March 31, 2021	Fiscal Year:	2020-21
		Reporting Quarter:	3
Agency:	California Department of Transportation	Project Mgr:	Jim K Rogers
		Contact Info:	916-826-6052
Project Name:	US Highway 50 Bus & Carpool Lanes - phase 2		
Sponsor Project ID Number:	03-3F360/03-0H08U	STA Project ID Number:	A-47-CT
Original Est. Project Cost:	\$ 68,315,000.00	Current Est. Project Cost:	\$ 147,480,000.00

MEASURE A FUNDING			
Previous Contract(s) Amount:	\$	15,945,604.00	Projected Spending
Previous Contract(s) Spending:		15,310,227.98	
Current Contract Amount:	\$	12,500,000.00	
Current Contract Spending:	\$	1,858,809.30	
Expended This Quarter:	\$	304,948.85	4Q: \$ 875,000.00
Total Remaining:	\$	10,971,617.87	1Q: \$ 875,000.00
			2Q: \$ 875,000.00
			3Q: \$ 875,000.00
		Funds leveraged using local match	\$ 442,000,000.00



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

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

Explanation of Activities this Quarter and Additional Notes

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

- Coordination continued with Union Pacific Rail Road and Sacramento Regional Transit.
- Coordination continued with City of Sacramento on adjacent projects, parking impacts and utility work.
- Flatiron West Inc. with their design partner WSP are developing plans for the project.
- Design work is progressing at a rapid pace.
- Unsheltered camps were moved from under the W-X Freeway and a Safe Camping area was provided at parking lot between 6th Street and 8th Street.
- Construction work on soundwalls and traffic staging to accommodate bridge widening and retaining wall construction began.

Measure A Capital Projects Quarterly Status Report



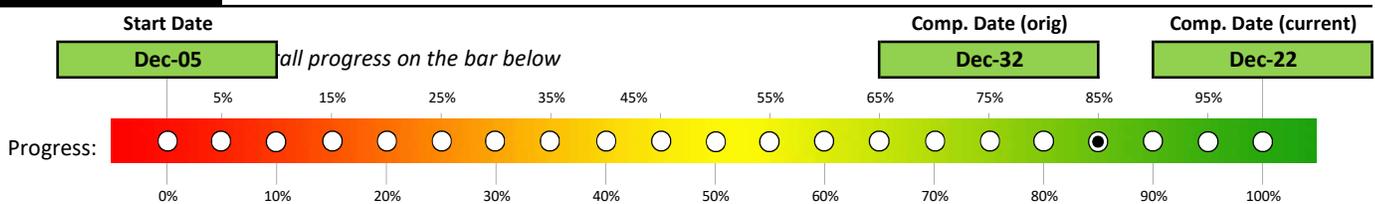
PROJECT INFO

Quarter Ended:	March 31, 2021	Fiscal Year:	2020-21	Reporting Quarter:	3
Agency:	California Department of Transportation	Project Mgr:	Jess Avila		
		Contact Info:	530-741-4533		
Project Name:	Interstate 5 Bus & Carpool Lanes				
Sponsor Project ID Number:	03-3C000 and 03-3C001	STA Project ID Number:	A-45-CT		
Original Est. Project Cost:	\$ 188,479,000.00	Current Est. Project Cost:	\$ 125,530,000.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ 3,185,454.00	Projected Spending	4Q:	\$ 1,800,000.00
Previous Contract(s) Spending:	\$ 3,185,454.00		1Q:	\$ 2,000,000.00
Current Contract Amount:	\$ 30,000,000.00		2Q:	\$ 2,000,000.00
Current Contract Spending:	\$ 15,323,002.82		3Q:	\$ 2,000,000.00
Expended This Quarter:	\$ 751,919.77			
Total Remaining:	\$ 13,925,077.41	Funds leveraged using local match	\$ 332,000,000.00	

PROJECT STATUS



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

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

Explanation of Activities this Quarter and Additional Notes

Started concrete barrier work on Beach Lake Bridge and Route 5/160 Separations (Freeport Blvd.). Casilada Pedestrian Overcrossing is 90% complete.

Continued concrete barrier upgrade between Route 5/160 Separation and I5/US 50 Interchange. Started drainage work in the median at various locations. Starting outside widening of roadway between Pocket Road and Broadway. Started retaining wall construction at overcrossing locations between Pocket Road and Broadway. Installed metal beam guardrail at various location Elk Grove Blvd and Cosumnes Blvd.

Measure A Capital Projects Quarterly Status Report



PROJECT INFO

Quarter Ended: **March 31. 2021** Fiscal Year: **2020-21** Reporting Quarter: **3**

Agency: **Citrus Heights** Project Mgr: **Regina Cave**
Contact Info: rcave@citrusheights.net

Project Name: **Geenback Lane/Sunrise Blvd. to Fair Oaks Blvd.**

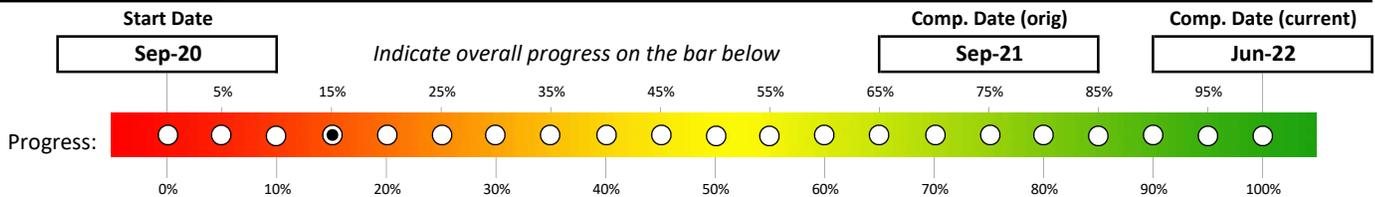
Sponsor Project ID Number: **45-20-002** STA Project ID Number: **A-18-CH**

Original Est. Project Cost: \$ **1,500,000.00** Current Est. Project Cost: \$ **1,800,000.00**

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ -	Projected Spending	4Q:	\$ -
Previous Contract(s) Spending:	\$ -		1Q:	\$ -
Current Contract Amount:	\$ 600,000.00		2Q:	\$ -
Current Contract Spending:	\$ -		3Q:	\$ -
Expended This Quarter:	\$ -			
Total Remaining:	\$ 600,000.00	Funds leveraged using local match	\$	1,200,000.00

PROJECT STATUS



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

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

Explanation of Activities this Quarter and Additional Notes

Contract for PS&E awarded August 27, 2020. Design is currently underway - advertising for CON tentatively delayed to Fall 2021 for early 2022 construction. Current expenditures for PS&E are from local (non-Measure A) funds. All expenditures for CON anticipated for 21/22 FY.

Measure A Capital Projects Quarterly Status Report



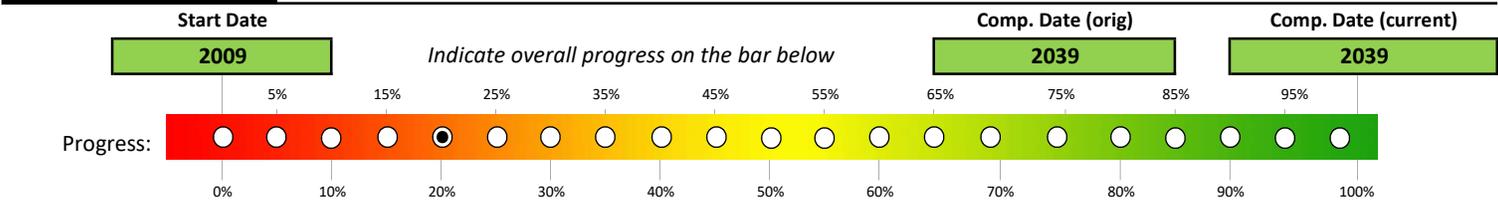
PROJECT INFO

Quarter Ended:	March 31, 2021	Fiscal Year:	2020-21	Reporting Quarter:	3
Agency:	Capital SouthEast Connector	Project Mgr:	Matt Lampa		
		Contact Info:	lampam@saccounty.net		
Project Name:	Capital SouthEast Connector				
Sponsor Project ID Number:	N/A	STA Project ID Number:	A-16-JP		
Original Est. Project Cost:	\$ 1,006,014,000	Current Est. Project Cost:	\$ 588,190,000		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ 12,788,762.00	Projected Spending	4Q:	\$ 1,050,000
Previous Contract(s) Spending:	\$ 12,788,762.00		1Q:	\$ 750,000
Current Contract Amount:	\$ 25,640,000.00		2Q:	\$ 750,000
Current Contract Spending:	\$ 19,614,153.59		3Q:	\$ 750,000
Expended This Quarter:	649,666.30	Funds leveraged using local match		
Total Remaining:	5,376,180.11		\$	150,300,000.00

PROJECT STATUS



- Current Status (as of last day of reporting quarter; check only one):
- Not Started
 - Pending or On-Hold
 - Design and/or Engineering
 - Right-of-Way Acquisition
 - Environmental Review
 - Planning/Financing/Approval
 - Bidding and/or Contracting
 - Under Construction
 - Completed

Explanation of Activities this Quarter and Additional Notes

Explanation of activities:

- **Segment A:** Final Design and right of way acquisitions for A2 completed, construction authorized by the California Transportation Commission, and construction agreement awarded.
- **Segment B:** B2 Project utility relocations and construction ongoing. \$3M for Elk Grove construction obligated.
- **Segment C:** Continued coordination w/ the City of Elk Grove on conceptual intersection designs and traffic study work for various intersections along the alignment.
- **Segment D2:** Preparation and submittal of Grant applications
- **Segment D3/ E1:** D3a project construction and utility relocations ongoing. Preparation and submittal of grant application.

Measure A Capital Projects Quarterly Status Report



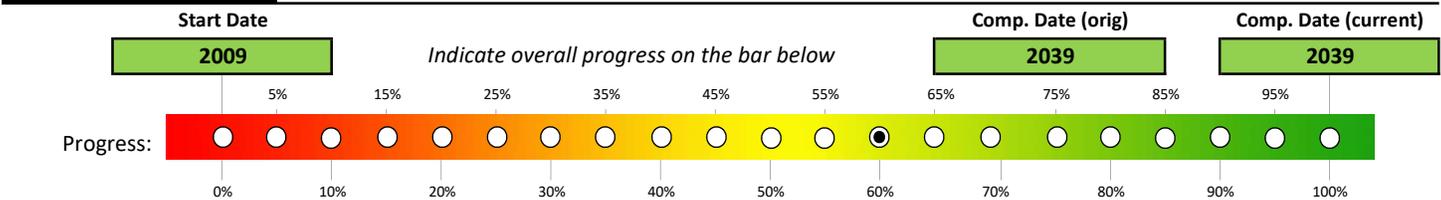
PROJECT INFO

Quarter Ended:	March 31, 2021	Fiscal Year:	2020-21	Reporting Quarter:	3
Agency:	Capital SouthEast Connector	Project Mgr:	Derek Minnema		
		Contact Info:	minnemad@saccounty.net		
Project Name:	Capital SouthEast Connector				
Sponsor Project ID Number:	N/A	STA Project ID Number:	A-16-JP		
Original Est. Project Cost:	\$ 1,006,014,000	Current Est. Project Cost:	\$ 588,190,000		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ -	Projected Spending	4Q:	\$ 90,773
Previous Contract(s) Spending:	\$ -		1Q:	\$ -
Current Contract Amount:	\$ 5,000,000.00		2Q:	\$ -
Current Contract Spending:	\$ 3,686,001.00		3Q:	\$ -
Expended This Quarter:	1,223,226.00			
Total Remaining:	90,773.00	Funds leveraged using local match		\$ -

PROJECT STATUS



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

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

Explanation of Activities this Quarter and Additional Notes

Explanation of activities:

Project environmental mitigation purchased through the South Sacramento Habitat Conservation Plan.

Measure A Capital Projects Quarterly Status Report



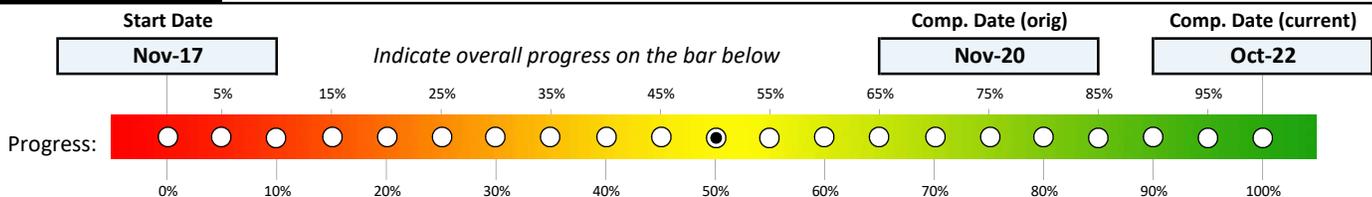
PROJECT INFO

Quarter Ended:	March 31, 2021	Fiscal Year:	2020-21	Reporting Quarter:	3
Agency:	County of Sacramento	Project Mgr:	Stan Sorensen		
		Contact Info:	(916) 874-2816		
Project Name:	Folsom Blvd. Watt Ave. to Bradshaw Road				
Sponsor Project ID Number:	RFODGE	STA Project ID Number:	A-13-SC		
Original Est. Project Cost:	\$ 40,698,159.00	Current Est. Project Cost:	\$ 40,698,159.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ -	Projected Spending	4Q:	\$ 75,000.00
Previous Contract(s) Spending:	\$ -		1Q:	\$ 250,000.00
Current Contract Amount:	\$ 1,303,000.00		2Q:	\$ 321,115.00
Current Contract Spending:	\$ 567,926.18		3Q:	\$ -
Expended This Quarter:	\$ 88,958.56			
Total Remaining:	\$ 646,115.26	Funds leveraged using local match	\$	489,461.04

PROJECT STATUS



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

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

Explanation of Activities this Quarter and Additional Notes

The California Environmental Quality Act (CEQA) approval for the Mayhew Road to Bradshaw Road segment on Folsom Boulevard was issued in January 2019. The project is currently in the right-of-way and final design phases of work for a Phase 1 complete streets improvement project. All right of way acquisitions are from Sacramento Regional Transit (SacRT). The Board of Supervisors approved the easement agreements which were recently approved and executed by RT. The Right-of-way certification will be finalized in April with allocation expected by June 30, 2021. The project is scheduled to be bid in summer-fall 2021 with construction scheduled to begin in early 2022. An additional contract will be needed to fully fund the construction work.

Measure A Capital Projects Quarterly Status Report



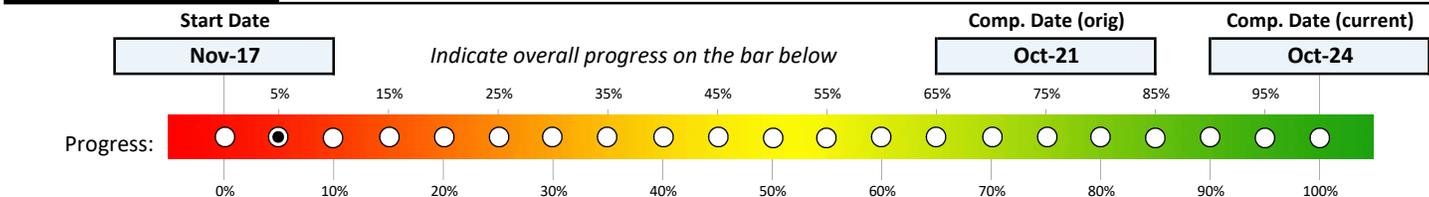
PROJECT INFO

Quarter Ended:	March 31, 2021	Fiscal Year:	2020-21	Reporting Quarter:	3
Agency:	County of Sacramento	Project Mgr:	Heather Yee, Senior Civil Engineer		
		Contact Info:	(916) 874-6291		
Project Name:	Greenback Lane Phase I - Fair Oaks Blvd. to Main Street				
Sponsor Project ID Number:	STOXEB	STA Project ID Number:	A-17-SC		
Original Est. Project Cost:	\$ 41,716,000.00	Current Est. Project Cost:	\$ 41,716,000.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$	116,829.91	Projected Spending		4Q:	\$	50,000.00
Previous Contract(s) Spending:	\$	116,829.91		1Q:	\$	100,000.00	
Current Contract Amount:	\$	2,900,000.00		2Q:	\$	100,000.00	
Current Contract Spending:	\$	224,542.91		3Q:	\$	250,000.00	
Expended This Quarter:	\$	27,479.18					
Total Remaining:	\$	2,647,977.91				Funds leveraged using local match	\$ -

PROJECT STATUS



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

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

Explanation of Activities this Quarter and Additional Notes

The project limits are Greenback Lane from Chestnut Ave to the Folsom City/Sacramento County boundary. The project includes sidewalk infill, ADA improvements (curb ramps and bus stops), Class II bike lanes and streetscape enhancements, and traffic signal modifications. A new traffic signal is proposed at Chestnut Ave. Design and environmental review are underway.

Public outreach and community input on the proposed alignment will be solicited through public meetings. Activities this quarter include presentation of the project to the Sacramento County Bicycle Advisory Committee (SacBAC) and obtained CEQA in January 2021.

Measure A Capital Projects Quarterly Status Report



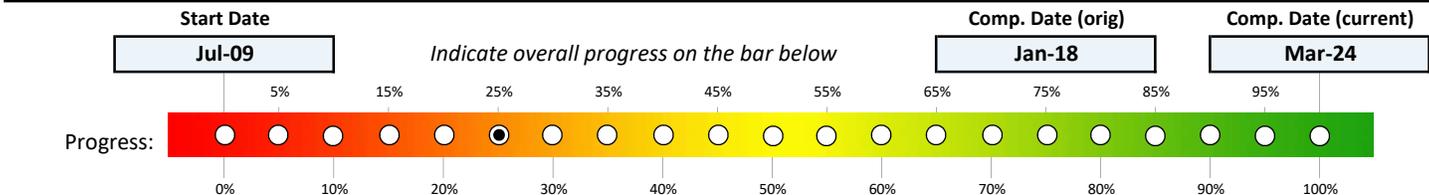
PROJECT INFO

Quarter Ended:	March 31, 2021	Fiscal Year:	2020-21	Reporting Quarter:	3
Agency:	County of Sacramento	Project Mgr:	Tim Stevens, Senior Civil Engineer		
		Contact Info:	(916) 874-6291		
Project Name:	Hazel Avenue Improvements – US Highway 50 to Folsom Blvd				
Sponsor Project ID Number:	STRL41	STA Project ID Number:	A-23-SC		
Original Est. Project Cost:	\$ 61,268,182.00	Current Est. Project Cost:	\$ 82,735,257.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$	1,679,031.22	Projected Spending			4Q:	\$	100,000.00
Previous Contract(s) Spending:	\$	1,679,031.22		1Q:	\$	250,000.00		
Current Contract Amount:	\$	10,750,000.00		2Q:	\$	500,000.00		
Current Contract Spending:	\$	253,172.30		3Q:	\$	1,000,000.00		
Expended This Quarter:	\$	-						
Total Remaining:	\$	10,496,827.70	Funds leveraged using local match		\$	-		

PROJECT STATUS



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

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

Explanation of Activities this Quarter and Additional Notes

Caltrans approved the Finding of No Significant Impact (FONSI) on 7/2/2020;

The project was on the County Board agenda for certification of the FEIR/EA and the Board found the FEIR/EA adequate and complete on 9/22/2020;

The Notice of Determination was filed on 10/5/2020 and CEQA/NEPA completed in 2021.

The Project Report has been completed and approved by Caltrans.

A Request For Qualifications (RFQ) for engineering services has been released and is due on April 30, 2021. Once reviewed, the top three candidates will issue an Request For Proposal (RFP) to further refine and select a consultant.

Next steps will be to begin Rights-of-way acquisitions once a consultant is under contract and design is underway.

Measure A Capital Projects Quarterly Status Report



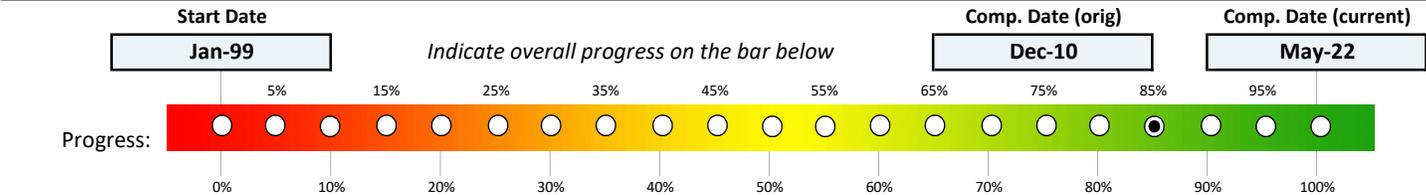
PROJECT INFO

Quarter Ended:	March 31, 2021	Fiscal Year:	2020-21	Reporting Quarter:	3
Agency:	County of Sacramento	Project Mgr:	Tim Stevens, Senior Civil Engineer		
		Contact Info:	(916) 874-6291		
Project Name:	Hazel Avenue Improvements, Phase 1 – US Highway 50 to Madison Avenue				
Sponsor Project ID Number:	ST0XCC;ST0XCJ;DV2L43;STRL43	STA Project ID Number:	A-21-SC		
Original Est. Project Cost:	\$ 79,292,680.00	Current Est. Project Cost:	\$ 110,000,000.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ 33,999,043.75	Projected Spending	4Q:	\$ 500,000.00
Previous Contract(s) Spending:	\$ 33,999,043.75		1Q:	\$ 1,000,000.00
Current Contract Amount:	\$ 6,900,000.00		2Q:	\$ 1,176,751.30
Current Contract Spending:	\$ 2,494,188.05		3Q:	\$ -
Expended This Quarter:	\$ 1,729,060.65			
Total Remaining:	\$ 2,676,751.30	Funds leveraged using local match	\$ 11,090,031.46	

PROJECT STATUS



- Current Status (as of last day of reporting quarter; check only one):
- Not Started
 - Right-of-Way Acquisition
 - Bidding and/or Contracting
 - Pending or On-Hold
 - Environmental Review
 - Under Construction
 - Design and/or Engineering
 - Planning/Financing/Approval
 - Completed

Explanation of Activities this Quarter and Additional Notes

Hazel Avenue Widening Phase 1, US 50 to Curragh Downs Drive: Construction completed in Spring 2011.
(Current Status: Completed)

Hazel Avenue Widening Phase 2, Curragh Downs Drive to Sunset Avenue: Construction Completed in July 2018.
(Current Status: Completed)

Hazel Avenue Widening Phase 3, Sunset Avenue to Madison Avenue: Right of way acquisition is complete for the Phase 3 project. The project opened bids on August 20, 2020, and the contract was awarded to Teichert. Construction began November 16, 2020 and joint trench construction for utility relocation and sound wall installation is scheduled to be completed by June 2021. Roadway improvements and utility undergrounding to follow joint trench completion.

Measure A Capital Projects Quarterly Status Report



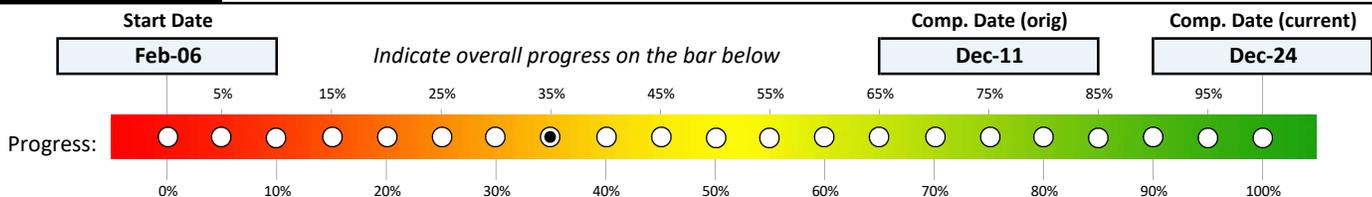
PROJECT INFO

Quarter Ended:	March 31, 2021	Fiscal Year:	2020-21	Reporting Quarter:	3
Agency:	County of Sacramento	Project Mgr:	Jenny Singh, Senior Civil Engineer		
		Contact Info:	(916)874-6291		
Project Name:	Madison Avenue Improvements, Phase 1 – Sunrise Blvd to Hazel Avenue				
Sponsor Project ID Number:	STOXAG	STA Project ID Number:	A-24-SC		
Original Est. Project Cost:	\$ 19,929,143.00	Current Est. Project Cost:	\$ 28,872,280.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$	1,280,274.94	Projected Spending			4Q:	\$	250,000.00
Previous Contract(s) Spending:	\$	1,280,274.94		1Q:	\$	250,000.00		
Current Contract Amount:	\$	3,000,000.00		2Q:	\$	250,000.00		
Current Contract Spending:	\$	567,840.71		3Q:	\$	250,000.00		
Expended This Quarter:	\$	131,515.72						
Total Remaining:	\$	2,300,643.57				Funds leveraged using local match	\$	197,402.07

PROJECT STATUS



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

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

Explanation of Activities this Quarter and Additional Notes

The project is currently in the environmental review stage for the hybrid alternative. The hybrid alternative consists of widening Madison Avenue to five or six lanes with some portions of Madison Avenue remaining at four lanes. This alternative is the preferred alternative due to less right-of-way and tree impacts than associated with the six lane project. The traffic study for the hybrid has been completed.

A public outreach and community input process will be conducted as the environmental review stage continues. This public outreach process is expected to move forward in summer 2021.

Measure A Capital Projects Quarterly Status Report



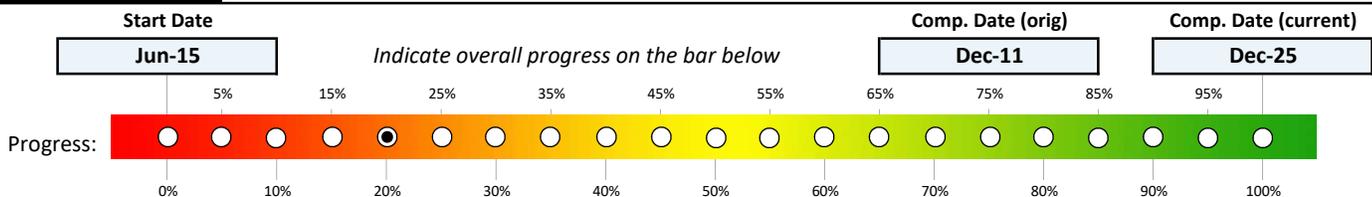
PROJECT INFO

Quarter Ended:	March 31, 2021	Fiscal Year:	2020-21	Reporting Quarter:	3
Agency:	County of Sacramento	Project Mgr:	Heather Yee, Senior Civil Engineer		
		Contact Info:	(916) 874-9182		
Project Name:	South Watt Ave/Elk Grove-Florin Rd Improvements, Florin Rd to State Route 16				
Sponsor Project ID Number:	STOXdG	STA Project ID Number:	A-27-SC		
Original Est. Project Cost:	\$ 10,873,412.00	Current Est. Project Cost:	\$ 30,182,360.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ 3,159,720.99	Projected Spending	4Q:	\$ 100,000.00
Previous Contract(s) Spending:	\$ 3,159,720.99		1Q:	\$ 250,000.00
Current Contract Amount:	\$ 7,030,000.00		2Q:	\$ 250,000.00
Current Contract Spending:	\$ 230,512.11		3Q:	\$ 250,000.00
Expended This Quarter:	\$ -			
Total Remaining:	\$ 6,799,487.89	Funds leveraged using local match	\$ -	

PROJECT STATUS



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

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

Explanation of Activities this Quarter and Additional Notes

The project is currently in the preliminary engineering phase of work. Grant awards in 2020 allowed the extension of the project limits south (from Fruitridge to Florin), tripling its length and cost. An engineering consultant has been under contract since December 2019. Environmental studies for CEQA/NEPA were also initiated in January 2020 and nearing completion. The GAD for the ultimate 6-lane configuration is 95% complete. Refinement of the project design is on-going including coordination with the City of Sacramento and the Central Valley Flood Protection Board. Hydromodification and alternatives on the project are being coordinated.

This project has significant grant funding for the design phase and matching bond funds so the Measure A expenses are minimal at this time, despite substantial work progress. Measure A funds a substantial share of the ROW and construction costs.

Measure A Capital Projects Quarterly Status Report



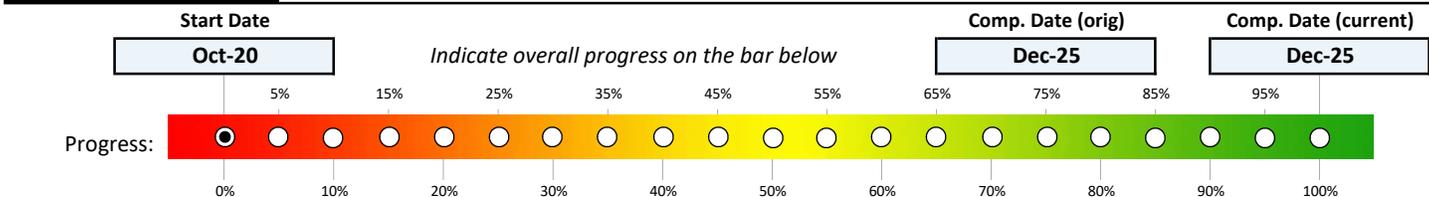
PROJECT INFO

Quarter Ended:	March 31, 2021	Fiscal Year:	2020-21	Reporting Quarter:	3
Agency:	County of Sacramento	Project Mgr:	Melissa Wright, Principal Civil Engineer		
		Contact Info:	(916) 874-6291		
Project Name:	Sunrise Blvd. Jackson Road to Grant Line Road				
Sponsor Project ID Number:	Not Assigned	STA Project ID Number:	A-31-SC		
Original Est. Project Cost:	\$ 79,763,000.00	Current Est. Project Cost:	\$ 79,763,000.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ -	Projected Spending	4Q:	\$ -
Previous Contract(s) Spending:	\$ -		1Q:	\$ 50,000.00
Current Contract Amount:	\$ 2,400,000.00		2Q:	\$ 75,000.00
Current Contract Spending:	\$ -		3Q:	\$ 75,000.00
Expended This Quarter:	\$ -			
Total Remaining:	\$ 2,400,000.00	Funds leveraged using local match		\$ -

PROJECT STATUS



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

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

Explanation of Activities this Quarter and Additional Notes

The Phase 1 Project includes widening of Sunrise Boulevard between Jackson Hwy and Kiefer Road by the City of Rancho Cordova and includes intersection improvements at Jackson Road at Sunrise Boulevard by the County. The tentative completion date shown in the "Project Status" section of this report is for the Phase 1 Project. The Project is needed by, and requires coordination with the City of Rancho Cordova. The City and County met in February and April 2021 to discuss the City leading the design work at the intersection with their roadway segment and using the County's Measure A funding; we anticipate developing an agreement with Rancho Cordova for this purpose over the next quarter.

Measure A Capital Projects Quarterly Status Report



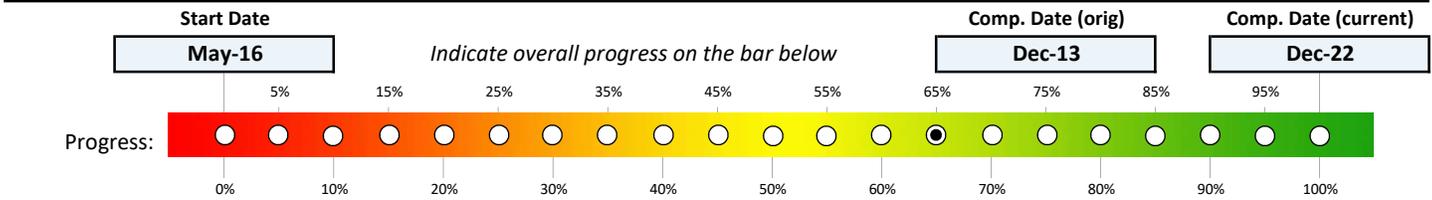
PROJECT INFO

Quarter Ended:	March 31, 2021	Fiscal Year:	2020-21	Reporting Quarter:	3
Agency:	County of Sacramento	Project Mgr:	Heather Yee, Senior Civil Engineer		
		Contact Info:	(916) 874-6291		
Project Name:	Watt Avenue Improvements – Antelope Road to Business Interstate 80				
Sponsor Project ID Number:	STOXdN	STA Project ID Number:	A-37-SC		
Original Est. Project Cost:	\$ 40,825,817.00	Current Est. Project Cost:	\$ 40,825,817.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ 263,377.50	Projected Spending	4Q:	\$ 100,000.00
Previous Contract(s) Spending:	\$ 263,377.50		1Q:	\$ 250,000.00
Current Contract Amount:	\$ 3,345,000.00		2Q:	\$ 250,000.00
Current Contract Spending:	\$ 422,205.31		3Q:	\$ 250,000.00
Expended This Quarter:	\$ 62,412.95			
Total Remaining:	\$ 2,860,381.74	Funds leveraged using local match	\$ 504,605.05	

PROJECT STATUS



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

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

Explanation of Activities this Quarter and Additional Notes

Project improvements on this corridor are for a segment of Watt Avenue from Interstate 80 to Roseville Road. (Additional funding was secured in November 2020 extending the limits north from Wynona Way to Roseville Rd and lengthening the schedule). The preliminary design for this project will evaluate and coordinate a preferred alternative for a complete streets concept that will include sidewalk infill, Americans With Disabilities Act (ADA) improvements (curb ramps and bus stops), Class II bike lanes, and streetscape enhancements.

The California Environmental Quality Act (CEQA) clearance for the entire project area was completed in March 2020. National Environmental Policy Act (NEPA) clearance for the entire project was completed in July 2020. Project remains in right of way phase and the design team is refining aspects of roadway design.

Measure A Capital Projects Quarterly Status Report



PROJECT INFO

Quarter Ended: **March 31, 2021** Fiscal Year: **2020-21** Reporting Quarter: **3**

Agency: **City of Rancho Cordova** Project Mgr: **Edgar Medina**
Contact Info: emedina@cityofranhocordova.org

Project Name: **Folsom Blvd Improvements – Bradshaw Road to Sunrise Blvd**

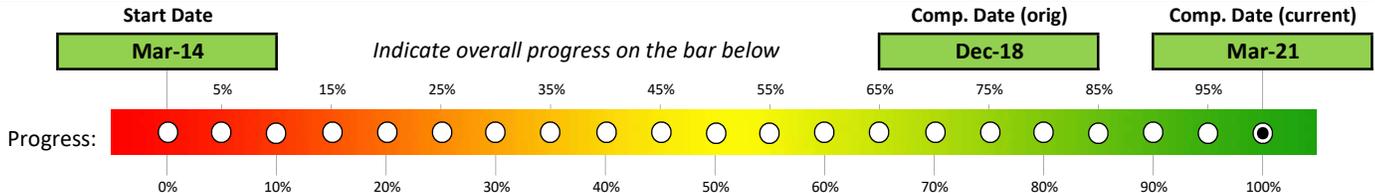
Sponsor Project ID Number: **P14-2129/CP14-2139/CP16-217** STA Project ID Number: **A-14-RC**

Original Est. Project Cost: \$ **10,155,200.00** Current Est. Project Cost: \$ **13,129,135.00**

MEASURE A FUNDING

Previous Contract(s) Amount:	\$	5,304,219.29	Projected Spending	4Q:	\$	1,025,768.82
Previous Contract(s) Spending:	\$	5,304,219.29		1Q:	\$	-
Current Contract Amount:	\$	5,866,817.60		2Q:	\$	-
Current Contract Spending:	\$	4,501,776.09		3Q:	\$	-
Expended This Quarter:	\$	339,272.69				
Total Remaining:	\$	1,025,768.82				
Funds leveraged using local match					\$	10,777,920.00

PROJECT STATUS



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

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

Explanation of Activities this Quarter and Additional Notes

The project is substantially complete. The contractor worked on minor punchlist items and the entry monument sign and the team has begun working on the close out documents for this project.

Measure A Capital Projects Quarterly Status Report



PROJECT INFO

Quarter Ended: **March 31, 2021** Fiscal Year: **2020-21** Reporting Quarter: **3**

Agency: **City of Rancho Cordova** Project Mgr: **Edgar Medina**
Contact Info: emedina@cityofranhocordova.org

Project Name: **Sunrise Blvd – Gold Country Road to Jackson Road**

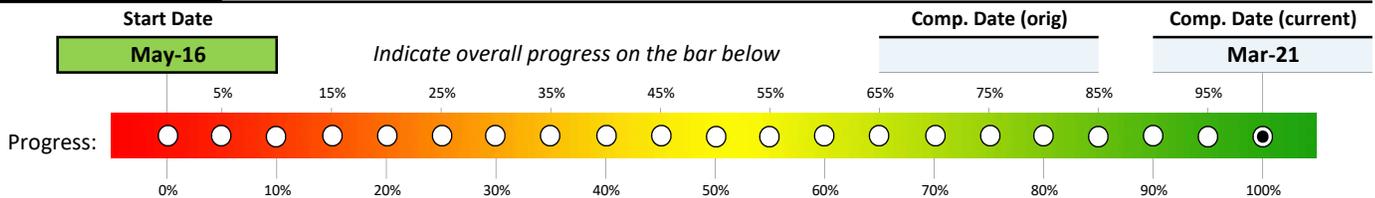
Sponsor Project ID Number: **CP15-2145/CP18-2187** STA Project ID Number: **A-32-RC**

Original Est. Project Cost: \$ **4,035,000.00** Current Est. Project Cost: \$ **8,160,300.00**

MEASURE A FUNDING

Total Measure A Funding:	\$	9,620,452.40	Projected Spending	4Q:	\$	1,082,919.21
Current Contract Amount:	\$	1,273,278.00		1Q:	\$	-
Total Previously Expended:	\$	8,526,028.27		2Q:	\$	-
Expended This Quarter:	\$	11,504.92		3Q:	\$	-
Total Remaining:	\$	1,082,919.21	Funds leveraged using local match	\$	6,886,000.00	

PROJECT STATUS



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

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

Explanation of Activities this Quarter and Additional Notes

The project is substantially complete. The contractor worked on minor landscaping punchlist items and the team has begun working on the close out documents for this project.

Measure A Capital Projects Quarterly Status Report



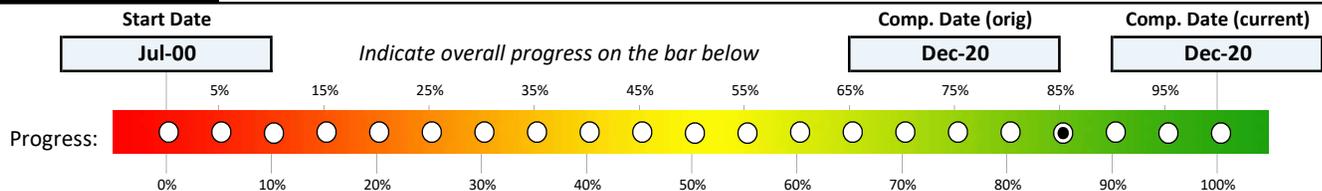
PROJECT INFO

Quarter Ended:	March 31, 2021	Fiscal Year:	2020-21	Reporting Quarter:	3
Agency:	City of Sacramento	Project Mgr:	Greg Taylor, Supervising Architect		
		Contact Info:	916-808-5268		
Project Name:	Downtown Intermodal Facility				
Sponsor Project ID Number:	T15029000	STA Project ID Number:	A-38-CS		
Original Est. Project Cost:	\$ 200,000,000.00	Current Est. Project Cost:	\$ 200,000,000.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ 70,272,500.00	Projected Spending	4Q:	\$ 75,000.00
Previous Contract(s) Spending:	\$ 70,272,500.00		1Q:	\$ 75,000.00
Current Contract Amount:	\$ 19,823,000.00		2Q:	\$ 75,000.00
Current Contract Spending:	\$ 13,104,731.72		3Q:	\$ 75,000.00
Expended This Quarter:	\$ 88,680.09			
Total Remaining:	\$ 6,629,588.19	Funds leveraged using local match	\$	101,988,786.00

PROJECT STATUS



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

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

Explanation of Activities this Quarter and Additional Notes

Phase 3 – Site Master Planning is near final completion to Council for approvals in early April 2021. Phase 3 Inter-modal planning consultant fees and city staff administrative and management costs.

Phase 2 - Final completion of certifications is complete. Project Closeout to initiate in FY21 Q4.

Minor Capital Improvements - A small capital project for access control to Amtrak restrooms and requirements imposed County Health Dept. Construction has begun early March.

Northbound I-5 Ramp Relocation Study (CIP T15029061) was established for the Interstate 1-5 Northbound Ramp/ 3rd Street Access study. This project was funded with 2020 TIRCP funds for a Project Study Report for relocating the I-5 Northbound Ramp for improved bus and transit access and lower VMT at SVS. TIRCP funds in the amount of \$500,000 with \$200,000 STA match. Project staff have commenced work on the RFP.

Measure A Capital Projects Quarterly Status Report



PROJECT INFO

Quarter Ended: **March 31, 2021** Fiscal Year: **2020-21** Reporting Quarter: **3**

Agency: **City of Sacramento** Project Mgr: **William Shunk, Senior Engineer**

Contact Info: **916-808-2986**

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

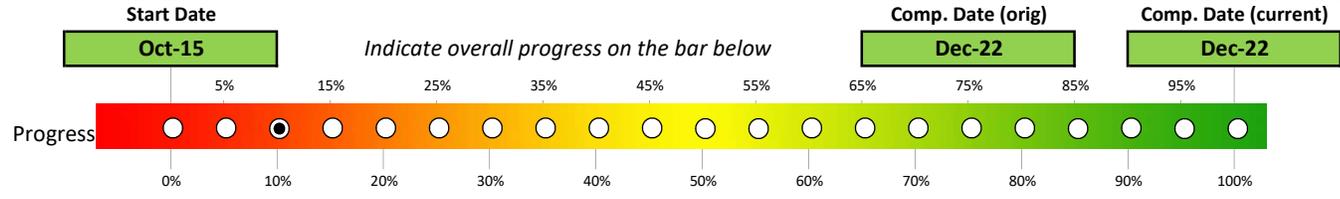
Sponsor Project ID Number: **T15165100** STA Project ID Number: **A-52-CS**

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

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ -	Projected Spending	4Q:	\$ 50,000.00
Previous Contract(s) Spending:	\$ -		1Q:	\$ 50,000.00
Current Contract Amount:	\$ 3,115,861.73		2Q:	\$ 50,000.00
Current Contract Spending:	\$ 350,835.20		3Q:	\$ 50,000.00
Expended This Quarter:	\$ 41,038.10	Funds leveraged using local match		
Total Remaining:	\$ 2,723,988.43	\$ 3,098,000.00		

PROJECT STATUS



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

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

Explanation of Activities this Quarter and Additional Notes

The project team has selected two alternatives to carry through the environmental process: Alternative 1 which will convert the existing tight-diamond interchange configuration into a diverging diamond configuration, and Alternative 3 which will convert the interchange to a diverging diamond and add braided ramps to the east side of Interstate 5. The project team has drafted a purpose and need statement and is working on the technical studies for the environmental document.



JUNE 17, 2021

AGENDA ITEM # 10

APPROPRIATIONS LIMIT FOR FISCAL YEAR 2021-22

Action Requested: Adopt Resolution

Key Staff: Timothy Jones, Chief Financial Officer

Recommendation

Adopt resolution setting the Sacramento Transportation Authority's Fiscal Year 2021-22 Appropriations Limit at \$315,753,737.

Discussion

Section 1 of Article XIII B of the California Constitution specifies that local jurisdictions select their cost-of-living factor to compute their appropriation limit by a vote of their governing body. The STA Governing Board (Board) chose to use *per capita personal income* as its cost-of-living factor. Each year the Board adopts an updated annual appropriations limit based on adjustments for the changes in population in Sacramento County and statewide per capita personal income. According to the California Department of Finance, using calendar year 2020 data, population in Sacramento County grew by 0.58% and the cost-of-living factor increased by 5.73% using per capita personal income as the measurement.

To calculate the Appropriations Limit for FY 2021-22, the FY 2020-21 Appropriations Limit of \$296,919,442 is multiplied by the population change factor of 1.0058 and the per capita personal income change factor of 1.0573. This calculation produces a new Appropriations Limit of \$315,753,737.

Appropriations of revenues from Measure A sales tax receipts, the Sacramento County Traffic Mitigation Fee Program (SCTMFP), and investment earnings are subject to the Appropriations Limit but appropriations for debt service are exempt. The Authority's estimated total appropriations are about \$154.7 million for FY 2021-22, which is well below the Appropriations Limit established above.

Attachment

SACRAMENTO TRANSPORTATION AUTHORITY
RESOLUTION NO. _____

**A RESOLUTION SETTING AN
APPROPRIATIONS LIMIT FOR FISCAL YEAR 2021-22**

WHEREAS, the Sacramento Transportation Authority has previously set an Appropriations Limit of \$296,919,442 for Fiscal Year 2020-21; and

WHEREAS, pursuant to Section 1 of Article XIII B of the California Constitution, the Appropriations Limit is to be adjusted annually for changes in local population and changes in statewide cost of living or per capita personal income (price factor); and

WHEREAS, the California Department of Finance has determined that the Sacramento County population change rate and the statewide per capita income change rate used to calculate the Fiscal Year 2021-22 Appropriations Limit are 0.58% and 5.73%, respectively.

THEREFORE, BE IT RESOLVED that the Sacramento Transportation Authority's Appropriations Limit for Fiscal Year 2021-22 is **\$315,753,737**, calculated by adjusting the FY 2020-21 limit of \$296,919,442 by the appropriate factors as follows:

$$\$296,919,442 \times 1.0058 \times 1.0573 = \mathbf{\$315,753,737}$$

On a motion by member _____, seconded by Member _____, the foregoing resolution was passed and adopted by the Governing Board of the Sacramento Transportation Authority at a regular meeting thereof this 17th day of June 2021, by the following vote, to wit:

AYES:

NOES:

ABSENT:

RECUSAL:

Chair of the Governing Body of the
Sacramento Transportation Authority

Clerk of the Governing Body of the
Sacramento Transportation Authority



JUNE 17, 2021

AGENDA ITEM # 11

ALLOCATION AND EXPENDITURE CONTRACT WITH CAPITAL SOUTHEAST CONNECTOR AUTHORITY FOR ENVIRONMENTAL MITIGATION FUNDING OF THE COSUMNES RIVER PERMANENT OPEN SPACE PRESERVE USING SMART GROWTH INCENTIVE PROGRAM FUNDS

Action Requested: Approve

Key Staff: Timothy Jones, Chief Financial Officer

Recommendation

Approve Contract STA-21-AE-001 with Capital SouthEast Connector Joint Powers Authority in the amount of \$5 million to fund the Cosumnes River Permanent Open Space Preserve using Smart Growth Incentive Funds (SGIP).

Background Information

An important congestion-relief project in the 2004 Measure A Transportation Expenditure Plan is the construction of the Capital SouthEast Connector Expressway (Connector Expressway) in the southeast County connecting Elk Grove, Rancho Cordova and Folsom. The Connector Expressway project is subject to Federal and State Endangered Species Acts. Before construction of the Connector Expressway can begin, various approvals and permits are needed.

Since the Connector Expressway is a covered activity in the South Sacramento Habitat Conservation Plan (SSHCP), the project may proceed through the purchase of SSHCP mitigation credits. In August 2019, the STA Governing Board created the Cosumnes River Permanent Open Space Conservation Fund specifically for the purpose of offsetting potential environmental impacts from the construction of the Connector Expressway.

Discussion

The Measure A Expenditure Plan approved by voters in November 2004 specifically allocates at least \$5 million from the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP) within the SGIP for planning, development, and acquisition of the Cosumnes River Permanent Open Space Preserve which is located within the SSHCP.

The attached Contract provides the Capital SouthEast Connector Authority with \$5 million in funding from the Smart Growth Incentive Program for environmental mitigation through the SSHCP. The contract expires June 30, 2024.

Attachment

CONTRACT STA-21-AE-001

ALLOCATION AND EXPENDITURE CONTRACT FOR ENVIRONMENTAL MITIGATION RELATED TO THE CONSTRUCTION OF THE CAPITAL SOUTHEAST CONNECTOR EXPRESSWAY UNDER THE SMART GROWTH INCENTIVE PROGRAM

This Contract is made as of _____, 2021 by and between the Sacramento Transportation Authority, a local transportation authority formed pursuant to the provisions of Public Utilities Code 180000 et seq., hereinafter referred to as “Authority”, and the Capital SouthEast Connector Authority, a joint powers authority (hereinafter referred to as “Entity”).

THE PARTIES AGREE AS FOLLOWS:

1. Purpose. The purpose of this Contract is to:
 - a. Provide for the transfer by the Authority to Entity of transportation mitigation fee revenue for the Cosumnes River Permanent Open Space Preserve as provided for by the Measure A Transportation Expenditure Plan under the Smart Growth Incentive Program (SGIP). Funding shall provide environmental mitigation to offset potential impacts related to the construction of the Capital SouthEast Connector Expressway (hereinafter referred to as “Connector Expressway”).
 - b. Set forth Entity’s obligations with respect to the receipt and expenditure thereof.
2. Description of the Projects. The two projects related to this Contract are:
 - a. CAPITAL SOUTHEAST CONNECTOR EXPRESSWAY. The Connector Expressway is a modern, four-lane expressway that will connect Interstate 5 to U.S. Highway 50 and the Cities of Elk Grove, Rancho Cordova and Folsom. 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 and bicyclists. It is currently being implemented by the Entity.

- b. **COSUMNES RIVER PERMANENT OPEN SPACE PRESERVE.** The Cosumnes River Permanent Open Space Preserve (hereinafter referred to as “Preserve”) is a natural preserve centered along the Cosumnes River, its floodplains and riparian habitat in southern unincorporated Sacramento County. The Preserve contains over 50,000 acres of wildlife habitat and agricultural lands and is home to more than 250 bird species, more than 40 fish species, and over 400 plant species.

The Preserve is located within the South Sacramento Habitat Conservation Plan (SSHCP) area. The SSHCP is a regional effort to create a preserve system that will protect habitat, open space, and agricultural lands in south Sacramento County, including the Cosumnes River watershed, while providing development and infrastructure projects with a streamlined and predictable federal and state permitting process. Using mitigation fees collected under the SSHCP, 36,282 acres would become part of an interconnected preserve system, including approximately 1,000 acres of vernal pool habitat. The SSHCP will help protect 28 plant and wildlife species.

The SSHCP is administered and implemented by the South Sacramento Conservation Agency (SSCA), a joint powers authority that includes Sacramento County and the Cities of Rancho Cordova and Galt.

3. **Definitions.** Unless the context otherwise requires, as used in this Contract, the following terms shall have the following meanings:
 - a. “Act” means the Local Transportation Authority and Improvement Act set forth in the provisions of the Public Utilities Code commencing with Section 180000.
 - b. “Board” means the Governing Board of the Sacramento Transportation Authority.
 - c. “Measure A” means Sacramento Transportation Authority Ordinance No. STA 04-01.
 - d. “Expenditure Plan” means the Transportation Expenditure Plan, 2009–2039 incorporated into Ordinance.
4. **Amount of Allocation and Period of Expenditure.** The Board hereby allocates to Entity the sum of **\$5,000,000** for expenditures associated with the Entity’s analysis, evaluation and assessment of, and purchase of mitigation credits and mitigation fee agreements benefitting projects within and related to the Cosumnes River Permanent Open Space Preserve through the SSHCP. This contract expires June 30, 2024 at which time no additional funds will be provided.

5. Compliance. The use and expenditure of transportation mitigation fee revenue by Entity shall be in full compliance with the provisions of the Act, the Ordinance, applicable resolutions of the Board, this Contract, and all other applicable contractual and legal requirements.

6. Disbursement of Revenues.
 - a. Disbursements of revenue pursuant to this Contract shall be made on a reimbursement basis.
 - b. Disbursements shall become available immediately upon execution of Contract but no later than June 30, 2024.
 - c. All claims shall be approved by Entity's Project Manager prior to submission to Authority.

7. Reporting. Entity shall submit a status report to Authority with each request for disbursement. Information in the status report shall include:
 - a. The amount of fees paid in connection with the Entity's analysis, evaluation and assessment of, and purchase of mitigation credits and fee agreements benefitting and related to the SSCA to fund the Cosumnes River Preserve (through the SSHCP process)
 - b. The quantity of mitigation credits received under the SSHCP
 - c. The status of the section(s) of the Connector Expressway permitted via the mitigation credits

8. Audits.
 - a. Annual audits of the STA will be performed by an independent auditor and reviewed by the Independent Taxpayer Oversight Committee (ITOC). As part of that audit, Entity expenditures will also be audited.
 - b. Claims found to have inadequate supporting documentation may be denied by the STA Executive Director. Funds spent for any expenditures found to be in noncompliance with this Contract may be withheld from future payments. The Board may reallocate any funds so withheld for other Measure A projects or programs.

9. Designation of Project Manager. Entity shall designate a Project Manager who shall be the responsible representative of Entity to Authority staff relating to administration of this Contract.
10. Indemnity and Hold Harmless. Entity shall indemnify and save harmless the Sacramento Transportation Authority, its officers, employees, and agents, and each and every one of them, from and against all actions, damages, costs, liability, claims, losses, and expenses of every type and description to which any or all of them may be subjected, by reason of or resulting from, directly or indirectly, the performance of this Contract by Entity whether or not caused in part by passive negligence of a party indemnified hereunder. The foregoing shall include, but not be limited to, any attorney fees reasonably incurred by Authority.

THE PARTIES PROMISE AND AGREE TO ABIDE BY THE TERMS OF THIS CONTRACT AS SET FORTH ABOVE.

**CAPITAL SOUTHEAST CONNECTOR
AUTHORITY**

**SACRAMENTO TRANSPORTATION
AUTHORITY**

DEREK MINNEMA, Executive Director

SABRINA DRAGO, Executive Director

Date

Date



JUNE 17, 2021

AGENDA ITEM # 12

SELECTION OF INDEPENDENT FINANCIAL/COMPLIANCE AUDITOR

Action Requested: Authorize Executive Director

Presenter: Timothy Jones, Chief Financial Officer

Recommendation

- Select Richardson & Company LLP for financial/compliance audit services for the fiscal year ending June 30, 2021 with an option to provide services for two additional fiscal years
- Authorize the Executive Director to execute a contract with Richardson & Company LLP to perform financial/compliance audit services for the fiscal year ending June 30, 2021.

Background

Under Measure A, the Independent Taxpayer Oversight Committee (ITOC) is required, *under the competitive procurement rules of the Authority and with the active involvement of the Authority Executive Director, to select an independent professional auditor to conduct the fiscal audits of expenditure of all sales tax funds, report findings based on the audits to the Authority and to the public.*

Additionally, Measure A limits any professional audit firm from conducting more than three consecutive fiscal audits during the course of the 30-year sales tax program. For the last three fiscal years FY 2017-18 – FY 2019-20, Crowe LLP performed the annual audits necessitating a change of auditors for this fiscal year. The audit is to be performed in accordance with Generally Accepted Auditing Standards and Government Auditing Standards issued by the Comptroller General of the United States.

Discussion

The Authority issued an RFP for financial audit services on February 8, 2021. Staff reached out to all audit firms who responded to the last RFP issued in 2018 to inform them of the new opportunity. Additionally, the RFP was posted to Public Purchase, a web-based procurement site. The bid close date was March 1, 2021.

The Authority received 4 proposals for audit services by the March 1 close date. The proposers and summarized in the table attached to this staff report.

The lowest cost qualified bidder, Vasquez and Company, was interviewed by staff on March 9th. Subsequently, staff provided a summary of that interview to the ITOC during its March meeting.

The audit partner for Vasquez and Company joined the meeting virtually. The proposal provided by Vasquez and Company was the only one of the four that did not detail the number of hours anticipated to complete the audit. Given that the bid was much lower than the other three, there was concern that the firm did not have a complete understanding of the scope of the work and time necessary to complete it. Therefore, the ITOC did not move forward with the audit firm. The audit partner did not comment at any time during the meeting or subsequently.

Although Richardson & Company LLP was the next lowest bidder, the committee wanted a “fresh set of eyes” on the audit for this fiscal year. Given that Richardson performed three years of audits prior to our last audit firm - Crowe LLP, staff was asked to interview Brown Armstrong. Staff met with the firm on March 22nd and later summarized the interview results during the April ITOC meeting. The committee asked staff to move forward by drafting a contract in preparation for recommending the firm during the May STA Governing Board meeting. Unfortunately, after much negotiation between legal counsel for STA and the audit firm, agreement could not be reached on the indemnification clause.

Therefore, during the May ITOC meeting, Richardson & Company LLP was selected to perform financial/compliance audit services for the fiscal year ending June 30, 2021.

The audit contract is attached for the STA Board’s approval.

Attachment

Financial Audit Services Proposer Analysis

Name of Firm	Date Received	Cost FY 2021	Cost FY 2022	Cost FY 2023	Total Cost	Met Proposal Requirements	Transportation Experience	Firm Partner	Email	Comments
Vasquez and Company	March 1, 2021	42,000	42,000	43,260	127,260	Yes	Moderate	Roger Martinez	ram@vasquezcpa.com	Vasquez and Company has never worked for STA. The firm has a moderate amount of transportation related audit experience - mostly in Southern California, including LA County MTA. The engagement team has extensive audit experience and are all tenured employees of Vasquez. I interviewed the audit team on March 9 to determine if the firm would be a good fit for STA's audit from a qualitative perspective. Although the firm has the least transportation-specific experience of the four proposers, it offers the best price and has a team of staff dedicated to performing a high-quality audit and delivering the finished product on time.
Richardson and Company	March 1, 2021	47,000	48,000	49,000	144,000	Yes	Extensive	Ingrid Shepline	isheipline@richardsoncpas.com	Richardson and Company has completed many audits for STA, most recently completing a three-year engagement for fiscal year ending June 2018. The firm's work has always been excellent. Richardson has extensive transportation audit experience, including numerous agencies in the region such SACOG, Placer County TPA, El Dorado County TC, Paratransit, and Amador County TC.
Brown Armstrong	March 1, 2021	49,240	49,240	49,240	147,720	Yes	Extensive	Ryan L. Nielsen	rnielsen@bacpas.com	Brown Armstrong has never worked for STA. The firm does have extensive transportation audit experience. It has worked for San Joaquin COG, the Fresno Transportation Authority, Napa Valley Transportation Authority, the San Luis Obispo COG. I didn't interview the firm since there are two qualified, lower cost proposers.
Crowe Horwath	March 1, 2021	51,000	51,000	53,000	155,000	Yes	Extensive	Jeff Jensen	jeff.jensen@crowehorwath.com	Crowe completed a three-year engagement with STA ending with fiscal year June 30, 2020. Per STA Ordinance, we cannot use this firm for the fiscal year 2021 audit, but could engage the firm subsequent to that. Crowe has extensive transportation audit experience and performed very well during its three-year engagement with the STA.

SACRAMENTO TRANSPORTATION AUTHORITY AUDITOR SERVICES AGREEMENT

THIS AGREEMENT is made at Sacramento, California, as of _____, 2021 by and between the Sacramento Transportation Authority (“STA”), a local transportation authority formed pursuant to California Public Utilities Code section 180000 et seq. and Richardson & Company, LLP (“Auditor”), a California corporation.

RECITALS

WHEREAS, STA is required under California Public Utilities Code section 180105(c) to “cause a post audit of the financial transactions and records of the authority to be made at least annually by a certified public accountant”;

WHEREAS, the STA Board of Directors desires to retain a qualified auditor to perform a review of STA’s financial records for the purpose of rendering an opinion and making recommendations on the adequacy of the STA’s internal controls and financial reporting and compliance with applicable laws and regulations;

WHEREAS, Auditor possesses the experience, knowledge and qualifications necessary to perform, prepare and deliver a quality audit that will objectively evaluate the fair presentation of the financial statements and the internal control over financial reporting;

WHEREAS, STA is authorized to enter into such an agreement pursuant to California Public Utilities Code section 180152.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, STA and Auditor agree as follows:

1. **Services.** Subject to the terms and conditions set forth in this Agreement, Auditor shall provide to STA the services described in Exhibit A. Auditor shall provide said services at the time, place, and in the manner specified in Exhibit A. The Auditor shall not be compensated for services outside the scope of Exhibit A unless prior to the commencement of such services:
 - a. Auditor notifies the STA that such service is deemed an additional service and Auditor estimates the additional compensation required for this activity.
 - b. The STA, after notice, approves the additional service and amount of compensation therefor.
2. **Payment.** STA shall pay Auditor for services rendered pursuant to this Agreement at the times and in the manner set forth in Exhibit B. The payments specified in Exhibit B shall be the only payments to be made to Auditor for services rendered pursuant to this Agreement unless, pursuant to paragraph 1 above, STA approves additional compensation for additional services. Auditor shall submit all billings for said services to STA in the manner

specified in Exhibit B; or, if no manner be specified in Exhibit B, then according to the usual and customary procedures and practices which Auditor uses for billing clients like STA.

3. **Facilities and Equipment.** Except as set forth in Exhibit C, Auditor shall, at its sole cost and expense furnish all facilities and equipment which may be required for furnishing services pursuant to this Agreement. STA shall furnish to Auditor only the facilities and equipment listed in Exhibit C according to the terms and conditions set forth in Exhibit C.
4. **General Provisions.** The general provisions set forth in Exhibit D, which include insurance requirements, are part of this Agreement. In the event of any inconsistency between said general provisions and any other terms or conditions of this Agreement, this Agreement shall control over the general provisions.
5. **STA Representative.** The STA Representative specified in Exhibit A, or the representative's designee, shall administer this Agreement for the STA.
6. **Exhibits.** All exhibits referred to herein are attached hereto and are by reference incorporated herein.

Executed as of the day first above stated.

Sacramento Transportation Authority

Richardson & Company, LLP

Sabrina Drago
Executive Director

Ingrid Sheipline
Partner

Approved as to Form:

General Counsel

Attachments:

Exhibit A - Representatives and Services to be Provided.

Exhibit B - Fee Schedule and Manner of Payment.

Exhibit C - Facilities and Equipment to be provided by STA.

Exhibit D - General Provisions.

**SACRAMENTO TRANSPORTATION AUTHORITY
EXHIBIT A
AUDITOR SERVICES AGREEMENT**

REPRESENTATIVES AND SERVICES TO BE PROVIDED

Representatives:

STA's Representative: Timothy Jones, Chief Financial Officer (916) 323-0855
801 12th Street Floor 5
Sacramento, CA 95814
tim@sacta.org

Auditor's Representative: Ingrid Shepline, Partner (916) 564-8727

Services to be provided:

The Auditor shall make an examination of the financial statements of the STA and Sacramento Abandoned Vehicle Service Authority ("SAVSA") for the fiscal year ended June 30, 2021. The examination shall be made in accordance with generally accepted auditing standards and will include all procedures necessary for the rendition of an opinion regarding the accuracy and completeness of the presentation of the financial statements in accordance with generally accepted accounting principles.

The examination shall also include a determination of compliance with the terms and definitions of the applicable laws, rules and/or regulations of Public Utilities Code Division 19, the Measure A Ordinance and Expenditure Plan, the California Vehicle Code Section 22710, and all applicable contracts.

A representative examination of the Measure A entities and the SAVSA entities will be made to ensure compliance with applicable laws and with their Measure A and SAVSA contracts with STA. The examination will include:

- a) a study and evaluation of each entity's system of internal control.
- b) a proper test of each entity's accounting records and other financial records.
- c) a review of each entity's accounting system in operation.

It is recognized that STA has the responsibility for the proper recording of transactions in the books of account, for the safeguarding of assets, and for the substantial accuracy of the financial

statements. Such statements are the representations of STA.

The objective of the audit is the expression of an independent opinion on the STA and SAVSA financial statements—per auditing standards established by the American Institute of Certified Public Accountants—to conclude that the financial statements are fairly presented in accordance with generally accepted accounting principles. In conjunction with the audit, Auditor will evaluate STA’s internal control over financial reporting for the purpose of expressing an opinion on the financial statements. Any internal control or other financial reporting issues noted during the audit will be communicated to the STA’s management and governing board. The ability of Auditor to express that opinion will be dependent on the facts and circumstances on the date of that opinion. If the opinion is other than unqualified, the reasons therefore will be fully disclosed.

Audit work will begin in July 2021. Five final copies of the combined audit reports, internal control reports, management letters, and agreed-upon-procedures reports for each Measure A and SAVSA entity are required by December 1, 2021. These due dates may be extended only upon mutual consent of both STA’s and Auditor’s representatives.

The term of this Auditor Services Agreement will expire on March 31, 2022.

**SACRAMENTO TRANSPORTATION AUTHORITY
EXHIBIT B
AUDITOR SERVICES AGREEMENT**

FEE SCHEDULE AND MANNER OF PAYMENT

STA shall pay Auditor for services rendered pursuant to this Agreement a total sum, based on actual time, not to exceed \$47,000. Auditor may submit progress billings not more often than monthly based on actual time incurred at the following hourly rates:

Partner	\$200
Senior Manager	\$180
Manager	\$160
Supervisor	\$140
Senior	\$120
Semi-senior	\$100
Staff	\$90
Clerical	\$60

STA shall make no payment for extra, further, or additional services or expenses pursuant to this Agreement unless such services or expenses and the price thereof are agreed to in advance and such agreement is prepared in writing and executed by Auditor and STA.

Request for payment to Auditor shall be sent to:

Sacramento Transportation Authority
801 12th Street Floor 5
Sacramento, CA 95814
Attn: Chief Financial Officer tim@sacta.org

**SACRAMENTO TRANSPORTATION AUTHORITY
EXHIBIT C
AUDITOR SERVICES AGREEMENT**

FACILITIES AND EQUIPMENT TO BE PROVIDED BY STA

STA shall furnish facilities and equipment as may be required for Auditor's use in quality, quantity, and location as STA, in its sole discretion, determines to be appropriate. Such facilities may include a desk(s) or table(s), private workspace, office supplies and equipment, and telephone.

Except as previously set forth, Auditor shall, at his/her sole cost and expense, furnish all other facilities and equipment which may be required to provide services pursuant to this Agreement.

**SACRAMENTO TRANSPORTATION AUTHORITY
EXHIBIT D
AUDITOR SERVICES AGREEMENT**

GENERAL PROVISIONS

1. **Independent Contractor.** At all times during the term of this Contract, Auditor shall be an independent Contractor and shall not be an employee of the STA. STA shall have the right to control Auditor only insofar as the results of Auditor's services rendered pursuant to this Contract; however, STA shall not have the right to control how the Auditor accomplishes services rendered pursuant to this Agreement.

Auditor acknowledges and agrees that Auditor is not entitled to receive any STA employee benefits, including but not limited to, medical, dental, and retirement benefits, life and disability insurance, sick leave or any other similar benefits provided to STA employees.

2. **Licenses; Permits; Etc.** Auditor represents and warrants to STA that Auditor has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for Auditor to practice its profession. Auditor represents and warrants to STA that Auditor shall, at its sole cost and expense, keep in effect during the term of this Agreement any licenses, permits, and approvals which are legally required for Auditor to practice its profession.
3. **Time.** Auditor shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary for satisfactory performance of Auditor's obligations under this Agreement. Neither party shall be considered in default of this Agreement to the extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the party.

It is the intent of the Auditor and STA to issue the final audit reports of the STA, SAVSA, and agreed upon procedures of Measure A and SAVSA entities no later than December 1, 2021.

4. **Auditor Not Agent.** Except as STA may specify in writing, Auditor shall have no authority, express or implied, to act on behalf of STA in any capacity whatsoever as an agent. Auditor shall have no authority, express or implied, pursuant to this Agreement to bind STA to any obligation whatsoever.
5. **Assignment Prohibited.** No party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect.

6. **Personnel.** Auditor shall assign only competent personnel to perform services pursuant to this Agreement. If STA, in its sole discretion, at any time during the term of this Agreement, desires the removal of any person or persons assigned by Auditor to perform services pursuant to this Agreement, Auditor shall remove any such person promptly after receiving notice from STA of the desire of STA for the removal of such person or persons.
7. **Standard of Performance.** Auditor shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in California. All products that Auditor delivers to STA pursuant to this Agreement shall be prepared in a professional manner and conform to the standards of quality normally observed by a person practicing in Auditor's profession.
8. **Termination.** STA shall have the right to terminate this Agreement for convenience at any time by giving no less than 15 days' prior written notice of such termination to Auditor. In the event STA gives such notice of termination, Auditor shall immediately cease rendering services pursuant to this Agreement at the conclusion of the notice period, which shall commence upon mailing or service.

In the event STA terminates this Agreement:

- a. Auditor shall deliver copies of all fully paid for Reports (as defined below) prepared by it pursuant to this Agreement. Any information, advice, recommendations or other content of any memoranda, reports, deliverables, work product, presentations, or other communications Auditor provides under this Agreement (collectively, "Reports"), other than STA's original information, are for STA's internal use only, consistent with the purpose of the Services, and except as otherwise required under California law. STA will not rely on any draft Report. Unless required by an audit or other attestation professional standard, Auditor will not be required to update any final Report for circumstances of which we become aware or events occurring after delivery.
- b. STA shall pay Auditor the reasonable value of services rendered by Auditor pursuant to this Agreement; provided, however, STA shall not in any manner be liable for lost profits which might have been made by Auditor had Auditor completed the services required by this Agreement. In this regard, Auditor shall furnish to STA such financial information as in the reasonable judgment of the STA Representative is necessary to determine the reasonable value of the services rendered by Auditor. In the event of a dispute as to the reasonable value of the services rendered by Auditor, the decisions of the Executive Director of the STA shall be final. The foregoing is cumulative and does not affect any right or remedy which either party may have in law or equity.
- c. Termination for Cause: STA shall have the right to terminate this Agreement in the event of a material breach by Auditor following the provision to Auditor of written notice

specifically identifying the alleged breach and Auditor's failure to cure such breach within thirty (30) days following receipt of such notice. In the event of such termination, STA shall provide written notice to Auditor, at which time Auditor shall immediately cease rendering services under this Agreement.

- d. STA shall not be required to make payment or compensation for disputed items to Auditor in the event of a material breach of the terms of this Agreement.

9. **Equal Employment Opportunity.** During the performance of this agreement, Auditor, for itself and successors in interest, agrees as follows:

- a. **Compliance with Regulations:** Auditor shall comply with the Executive Order 11246 entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60), hereinafter referred to as the "Regulations".
- b. **Nondiscrimination:** Auditor, regarding the work performed by it after award and prior to completion of the work pursuant to this Agreement, shall not discriminate on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual preference in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Auditor shall not participate either directly or indirectly in discrimination prohibited by the Regulations.
- c. **Solicitations for Subcontractors, Including Procurements of Materials and Equipment:** In all solicitations either by competitive bidding or negotiations made by Auditor for work to be performed under any subcontract, including procurement of materials or equipment, each potential subcontractor or supplier shall be notified by Auditor of Auditor's obligation under this Agreement and the Regulation relative to nondiscrimination on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual preference.
- d. **Information and Reports:** Auditor shall provide all existing information and reports required by Regulations, or orders and instructions issued pursuant thereto, and will permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the STA to be pertinent to ascertain compliance with such Regulations, orders, and instructions. Where any information required of Auditor is in the exclusive possession of another who fails or refuses to furnish this information, Auditor shall so certify to the STA, and shall set forth what efforts it has made to obtain the information.
- e. **Sanctions for Noncompliance:** In the event of noncompliance by Auditor with the nondiscrimination provisions of this Agreement, the STA shall impose such contract sanctions as it may determine to be appropriate including, but not limited to:

- Withholding of payments to Auditor under contract until Auditor complies.
 - Cancellation, termination, or suspension of the Agreement, in whole or in part.
- f. Incorporation of Provisions: Auditor shall include provisions of Paragraphs A through E above in every subcontract, including procurements of materials and leases of equipment, unless exempted by Regulations, order, or instructions issued pursuant thereto. Auditor shall take such action with respect to any subcontract or procurement as the STA may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event Auditor becomes involved in, or is threatened with, litigation with a subcontractor or supplier because of such direction, Auditor may request that STA enter such litigation to protect the interests of STA.

10. **Insurance Requirements.** During the duration of this Agreement, Auditor shall maintain the following noted insurance:

- a. Minimum Scope of Insurance - Coverage shall be at least as broad as:
- Broad Form Comprehensive General Liability.
 - Automobile Liability, code 1 "any auto";
 - Workers' Compensation as required by the Labor Code of the State of California, and Employers' Liability Insurance.
 - Professional Liability (Errors and Omissions) insurance against loss due to error, omissions, or malpractice.
- b. Minimum Limits of Insurance - Auditor shall maintain limits no less than:
- Comprehensive General Liability: \$1,000,000 per occurrence and in the aggregate for bodily injury and property damage.
 - Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
 - Workers' Compensation and Employers' Liability: Workers' compensation limits as required by the Labor Code of the State of California.
 - Professional Liability (Errors and Omissions): \$1,000,000 limit per occurrence and in the aggregate.
- c. Other Insurance Provisions - The policies are to contain, or be endorsed to contain,

the following provisions:

- General Liability and Automobile Liability Coverages
- The STA, its officials, employees, and volunteers are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Auditor; products and completed operations of the Auditor; premises owned, leased, or used by the Auditor; or automobiles owned, leased, hired, or borrowed by the Auditor. The coverage shall contain no special limitations on the scope of protection afforded to the STA, its officials, employees, or volunteers.
- The Auditor's insurance coverage shall be primary insurance as respects the STA, its officials, employees, and volunteers. Any insurance or self-insurance maintained by the STA, its officials, employees, or volunteers shall be more than Auditor's insurance and shall not contribute with it.
- Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the STA, its officials, employees, or volunteers.
- Coverage shall state that Auditor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respects to the limits of the insurer's liability.

d. Workers' Compensation and Employers' Liability Coverages

- The insurer shall agree to waive all rights of subrogation against the STA, its officials, employees, and volunteers for losses arising from work performed by Auditor for the STA. This requirement may, however, be waived in individual cases at the discretion of the STA.

e. All Coverages

- Should any of the above-described policies be cancelled before the expiration date thereof without substitution of substantially similar coverage, Auditor will endeavor to provide 30 days written notice to STA. However, a failure to provide such notice shall impose no obligation or liability of any kind upon Auditor.
- Acceptability of Insurers. - Insurance is to be placed with insurers with a Bests' rating of no less than A: XIII. This requirement may, however, be waived in individual cases, provided, however, that in no event will a carrier with a rating below A:X be acceptable.

- f. Verification of Coverage - Auditor shall furnish the STA with certificates of insurance reflecting endorsements effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. The certificates and endorsements are to be on forms acceptable to the STA and are to be forwarded to the STA Representative named in Exhibit A
- g. Payment Withhold - The STA will withhold payments to Auditor if certificates of insurance and endorsements required in Paragraph F above have not been provided.

11. Access and Retention of Audit Working Papers.

- Upon authorization from the STA Representative, Auditor shall provide for access to the audit working papers to the STA staff, STA Governing Board or its designee, other government audit staff, Federal Government Accounting Office, and those specifically authorized by the STA Representative. Auditor shall provide for the retention of the audit working papers for at least three years after the date of the audit reports, or longer if requested by the STA staff or Governing Board.

12. Disclosure of Lobbying Activities - Auditor certifies, by signing this contract, to the best of its knowledge, that:

- No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal, loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form- LLL, "Disclosure of Lobbying Activities" in accordance with its instructions.

13. Indemnification.

a. Contractor specifically agrees to indemnify, defend, and hold harmless the Sacramento Transportation Authority (STA), its directors, officers, members, agents, and employees (collectively the “Indemnitees”) from and against any and all actions, claims, demands, losses, costs, expenses, including reasonable attorneys’ fees and costs, damages, and liabilities (collectively “Losses”) arising out of or in any way connected with the performance of this Agreement, excepting only Losses caused by the sole, active negligence or willful misconduct of an Indemnitee. Contractor shall pay all costs and expenses that may be incurred by STA in enforcing this indemnity, including reasonable attorneys’ fees. The provisions of this Section shall survive the expiration, termination, or assignment of this Agreement. The indemnification clause is not intended to conflict with auditor professional standards included in:

- AICPA – American Institute of Certified Public Accountants Code of Professional Conduct
- ET Section 100: Independence, Integrity, and Objectivity
- ET Section 191: Ethics Rulings on Independence, Integrity, and Objectivity
- 102: Indemnification of a Client



JUNE 17, 2021

AGENDA ITEM # 13

SACRAMENTO TRANSPORTATION AUTHORITY FINAL BUDGET FOR FISCAL YEAR 2021-22

Action Requested: Approve and Adopt

Key Staff: Timothy Jones, Chief Financial Officer

Recommendation

- Close the budget hearing continued from May 13, 2021.
- Approve the Fiscal Year 2021-22 Budget.
- Adopt the Budget Resolution for Fiscal Year 2021-22.

Background Information

The Authority's FY 2021-22 budget hearing was opened on May 13, 2021 and continued until today. During the May meeting, a staff report highlighted the significant changes to the budget when compared to the previous year's budget and current year expectations. In addition, staff provided verbal context for the draft budget. The following represents the General Fund highlights presented during last month's meeting:

- Sales tax revenues in FY 2021-22 are forecast to be \$143.7 million, an increase of \$10.1 million (7.6%) over revenues budgeted for FY 2020-21. Based on analysis performed by Avenu Insights & Analytics in February 2021, roughly \$6-7 million will be new revenue from the implementation of the *Wayfair Decision* which generates sales tax on internet sales destined for Sacramento County no matter where the goods were shipped from. The remaining \$3 million is expected to come from improved sales in the general retail category – Costco, Target, and Walmart – construction activity in the region, and business-to-business (B2B) sales.
- Appropriations for FY 2021-22 are expected to total \$153.6 million or \$14.9 million (10.7%) higher than budgeted for FY 2020-21. There are two factors that comprise \$14.2 million of the increase. Ongoing allocations – money passed through to local agencies per the Ordinance (roughly 80% of every sales tax dollar) – will increase by more than \$8 million. In addition, many capital projects are in the construction phase, so planned expenditures are \$6.2 million higher in the budget year than current year. The Capital Improvement Program (CIP) is expected to fund projects in the budget year as follows:
 - Sacramento County
 - Folsom Blvd. - \$4,097,000
 - Greenback Lane - \$600,000

- Hazel Ave. Hwy 50 to Folsom - \$1,200,000
 - Hazel Ave. Hwy 50 to Madison - \$5,732,409
 - Madison Ave. - \$400,000
 - Sunrise Blvd. - \$225,000
 - Watt Ave. - \$1,250,000
 - South Watt Ave. - \$400,000
 - City of Sacramento
 - Richards Blvd. - \$700,589
 - Intermodal Station - \$1,500,000
 - City of Citrus Heights
 - Greenback Lane - \$600,000
 - Caltrans
 - Hwy 50 - \$3,500,000
 - I-5 - \$6,000,000
 - Capital SouthEast Connector
 - Connector - \$8,794,692
- The fund reserve balance for the CIP has been increased to \$2 million in the budget year from \$1.8 million in the current year. The fund reserve balance for the administration fund remains unchanged at \$200,000. The budget is prepared without the use of reserves, as these balances are for economic uncertainties. These amounts are consistent with recommended guidelines published by the Government Finance Officers Association.
 - Fund balance in the final budget is expected to decrease \$24.3 million (-67.8%) to \$11.5 million in FY 2021-22 when compared to the budgeted ending fund balance for FY 2020-21. The reduction in fund balance is directly attributable to increased expenditures in the CIP.

Discussion

The budget before you today is nearly identical to the draft budget presented to the STA Board during its May 13th meeting with exception of a few minor editorial revisions and incorporating the updated appropriations limit for FY 2021-22 (see item #9 on today's agenda and p.44 of the budget document). This document provides a fiscal roadmap for the coming fiscal year in which the budget is balanced – fund balance and expected revenues are greater than or equal to expected expenditures.

Since the Authority is operating on a cash basis – pay-go – it has become increasingly important to work closely with capital improvement program partners to ensure that the timing of expenditures is complimentary to the timing of revenues. As a result of anticipated cash constraints, most agencies in the capital program recognized the need to defer some spending in the budget year until the following year and beyond. However, despite the constraints, if spending occurs as planned in FY 2021-22, the region will benefit from more Measure A funding committed to capital needs that any year since FY 2011-12. Please see the capital program financing plan on p.86 of the budget document.

Staff anticipated that the Authority's consultant Economic & Planning Systems (EPS) would complete its work on the long-term revenue forecasts for the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP) in May, however that work is still underway. Therefore, the forecasts included in the budget are those prepared by STA staff. Staff and EPS will report the results to the Board in August when the project is completed.

Staff will monitor revenue and expenditures throughout the coming year and report back to the Board should any substantive changes require any amendments to the budget.

Attachments

- *Fiscal Year 2021-22 Final Budget*
- *Budget Resolution*



2021-22

SACRAMENTO TRANSPORTATION AUTHORITY
FY 2021-22 FINAL BUDGET
SACRAMENTO, CALIFORNIA

2021-22

SACRAMENTO TRANSPORTATION AUTHORITY

FY 2021-22 FINAL BUDGET

SACRAMENTO, CALIFORNIA

EXECUTIVE DIRECTOR

Sabrina Drago

GENERAL COUNSEL

William Burke

GOVERNING BOARD

SACRAMENTO COUNTY BOARD OF SUPERVISORS

Don Nottoli (Chair)
Patrick Kennedy
Sue Frost
Rich Desmond
Phil Serna

SACRAMENTO CITY COUNCIL

Katie Valenzuela (Vice Chair)
Jeff Harris
Eric Guerra
Mai Vang
Jay Schenirer

ELK GROVE CITY COUNCIL

Kevin Spease
Bobby Singh-Allen

RANCHO CORDOVA CITY COUNCIL

Donald Terry

FOLSOM CITY COUNCIL

Mike Kozlowski

CITRUS HEIGHTS CITY COUNCIL

Steve Miller

GALT CITY COUNCIL

Paul Sandhu



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Sacramento Transportation Authority
California**

For the Fiscal Year Beginning

July 1, 2020

Christopher P. Morill

Executive Director

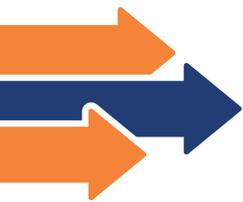


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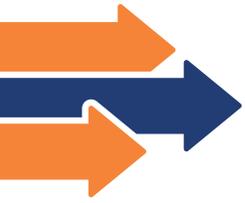


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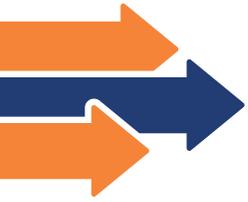
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2021-22

SACRAMENTO TRANSPORTATION AUTHORITY

FY 2021-22 FINAL BUDGET

SACRAMENTO, CALIFORNIA



LETTER OF TRANSMITTAL

June 10, 2021

Chairman and Members of the Board:

We are pleased to submit the Fiscal Year 2021-22 (FY 2021-22) final budget for the Sacramento Transportation Authority (Authority). 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 total revenues and fund balance are greater than total appropriations.

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

To that end, the following goals have been established:

- Maximize program effectiveness through efficient and effective stewardship of all public resources.
- Collaborate with partner agencies to ensure the timing of their funding needs and the availability of funding resources are complementary.
- Provide accurate and timely 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.
- 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 annual financial statements. The process continues in February and March as staff update the budget with sales tax revenue forecasts developed in conjunction with the Authority's consultant – Avenu Insights and Analytics. 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, a draft budget is presented to the Board for its consideration and comments. In June, the final budget is presented to the Board for adoption.

SACRAMENTO COUNTY AT-A-GLANCE

Sacramento County was incorporated in 1850 as one of the original 27 counties in the State of California. The County's largest city, the City of Sacramento, is the seat of government for the State of California and serves as the County Seat. Sacramento became the State Capital in 1854.

The County encompasses approximately 994 square miles in the middle of the 400-mile long Central Valley, which is California's prime agricultural region. The County is bordered by Contra Costa and San Joaquin Counties on the south, Amador and El Dorado Counties on the east, Placer and Sutter Counties on the north, and Yolo and Solano Counties on the west. The County extends from the low delta lands between the Sacramento and San Joaquin Rivers north to about ten miles beyond the State Capitol and east to the foothills of the Sierra Nevada Mountains. The southernmost portion of Sacramento County has direct access to the San Francisco Bay.

The geographic boundaries of the County include seven incorporated cities: Sacramento, Folsom, Galt, Isleton, Citrus Heights, Elk Grove, and Rancho Cordova. Each of these cities contributes a rich and unique dimension to the Sacramento County region.

The County's population is currently about 1.56 million with an average annual growth rate of approximately 1 percent. In March 2021, the County's unemployment rate was 8.1%, down considerably from a high of 14.9% in April 2020 when the world was in the early stages of the global pandemic. Per capita personal income increased by 5.2% to \$55,266 in 2020 when compared to 2019 when it was \$52,544. The region enjoys a diverse employment base; many state agencies are headquartered in the region, healthcare entities such as UC Davis Health Systems and Sutter California Health Services employ large pools of highly skilled workers, technology giants Apple and Intel employ call center and manufacturing personnel, and construction in the commercial, infill, and residential sectors has been robust, despite the pandemic.

Sacramento is located within a couple hour's drive of some of the world's most desirable outdoor recreation destinations – Lake Tahoe, the Sierra Nevada mountains, Yosemite, Mount Lassen/Shasta, and the Giant Redwoods.

BUDGET OVERVIEW

The Authority receives funding for its primary program, Measure A, from two sources – local sales tax and development fees. Given the recent pandemic and its global impact – in health and financial terms – the Authority had expected, at a minimum, a near-term decrease in revenue from both sources. However, despite the high unemployment rate, businesses closing, and stay-at-home orders, sales tax revenue has remained strong. Sales tax revenue for FY 2019-20 came in 1.2% under pre-pandemic estimates, while sales tax revenue for FY 2020-21 is expected to come higher at \$136.3 million (2.1%) than budgeted based on February 2021 estimates developed by the Authority’s consultant Avenu Insights and Analytics. Since Sacramento County is not heavily reliant on tourism, it has fared much better than some California counties where sales tax and other forms of revenue plummeted.

The final budget contains three years data - prior year actual amounts identified as “FY 2020 actual,” current year amounts identified as “FY 2021 Estimate”, and the budget year amount, reported as “FY 2022 Proposed.” The FY 2021 Estimate is based on roughly 7 months of actual accounting data (modified accrual basis), while the remainder of the fiscal year is based on estimates.

The final budget anticipates \$155.3 million in total revenue, which is an increase of about \$6.1 million (4.1%) over the prior year. This includes revenue from all funding sources. Appropriations for FY 2021-22 are expected to total \$153.6 million, an increase of about \$14.9 million (10.7%) compared to the prior year budget. In addition, other financing uses, reported as transfers out, are expected to be \$21 million in FY 2021-22 which is \$1 million less than the prior year budget. The net impact on fund balance is a decrease of \$24.3 million (-67.8%).



BUDGET IMPACTS
MAJOR FACTORS (10% OR MORE CHANGE)
IMPACTING THE THE BUDGET



- Sales tax revenue is forecast to increase by \$10.2 million (7.6%) to about \$143.7 million in budget year FY 2021-22 based on the Authority's February 2021 revenue forecasts compared to budgeted sales tax revenue of \$133.5 million in FY 2020-21.
- Interest revenue from the Authority's interest rate swap program is expected to decrease by \$3.7 million (-93.8%) to roughly \$250,000 as interest rates have plummeted.
- Sacramento Abandoned Vehicle Service Authority (SAVSA) revenue is expected to decrease by over \$197,000 (-15.5%) because the program is sunsetting in April 2022.
- Administration appropriations are expected to increase over \$268,000 (46.2%) because of anticipated consulting contracts related to a potential new sales tax measure.
- Sacramento Metropolitan Freeway Service Patrol (SacMetro FSP) appropriations are expected to increase more than \$370,000 (11.4%) as new services are added.
- SAVSA appropriations are expected to decrease by over \$197,000 (-15.5%) because the program is sunsetting in April 2022.
- Capital Improvement Program (CIP) appropriations are expected to increase by about \$6.2 million (21%) to \$35.8 million as many capital projects throughout the region are ready to move into the construction phase.

**CONSOLIDATED BUDGET GENERAL FUND, SAVSA, AND DEBT SERVICE -
REVENUE, APPROPRIATIONS, AND FUND BALANCE**

Description	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Proposed	Change from FY 2021	Change in Percent
Revenues						
Sales Tax	\$131,591,165	\$133,513,377	\$136,302,000	\$143,670,000	\$10,156,623	7.61%
SCTMFP Fees *	7,551,556	6,000,000	7,000,000	6,132,000	132,000	2.20%
Interest and Other	4,385,635	4,000,400	250,400	250,200	(3,750,200)	-93.75%
SacMetro FSP/CVR-SAFE **	2,703,639	4,351,113	3,157,441	4,131,411	(219,702)	-5.05%
SAVSA***	1,319,166	1,273,975	1,309,559	1,076,389	(197,586)	-15.51%
Total Revenues	\$147,551,161	\$149,138,865	\$148,019,400	\$155,260,000	\$6,121,135	4.10%
Appropriations						
Administration	1,108,589	581,544	627,650	850,277	268,733	46.21%
SacMetro FSP	2,658,784	3,247,315	3,176,852	3,617,748	370,433	11.41%
SAVSA	1,333,746	1,274,375	1,314,290	1,076,789	(197,586)	-15.50%
Contributions to Measure A Entities:						
Ongoing Allocations	103,808,302	105,321,537	107,524,559	113,336,953	8,015,416	7.61%
Capital Improvement Program (CIP)	20,410,835	29,625,296	26,357,588	35,835,679	6,210,383	20.96%
Total Appropriations	\$129,320,255	\$140,050,067	\$139,000,939	\$154,717,446	\$14,667,379	10.47%
Other Financing Sources (Uses)						
Transfers Out (to the Debt Service Fund)	(22,360,669)	(22,108,139)	(20,727,850)	(21,054,302)	1,053,837	-4.77%
Total Financing Sources (Uses)	(\$22,360,669)	(\$22,108,139)	(\$20,727,850)	(\$21,054,302)	\$1,053,837	-4.77%
Net Increase (decrease) in Fund Balance	(4,129,763)	(13,019,341)	(11,709,389)	(20,511,748)	(7,492,407)	57.55%
Beginning Fund Balance	48,045,323	48,981,576	43,915,560	32,206,171	(16,775,405)	-34.25%
Ending Fund Balance	\$43,915,560	\$35,962,235	\$32,206,171	\$11,694,423	(\$24,267,812)	-67.48%
Fund Reserve****	2,000,000	2,000,000	2,000,000	2,200,000	200,000	10.00%
Ending Fund Balance Less Reserve	\$41,915,560	\$33,962,235	\$30,206,171	\$9,494,423	(\$24,467,812)	-72.04%

* Sacramento Countywide Transportation Mitigation Fee Program

** Sacramento Metropolitan Freeway Service Patrol/Captial Valley Regional Service Authority for Freeways and Expressways

*** Sacramento Abandoned Vehicle Service Authority

**** FY 2021-22 \$2 million for the capital program and \$200,000 for administration

BUDGET IMPROVEMENTS FOR FY 2021-22

Fund balance reserves remain consistent with GFOA guidelines in that; two to four 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 2021-22, the CIP and administration reserve fund balances are budgeted at \$2 million and \$200,000, respectively.

Other improvements include the following:

- **Expenditures** – added expenditures by fiscal year to the long-term revenue forecasts table.
- **Budget Tables** - reformatted so that financial information is easy for the user to read and understand.
- **Tables and Graphs** – added tables and graphs showing trends and metrics.

STRATEGIC PLANNING GOALS AND STRATEGIES

The Authority's mission is to fund innovative and sustainable transportation solutions to help relieve traffic congestion, improve air quality, expand public transit, and improve public safety.

The Strategic Plan articulates the Authority's long-term goals, objectives, and priorities. It is comprised of four goals – financial stability, operational efficiency, outreach and education, and transportation project planning and prioritization.

GOAL 1 | FINANCIAL STABILITY

The goal is to ensure adequate fiscal resources are available to fulfill the Authority's mission. The Authority has a fiduciary responsibility to regularly monitor current and forecast revenues and expenditures to ensure an appropriate amount of funding is available when needed. The Authority's two funding sources for its Measure A program are local sales tax and development fee revenues. It also has access to the debt market to advance projects. The table below summarizes five years' data for the Authority's funding sources, debt metrics, and fund balance.

KEY PERFORMANCE INDICATORS

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Estimate	FY 2021-22 Proposed
Sales Tax Revenue	\$116,877,996	\$119,187,748	\$131,591,165	\$136,302,000	\$143,670,000
Mitigation Fee Revenue	7,621,753	7,551,556	7,551,556	7,000,000	6,132,000
Bonded Debt Outstanding	364,615,000	360,875,000	356,985,000	352,935,000	348,700,000
Debt Service Coverage Ratio	5.36x	5.51x	5.70x	6.13x	6.37x
Bond Rating (S & P)	AA+	AA+	AA+	AA+	AA+
Fiscal-Year-End GF Fund Balance	\$42,335,802	\$47,877,833	\$43,756,079	\$32,051,021	\$11,539,473

In its effort to carry out this goal, Authority staff identified strategic objectives that are regularly monitored and updated to ensure that fiscally responsible actions are taken as needed for the program's long-term financial stability.

1. Perform revenue forecasts at least annually.
 - a. Engage a revenue forecast consultant to assist Authority staff in developing revenue forecasts for sales tax and development fees through the end of the program in FY 2038-39
2. Perform cash flow analyses for the capital improvement program (CIP) based on single-year and multi-year funding contracts.
 - a. Regularly review cash flows and available fund balance to ensure adequate program funding.
3. Annually, provide updated financial information to bond rating agencies.
 - a. To maintain the Authority's credit rating, proactively provide financial and local economic information to each bond rating agency.
 - b. Periodically meet in person with the Authority's bond program credit rating agencies to provide updated financial and other economic information for the region and Authority.

4. Provide financial reporting package to financial institutions on a quarterly basis.
 - a. Within 60-days after the end of each fiscal quarter and upon completion of the audited financial statements, provide required financial information to each financial institution underwriting the Authority’s bond program.

GOAL 2 | OPERATIONAL EFFICIENCY

The goal is to implement and maintain effective operational practices. The Authority needs to maximize fiscal restraint for program administration costs which include salaries and benefits, overhead such as office space and IT equipment and services, and contracts for professional services such as legal and financial auditing. Funding for program administration is limited to 0.75% of the net sales tax proceeds. However, non-recurring revenue such as the reimbursement for certain services provided to partner agencies may increase the total revenue available for program administration. The following table summarizes sales tax allocations and expenditures for administration for five fiscal years including the budget year.

KEY PERFORMANCE INDICATORS

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Estimate	FY 2021-22 Proposed
Sales tax allocation for administration	912,692	970,464	969,170	1,004,133	1,058,819
Other	120,855	-	55	50	50
Beginning Fund Balance	3,224	664,030	862,082	722,718	1,099,251
Total Revenues and Fund Balance	\$1,036,771	\$1,634,494	\$1,831,307	\$1,726,901	\$2,158,120
Expenditures:					
Salaries and Benefits	340,579	444,551	548,146	471,104	528,507
Overhead	53,553	45,336	129,724	83,128	164,270
Professional Services	99,506	282,526	430,719	73,419	157,500
Total Expenditures	\$493,639	\$772,412	\$1,108,589	\$627,650	\$850,277
Ending Fund Balance	\$664,031	\$862,082	\$722,718	\$1,099,251	\$1,307,843

Generally, sales tax allocations combined with non-recurring revenues exceed expenditures leaving a fund balance to carry into the following year. The Authority does not rely on non-recurring revenue to fund program administration. To maximize operational efficiency, staff implemented strategic objectives to ensure that every appropriated dollar is justified.

1. Prepare multi-year cash-flow analyses.
 - a. As part of the budget cycle and mid-year, staff prepare cash-flow analyses to ensure a reasonable fund balance is maintained considering the changes in expected revenues and expenditures.

2. Established a fund balance reserve.
 - a. Beginning in FY 2018-19 a fund balance reserve of \$100,000 was established. In FY 2019-20, the reserve was increased to \$200,000 and remains the same for FY 2021-22.
3. As contracts for services expire, bid out the services through the competitive bid process.
 - a. A contract for sales tax audit services performed by a consultant expired early in FY 2020-21. The services had been provided at a cost of \$.30 for every dollar recovered. However, costs for the same services under a new multi-year contract are \$.15 for every dollar collected. The estimated savings for FY 2021-22 is about \$30,000.
4. Developed a methodology to allocate administration costs to the SacMetro FSP and SAVSA programs using an annually updated formula.
 - a. Administration costs are allocated by labor hours charged by staff to each program.

GOAL 3 | OUTREACH AND EDUCATION

The Authority is a small agency with limited exposure to the public, so it needs to proactively engage public members. To do so, the Authority established strategic objectives designed to accomplish this engagement.

1. Promote an awareness of regularly scheduled Independent Taxpayer Oversight Committee (ITOC) meetings.
 - a. Developed a website dedicated to the ITOC. Established a meeting calendar.
 - b. Invite ITOC to regularly update the Board in its efforts to carry out its responsibilities as identified in the Measure A Ordinance.
2. Promote attendance at Board meetings.
 - a. Invite local interest groups to participate in Board meetings.
3. Enlist awareness at the local agency level.
 - a. Encourage local jurisdictions participating in the Measure A program to post approved signage on vehicles and projects.

GOAL 4 | TRANSPORTATION PROJECT PLANNING AND PRIORITIZATION

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

1. Regularly engage program partners
 - a. Meet regularly with the Professional Advisory Group (PAG) to discuss current issues and for planning purposes. This group consists of representatives from each partner agency – members are typically the public works directors and staff.
 - b. Regularly communicate the Authority’s financing plans by fiscal year and project.
 - c. Present a status update of each project under contract with the Authority to the Board and ITOC on a quarterly basis.
2. Assess program financing needs.
 - a. Regularly perform cash-flow analyses to determine what financing mechanisms are available to meet program needs.

The Authority views the strategic goals and objectives above with the mindset that it has the fiduciary responsibility to carry out the program’s objectives in an orderly, equitable, and transparent way.

CHALLENGES

The Measure A Capital Improvement Program (CIP) is currently financed through sales tax pay-as-you-go (pay-go) and Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP) funding since remaining proceeds from bonds issued early in the program were expended in FY 2017-18. Based on a February 2021 analysis performed by the Authority's consultant PFM Financial Advisors, the Authority has the capacity to issue an estimated additional \$75-80 million in debt; however, pay-go and SCTMFP cash is projected to be sufficient to pay for anticipated claims during the budget year. The cash accumulation is in part, the result of many project delays including construction bids coming in higher than engineers' estimates – delaying project starts and the related spending. This presents a challenge because the opportunity to issue additional bonds diminishes as time passes since any new debt needs to be repaid by FY 2027-28. At that time nearly all the projected funding allocated to the debt program will be consumed by principal payments on the Authority's existing variable interest rate debt. Because of delayed capital spending and debt program constraints, demand for funding and available cash will likely not align, creating challenges.

The Measure A Ordinance limits to 0.75% of the net sales tax revenue, the amount that can be used to fund administration. Since sales tax revenue fluctuates but salaries, benefits, and other costs such as the California Public Employee Retirement System (CalPERS) unfunded liability continue to rise, the current staffing level of 3 full-time equivalent (FTE) positions is not likely to increase in the near term. At the same time, staff workload continues to increase as the Authority implements new programs such as the Smart Growth Incentive and Transportation Project Environmental Mitigation Programs in FY 2021-22.

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

CAPITAL IMPROVEMENT PROGRAM (CIP)

In 2004 voters approved 54 projects which are identified in the Sacramento County Transportation Expenditure Plan 2009-2039 (Expenditure Plan). The agencies implementing the projects are the County of Sacramento (County), the cities of Galt, Elk Grove, Rancho Cordova, Sacramento, Citrus Heights, and Folsom, the California Department of Transportation (Caltrans), Sacramento Regional Transit District (SRTD), and the Capital SouthEast Connector Authority. After voters approved Measure A in 2004 and before collection of the sales tax began in April 2009, Authority staff coordinated a multi-year effort to determine funding by fiscal year for each project through the end of the Measure A program in 2039. The CIP allocation plan serves as a roadmap for the program's projects, but the Measure A Ordinance requires a review of the overall program beginning in 2019 and every 10 years thereafter. This effort affords an opportunity to update the Expenditure Plan with current priorities based on input and approval from the County Board of Supervisors and a majority of city councils constituting a majority of the incorporated population. This effort began during FY 2019-20 and is expected to be completed in June 2021.

There are 14 projects and the Smart Growth Incentive Program (SGIP) programmed to receive Measure A funding during FY 2021-22 through interagency funding agreements. All CIP projects and the SGIP are multi-year or long-term in nature, therefore they span multiple funding agreement cycles. Since availability of funding is a primary driver for the construction cycle, some projects may stall while enough funding is identified. Therefore, it is not uncommon to reallocate funding from one project to another based on the availability of non-local funding sources and the phase of the project. Since Measure A funding is normally the local matching component for other funding sources, the Authority and the agencies building the projects 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 depending on agency priorities and the availability of matching funds. Projects in the budget include the following:

CIP PROJECTS



- **Folsom Boulevard/Complete Streets** – this project will improve safety and connectivity along Folsom Boulevard between Bradshaw Road and Mayhew Road. The FY 2021-22 appropriation is \$4,097,000.
- **Greenback Lane/Complete Streets** – this project, which is on Greenback Lane between Chestnut Avenue and Folsom City Limits, will improve safety and connectivity. The FY 2021-22 appropriation is \$600,000.
- **Hazel Avenue/U.S. 50 to Folsom Boulevard** – this project will construct capacity, safety, and access improvements at the U.S. 50/Hazel Avenue interchange and the Hazel Avenue/Folsom Boulevard intersection. The FY 2021-22 appropriation is \$1,200,000.
- **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. The FY 2021-22 appropriation is \$5,732,409.
- **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 FY 2021-22 appropriation is \$400,000.
- **Sunrise Boulevard/Jackson to Grant Line** – this project will widen the existing intersection at Jackson Road and Sunrise Boulevard. The FY 2021-22 appropriation is \$225,000.
- **Watt Avenue/Antelope to Capital City Freeway** – this project will provide safety and connectivity improvements on Watt Avenue north of I-80 from Orange Grove Avenue to Roseville Road. The FY 2021-22 appropriation is \$1,250,000.
- **South Watt/Elk Grove-Florin Road** – this project will widen South Watt Avenue from two to four lanes between Florin Road and Jackson Road. The FY 2021-22 appropriation is \$400,000.

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 FY 2021-22 appropriation is \$700,589.
- **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. The FY 2021-22 appropriation is \$1,500,000.



- **Greenback Lane/Sunrise Blvd. to Fair Oaks Blvd.** – traffic signal upgrades and modifications, ADA, pedestrian, bicycle and transit enhancements, drainage improvements, and pavement restoration. The FY 2021-22 appropriation is \$600,000.



- **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. The FY 2021-22 appropriation is \$3,500,000.
- **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 FY 2021-22 appropriation is \$6,000,000.



- 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. The FY 2021-22 appropriation is \$3,794,692.

SMART GROWTH INCENTIVE PROGRAM

- Planning, development, and acquisition of the Consumnes River Permanent Open Space Preserve and/or any other environmental mitigation needed to offset the impacts from the Capital SouthEast Connector. The FY 2021-22 appropriation is \$5,000,000.
- Projects identified on a competitive basis that meet certain smart growth objectives that are consistent with the Sacramento Area Council of Governments' Community Design program. The FY 2021-22 appropriation is \$835,989.

LONG-TERM FINANCIAL PLANNING

Sales tax revenue forecasts are the starting point for short and long-term financial planning. Annually, Authority staff work with revenue forecast consultant – Avenu Insights and Analytics - to provide updated revenue forecasts for each remaining fiscal year of the Measure A sales tax program – through FY 2038-39. This information is used to provide 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. A portion of this revenue is pledged to service the Authority's debt program and to determine the Authority's debt coverage percentages which are important to investors and financial institutions underwriting its debt. In addition, this effort allows the Authority to determine if forecasted revenue supports the issuance of additional debt, as necessary.

Additionally, beginning in April 2021 the Authority hired a consultant – Economic & Planning Systems – to forecast revenues for the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP). Historically, forecasts for this program have been developed internally. However, given that the CIP has been funded on a pay-as-you-go

basis since FY 2017-18 when debt proceeds were exhausted and cash balances to fund the program have been declining year over year, understanding cash flows has become increasing important. When the Expenditure Plan was developed in 2004, the revenues for this program were estimated to be \$488 million. However, program-to-date, revenues have come in at about 50% of expectations and the most recent forecast through the end of the program estimates \$195.3 million in revenue.

To illustrate the Authority's ability to continue funding its commitments for the remainder of the program, staff prepare a summary of funding sources and uses including legally required ongoing allocations, capital project costs, and debt service costs. The following table summarizes each revenue and expenditure type by fiscal year based on actual data through FY 2019-20, an estimate for FY 2020-21, and forecasts for the remaining years.

Total funding sources for Measure A are cumulatively projected to be \$5.16 billion consisting of local sales tax revenue of \$4.58 billion, development fees of \$195 million, and the issuance of bonded debt in the amount of \$383 million – including premium. In the voter approved Expenditure Plan, total funding sources were expected to be \$5.19 billion, leaving an estimated shortfall of \$30 million over the life of the program. The funding shortfall is immaterial to the program overall; however, the issuance of debt results in interest costs that reduce funding available for the Capital Improvement Program.

Total uses of funds are projected to be \$5.16 billion consisting of ongoing allocations of \$3.65 billion, capital improvement program costs of \$779 million, and debt service costs of \$726.8 million – of which \$383 million is bond principal. The revenue shortfall and interest costs associated with significant debt issued for capital projects early in the program are beginning to have a negative impact on the CIP by limiting available funding at a time when the region is in desperate need for infrastructure expansion and improvement.

**MEASURE A PROGRAM REVENUE AND
APPROPRIATION SUMMARY (IN 000's)**

Fiscal Year	Sales Tax Revenue	SCTMFP	Bonds Issued	Total Sources	Ongoing Allocations**	CIP ***	Debt Service Net****	Total Uses
2010	\$81,414	\$3,074	\$318,300	\$402,788	\$64,929	\$209,223	\$11,426	\$285,578
2011	87,299	2,334	-	89,633	69,622	49,025	16,182	134,829
2012	92,240	2,957	-	95,197	73,563	35,957	14,836	124,355
2013	97,390	3,176	58,853	159,419	77,670	16,917	15,687	110,273
2014	100,063	3,541	-	103,604	79,802	17,124	16,231	113,157
2015	105,564	4,624	-	110,188	84,189	20,233	15,797	120,218
2016	110,708	4,364	-	115,072	88,291	26,206	17,218	131,714
2017	116,878	7,848	-	124,726	93,212	16,697	18,999	128,908
2018	119,188	7,622	-	126,810	95,054	13,250	19,491	127,794
2019	131,757	7,552	-	139,309	105,078	10,706	17,403	133,186
2020	131,591	7,552	-	139,143	104,946	20,411	18,739	144,095
2021	136,302	7,000	-	143,302	108,703	26,358	18,753	153,813
2022	143,670	6,132	-	149,802	114,579	35,836	18,752	169,166
2023	149,991	6,267	5,654	161,912	119,620	24,624	18,754	162,998
2024	155,747	6,405	-	162,152	124,210	24,770	18,760	167,740
2025	161,243	6,546	-	167,789	128,593	22,083	18,755	169,431
2026	166,488	6,690	-	173,178	132,776	28,227	18,753	179,757
2027	171,483	6,837	-	178,320	136,760	23,836	18,753	179,349
2028	177,012	6,987	-	183,999	141,169	25,102	18,757	185,029
2029	182,719	7,141	-	189,860	145,721	6,746	34,739	187,206
2030	188,610	7,298	-	195,908	150,419	24,955	35,894	211,267
2031	194,691	7,459	-	202,150	155,269	18,936	35,885	210,090
2032	187,771	7,623	-	195,394	149,750	17,136	35,937	202,823
2033	184,768	7,790	-	192,558	147,355	15,417	35,938	198,710
2034	193,272	7,962	-	201,234	154,137	6,336	35,997	196,470
2035	200,965	8,137	-	209,102	160,272	8,567	36,006	204,845
2036	207,357	8,316	-	215,673	165,370	14,086	36,066	215,522
2037	213,930	8,499	-	222,429	170,612	10,086	36,071	216,769
2038	220,711	8,686	-	229,397	176,020	4,836	36,122	216,978
2039*	170,780	8,877	-	179,657	136,199	5,317	36,117	177,633
Total	\$4,581,602	\$195,294	\$382,807	\$5,159,704	\$3,653,887	\$779,001	\$726,817	\$5,159,705

* Program sunsets March 2039

** Ongoing allocations as required under the Measure A Ordinance

*** CIP expenditures include those funded with revenue anticipation notes issued in 2006 and 2007 totaling \$183 million

**** Net of interest rate swap revenue

The information in the table is based on the following methodologies:

- Sales tax revenue forecasts were developed by Authority staff and Avenu Insights and Analytics in February 2021.
- SCTMFP forecasts were developed by Authority staff and Economic & Planning Systems in April 2021.
- Bonds issued in FY 2013 include a “premium” of over \$11 million – this happens when the interest rate of the bonds sold is higher than market interest rates.
- Ongoing allocations are required per the Measure A Ordinance and Expenditure Plan.
- The remaining sales tax revenue is dedicated to the CIP.
- CIP allocations are the actual amounts through FY 2019-20, estimated for FY 2020-21, and forecasts for the remaining years.
 - Much of the CIP funding (45.2%) was spent in the first five years of the program because bonds were issued to advance projects.
- Debt service costs are the actual amounts through FY 2019-20, while the remaining years’ costs were estimated by the Authority’s financial consultant – PFM Financial Advisors.

FACTORS AFFECTING FINANCIAL CONDITION

The Authority is in the early stages of determining whether voters in Sacramento County will support an additional sales tax measure dedicated to transportation. To determine support, the Authority plans to engage a consultant to survey/poll voters in July 2021. If the results show that voters are supportive, then the Authority will begin outreach and education in fall 2021 to garner further support in anticipation of placing a measure on the November 2022 ballot. If approved by voters, the funds would be used for road repair and maintenance, transit and transportation construction, and operating costs. The measure, if successful, could provide significant early funding to promote construction activity in the region which would help reduce the unemployment rate which increased significantly during the pandemic.



Unemployment was 8.1% in March 2021 after reaching a high of 14.7% in May 2020 when the global pandemic struck. Unemployment continues to decline as businesses reopen and demand for consumer products and services increases.

During 2020, the County's population increased by 16,068 (1%) and per capita personal income increased by 5.2%. A portion of the current growth is net migration from surrounding counties with a higher cost of living. Sacramento County borders eight neighboring counties where home prices are, on average, much higher.

In February 2021, the median home price in Sacramento County was about \$439,000 while eight neighboring, more expensive, counties varied from \$467,000 in Solano County to over \$1.4 million in the San Francisco Bay area. The remaining growth is primarily attributable to people moving into the County for employment reasons. Population growth directly supports increases in taxable retail sales and associated revenues.

The last year has been full of uncertainty as the effects of the pandemic unfolded. Although there are many businesses that have been shuttered and the unemployment rate remains relatively high, the citizens in the region have proven to be resilient. Consumer spending caused sales tax receipts to reach \$131.6 million in FY 2019-20. Sales tax revenues are estimated to be \$136.3 million in FY 2020-21 and \$143.7 million in FY 2021-22

During the pandemic, operations at the Authority have continued as expected, albeit much of it remotely. The transition to operating remotely was generally seamless in part because the agency shifted to a mostly electronic environment over the last several years. This was accomplished by moving nearly all documents and software to a cloud-based platform administered by Microsoft. In doing so, not only can staff easily work remotely, but agency information is secure.

The table below captures fundamental economic data for Sacramento County for the past 10 years.

FACTORS AFFECTING FINANCIAL CONDITION - LAST 10 YEARS

Year	Unemployment Rate	Per Capita Personal Income	Change in Percent	Population Growth	Change in Percent
2011	12.6%	38,443	0.6%	1,422,018	1.0%
2012	12.1%	40,068	4.2%	1,435,002	0.9%
2013	10.5%	41,303	3.1%	1,447,236	0.9%
2014	8.9%	42,229	2.2%	1,460,023	0.9%
2015	7.3%	44,303	4.9%	1,478,137	1.2%
2016	6.0%	46,845	5.7%	1,496,644	1.3%
2017	5.4%	48,965	4.5%	1,514,460	1.2%
2018	4.1%	50,445	3.0%	1,529,501	1.0%
2019	3.2%	52,544	4.2%	1,546,174	1.1%
2020	8.1%	55,266	5.2%	1,562,242	1.0%

Sources: California Department of Finance
 Federal Reserve Bank of St. Louis
 California Employment Development Department

In summary, the County has prospered over the last decade, but will continue to monitor national, regional, and local trends and respond accordingly. The Board and staff will strive to serve the public with transparency and continue practicing good stewardship over public resources in their effort to fund the region's transportation needs.

Sincerely,



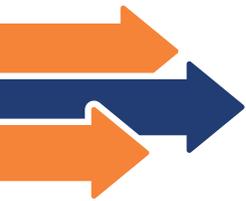
Sabrina Drago
Executive Director



Timothy Jones, CPA, CPFO
Chief Financial Officer



AUTHORITY OVERVIEW



AUTHORITY OVERVIEW

This section contains the Authority’s profile, Measure A safeguards, and a summary of its final budget. It also includes a discussion of the factors affecting the Authority’s financial condition. The final budget totals \$155.3 million in revenue from all funding sources reported in the General Fund and Sacramento Abandoned Vehicle Service Authority (SAVSA) Fund. The budget includes 3 authorized full-time equivalent (FTE) positions.

\$155.3
MILLION
IN REVENUE

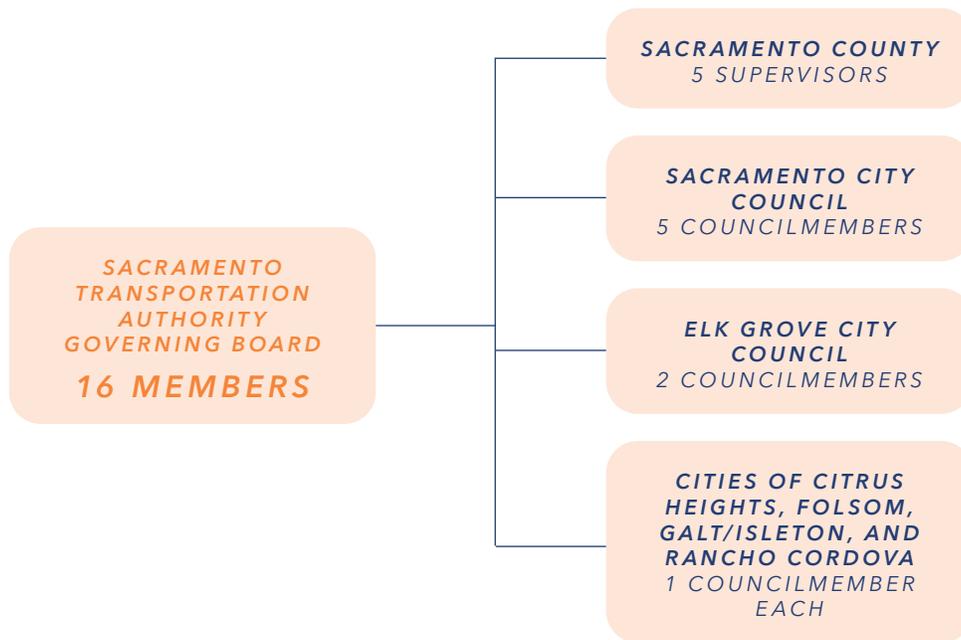

3 FTE POSITIONS

AUTHORITY PROFILE

The Sacramento Transportation Authority (Authority)—a Local Transportation Authority—was created in August 1988 under the Local Transportation Authority and Improvement Act, 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’s Governing Board (Board) imposing a one-half cent retail 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 the Sacramento Metropolitan Freeway Service Patrol (SacMetro FSP) and SAVSA programs, neither of which are affiliated with the Measure A retail sales tax program.



The Board is composed of 16 members, including five Sacramento County Supervisors, five members of the Sacramento City Council, two members of the Elk Grove City Council, and one councilmember each from the Cities of Citrus Heights, Folsom, Galt/Isleton, and Rancho Cordova. The Board generally meets monthly with summer and fall recesses. It appoints the Authority’s Executive Director. The Executive Director is responsible for carrying out the policies and ordinances of the Authority and overseeing day-to-day operations and Authority staff consisting of the Chief Financial Officer and Special Programs Manager. As part of the Measure A Ordinance, voters approved the creation of the Independent Taxpayer Oversight Committee (ITOC) which regularly holds meetings. The ITOC consists of six members - three voting members with specific professional and/or community credentials in the areas of finance, engineering or transportation planning, and management of major construction projects. In addition, there are three non-voting members: STA Governing Board Chair or his/her designee, the Sacramento County Auditor or his/her designee, and the Authority’s Executive Director.



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

MEASURE A SAFEGUARDS

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



-
- Projects and programs included in the Expenditure Plan are the only projects eligible for Measure A funds.
 - The Expenditure Plan is reviewed at least every ten years, beginning in 2019, to ensure that it reflects projected funding availability and current community needs such as demographics, economics, and technology changes.
 - 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.
 - The ITOC was created to supervise annual fiscal and periodic performance audits of all Measure A funds in addition to providing an independent review of the use of funds 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 and cannot replace traditional revenues generated through development fees and assessment districts.
 - A limit of 0.75% of the net sales tax can be used for the administration of the sales tax program.

REVENUE SOURCES

Under Measure A, the Authority’s primary revenue source is generated from a local retail sales tax while a smaller revenue source is generated from development fees. On average, sales tax comprises 95.7% of the total revenue. The Measure A Ordinance authorizes the Authority to collect a one-half cent sales tax on retail sales throughout the County. The development fee is collected under the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP). The table below summarizes each Measure A revenue source by fiscal year from program inception in FY 2009-10 through the budget year FY 2021-22. The sales tax growth rate averages 5.1% per year including an estimate for FY 2020-21 and forecast for FY 2021-22. The SCTMFP growth rate averages 8.6% per year; however, the growth rate fluctuates year-over-year from a low of -24.1% in FY 2010-11 to a high of 79.9% in FY 2016-17.

Authority staff, with the assistance of a consultant – Avenu Insights and Analytics, forecast sales tax revenue annually. Using these forecasts, staff monitor program cash-flows in relation to expected spending to determine what actions, if any, are necessary to align them.

Fiscal Year	Taxable Sales (000's)	Sales Tax (000's)	Growth Rate	SCTMFP Fees (000's)	Growth Rate	Ratio of Sales Tax to SCTMFP
2009-10	\$16,638,458	\$81,414		\$3,074		96.4%
2010-11	17,416,097	87,299	7.2%	2,334	-24.1%	97.4%
2011-12	18,608,568	92,240	5.7%	2,957	26.7%	96.9%
2012-13	19,552,242	97,390	5.6%	3,176	7.4%	96.8%
2013-14	20,624,371	100,063	2.7%	3,541	11.5%	96.6%
2014-15	21,536,376	105,564	5.5%	4,624	30.6%	95.8%
2015-16	22,655,018	110,708	4.9%	4,364	-5.6%	96.2%
2016-17	23,624,106	116,878	5.6%	7,848	79.9%	93.7%
2017-18	24,919,389	119,188	5.2%	7,622	-2.9%	94.0%
2018-19	26,166,831	131,757	10.5%	7,552	-0.9%	94.6%
2019-20	26,318,200	131,591	-0.1%	7,000	-7.3%	94.9%
2020-21*	27,260,400	136,302	3.6%	7,000	0.0%	95.1%
2021-22**	28,734,000	143,670	5.4%	6,132	-12.4%	95.9%
Average	\$22,619,543	\$111,851	5.1%	\$5,171	8.6%	95.7%

* estimate

** forecast

The Authority administers the Sacramento Metropolitan Freeway Service Patrol Program (SacMetro FSP) which is funded with state and local grants averaging \$2.4 million annually. The California Department of Transportation (Caltrans) annually approves a state grant which is received on a reimbursement basis as the Authority bills it for services. The local portion is received annually as 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 Authority also administers the Sacramento Abandoned Vehicle Service Authority (SAVSA). This program is funded by a \$1 surcharge on certain vehicle registrations within the County. This revenue is remitted to the Authority by the California Department of Motor Vehicles (DMV) on a quarterly basis and is relatively consistent at about \$1.2 million annually. The table below summarizes the programs’ revenue by fiscal year since FY 2009-10 – averaging a 5.8% growth rate.

SACMETRO FSP AND SAVSA REVENUE BY FISCAL YEAR

Fiscal Year	SacMetro FSP	SAVSA	Total	Year-Over-Year Growth Rate
2011-12	1,842,098	1,167,736	3,009,834	3.7%
2012-13	1,914,759	1,131,905	3,046,664	1.2%
2013-14	2,122,523	1,173,231	3,295,754	8.2%
2014-15	2,050,573	1,220,911	3,271,484	-0.7%
2015-16	1,991,947	1,276,112	3,268,059	-0.1%
2016-17	2,065,521	1,286,741	3,352,262	2.6%
2017-18	2,498,978	1,279,216	3,778,194	12.7%
2018-19	2,043,752	1,323,237	3,366,989	-10.9%
2019-20	2,703,639	1,325,737	4,029,376	19.7%
2020-21*	3,157,441	1,309,959	4,467,400	10.9%
2021-22**	4,131,411	1,076,589	5,208,000	16.6%
Average	2,411,149	1,233,761	3,644,911	5.8%

* Estimate

** Forecast

The Authority’s only other revenue source is interest income which is estimated to be about \$250,000 in FY 2020-21 and FY 2021-22. Nearly all the interest income is received from the Authority’s interest rate swap partners who pay the Authority variable rate interest on three series of bonds in exchange for the Authority paying them fixed rate interest.

DEBT

The Measure A Ordinance allows the Authority to issue debt to fund transportation projects described in the Expenditure Plan. However, the amount of debt is limited to the principal, interest, and other charges that can be paid with 20.75% of the net proceeds from the sales tax revenue.

In October 2009, the Authority issued \$318.3 million in variable-rate Measure A Sales Tax Revenue Bonds (VRDB). In July 2012, fixed rate bonds with a par value of \$53.4 million were issued – bringing the total outstanding debt to \$371.7 million. To reduce interest rate risk related to the VRDBs, the Authority negotiated interest rate swaps (hedging derivatives) with three financial institutions – JP Morgan, Goldman Sachs, and Bank of America. In doing so, the interest rate for the three series 2009 bonds is synthetically fixed at about 3.7%. The swaps have proven to be effective to date. However, the Authority in conjunction with its legal and financial advisory team, regularly monitor the debt program to determine if any changes are necessary based on market conditions and the related effectiveness of the swaps. The table below summarizes debt issued and outstanding.

MEASURE A SALES TAX REVENUE BONDS

Series	Issue Date	Amount	Description
2009A	October 2009	\$106,100,000	Variable-rate
2009B	October 2009	106,100,000	Variable-rate
2009C	October 2009	106,100,000	Variable-rate
2012	July 2012	53,355,000	Fixed rate
		\$371,655,000	Total issued
		18,720,000	Principal payments through June 2021
		\$352,935,000	Total Outstanding June 2021

Prior to issuing any debt, Authority staff work with the legal and financial advisory teams to assess forecast revenues in relation to the estimated debt service. Calculations are performed to determine the maximum annual debt service – referred to as MADS. This calculation represents the cash flow available to pay the annual debt obligation – available cash/debt obligation. A minimum MADS percentage of roughly 200% is desired by the financial institutions underwriting the Authority’s debt. Currently, the Authority’s minimum MADS is 330% - when principal payments on its VRDBs begin in FY 2028-29.

The funds remaining after paying debt service costs such as interest, principal, and ancillary fees are available for the Authority’s capital program – referred to as pay-as-you-go funding (pay-go). The allocation column in the following table summarizes the amount of CIP proceeds available by fiscal year based on 20.75% of the net sales tax proceeds.

**MEASURE A DEBT SERVICE ALLOCATIONS BY FISCAL YEAR
(NET OF INTEREST RATE SWAP REVENUE)**

Fiscal Year	Allocation	Debt Service (net of swap interest income)	Principal Payments	Total Debt Service	Available for Pay-Go
FY 2009-10	\$16,646,964	\$12,311,923	\$0	\$12,311,923	\$4,335,041
FY 2010-11	17,407,237	15,666,763	-	\$15,666,763	\$1,740,474
FY 2011-12	18,575,811	14,387,010	-	\$14,387,010	\$4,188,801
FY 2012-13	19,467,755	15,924,449	-	\$15,924,449	\$3,543,306
FY 2013-14	20,402,606	16,325,969	-	\$16,325,969	\$4,076,637
FY 2014-15	21,322,533	15,909,241	-	\$15,909,241	\$5,413,292
FY 2015-16	22,202,432	15,349,397	-	\$15,349,397	\$6,853,035
FY 2016-17	23,535,657	15,235,432	3,450,000	\$18,685,432	\$4,850,225
FY 2017-18	24,852,685	15,594,255	3,590,000	\$19,184,255	\$5,668,430
FY 2018-19	26,847,763	15,739,259	3,740,000	\$19,479,259	\$7,368,504
FY 2019-20	27,021,193	14,849,000	3,890,000	\$18,739,000	\$8,282,193
FY 2020-21*	27,988,525	14,703,141	4,050,000	\$18,753,141	\$9,235,384
FY 2021-22**	29,501,485	14,516,637	4,235,000	\$18,751,637	\$10,749,848
Totals	\$295,772,646	\$196,512,476	\$22,955,000	\$219,467,476	\$76,305,170

* Estimate

** Forecast

Authority staff regularly assess how much funding is available for the capital program in relation to the demands for funding. Currently, the Authority does not have any plans to issue more debt for the following reasons:

- Based on information provided by the Authority’s capital program partners for the budget year, the accumulation of pay-go and SCTMFP cash are projected to be enough to fund program costs in the budget year.
- The opportunity to issue more debt diminishes as the timeframe to pay it back is shortened due to financial constraints beginning in FY 2028-29 at which time nearly all CIP funding will be consumed by debt service. Monitoring available cash has become increasingly important.
- In FY 2028-29 principal payments will increase to \$22.3 million from \$4.2 million in the budget year. This amount will increase to \$35.4 million when the program sunsets in FY 2038-39

Authority staff will continue to monitor the program and take appropriate steps as needed to ensure the program is adequately funded.

CONSOLIDATED BUDGET SUMMARY

The Authority’s budget supports programs and projects that reduce traffic congestion, improve air quality, maintain, and strengthen the county’s road and transportation systems, and enhance each local agencies’ ability to secure state and federal funding by providing local matching funds.

This section represents a summary of Measure A, SacMetro FSP, and SAVSA revenues and appropriations in a consolidated budget summary which consists of the General and Special Revenue funds. Detailed budgets for each fund and program can be found in the “Budget Schedules” section of this document. The annual budget is foundational to short and long-term financial planning and appropriation control.

**THE AUTHORITY REPORTS TWO FUNDS
FOR ITS THREE PROGRAMS:**



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

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

CONSOLIDATED BUDGET SUMMARY

Total revenues are expected to increase by \$6.1 million in FY 2021-22 to \$155.3 million when compared to the budgeted amount for FY 2020-21. There are expected revenue increases of \$10.2 million in the sales tax program offset by decreases of \$3.8 million in interest income and \$198,000 for the SAVSA program. The SCTMFP revenue remained strong through the end of FY 2019-20, as development in the County and cities incorporated in the County, which generate the fee, continued at a robust pace. However, fee revenue for FY 2021-22 is expected to be \$900,000 (-12.9%) less than estimated in FY 2020-21. Interest income is primarily from the Authority’s interest rate swap partners. Interest rates have plummeted, significantly reducing interest income from our interest rate swap partners.

CONSOLIDATED BUDGET GENERAL FUND, SAVSA, AND DEBT SERVICE - REVENUE, APPROPRIATIONS, AND FUND BALANCE

Description	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Proposed	Change from FY 2021	Change in Percent
Revenues						
Sales Tax	\$131,591,165	\$133,513,377	\$136,302,000	\$143,670,000	\$10,156,623	7.61%
SCTMFP Fees *	7,551,556	6,000,000	7,000,000	6,132,000	132,000	2.20%
Interest and Other	4,385,635	4,000,400	250,400	250,200	(3,750,200)	-93.75%
SacMetro FSP/CVR-SAFE **	2,703,639	4,351,113	3,157,441	4,131,411	(219,702)	-5.05%
SAVSA***	1,319,166	1,273,975	1,309,559	1,076,389	(197,586)	-15.51%
Total Revenues	\$147,551,161	\$149,138,865	\$148,019,400	\$155,260,000	\$6,121,135	4.10%
Appropriations						
Administration	1,108,589	581,544	627,650	850,277	268,733	46.21%
SacMetro FSP	2,658,784	3,247,315	3,176,852	3,617,748	370,433	11.41%
SAVSA	1,333,746	1,274,375	1,314,290	1,076,789	(197,586)	-15.50%
Contributions to Measure A Entities:						
Ongoing Allocations	103,808,302	105,321,537	107,524,559	113,336,953	8,015,416	7.61%
Capital Improvement Program (CIP)	20,410,835	29,625,296	26,357,588	35,835,679	6,210,383	20.96%
Total Appropriations	\$129,320,255	\$140,050,067	\$139,000,939	\$154,717,446	\$14,667,379	10.47%
Other Financing Sources (Uses)						
Transfers Out (to the Debt Service Fund)	(22,360,669)	(22,108,139)	(20,727,850)	(21,054,302)	1,053,837	-4.77%
Total Financing Sources (Uses)	(\$22,360,669)	(\$22,108,139)	(\$20,727,850)	(\$21,054,302)	\$1,053,837	-4.77%
Net Increase (decrease) in Fund Balance	(4,129,763)	(13,019,341)	(11,709,389)	(20,511,748)	(7,492,407)	57.55%
Beginning Fund Balance	48,045,323	48,981,576	43,915,560	32,206,171	(16,775,405)	-34.25%
Ending Fund Balance	\$43,915,560	\$35,962,235	\$32,206,171	\$11,694,423	(\$24,267,812)	-67.48%
Fund Reserve****	2,000,000	2,000,000	2,000,000	2,200,000	200,000	10.00%
Ending Fund Balance Less Reserve	\$41,915,560	\$33,962,235	\$30,206,171	\$9,494,423	(\$24,467,812)	-72.04%

* Sacramento Countywide Transportation Mitigation Fee Program

** Sacramento Metropolitan Freeway Service Patrol/Captial Valley Regional Service Authority for Freeways and Expressways

*** Sacramento Abandoned Vehicle Service Authority

**** FY 2021-22 \$2 million for the capital program and \$200,000 for administration

APPROPRIATIONS

Appropriations are expected to increase \$14.7 million to \$154.7 million (10.5%) in FY 2021-22 when compared to the budgeted amount for FY 2020-21. The largest variance is an increase of \$8 million (7.6%) in ongoing allocations. Under the Measure A Ordinance, most of the sales tax revenue is passed through to partner agencies formulaically on a monthly basis. Therefore, as sales tax revenue increases or decreases, the ongoing allocations change accordingly. The other significant variance is increased funding in the amount of \$6.2 million (21%) to the CIP. Many of the agencies receiving funding under contracts with the Authority have plans to accelerate construction during the budget year to create jobs and complete needed infrastructure improvements. To accomplish this, some funding has been shifted from projects still in the planning/engineering phase to those ready for construction. All the funding unused during FY 2020-21 will be spent in FY 2021-22.

Other significant variances on a percentage basis are in the administration, SacMetro FSP, and SAVSA programs. The administration program expects an increase of over \$269,000 (46.3%) as the Authority intends to bring on consultants to assist with preliminary work related to a potential new sales tax measure that may go to voters in November 2022. The SacMetro FSP program is expected to increase appropriations by over \$370,000 (11.4%) as it adds services to help reduce traffic congestion during peak hours. The SAVSA program anticipates a reduction in appropriations of over \$197,000 (-15.5%) as the program will sunset in April 2022.

Because appropriations and transfers for debt service combined will be increasing in FY 2021-22, the ending fund balance for FY 2021-22 is expected to be \$11.7 million, which is \$24.3 million (-67.5%) lower than the budgeted ending fund balance for FY 2020-21. Capital program appropriations were budgeted at \$29.6 million in FY 2020-21, but actual spending is expected to be \$26.4 million - \$3.2 million less than expected.

Appropriations for other financing uses – transfers out – are from the General Fund to the Debt Service Fund to pay for interest, principal, and ancillary fees such as those for remarketing, liquidity, and credit surveillance. The budgeted transfers out for FY 2020-21 are higher than the estimated actual amount by \$1.4 million because interest rates have plummeted over the last year. In FY 2021-22 transfers out are expected to be about the same as the estimated actual amount for FY 2020-21 given that interest rates are expected to remain low for the foreseeable future.

FACTORS AFFECTING FINANCIAL CONDITION

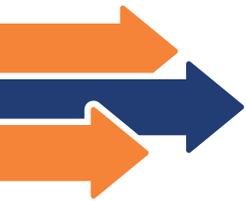
As previously mentioned in the Letter of Transmittal, the Authority receives funding for its program primarily from two sources – local sales tax and development fees. Given the recent pandemic and its global impact – in health and financial terms – the Authority was expecting, at a minimum, a near-term decrease in revenue from both sources. However, sales tax revenues have remained strong despite the circumstances. Budgeted sales tax revenue for FY 2020-21 was \$133.5 million but the estimated amount is expected to be \$136.3 million. In FY 2021-22, sales tax revenue is forecast to be \$143.7 million. In the event there is a material revenue shortfall in comparison to the budgeted revenue amounts, staff will develop an amended budget for the Board to consider. Additionally, staff will work with partner agencies to determine how best to address any anticipated shortfalls.

Although unemployment spiked in May 2020 to 14.7% in response to the pandemic, by March 2021 it had decreased to 8.1%. During 2020 median income increased by 5.2% to \$55,266 and the population increased by 1% to 1.56 million, supporting increases in County taxable sales and related Measure A sales tax revenue. Businesses in the County continue to adapt to the continuing health crisis by reducing operating hours or limiting the number of people who they can serve in person. However, the power of innovation and the internet have proven to offset some of the setbacks.

The Authority is in the preliminary phase of determining whether voters in Sacramento County would be supportive of an additional sales tax measure for transportation given the dire need for expansion and maintenance throughout the region. In July 2021, a consultant will poll the County to determine the appetite for such a measure which needs a super majority (66 2/3%) to pass.



***BUDGET PROCESS
AND FISCAL
POLICIES***



BUDGET PROCESS AND FISCAL POLICIES

BUDGET PROCESS

This budget presents three years of financial information – actual amounts for FY 2019-20, estimated amounts for FY 2020-21, and proposed amounts for FY 2021-22.

The Authority’s fiscal year is July 1 through June 30. A draft of the budget is presented to the Board in May and brought back in June for adoption. The budget is a living document until it is adopted - staff incorporate changes suggested by the Board, Executive Director, and Independent Taxpayer Oversight Committee (ITOC) along the way. Once adopted, the budget is posted on the Authority’s and ITOC’s websites. See www.sacta.org and www.sacitoc.specialdistrict.org.



Budget development begins in January after reviewing actual expenditures for the first two quarters of the fiscal year (the period ending December 31) and after Board approval of the previous year’s audited financial statements. The ending fund balances from the prior year serve as the beginning balances for FY 2020-21. Using this information as a starting point, staff develop expectations for revenues and appropriations for the remainder of the current and budget fiscal years.



During the budget process, staff also work with the Authority's Special Programs Manager to develop the budgets for the SacMetro FSP and SAVSA programs. This process is collaborative since budget staff prepare a schedule for salaries, benefits, and administration overhead while the Special Programs Manager develops estimates for revenue and the remaining appropriations for the two programs.

Additionally, from January through April staff work with each Measure A agency to determine the funding needs for each capital construction project. This collaborative effort is central to determining cash flows for the budget year and is based on funding agreements between the Authority and the agencies constructing the projects.

In February, staff update long-term revenue forecasts in conjunction with the Authority's consulting firm Avenu Insights and Analytics (Avenu). The Authority's consultant is experienced in forecasting sales tax revenue for local governments, including transportation authorities. Avenu uses proprietary software and historical information from the agency collecting the sales tax on behalf of the Authority - California Department of Tax and Fee Administration - to develop the forecasts. In addition, Avenu factors in economic indicators such as employment, housing starts, and population growth. Authority staff collaborate with Avenu during the process to ensure a comprehensive understanding of the forecasts when completed. Avenu's forecasts through the remainder of the Measure A program which sunsets in FY 2038-39, are used for long-term financial planning such as calculating additional debt capacity and determining fund balance for program needs by fiscal year. 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 ITOC reviews a draft of the budget. Budget staff attend the meeting to summarize the highlights, receive comments from committee members, and answer questions. The committee's comments are carefully considered, and the budget updated as necessary before the final budget is presented to the Board during its June meeting.

The Board may ask questions, make comments, and provide direction to staff during its May meeting. In addition, members of the public may provide input. Using this information, staff work with the Executive Director to refine the draft budget as needed.

In June, the final budget is presented to the Board for adoption. In general, the final version of the budget is materially consistent with the draft budget presented in May, typically containing only minor revisions. Any material changes are highlighted by staff during the June meeting. Adoption of the budget requires a quorum of Board members and a majority of the voting quorum. If the final budget is not adopted by June 30, the Board may vote to adopt a resolution allowing the Authority to continue operating under the draft budget. An amended budget may subsequently be brought to the Board at any time if changes in revenue and/or appropriations warrant it.

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 draft budget on the second Thursday in May and the Board adopts the final budget on the second Thursday in June.

Stewardship of public funds and wise management of government finances is primary among the responsibilities that the Authority has to the citizens in Sacramento County. Foundational to this effort are fiscal policies designed to protect all public assets under the Authority's administration.

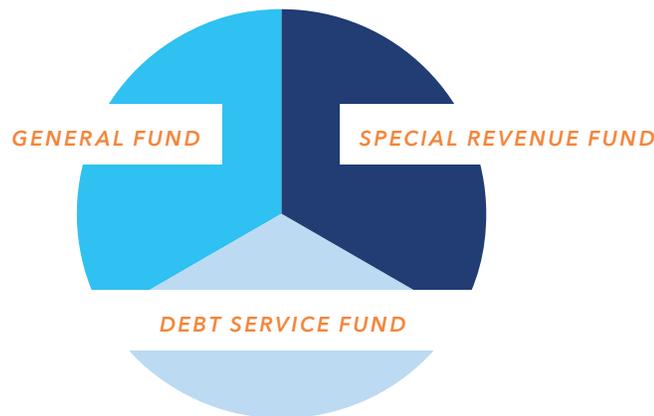
OVERVIEW

Benefits of establishing financial policies include the following:

- Board approved policies establish the agency's commitment to the appropriate stewardship of public funds, which helps build the public's confidence in the Authority.
- Investors are attracted to agencies committed to sound fiscal management and integrity.
- Comprehensive fiscal policies help the Authority link long-term financial planning with day-to-day operations.
- Promotes positive financial condition by setting a forward-looking approach to planning.
- Protects and enhances the Authority's credit rating and prevents default on any outstanding debt.
- Ensures the legal use of all public funds through a sound system of administrative policies and internal controls.

FUND STRUCTURE

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



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 supports 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 support program costs – most notably towing contractors 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 through an interfund transfer to the debt service fund. Any amount remaining is available for the CIP.

SPECIAL REVENUE FUND

- Sacramento Abandoned Vehicle Service Authority (SAVSA) – this fund accounts for revenues received from a \$1 vehicle registration fee collected by the California Department of Motor Vehicles (DMV). These funds are used to pay vehicle abatement claims and program administration costs.

DEBT SERVICE FUND

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

FINANCIAL PLANNING

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

Forecasting revenues and expenditures over the long-term by making assumptions about economic conditions, future spending scenarios, and other notable objectives is imperative to good financial planning. It provides insight into future financial capacity so that strategies can be developed to achieve long-term program stability while considering 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

TIME HORIZON - sales tax and mitigation fee revenue forecasts through FY 2038-39 when Measure A sunsets. Appropriations for a minimum of one-year and up to five-years for the CIP.

SCOPE - all appropriated funds.

FREQUENCY - at least annually.

CONTENT - analyze the financial environment, revenue and appropriation forecasts, debt costs, strategies for achieving and maintaining financial balance, and methods for monitoring key assumptions underlying the plan.

UPDATE the Board and ITOC, as necessary.

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).
- Demonstrates the Authority's compliance with finance-related legal and contractual provisions.

ALLOCATIONS AND RATES

As required under Measure A, agencies participating in the City Street and County Road Maintenance Program, Traffic Control and Safety Program, and Safety, Streetscaping, Pedestrian and Bicycle Facilities Program receive monthly allocations based in part on their relative population and the number of lane miles. Agencies receiving allocations are Sacramento County and the cities of Rancho Cordova, Sacramento, Elk Grove, Folsom, and Citrus Heights. Annually, staff use population data from the California Department of Finance and lane mile data provided by each participating agency to determine the appropriate allocation percentages for the upcoming fiscal year. The following table summarizes the allocations by agency based on the sales tax revenue forecast for FY 2021-22.

ALLOCATION PER POPULATION AND LANE MILES (75/25 RATIO RESPECTIVELY)

Entity	Population*	Lane Miles**	Allocation Ratio	Amount***
City of Citrus Heights	87,811	474	5.33823%	\$2,810,409
City of Elk Grove	176,154	1,175	11.19587%	5,894,269
City of Folsom	81,610	638	5.39040%	2,837,873
City of Rancho Cordova	78,381	682	5.32760%	2,804,810
City of Sacramento	510,931	3,118	31.84304%	16,764,345
County of Sacramento	593,801	5,417	40.90487%	21,535,110
Total	1,528,688	11,504	100%	\$52,646,816

* Per California Department of Finance Report E-1

** Based on data provided by each agency in Spring 2021

*** Represents total amount less \$1 million for regional parks

Similarly, Measure A requires the Authority to update the SCTMFP 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. The following table summarizes the rates calculated for FY 2021-22 by land use category.

SCTMFP FEE SCHEDULE FOR FY 2021-22

Land Use	Per	Current Rates FY 2020-21	New Rates FY 2021-22
Single-Family Residential	unit	\$1,329	\$1,351
Single-Family Residential, Senior	unit	1,064	1,081
Multi-Family Residential	unit	930	945
Multi-Family Residential, Senior	unit	796	809
Office Use	1,000 square feet	1,596	1,622
Retail Use	1,000 square feet	1,995	2,028
Industrial Use	1,000 square feet	1,064	1,081
Hotel/Motel	sleeping room	770	783
Extended Stay Hotel/Motel	sleeping room	684	695
Golf Course	acre	1,106	1,124
Movie Theater	screen	2,529	2,570
Religious Center	1,000 square feet	1,237	1,257
Hospital	1,000 square feet	2,229	2,266
Service Station	fueling pump	1,729	1,757
Supermarket	1,000 square feet	1,995	2,028
Warehouse/Self-Storage	1,000 square feet	333	338
Assisted Living Facility	bed	383	389
Congregate Care	unit	281	286
Child Day Care	student	612	622
Private School (K-12)	student	346	352
Auto Repair/Body Shop	1,000 square feet	1,995	2,028
Gym/Fitness Center	1,000 square feet	1,995	2,028
Drive-through Car Wash	1,000 square feet	1,995	2,028
All Other	average weekday trips generated	140	142

FUND BALANCE DESIGNATIONS AND RESERVE

The Authority strives to maintain adequate fund balances in its General Fund, Debt Service Fund, 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.
- Cash-flow requirements.

As a guideline, the Government Finance Officers Association (GFOA) recommends a minimum of two months' revenue or expenditures as a reserve, whichever is more stable. In the Authority's case revenue is more stable; therefore, the Authority uses it as the basis to establish its minimum reserve funding goal.

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

General Fund - this fund consists of four sub funds – Administration, SacMetro FSP, SCTMFP, and the CIP. The reserve balances are addressed at the sub fund level as explained below:

Administration Fund – the Authority maintains a \$200,000 reserve or about two months' revenues which remains unchanged from FY 2020-21.

CIP Fund – the Authority maintains a \$2 million reserve or roughly 2 months' pay-go revenues which remains unchanged from FY 2020-21.

SCTMFP Fund – the Authority does not maintain a reserve balance for this fund because it functions as a supplemental fund to the CIP and is not pledged to the Authority's financial institutions. However, Authority staff do monitor fund balance in its ongoing effort to manage cash when paying CIP claims.

Debt Service Fund – this fund is managed by the Authority's trustee (U.S. Bank). The trustee withholds enough funding from the sales tax proceeds each month to pay bond principal, interest, and ancillary costs. The fund balance fluctuates based on the timing of debt service payments. The trustee maintains a monthly balance that is calculated based on monthly, quarterly, semi-annual, and annual debt service payments.

Authority staff regularly monitor all fund balances to ensure adequate cash is available for anticipated claims, administrative costs, and other foreseeable expenditures. The table below summarizes fund balance reserves:

FUND BALANCE RESERVES

Fiscal Year	Fund	Policy	Amount	Requirement Met
FY 2018-19	CIP	1,000,000	1,000,000	Yes
FY 2018-19	Administration	100,000	100,000	Yes
FY 2019-20	CIP	1,800,000	1,800,000	Yes
FY 2019-20	Administration	200,000	200,000	Yes
FY 2020-21	CIP	1,800,000	1,800,000	Yes
FY 2020-21	Administration	200,000	200,000	Yes
FY 2021-22*	CIP	2,000,000	2,000,000	Yes
FY 2021-22*	Administration	200,000	200,000	Yes

* FY 2021-22 Approved budget includes reserve amounts per policy

APPROPRIATION LIMIT

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

Fiscal Year	Appropriations Limit
FY 2010	\$195,000,000
FY 2011	192,036,079
FY 2012	198,490,091
FY 2013	206,961,839
FY 2014	219,646,845
FY 2015	220,807,134
FY 2016	231,328,068
FY 2017	245,944,139
FY 2018	258,079,711
FY 2019	270,414,034
FY 2020	283,689,389
FY 2021	296,919,442
FY 2022	315,753,737

INVESTMENT POLICY

The Authority’s Investment Policy (Policy) sets forth its investment guidelines which fulfill the objectives required under California Government Code Section 53646(a).

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

INVESTMENT OBJECTIVES

SAFETY OF PRINCIPAL

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

MAXIMUM RATE OF RETURN

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

The Board approves the Policy and is responsible for ensuring investments are made in compliance with it. The Authority's Treasurer is the Sacramento County Director of Finance who is responsible for making investments on behalf of the Authority and for compliance with the Policy. The treasurer maintains a comprehensive, well-documented reporting system which complies with California Government Code Section 53607. Investable funds are deposited in the Sacramento County Pooled Investment Fund (Pool) and invested according to the policies of the Pool. Certain bond funds held by the California Asset Management Program (CAMP) are limited to investments permitted under California Government Code Section 53601.

The Authority's average deposits for FY 2020-21 were about \$36 million. Additionally, the Authority's Series 2012 bonds require a reserve fund with deposits of \$5.5 million which is actively managed by the California Asset Management Program (CAMP). SacMetro FSP and Administration funds are deposited in interest bearing accounts at a commercial bank. The balances for these two programs are relatively immaterial.

CAPITAL CONSTRUCTION BUDGET

The CIP budget is the product, in part, of the Authority's financing plan. When voters approved Measure A in 2004, they also approved an Expenditure Plan based on estimated revenue. The Expenditure Plan identifies projects eligible for Measure A money. The Expenditure Plan is subject to a review every 10 years and, where necessary, allows for amendments under certain conditions to meet changing transportation needs. Amendments to the Expenditure Plan must be approved by the County Board of Supervisors and a majority of the city councils constituting a majority of the incorporated population.

PERSONNEL RESOURCE MANAGEMENT

The Authority strives to provide competitive compensation and benefits for its workforce. To manage staffing costs the Authority will:

- Authorize all staff positions.
- 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 Board and Executive Director may authorize the use of professional service consultants to perform activities such as the following:

- Legal counsel
- Revenue forecasting services
- Financial advisory services
- Public relations and outreach
- Tax, financial, and performance audit services

PRODUCTIVITY REVIEW

The Authority regularly monitors and reviews its operational procedures to ensure that all services are provided in the most cost-effective manner. Authority staff proactively look for opportunities to streamline workload using technology and procedural improvements.

COST ALLOCATIONS

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

- **Executive Director** – oversees each program’s staff and is involved in all key decisions.
- **Chief Financial Officer** – oversees all financial accounting and reporting activities.
- **Special Programs Manager** – oversees SacMetro FSP and SAVSA day-to-day program operations.

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

RECORDS RETENTION POLICY

Since the Authority maintains the official records and documents for the Measure A program during the normal course of operations, it maintains a Board approved retention schedule. Records and documents that are more than five years old and no longer needed or deemed unimportant may be destructed. However, in no case shall meeting minutes, ordinances, or resolutions of the Board and ITOC, court records, and other records required to be kept by statute be destroyed.

CONTRACTING POLICIES

California State Public Utilities Code Section 180154 requires that contracts for the purchase of services, supplies, equipment, and materials more than \$10,000 be awarded to the lowest responsible bidder after competitive bidding, except in an emergency declared by the Authority or by an executive committee that the Authority has delegated to make such a declaration.

If after rejecting competitive bids the Authority determines and declares that, in its opinion, the services, supplies, equipment, or material may be purchased at a lower price on the open market, the Authority may proceed to purchase any of the above in the open market without further observance of the above provisions.

Additionally, the Executive Director or his/her designee may contract for services, supplies, and equipment and materials for \$50,000 or less without Board action.

DEBT POLICY

The Authority's debt limit is not a fixed amount. Instead, central to the limit of debt the Authority can issue is the allocation of 20.75% of the net sales tax revenue to pay for the debt. As such, to determine an appropriate level of debt requires an analysis of future revenue streams.

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:

- Effectively manage and mitigate financial risk.
- Preserve program flexibility.
- Maintain strong credit ratings and good investor relations.
- Maintain ready and cost-effective access to capital markets.

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

- **Long-term Capital Projects** – long-term debt should be used to finance essential capital projects when 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 while limiting the Authority’s risk exposure.
- **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.

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

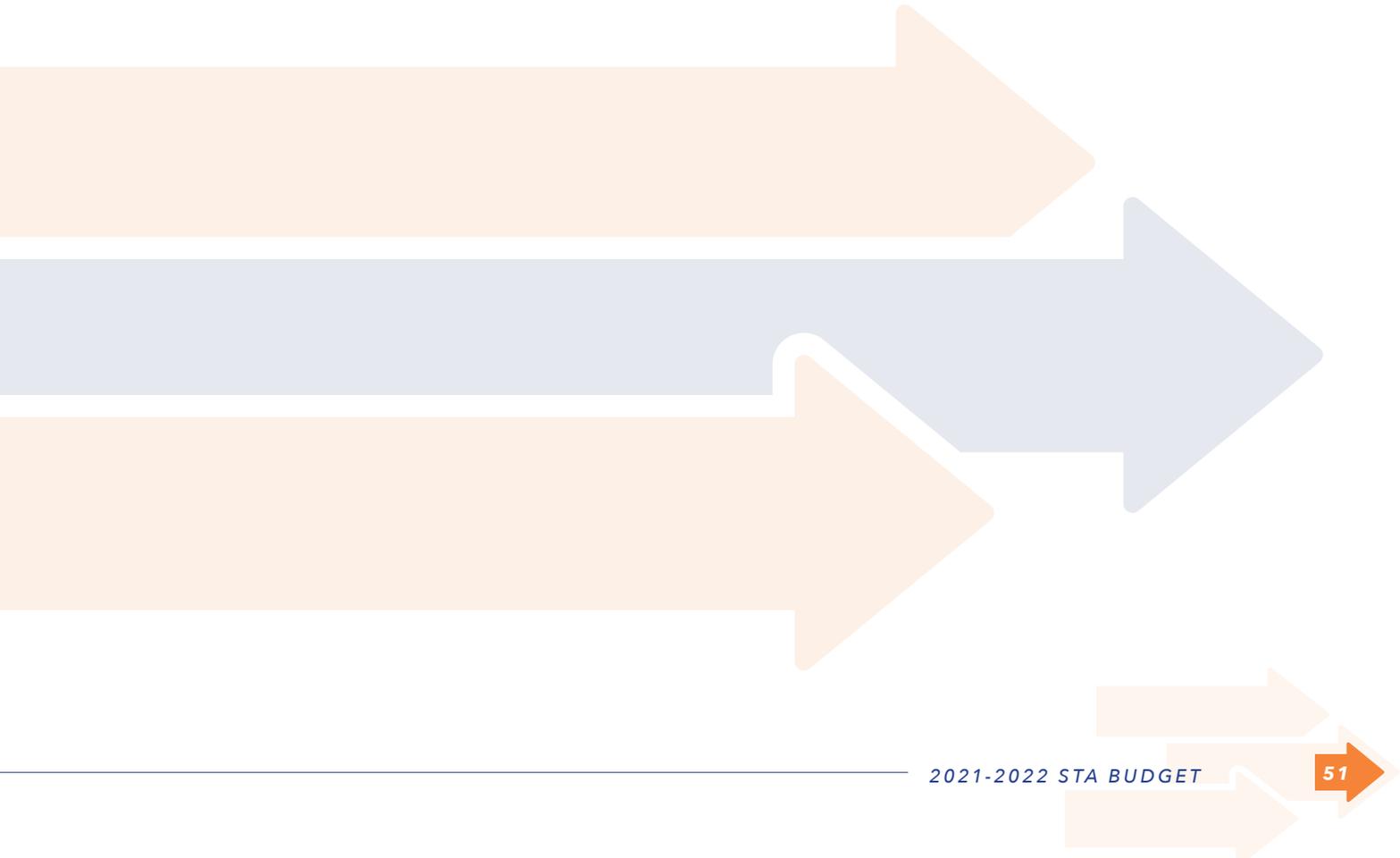
- Finance new capital infrastructure.
- Refinance existing bonds to reduce financing costs, restructure the repayment schedule, change the type of debt instruments used, risk, or both.
- To reimburse an agency for eligible capital expenditures made within the last 18 months.

The Authority and its consultants – PFM Financial Advisors - regularly assess the Authority’s bond portfolio to determine if the debt structure in place is the most advantageous to the Authority given debt market conditions. If market conditions are such that changes to the debt portfolio may be beneficial to the Authority, then Authority staff, consultants, and legal counsel will consider the options, and if sufficiently beneficial, bring recommendations to the Board for its consideration.

STRATEGIC DIRECTION

The Authority's commitment to its stakeholders is to ensure it effectively manages limited resources while providing excellent customer service. To accomplish that it promotes the following:

- VISION** → maximize the use of limited resources to improve the transportation network in Sacramento County.
- MISSION** → to promote and fund innovative and sustainable transportation solutions to keep Sacramento County moving.
- CORE VALUES** → integrity, collaboration, transparency, accountability.
- STRATEGIC GOALS** → financial stability, operational efficiency, outreach and education, and project planning and prioritization.



PERFORMANCE MEASURES

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

Performance Measure	Responsible Department	Relates to Strategic Goal #	FY 2020-21 Planned	FY 2020-21 Estimate	FY 2021-22 Planned
Financial Stability and Operational Efficiency:					
Allocate monthly Measure A funding timely and accurately	Finance	1,2	12	12	12
Review, comment on, and approve all required quarterly reporting by Measure A agencies	Finance	1,2	4	4	4
Receive GFOA Distinguished Budget Presentation Award	Finance	1,2	Yes	Yes	Yes
Develop and adopt annual budget prior to June 30	Finance	1,2	Yes	Yes	Yes
Prepare and submit all quarterly financial information required under the Authority's bond covenants	Finance	1,2	5	5	5
Complete annual financial audit prior to December 31	Finance	1,2	Yes	Yes	Yes
Outreach and Education:					
Plan and support Board meetings	Executive Director	3	8	10	9
Respond to all Public Record Act (PRA) requests within 10 calendar days	Executive Director and Finance	3	4	6	4
Plan and support ITOC meetings	Finance	3	8	8	8
Transportation Project Planning and Prioritization:					
Meet regularly with Professional Advisory Group (PAG)	Executive Director	4	8	16	15
Complete quarterly capital project status reports	Finance	4	4	4	4

The previous table reflects performance measures by department. With only three employees, each employee represents a department: Executive Director – administration, Chief Financial Officer – finance, and Special Programs Manager – programs.

LONG-TERM FINANCIAL PLANNING

SALES TAX

Revenue forecasts are the starting point for short and long-term financial planning. At least annually, Authority staff work in conjunction with the Authority’s sales tax revenue consultant - Avenu Insights and Analytics - to provide updated sales tax forecasts. 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 percentages 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. The following table summarizes the most recent revenue forecasts completed in February 2021.

	Taxable Sales (000's)	Taxable Sales Growth Ratio	Tax Revenue (000's)	Tax Revenue Growth Ratio	
2009-10	\$16,638,458		\$81,414		Actual 5.5% Average
2010-11	17,416,097	4.7%	87,299	7.2%	
2011-12	18,608,568	6.8%	92,240	5.7%	
2012-13	19,552,242	5.1%	97,390	5.6%	
2013-14	20,624,371	5.5%	100,063	2.7%	
2014-15	21,536,376	4.4%	105,564	5.5%	
2015-16	22,655,018	5.2%	110,708	4.9%	
2016-17	23,624,106	4.3%	116,878	5.6%	
2017-18	24,919,389	5.5%	119,188	2.0%	
2018-19	26,351,416	5.7%	131,757	10.5%	
2019-20	26,318,200	-0.1%	131,591	-0.1%	
2020-21*	27,260,400	3.6%	136,302	3.6%	Forecast 2.9% Average
2021-22**	28,734,000	5.4%	143,670	5.4%	
2022-23	29,998,200	4.4%	149,991	4.4%	
2023-24	31,149,400	3.8%	155,747	3.8%	
2024-25	32,248,600	3.5%	161,243	3.5%	
2025-26	33,297,600	3.3%	166,488	3.3%	
2026-27	34,296,600	3.0%	171,483	3.0%	
2027-28	35,402,400	3.2%	177,012	3.2%	
2028-29	36,543,800	3.2%	182,719	3.2%	
2029-30	37,722,000	3.2%	188,610	3.2%	
2030-31	38,938,200	3.2%	194,691	3.2%	
2031-32	37,554,200	-3.6%	187,771	-3.6%	
2032-33	36,953,600	-1.6%	184,768	-1.6%	
2033-34	38,654,400	4.6%	193,272	4.6%	
2034-35	40,193,000	4.0%	200,965	4.0%	
2035-36	41,471,400	3.2%	207,357	3.2%	
2036-37	42,786,000	3.2%	213,930	3.2%	
2037-38	44,142,200	3.2%	220,711	3.2%	
2038-39***	34,156,000	-22.6%	170,780	-22.6%	
Total/Average		3.6%	\$4,581,602	3.7%	

* Estimated

** Forecasts for FY 2021-22 through FY 2038-39

*** Program sunsets in March 2039

Based on the information in the previous table, the Authority is expecting total sales tax revenue of \$4.64 billion over the life of the program - \$100 million less than the amount forecast in 2004 when voters approved the Measure - \$4.74 billion. The average sales tax growth rate year-over-year since program inception through FY 2020-21 is 5.5% while the forecasts for the remainder of the program averages 2.9%. Although the forecast average growth rate appears conservative in comparison to actual growth rate, the local economy had been recovering from the Great Recession earlier in the decade. As such, sales tax revenue likely increased faster than it would have had the recession not happened at all or been less severe than it was. The overall program growth rate when actual and forecast amounts are combined is 3.7%.

Greater variation in the actual growth rate is expected since it represents the actual fluctuations in the underlying economic indicators, which differs from the forecast growth rates. Variations in economic indicators such as construction activity, net population growth, unemployment rates, and personal income growth are among the factors that impact revenue growth rates most significantly. Less variation is seen in the forecast growth rates because variations in the economic indicators are incorporated into a smoothed rate that anticipates the impact of each economic indicator over the life of the program. The average growth rate considers one mild/moderate recession over the remaining life of the program.

SACRAMENTO COUNTYWIDE MITIGATION FEE PROGRAM (SCTMFP)

Measure A includes a second, but smaller, revenue source – SCTMFP - which is a development fee collected by the County and each incorporated city within its boundaries. As a condition of receiving sales tax allocations, each agency is required to participate in the SCTMFP. This revenue is not pledged to the Authority's debt program; rather it is only used to fund the Authority's Capital Improvement Program (CIP). Historically, revenue forecasts for this program have been developed internally by Authority staff. However, since CIP is completely funded with pay-go, in April 2021 the Authority hired Economic & Planning Systems, a consultant with expertise in development fee forecasts to develop revenue forecasts through the remainder of the program. The Authority intends to continue using a consultant for revenue forecasts in this program given the volatile nature of development and related revenues. The following table shows how volatile the revenue for this program has been program to date and the forecasts moving forward:

Fiscal Year	Development Impact Fees	Growth Rate	Average
2009-10	\$3,073,658		12.3%
2010-11	2,334,437	-24.1%	
2011-12	2,957,362	26.7%	
2012-13	3,176,382	7.4%	
2013-14	3,540,542	11.5%	
2014-15	4,624,139	30.6%	
2015-16	4,363,650	-5.6%	
2016-17	7,848,175	79.9%	
2017-18	7,621,753	-2.9%	
2018-19	7,551,556	-0.9%	
2019-20	7,551,556	0.0%	1.7%
2020-21*	7,000,000	-7.3%	
2021-22**	6,132,000	2.2%	
2022-23	6,266,904	2.2%	
2023-24	6,404,776	2.2%	
2024-25	6,545,681	2.2%	
2025-26	6,689,686	2.2%	
2026-27	6,836,859	2.2%	
2027-28	6,987,270	2.2%	
2028-29	7,140,990	2.2%	
2029-30	7,298,092	2.2%	
2030-31	7,458,650	2.2%	
2031-32	7,622,740	2.2%	
2032-33	7,790,440	2.2%	
2033-34	7,961,830	2.2%	
2034-35	8,136,990	2.2%	
2035-36	8,316,004	2.2%	
2036-37	8,498,956	2.2%	
2037-38	8,685,933	2.2%	
2038-39	8,877,024	2.2%	
Total	\$195,294,034		

* Estimate

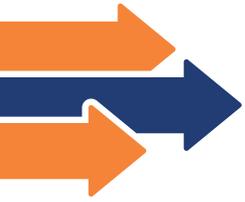
** Forecast

Actual revenue growth rates from FY 2009-10 through FY 2019-20 varied dramatically from a low of -24.1% in FY 2010-11 to a high of 79.9% in FY 2016-17, averaging 12.3% during this period. The variation is directly related to new construction activity throughout the County. Early in the program construction activity was depressed because of the Great Recession, but has been robust more recently, particularly in the City of Sacramento which is undergoing a revitalization. The forecast average growth rate year-over-year beginning with FY 2020-21 is conservatively set at 1.7%.

Based on the information in the table, the Authority projects total SCTMFP revenue of \$195.3 million over the life of the program. This amount is less than half the amount forecast in 2004 when voters approved Measure A - \$488 million.



**BUDGET
SCHEDULES
AND FUND
INFORMATION**



BUDGET SCHEDULES AND FUND INFORMATION

This section contains budgets for each of the Authority's programs and administration, as well as fund descriptions. The budget tables present actual revenues and appropriations for FY 2019-20, estimated amounts for FY 2020-21, and proposed amounts for FY 2021-22. In its annual financial report, the Authority reports three governmental funds – the General Fund, Special Revenue Fund, and a Debt Service Fund.

All budgetary information is reported on the modified accrual basis of accounting, like the fund statements found in the Authority's annual financial report. This method recognizes revenue when it becomes measurable and available, while expenditures are recognized when the obligation to pay is incurred. The Authority's cut off is 90-days after the fiscal year ends.

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. Revenues are expected to increase at a moderate rate of 4.1% with sales tax driving most of the growth.

Appropriations are expected to increase by \$14.7 million, nearly all attributable to anticipated increases in ongoing allocations and capital improvement program (CIP) costs. The other sources and uses category is expected to decrease by \$1 million in the budget year.

The budget year ending fund balance will decrease by \$24.3 million (-67.5%) to \$11.7 million when compared to the budgeted amount of \$36 million in FY 2020-21. The ending fund balance from year to year is impacted most significantly by the Authority's ongoing allocations and the CIP. Nearly all the fund balance is restricted for the CIP. Since ongoing allocations and capital program appropriations are expected to increase by more than \$14.2 million in the budget year, then it follows that fund balance will decrease. However, the Authority's budget is balanced, in part, because significant fund balance in the current year is available in the budget year.



The Authority considers the budget balanced when:

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

The Authority’s budget is balanced under scenario two for FY 2021-22.

The following table presents the information in the Consolidated Budget Summary by Fund in more detail. Appropriations for program administration and ongoing allocations are funded solely with sales tax proceeds, while the CIP is funded with a blend of sales tax proceeds and SCTMFP revenues. General Fund “transfers out” pay for principal, interest, and ancillary fees on bonded debt. In FY 2021-22 the fund balance reserves for the CIP increased to \$2 million, while the administration fund reserve remained the same as FY 2020-21 - \$200,000.

**CONSOLIDATED BUDGET GENERAL FUND, SAVSA, AND DEBT SERVICE -
REVENUE, APPROPRIATIONS, AND FUND BALANCE**

Description	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Proposed	Change from FY 2021	Change in Percent
Revenues						
Sales Tax	\$131,591,165	\$133,513,377	\$136,302,000	\$143,670,000	\$10,156,623	7.61%
SCTMFP Fees *	7,551,556	6,000,000	7,000,000	6,132,000	132,000	2.20%
Interest and Other	4,385,635	4,000,400	250,400	250,200	(3,750,200)	-93.75%
SacMetro FSP/CVR-SAFE **	2,703,639	4,351,113	3,157,441	4,131,411	(219,702)	-5.05%
SAVSA***	1,319,166	1,273,975	1,309,559	1,076,389	(197,586)	-15.51%
Total Revenues	\$147,551,161	\$149,138,865	\$148,019,400	\$155,260,000	\$6,121,135	4.10%
Appropriations						
Administration	1,108,589	581,544	627,650	850,277	268,733	46.21%
SacMetro FSP	2,658,784	3,247,315	3,176,852	3,617,748	370,433	11.41%
SAVSA	1,333,746	1,274,375	1,314,290	1,076,789	(197,586)	-15.50%
Contributions to Measure A Entities:						
Ongoing Allocations	103,808,302	105,321,537	107,524,559	113,336,953	8,015,416	7.61%
Capital Improvement Program (CIP)	20,410,835	29,625,296	26,357,588	35,835,679	6,210,383	20.96%
Total Appropriations	\$129,320,255	\$140,050,067	\$139,000,939	\$154,717,446	\$14,667,379	10.47%
Other Financing Sources (Uses)						
Transfers Out (to the Debt Service Fund)	(22,360,669)	(22,108,139)	(20,727,850)	(21,054,302)	1,053,837	-4.77%
Total Financing Sources (Uses)	(\$22,360,669)	(\$22,108,139)	(\$20,727,850)	(\$21,054,302)	\$1,053,837	-4.77%
Net Increase (decrease) in Fund Balance	(4,129,763)	(13,019,341)	(11,709,389)	(20,511,748)	(7,492,407)	57.55%
Beginning Fund Balance	48,045,323	48,981,576	43,915,560	32,206,171	(16,775,405)	-34.25%
Ending Fund Balance	\$43,915,560	\$35,962,235	\$32,206,171	\$11,694,423	(\$24,267,812)	-67.48%
Fund Reserve****	2,000,000	2,000,000	2,000,000	2,200,000	200,000	10.00%
Ending Fund Balance Less Reserve	\$41,915,560	\$33,962,235	\$30,206,171	\$9,494,423	(\$24,467,812)	-72.04%

* Sacramento Countywide Transportation Mitigation Fee Program

** Sacramento Metropolitan Freeway Service Patrol/Captial Valley Regional Service Authority for Freeways and Expressways

*** Sacramento Abandoned Vehicle Service Authority

**** FY 2021-22 \$2 million for the capital program and \$200,000 for administration

GENERAL FUND

PROGRAMS

The General Fund reports all Measure A revenues including sales tax, SCTMFP fees and interest income on fund balance and interest from interest rate hedging derivatives negotiated with bond program partners. The General Fund reports SacMetro FSP state and local grants. The Sacramento Abandoned Vehicle Service Authority (SAVSA) is reported separately as a Special Revenue fund and therefore not included in the General Fund table.

Measure A consists of two revenue components – a countywide one-half cent sales tax and mitigation fees charged for certain new construction by the Sacramento County and each city incorporated within its boundaries. The imposition of the mitigation fee is required to participate in the Measure A sales tax program. All funding from Measure A is dedicated to transportation operations, maintenance, and construction throughout the County. Sales tax is the largest and least volatile of the two funding sources.

Sales tax is collected by the California Department of Tax and Fee Administration (CDTFA) and remitted monthly. The Authority's trustee, US Bank, intercepts the sales tax remittance and pays all debt service costs before forwarding the remaining funds to the Authority's General Fund. Subsequently, Authority staff allocate the sales tax proceeds to each Measure A agency according to the percentages identified in the Measure A Ordinance.

The SCTMFP fees are remitted directly to the Authority semi-annually from each member agency. Initially, the fees for the program were determined by a Nexus study performed prior to the program's inception. Thereafter, the fees have been annually updated using criteria prescribed in the Ordinance. Since the fees are generated by construction activity, remittances have 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). This 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 early in the fiscal year in a lump sum by the Sacramento Area Council of Governments (SACOG) and used as the matching component for the state grant.

FUND BALANCE

The fund balance in the General fund is expected to decrease to \$11.6 million in FY 2021-22 from \$35.8 million in FY 2020-21 primarily because appropriations for ongoing allocations and the CIP are expected to increase. Since the ongoing allocations are formulaic, they increase as sales tax revenue increases – which is expected in FY 2021-22. The increased appropriations in the CIP are indicative of many capital projects throughout the County entering the construction phase.

GENERAL FUND BUDGET - REVENUE, APPROPRIATIONS AND FUND BALANCE

Description	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Proposed	Change from FY 2021	Change in Percent
Revenues						
Sales Tax	\$131,591,165	\$133,513,377	\$136,302,000	\$143,670,000	\$10,156,623	7.61%
SCTMFP Fees *	7,551,556	6,000,000	7,000,000	6,132,000	132,000	2.20%
Interest and Other	4,379,064	4,000,000	250,000	250,000	(3,750,000)	-93.75%
SacMetro FSP/CVR-SAFE **	2,703,639	4,351,113	3,157,441	4,131,411	(219,702)	-5.05%
Total Revenues	\$146,225,424	\$147,864,490	\$146,709,441	\$154,183,411	\$6,318,921	4.27%
Appropriations						
Administration	1,108,589	581,544	627,650	850,277	268,733	46.21%
FSP	2,658,784	3,247,315	3,176,852	3,617,748	370,433	11.41%
Contributions to Measure A Entities:						
Ongoing Allocations	103,808,302	105,321,537	107,524,559	113,336,953	8,015,416	7.61%
Capital Improvement Program (CIP)	20,410,835	29,625,296	26,357,588	35,835,679	6,210,383	20.96%
Total Appropriations	\$127,986,509	\$138,775,692	\$137,686,649	\$153,640,657	\$14,864,965	10.71%
Other Financing Sources (Uses)						
Transfers Out (to the Debt Service Fund)	(22,360,669)	(22,108,139)	(20,727,850)	(21,054,302)	1,053,837	-4.77%
Total Financing Sources (Uses)	(\$22,360,669)	(\$22,108,139)	(\$20,727,850)	(\$21,054,302)	\$1,053,837	-4.77%
Net Increase (decrease) in Fund Balance	(4,121,754)	(13,019,341)	(11,705,058)	(20,511,548)	(7,492,207)	57.55%
Beginning Fund Balance	47,877,833	48,852,801	43,756,079	32,051,021	(16,801,780)	-34.39%
Ending Fund Balance	\$43,756,079	\$35,833,460	\$32,051,021	\$11,539,473	(\$24,293,987)	-67.80%
Fund Reserve***	2,000,000	2,000,000	2,000,000	2,200,000	200,000	10.00%
Ending Fund Balance Less Reserve	\$41,756,079	\$33,833,460	\$30,051,021	\$9,339,473	(\$24,493,987)	-72.40%

* Sacramento Countywide Transportation Mitigation Fee Program

** Sacramento Metropolitan Freeway Service Patrol/Captial Valley Regional Service Authority for Freeways and Expressways

*** Includes \$2 million for the General Fund and \$200,000 for administration

REVENUE AND OTHER FINANCING SOURCES

Sales tax revenue is forecast to increase to \$143.7 million in FY 2021-22, representing a growth rate of about 7.6% over the FY 2020-21 budgeted amount of \$133.6 million. This growth rate is considerably higher than the average growth rate of 5.5% based on actual amounts from program inception in 2009 through June 30, 2021. However, since the program started in the middle of the Great Recession, some of the growth was attributed to pent up demand for consumer goods and services that were curtailed during that time. Sales tax revenue did not recover to pre-recession levels until FY 2015-16. Since then, sales tax revenue has continued to grow, albeit at a reduced rate, until more recently when new revenues from tax on out-of-state vendors that sell goods destined for the Sacramento region. This new revenue is directly attributable to the Wayfair Decision, which was rolled out in phases. The last phase took effect in January 2020, so this is the first full fiscal year of the new revenue. Our revenue forecasting consultant – Avenu Insights & Analytics – estimates the new revenue will amount to about \$6-7 million for FY 2021-22.

SCTMFP revenue has proven to be volatile. Since program inception in 2009, the growth rate has varied from a low of -24.1% in FY 2010-11 to a high of almost 80% in FY 2016-17. This program generates revenue by charging a fee for certain construction activity throughout the County. Annual revenue is estimated at \$7 million in FY 2020-21 and \$6.1 million in the budget year FY 2021-22. The average growth rate from program inception through June 30, 2020 was 12.3%. Historically, revenue forecasts have been developed by staff internally; However, in April 2021 the Authority hired consulting firm – Economic & Planning Systems – to develop revenue forecasts through the remainder of the program which sunsets in 2039. The Authority will continue using the services of a consultant to forecast revenues as the CIP program has become increasingly reliant on this funding source and up-to-date information is needed to appropriately program capital projects.

SacMetro FSP budgeted revenue is expected to decrease by \$219,000 in FY 2021-22 when compared to budgeted revenues in FY 2020-21. Local funding remains the same in the budget year, but State grant funding, which is generated, in part, by gasoline tax which is down because fewer people are driving so gas consumption has decreased.

APPROPRIATIONS AND OTHER FINANCING USES

Appropriations are forecast to increase \$14.9 million to \$153.6 million in FY 2021-22. Transfers out (other financing uses) are expected to be \$21 million, \$1 million less than the budgeted amount in the prior year. The transfers fund debt service on the Authority's bond program which consists almost entirely of variable rate debt. Since interest rates have plummeted, interest payments to bondholders have too. The budget assumes interest rates remaining at historic lows through the budget year.

Ongoing allocations are expected to increase by over \$8 million (7.6%) in FY 2021-22. The allocations increase (or decrease) in direct relation to changes in sales tax revenue. The Measure A Ordinance requires that about 80% of all sales tax dollars pass-through to local jurisdictions at a prescribed rate. CIP funding is expected to increase to \$35.8 million in FY 2021-22 from a budgeted amount of \$29.6 million in FY 2020-21. The increase of \$6.2 million (21%) is indicative of capital projects transitioning into the construction phase. Some of the projects that were slated for construction in the current year were delayed, postponing a portion of the spending into the budget year. As a result, actual spending in FY 2020-21 is estimated to be \$26.4 million, \$3.3 million less than budgeted.

CIP appropriations vary from year-to-year based on the number of projects under contract with the Authority and whether they are in the planning or construction phase. In general, appropriations increase when projects move into the construction phase. In the budget year, appropriations are spread across five agencies – the County, the cities of Sacramento and Citrus Heights, 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.

The table below summarizes the percentage of the CIP allocation that pays for debt service on an annual basis net of the interest received from the Authority’s swap partners. The percentage of debt service costs in relation to the sales tax allocation for CIP is budgeted to be lower in FY 2021-22 at 64% than estimated in FY 2020-21 at 66.5%. The reduced ratio is caused by increased revenue in the budget year, a portion (20.75%) of which is allocated to the CIP, while debt service charges have remained about the same. The percentage is expected to be relatively stable through FY 2028-29 when principal payments begin on \$318.3 million in variable rate debt issued in FY 2009-10. Thereafter, more of the sales tax allocation will be committed to paying those debt costs. Money left over after paying debt service costs is available for appropriation to the CIP as pay-go funding.

DEBT SERVICE TO SALES TAX ALLOCATION PERCENTAGES

Description	FY 2022 Proposed	FY 2021 Estimate	FY 2020	FY 2019	FY 2018
Sales Tax Allocation for CIP*	\$29,293,985	\$27,781,025	\$26,813,659	\$24,266,751	\$23,792,455
Debt Service Charges**	18,751,637	18,480,225	18,498,171	18,231,437	16,863,319
Ratio	64.01%	66.52%	68.99%	75.13%	70.88%

* Equals 20.75 of the net sales tax proceeds

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

The SCTMFP is expected to appropriate more than \$15.6 million to the CIP in FY 2021-22, \$5.6 million (55.2%) higher than the amount budgeted in FY 2020-21. Estimated actual spending for FY 2020-21 is expected to be about \$14.7 million, which is \$4.7 million more than expected because a recent effort has been undertaken to remit more development fee than sales tax dollars to local agencies paying into the program. The estimated ending fund balance for FY 2020-21 is expected to be \$9.6 million. Staff regularly monitor program cash flows to determine an appropriate balance between sales tax and SCTMFP resources to reimburse capital claims. Below is a table summarizing SCTMFP activities.

**SACRAMENTO COUNTYWIDE TRANSPORTATION MITIGATION FEE PROGRAM (SCTMFP)
REVENUE, APPROPRIATIONS, AND FUND BALANCE**

Description	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Proposed	Change from FY 2021	Change in Percent
Revenues						
Fees	\$7,551,556	\$6,000,000	\$7,000,000	\$6,132,000	\$132,000	2.20%
Interest	381,228	250,000	75,000	75,000	(175,000)	-70.00%
Total Revenues	\$7,932,784	\$6,250,000	\$7,075,000	\$6,207,000	(\$43,000)	-0.69%
Appropriations						
Caltrans	937,911	1,250,000	1,883,549	-	(1,250,000)	-100.00%
Capital SouthEast Connector	7,144,332	6,374,314	4,300,000	2,000,000	(4,374,314)	-68.62%
Citrus Heights	-	-	-	600,000	600,000	100.00%
Rancho Cordova	1,569,163	1,650,982	2,756,887	-	(1,650,982)	-100.00%
Sacramento City	193,614	800,000	1,145,701	2,200,589	1,400,589	175.07%
Sacramento County	1,867,750	-	4,655,000	5,000,000	5,000,000	100.00%
Smart Growth Incentive Program	-	-	-	5,835,989	5,835,989	100.00%
Total Appropriations	11,712,770	10,075,296	14,741,137	15,636,578	5,561,282	55.20%
Net Increase (decrease) in Fund Balance	(3,779,986)	(3,825,296)	(7,666,137)	(9,429,578)	(5,604,282)	146.51%
Beginning Fund Balance	21,083,317	16,917,566	17,303,331	9,637,194	(7,280,372)	-43.03%
Ending Fund Balance	\$17,303,331	\$13,092,270	\$9,637,194	\$207,616	(\$12,884,654)	-98.41%

FORMULAIC ALLOCATIONS

Measure A prescribes the allocation of all sales tax proceeds. The following table summarizes by percentage and annual amount, the proceeds each agency and program will receive in FY 2021-22 based on forecast sales tax revenue. The allocations are disbursed monthly.

- Total revenues are the total sales tax proceeds. The amount is net of the administration fees charged by the California Department of Tax and Fee Administration (CDTFA) averaging 1.1% of the total sales tax proceeds. The administration charges are withheld quarterly before the sales tax is remitted.
- Isleton and Galt receive .04% and 1% of the total revenues, respectively.
- The Neighborhood Shuttle is programmed to receive \$30 million over the life of the 30-year program. Therefore, the Authority distributes \$1 million to the program annually.

- Net revenues are the basis used to determine the remaining allocations by percentage.
- County Regional Parks are programmed to receive \$30 million over the life of the program, so the Authority distributes \$1 million to the program annually. However, the allocation to Safety, Streetscaping, Pedestrian and Bike Facilities is reduced by \$1 million annually to fund the regional parks program.
- Capital Improvement Program (CIP), which amounts to 20.75% of the net revenues, is the amount allocated to pay for debt service costs. Any money remaining is available for pay-as-you-go (pay-go) funding.
- Program administration funding is limited to 0.75% of the net revenues, which is used to pay for salaries and benefits, overhead, professional consultants, and audits supervised by the Independent Taxpayer Oversight Committee (ITOC).
- Sacramento Metropolitan Air Quality Management District is allocated 1.5% of the net revenues to fund air quality monitoring and improvement activities.
- Sacramento Regional Transit District (SRTD) and Paratransit combined are allocated 4.5% of the net revenues for the Consolidated Transportation Services Agency (CTSA)
- SRTD receives the largest allocation of the net revenues at 34.5% to fund transit operations and maintenance.

GENERAL FUND - MEASURE A ONGOING ALLOCATIONS

Description	Percentage	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Proposed	Change from FY 2021	Change in Percent
Total Revenues		\$131,591,165	\$133,513,377	\$136,302,000	\$143,670,000	\$10,156,623	7.61%
Isleton	0.04	52,636	53,405	54,521	57,468	4,063	7.61%
Galt	1.00	1,315,912	1,335,134	1,363,020	1,436,700	101,566	7.61%
Neighborhood Shuttle	Fixed	1,000,000	1,000,000	1,000,000	1,000,000	-	0.00%
Net Revenues		\$129,222,617	\$131,124,838	\$133,884,459	\$141,175,832	\$10,050,994	7.67%
County Regional Parks	Fixed	1,000,000	1,000,000	1,000,000	1,000,000	-	0.00%
Capital Improvement Program (CIP)	20.75	26,813,693	27,208,404	27,781,025	29,293,985	2,085,581	7.67%
Program Administration	0.75	969,170	983,436	1,004,133	1,058,819	75,382	7.67%
SMAQMD*	1.50	1,938,339	1,966,873	2,008,267	2,117,637	150,765	7.67%
Traffic Control & Safety**	3.00	3,876,679	3,933,745	4,016,534	4,235,275	301,530	7.67%
SRTD/Paratransit (CTSA)***	4.50	5,815,018	5,900,618	6,024,801	6,352,912	452,295	7.67%
Safety, Streetscaping, Ped and Bike Facilities **	5.00	5,461,131	5,556,242	5,694,223	6,058,792	502,550	9.04%
Street & Road Maintenance**	30.00	38,766,785	39,337,451	40,165,338	42,352,750	3,015,298	7.67%
SRTD***	34.50	44,581,803	45,238,069	46,190,138	48,705,662	3,467,593	7.67%
Total	100.00	\$129,222,617	\$131,124,838	\$133,884,459	\$141,175,832	\$10,050,994	7.67%

* Sacramento Metropolitan Air Quality Management District

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

*** Sacramento Regional Transit District

An additional formulaic allocation is performed to the following three categories distributed to the County of Sacramento and the cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, and Sacramento based on relative population and lane miles:

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

The amounts in the following table represent the total annual allocations by agency of the three categories above combined – less \$1 million for regional parks. The allocation percentages are updated annually based on population as reported by the California Department of Finance and lane miles reported by each jurisdiction.

**ALLOCATION PER POPULATION AND LANE MILES
(75/25 RATIO RESPECTIVELY)**

Entity	Population*	Lane Miles**	Allocation Ratio	Amount***
City of Citrus Heights	87,811	474	5.33823%	\$2,810,409
City of Elk Grove	176,154	1,175	11.19587%	5,894,269
City of Folsom	81,610	638	5.39040%	2,837,873
City of Rancho Cordova	78,381	682	5.32760%	2,804,810
City of Sacramento	510,931	3,118	31.84304%	16,764,345
County of Sacramento	593,801	5,417	40.90487%	21,535,110
Total	1,528,688	11,504	100%	\$52,646,816

* Per California Department of Finance Report E-1

** Based on data provided by each agency in Spring 2021

*** Represents total amount less \$1 million for regional parks

CAPITAL IMPROVEMENT PROGRAM (CIP)

The table below summarizes the total CIP appropriations at the agency level for three fiscal years. Agencies that are not represented in the table below but are part of the capital program are the cities of Folsom, Galt, and Elk Grove. These agencies do not have projects programmed during any of the three fiscal years presented. The estimated spending in FY 2020-21 is \$3.3 million less than budgeted because some projects experienced delays; however, the remaining funding will be carried into the budget year. Below is a summary of capital construction costs regardless of funding source.

GENERAL FUND - CAPITAL IMPROVEMENT PROGRAM (CIP)

Description*	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Proposed	Change from FY 2021	Change in Percent
Caltrans	\$9,512,647	\$8,250,000	\$13,500,000	\$9,500,000	\$1,250,000	15.15%
Capital SouthEast Connector JPA	4,744,332	6,374,314	4,300,000	3,794,692	(2,579,622)	-40.47%
Citrus Heights	-	600,000	-	600,000	-	0.00%
Rancho Cordova	1,569,163	1,650,982	2,756,887	-	(1,650,982)	-100.00%
Sacramento City	2,716,943	3,000,000	1,145,701	2,200,589	(799,411)	-26.65%
Sacramento County	1,867,750	9,750,000	4,655,000	13,904,409	4,154,409	42.61%
Smart Growth Incentive Program	-	-	-	5,835,989	5,835,989	100.00%
Total Capital Appropriations	\$20,410,835	\$29,625,296	\$26,357,588	\$35,835,679	\$6,210,383	20.96%

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

There are currently two funding sources for the CIP; sales tax and SCTMFP. The Measure A Ordinance directs 20.75% of the net sales tax proceeds to the CIP program, however only the amount remaining after paying debt service – pay go - is available to fund projects. Most of the money pays for principal, interest, and ancillary fees on the bonded debt issued to advance fund capital projects. The table below summarizes the planned funding from the two sources by agency.

Description*	FY 2021 Budget	Funded with SCTMFP	Funded with General Fund	FY 2021 Estimate	Funded with SCTMFP	Funded with General Fund	FY 2022 Budget	Funded with SCTMFP	Funded with General Fund
Caltrans	\$8,250,000	\$1,250,000	\$7,000,000	\$13,500,000	\$1,883,549	\$11,616,451	\$9,500,000	\$0	\$9,500,000
Capital SouthEast Connector JPA	\$6,374,314	6,374,314	-	\$4,300,000	4,300,000	-	3,794,692	2,000,000	1,794,692
Citrus Heights	\$600,000	-	600,000	-	-	-	600,000	600,000	-
Rancho Cordova	\$1,650,982	1,650,982	-	\$2,756,887	2,756,887	-	-	-	-
Sacramento City	\$3,000,000	800,000	2,200,000	\$1,145,701	1,145,701	-	2,200,589	2,200,589	-
Sacramento County	\$9,750,000	-	9,750,000	\$4,655,000	4,655,000	-	13,904,409	5,000,000	8,904,409
Smart Growth Incentive Plan	\$0	-	-	-	-	-	5,835,989	5,835,989	-
Total Capital Appropriations	\$29,625,296	\$10,075,296	\$19,550,000	\$26,357,588	\$14,741,137	\$11,616,451	\$35,835,679	\$15,636,578	\$20,199,101

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

SACRAMENTO METROPOLITAN FREEWAY SERVICE PATROL PROGRAM (SACMETRO FSP)

PROGRAM

SacMetro FSP reduces freeway congestion by removing vehicles that are stalled or have been involved in an accident which account for more than half of all non-recurring freeway congestion. The program is a coordination of the Authority, California Highway Patrol (CHP), and the California Department of Transportation (Caltrans). Major funding is provided by a state grant administered by Caltrans and a local grant administered by the Sacramento Area Council of Governments (SACOG) which allocates Capitol Valley Regional Service Authority for Freeways and Expressways (CVR-SAFE) funds.

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 get the vehicle running, it is towed to a CHP-approved location where the motorist can arrange for towing and/or repair.

SacMetro FSP operates on the following 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.

PROGRAM

Ending fund balance for FY 2021-22 is expected to be about \$927,000 in comparison to an estimated ending fund balance of \$413,000 in FY 2020-21. The FY 2020-21 budgeted fund balance is much higher than the estimated FY 2020-21 fund balance because some of the funding for new service from a gasoline tax revenue increase did not come in as expected – in part because fuel consumption plummeted during the pandemic. Over the next couple of fiscal years fund balance will likely decrease as new and expanded services are implemented.

REVENUE

Total revenues are expected to be \$4.1 million. State grant funding is expected to decrease by about \$220,000 (-6.1%) for the reason stated in the previous paragraph. Local grant funding (CVR-SAFE) is expected to remain the same. CVR-SAFE funds are used as a local match for the state funding received from Caltrans.

SACMETRO FSP BUDGET - REVENUE, APPROPRIATIONS, AND FUND BALANCE

Description	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Proposed	Change from FY 2021	Change in Percent
Revenues						
State Allocation	\$1,955,639	\$3,603,113	2,409,441	3,383,411	(\$219,702)	-6.10%
CVR-SAFE* (local match)	748,000	748,000	748,000	748,000	-	0.00%
Total Revenues	\$2,703,639	\$4,351,113	\$3,157,441	\$4,131,411	(\$219,702)	-5.05%
Appropriations						
Salaries and Benefits	140,718	150,763	149,590	153,248	2,485	1.65%
Overhead	84,392	58,846	62,462	62,572	3,726	6.33%
Conferences and Travel	44	1,825	-	1,150	(675)	-36.99%
Communications	85,694	58,818	44,268	63,400	4,582	7.79%
Professional Services	-	-	37,615	71,746	71,746	
Other Operating Expenditures	7,663	3,400	5,351	4,750	1,350	39.71%
Contractors	2,340,273	2,973,663	2,877,566	3,260,882	287,219	9.66%
Total Appropriations	\$2,658,784	\$3,247,315	\$3,176,852	\$3,617,748	\$370,433	11.41%
Net Increase (decrease) in Fund Balance	44,856	1,103,798	(19,411)	513,663	(590,135)	-53.46%
Beginning Fund Balance	388,196	538,348	433,052	413,640	(124,708)	-23.16%
Ending Fund Balance	\$433,052	\$1,642,146	\$413,640	\$927,303	(\$714,843)	-43.53%

* Capitol Valley Regional Service Authority for Freeways and Expressways

APPROPRIATIONS

Appropriations are expected to increase by more than \$370,000 in FY 2021-22. Most of the increase is for towing contractors whose costs are expected to increase by \$287,000 because new contracts reflect labor rates and operating costs that have increased over time. Professional services provided by the CHP during FY 2020-21 were supposed to be paid for by Caltrans directly, so there was no budget set aside for that purpose. However, after the budget was adopted, Caltrans notified FSP program partners that each agency should pay for CHP services and then bill Caltrans for reimbursement. The current arrangement is reflected in the FY 2021-22 budget.

ADMINISTRATION FUND

Three staff members are tasked with overseeing the Measure A, SacMetro FSP, and SAVSA programs. The Executive Director and Chief Financial Officer charge 93% and 95% of their time respectively administering the Measure A program, while the Administrative Services Officer (Special Programs Manager) charges 94% of her time administering the SacMetro FSP and SAVSA programs. As such, each program pays its fair share of salaries, benefits, and overhead charges through a cost allocation process. 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 \$141,000 (12.1%) in FY 2021-22 when compared to the budgeted fund balance of \$1.2 million for FY 2020-21. The increase can be explained by increased sales tax revenue allocated to administration in the budget year and improved beginning fund balance from the prior year. Total appropriations in FY 2021-22 are expected to increase by over \$268,000 (46.2%) when compared to budgeted appropriations for FY 2020-21. The fund balance reserve remains the same for FY 2021-22 at \$200,000.

ADMINISTRATION BUDGET - REVENUE, APPROPRIATIONS, AND FUND BALANCE

Description	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Proposed	Change from FY 2021	Change in Percent
Revenues						
Sales Tax*	\$969,170	\$983,436	\$1,004,133	\$1,058,819	\$75,382	7.67%
Interest and Other	55	50	50	50	-	0.00%
Total Revenues	\$969,225	\$983,486	\$1,004,183	\$1,058,869	\$75,382	7.66%
Appropriations						
Salaries and Benefits	548,146	462,324	471,104	528,507	66,183	14.32%
Rent	18,507	30,820	30,820	36,258	5,438	17.64%
Conferences and Travel	2,104	2,600	1,625	4,875	2,275	87.50%
Insurance	7,022	7,150	7,308	8,288	1,138	15.91%
Professional Services	430,719	32,500	73,419	157,500	125,000	384.62%
ITOC	92,826	35,750	34,450	104,450	68,700	192.17%
Other Operating Expenditures	9,264	10,400	8,924	10,400	-	0.00%
Total Appropriations	\$1,108,589	\$581,544	\$627,650	\$850,277	\$268,733	46.21%
Net Increase (decrease) in Fund Balance	(139,364)	401,942	376,533	208,592	(193,350)	-48.10%
Beginning Fund Balance	861,894	764,141	722,530	1,099,063	334,922	43.83%
Ending Fund Balance	\$722,530	\$1,166,083	\$1,099,063	\$1,307,655	\$141,572	12.14%
Fund Reserve	100,000	200,000	200,000	200,000	-	0.00%
Ending Fund Balance Less Reserve	\$622,530	\$966,083	\$899,063	\$1,107,655	\$141,572	14.65%

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

APPROPRIATIONS

Appropriations are expected to increase in the budget year for salaries and benefits, professional services, and the Independent Taxpayer Oversight Committee (ITOC). Pension costs and salaries continue to increase over time. The Authority is considering pursuing another sales tax measure in November 2022, so consulting contracts are planned since polling services and public relations assistance will be part of that effort. The ITOC will be contracting for a performance audit which under the Ordinance, is required periodically. The last audit was performed in FY 2019-20.

SPECIAL REVENUE FUND

PROGRAM

The Sacramento Abandoned Vehicle Service Authority (SAVSA) was created in 1991 to combat the growing number of abandoned vehicles on private and public property. SAVSA is funded by a \$1 vehicle registration fee collected by the California Department of Motor Vehicles (DMV). Each year, SAVSA helps to fund the removal of thousands of abandoned vehicles in the County and within the cities of Sacramento, Galt, Rancho Cordova, Folsom, Citrus Heights, and Elk Grove. Distributions to entities are based 50% on population and 50% on the relative number of abatements performed during each calendar quarter. This program will sunset in April 2022 given that the “fee” collected has now been legally deemed a “tax” which requires voter approval. No effort within the County has been established to ask voters to consider approving a new tax.

FUND BALANCE

With exception of administration costs, all the revenue received is available to reimburse claims submitted by program participants. As shown in the table below over the three-year period presented, revenue and appropriations roughly equal one another, leaving the program with an expected fund balance of about \$155,000 in FY 2021-22.

SAVSA BUDGET - REVENUE, APPROPRIATIONS, AND FUND BALANCE

Description	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Proposed	Change from FY 2021	Change in Percent
Revenues						
Vehicle License Fees	\$1,319,166	\$1,273,975	\$1,309,559	\$1,076,389	(\$197,586)	-15.51%
Interest	6,571	400	400	200	(200)	-50.00%
Total Revenues	\$1,325,737	\$1,274,375	\$1,309,959	\$1,076,589	(\$197,786)	-15.52%
Appropriations						
Abandoned Vehicle Abatement	1,308,693	1,252,334	1,291,690	1,052,389	(199,945)	-15.97%
Salaries and Benefits/Overhead	25,053	22,041	22,600	24,400	2,359	10.70%
Total Appropriations	\$1,333,746	\$1,274,375	\$1,314,290	\$1,076,789	(\$197,586)	-15.50%
Net Increase (decrease) in Fund Balance	(8,009)	-	(4,331)	-	(200)	0.00%
Beginning Fund Balance	167,490	128,775	159,226	154,895	26,120	20.28%
Ending Fund Balance	\$159,481	\$128,775	\$154,895	\$154,895	\$26,120	20.28%

REVENUE AND APPROPRIATIONS

Revenue and appropriations for FY 2021-22 are expected to be \$1.1 million which is about \$200,000 less than the prior year since the program will sunset in April 2022.

DEBT SERVICE FUND

The Authority established a debt service fund in compliance with the indenture for each bond issuance – Series 2009C, Series 2012, Series 2014A, and Series 2015A. Outstanding debt totals \$352.9 million as of June 30, 2021. Funding for servicing the debt is provided by the 20.75% allocation of net sales tax revenue.

FUND BALANCE

Ending fund balance for FY 2021-22 is expected to be \$3.2 million which is about \$2.8 million lower than budgeted for FY 2020-21. Most of the Authority’s debt is variable rate, so interest payments to bond holders fluctuate as interest rates do. The budget assumes that the federal interest rates will continue to be at historic lows during the budget year. Currently, the Authority is only making principal payments on the Series 2012 bonds, while the remaining bond series’ principal payments begin in FY 2028-29. The fund balance represents the monthly accumulation of money to pay anticipated debt service costs – which fluctuate based on interest rates related to the Authority’s variable rate bonds and ancillary costs such as liquidity facility and remarketing agent costs.

DEBT SERVICE - REVENUE, APPROPRIATIONS, OTHER FINANCING SOURCES, AND FUND BALANCE

Description	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Proposed	Change from FY 2021	Change in Percent
Revenue						
Interest	\$61,830	\$80,000	\$950	\$1,000	(\$79,000)	-98.75%
Total Revenues	\$61,830	\$80,000	\$950	\$1,000	(\$79,000)	-98.75%
Appropriations						
Principal	3,890,000	4,050,000	4,050,000	4,235,000	185,000	4.57%
Interest	18,498,171	18,058,139	18,480,225	18,751,637	693,498	3.84%
Total Appropriations	\$22,388,171	\$22,108,139	\$22,530,225	\$22,986,637	\$878,498	3.97%
Other Financing Sources (Uses)						
Transfers In	22,360,669	22,108,139	20,727,850	21,054,302	(1,053,837)	-4.77%
Total Financing Sources (Uses)	\$22,360,669	\$22,108,139	\$20,727,850	\$21,054,302	(\$1,053,837)	-4.77%
Net Increase (decrease) in Fund Balance	34,328	80,000	(1,801,425)	(1,931,335)	-	0.00%
Beginning Fund Balance	6,919,991	5,988,130	6,954,319	5,152,894	(835,236)	-13.95%
Ending Fund Balance	\$6,954,319	\$6,068,130	\$5,152,894	\$3,221,558	(\$2,846,572)	-46.91%

REVENUE AND OTHER FINANCING SOURCES

Interest is received for accumulated fund balance. Other financing sources (transfers in) to the debt service fund 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 sub funds created by the Authority’s trustee, US Bank. Similarly, one-twelfth of the annual principal payment for the Series 2012 bonds is accumulated. Since interest payments are made in the spring and fall and principal payments in the fall, fund balance at the end of the fiscal year is usually significant.

The following table summarizes debt service costs by fiscal year through the remainder of the Measure A program. The information in the table is based on the outstanding debt of \$352.9 million. This amount consists of four issuances – Series 2009C, Series 2014A, and Series 2015A all of which are Variable Rate Demand Bonds (VRDB) and the Series 2012 which are fixed rate bonds.

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

TOTAL DEBT PORTFOLIO

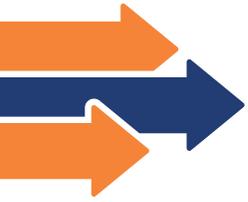
Fiscal Year Ending	Principal Amortization	Estimated Bond Interest	Hedging Derivatives, Net*	Ancillary Fees**	Total Estimated Debt Service and Fees
6/30/22	4,235,000	4,685,160	8,452,527	1,378,951	18,751,637
6/30/23	4,455,000	4,467,910	8,452,527	1,378,951	18,754,387
6/30/24	4,685,000	4,239,410	8,452,527	1,382,606	18,759,542
6/30/25	4,925,000	3,999,160	8,452,527	1,378,580	18,755,266
6/30/26	5,175,000	3,746,660	8,452,527	1,378,951	18,753,137
6/30/27	5,440,000	3,481,285	8,452,527	1,378,951	18,752,762
6/30/28	5,720,000	3,202,285	8,452,527	1,382,606	18,757,417
6/30/29	22,300,000	2,952,108	8,156,412	1,330,429	34,738,948
6/30/30	24,400,000	2,727,662	7,536,298	1,229,654	35,893,615
6/30/31	25,400,000	2,488,340	6,875,073	1,121,787	35,885,201
6/30/32	26,500,000	2,238,926	6,185,965	1,011,895	35,936,787
6/30/33	27,600,000	1,978,930	5,467,622	891,942	35,938,494
6/30/34	28,800,000	1,707,890	4,718,765	770,026	35,996,681
6/30/35	30,000,000	1,425,317	3,938,041	642,665	36,006,024
6/30/36	31,300,000	1,130,751	3,124,173	511,053	36,065,977
6/30/37	32,600,000	823,669	2,275,734	371,368	36,070,771
6/30/38	34,000,000	503,612	1,391,445	227,219	36,122,276
6/30/39	35,400,000	170,120	470,027	76,891	36,117,039
TOTAL	352,935,000	45,969,193	109,307,242	17,844,526	526,055,962

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

** Liquidity facilities and remarketing agent fees



***CAPITAL
IMPROVEMENT
PROGRAM***



CAPITAL IMPROVEMENT PROGRAM (CIP)

CAPITAL PROJECT FINANCING

The Authority is a planning and funding mechanism for the CIP. The voter-approved sales tax measure has generated about \$1.25 billion since the program's inception in 2009, of which 20.75% is dedicated to the capital program. The Expenditure Plan approved by voters identifies the projects to be constructed over the life of the program. The Authority does not construct any capital projects nor does own them. As such, there is no impact on the Authority's operating costs resulting from activity associated with the projects in the Expenditure Plan.

Annually, the Authority requests updated spending plans from each agency with capital projects programmed to receive Measure A funding. This information is essential for planning the annual budget and related cash flows. Only approved projects are eligible for Measure A funding.

Capital allocation contracts are typically for multiple years. Funding to date has been primarily through the issuance of debt issued early in the program to advance projects. However, proceeds from the issuance of debt were exhausted in FY 2017-18. Therefore, SCTMFP and pay-as-you-go (pay-go) are the only funds currently available for projects. Pay-go funding is expected to be about \$10.7 million in the budget year. In addition, the SCTMFP generates \$6-7 million in revenue per fiscal year. Together, these two funding sources along with accumulated fund balance are programmed to pay for the budget year CIP.

IMPACT OF CAPITAL IMPROVEMENTS ON THE OPERATING BUDGET

The Authority is a financing mechanism for transportation services and capital improvement projects throughout the region. When voters approved the sales tax measure, the Expenditure Plan within the Ordinance laid out specific programs, agencies, and projects the funding was to be allocated to.

There are 54 capital projects in the Expenditure Plan. All of them are to be built using a mix of funding types – e.g., local, state, and federal. The Authority provides local funding that is used to leverage other funding sources. In all cases, the agencies building the capital projects submit claims to the Authority that are reimbursed using Measure A dollars. None of the projects are built by the Authority, nor are they ever assets of the Authority. The Authority exists as a pass-through funding source. All capital assets are reported on the financial statements of the agencies building them.

Given the structure of the capital program, capital assets constructed with Measure A funds never have an impact on the Authority's operating budget.

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.
- Improve air quality.
- Maintain and strengthen the county's road and transportation systems.
- Enhance the region's ability to secure state and federal funding for transportation by providing local matching funds.
- Preserve unique, natural amenities.
- Preserve agricultural land.

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

SACRAMENTO COUNTY

	complete	in progress	not started	Grand Total
County of Sacramento Expenditures by Project	19,758,667	47,298,093	-	67,056,760
Antelope Rd.- Capital City Freeway	-	747,996	-	747,996
Calvine Rd. to Florin Rd. Phase 1	7,923,277	-	-	7,923,277
Calvine Rd. to Old Placerville Rd. Phase 2	-	-	-	-
Ethan Way to Fair Oaks Blvd.	-	-	-	-
Fair Oaks Blvd. to Main Ave. Phase 1	-	368,852	-	368,852
Fair Oaks Blvd. to Main Ave. Phase 2	-	-	-	-
Folsom Blvd. to Calvine Rd. Phase 1	-	3,390,233	-	3,390,233
Folsom Blvd. to Calvine Rd. Phase 2	-	-	-	-
Hazel Ave. to Greenback Ln.	-	-	-	-
Hwy 50 to Folsom Blvd.	-	1,932,204	-	1,932,204
Hwy 50 to Madison Ave.	-	38,222,292	-	38,222,292
I-80 to Madison Ave.	-	-	-	-
Jackson Rd. to Grant Line Rd.	-	-	-	-
Madison Ave. to Gold Country Blvd.	-	-	-	-
Madison Ave. to Placer County Line	-	-	-	-
Sunrise Blvd. to Hazel Ave.	-	1,979,631	-	1,979,631
Watt Ave to Roseville Rd.	-	-	-	-
Watt Ave. Hwy 50 Interchange	11,835,390	-	-	11,835,390
Watt Ave. to Bradshaw Rd.	-	656,885	-	656,885
Watt Ave. to Sunrise Blvd.	-	-	-	-
Grand Total	19,758,667	47,298,093	-	67,056,760



- Arden Way ITS Improvements (Del Paso Blvd. – Ethan Way)
- Bruceville Road Widening (Sheldon Rd - Consumnes River Blvd)
- Cosumnes River Boulevard (Freeport Blvd. – Franklin Blvd.)
- Cosumnes River Boulevard/ I-5 Interchange Upgrade
- Folsom Boulevard (65th St. – Watt Ave.)
- Richards Boulevard/I-5 Interchange Improvements
- Downtown Intermodal Station

CITY OF SACRAMENTO

	complete	in progress	not started	Grand Total
City of Sacramento Expenditures by Project	8,588,138	83,728,067	-	92,316,205
65th St. to Watt Ave.	-	-	-	-
Bruceville Rd. Sheldon Rd. to Consumnes Blvd.	-	-	-	-
Consumnes Blvd. I-5 Interchange	8,588,138	-	-	8,588,138
Del Paso Blvd. to Ethan Way	-	-	-	-
Richards Blvd. I-5 Interchange	-	350,835	-	350,835
Sacramento Intermodal Station	-	83,377,232	-	83,377,232
Grand Total	8,588,138	83,728,067	-	92,316,205



- Folsom Boulevard Streetscape
- Sunrise Boulevard

CITY OF RANCHO CORDOVA

	complete	in progress	Grand Total
City of Rancho Cordova Expenditures by Project	5,102,720	13,027,804	18,130,524
Bradshaw Rd. to Sunrise Blvd. Phase 1	5,066,265	-	5,066,265
Bradshaw Rd. to Sunrise Blvd. Phase 2	36,455	-	36,455
Bradshaw Rd. to Sunrise Blvd. Phase 4	-	3,434,158	3,434,158
Bradshaw Rd. to Sunrise Blvd. Phase 5	-	1,067,618	1,067,618
Gold Country Blvd. to Jackson Rd.	-	8,526,028	8,526,028
Grand Total	5,102,720	13,027,804	18,130,524



- 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)

CITY OF CITRUS HEIGHTS

	complete	in progress	not started	Grand Total
City of Citrus Heights Expenditures by Project	7,841,744	-	-	7,841,744
Antelope Rd. to City Limit Phase 3	-	-	-	-
Greenback Ln. to Oak Ave Phase 2	-	-	-	-
I-80 to Auburn Blvd.	-	-	-	-
Oak Ave. to Antelope Rd. Phase 1	4,528,000	-	-	4,528,000
Roseville Rd. to I-80 Phase 1	1,088,744	-	-	1,088,744
West City Limit to Fair Oaks Blvd.	2,225,000	-	-	2,225,000
Grand Total	7,841,744	-	-	7,841,744



- Grantline Road/SR99 Interchange Upgrade
- Sheldon Road / SR99 Interchange Upgrade
- Bradshaw Road - (Grantline Rd. - Calvin Rd.)
- Sheldon Road. (Bruceville Rd - Bradshaw Rd)
- Elk Grove – Florin Road (Calvin Rd - Elk Grove Blvd)
- Elk Grove – Florin Road (Big Horn Blvd - Waterman Rd)

CITY OF ELK GROVE

	complete	not started	Grand Total
City of Elk Grove Expenditures by Project	45,521,033	-	45,521,033
Bradshaw Rd. Grantline Rd. to Calvin Rd.	-	-	-
Elk Grove Blvd. Big Horn Rd. to Waterman Rd.	-	-	-
Elk Grove Florin Rd. Calvin Rd. to Elk Grove Blvd.	-	-	-
Grantline Rd..Hwy 99 Interchange Upgrade	37,229,290	-	37,229,290
Sheldon Rd. Bruceville Rd. to Bradshaw Rd.	-	-	-
Sheldon Rd. Hwy 99 Interchange Upgrade	8,291,743	-	8,291,743
Grand Total	45,521,033	-	45,521,033



- Folsom Lake Crossing

CITY OF FOLSOM

	complete	Grand Total
City of Folsom Expenditures by Project	37,577,078	37,577,078
Folsom Bridge Crossing	37,577,078	37,577,078
Grand Total	37,577,078	37,577,078



- Central Galt Interchange

CITY OF GALT

	complete	Grand Total
City of Galt Expenditures by Project	9,966,000	9,966,000
Central Galt Interchange	9,966,000	9,966,000
Grand Total	9,966,000	9,966,000



- I-5/50 Interchange Improvements
- I-5/80 Interchange Upgrade, HOV Connector, and I-5 HOV Lanes
- Oak Park (SR99/50) Interchange Improvements
- I-5 Bus/Carpool Lanes
- I-80 Bus/Carpool Lanes
- US 50 Bus/Carpool Lanes

CALTRANS

	complete	in progress	not started	Grand Total
Caltrans Expenditures by Project	35,015,921	36,778,520	-	71,794,440
Hwy 50 /I-5 Ramp Widening for Connectors	-	-	-	-
Hwy 50/Hwy 99 Bus/Carpool Ramp Connection	-	-	-	-
I-5 Bus/Carpool Lanes	-	19,260,377	-	19,260,377
I-5/I-80 Interchange Upgrade	1,500,000	-	-	1,500,000
I-80 I-5 to Capital City Freeway	722,688	-	-	722,688
Sunrise Blvd. to Downtown Phase 1	32,793,233	-	-	32,793,233
Sunrise Blvd. to Downtown Phase 2	-	17,518,143	-	17,518,143
Grand Total	35,015,921	36,778,520	-	71,794,440



- Downtown Natomas Airport LRT Extension
- South Sacramento LRT Corridor - Phase 2 (Meadowview - CRC)
- Northeast Corridor (NEC)
- Regional Rail

SACRAMENTO REGIONAL TRANSIT DISTRICT

	complete	not started	Grand Total
SRTD Expenditures by Project	62,823,883	-	62,823,883
DNA LRT Extension	37,311,000	-	37,311,000
LRT I-80 Corridor Improvements	247,200	-	247,200
Regional Rail Commuter Service	-	-	-
South Sac LRT Extension	25,265,683	-	25,265,683
Grand Total	62,823,883	-	62,823,883



- • I-5 / SR 99 / US 50 Connector

CAPITAL SOUTHEAST CONNECTOR

	in progress	Grand Total
Capital SouthEast Connector Expenditures by Project	38,308,340	38,308,340
Consumnes River Permanent Open Space Preserve	4,909,227	4,909,227
I-5/Hwy 99/Hwy 50	33,399,113	33,399,113
Grand Total	38,308,340	38,308,340

There are 14 projects and the Smart Growth Incentive Program (SGIP) programmed to receive Measure A funding during FY 2021-22 through interagency funding agreements. All CIP projects are multi-year or long-term in nature, therefore many projects span multiple funding agreement cycles. Since availability of funding is a primary driver for the construction cycle, some projects may stall while enough funding is identified. Therefore, it is not uncommon to reallocate funding from one project to another based on the availability of other funding sources. Measure A funding is normally the local matching component for other funding sources, so the Authority and CIP agencies work together throughout the projects’ 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.



- **Folsom Blvd: Watt Ave. to Bradshaw Rd.** – this project will improve safety and connectivity along Folsom Boulevard between Bradshaw Road and Mayhew Road by providing sidewalk continuity, buffered bike lanes, pedestrian safety lighting, functional landscaping, and pedestrian signal upgrades. The FY 2021-22 funding request is \$4,097,000. The remaining capital allocation contract amount through June 2022 is \$4.2 million.
- **Greenback Lane: Fair Oaks Blvd. to Main Ave.** – this project on Greenback Lane between Chestnut Avenue and Folsom City Limits will install Class II Bike lanes, separated sidewalks, ADA upgrades that include curb ramps, bicycle detection, bus stop and transit access improvements, and landscape/streetscape enhancements. The FY 2021-22 funding request is \$600,000. The remaining capital allocation contract amount through June 2022 is \$2.6 million.

- **Hazel Ave: Hwy 50 to Folsom Blvd.** – this project proposes to construct capacity, safety, and access improvements at the U.S. Highway 50/Hazel Avenue interchange and the Hazel Avenue/Folsom Boulevard intersection. Improvements include modifications to the interchange structure and freeway ramps; extension of Hazel Avenue as a six-lane roadway south of U.S. 50 and Folsom Boulevard; construction of a grade separation at the Hazel Avenue/Folsom Boulevard intersection to separate the Hazel Avenue extension from Folsom Boulevard and the light rail tracks; and construction of a connection road to provide new access between Folsom Boulevard and the Hazel Avenue extension. This project will provide for connections with residential and business development areas south of U.S. 50. The FY 2021-22 funding request is \$1.2 million. The remaining capital allocation contract amount through June 2022 is \$10.5 million.
- **Hazel Ave: Hwy 50 to Madison Ave.** - this is the third phase of the Hazel Avenue project that will widen Hazel Avenue from four to six lanes from Sunset Avenue to Madison Avenue, and construct new bike lanes, separated sidewalks, landscaped medians and parkway features throughout the corridor. New traffic signals are proposed at Roediger Lane and Phoenix Avenue. This project will improve existing and projected traffic congestion, enhance pedestrian and bicycle mobility, improve safety, and generally improve the aesthetics of the corridor. The FY 2021-22 funding request is \$5,732,409. The remaining capital allocation contract amount through June 2022 is \$6 million.
- **Madison Ave.: Sunrise Blvd. to Hazel Ave.** – this project will widen Madison Avenue from 4 to 6 lanes with raised medians between Fair Oaks Boulevard and Hazel Avenue in the Citrus Heights and Fair Oaks areas. The project will construct bicycle and pedestrian facilities, traffic signal modifications, traffic operations system upgrades, landscaping, and streetscape enhancements, and soundwalls. The FY 2021-22 funding request is \$400,000. The remaining capital allocation contract amount through June 2022 is \$2.3 million.
- **Sunrise Blvd.: Jackson Rd. to Grant Line Rd.** – this project will widen the existing intersection at Jackson Road and Sunrise Boulevard to add additional lanes and modify the existing traffic signal for improved efficiency. The FY 2021-22 funding request is \$225,000. The remaining capital allocation contract amount through June 2022 is \$2.4 million.
- **Watt Ave.: Antelope Rd. to Capital City Freeway** – this project is located on Watt Avenue, north of I-80, from Orange Grove Avenue to Roseville Road. Improvements include the design and construction of sidewalk infill, ADA improvements such as curb ramps and bus stops, class II bike lanes, and streetscape enhancements. The FY 2021-22 funding request is \$1.25 million. The remaining capital allocation contract amount through June 2022 is \$2.9 million.
- **South Watt Ave.: Folsom Blvd. to Calvin Rd.** – this project will widen South Watt Avenue from two to four lanes between Florin Road and Jackson Road. Proposed improvements include landscaped medians, ADA upgrades, bicycle and pedestrian facilities, and intersection upgrades. The FY 2021-22 funding request is \$400,000. The remaining capital allocation contract amount through June 2022 is \$6.8 million.



- Richards Blvd.: 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 2021-22 funding request is \$700,589. The remaining capital allocation contract amount through June 2022 is \$2.8 million.
- Sacramento Intermodal Station** – this project is currently in the planning phase for the expansion of the existing station facility which will better connect transportation services closer to the relocated train track and platform alignment. The timeline for full build-out is currently 2040 and is planned to be implemented in distinct phases. The program elements of the plan include a bus station for Amtrak Thruway, regional and local transit agencies, and private carriers; new bike facilities, improved drop-off and pick-up areas, implementation of current light rail and streetcar projects, public space, and new supportive transit-oriented development. Programing for future uses in the historic station will be evaluated to support the transit complex. The FY 2021-22 funding request is \$1,500,000. The remaining capital allocation contract amount through June 2022 is \$7.7 million.



- Greenback Lane/Sunrise Blvd. to Fair Oaks Blvd.** – Traffic signal upgrades and modifications, ADA, pedestrian, bicycle and transit enhancements, drainage improvements, and pavement restoration. The FY 2021-22 funding request is \$600,000. The remaining capital allocation contract amount through June 2022 is \$600,000.



- **Hwy 50 Bus/Carpool Lanes Sunrise Blvd. to Downtown** – this project is designed to reduce recurring congestion on U.S. 50 from the Watt Avenue Interchange (where the current HOV lanes start and stop on U.S. 50) to the I-5 Interchange in downtown Sacramento. In addition, this project will allow connectivity and consistency with the planned HOV system in the Sacramento region, enhance mobility and provide incentives for ridesharing during peak period travel, achieve the goals of the current SACOG MTP/SCS by promoting ridesharing, improving U.S. 50 to meet the growing travel demand in the Sacramento region, provide an option for reliable peak period travel time, and improved bicycle and pedestrian access. The FY 2021-22 funding request is \$3.5 million. The remaining capital allocation contract amount through June 2022 is \$10.9 million.
- **I-5 Bus/Carpool Lanes** – this project, in its first phase, will construct approximately 19 miles of bus/carpool lanes on I-5 from Bach Lake Bridge to U.S. 50. Phase two will construct 6 miles of bus/carpool lanes from 1.1 mile south of Elk Grove Boulevard to Beach Lake Bridge. The purpose of this project is to promote ride sharing and the use of high occupancy vehicles such as carpools, vanpools, and express bus services during peak period travel, provide congestion relief 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 2021-22 funding request is \$6 million. The remaining capital allocation contract amount as of April 2021 is \$13.9 million.



- This project consists of a 34-mile-long expressway that will serve as a beltway through the southern area of Sacramento County into El Dorado County, enabling travelers to bypass downtown Sacramento and Highway 50 congestion between Elk Grove, Rancho Cordova, Folsom, and El Dorado Hills. The Connector will provide easier access to jobs, reduced congestion, more efficient goods movement, increased safety, and significant economic impact. The project's first phase includes construction of four continuous lanes from Interstate 5 and Highway 99 in Elk Grove to the new Silva Valley interchange at Highway 50 in El Dorado Hills, expanded at-grade intersections at all major access points, and a continuous path for pedestrians, bicyclists, and equestrians. The FY 2021-22 funding request is \$3,794,692. The remaining capital allocation contract through June 2022 is \$6 million.
- **Smart Growth Incentive Program (SGIP)** - Planning, development, and acquisition of the Consumnes River Permanent Open Space Preserve and/or any other environmental mitigation needed to offset the impacts from the Capital SouthEast Connector. The funding request for FY 2021-22 and remaining allocation through June 2022 \$5,000,000.

FINANCING

The table below represents the Authority’s financing plan including updated estimates for FY 2020-21 and appropriations for FY 2021-22. The projects and funding amounts by fiscal year are the result of a collaborative process between Authority staff and each agency building the projects. This working plan is implemented through funding agreements between the Authority and the agencies building the projects.

Sales tax revenue allocated to the CIP is forecast to increase from an estimated \$27.8 million in FY 2020-21 to \$29.3 million in FY 2021-22 of which \$18.7 million is expected to be spent on debt service costs.

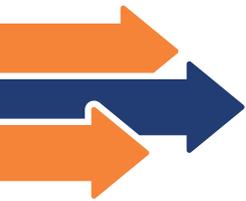
Debt service costs include principal, interest, and ancillary fees while the remainder is available as pay-go funding. The SCTMFP is expected to contribute \$7 million FY 2020-21 and \$ 6.1 million in FY 2021-22, including interest revenue, to the CIP.

CAPITAL IMPROVEMENT PROGRAM FINANCING PLAN

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Beginning Fund Balance	42,545,332	32,215,628	13,054,297	12,189,388	6,838,275	5,448,652
Revenue Assumptions:	-	-	-	-	-	-
Sales Tax	136,302,000	143,670,000	149,991,000	155,747,000	161,243,000	166,488,000
Off the top	2,417,541	2,494,168	2,559,906	2,619,769	2,676,927	2,731,475
Net Sales Tax Available to CIP	133,884,459	141,175,832	147,431,094	153,127,231	158,566,073	163,756,525
Sales tax CIP allocation	27,781,025	29,293,985	30,591,952	31,773,900	32,902,460	33,979,479
Debt Service (net of swap interest)	18,753,141	18,751,637	18,754,387	18,759,542	18,755,266	18,753,137
Sales tax pay go	9,027,884	10,542,348	11,837,565	13,014,358	14,147,194	15,226,342
SCTMFP	7,000,000	6,132,000	6,267,000	6,405,000	6,546,000	6,690,000
Release 2012 bond reserve	-	-	5,654,407	-	-	-
Net Available for Expenditure	58,573,216	48,889,976	36,813,269	31,608,747	27,531,469	27,364,994
Expenditure Assumptions	-	-	-	-	-	-
California DOT:	-	-	-	-	-	-
I-5 Elk Grove	10,000,000	6,000,000	5,400,000	-	-	-
I-5 Carpool Lanes US 50 - I-80	-	-	-	4,000,000	7,000,000	10,500,000
Hwy 50 HOV	3,500,000	3,500,000	2,700,000	1,000,000	1,000,000	-
Capital SouthEast Connector	4,300,000	3,794,692	2,269,345	2,000,000	2,000,000	2,891,062
City of Citrus Heights:	-	-	-	-	-	-
Greenback Lane	-	600,000	-	-	-	-
Sunrise Blvd.	-	-	-	300,000	-	-
Antelope Rd.	-	-	-	300,000	-	-
City of Rancho Cordova	2,756,887	-	-	-	-	-
City of Sacramento:	-	-	-	-	-	-
Intermodal	445,112	1,500,000	2,000,000	5,000,000	-	-
Richards/I-5	700,589	700,589	700,589	700,589	2,500,000	5,000,000
County of Sacramento:	-	-	-	-	-	-
Bradshaw Rd. Phase 2	-	-	3,300,000	-	-	-
Folsom Blvd.	500,000	4,097,000	100,000	100,000	1,500,000	-
Greenback Lane Phase 1	300,000	600,000	600,000	1,365,000	1,400,000	-
Hazel Ave. Phase 1	2,500,000	5,732,409	-	-	-	-
Hazel Ave. 50 to Folsom	250,000	1,200,000	1,500,000	3,000,000	4,546,828	5,000,000
Madison Ave. Phase 1	400,000	400,000	600,000	1,176,406	1,300,000	4,000,000
South Watt Phase 1	130,000	400,000	3,000,000	3,269,488	-	-
Sunrise - Jackson to Grant Line	75,000	225,000	377,000	1,723,000	-	-
Watt Ave. - Antelope to Cap City	500,000	1,250,000	1,240,958	-	-	-
Smart Growth Incentive Program	-	5,835,989	835,989	835,989	835,989	835,989
Total Expenditures	26,357,588	35,835,679	24,623,881	24,770,472	22,082,817	28,227,051
Fund Balance Reserve	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Ending Fund Balance	30,215,628	11,054,297	10,189,388	4,838,275	3,448,652	(2,862,057)



ORGANIZATIONAL OVERVIEW



ORGANIZATIONAL OVERVIEW

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

The Authority employs 3 full-time personnel. Staffing levels have remained the same during FY 2019-20, FY 2020-21, and no changes are planned for FY 2021-22. Because of its small size, staff work in multiple programs. All positions are funded according to the percentages summarized later in this section.

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.

RESPONSIBILITIES/DUTIES

- Identifies and oversees the Authority’s strategic direction based upon the agency’s vision, mission, and overall strategic plan.
- Implements the Measure A projects and programs in compliance with its provisions and requirements.



- Safeguards the Authority through the adherence to all applicable laws and regulations by identifying and responding to risks.
- Regularly updates the Governing Board on important issues facing the Authority and requests input and direction to address them.
- Prepares meeting agendas and oversees the development of meeting reports and materials.
- Plans, organizes, directs, and evaluates the operations of the Authority; develops, and/or evaluates proposals for programs, services, and projects approved by the Governing Board, responds to regulatory or legislative changes, resolves identified problems; ensures effective utilization of available resources by managing organizational change, allocates staff resources, and work processes.
- Develops and maintains effective working relationships with Federal, State, and local government agencies and community groups to ensure service goals/requirements are met.
- Directs the review, planning, evaluation, and development of the Authority's budget. Oversees administration of the budget and ensures appropriate fiscal controls and reporting processes are in place.
- Reviews, analyzes, and interprets legislation and regulations; develops, recommends, and oversees the implementation of policies and procedures for compliance.
- Represents the Authority by working closely with governmental agencies, public and private organizations, and community groups to provide technical assistance and address issues of mutual concern and makes presentations to regulatory, governing, and related councils and boards.
- Prepares and coordinates the preparation of a wide variety of reports and presentations regarding Authority services and operations.
- Serves as an ex-officio member of the Measure A Independent Taxpayer Oversight Committee (ITOC) and;
- Concurrently acts as the Executive Director of the Sacramento Abandoned Vehicle Service Authority (SAVSA).

CHIEF FINANCIAL OFFICER

Under the direction of the ED, the Chief Financial Officer (CFO) is responsible for all financial related matters, including day-to-day accounting duties, financial statement and budget preparation, payroll and benefits administration, contract administration, and overseeing financial forecasts and related planning activities.

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 Annual Financial Report under the supervision of the Independent Taxpayer Oversight Committee (ITOC), represents the Authority during audits, and presents all financial information to the Board, ITOC, other stakeholders, and the public.
- Establishes and monitors funds and reserves and assesses the overall financial condition of the Authority and its ability to fund operations, ongoing programs, and the Capital Improvement Program (CIP).
- Reviews, researches, analyzes, prepares, and presents annual budgets for Authority operations, special programs, and its CIP. Presents this information to the Board, ITOC, other stakeholders, and the public.
- Tracks actual to budget expenditures 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 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.
- 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.

RESPONSIBILITIES/DUTIES

- Point of contact for the Authority’s special programs—SacMetro FSP and SAVSA. Facilitates communication and coordination between local and state-level government agencies and contractor partnerships.
- Program contract procurement. Prepares and distributes request for qualifications (RFQ) and request for proposals (RFP), coordinates and participates in the review of RFQ and RFP packets and presents recommendations to the Governing Board.
- Program financial management. Budget preparation, reviews and approves monthly and quarterly reports and invoices, completes required state financial annual reporting requirements.
- Analyzes program data to assess productivity, needs and concerns for long-term planning and sustainability. Uses data to prepare and provide detailed program analysis reports to inform contractors of operational concerns and historical trends.
- Ensures program members and contractors follow 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.

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 2020-21 with an estimated 2% cost of living adjustment (COLA) for FY 2021-22.

Pay Schedules for FY 2021-22 (including an estimated 2% COLA*)		
Classification	Monthly Minimum	Monthly Maximum
Executive Director	\$185,502	\$204,500
Chief Financial Officer	133,813	147,529
Administrative Services Officer III	110,471	121,780

* Cost of Living Allowance

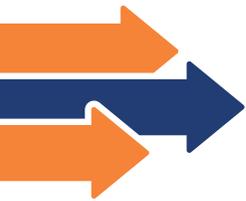
AUTHORITY ACCOMPLISHMENTS

During FY 2020-21, the Authority achieved numerous accomplishments including the following:

- Developed an expenditure plan and ordinance pursuant to an additional sales tax destined to the ballot box in November 2020, but it was repealed given the impacts of the pandemic and social unrest.
- Programmed Senate Bill 1 (SB 1) funds.
- Updated Functional Guidelines for the ITOC.
- Completed several significant bond-related transactions.
- Completed an update of the Measure A program's sales tax revenue forecasts.
- Maintained reserve balances in the CIP and administration funds consistent with GFOA guidelines.
- Revamped the budget to include more information that is useful to stakeholders.
- Received GFOA's Distinguished Budget Presentation Award.
- Increased collaboration between the Board, staff, and Measure A partner agencies.
- Responded to all Public Records Act requests within 10 business days.



STATISTICAL INFORMATION



STATISTICAL INFORMATION

DEMOGRAPHIC AND ECONOMIC STATISTICS

Fiscal Year	Population	Personal Income (000's)	Per Capita Personal Income	Unemployment Rate
2019	1,541,000	\$80,969,087	\$52,544	3.8%
2018	1,531,000	76,832,120	50,197	4.6%
2017	1,514,460	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%

Sources: County of Sacramento Annual Financial Report

PRINCIPAL EMPLOYERS

Employer:	2019*			2010		
	Rank	Employees	Percentage of Total County Employment	Rank	Employees	Percentage of Total County Employment
UC Davis Health System	1	12,840	1.88%			
Kaiser Permanente	2	11,005	1.61%	1	10,081	1.65%
Sutter/California Health Services	3	8,177	1.20%	3	7,314	1.20%
Dignity/Mercy Healthcare	4	7,000	1.02%	2	8,279	1.36%
Intel Corporation	5	6,000	0.88%	4	6,000	0.98%
Apple Inc.	6	5,000	0.73%			
Raley's Inc/Belair	7	3,374	0.49%	6	3,401	0.56%
Health Net of California Inc.	8	3,000	0.45%	8	2,512	0.41%
VSP Global	9	2,700	0.40%			
Amazon - Sacramento Fulfillment Center	10	2,000	0.29%			
Wells Fargo & Co.				5	3,690	0.61%
Pride Industries				7	2,841	0.47%
Cache Creek Casino Resort				9	2,460	0.40%
Pacific Gas and Electric Co.				10	2,169	0.36%
Total		61,096	8.95%		48,747	8.00%

*Latest information available

Source: Sacramento County June 30, 2019 Annual Financial Report

REVENUE CAPACITY - REVENUE BASE AND REVENUE RATE

Fiscal Year	Sales Tax Rate	Total Sales Tax Revenue	Total Taxable Sales*
2020	0.5%	\$ 131,591	\$ 26,318,200
2019	0.5%	131,757	26,836,365
2018	0.5%	119,188	25,443,669
2017	0.5%	116,878	24,610,617
2016	0.5%	110,708	23,368,174
2015	0.5%	105,564	22,218,348
2014	0.5%	100,063	21,061,901
2013	0.5%	97,390	20,097,095
2012	0.5%	92,240	19,089,848
2011	0.5%	87,299	18,003,765

Source: California Department of Tax and Fee Administration

* Fiscal Year 2020 is estimated - actuals not available

RATIOS OF OUTSTANDING DEBT

Fiscal Year	Sales Tax Revenue Bonds	Percentage of Personal Income	Per Capita
2019	360,875,000	0.4%	234
2018	364,615,000	0.5%	238
2017	368,205,000	0.5%	243
2016	371,655,000	0.5%	248
2015	371,655,000	0.6%	251
2014	371,655,000	0.6%	255
2013	371,655,000	0.6%	257
2012	318,300,000	0.6%	222
2011	318,300,000	0.6%	224
2010	318,300,000	0.6%	226

Source: Audited Financial Statements and the Bureau of Economic Analysis

OPERATING INFORMATION - DEMAND FOR SERVICES

Jurisdiction	Fiscal Year				
	2020	2019	2018	2017	2016
City of Citrus Heights	\$ 2,589,796	\$ 2,594,616	\$ 2,347,540	\$ 2,302,514	\$ 2,152,319
County of Sacramento	19,780,254	19,824,716	17,951,156	17,620,170	16,530,072
CTSA Set Aside	-	1,078,447	1,168,157	1,146,027	1,069,997
City of Elk Grove	5,356,571	5,367,420	4,780,559	4,739,611	4,318,918
City of Folsom	2,600,243	2,603,896	2,335,123	2,294,486	2,105,522
City of Galt	1,315,912	1,317,357	1,191,381	1,168,176	1,091,347
City of Isleton	52,636	52,694	47,656	46,727	43,654
Neighborhood Shuttle	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Paratransit	5,815,018	4,743,008	4,088,549	4,011,094	3,744,989
Sacramento Regional Parks	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
City of Rancho Cordova	2,492,262	2,497,862	2,239,524	2,201,648	2,013,909
Regional Transit	44,581,803	44,631,157	40,301,412	39,537,925	36,914,890
City of Sacramento	15,285,468	15,270,445	13,652,724	13,390,589	12,539,139
SMAQMD	1,938,339	1,940,485	1,752,235	1,719,040	1,604,995
Debt Service	26,813,693	26,843,377	24,433,442	23,800,050	23,775,384
Administration	969,170	970,243	898,290	899,939	802,498
Total allocations	\$ 131,591,165	\$ 131,735,723	\$ 119,187,748	\$ 116,877,996	\$ 110,707,633

Source: Authority accounting records

FUND BALANCES OF GOVERNMENTAL FUNDS

	2016	2017	2018	2019	2020
General Fund					
Nonspendable	\$ 10,027	\$ 4,763	\$ -	\$ -	\$ -
Restricted	51,973,251	47,684,272	47,027,906	52,524,814	48,612,636
Unassigned	(195,546)	(38,522)	664,031	861,894	1,059,756
Total General Fund	51,787,732	47,650,513	47,691,937	53,386,708	49,672,392
All Other Governmental Funds					
Restricted	6,517,009	6,588,099	7,084,035	7,087,480	7,043,332
Total all other governmental funds	6,517,009	6,588,099	7,084,035	7,087,480	7,043,332
Total Governmental Funds	\$ 58,304,741	\$ 54,238,612	\$ 54,775,972	\$ 60,474,188	\$ 56,715,724

Source: Audited Financial Statements

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

	2016	2017	2018	2019	2020
Revenues					
Taxes	\$ 110,707,633	\$ 116,877,996	\$ 119,187,748	\$ 131,757,081	\$ 131,591,165
Mitigation Fees	4,363,650	7,848,175	7,621,753	6,684,037	7,551,556
Vehicle registration fees	1,272,697	1,282,433	1,275,901	1,316,666	1,319,166
State grant	1,991,947	2,065,521	2,498,978	2,043,752	2,703,639
Use of money and property	941,859	1,795,119	3,081,259	5,784,803	4,447,211
Miscellaneous	14,505	159,210	120,855	-	-
Total Revenues	119,292,291	130,028,454	133,786,494	147,586,338	147,612,737
Expenditures					
General government:					
Administrative	1,342,300	977,515	542,737	794,117	1,133,643
Freeway service patrol	2,000,559	2,271,606	2,126,051	1,986,738	2,658,784
Intergovernmental	114,537,093	110,280,439	108,346,886	115,922,947	125,527,829
Debt Service:					
Principal	-	3,450,000	3,590,000	3,740,000	3,890,000
Interest and other charges	16,016,860	17,115,023	18,643,460	19,444,323	18,498,171
Total expenditures	133,896,812	134,094,583	133,249,134	141,888,125	151,708,427
Excess of Expenditures over Revenue	(14,604,521)	(4,066,129)	537,360	5,698,213	(4,095,690)
Other Financing Sources (Uses)					
Transfers in	18,182,376	20,823,804	31,628,063	23,096,608	22,290,456
Transfers out	(18,182,376)	(20,823,804)	(31,628,063)	(23,096,608)	(22,290,456)
Refunding Bonds	-	-	-	-	-
Bond Premium	-	-	-	-	-
Issuance of Bonds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	\$ (14,604,521)	\$ (4,066,129)	\$ 537,360	\$ 5,698,213	\$ (4,095,690)
Debt Service as a Percentage of Noncapital Expenditures*					
	13.59%	18.11%	20.03%	19.53%	17.31%

Source: Audited Financial Statements

FSP

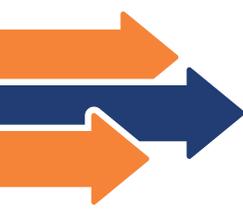
Fiscal year	Assists
2019-20	31,609
2018-19	30,674
2017-18	36,693
2016-17	37,347
2015-16	37,091
2014-15	34,395
2013-14	30,097
2012-13	36,538
2011-12	38,180
2010-11	35,301
Total	347,925

SAVSA

Fiscal year	Abatements
2019-20	22,518
2018-19	18,877
2017-18	14,670
2016-17	13,019
2015-16	8,586
2014-15	5,037
2013-14	5,247
2012-13	6,222
2011-12	6,239
2010-11	7,334
Total	107,749



GLOSSARY



GLOSSARY

A

- **account** – accounting category used to describe the type of financial transaction.
- **accrual basis** – also 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** – approved annual budget establishing the legal authority to spend in specific accounts.
- **Agency Fund** – funds held by a governmental agency or program on behalf of another.
- **appropriation** – 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** – 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 are equal to or greater than 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** – 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.

B

- **budget** – plan of financial operation consisting of proposed/approved appropriations for specified purposes and the proposed/approved means of financing them.
- **budget calendar** – schedule of key dates and milestones that a government follows in the preparation and adoption of its budget.
- **budget message** – included in the opening section of the budget, the budget message (Transmittal Letter) provides 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)** – 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.
- **capital improvement program (CIP)** – voter-approved capital projects 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)** – funded by an annual \$1 charge on eligible vehicle registrations in the County.
- **Annual Financial Report** - financial statements comprising the Authority's financial report that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB).
- **Sacramento County Pooled Investment Fund** – pool of local agency funds managed by the Sacramento County Department of Finance.

D

- **debt issue** – issuance of bonds to finance capital projects throughout the County.
- **debt limit** – policy setting specific limits of acceptable ranges of each type of debt based on legal, public policy, and financial reasons.
- **debt service** – costs of paying the principal, interest, and ancillary fees on borrowed money according to a predetermined payment schedule.

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** – report assets held in a trustee or agency capacity for others.
- **fiscal year** – time 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)** – hours worked by one employee on a full-time basis. On an annual basis, an FTE is 2,080 hours, which is calculated as 40 hours per week for 52 weeks in a year.
- **fund** – 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** – 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** – fund used for the capital program, SCTMFP, SacMetro FSP, and program administration.
- **Government Finance Officers Association (GFOA)** - 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** – typically used to account for most of a government’s activities, including those that are tax supported.

I

- **Independent Taxpayer Oversight Committee (ITOC)** – citizen volunteers that supervise annual fiscal and periodic performance audits regarding the use of all sales tax funds and provide for independent review to ensure compliance with the Expenditure Plan approved by voters.
- **interfund transfer** – monies moved from one fund to another. The money is transferred to finance the operations of another fund or to reimburse the fund for expenses.

L

- **Local Transportation Authority and Improvement Act (ACT)** - commences with California Public Utility Code Section 180000.

M

- **Measure A retail sales tax (2004 Measure A)** – in 2004, voters approved a one-half of one-percent retail sales and use tax collected over a 30-year period in the County and dedicated for transportation planning, design, construction, operation, and maintenance through 2039.
- **modified accrual** - recognizes revenue when it becomes measurable and available, expenditures are recognized when the obligation to pay is incurred.

N

- **net sales tax revenue** – equals total sales tax proceeds less allocations to the cities of Isleton and Galt, and the Neighborhood Shuttle Program as required under the Measure A Ordinance.

O

- **Measure A ordinance** – 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** – 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** – presented initially during 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** – portion of a fund’s balance that is available for appropriation but has been reserved for economic uncertainties.
- **resolution** – 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** – budgetary category that generally accounts for all employee salaries and benefits such as medical, dental, and retirement.
- **special revenue fund** – fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

SACRAMENTO TRANSPORTATION AUTHORITY

RESOLUTION NO. _____

**A RESOLUTION ADOPTING THE STA BUDGET
FOR FISCAL YEAR 2021-22**

WHEREAS, the Sacramento Transportation Authority (STA) has followed the procedures for adopting an annual budget as specified in the California Public Utilities Code; and

WHEREAS, the STA has received testimony during a public hearing regarding the STA budget for FY 2021-22, and has deliberated that testimony; and

WHEREAS, the STA has determined that the budget meets the requirements of the California Public Utilities Code, Measure A, and the STA's Administrative Code;

THEREFORE, BE IT RESOLVED, that the Sacramento Transportation Authority hereby adopts the attached FY 202122 Budget.

On a motion by Member _____, seconded by Member _____, the foregoing resolution was passed and adopted by the Governing Body of the Sacramento Transportation Authority at a regular meeting thereof this 17th day of June, 2021, by the following vote, to wit:

AYES:

NOES:

ABSENT:

Chairperson, Governing Body of the
Sacramento Transportation Authority

ATTEST: _____
Clerk of the Governing Body



JUNE 17, 2021

AGENDA ITEM # 14

SACMETRO ABANDONED VEHICLE SERVICE AUTHORITY SUNET 2020 STATUS UPDATE

Action Requested: Receive and File

Key Staff: Jennifer Doll, Special Programs Manager

Background

The current SAVSA fee program will expire on April 30, 2022. STA/SAVSA legal counsel has advised that the SAVSA fee qualifies as a tax under California Proposition 26 and, therefore, its extension would require a public vote with a supermajority (2/3) adoption threshold. An election effort in support of a SAVSA fee extension will certainly incur ballot inclusion costs as well as discretionary polling and public information/education costs.

At the May 13, 2021 Board meeting the Staff was directed to explore the necessary next steps to continue the SAVSA program, including:

1. Include SAVSA tax measure polling in STA's Tax Measure survey
2. Cost breakdown for the ballot measure, polling and outreach efforts
3. Look in to reserving a place on the June 2022 ballot
4. SAVSA Members willingness and ability to cover the cost of a tax measure
5. Contacting the Department of Motor Vehicles (DMV) staff regarding alternative solutions to the estimated delay in re-instating the abatement fee

Discussion/Update

Staff can report the following updates and status towards continuing the SAVSA program beyond the April 2022 sunset.

1. SAVSA/STA Tax Measure Polling. There was mention of including SAVSA polling with the recently approved polling service for the STA Tax Measure. While the SAVSA Board sits concurrently as the STA Board, they are entirely separate Authorities. Contracted services for STA can not be dually provided to SAVSA.
2. Cost Breakdowns. Board requested breakdowns for both ballot and polling/public outreach costs.
 - a. The Sacramento County Election Office's most current (2020) fee schedule includes both a "base or set-up fee" and then there are additional fees which are charged per voter in the district. The following chart details the estimated minimum ballot costs.

Estimated Ballot Costs

Expense Type	Description	Rate	Qty *	Total
Base	General Election Base Admin Fee	\$ 1,887.00	1	\$ 1,887.00
Base	First Contest	\$ 1.2995	864,914	\$ 1,123,955.74
Additional	Additional Contest	\$ 0.1035	864,914	\$ 89,518.60
Additional	More than 4 pages in Voter Guide	\$ 0.0149	864,914	\$ 12,887.22
Additional	Contest requiring additional ballot cards	Actual Cost		
Estimated Total				\$ 1,228,248.56
* Registered Voters (5/14/21 count)				

- b. Staff is working on finalizing an estimate for polling/ outreach.

3. Ballot Reservation. The County Elections Office "Guide to Measures" does not mention the ability to reserve a place on the ballot. The guide does state measure language/text and statement of measure (required for tax measures) is due at least 113 days prior to the election. For the June 7, 2022 election that would be Monday, February 14, 2022. Staff has reached out to the County Elections Office to see if there is an option for reserving a place on the ballot prior to February 14, 2022.

4. SAVSA Member & Tax Measure Costs. Revenue received by SAVSA can only be allocated to the members for implementation, management and enforcement of their abandoned vehicle programs. Therefore, the cost of placing a tax measure on the ballot will have to be covered by the members.
 - a. The SAVSA program manager held a video conference call with the STA Executive Director and staff from the member agencies on March 25, 2021. Members were updated on the Board's intent to continuing the program, advised that the member agencies would have to assume the costs of moving forward and how the time frame of the next election will lead to a suspension of the current fee. As expected, all staff agreed the program is important and would like it to continue. The meeting concluded with Members to arrange presenting the status and acquiring intent to support moving forward with a possible tax measure from their respective Boards. Additionally, the SAVSA program manager prepared a brief overview of the SAVSA program and the status to assist the members in presenting to their Boards and offered to attend any of the meetings.

Board Meeting Schedule For SAVSA Member Presentations

<u>Member</u>	<u>Meeting Date</u>	<u>Action Taken</u>
Folsom	6/8/21	Approved intent to move forward only. Noted all SAVSA members would have to participate.
Citrus Heights	6/10/21	
Elk Grove	7/21/21	
Galt	TBD	

The SAVSA program manager requested Board meeting details form all Members—
Rancho Cordova, Sacramento City and County have not provided any meeting information.

5. Staff is still working with DMV staff regarding alternative solutions to the estimated delay in re-instating the abatement fee