



STA

2024-2025

SACRAMENTO
TRANSPORTATION
AUTHORITY

FY 2024-25 BUDGET

SACRAMENTO, CA

2024-2025

SACRAMENTO TRANSPORTATION AUTHORITY

FY 2024-25 BUDGET

SACRAMENTO, CA

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Kevin M. Bewsey

ACCOUNTING MANAGER

Dustin Purinton

GENERAL COUNSEL

William Burke

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Budget Presentation
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**Sacramento Transportation Authority
California**

For the Fiscal Year Beginning

July 01, 2023

Christopher P. Morill

Executive Director

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2024-2025

SACRAMENTO TRANSPORTATION AUTHORITY

FY 2024-25 BUDGET



1

LETTER OF TRANSMITTAL

1 LETTER OF TRANSMITTAL

May 9, 2024

Chairman and Members of the Governing Board:

We are pleased to submit the Fiscal Year 2024-25 (FY 2024-25) 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. 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.

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 December after completion and approval of the prior year's audited annual financial statements. 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 April, a draft of the final budget is presented to the ITOC. In May, a draft of the final budget is presented to the Board for its consideration and comments. In June, the final budget is presented to the Board for adoption.

BUDGET OVERVIEW

The Authority receives funding for its primary program, Measure A, from two sources – local sales tax and development fees. Despite the uncertain economy and inflation – the Authority has been surprisingly resilient as sales tax revenue has come close to expectations. The unemployment rate, which reached a high of 14.1% at the height of the pandemic is now 5.2% (January 2024). Sales tax revenue for FY 2022-23 came in -1.1% lower than originally budgeted, while sales tax revenue for FY 2023-24 is expected to come in at \$170.8 million -1.9% lower than FY 2022-23 actual sales tax revenue.

The final budget contains three years data – prior year actual amounts identified as “FY 2023 Actual,” current year amounts identified as “FY 2024 Estimate”, and the budget year amount, reported as “FY 2025 Proposed.” The FY 2024 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 \$186.2 million in total revenue, which is a increase of about \$2.0 million (1.1%) over the budgeted amount for the prior year. Appropriations for FY 2024-25 are expected to total \$205.7 million, a increase of about \$1.9 million (0.9%) compared to the prior year’s budget. The net impact on the fund balance is an increase of \$20.0 million (63.0%).

2024-25 FINAL BUDGET (*anticipated*)

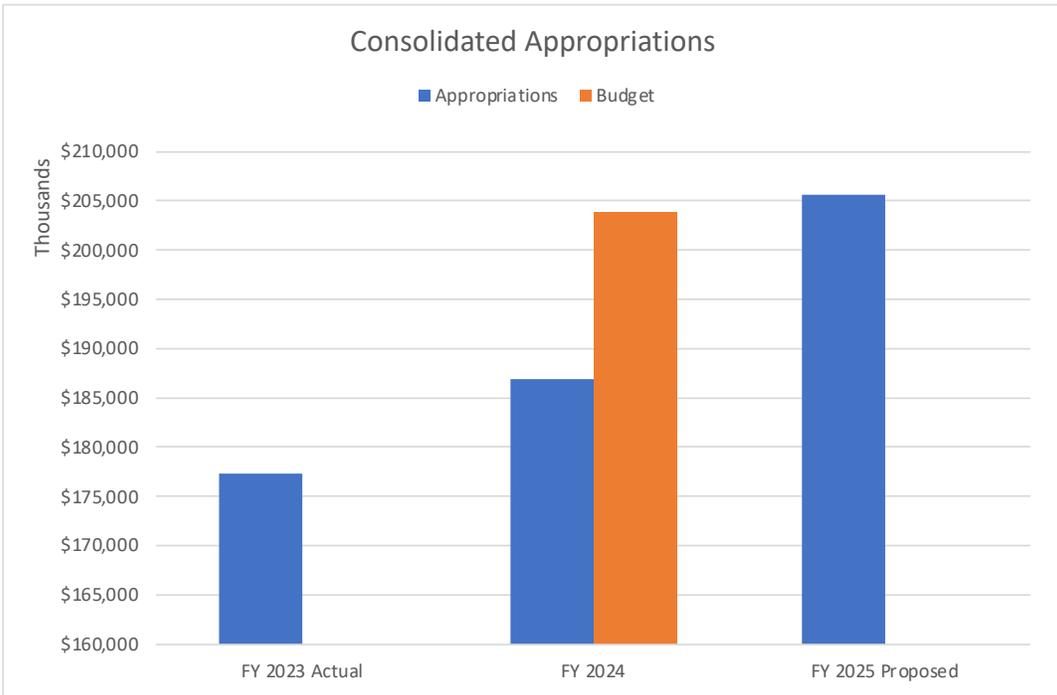
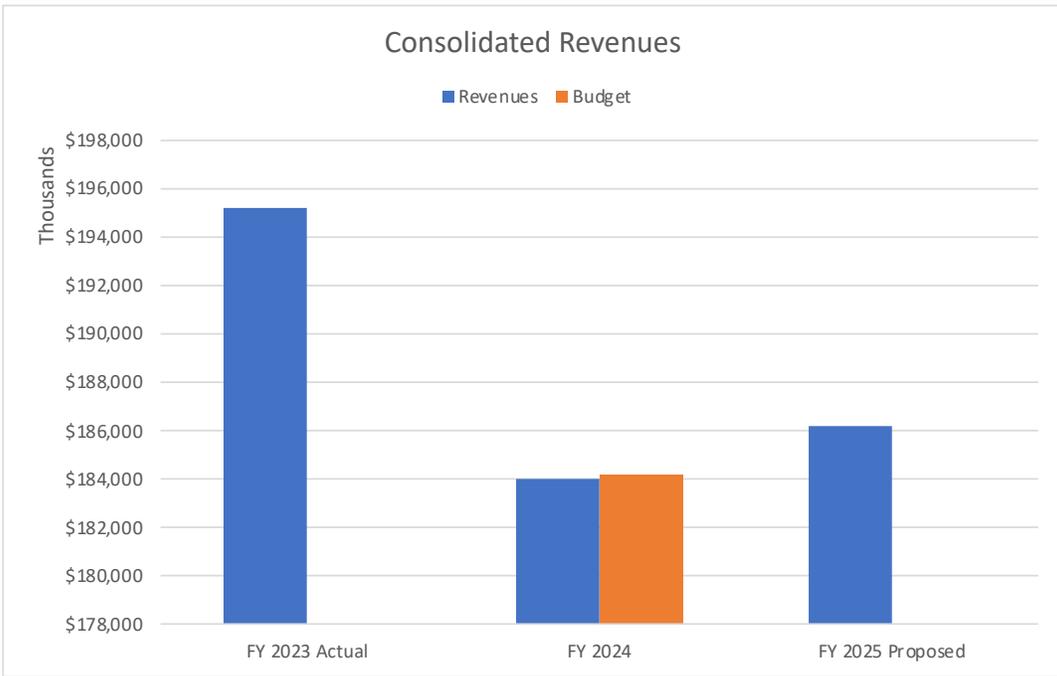
A light blue dollar sign graphic with the text 'REVENUE \$186.2 MILLION' centered inside it.

REVENUE
\$186.2
MILLION

A light blue dollar sign graphic with the text 'APPROPRIATIONS \$205.7 MILLION' centered inside it.

APPROPRIATIONS
\$205.7
MILLION

The following charts summarize consolidated revenues and appropriations reporting categories.



BUDGET IMPROVEMENTS FOR FY 2024-25

In the recent updates to our financial documentation, several key enhancements have been implemented. Firstly, duplicate information has been removed from the budget to more concisely present budgetary information, tables, and fiscal policies. This effort is to enhance the clarity and conciseness of the budget, ensuring that stakeholders are presented with a more streamlined and focused representation of budgetary information, tables, and fiscal policies. Budget tables have been improved to mirror the Annual Comprehensive Financial Report. Data from tables has been transitioned to visual charts, where allowable, to simplify the presentation for the reader. These changes are emblematic of our dedication to fostering clarity, coherence, and transparency in our financial reporting, ultimately empowering stakeholders with a more refined understanding of our fiscal policies and budget information.

STRATEGIC PLANNING GOALS AND OBJECTIVES

The Authority’s mission is to fund transportation solutions to help relieve traffic congestion, improve air quality, expand public transit, address state of good repair needs, improve biking and walking, and improve public safety.

The Strategic Planning Goals articulate the Authority’s long-term goals, objectives, and priorities. It is comprised of three goals – Build Public Trust, Develop Great Relationships, and Align Transportation Priorities with Funding.

AUTHORITY GOALS/ PRIORITIES

BUILD PUBLIC TRUST

*DEVELOP GREAT
RELATIONSHIPS*

*ALIGN TRANSPORTATION
PRIORITIES WITH FUNDING*

PRIORITY

1

BUILD PUBLIC TRUST

The Authority must continue to build public trust in the organization. The Authority exists primarily due to the voters passing Measure A in 1988 and extending it in 2004. It has been over 20 years since Measure A was passed by the voters and the public needs to be assured that the Authority remains a good steward of these taxpayer dollars. The Authority must continue its efforts to maintain financial stability and operate efficiently, showing that the Authority remains an effective guardian of taxpayer dollars. The Authority needs to educate the public on the use of Measure A funds as well as SacMetro Freeway Service Patrol so that the public can see where their taxpayer dollars are being used.

STRATEGIC OBJECTIVES

In its effort to carry out this goal, Authority staff identified the following strategic objectives:

- 1.** *Perform sales tax revenue forecasts at least annually to ensure planned distributions are fiscally constrained.*
- 2.** *Perform cash flow analyses for the five-year Capital Improvement Program (CIP) to ensure that the Authority's CIP program funds are used efficiently and effectively.*
- 3.** *Maintain a fund balance reserve for the Capital Improvement Program (CIP) and Administration funds.*
- 4.** *As necessary, provide updated financial information to bond rating agencies.*
- 5.** *Annually, summarize the debt portfolio positions and strategy to the Board.*
- 6.** *As contracts for general services expire, competitively bid out the services.*
- 7.** *Ensure taxpayer safeguards are being implemented effectively.*
- 8.** *Promote an awareness of regularly scheduled Board meetings and Independent Taxpayer Oversight Committee (ITOC) meetings.*
- 9.** *Provide public education on how Measure A funds are used on our website, social media channels, project signage, and other outlets.*
- 10.** *Educate the public on our Freeway Service Patrol and its services.*
- 11.** *Presenting financial information in a transparent and straightforward manner.*

PRIORITY

2

DEVELOP GREAT RELATIONSHIPS

Relationships are critical to the success of Authority and will allow it to navigate the complicated nature of transportation funding. The Authority should strive to develop and maintain great relationships with elected officials, partner agencies, stakeholders, and regulatory authorities within the transportation sector.

- ### STRATEGIC OBJECTIVES
- In its effort to carry out this goal, Authority staff identified the following strategic objectives:*
- 1. Ensure timely allocations and reimbursement of Measure A funding to partner agencies.*
 - 2. Regularly engage program partners through meetings and communication with individual program partners, the Professional Advisory Group (PAG), and through ongoing coordination activities.*
 - 3. Meet regularly with funding and regulatory agencies involved in the transportation sector to retain a strong understanding of current policy issues and upcoming activities.*
 - 4. Attend transportation related stakeholder organization recurring meetings and events to build strong working relationships.*
 - 5. Support program partners through consultation, advocacy, and letters of support.*
 - 6. Continue to engage with the STA's elected leadership including the Chair, Vice Chair, and Chair Emeritus as well as newly appointed board members.*
 - 7. Invite partner agencies to present their transportation needs and priorities to the STA Governing Board.*

PRIORITY

3

ALIGN TRANSPORTATION PRIORITIES WITH FUNDING

The Authority has a history of assisting partner agencies in maximizing existing funding. STA needs to continue to assist partner agencies in finding the best path to achieve their priorities. This includes taking a more active role in advocating for partner agencies transportation priorities and helping best position those transportation priorities and needs with additional funding.

STRATEGIC OBJECTIVES

In its effort to carry out this goal, Authority staff identified the following strategic objectives:

- 1. Inform and educate decisions makers about transportation needs and priorities within Sacramento County.*
- 2. Explore and lead new funding sources to help address transportation needs and priorities within Sacramento County.*
- 3. Advocate for regional and state policies and transportation funding programs to align with local priorities.*
- 4. Prioritize projects in collaboration with partner agencies and regional stakeholders to be competitive with other regions submitting for the same grant program.*
- 5. Partner with the Sacramento Area Council of Governments (SACOG) and other Regional Partners to advance local priorities.*
- 6. Organize partner agencies and lead planning efforts needed to pursue grant funds for regional projects and priorities within Sacramento County.*
- 7. Assist partner agencies with grant applications through review, strategy development, and active leadership.*

CHALLENGES

CAPITAL PROGRAM FINANCIAL CHALLENGES

The Measure A Capital Improvement Program (CIP) is financed through a combination of sales tax pay-as-you-go (pay-go) and the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP) funding, following the full expenditure of bond proceeds in FY 2017-18. Since this time, the Authority has been funding its CIP on a pay-go basis. The current fund balance and cash receipts from the sales tax and development fee programs is projected to cover anticipated claims throughout the budget year. Fund balance applicable to the CIP has been increasing partially due to project delays including construction bids coming in higher than engineers' estimates – delaying project starts and the related spending, and agencies with matching funds that have yet to successfully obtain grant funds. Since project costs continue to escalate over time and given the limited funding availability, some projects may not be completed. Adding to that challenge, the Authority begins reserving funds for principal payments on the 2023 Bond Series in FY 2027-28, significantly reducing cash available for projects. Delayed capital spending and constraints in the debt program will likely lead to a misalignment between the demand for funding and the availability of cash, posing future challenges. This challenge is exacerbated by a grant environment that is currently not well-aligned with the scope of the remaining projects.

OPERATIONAL AND STAFFING CONSTRAINTS

The Measure A Ordinance caps the use of net sales tax revenue for administration at 0.75%. 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, it is unlikely that the current staffing level of three full-time equivalent (FTE) positions will increase in the near term. Concurrently, staff workload has increased. Fundamental changes in federal and state transportation funding began in 2017 when Senate Bill 1, the Road Repair and Accountability Act of 2017, was signed into law. Senate Bill 1 both increased transportation funding and its complexity creating a variety of new statewide competitive state funding opportunities. A similar effort at the federal level occurred in 2021 when the Infrastructure Investment and Jobs Act (IIJA), most commonly known as the Bipartisan Infrastructure Law (BIL), (H.R. 3684), was signed into law. There have also been several policy reforms at that state level that have further restricted how these state funding can be used primarily with adoption of the Climate Action Plan for Transportation Infrastructure (CAPTI) in July 2021 and the release of Caltrans System Investment Strategy (CSIS 1.0) in September 2022. These challenges have increased the workload of authority staff as they try and maximize the use of Measure A funds. At the same time, there is a lack of public awareness of Measure A as approved by the voters in 2004. It is often confused with the failed 2022 Citizens' Initiative also called Measure A. The Authority has to spend additional staff time on public education and transparency to help inform the public.

RESOLUTION AND MONITORING

The challenges noted can be resolved over the long run with careful planning and monitoring. 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, through bi-annual revenue forecasts and adjusting program expenditures in coordination with partner agency staff.

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 Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova, Sacramento, the California Department of Transportation (Caltrans), Sacramento Regional Transit (SacRT), 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 revision process involves integrating current priorities, contingent upon feedback and endorsements from the County Board of Supervisors and the majority of city councils, representing a majority of the county's incorporated population. The inaugural review was successfully completed in June 2021.

For more detailed information regarding the Capital Improvement Program, please refer to the related section on page 81.

LONG-TERM FINANCIAL PLANNING

The STA engages in detailed long-term financial planning, central to which is the forecasting of sales tax revenues, a critical element for both immediate and extended fiscal strategies. Annually, the STA collaborates with Avenu Insights and Analytics to update revenue projections for each remaining fiscal year of the Measure A sales tax program, extending through FY 2038-39. These projections, grounded in audited historical data and future estimates, are crucial for comparing with voter-approved Expenditure Plan forecasts from 2004. The analyses help manage the Authority's debt program, determining the coverage ratios essential for investors and underpinning additional debt issuance decisions.

In tandem, the STA has engaged Economic & Planning Systems to forecast revenues for the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP) through to 2038-39, marking a shift from internal to external expertise given the financial nuances post-FY 2017-18. With initial estimates in 2004 predicting \$488 million, updated projections now anticipate revenues around \$186.2 million, or 38.2% of the original forecast, underlining the evolving financial landscape and the necessity for adept revenue management and strategic planning in the Authority’s operations.

For more detailed information regarding the Long-Term Financial Planning, please refer to Section 4, Budget Process and Fiscal Policies on page 43.

FACTORS AFFECTING FINANCIAL CONDITION

The following charts represent some of the fundamentals driving Sacramento County’s financial condition during the past 10 years. Unemployment was 4.7% in December 2023 and 7.0% in March 2022 after reaching a high of 14.7% in April 2020 when the global pandemic began. Annualized unemployment rates in the table below differ from the monthly data points noted earlier. Unemployment is relatively stable, as businesses have sustained demand for consumer products and services.



BY THE NUMBERS

UNEMPLOYMENT

4.7% as of December 2023,
from 7.0% in 2022

POPULATION

DECREASE OF 10,000 in population
in 2023

PER CAPITA PERSONAL INCOME

DECREASED TO \$61,775 in per capita personal income in 2023
from \$61,829 in the previous year.

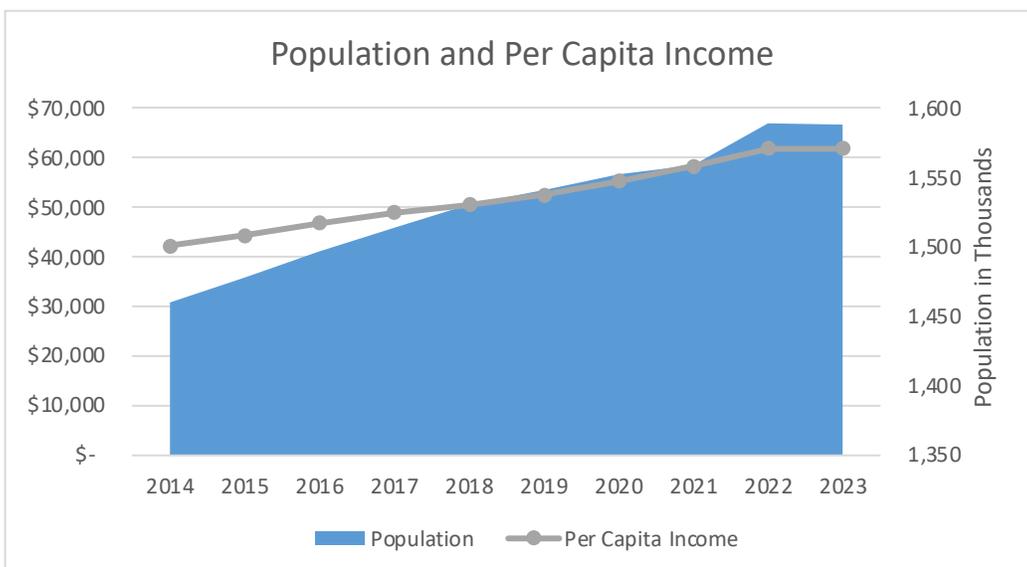
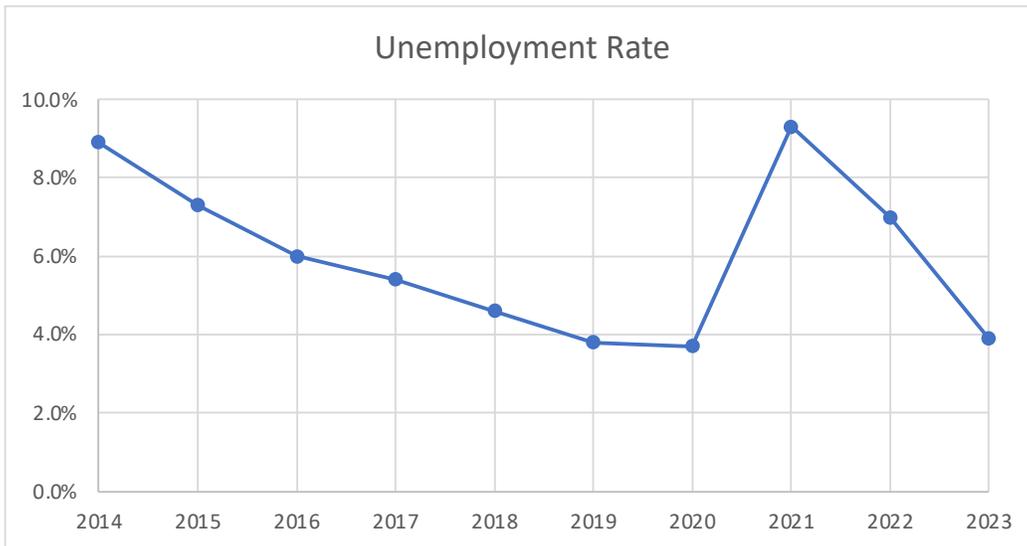
INFLATION

3.9% annual average for CA in 2023,
from 7.3% in 2022

In 2023, the County’s population decreased by 10,000 (-0.1%) and per capita personal income decreased to \$61,775 (-0.1%) from \$61,829 in the previous year. Population growth and per capital personal income directly supports taxable retail sales and associated revenues.

The last year has had cooling inflation with the annual California average for calendar year 2022 being 7.3% with a decrease to 3.9% in the 2023 year. The Federal Reserve has indicated that it will maintain federal exchange interest rates until inflation and other economic indicators come down. Consumer spending in the County has remained relatively steady through this uncertainty. Consumer spending caused sales tax receipts to reach an all-time high of \$174.2 million in FY 2022-23. The trend is expected to decrease into FY 2023-24 as sales tax revenues are estimated to be \$170.8 million with an anticipated rebound in FY 2024-25 projected to be \$175.3 million.

The following charts capture fundamental economic data for Sacramento County for the past 10 years.



In summary, the County has prospered over the last decade, but the Authority will continue to monitor national, regional, and local trends to 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,

A handwritten signature in blue ink that reads "Dustin Purinton".

Dustin Purinton, CPA

Accounting Manager

A handwritten signature in blue ink that reads "Kevin Bewsey".

Kevin Bewsey

Executive Director

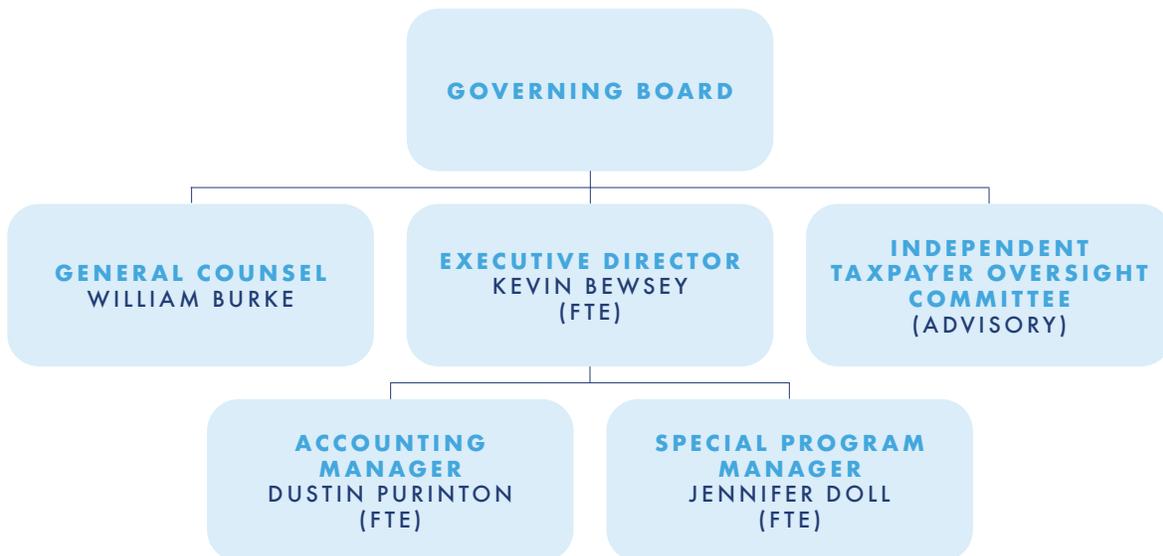


2 AUTHORITY OVERVIEW

2 AUTHORITY OVERVIEW

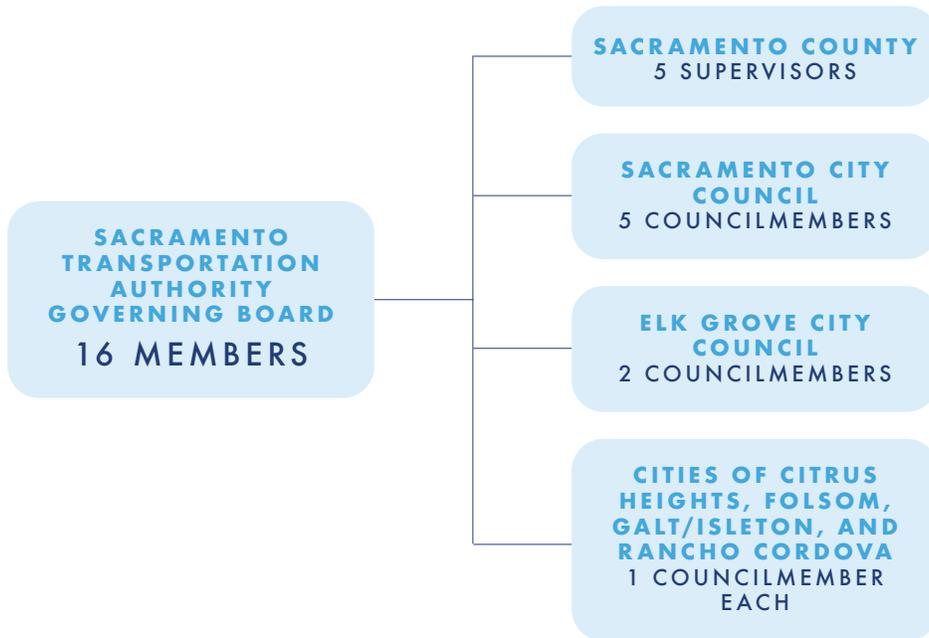
This section contains the Authority’s profile, Measure A safeguards, and a summary of its final budget. It also includes a discussion of the factors affecting the Authority’s financial condition. The final budget totals \$186.2 million in revenue from all funding sources reported in the General Fund, Sacramento Abandoned Vehicle Service Authority (SAVSA), and Transit Funds. The budget includes 3 authorized full-time equivalent (FTE) positions.

AUTHORITY PROFILE



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 except for 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 Accounting Manager 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 development or construction projects. In addition, there are three non-voting members: STA Governing Board Chair or their designee, the Sacramento County Auditor or their designee, and the Authority’s Executive Director.

GOVERNING BOARD



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.

The Authority also manages the Sacramento Metropolitan Freeway Service Patrol (FSP) Program started in November 1992 with just four trucks. Today, FSP covers all the major freeways in Sacramento and Yolo Counties with 15 trucks and provides over 40,000 assists a year. The FSP program reduces freeway congestion by quickly finding and removing minor incidents from the freeways. Minor incidents are responsible for more than half of all non-recurrent freeway congestion.

Authority staff manages the Sacramento Abandoned Vehicle Service Authority (SAVSA) which was created in 1991, to combat the growing problem of abandoned vehicles on both private and public property. Since SAVSA was created, over \$30 million in revenue has been collected to abate over 300,000 vehicles in the greater Sacramento Area (Sacramento City and County, and the Cities of Citrus Heights, Elk Grove, Folsom, Galt, and Rancho Cordova.

The current SAVSA program expired in April 2022. The Governing Board approved placing a tax measure (Measure C) on the June 2022 ballot to reinstate the program for another ten years. The final election results for Measure C were received on July 12, 2022. While the Measure did receive a majority of the vote it did fail to meet the two-thirds voter approval requirement with a 57.7% voter approval. In the 2023-2024 legislative session, Authority staff sought a solution through AB 333 to reinstate the SAVSA program. Unfortunately the bill, was not supported by California State Association of Counties (CSAC) and did not move forward into committee. The SAVSA program continues to receive small amounts of funding in the form of late payments. STA can consider placing tax measure on the ballot in a future election or can discontinue the program once it stops receiving delinquent payments.

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 to the south, Amador and El Dorado Counties to the east, Placer and Sutter Counties to the north, and Yolo and Solano Counties to 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 1.59 million with relatively flat numbers during the 2023 fiscal year. In December 2023, the County’s unemployment rate was 4.7%, up from 3.7% in December 2022. Per capita personal income remained relatively flat from year to year. The region enjoys a diverse employment base as many state agencies are headquartered in the region. In addition, healthcare entities such as UC Davis Health Systems and Kaiser Permanente employ large pools of highly skilled workers, technology giant Intel employs manufacturing personnel, and construction in the commercial, infill, and residential sectors has been robust, despite the current economic uncertainty.

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.



994
SQUARE MILES

1.59 MILLION
POPULATION

4.7%
UNEMPLOYMENT RATE

MEASURE A GUIDING PRINCIPLES AND TAXPAYER SAFEGUARDS

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.

TAXPAYER SAFEGUARDS

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

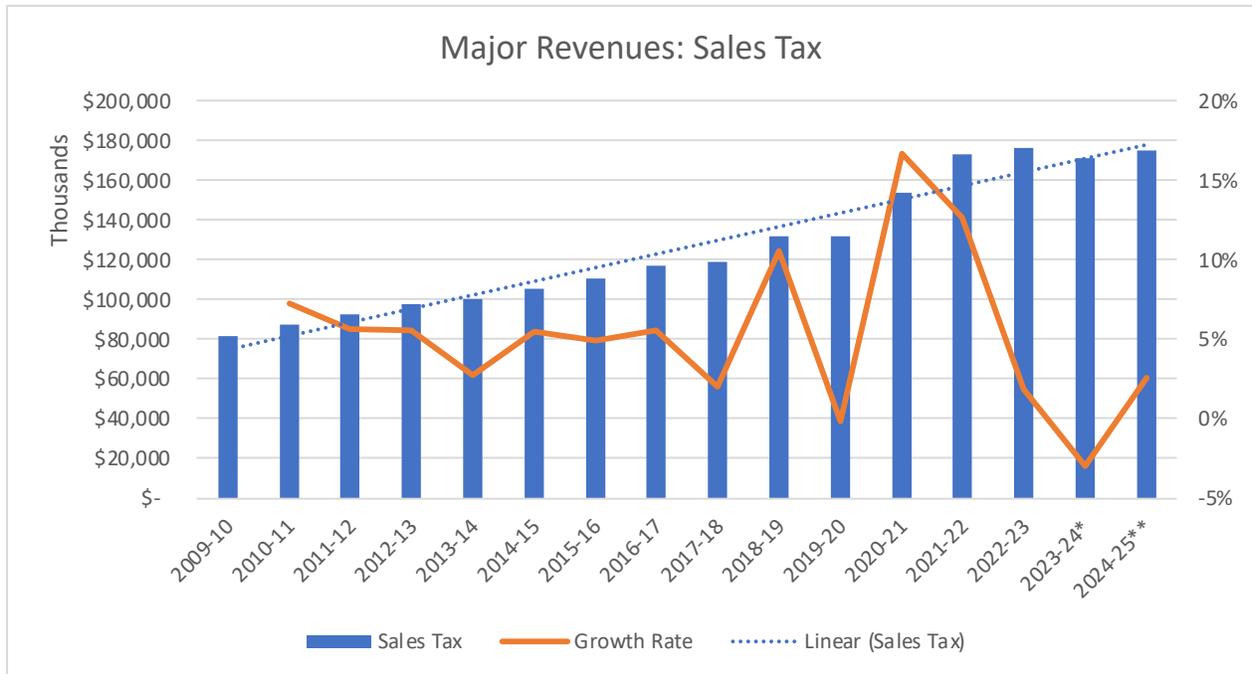
-  Projects and programs included in the Expenditure Plan will be funded by revenue raised by the Measure A transactions and use tax.
-  The Expenditure Plan is reviewed at least every ten years, beginning in 2019, to ensure that it reflects projected funding availability and current community needs 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 Expenditure Plan and Ordinance as approved by the voters.
-  Sales tax proceeds can only be used for transportation programs and cannot replace traditional revenues generated through locally adopted 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.

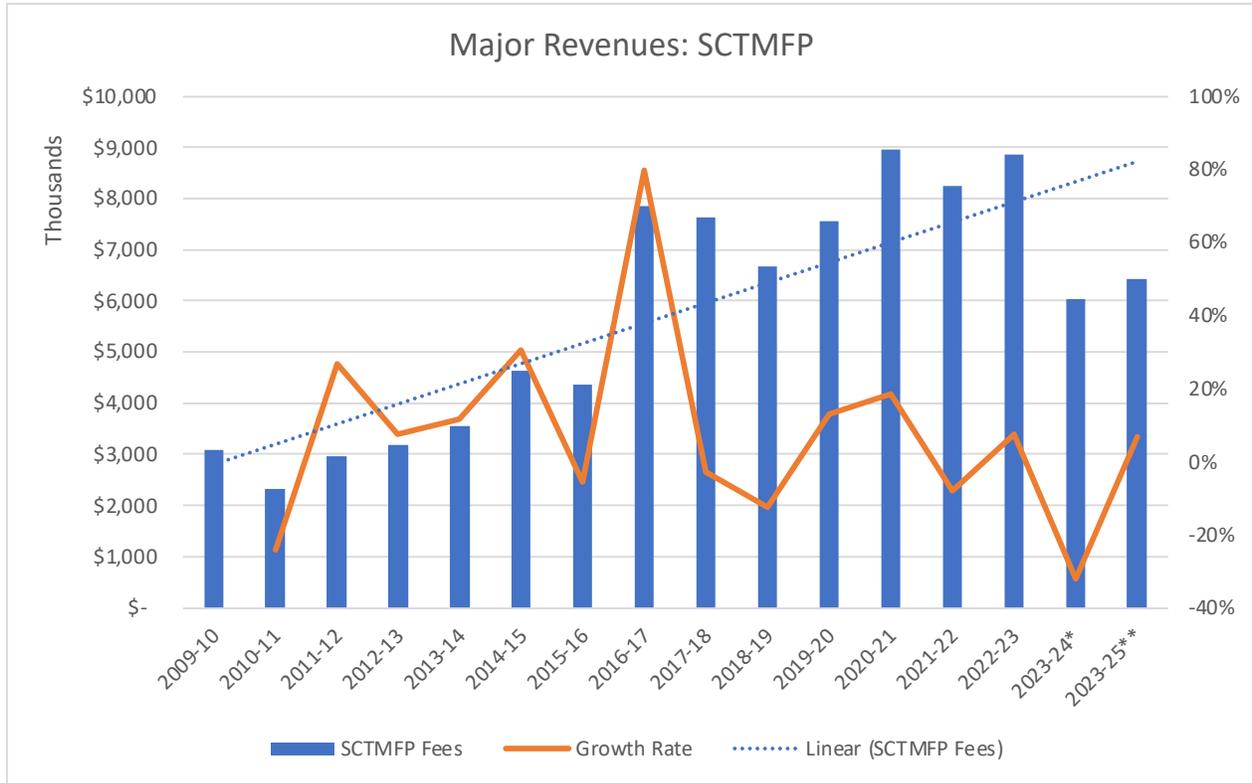
REVENUE SOURCES

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. Over the course of the entire measure, sales tax is estimated to comprise 96.3% of the Measure A revenues. 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).

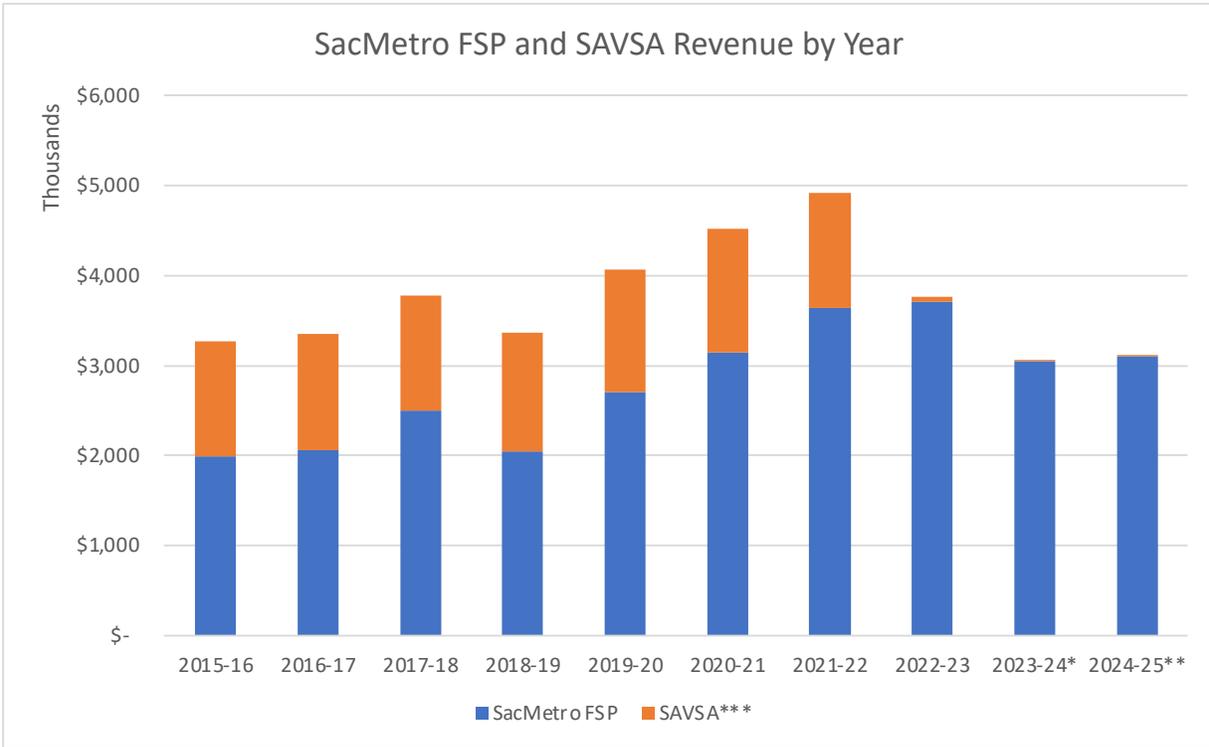
The charts below summarize each Measure A revenue source by fiscal year from program inception in FY 2009-10 through the budget year FY 2024-25. Note that FY 2023-24 is estimated (*) and FY 2024-25 is forecast (**).

Authority staff, with the assistance of a consultant – Avenu Insights and Analytics, project sales tax revenue at least 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.





The Authority administers the Sacramento Metropolitan Freeway Service Patrol (SacMetro FSP) which is funded with state and local grants averaging \$3.0 million annually. The California Department of Transportation (Caltrans) annually approves a state grant which is received on a reimbursement basis as the Authority invoices for services. Additionally, a local grant 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 was funded by a \$1 surcharge on certain vehicle registrations within the County. This revenue was remitted to the Authority by the California Department of Motor Vehicles on a quarterly basis. The program sunset in April 2022. The chart below summarizes each programs' revenue by fiscal year for the most recent 10 years. Note that FY 2023-24 is estimated (*) and FY 2024-25 is forecast (**) and the SAVSA Program sunset in April 2022; immaterial residual revenue is expected to continue into FY 2023-24.

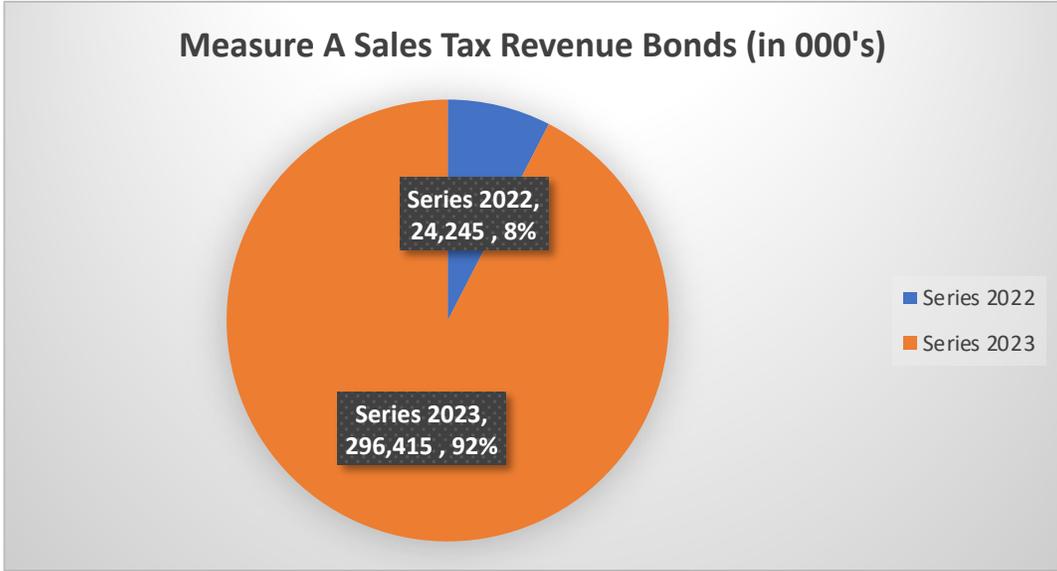


The Authority’s only other revenue source is interest income which is estimated to be about \$1.4 million in FY 2024-25. Interest income was received from the Authority’s interest rate swap partners prior to swap termination on August 22, 2023, on fund balances held in the Sacramento County Investment Pool, and funds held in US Bank.

DEBT

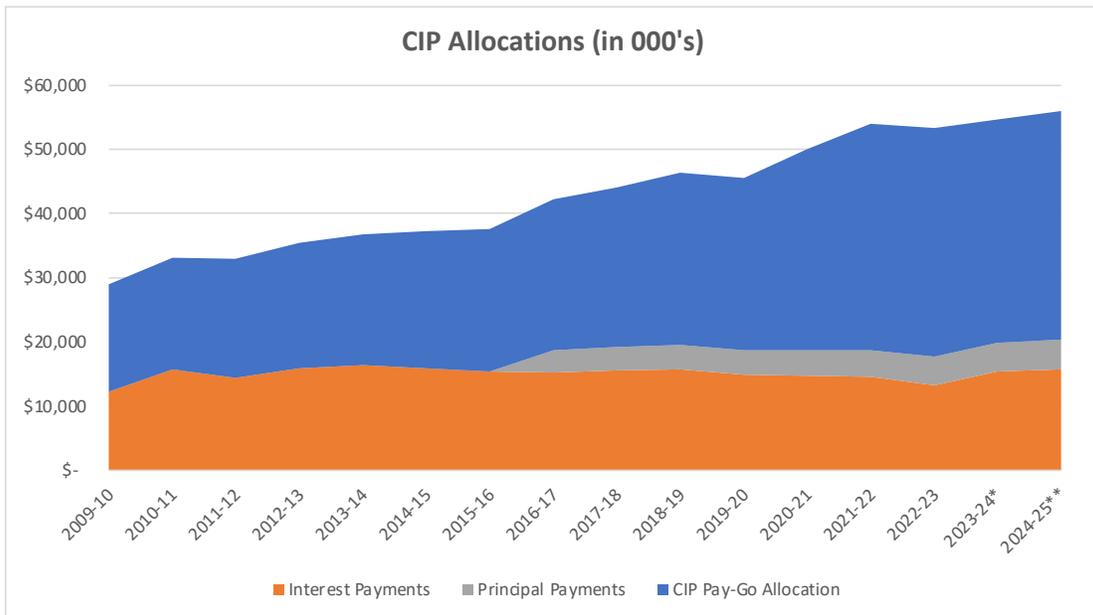
The Measure A Ordinance allows the Authority to issue debt to fund transportation projects described in the Expenditure Plan. However, the amount of debt is limited to the principal, interest, and other charges that can be paid with 20.75% of the net proceeds from the sales tax revenue. Therefore, before issuing any debt, Authority staff work with its legal and financial advisory team to determine how much funding is projected to be available for debt service which in turn drives decisions related to how much additional debt is affordable.

In October 2009, the Authority issued \$318.3 million in variable-rate demand bonds (VRDB). In September 2023, the VRDB’s were refunded with the 2023 Series Revenue Bonds with a par value of \$296.4 million, terminating the related interest rate swaps. In July 2012, fixed rate bonds with a par value of \$53.4 million we issued. In September 2022, the 2012 Series Revenue Bonds were refunded with the Measure A Sales Tax Refunding Bonds, Series 2022. The refunding lowered debt service costs through the maturity of the original 2012 Series. The current total outstanding debt is \$320.7 million. The following table summarizes debt issued and outstanding.



On a regular basis, analysis is performed to determine the maximum annual debt service (MADS). This percentage 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 4.83x (483%) (based 2024 estimated sales tax revenue) - when principal payments on its the 2023 Bond Series is in its final fiscal year 2038-39.

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-go funding. The chart below summarizes CIP proceeds (based on 20.75% of the net sales tax proceeds) split into major categories, Interest and Principal Payments with the remaining amounts allocated to pay-go by fiscal year.



Authority staff regularly assess the information above to determine 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:

- In FY 2027-28 debt service cash outflows will increase to \$29.5 million from \$20.4 million in the budget year. This amount will increase over the remaining maturity to \$36.2 million in FY 2037-38.
- Based on information provided by the Authority’s capital program partners for the budget year, and the Five-Year Capital Improvement Program (CIP) the accumulation of pay-go and SCTMFP cash are projected to be enough to fund program costs in the budget year and through the term of the 5-Year CIP.

Authority staff will continue to review the program and implement necessary measures to ensure that cash flows are appropriately balanced.

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, SAVSA, and Transit 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 three funds for its five programs:

The General Fund – operating fund for Measure A and SacMetro FSP programs. The fund receives all Measure A sales tax, SCTMFP, the FSP State Allocation, and the CVR-SAFE local match 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. SacMetro FSP reduces freeway congestion by removing vehicles that are stalled or have been involved in an accident.

The Special Revenue Funds – operating fund for SAVSA, the Neighborhood Shuttle program, and the Consolidated Transportation Services Agency (CTSA). The SAVSA program is funded by a \$1 registration fee collected annually on each eligible vehicle registered within the County, this fee sunset in April 2022. STA can consider placing tax measure on the ballot in a future election or can discontinue the program once it stops receiving delinquent payments. The Neighborhood Shuttle program is funded with pass through sales tax allocations totaling \$1 million annually. The CTSA program also called the Senior and Disabled Transportation Services Program was originally programed, in Section VII of the Measure A Sacramento County Transportation Expenditure Plan 2009-2039, to accumulate 1% of CTSA funding from the 1st decennial period for distribution during the 3rd decennial period. This was subsequently revised, during the December 10, 2020, Board Meeting, to provide grant agreements that align with CTSA funding guidelines in the 2nd decennial period. The full amount of accumulated funding has not been fully expended; after the funds are expended the fund balance will be exhausted. With the end of the 1st decennial period, there are currently no additional funds to accumulate and be allocated to the CTSA fund.



MAJOR FACTORS

Major factors impacting the budget are as follows:

- Interest and other revenue are projected to increase by \$1.0 million (255.8%) to about \$1.4 million in budget year FY 2024-25 based on the assumption that historically high interest rates continuing into part of FY 2024-25.
- SacMetro FSP revenue is projected to decrease by about \$305,000 (-8.9%) to about \$3.1 million in budget year FY 2024-25 based on the California State grant dollars being billed up to the extent of the contract. Historically, there was a carryover between years that was budgeted as being fully collectable in the next budget year.
- SacMetro FSP appropriations are expected to decrease by approximately \$690,000 (-19.4%) in budget year FY 2024-25. Authority staff and stakeholders have analyzed service coverage and options for lower future contract rates. The planned changes in service and future requests for proposal are expected to lower the contractor costs.
- Transit appropriations are expected to decrease by \$2.5 million (-55.5%) primarily due to the Consolidated Transportation Service Agency (CTSA) program expending the majority of the remaining funding in FY 2023-24. The remaining funds in the CTSA fund are anticipated to be expended in FY 2024-25.

Total revenues are expected to increase by \$2.0 million in FY 2024-25 to \$186.2 million (1.1%) when compared to the budgeted amount for FY 2023-24. There are expected revenue increases of \$1.3 million in the sales tax program, \$1.0 million in interest and other revenue, and \$406,000 in SCTMFP Fees offset by decreases of about \$304,000 for the SacMetro FSP program as it is anticipated to not carry over any grant funds into FY 2024-25 and SAVSA is projected to generate no income. The increase in sales tax is projected based on the relatively strong local economy and sustained consumer spending.

SCTMFP revenue remained strong through the end of FY 2022-23, as permits for new development in the County and cities incorporated in the County, which generate the fee, continued at a robust pace; however, fees for permits in the current and budget years are expected to slow. Most of the current construction activity in the region is the outcome of permits pulled one to two years ago – prior to the significant increase in mortgage lending rates and increasing economic concerns, that have reduced home buyer demand.

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

Description	FY 2023 Actual	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed	Change from FY 2024	Change in Percent
Revenues						
Sales Tax	\$ 174,233,661	\$ 174,000,000	\$ 170,826,000	\$ 175,263,100	\$ 1,263,100	0.7%
SCTMFP Fees *	8,856,243	6,022,951	6,022,951	6,428,566	405,615	6.7%
Interest and Other	8,371,102	399,681	4,088,000	1,422,000	1,022,319	255.8%
SacMetro FSP **	3,703,218	3,403,755	3,049,666	3,099,666	(304,089)	-8.9%
SAVSA***	59,982	351,405	12,000	-	(351,405)	-100.0%
Total Revenues	\$ 195,224,206	\$ 184,177,792	\$ 183,998,617	\$ 186,213,332	\$ 2,035,540	1.1%
Appropriations						
Administration	\$ 1,388,394	\$ 1,366,487	\$ 1,271,134	\$ 1,328,960	\$ (37,527)	-2.7%
SacMetro FSP	3,792,562	3,556,379	3,293,270	2,868,305	(688,074)	-19.3%
SAVSA	56,907	351,421	14,175	149,272	(202,149)	-57.5%
Transit	2,207,849	4,500,000	6,236,128	2,004,216	(2,495,784)	-55.5%
Professional Services	215,757	170,000	150,000	153,896	(16,104)	-9.5%
Contributions to Measure A Entities:						
Ongoing Allocations	136,283,335	136,060,234	133,578,000	137,066,136	1,005,902	0.7%
Capital Improvement Program (CIP)	13,631,572	37,900,898	21,772,471	41,707,000	3,806,102	10.0%
Debt Service:						
Principal	-	4,380,000	4,380,000	4,600,000	220,000	5.0%
Interest and Other Charges	19,765,089	15,488,283	16,263,778	15,799,000	310,717	2.0%
Total Appropriations	\$ 177,341,465	\$ 203,773,702	\$ 186,958,956	\$ 205,676,785	\$ 1,903,083	0.9%
Other Financing Sources (Uses)						
Debt Service Financing	(4,098,184)	-	-	-	-	0.0%
Total Financing Sources (Uses)	\$ (4,098,184)	\$ -	\$ -	\$ -	\$ -	0.0%
Net Increase (decrease) in Fund Balance	13,784,557	(19,595,910)	(2,960,339)	(19,463,453)	132,457	-0.7%
Beginning Fund Balance	60,438,716	51,375,057	74,223,273	71,262,934	19,887,877	38.7%
Ending Fund Balance	\$ 74,223,273	\$ 31,779,147	\$ 71,262,934	\$ 51,799,481	\$ 20,020,334	63.0%
Fund Reserve****	7,800,000	7,500,000	7,500,000	7,500,000	-	0.0%
Ending Fund Balance Less Reserve	\$ 66,423,273	\$ 24,279,147	\$ 63,762,934	\$ 44,299,481	\$ 20,020,334	82.5%

* Sacramento Countywide Transportation Mitigation Fee Program
 ** Sacramento Metropolitan Freeway Service Patrol
 *** Sacramento Abandoned Vehicle Service Authority
 **** FY 2023-24 \$7.2 million for the capital program and \$300,000 for administration

APPROPRIATIONS

Appropriations are expected to increase by approximately \$1.9 million to \$205.7 million (0.9%) in FY 2024-25 when compared to the budgeted amount for FY 2023-24. The largest increase of \$3.8 million (10.0%) in the capital improvement program. The estimated spending in FY 2024-25 is higher than budgeted when compared to the budgeted amount for FY 2023-24 because anticipated project spending for the City of Sacramento and Caltrans have increased in FY 2024-25. Offsetting the appropriation increases are decreases in the Transit fund due to the balances of the Consolidated Transportation Service Agency (CTSA) being spent down in FY 2023-24.

Appropriations for debt service pay for interest, principal, and ancillary fees such as those for remarketing, liquidity, and credit surveillance. The budgeted principal, interest and other charges for FY 2024-25 are about \$530,000 higher (7.0%) than budget in FY 2023-24 due to the refinancing of the 2009C, 2014A & 2015A Series to the fixed rate 2023 Series. This refinancing is expected to increase debt service over the next ten years. This bond series has a ten-year call feature so there is a high probability that this anticipated bonding would be refinanced in 10 years at a lower rate reducing debt service as a whole.

The Capital Improvement Program (CIP) is projected to have an underspending in Fiscal Year (FY) 2023-24, while a rise in total revenues is anticipated for FY 2024-25. Consequently, the projected ending fund balance for FY 2024-25 is expected to reach \$51.8 million. This represents an increase of \$20.0 million, or 63.0%, compared to the budgeted fund balance for FY 2023-24.



3

BUDGET PROCESS AND FISCAL POLICIES

3 BUDGET PROCESS AND FISCAL POLICIES

BUDGET PROCESS

This budget presents three years of financial information – actual amounts for FY 2022-23, estimated amounts for FY 2023-24, and proposed amounts for FY 2024-25.

The Authority’s fiscal year is July 1 through June 30. A draft of the final 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.

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 2023-24. Using this information as a starting point, staff develop expectations for revenues and appropriations for the remainder of the current fiscal year.

FISCAL YEAR



MAY
BUDGET DRAFT PRESENTED TO BOARD

JUNE
BUDGET BROUGHT BACK FOR ADOPTION

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 as the Accounting Manager prepares a schedule for salaries, benefits, and administration overhead while the Special Programs Manager develops estimates for revenue and the remaining appropriations for the two programs.

Additionally, from **JANUARY THROUGH MARCH** 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 **DECEMBER**, 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 by fiscal year for program needs. 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 final budget. The Accounting Manager attends 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.

During the **MAY** meeting, the Board can ask questions, provide comments, and offer guidance to staff. Public members can also contribute. With this information the staff will collaborate with the Executive Director to refine the final budget.

In **JUNE**, the final budget is presented to the Board for adoption. Typically, it remains materially consistent with the May draft, featuring only minor revisions. Staff highlights any significant changes during the June meeting. Adoption necessitates a quorum of Board members and a majority of the voting quorum. If the final budget isn't adopted by June 30, the Board may vote for a resolution allowing the Authority to continue under the draft. An amended budget can be brought to the Board if revenue and/or appropriation changes warrant it at any time.

FISCAL POLICIES

California's Public Utility Code (CPUC) Section 180105 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 typically introduce a draft of the final budget during the Board meeting in May and the Board adopts the final budget during the Board meeting in June.

The Authority's foremost responsibility to the citizens of Sacramento County is the prudent management of government finances and the careful stewardship of public funds. Essential to this endeavor are fiscal policies specifically crafted to safeguard all public assets entrusted to the Authority's administration.

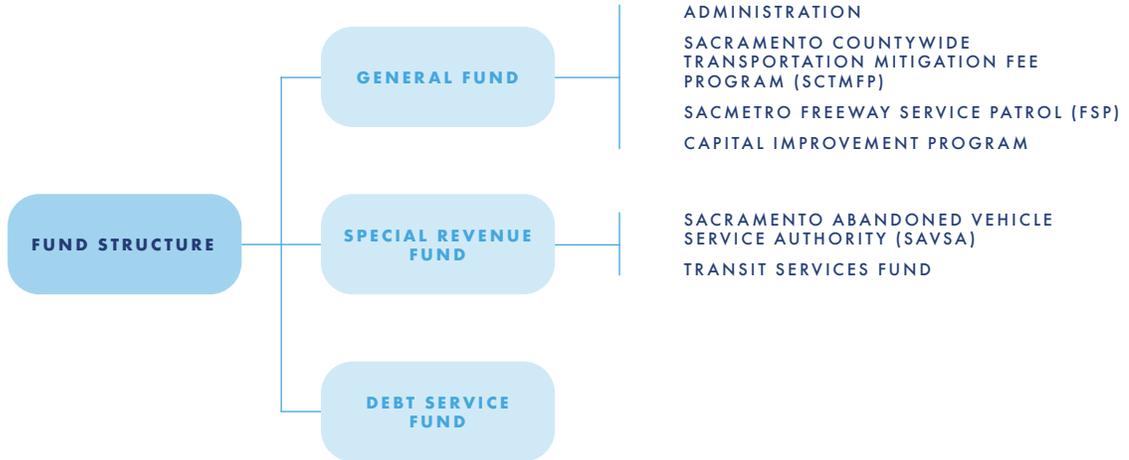
OVERVIEW

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 fund structure. For a detailed description of the activities of the funds see the Budget Schedules and Fund Information section on page 59.



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 positions the Authority for long term success.

Projecting 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 Citrus Heights, Elk Grove, Folsom, Rancho Cordova, and Sacramento. 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. Allocations are detailed in the Formulaic Allocation Section.

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 2024-25 by land use category.

SCTMFP FEE SCHEDULE FOR FY 2024-25

Land Use	Per	Current Rates FY 2023-24	New Rates FY 2024-25
Single-Family Residential	unit	\$1,532	\$1,574
Single-Family Residential, Senior	unit	\$1,227	\$1,260
Multi-Family Residential	unit	\$1,072	\$1,101
Multi-Family Residential, Senior	unit	\$918	\$943
Office Use	1,000 square feet	\$1,840	\$1,890
Retail Use	1,000 square feet	\$2,300	\$2,362
Industrial Use	1,000 square feet	\$1,227	\$1,260
Hotel/Motel	sleeping room	\$888	\$912
Extended Stay Hotel/Motel	sleeping room	\$789	\$810
Golf Course	acre	\$1,275	\$1,310
Movie Theater	screen	\$2,916	\$2,995
Religious Center	1,000 square feet	\$1,426	\$1,465
Hospital	1,000 square feet	\$2,570	\$2,639
Service Station	fueling pump	\$1,994	\$2,047
Supermarket	1,000 square feet	\$2,300	\$2,362
Warehouse/Self-Storage	1,000 square feet	\$384	\$394
Assisted Living Facility	bed	\$442	\$454
Congregate Care	unit	\$324	\$333
Child Day Care	student	\$706	\$725
Private School (K-12)	student	\$399	\$410
Auto Repair/Body Shop	1,000 square feet	\$2,300	\$2,362
Gym/Fitness Center	1,000 square feet	\$2,300	\$2,362
Drive-through Car Wash	1,000 square feet	\$2,300	\$2,362
All Other	average weekday trips generated	\$161	\$166

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 two to four 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, SAVSA, Neighborhood Shuttle, and CTSA programs are designed to be pass-through, break-even programs; therefore, maintaining a fund balance reserve in these funds is not necessary.

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

Administration Fund – the Authority maintains a \$300,000 reserve or about three months' revenues which is consistent with the prior year.

CIP Fund – the Authority maintains a \$7.2 million reserve or roughly four months' pay-go revenues which is unchanged from FY 2023-24.

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 for the prior year, current year, and budget year:

FUND BALANCE RESERVES

Fiscal Year	Policy	Amount
CIP Program		
2022-23	\$ 7,500,000	\$ 7,500,000
2023-24	\$ 7,200,000	\$ 7,200,000
2024-25*	\$ 7,200,000	\$ 7,200,000
Administration Fund		
2022-23	\$ 300,000	\$ 300,000
2023-24	\$ 300,000	\$ 300,000
2024-25*	\$ 300,000	\$ 300,000

* FY 2024-25 Final budget includes reserve amounts per policy

APPROPRIATIONS LIMIT

The Authority annually adopts a resolution establishing its appropriations 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 appropriations limit. The following table summarizes the appropriations limit for each fiscal year from program inception through the budget year. In May each year, the California Department of Finance provides the information necessary for this calculation. Due to the timing of this information the Authority annually adopts the appropriation limit in June of each year. The table below summarizes the last five years.

Fiscal Year	Appropriations Limit
2020-21	\$ 296,919,442
2021-22	315,753,737
2022-23	338,642,284
2023-24	352,354,540
2024-25	

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 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.

COST ALLOCATIONS

The Authority oversees five programs – Measure A, SacMetro FSP, SAVSA, Neighborhood Shuttle, and the CTSA. 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



ACCOUNTING MANAGER
OVERSEES ALL FINANCIAL ACCOUNTING AND REPORTING ACTIVITIES



SPECIAL PROGRAMS MANAGER
OVERSEES SACMETRO FSP AND SAVSA DAY-TO-DAY PROGRAM OPERATIONS

Every program benefits from the time contributed by staff members, and accordingly, costs for salaries and benefits are allocated to these programs based on the hours worked. At the end of the fiscal year, the Accounting Manager assesses the hours charged, the income produced, and the distinct expenses for each program. These factors serve as the basis for allocating expenses.

RETIREMENT BENEFIT FUNDING POLICY

The Authority provides defined benefit retirement benefits through the California Public Employees’ Retirement System (PERS). All full-time employees hired after January 1, 1994, are eligible to participate in CalPERS. CalPERS provides retirement benefits, annual cost of living adjustments and death benefits to plan members and their beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefits provisions and all other requirements are established by state statute.

The financial objective of a defined benefit pension plan is to fund the long-term cost of benefits provided to the plan participants. To assure that the plan is financially sustainable, the plan should accumulate adequate resources in a systematic and disciplined manner over the active service life of benefitting employees. This funding policy outlines the method the Authority will utilize to determine its actuarially determined contributions to fund the long-term cost of benefits to the plan participants and annuitants.

CalPERS actuaries will determine the Authority’s Actuarially Determined Contribution (ADC) to CalPERS based on annual actuarial valuations. The ADC will include the normal cost for current service and amortization of any under-funded amount. The normal cost will be calculated using the entry age normal cost method using economic and non-economic assumptions approved by the CalPERS Board of Administration. The Authority will review the CalPERS annual actuarial valuations to validate the completeness and accuracy of the member census data and the reasonableness of the actuarial assumptions.

The Authority’s long-term objective is to fund the CalPERS pension plan to 100% of the unfunded accrued liability (UAL). CalPERS calculates the UAL on an annual basis considering prior year investment returns, current pool funding and other actuarial factors. The Authority will budget the paydown of the UAL down based on the CalPERS 5 Year Amortization Schedule in order to save interest cost over the repayment term. The Authority does not formally contract with CalPERS to increase the minimum UAL payment. This allows the Authority flexibility to make payments as the budget allows and ultimately save money over the long term. The additional UAL repayments through February 2024 are calculated to save STA \$501,746 in interest payments over the 20-year repayment term. In the 2025 Fiscal Year, the Authority will make a payment as determined by the CalPERS projected 2024-25 5-Year Amortization Schedule. The table below represents the actuarially calculated and projected UAL along with payments made towards the UAL. The Authority increased its annual UAL payments from the minimum to the 5-year Amortization Schedule amount in Fiscal Year 2023-24. This expense is under the Salaries and Benefits in the Administration Budget.

	2021-22	2022-23	2023-24	2024-25
Unfunded Accrued Liability	1,439,931	1,365,756 *	1,102,489 *	913,440 *
Payments to UAL	103,599	167,923	339,972	254,181 **

* Balance is projected based on interest accruals, known payments and the fiscal year 2021-22 balance.

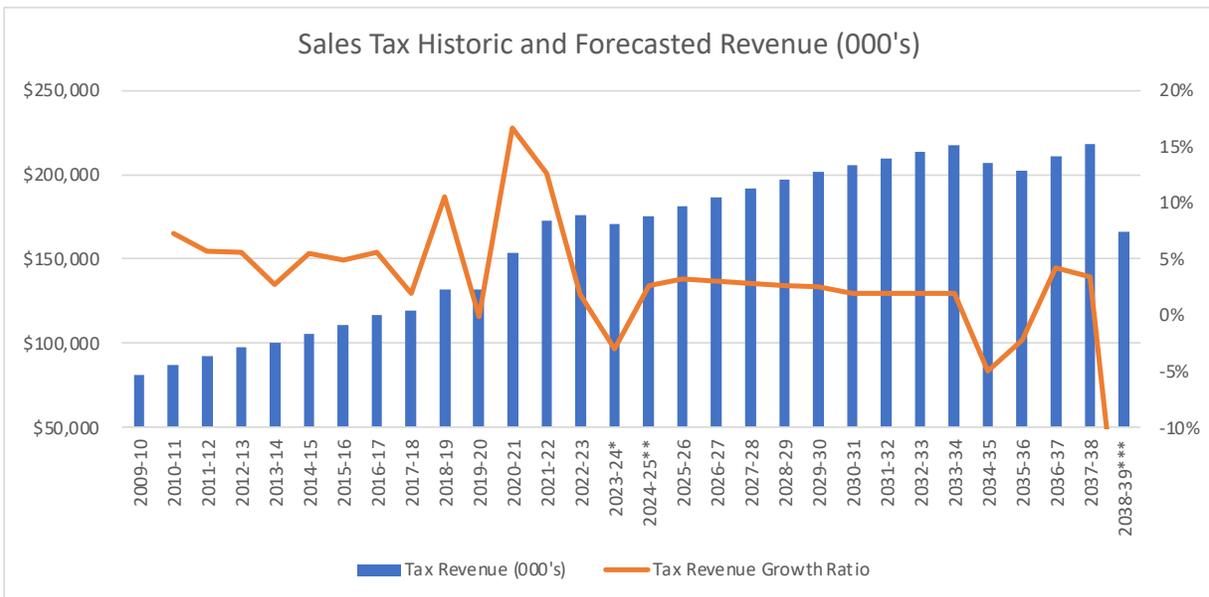
Market conditions are not considered.

** Projected 5 year amortization payment for fiscal year 2024-25.

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 projected revenue can support the issuance of additional debt. The following table summarizes the most recent revenue forecasts completed in December 2023.



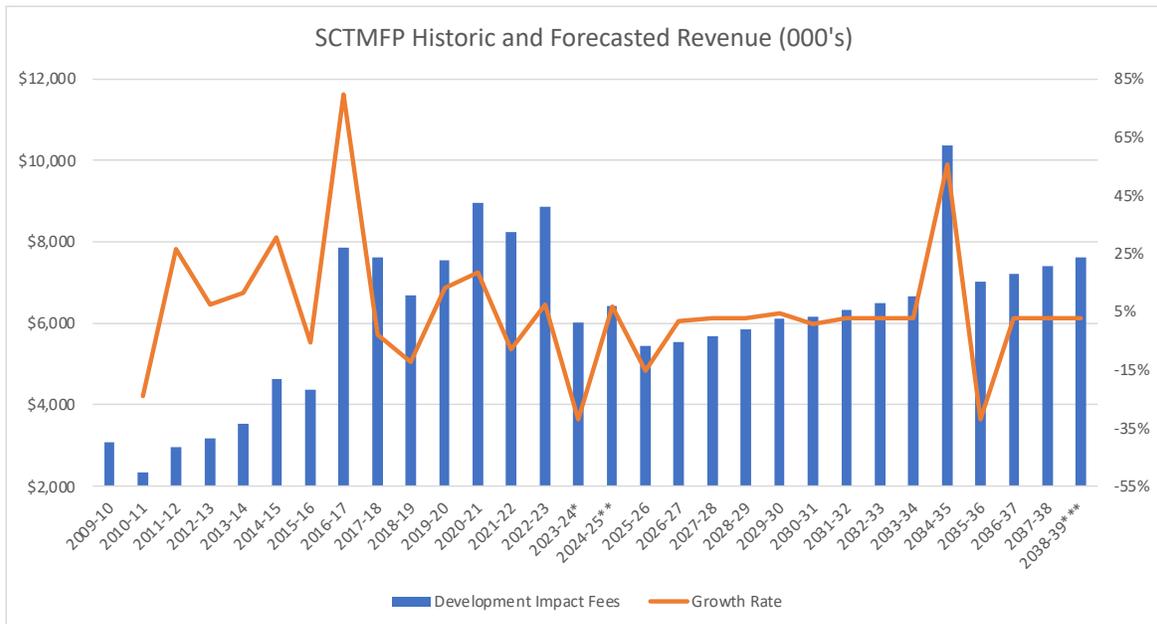
* Estimated
 ** Forecasts for FY 2024-25 through FY 2038-39
 *** Program sunsets in March 2039

Based on the information in the previous chart, the Authority is expecting total sales tax revenue of \$4.83 billion over the life of the program - \$92.8 million more than the amount projected in 2004 when voters approved the Measure - \$4.7 billion. The average sales tax growth rate year-over-year since program inception through FY 2022-23 is 6.2% while the forecasts for the remainder of the program averages 1.5%. Although the projected average growth rate appears conservative in comparison to actual growth rate, the local economy had been recovering from the Great Recession earlier in the first decennial of the Measure. 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. Additionally, changes to the taxability of online transactions caused a notable increase in FY 2020-21 and FY 2021-22. The overall program growth rate when actual and projected 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 differ from the projected 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 projected 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 a slowing economy in the 2023-24 fiscal year and one moderate recession over the remaining life of the program.

SACRAMENTO COUNTYWIDE TRANSPORTATION 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 the CIP is completely funded with pay-go, 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 project was completed in August 2021. 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 chart shows how volatile the revenue for this program has been program to date with a forecast beyond the current year:



* Estimated
 ** Forecasts for FY 2024-25 through FY 2038-39
 *** Program sunsets in March 2039

Actual revenue growth rates from FY 2009-10 through FY 2022-23 varied dramatically from a low of -24.1% in FY 2010-11 to a high of 79.9% in FY 2016-17, averaging 10.9% 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 over the last couple of years, particularly in the City of Sacramento which is undergoing a revitalization. In the current year this growth is expected to fall due to high mortgage interest rates and economic uncertainty. The projected average growth rate year-over-year beginning with FY 2023-24 is conservatively set at 0.7%.

Based on the information in the table, the Authority projects total SCTMFP revenue of \$186.2 million over the life of the program. This amount is less than half the amount projected in 2004 when voters approved Measure A - \$488 million.



4

BUDGET SCHEDULES AND FUND INFORMATION

4 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 2022-23, estimated amounts for FY 2023-24, and proposed amounts for FY 2024-25. In its Annual Comprehensive Financial Report (ACFR), the Authority reports on four governmental funds – the General Fund, two Special Revenue Funds, and a Debt Service Fund. All budgetary information is reported on the modified accrual basis of accounting, like the fund statements found in the ACFR. 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, two Special Revenue funds and the Debt Service fund. Revenues are expected to increase \$2.0 million to \$186.2 million (1.1%) using projections developed in December 2023.

Appropriations are expected to increase by approximately \$1.9 million to \$205.7 million, mostly attributable to anticipated increases in Capital Improvement Program (CIP) costs offset by reductions in transit and SacMetro FSP expenses.

The budget year ending fund balance will increase by \$20.0 million (63.0%) to \$51.8 million when compared to the budgeted amount of \$31.8 million in FY 2023-24. The ending fund balance from year to year is impacted most significantly by the Authority’s CIP which operates on a pay-go basis and makes up nearly the entire fund balance, this was caused by agencies budgeting higher than expenditures in FY 2023-24. The Authority’s budget is balanced, in part, because a significant fund balance in the current year is available in the budget year.

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The Authority considers the budget **balanced** when:

1

Total revenues are greater than or equal to total appropriations



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 2024-25.

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

Description	FY 2023 Actual	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed	Change from FY 2024	Change in Percent
Revenues						
Sales Tax	\$ 174,233,661	\$ 174,000,000	\$ 170,826,000	\$ 175,263,100	\$ 1,263,100	0.7%
SCTMFP Fees *	8,856,243	6,022,951	6,022,951	6,428,566	405,615	6.7%
Interest and Other	8,371,102	399,681	4,088,000	1,422,000	1,022,319	255.8%
SacMetro FSP **	3,703,218	3,403,755	3,049,666	3,099,666	(304,089)	-8.9%
SAVSA***	59,982	351,405	12,000	-	(351,405)	-100.0%
Total Revenues	\$ 195,224,206	\$ 184,177,792	\$ 183,998,617	\$ 186,213,332	\$ 2,035,540	1.1%
Appropriations						
Administration	\$ 1,388,394	\$ 1,366,487	\$ 1,271,134	\$ 1,328,960	\$ (37,527)	-2.7%
SacMetro FSP	3,792,562	3,556,379	3,293,270	2,868,305	(688,074)	-19.3%
SAVSA	56,907	351,421	14,175	149,272	(202,149)	-57.5%
Transit	2,207,849	4,500,000	6,236,128	2,004,216	(2,495,784)	-55.5%
Professional Services	215,757	170,000	150,000	153,896	(16,104)	-9.5%
Contributions to Measure A Entities:						
Ongoing Allocations	136,283,335	136,060,234	133,578,000	137,066,136	1,005,902	0.7%
Capital Improvement Program (CIP)	13,631,572	37,900,898	21,772,471	41,707,000	3,806,102	10.0%
Debt Service:						
Principal	-	4,380,000	4,380,000	4,600,000	220,000	5.0%
Interest and Other Charges	19,765,089	15,488,283	16,263,778	15,799,000	310,717	2.0%
Total Appropriations	\$ 177,341,465	\$ 203,773,702	\$ 186,958,956	\$ 205,676,785	\$ 1,903,083	0.9%
Other Financing Sources (Uses)						
Debt Service Financing	(4,098,184)	-	-	-	-	0.0%
Total Financing Sources (Uses)	\$ (4,098,184)	\$ -	\$ -	\$ -	\$ -	0.0%
Net Increase (decrease) in Fund Balance	13,784,557	(19,595,910)	(2,960,339)	(19,463,453)	132,457	-0.7%
Beginning Fund Balance	60,438,716	51,375,057	74,223,273	71,262,934	19,887,877	38.7%
Ending Fund Balance	\$ 74,223,273	\$ 31,779,147	\$ 71,262,934	\$ 51,799,481	\$ 20,020,334	63.0%
Fund Reserve****	7,800,000	7,500,000	7,500,000	7,500,000	-	0.0%
Ending Fund Balance Less Reserve	\$ 66,423,273	\$ 24,279,147	\$ 63,762,934	\$ 44,299,481	\$ 20,020,334	82.5%

* Sacramento Countywide Transportation Mitigation Fee Program
 ** Sacramento Metropolitan Freeway Service Patrol
 *** Sacramento Abandoned Vehicle Service Authority
 **** FY 2023-24 \$7.2 million for the capital program and \$300,000 for administration

GENERAL FUND

PROGRAMS

The General Fund reports all Measure A revenues including sales tax, SCTMFP fees, interest income on fund balance, and interest rate hedging derivatives (the underlying interest swap agreements were terminated in September 2023). The General Fund also reports SacMetro FSP state and local grants. The Sacramento Abandoned Vehicle Service Authority (SAVSA), Neighborhood Shuttle, and Consolidated Transportation Services Agency (CTSA) are reported separately as Special Revenue funds and therefore not included in the General Fund table.

Measure A revenue consists of 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 SCTMFP. The imposition of the mitigation fee is required to receive the jurisdiction allocation of local street and road maintenance funds 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 are annually updated using criteria prescribed in the Ordinance. Since the fees are generated by construction activity, remittances are volatile. A Nexus study update is currently in progress and will be completed in the summer of 2024.

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 in a lump sum by the Sacramento Area Council of Governments (SACOG) early in the fiscal year and is used as the matching component for the state grant.

FUND STRUCTURE

The fund balance in the General fund is expected to increase to \$45.7 million in FY 2024-25 from a budgeted amount of \$24.5 million in FY 2023-24 because revenues are increasing, appropriations are increasing, and the FY 2023-24 estimated activity is more favorable than budgeted. The majority of the increase is due to the favorable difference in the FY2023-24 budget vs the estimated activity, the most significant piece is CIP spending being approximately \$16.1 million less than budgeted.

GENERAL FUND BUDGET - REVENUE, APPROPRIATIONS, AND FUND BALANCE

Description	FY 2023 Actual	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed	Change from FY 2024	Change in Percent
Revenues						
Sales Tax	\$ 174,233,661	\$ 174,000,000	\$ 170,826,000	\$ 175,263,100	\$ 1,263,100	0.7%
SCTMFP Fees *	8,856,243	6,022,951	6,022,951	6,428,566	405,615	6.7%
Interest and Other	8,022,317	284,950	3,655,000	1,268,000	983,050	345.0%
SacMetro FSP	3,703,218	3,403,755	3,049,666	3,099,666	(304,089)	-8.9%
Total Revenues	\$ 194,815,439	\$ 183,711,656	\$ 183,553,617	\$ 186,059,332	\$ 2,347,676	1.3%
Appropriations						
Administration	\$ 1,388,394	\$ 1,366,487	\$ 1,271,134	\$ 1,328,960	\$ (37,527)	-2.7%
SacMetro FSP	3,792,562	3,556,379	3,293,270	2,868,305	(688,074)	-19.3%
Professional Services	215,757	170,000	150,000	153,896	(16,104)	-9.5%
Contributions to Measure A Entities:						
Ongoing Allocations	136,283,335	136,060,234	133,578,000	137,066,136	1,005,902	0.7%
Capital Improvement Program (CIP)	13,631,572	37,900,898	21,772,471	41,707,000	3,806,102	10.0%
Total Appropriations	\$ 155,311,620	\$ 179,053,998	\$ 160,064,875	\$ 183,124,297	\$ 4,070,299	2.3%
Other Financing Sources (Uses)						
Transfers Out (to the Debt Service Fund)	\$ (24,296,978)	\$ (22,500,000)	\$ (19,495,075)	\$ (19,680,052)	\$ 2,819,948	-12.5%
Transfers Out (to the Transit Fund)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	-	0.0%
Total Financing Sources (Uses)	\$ (25,296,978)	\$ (23,500,000)	\$ (20,495,075)	\$ (20,680,052)	\$ 2,819,948	-12.0%
Net Increase (decrease) in Fund Balance	14,206,841	(18,842,342)	2,993,667	(17,745,017)	1,097,325	-5.8%
Beginning Fund Balance	46,215,439	43,391,296	60,422,280	63,415,947	20,024,651	46.1%
Ending Fund Balance	\$ 60,422,280	\$ 24,548,954	\$ 63,415,947	\$ 45,670,930	\$ 21,121,976	86.0%
Fund Reserve***	7,800,000	7,500,000	7,500,000	7,500,000	-	0.0%
Ending Fund Balance Less Reserve	\$ 52,622,280	\$ 17,048,954	\$ 55,915,947	\$ 38,170,930	\$ 21,121,976	123.9%

* Sacramento Countywide Transportation Mitigation Fee Program

** Sacramento Metropolitan Freeway Service Patrol

*** Includes \$7.2 million for the capital program and \$300,000 for administration

REVENUE AND OTHER FINANCING SOURCES

It is forecasted that sales tax revenue will reach \$175.3 million in fiscal year 2024-25, marking a 0.7% increase from the budgeted \$174.0 million in fiscal year 2023-24. This growth rate is under the historical average of 6.2% recorded from the initiation of the program in 2009 until June 30, 2023. However, since the program started in the middle of the Great Recession, the average growth rate may be somewhat higher than it would have been without the Great Recession. Sales tax revenue did not recover to pre-recession levels until FY 2015-16. Since then, sales tax revenue has continued to grow at an accelerated rate, more recently, with the inflow of 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 the Authority has benefitted from the new revenue since then.

The SCTMFP revenue has demonstrated significant fluctuations since its establishment in 2009, with annual growth rates oscillating between a decrease of 24.1% in FY 2010-11 and an increase of nearly 80% in FY 2016-17. This program, which levies a fee on specific construction activities in the County, is anticipated to generate \$6.0 million in FY 2023-24 and \$6.4 million in FY 2024-25. The average annual growth rate from the start of the program to June 30, 2023, stands at 10.9%. Initially, revenue projections were made internally by staff, but in April 2021, the Authority engaged Economic & Planning Systems, a consulting firm, to undertake revenue forecasting through to the program's end in 2039. This task was completed in August 2021, with the refined forecasts now incorporated into the budgetary documentation. The Authority intends to maintain the use of external consultants for future revenue projections, given the growing dependency of the Capital Improvement Program (CIP) on this income stream and the necessity for current data to efficiently allocate capital projects.

SacMetro FSP budgeted revenue is expected to decrease by \$304,000 in FY 2024-25 when compared to budgeted revenues in FY 2023-24. Local funding has increased from \$900,000 in FY 2023-24 to \$960,000 in FY 2024-25. However, State grant funding, which is allocated based on regional traffic patterns and the regional populations causes variations in the funding. FSP staff drew down the last of the remaining prior year grant rollovers in FY 2022-23.

APPROPRIATIONS AND OTHER FINANCING USES

Appropriations are projected to increase \$4.1 million to \$183.1 million in FY 2024-25. Transfers out (other financing uses) are expected to be \$20.7 million, \$2.8 million less than the budgeted amount in FY 2023-24. The amount transferred pays for debt service on the Authority's bond program which currently consists of two fixed rate bond series. Prior to September 2023, the majority of the debt was variable rate and subject to the swings in interest rates.

Ongoing allocations are expected to increase by \$1.0 million (0.7%) in FY 2024-25. The allocations fluctuate 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 \$41.7 million in FY 2024-25 from a budgeted amount of \$37.9 million in FY 2023-24. The increase of \$3.8 million (10.0%) is due to an increased reliance on Measure A funding in projects. The actual spending in FY 2023-24 is estimated to be \$21.7 million, \$16.1 million less than budgeted, which highlights agencies budgeting more than actual needs are.

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 Citrus Heights and Sacramento, Caltrans, the Capital SouthEast Connector Authority, and the Smart Growth Incentive Program (SGIP). More details about the projects and spending can be found in the Capital Improvement Program Section.

The table presented summarizes the annual net percentage of the Capital Improvement Program (CIP) allocation dedicated to debt service payments, accounting for interest received from the Authority’s swap partners until their termination in September 2023.

The percentage of debt service costs in relation to the sales tax allocation for CIP is budgeted to be slightly higher in FY 2024-25 at 56.8% than estimated in FY 2023-24 at 51.2%. The increased ratio in FY 2024-25 is caused by the refinancing of the variable rate bonds during September 2023. The percentage is expected to be stable at the FY 2024-25 rate through FY 2028-29 when principal payments begin anticipated refunded bond series issued in FY 2023-24. 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 (IN 000’S)

Description	FY 2025 Proposed	FY 2024 Estimate	FY 2023 Actual	FY 2022 Actual	FY 2021 Actual
Sales Tax Allocation for CIP*	\$ 35,750	\$ 34,840	\$ 35,545	\$ 35,300	\$ 31,325
Debt Service Charges**	\$ 20,299	\$ 17,835	\$ 19,765	\$ 19,859	\$ 15,655
Ratio	56.8%	51.2%	55.6%	56.3%	50.0%

* Equals 20.75 of the net sales tax proceeds

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

SACRAMENTO COUNTYWIDE TRANSPORTATION MITIGATION FEE PROGRAM (SCTMFP) BUDGET

The SCTMFP is expected to receive \$6.4 million in FY 2024-25 versus \$6.0 million budgeted in FY 2023-24. However, appropriations are expected to be \$13.6 million in FY 2024-25, \$0.8 million more than the amount budgeted in FY 2023-24. Estimated actual spending for FY 2023-24 is expected to be about \$5.0 million, which is \$7.8 million less than expected because spending for projects programmed to receive SCTMFP funding during FY 2023-24 did not come in as high as budgeted. The estimated ending fund balance for FY 2023-24 is expected to be \$13.0 million and about \$6.1 million in FY 2024-25. As remaining fund balance decreases, cash constraints limit available funding for the CIP. 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, additional CIP and SGIP project level expenditures can be found in the Capital Improvement Program Section.

Description	FY 2023 Actual	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed	Change from FY 2024	Change in Percent
Revenues						
Fees	\$ 8,856,243	\$ 6,022,951	\$ 6,022,951	\$ 6,428,566	\$ 405,615	6.7%
Interest	164,866	15,000	23,000	260,000	245,000	1633.3%
Total Revenues	\$ 9,021,109	\$ 6,037,951	\$ 6,045,951	\$ 6,688,566	\$ 650,615	10.8%
Appropriations						
Capital Appropriations	\$ 2,265,610	\$ 10,300,000	\$ 2,884,095	\$ 8,477,000	\$ (1,823,000)	-17.7%
Smart Growth Incentive Program (SGIP) Appropriations	360,140	2,490,958	2,113,000	5,129,000	2,638,042	105.9%
Total Appropriations	\$ 2,625,750	\$ 12,790,958	\$ 4,997,095	\$ 13,606,000	\$ 815,042	6.4%
Net Increase (decrease) in Fund Balance	6,395,359	(6,753,007)	1,048,856	(6,917,434)	(164,427)	2.4%
Beginning Fund Balance	5,563,502	7,316,487	11,958,861	13,007,717	5,691,230	77.8%
Ending Fund Balance	\$ 11,958,861	\$ 563,480	\$ 13,007,717	\$ 6,090,283	\$ 5,526,803	980.8%

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 2022-23 based on projected 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 0.8% of the total sales tax proceeds over the past two years. The administration charges are withheld quarterly before the sales tax is remitted.
- Isleton and Galt receive 0.04% 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 amount used to determine the remaining formulaic allocations.
- 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 county American River Parkway/Bikeway Network Improvement 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-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 (SacRT) and Paratransit combined are allocated 4.5% of the net revenues as they are each a Consolidated Transportation Services Agency (CTSA)
- SacRT receives the largest allocation of the net revenues at 34.5% to fund transit operations and maintenance.

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**GENERAL FUND - MEASURE A SALES TAX ALLOCATIONS
(SHOWN IN 000'S)**

Description	Allocation Percentage	FY 2023 Actual	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed	Change from FY 2024	Change in Percent
Total Revenues		\$ 174,234	\$ 174,000	\$ 170,826	\$ 175,263	\$ 1,263	0.7%
Professional Services		216	170	150	154	(16)	-9.5%
Net Revenues for Allocation		\$ 174,018	\$ 173,830	\$ 170,676	\$ 175,109	\$ 1,279	0.7%
Isleton	0.04%	70	70	68	70	-	0.0%
Galt	1.00%	1,741	1,738	1,707	1,751	13	0.8%
Neighborhood Shuttle	Fixed	1,000	1,000	1,000	1,000	-	0.0%
Net Revenues		\$ 171,207	\$ 171,022	\$ 167,901	\$ 172,288	\$ 1,266	0.7%
County Regional Parks	Fixed	1,000	1,000	1,000	1,000	-	0.0%
Capital Improvement Program (CIP)	20.75%	35,545	35,487	34,840	35,750	263	0.7%
Program Administration	0.75%	1,285	1,283	1,259	1,292	9	0.7%
SMAQMD*	1.50%	2,570	2,565	2,519	2,584	19	0.7%
Traffic Control & Safety**	3.00%	5,139	5,131	5,037	5,169	38	0.7%
SacRT***/Paratransit (CTSA)	4.50%	7,709	7,696	7,556	7,753	57	0.7%
Safety, Streetscaping, Ped and Bike Facilities **	5.00%	7,565	7,551	7,395	7,614	63	0.8%
Street & Road Maintenance**	30.00%	51,391	51,307	50,370	51,686	379	0.7%
SacRT***	34.50%	59,099	59,003	57,926	59,439	436	0.7%
Total	100.00%	\$ 171,303	\$ 171,023	\$ 167,902	\$ 172,287	\$ 1,264	0.7%

* Sacramento Metropolitan Air Quality Management District

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

*** Sacramento Regional Transit

An additional formulaic allocation is performed to the following three categories and 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 is 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 the county 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) FY 2024-25**

Entity	Population*	Lane Miles**	Allocation Ratio	Amount***
City of Citrus Heights	85,837	474	5.18001%	\$ 3,339,522
City of Elk Grove	177,005	1,175	11.10794%	7,161,230
City of Folsom	85,498	747	5.75055%	3,707,347
City of Rancho Cordova	81,117	682	5.39853%	3,480,404
City of Sacramento	518,161	3,154	31.90406%	20,568,378
County of Sacramento	598,519	5,417	40.65891%	26,212,585
Total	1,546,137	11,649	100%	\$ 64,469,466

* Per California Department of Finance Report E-1

** Based on data provided by each agency in Winter 2023

*** 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 Elk Grove, Folsom, and Galt. These agencies do not have projects programmed during any of the three fiscal years presented. The estimated spending in FY 2023-24 is \$16.1 million less than budgeted because some projects were completed or experienced delays; however, the remaining funding is programmed to be used in the future. Below is a summary of capital construction costs regardless of funding source.

GENERAL FUND - CAPITAL IMPROVEMENT PROGRAM (CIP) (IN 000'S)

Description	FY 2023 Actual	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed	Change from FY 2024	Change in Percent
Caltrans	\$ 2,214	\$ 10,775	\$ 1,805	\$ 15,076	\$ 4,301	39.9%
Capital SouthEast Connector JPA	-	11,700	5,451	4,777	(6,923)	-59.2%
Citrus Heights	-	-	-	500	500	100.0%
Sacramento City	-	1,300	1,433	3,700	2,400	184.6%
Sacramento County	8,792	11,635	10,970	12,525	890	7.6%
Smart Growth Incentive Program	2,626	2,491	2,113	5,129	2,638	105.9%
Total Capital Appropriations	\$ 13,632	\$ 37,901	\$ 21,772	\$ 41,707	\$ 3,806	10.0%

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 early in the program to advance capital projects – most notably in the first five years of the program. The table below summarizes the planned funding from the two sources by agency.

GENERAL FUND - CAPITAL IMPROVEMENT PROGRAM (CIP) (IN 000'S)

Description	FY 2024 Budget		FY 2024 Estimate		FY 2025 Budget	
	SCTMFP	General Fund	SCTMFP	General Fund	SCTMFP	General Fund
Caltrans	\$ -	\$ 10,775	\$ -	\$ 1,805	\$ -	\$ 14,576
Capital SouthEast Connector JPA	7,000	4,700	1,451	4,000	4,277	500
Citrus Heights	-	-	-	-	500	-
Sacramento City	1,300	-	1,433	-	3,700	-
Sacramento County	2,000	9,635	-	10,970	-	12,525
Smart Growth Incentive Plan	2,491	-	2,113	-	5,129	-
Total Capital Appropriations	\$ 12,791	\$ 25,110	\$ 4,997	\$ 16,775	\$ 13,606	\$ 27,601

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SACRAMENTO METROPOLITAN FREEWAY SERVICE PATROL PROGRAM (SACMETRO FSP)

SacMetro FSP reduces freeway congestion by removing vehicles that are stalled or have been involved in a collision which accounts for more than half of all non-recurring freeway congestion. The program is a collaboration of the Authority, California Highway Patrol (CHP), and the California Department of Transportation (Caltrans). Funding is provided by state grants 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.

FSP’s special team of tow truck drivers patrol Sacramento freeways during peak commute times 6:30- 10:00 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’s coverage area is detailed in the map below:



FUND BALANCE

The anticipated ending fund balance for fiscal year 2024-25 is around \$132,000, in contrast to the projected zero balance at the end of fiscal year 2023-24. The SacMetro Freeway Service Patrol (FSP) program has faced rising contractor expenses and flat revenue streams for several years. In the past, grand fund carryovers from the SB1 state grant acted as a cushion against these escalating costs, but this balance was fully utilized in the fiscal year 2022-23. Typically, local funds, which match the state grant, are received in a single payment at the start of each fiscal year. Meanwhile, state grant funds are reimbursed and can take up to 45 days to process. This reimbursement delay, combined with the contractors’ net 30 billing terms, frequently results in a low fund balance. Budgetary evaluations by staff to optimize current routes and contract agreements are expected to enhance the fund balance within the next three years.

REVENUE

Total revenues are expected to be \$3.1 million in FY 2024-25. State grant funding is expected to decrease by about \$354,000 (-14.2%) due to FSP fully utilizing the prior year grant carryovers. State funding is allocated based on regional traffic patterns and regional populations causing variances in funding. Local grant funding (CVR-SAFE) is negotiated with SACOG and is expected to increase by \$50,000 to \$960,000 in FY 2024-25. These funds are used as a local match for the state funding received from Caltrans.

SACRAMENTO METROPOLITAN FREEWAY SERVICE PATROL (FSP) BUDGET - REVENUE, APPROPRIATIONS, AND FUND BALANCE

Description	FY 2023 Actual	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed	Change from FY 2024	Change in Percent
Revenues						
State Allocation	\$ 2,793,218	\$ 2,493,755	\$ 2,139,666	\$ 2,139,666	\$ (354,089)	-14.2%
CVR-SAFE* (local match)	910,000	910,000	910,000	960,000	50,000	5.5%
Total Revenues	\$ 3,703,218	\$ 3,403,755	\$ 3,049,666	\$ 3,099,666	\$ (304,089)	-8.9%
Appropriations						
Salaries and Benefits	\$ 135,045	\$ 147,410	\$ 131,169	\$ 139,416	\$ (7,994)	-5.4%
Overhead	32,031	65,093	27,480	29,951	(35,142)	-54.0%
Conferences and Travel	802	1,950	-	1,600	(350)	-17.9%
Communications	44,160	72,300	44,002	45,058	(27,242)	-37.7%
Other Operating Expenditures	1,765	2,550	4,145	4,250	1,700	66.7%
Contractors	3,578,759	3,267,076	3,086,474	2,648,030	(619,046)	-18.9%
Total Appropriations	\$ 3,792,562	\$ 3,556,379	\$ 3,293,270	\$ 2,868,305	\$ (688,074)	-19.3%
Other Financing Sources (Uses)						
Interfund Loan Out (to the Administrative Fund)	-	-	-	(100,172)	(100,172)	-100.0%
Interfund Loan In (from the Administrative Fund)	-	100,172	100,172	-	(100,172)	100.0%
Total Financing Sources (Uses)	\$ -	\$ 100,172	\$ 100,172	\$ (100,172)	\$ (200,344)	0.0%
Net Increase (decrease) in Fund Balance	\$ (89,344)	\$ (52,452)	\$ (143,432)	\$ 131,189	\$ 183,641	-350.1%
Beginning Fund Balance	232,776	293,189	143,432	-	(293,189)	-100.0%
Ending Fund Balance	\$ 143,432	\$ 240,737	\$ -	\$ 131,189	\$ (109,548)	-45.5%

* Capitol Valley Regional Service Authority for Freeways and Expressways

APPROPRIATIONS

Budgeted appropriations are expected to decrease by approximately \$690,000 in FY 2024-25 when compared to the budgeted amount for FY 2023-24. The most significant reduction is contractors expenses, which is projected to decline due to staff efforts to optimize routes and contract terms going forward.

ADMINISTRATION FUND

Three staff members are tasked with overseeing the Measure A, SacMetro FSP, SAVSA, Neighborhood Shuttle, and Consolidated Transportation Services Agency (CTSA) programs. The Executive Director and Accounting Manager charge 94% and 96% of their time respectively administering the Measure A, Neighborhood Shuttle and CTSA programs, while the Special Programs Manager charges 81% of their time administering the SacMetro FSP and SAVSA programs based on actual hours in FY 2022-23. 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

The ending fund balance for FY 2024-25 is projected to decrease to \$1.8 million, down from the \$2.3 million budgeted for FY 2023-24. This \$0.5 million reduction primarily stems from significant FY 2022-23 expenses, including a one-time expenditure of \$516,000 related to a citizens' initiative on the November 2022 ballot. Despite these expenses, sales tax revenue remains historically high, supporting the administrative fund. Additionally, total appropriations for FY 2024-25 are expected to decrease by \$44,000 from the previous fiscal year's budget. The fund balance reserve will be maintained at \$300,000.

ADMINISTRATION BUDGET - REVENUE, APPROPRIATIONS, AND FUND BALANCE

Description	FY 2023 Actual	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed	Change from FY 2024	Change in Percent
Revenues						
Sales Tax*	\$ 1,284,770	\$ 1,282,666	\$ 1,259,000	\$ 1,292,000	\$ 9,334	0.7%
Interest and Other	(2,864)	35,000	60,000	30,000	(5,000)	-14.3%
Total Revenues	\$ 1,281,906	\$ 1,317,666	\$ 1,319,000	\$ 1,322,000	\$ 4,334	0.3%
Appropriations						
Salaries and Benefits	\$ 634,978	\$ 895,321	\$ 908,528	\$ 895,741	\$ 420	0.0%
Conferences, Travel & Membership	11,744	16,000	23,168	35,414	19,414	121.3%
Insurance	9,737	9,888	14,497	15,636	5,748	58.1%
Professional Services	626,098	320,675	195,814	185,696	(134,979)	-42.1%
ITOC	48,975	53,000	51,799	116,335	63,335	119.5%
Other Operating Expenditures	19,046	30,000	29,066	28,110	(1,890)	-6.3%
Debt Service (Lease)	37,816	41,603	48,262	52,028	10,425	100.0%
Total Appropriations	\$ 1,388,394	\$ 1,366,487	\$ 1,271,134	\$ 1,328,960	\$ (37,527)	-2.7%
Other Financing Sources (Uses)						
Interfund Loan Out (to the FSP Fund)	-	(100,172)	(100,172)	-	100,172	-100.0%
Interfund Loan In (from the FSP Fund)	-	-	-	100,172	100,172	100.0%
Total Financing Sources (Uses)	\$ -	\$ (100,172)	\$ (100,172)	\$ 100,172	\$ 200,344	0.0%
Net Increase (decrease) in Fund Balance	\$ (106,488)	\$ (148,993)	\$ (52,306)	\$ 93,212	\$ 242,205	-162.6%
Beginning Fund Balance	1,879,025	2,398,456	1,772,537	1,720,231	(678,225)	-28.3%
Ending Fund Balance	\$ 1,772,537	\$ 2,249,463	\$ 1,720,231	\$ 1,813,443	\$ (436,020)	-19.4%
Fund Reserve	300,000	300,000	300,000	300,000	-	0.0%
Ending Fund Balance Less Reserve	\$ 1,472,537	\$ 1,949,463	\$ 1,420,231	\$ 1,513,443	\$ (436,020)	-22.4%

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

APPROPRIATIONS

In the budget year, appropriations are expected to decrease slightly, as previously indicated. However, a notable increase of \$63,000 in ITOC expenses is primarily for a performance audit and implementing the Taxpayer Safeguard Priority, which were topics at the March 2024 STA Governing Board Meeting. In addition, Professional Services will see significant changes, mainly covering Public Education & Transparency Needs and Planning Needs, discussed in the same meeting. These include funding for the ‘Ready, Set, Trails: A Countywide Strategy’ competitive grant and the exploration of a VMT CEQA mitigation bank or exchange. The outcomes for the Ready Set Trails grant are expected by June 2024. The FY 2023-24 budget had large unused balances for polling and public outreach, not carried over to FY 2024-25.

Additionally, as indicated in the Budget Process and Fiscal Policies section, increased payments are being made toward the Authority’s unfunded accrued liability (UAL) in the CalPERS pension system. For FY 2024-25, a payment of \$254,181 toward the UAL is anticipated.

SPECIAL REVENUE FUNDS

SACRAMENTO ABANDONED VEHICLE SERVICE AUTHORITY (SAVSA) FUND

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. Each year, SAVSA helps to fund the removal of thousands of abandoned vehicles in the County and within the cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova, and Sacramento. Distributions to entities are based 50% on population and 50% on the relative number of abatements performed during each calendar quarter. This program sunset in April 2022, ballot Measure C to continue the fee received a majority of the vote (57.7% voter approval) but failed to meet the two-thirds voter approval requirement. Given the benefits of the program over the last three decades, the Authority may consider placing tax measure on the ballot in a future election or can discontinue the program once it stops receiving delinquent payments.

FUND BALANCE

Since the program sunset in FY 2022-23 and nearly all the related revenue with it, the fund balance in FY 2024-25 is anticipated to zero out with the payout of the fund balance to participating agencies and the termination of the program.

SACRAMENTO ABANDONED VEHICLE SERVICE AUTHORITY (SAVSA) BUDGET - REVENUE, APPROPRIATIONS, AND FUND BALANCE

Description	FY 2023 Actual	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed	Change from FY 2024	Change in Percent
Revenues						
Vehicle License Fees	\$ 59,982	\$ 351,405	\$ 12,000	\$ -	\$ (351,405)	-100.0%
Interest	5,747	500	5,000	3,000	2,500	500.0%
Total Revenues	\$ 65,729	\$ 351,905	\$ 17,000	\$ 3,000	\$ (348,905)	-99.1%
Appropriations						
Abandoned Vehicle Abatement	\$ 25,139	\$ 250,000	\$ -	\$ 142,297	\$ (107,703)	-43.1%
Salaries and Benefits/Overhead	31,768	101,421	14,175	6,975	(94,446)	-93.1%
Total Appropriations	\$ 56,907	\$ 351,421	\$ 14,175	\$ 149,272	\$ (202,149)	-57.5%
Net Increase (decrease) in Fund Balance	8,822	484	2,825	(146,272)	(146,756)	-30321.5%
Beginning Fund Balance	134,606	136,584	143,428	146,253	9,669	7.1%
Ending Fund Balance	\$ 143,428	\$ 137,068	\$ 146,253	\$ (19)	\$ (137,087)	-100.0%

REVENUE AND APPROPRIATIONS

The revenue estimate for FY 2024-25 are expected to be \$3,000 which is about \$349,000 less than the prior year \$352,000 budget. As mentioned above, the program is anticipated to stop receiving funding during FY 2024-25 allowing for the termination of the authority. Appropriations for salaries and benefits/overhead for FY 2024-25 is expected to be \$149,000, with the remaining fund balance being paid out to abandoned vehicle abatements.

TRANSIT SERVICES FUND

The Transit Services Fund reports two programs: the Neighborhood Shuttle, and the Consolidated Transportation Services Agency (CTSA). The Neighborhood Shuttle program funds the development of additional Neighborhood Shuttles throughout Sacramento County. The CTSA works to expand the availability and use of specialized transportation services. The program facilitates coordination of transportation needs of seniors, people with disabilities, and others.

The Neighborhood Shuttle program receives allocations totaling \$1 million annually. These funds are awarded by the Authority on a competitive basis to fund the development of additional Neighborhood Shuttles throughout Sacramento County with a focus on development or expansion of shuttle routes in residential and commercial areas that have no—or infrequent—transit service connecting them to the light rail system and to bus routes on major arterials. The Authority is under contract with Paratransit and the Sacramento Regional Transit (SacRT) through June 2026 for Cycle 2.

Also called the Senior and Disabled Transportation Services Program was originally programed, in Section VII of the Measure A Sacramento County Transportation Expenditure Plan 2009-2039, to accumulate 1% of CTSA funding from the 1st decennial period for distribution during the 3rd decennial period. This was subsequently revised, during the December 2020, Board Meeting, to provide grant agreements that align with CTSA funding guidelines in the 2nd decennial period. With the end of the 1st decennial period, there are currently no additional funds beyond interest accruals that are accumulating in the CTSA fund.

However, delays in the delivery of transit vehicles due to the pandemic supply chain issues have resulted in significant cash balances earning interest revenue in the CTSA fund. Paratransit will have expended all its contracted CTSA grant funds in FY 2023-24 leaving SacRT with the remaining contracted CTSA funds in FY 2024-25. The FY 2024-25 budget includes an estimated one-time disbursement of the uncontracted CTSA funding per the approved distribution agreed upon by SacRT and Paratransit and approved by the STA Governing Board on June 11, 2020. The balance remaining is SacRT's balance, and all interest revenues will be allocated to SacRT.

FUND BALANCE

The beginning fund balance in FY 2021-22 was \$12.9 million, but the year ended with a fund balance of \$7.1 million. The fund balance is expected to decrease in FY 2023-24 to \$1.2 million as appropriations outpace revenues. In budget year FY 2024-25, the fund balance is expected to decline further to \$189,000, this balance will represent only the neighborhood shuttle fund balance.

TRANSIT SERVICES BUDGET - REVENUE, APPROPRIATIONS, AND FUND BALANCE

Description	FY 2023 Actual	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed	Change from FY 2024	Change in Percent
Revenues						
Interest	\$ 258,549	\$ 111,831	\$ 250,000	\$ 20,000	\$ (91,831)	-82.1%
Total Revenues	\$ 258,549	\$ 111,831	\$ 250,000	\$ 20,000	\$ (91,831)	-82.1%
Appropriations						
Ongoing Allocations	\$ 2,207,849	\$ 4,500,000	\$ 6,236,128	\$ 2,004,216	\$ (2,495,784)	-55.5%
Total Appropriations	\$ 2,207,849	\$ 4,500,000	\$ 6,236,128	\$ 2,004,216	\$ (2,495,784)	-55.5%
Other Financing Sources (Uses)						
Transfers In	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	0.0%
Total Financing Sources (Uses)	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	0.0%
Net Increase (decrease) in Fund Balance	(949,300)	(3,388,169)	(4,986,128)	(984,216)	2,403,953	-71.0%
Beginning Fund Balance	7,108,570	5,591,561	6,159,270	1,173,142	(4,418,419)	-79.0%
Ending Fund Balance	\$ 6,159,270	\$ 2,203,392	\$ 1,173,142	\$ 188,926	\$ (2,014,466)	-91.4%

REVENUES AND APPROPRIATIONS

From its inception in 2009 until June 30, 2019, revenue for the CTSA program was generated in accordance with the Measure A Ordinance, accumulating annually at one percent of the net sales tax revenue, along with accrued interest. No appropriations were made during this period, allowing the fund balance to grow. Additionally, the Neighborhood Shuttle program is allocated funding at an annual rate of \$1 million for the tax program’s entire duration.

The CTSA did not begin appropriating funds until FY 2020-21 when contracts between the Authority and program partners Paratransit and Sacramento Regional Transit (SacRT) were executed. Appropriations were \$2.2 million in FY 2022-23. Expected appropriations in FY 2023-24 are \$6.2 million. In the budget year FY 2024-25, appropriations are forecasted to be \$2.0 million. Although the appropriations are a mix of funds from both programs, most of the appropriations are drawing down CTSA funds which is projected to be extinguished during FY 2024-25.

The Neighborhood Shuttle program is ongoing and allocates funding to Paratransit and SacRT through reimbursement contracts through FY 2025-26.

DEBT SERVICE FUND

The Authority established a debt service fund in compliance with the indenture for each bond issuance – Series 2009C, Series 2014A, Series 2015A, Series 2022, and Series 2023. Series 2009C, Series 2014A and Series 2015A were refunded with Series 2023 in September 2023. Outstanding debt totals are projected to be \$320.7 million as of June 30, 2024. Funding for servicing the debt is provided by the 20.75% allocation of net sales tax revenue.

FUND BALANCE

The ending fund balance for FY 2024-25 is projected at \$5.9 million, approximately \$3.0 million less than the budgeted amount for FY 2023-24. This significant difference is primarily due to the timing of refinancing the Authority’s variable rate debt into fixed rate debt during FY 2023-24, which led to uncertainties in withholdings and actual payments. The estimated ending fund balance for FY 2023-24 is \$6.5 million, which is \$2.4 million below the budgeted figure. Before September 2023, the Authority predominantly held variable rate debt, causing monthly interest payments to fluctuate with changing interest rates. This was stabilized by refinancing into fixed rate bonds (2023 series), reducing interest expense variability in this fund.

Currently, the Authority is repaying only the principal on the Series 2022 bonds, with principal payments on other bond series set to start in FY 2028-29. The fund balance now steadily accumulates monthly, earmarked for the foreseeable debt service costs over the next twelve months, facilitated by the predictability offered by the two fixed rate bond series.

DEBT SERVICE - REVENUE, APPROPRIATIONS, OTHER FINANCING SOURCES, AND FUND BALANCE

Description	FY 2023 Actual	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed	Change from FY 2024	Change in Percent
Revenue						
Interest	\$ 84,489	\$ 2,400	\$ 178,000	\$ 131,000	\$ 128,600	5358.3%
Total Revenues	\$ 84,489	\$ 2,400	\$ 178,000	\$ 131,000	\$ 128,600	5358.3%
Appropriations						
Principal	\$ -	\$ 4,380,000	\$ 4,380,000	\$ 4,600,000	\$ 220,000	5.0%
Interest and Ancillary Cost	19,765,089	15,488,283	16,263,778	15,799,000	310,717	2.0%
Total Appropriations	\$ 19,765,089	\$ 19,868,283	\$ 20,643,778	\$ 20,399,000	\$ 530,717	2.7%
Other Financing Sources (Uses)						
Refunding Bonds Issued	\$ 24,245,000	\$ 353,731,116	\$ 296,415,000	\$ -	\$ (353,731,116)	-100.0%
Premium on Refunding Bonds Issued	2,056,816	-	46,050,953	-	-	0.0%
Payments to Refunded Bond Escrow Agent	(30,400,000)	(353,731,116)	(342,465,953)	-	353,731,116	-100.0%
Transfers In	24,296,978	22,500,000	19,495,075	19,680,052	(2,819,948)	-12.5%
Total Financing Sources (Uses)	\$ 20,198,794	\$ 22,500,000	\$ 19,495,075	\$ 19,680,052	\$ (2,819,948)	-12.5%
Net Increase (decrease) in Fund Balance	518,194	2,634,117	(970,703)	(587,948)	-	0.0%
Beginning Fund Balance	6,980,101	6,287,510	7,498,295	6,527,592	240,082	3.8%
Ending Fund Balance	\$ 7,498,295	\$ 8,921,627	\$ 6,527,592	\$ 5,939,644	\$ (2,981,983)	-33.4%

* Interest appropriations factor in rising interest rates during the budget year

REVENUE AND OTHER FINANCING SOURCES

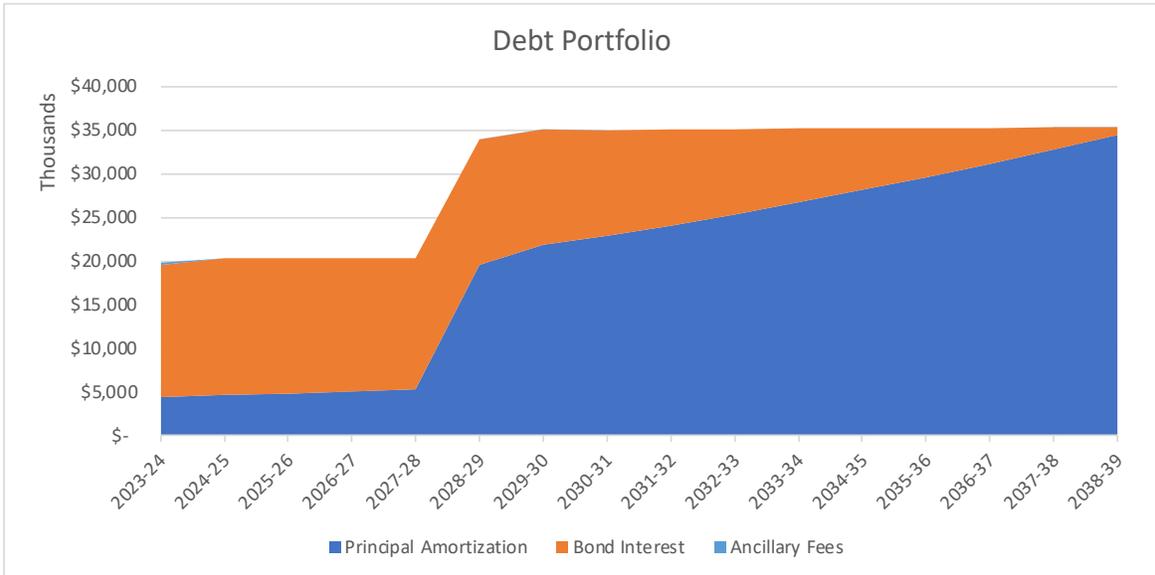
Interest is received for accumulated fund balance. Other financing sources (transfers in) to the debt service fund are received from the General Fund to pay for all debt service costs.

APPROPRIATIONS

Each month, the fund accumulates one-twelfth of the forthcoming year’s cash flow requirement for the Series 2022 and Series 2023 bonds. Currently, only the Series 2022 bonds are subject to principal payment withholdings, with the Series 2023 bonds scheduled to start accumulating for principal payments in FY 2027-28. Given the interest payments in April and October and principal payments in October, the fiscal year-end fund balance tends to be substantial.

In September of FY 2023-24, the Authority consolidated its variable rate debts from Series 2009C, Series 2014A, and Series 2015A into the fixed rate Series 2023 bonds. This consolidation eliminated the ancillary fees and swap agreements associated with the variable rate bonds.

A chart details debt service costs for each fiscal year until the end of the Measure A program. Principal payments until FY 2027-28 pertain solely to the Series 2022 bonds, which will be fully repaid by then. From FY 2028-29 onwards, principal repayments will concern the Series 2023 bonds. Swap interest revenue is accounted for in the General Fund. The term “Ancillary Fees” covers costs related to Variable Rate Demand Bonds (VRDB) liquidity facilities, remarketing agent fees, trustee fees, arbitrage reporting, and other related expenses.





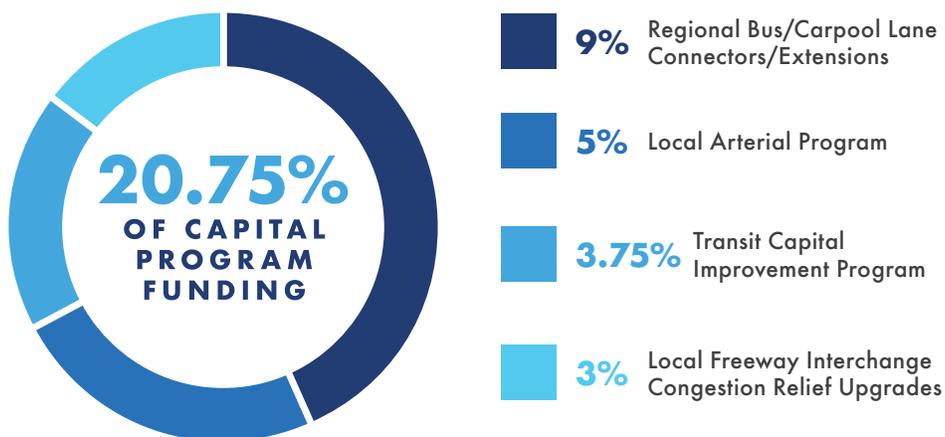
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**CAPITAL
IMPROVEMENT
PROGRAM (CIP)**

5 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 \$1.7 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 in the following CIP funding programs with sales tax funding assigned percentages:



Please note that the Authority doesn’t construct any capital projects, nor does it own them.

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 CIP 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 sales tax pay-go are the only funds currently available for projects. Sales tax pay-go funding is projected to be \$15.5 million in the budget year. In addition, the SCTMFP is expected to generate \$6.4 million in revenue in the budget 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.

All the projects identified in the Expenditure Plan 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 or 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

The agencies implementing the projects are Sacramento County, the cities of Citrus Heights, Elk Grover, Folsom, Galt, Rancho Cordova, and Sacramento, the California Department of Transportation (Caltrans), Sacramento Regional Transit (SacRT), and the Capital SouthEast Connector Authority. The following is a list of the approved project locations for the capital funding programs identified in Measure A.

The following is a list of the approved projects.

LOCAL ARTERIALS PROGRAM

- Antelope Road: Watt-Auburn
- Arden Way: ITS Improvements Del Paso-Fair Oaks Blvd
- Arden Way: Ethan Way to Watt Ave
- Bradshaw Road: Grant Line-Folsom Blvd
- Bruceville Road: Sheldon-Cosumnes River Blvd
- Cosumnes River Blvd: I-5-Franklin Blvd
- Elk Grove Blvd: Big Horn-Waterman
- Folsom Blvd:65th-Sunrise
- I5/SR99/SR50 Connector, including at least \$5 million for the Cosumnes River Permanent Open Space Preserve
- Greenback Lane: I/80-Folsom/Auburn Road
- Hazel Ave Improvements: Placer Co Line-Folsom Blvd
- I Street Bridge Replacement
- Madison Ave: Watt-Greenback
- S Watt/Elk Grove-Florin Road: Folsom-Elk Grove Blvd
- Sheldon Road: Bruceville-Bradshaw
- Sunrise Blvd: Placer Co line-Grant Line
- Truxel Bridge: Garden Hwy to Sequoia Pacific Blvd
- Watt Ave: Antelope-Capital City Freeway

TRANSIT CONGESTION RELIEF PROGRAM

- Construct Downtown Sacramento Intermodal Station
- Construct LRT extension from Meadowview Road to Cosumnes River College
- Implement Regional Rail commuter service (Sacramento County portion)
- Fund planning, environmental, and design studies and processing for Downtown to Airport LRT Extension
- LRT Improvements in the I-80 Corridor

FREEWAY SAFETY AND CONGESTION RELIEF PROGRAM

- Bus/Carpool ramp connection from SR 50 E to SR 99 S
- I/80 Bus/Carpool Lanes: I-5-Capital City Freeway
- I-5 Bus/Carpool Lanes: Elk Grove to I-80
- Ramp Widening for connectors between SR 50 and I-5
- SR 50 Bus/Carpool Lanes: Sunrise through Downtown Sacramento
- Central Galt/SR 99 Interchange Upgrade
- Cosumnes Blvd/I-5 Interchange Upgrade
- Grant Line Road/SR 99 Interchange Upgrade
- I-5/I-80 Interchange Upgrade & Carpool Lane Connector
- Richards Blvd/I-5 Interchange Upgrade
- Sheldon Road/SR 99 Interchange Upgrade
- Watt/SR 50 Interchange Upgrade

There are 11 remaining projects and the Smart Growth Incentive Program (SGIP) programmed to receive Measure A funding during FY 2024-25 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.

Below is a list of completed projects that were funded by Measure A and the SCTMFP programs. The list includes program type, Primary Project, Sub Project, Year Completed and the Sum of Expenditures, by type, for each of the projects. These completed projects represent a combination of completed projects as well as projects that received funding to complete a specific project phase such as planning, preliminary engineering, environmental, right of way, or construction.

COMPLETED PROJECTS

Primary Project	Sub Project	Year Completed	Total Project Cost	Measure A Expenditures	Grant Expenditures
Local Freeway Interchange Congestion Relief Upgrades					
Cosumnes Blvd. I-5 Interchange		2016	\$ 85,315,164	\$ 8,588,138	\$ 31,009,376
Central Galt Interchange		2013	50,641,711	9,966,000	13,962,875
Grantline Rd. Hwy 99 Interchange Upgrade		2008	77,400,000	37,229,290	-
Sheldon Rd. Hwy 99 Interchange Upgrade		2010	73,470,838	8,291,743	20,801,000
Watt Ave. Hwy 50 Interchange		2014	38,318,000	11,835,390	26,962,680
Local Freeway Interchange Congestion Relief Upgrades Total			\$ 325,145,713	\$ 75,910,561	\$ 92,735,931
Local Arterial Program					
Antelope Road Watt Ave to Auburn Blvd.	Roseville Rd. to I-80 Phase 1	2009	\$ 12,397,000	\$ 1,088,744	\$ 6,200,000
Bradshaw Rd. Grantline Rd. to Folsom Blvd.	Calvine Rd. to Florin Rd. Phase 1	2010	19,547,000	7,923,277	-
Folsom Blvd: 65th St. to Sunrise Blvd.	Bradshaw Rd. to Sunrise Blvd. Phase 1	2010	4,759,152	5,066,265	3,659,000
	Bradshaw Rd. to Sunrise Blvd. Phase 2	2012	14,667,761	36,455	10,805,860
	Bradshaw Rd. to Sunrise Blvd. Phase 3	2012	6,836,770		2,724,000
	Bradshaw Rd. to Sunrise Blvd. Phase 4	2018	5,062,000	3,093,804	4,838,000
	Bradshaw Rd. to Sunrise Blvd. Phase 5	2020	6,100,000	1,445,428	5,500,000
Folsom Bridge Crossing		2009	145,851,098	37,577,078	100,152,288
Consumnes River Permanent Open Space Preserve		N/A	5,000,000	5,000,000	-
Greenback Ln. I/80 to Auburn/Folsom Rd.	West City Limit to Fair Oaks Blvd.	2009	19,176,000	2,225,000	16,188,000
Sunrise Blvd. Placer Co. to Grant Line Rd.	Folsom Blvd to White Rock Rd	2021	7,735,000	10,948,038	-
Sunrise Blvd. Placer Co. to Grant Line Rd.	Oak Ave. to Antelope Rd. Phase 1	2014	5,178,000	4,528,000	650,000
Sunrise Blvd. Placer Co. to Grant Line Rd.	Greenback Ln. to Oak Ave Phase 2	2016	11,850,000	600,000	5,382,800
Local Arterial Program Total			\$ 264,159,781	\$ 79,532,089	\$ 156,099,948
Rail Transit Improvements					
South Sac LRT Extension		2022	\$ 270,000,000	\$ 25,265,683	\$ 240,312,246
DNA LRT Extension		2012	49,000,000	37,311,000	14,711,845
LRT I-80 Corridor Improvements		2019	247,200	247,200	-
Rail Transit Improvements Total			\$ 319,247,200	\$ 62,823,883	\$ 255,024,091
Regional Bus/Carpool Lane Connectors/Extensions					
I-80 I-5 to Capital City Freeway	I-80 I-5 to Capital City Freeway	2017	\$ 63,259,688	\$ 722,688	\$ 62,537,000
Hwy 50 Bus/Carpool Lanes Sunrise Blvd. to Downtown	Sunrise Blvd. to Downtown Phase 1	2012	100,406,202	32,793,233	67,612,969
Regional Bus/Carpool Lane Connectors/Extensions Total			\$ 163,665,890	\$ 33,515,921	\$ 130,149,969
Grand Total			\$ 1,072,218,584	\$ 251,782,454	\$ 634,009,939

Below is a summary of project types according to the Expenditure Plan with total dollar value by funding type.

CIP Funding Programs	Total Project Cost	Measure A Expenditures	Grant Expenditures	Grant Reimbursement %
Local Freeway Interchange Congestion Relief Upgrades	\$ 325,145,713	\$ 75,910,561	\$ 92,735,931	28.5%
Local Arterial Program	264,159,781	79,532,089	156,099,948	59.1%
Rail Transit Improvements	319,247,200	62,823,883	255,024,091	79.9%
Regional Bus/Carpool Lane Connectors/Extensions	163,665,890	33,515,921	130,149,969	79.5%
Total Completed Projects	\$ 1,072,218,584	\$ 251,782,454	\$ 634,009,939	59.1%

ACTIVE PROJECTS BY AGENCY

The agencies implementing the projects are Sacramento County, the cities of Citrus Heights, Elk Grover, Folsom, Galt, Rancho Cordova, and Sacramento, the California Department of Transportation (Caltrans), Sacramento Regional Transit (SacRT), and the Capital SouthEast Connector Authority. The following is a list of the approved project locations for the capital funding programs identified in Measure A. The following is a list of the approved projects.



- **ARDEN WAY CORRIDOR PROJECT** – will construct bikeways (class 2 & 4) and sidewalks, and landscaped buffers, and medians on Arden Way between Ethan Way and Watt Avenue, and will improve signalized crossings with new curb ramps, expanded bus turnouts, and enlarged loading areas, detection for bicycles, audible and countdown pedestrian signals, and crosswalk striping, and undergrounding of overhead utilities.
- **BRADSHAW RD.: PHASE 2** – this project will construct capacity, safety, and access improvements at the Bradshaw Rd./Jackson Rd. intersection. This project will reduce GHG emissions, improve mobility for all modes of travel by adding through lanes in each direction and bicycle and pedestrian facilities including bike lanes, sidewalks, and disability access features.
- **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.
- **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.
- **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.



- **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.
- **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.
- **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.
- **SOUTH WATT AVE.: FOLSOM BLVD. TO CALVINE RD.** – this project will widen South Watt Avenue from two to four lanes between Florin Road and Jackson Road. Proposed improvements include landscaped medians, ADA upgrades, bicycle and pedestrian facilities, and intersection upgrades.



- **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.
- **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. Programming for future uses in the historic station will be evaluated to support the transit complex.

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- **INTERMODAL GOVERNANCE** – this project is to research, analyze alternatives, coordinate with interested parties, and implement the creation of a new regional governance structure for the management and expansion of the Intermodal Station, including regional rail, light rail, intra-city transit, local transit, and multi-modal connections associated with the Sacramento Valley Station and its facilities.
- **I STREET BRIDGE** – this project will remove a series of functionally obsolete or structurally deficient bridges (approach structures) and construct a new moveable bridge approximately 1000’ upriver from the existing I Street Bridge which will remain and continue to serve the railroad. The new bridge will facilitate improved traffic circulation, reduce congestion, improve operations and safety, and serve multiple modes of transportation by connecting Railyards Boulevard in Sacramento to C Street in West Sacramento. Once completed, the existing I Street bridge’s upper deck will be repurposed for active transportation and provide new waterfront connections, and access to regional trails.
- **TRUXEL BRIDGE** – this project is to build a new multi-modal bridge crossing the lower American River that will improve local connectivity by providing a more direct route between North and South Natomas and the Central City that includes facilities for walking and biking that are currently very limited. This bridge will reduce regional vehicle miles traveled (VMT) due to a more direct travel path that shortens local trips for cars, makes transit a more attractive mode due to better routing, and makes walking and biking more attractive for short trips. This bridge will also reduce greenhouse gas emissions due to shorter local vehicular trips and more opportunities to walk, bike, and ride on more efficient transit lines (bus, bus rapid transit, and/or light rail). Finally, this bridge will enhance safety by reducing emergency response times and providing an additional evacuation route in the event of natural disasters.



- **SUNRISE BOULEVARD COMPLETE STREETS** – Sunrise Boulevard from Sayonara Drive to North City Limits – The Sunrise Boulevard Complete Streets Improvements (multiple phases) is a comprehensive Complete Streets project that will rehabilitate and reconstruct a regionally significant arterial, adding much needed Complete Streets elements throughout the project area. The project may include design, environmental, right of way acquisition, as well as plans, specifications and estimates to prepare the project for construction. Construction may include utility relocation, stormwater enhancements, ADA, bike and pedestrian facilities, streetlights, traffic signal modifications, median enhancements, and street resurfacing.



- ANTELOPE ROAD/I-80 PEDESTRIAN CROSSING AND TRAFFIC SAFETY IMPROVEMENTS** - The Antelope Road/I-80 Project will focus on ADA, bike, and pedestrian safety by providing dedicated facilities adjacent to the existing overcrossing, enhancing connectivity between neighborhoods for increased accessibility to schools and services. Project phases will be coordinated with Caltrans and may include the Project Study Report-Project Development Support, design, environmental, right of way and plans, specifications and estimates to prepare the project for construction. Construction may include a separated pedestrian and bike bridge, soundwalls, traffic safety upgrades, and other pedestrian and traffic safety enhancements to improve levels of service and accessibility along the interchange.



- HWY 50 BUS/CARPOOL LANES FROM 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. Construct a 1,090 foot soundwall along westbound US 50 to northbound SR51 connector ramp outside shoulder on embankment between 34th Street and Alhambra Blvd.
- I-5 BUS/CARPOOL LANES** - this project will construct approximately 25 miles of bus/carpool lanes on I-5 from Beach Lake Bridge north to Interstate 80. 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.

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- CAPITAL SOUTHEAST CONNECTOR** - 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 Authority staff along with the staff from the County of Sacramento, City of Rancho Cordova, and Capital SouthEast Connector have developed a funding strategy to advance Grant Line Road between the Chrysanthy Blvd. Intersection and the White Road Intersection as a shovel ready phased project compatible with the ultimate design. This project will improve safety, mobility, pavement condition and intersection operations.

SMART GROWTH INCENTIVE PROGRAM

- SMART GROWTH INCENTIVE PROGRAM (SGIP)** - This funding is used for projects identified on a competitive basis that meet certain smart growth objectives and take into account the Sacramento Area Council of Governments’ Community Design competitive funding program. Funding for Cycle 1 of was awarded in March of 2022 with funding allocated over the three fiscal years. Funding for Cycle 2 will be awarded in the summer of 2024. For the past two cycles, the Authority has partnered with the Sacramento Area Council of Governments (SACOG) provide the local match funds for the Community Design competitive funding program..

FINANCING

The following table represents the Authority’s financing plan for the CIP which includes the Local Arterial Program, Transit Capital Improvement Program, Regional Bus/Carpool Lane Connectors/Extensions, and Local Freeway Interchange Congestion Relief Upgrades from the Measure A Expenditure plan. This table includes updated estimates for FY 2023-24 and appropriations for FY 2024-25. 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.

5 - CAPITAL IMPROVEMENT PROGRAM

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Sales tax revenue allocated to the CIP is projected to increase from an estimated \$34.9 million in FY 2023-24 to \$35.8 million in FY 2024-25 of which \$20.3 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 \$6.0 million in FY 2023-24 and \$6.4 million in FY 2024-25 to the CIP.

CAPITAL IMPROVEMENT PROGRAM FINANCING PLAN (IN 000'S)

	FY 2023-24 est.	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Beginning Fund Balance	\$ 51,091	\$ 53,457	\$ 37,826	\$ 19,146	\$ 15,339	\$ 6,146
Revenue Assumptions						
Sales Tax	170,826	175,263	180,975	186,496	191,814	196,930
Off the top	2,777	2,823	2,882	2,940	2,995	3,048
Net Sales Tax Available to CIP	168,049	172,440	178,093	183,556	188,819	193,882
Sales tax CIP allocation	34,870	35,781	36,954	38,088	39,180	40,230
Debt Service (net of swap interest)	17,835	20,299	20,298	20,300	29,628	35,343
Sales tax pay go	17,035	15,482	16,656	17,788	9,552	4,887
SCTMFP Fee	6,023	6,429	5,438	5,541	5,689	5,842
SCTMFP Expenses	130	-	-	-	140	-
Net Available for Expenditure	\$ 74,019	\$ 75,368	\$ 59,920	\$ 42,475	\$ 30,440	\$ 16,875
Expenditure Assumptions						
SGIP Allocation:	\$ 903	\$ 964	\$ 816	\$ 831	\$ 853	\$ 876
California DOT:						
I-5 Carpool Lanes US 50 - I-80	-	9,130	5,500	13,000	12,780	2,493
I-5 Managed Lanes	45	-	-	-	-	-
Hwy 50 HOV - Alhambra Soundwall 5A	-	500	4,500	-	-	-
Hwy 50 HOV	1,760	5,446	1,950	-	-	-
Capital SouthEast Connector JPA:						
JPA - Capital	1,151	550	550	400	200	-
Grant Line Road	300	3,727	700	300	-	-
Transportation Project Environmental Mitigation Program	4,000	500	500	-	-	-
City of Citrus Heights:						
Sunrise Blvd.	-	500	-	500	500	-
Antelope Rd.	-	-	200	300	-	-
City of Sacramento:						
Intermodal	581	2,000	3,307	199	-	-
Intermodal - Governance	537	1,000	380	-	-	-
Truxel Bridge	-	-	2,000	2,400	2,000	-
I-Street Bridge Replacement	-	-	1,000	-	-	-
Richards/I-5	315	700	-	-	-	-
County of Sacramento:						
Arden Way Corridor	-	-	61	63	124	174
Bradshaw at Jackson Rd.	334	316	817	1,150	13	-
Folsom Blvd.	683	410	433	140	-	-
Greenback Lane Phase 1	427	610	-	-	-	-
Greenback Lane Phase 2	-	-	101	313	-	-
Hazel Ave. Phase 1	-	-	-	-	-	-
Hazel Ave. Phase 2	-	-	-	-	-	-
Hazel Ave. 50 to Folsom	3,200	5,752	6,820	1,202	3,345	25
Madison Ave. Phase 1	111	150	369	388	4,479	429
South Watt Phase 1	4,994	4,850	10,000	5,182	-	-
Sunrise - Jackson to Grant Line	388	437	520	768	-	-
Sunrise - Madison to Gold Country	-	-	-	-	-	-
Watt Ave. - Antelope to Cap City	833	-	250	-	-	-
Total Expenditures	\$ 20,562	\$ 37,542	\$ 40,774	\$ 27,136	\$ 24,294	\$ 3,997
Fund Balance Reserve	7,200	7,200	7,200	7,600	5,200	3,600
Ending Fund Balance	\$ 46,257	\$ 30,626	\$ 11,946	\$ 7,739	\$ 946	\$ 9,278

The Capital Improvement Program Finance Plan, expenditures assumptions include anticipated expenses under existing capital project allocation and expenditure contracts through FY 2028-29 and uncontracted but planned allocations for FY 2024-25 through FY 2028-29.

In October of 2020, the Authority adopted a set of principles governing the allocation of remaining Capital Improvement Program (CIP) funding through FY 2038-39 and approved a consensus plan that includes allocation levels for certain recipient agencies and programs. This plan sets the following targets for the remaining CIP funding which is used to estimate on a percentage basis the amount of funds remaining for each agency listed but requires a formal review in FY 2029-30 with the planned Decennial Review. These targets were needed to ensure those agencies that had not received an equitable amount of CIP funding commensurate with what was originally anticipated could anticipate receiving funds in future years.

Adopted Allocation Targets (in \$000's)
County of Sacramento - \$100,000
Caltrans - \$100,000
Citrus Heights - \$9,000
City of Sacramento - \$37,500
Capital Southeast Connector - \$21,000
Total - \$267,500

To ensure equity in the distribution of these funds and to align with the formal decennial review requirement in the adopted principles, the Authority has established decennial allocation targets for each agency using the adopted allocation targets identified above. The table below reflects the decennial targets for each agency, the amount under contract, the planned allocations through the Five-Year CIP, the remaining funding left to be allocated by FY 2028-29.

UNCONTRACTED TARGETED ALLOCATIONS THROUGH FY2028-29 (IN 000'S)

Jurisdiction	Calculated Target	Future CIP	Currently Contracted	Remaining Target
County of Sacramento	\$ 46,318	\$ 35,931	\$ 10,387	\$ -
Caltrans	46,318	46,273	45	-
Citrus Heights	4,169	2,000	-	2,169
City of Sacramento	17,369	6,000	2,000	9,369
Capital SouthEast Connector	9,727	3,027	6,700	-
Total	\$ 123,900	\$ 93,231	\$ 19,132	\$ 11,538

The table below represents the Authority’s financing plan for the Smart Growth Incentive Program and includes updated estimates for FY 2023-24 and appropriations for FY 2024-25. 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.

The SGIP is funded by 15% of SCTMFP revenue and is expected to allocate \$903 thousand in FY 2023-24 and \$964 thousand in FY 2024-25 to the SGIP.

**CAPITAL IMPROVEMENT PROGRAM FINANCING PLAN
SMART GROWTH INCENTIVE PROGRAM (IN 000’S)**

	FY 2023-24 est.	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Beginning Fund Balance	\$ 7,415	\$ 6,205	\$ 2,040	\$ 2,356	\$ 3,187	\$ 4,040
Revenue Assumptions						
SCTMFP: SGIP Allocation	903	964	816	831	853	876
Net Available for Expenditure	\$ 8,318	\$ 7,169	\$ 2,856	\$ 3,187	\$ 4,040	\$ 4,916
Expenditure Assumptions						
Capital SouthEast Connector JPA:						
Consumnes River Permanent Open Space Preserve	797	-	-	-	-	-
Sacramento Regional Transit District:						
Sacramento Valley Station Loop	-	808	-	-	-	-
City of Citrus Heights:						
Auburn Blvd. Complete Street	-	676	-	-	-	-
City of Galt:						
Kost Road Improvements	-	45	-	-	-	-
City of Rancho Cordova:						
Chase Drive - American River Parkway Connect	529	-	-	-	-	-
City of Sacramento:						
Broadway Complete Streets		750	-	-	-	-
Envision Broadway In Oak Park	165	-	-	-	-	-
Franklin Blvd. Complete Street	-	750	-	-	-	-
Stockton Blvd. Complete Street	50	100	-	-	-	-
County of Sacramento:						
Greenback Lane Complete Streets	83	300	500	-	-	-
Arden Way Complete Streets	489	-	-	-	-	-
SACOG 2022/23 Community Design:						
	-	1,700	-	-	-	-
Total Expenditures	\$ 2,113	\$ 5,129	\$ 500	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 6,205	\$ 2,040	\$ 2,356	\$ 3,187	\$ 4,040	\$ 4,916



6

ORGANIZATIONAL OVERVIEW

6 ORGANIZATIONAL OVERVIEW

The Authority administers five programs - Measure A, SacMetro FSP, SAVSA, Neighborhood Shuttle, and the Consolidated Transportation Services Agency (CTSA). 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 over the past 7 years. Early in FY 2022-23 the Chief Financial Officer position was reclassified to Accounting Manager, due to the retirement of the incumbent. There are no planned staffing changes planned in FY 2024-25. However, it is anticipated that the Accounting Manager position will likely be reclassified to the position of Chief Financial Officer at some point in the future. Because of its small size, staff work in multiple programs.

SACRAMENTO TRANSPORTATION AUTHORITY FY 2024-25 STAFF



POSITION DESCRIPTIONS



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, education, and operations.

RESPONSIBILITIES/DUTIES

- Identifies and oversees the Authority's strategic direction based upon the agency's vision, mission, and strategic planning goals.
- 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 in cooperation with General Counsel.
- 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).
- Concurrently acts as the Executive Director of the Sacramento Abandoned Vehicle Service Authority (SAVSA).

POSITION DESCRIPTIONS



ACCOUNTING MANAGER

Under the direction of the ED, the Accounting Manager 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 Comprehensive Financial Report (ACFR) 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 budget to actual 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 policies, vendor contracts, Memorandum of Understandings (MOUs), and funding agreements for the CIP under the supervision of the ED and legal team.
- Prepares financial projections for core operations and component units to ensure financial stability.

POSITION DESCRIPTIONS



SPECIAL PROGRAMS MANAGER

Under the direction of the ED, the Special Programs Manager 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 Bids (RFB), coordinates and participates in the review of RFQ and RFB packets and presents recommendations to the Governing Board.
- Program financial management. Budget preparation, reviews and approves monthly and quarterly reports and invoices.
- 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. General Authority duties also include assisting with coordination and preparation of materials for Board meetings; implement, manage, and monitor Authority's website; graphic design for social media; and intern oversight.

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 2023-24 with an estimated 4% cost of living adjustment (COLA) for FY 2024-25. Where a county classification includes wage differential or incentive such as for education or licensing those are added to the pay schedules listed below. The intent is to be in parity with Sacramento County.

**PAY SCHEDULES FOR FY 2024-25
(INCLUDING AN ESTIMATED 4% COLA*)**

Classification	Annual Minimum	Annual Maximum
Executive Director	\$ 242,885	\$ 267,770
Accounting Manager	126,730	139,716
Special Programs Manager	124,254	136,979

* Cost of Living Allowance

2023-24 ACCOMPLISHMENTS

During FY 2023-24, the Authority achieved numerous fiscal accomplishments including the following:

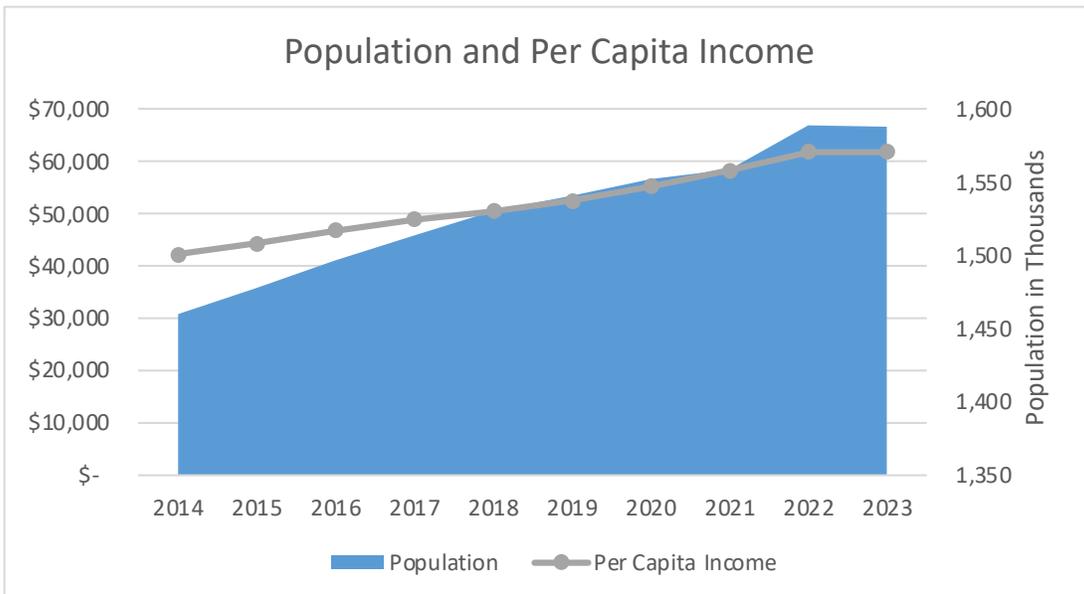
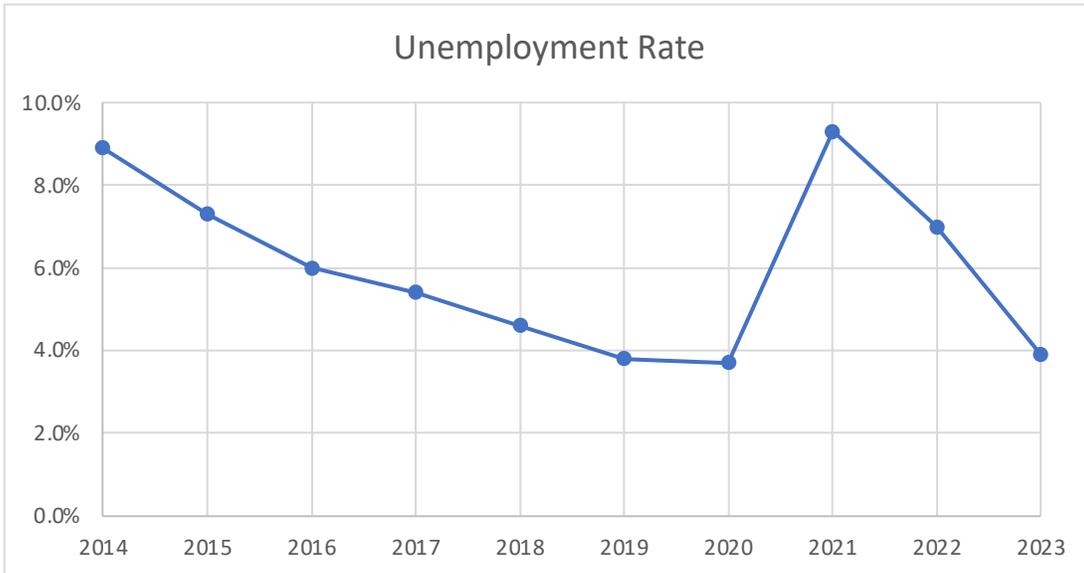
- Maintained the Authority’s credit rating at AAA with a stable outlook by both Fitch and S&P.
- Completed the refinancing of the Series 2009C, 2014A, and 2015A bonds which simplified the debt portfolio and is projected to reduced overall debt service costs by approximately \$15 million after an anticipated refinancing in 2033-34.
- 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.
- Maintained timely distribution of funds to program partners.
- 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.
- Utilized our insurance provider’s expertise to implement best practice policies.



7

STATISTICAL INFORMATION

7 STATISTICAL INFORMATION



PRINCIPAL EMPLOYERS

Employer:	2023			2014		
	Rank	Employees	Percentage of Total County Employment	Rank	Employees	Percentage of Total County Employment
UC Davis Health System	1	16,075	2.30%			
Kaiser Permanente	2	10,934	1.56%	2	9,109	1.47%
Sutter/California Health Services	3	9,350	1.33%	1	9,494	1.53%
Dignity/Mercy Healthcare	4	7,353	1.05%	3	7,397	1.19%
Intel Corporation	5	5,000	0.71%	5	6,000	0.97%
Raley's Inc/Bel Air	6	2,756	0.39%	4	6,240	1.01%
Siemens Mobility Inc.	7	2,500	0.36%			
Safeway	8	1,874	0.27%			
Golden 1 Credit Union	9	1,776	0.25%			
Pacific Gas and Electric Co.	10	1,370	0.20%			
Wells Fargo & Co.				6	3,249	0.52%
Hewlett-Packard				7	3,200	0.52%
Cache Creek Casino Resort				8	2,400	0.39%
Heath Net of California				9	2,358	0.38%
Cache Creek Casino Resort				10	2,223	0.36%
Total		58,988	8.42%		51,670	8.34%

Source: Sacramento County June 30, 2023 Annual Comprehensive Financial Report

REVENUE CAPACITY - REVENUE BASE AND REVENUE RATE (IN 000'S)

Fiscal Year	Sales Tax Rate	Total Sales Tax Revenue	Total Taxable Sales
2023	0.5%	\$ 176,143	\$ 35,228,600
2022	0.5%	170,826	34,165,200
2021	0.5%	153,560	30,712,000
2020	0.5%	131,591	26,318,200
2019	0.5%	131,757	26,351,416
2018	0.5%	119,188	23,837,550
2017	0.5%	116,878	23,375,600
2016	0.5%	110,708	22,141,600
2015	0.5%	105,564	21,112,800
2014	0.5%	100,063	20,012,600

Source: California Department of Tax and Fee Administration

RATIOS OF OUTSTANDING DEBT

Fiscal Year	Sales Tax Revenue Bonds	Percentage of Personal Income	Per Capita
2023	\$ 346,925,000	0.4%	\$ 218
2022	348,700,000	0.4%	219
2021	352,935,000	0.4%	226
2020	356,985,000	0.4%	230
2019	360,875,000	0.4%	234
2018	364,615,000	0.5%	238
2017	368,205,000	0.5%	243
2016	371,655,000	0.5%	248
2015	371,655,000	0.6%	251
2014	371,655,000	0.6%	255

Source: Audited Financial Statements and the Bureau of Economic Analysis

OPERATING INFORMATION - DEMAND FOR SERVICES

Jurisdiction	Fiscal Year				
	2019	2020	2021	2022	2023
City of Citrus Heights	\$ 2,594,616	\$ 2,589,796	\$ 3,017,591	\$ 3,397,512	\$ 3,411,859
County of Sacramento	19,824,716	19,780,254	23,142,052	26,033,861	26,048,852
City of Elk Grove	5,367,420	5,356,571	6,275,989	7,125,601	7,218,305
City of Folsom	2,603,896	2,600,243	3,081,437	3,430,713	3,467,694
City of Galt	1,317,357	1,315,912	1,535,604	1,729,165	1,741,134
City of Isleton	52,694	52,636	61,424	69,167	69,645
Neighborhood Shuttle	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Paratransit	5,821,455	5,815,018	2,038,005	2,296,595	2,312,585
Sacramento Regional Parks	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
City of Rancho Cordova	2,497,862	2,492,262	2,904,098	3,390,744	3,446,223
Regional Transit	44,631,157	44,581,803	56,837,693	64,049,486	64,495,437
City of Sacramento	15,270,445	15,285,468	17,944,897	20,266,469	20,502,062
SMAQMD	1,940,485	1,938,339	2,264,450	2,551,772	2,569,539
Capital Improvement Program Administration	23,096,608	22,290,456	20,534,968	21,116,140	13,631,572
	794,117	1,133,643	615,219	833,685	1,544,851
Total allocations	\$ 127,812,828	\$ 127,232,401	\$ 142,253,427	\$ 158,290,910	\$ 152,459,758

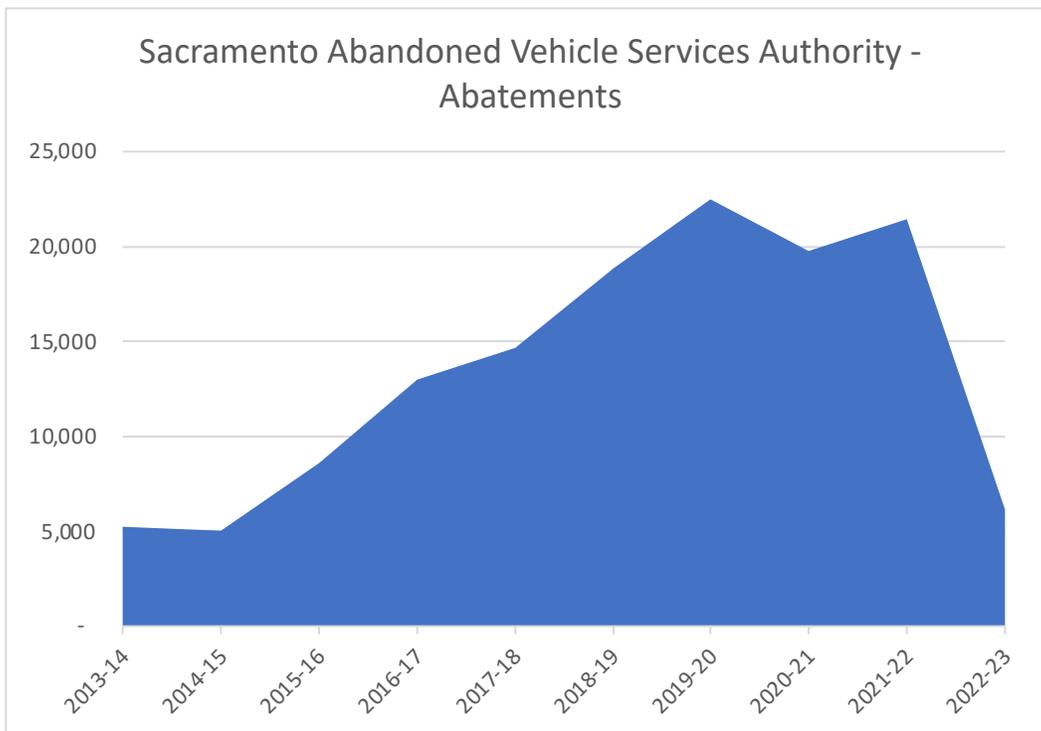
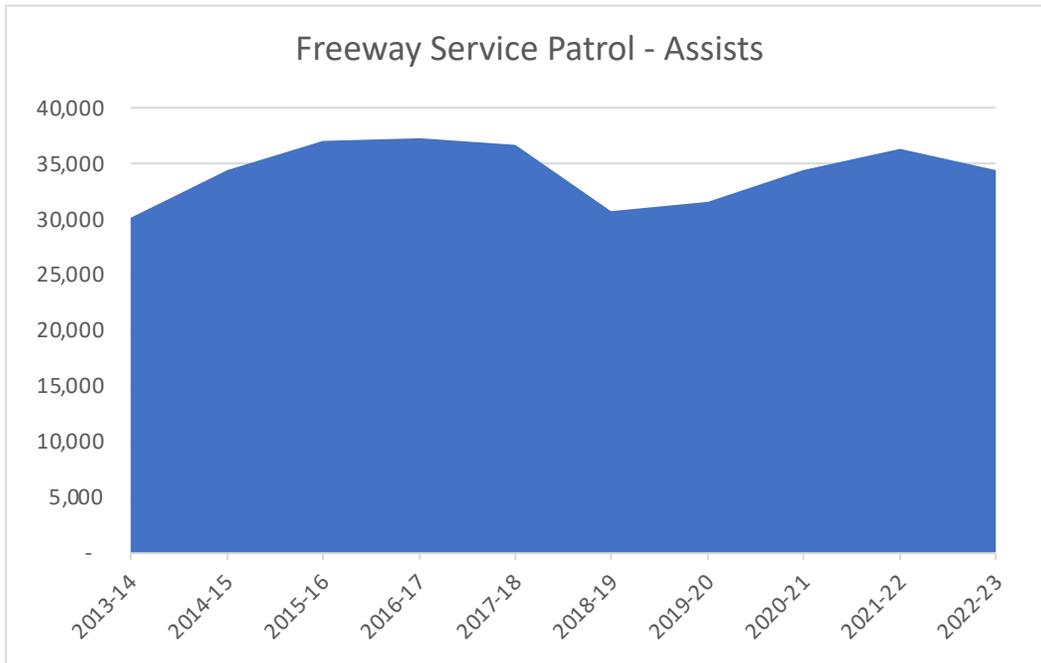
Source: Authority accounting records

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

	Fiscal Year				
	2019	2020	2021	2022	2023
Revenues					
Taxes	\$ 131,757,081	\$ 131,591,165	\$ 153,560,355	\$ 172,916,487	\$ 174,233,661
Mitigation Fees	6,684,037	7,551,556	8,956,992	8,237,424	8,856,243
Vehicle registration fees	1,316,666	1,319,166	1,364,680	1,277,403	59,982
Grants for freeway services	2,043,752	2,703,639	3,151,282	3,633,885	3,703,218
Use of money and property	5,784,803	4,447,211	161,520	203,716	8,368,587
Miscellaneous	-	-	-	-	2,515
Total Revenues	\$ 147,586,339	\$ 147,612,737	\$ 167,194,829	\$ 186,268,915	\$ 195,224,206
Expenditures					
General government:					
Administrative	\$ 794,117	\$ 1,133,643	\$ 615,219	\$ 833,685	\$ 1,576,619
Freeway service patrol	1,986,738	2,658,784	3,305,277	3,680,165	3,792,562
Intergovernmental	115,922,947	125,527,829	153,662,956	165,819,317	152,147,898
Capital outlay	-	-	-	381,753	-
Debt Service:					
Principal	3,740,000	3,890,000	4,050,000	4,278,519	48,626
Interest and other charges	19,444,323	18,498,171	15,655,190	15,629,382	19,775,761
Total expenditures	\$ 141,888,125	\$ 151,708,427	\$ 177,288,642	\$ 190,622,821	\$ 177,341,466
Excess of Expenditures over Revenue	\$ 5,698,214	\$ (4,095,690)	\$ (10,093,813)	\$ (4,353,906)	\$ 17,882,740
Other Financing Sources (Uses)					
Refunding bonds issued					\$ 24,245,000
Premium on refunding bonds issued					2,056,816
Payments to refunded bond escrow agent					(30,400,000)
Transfers in	\$ 23,096,608	\$ 22,290,456	\$ 20,534,968	\$ 21,116,140	25,296,978
Transfers out	(23,096,608)	(22,290,456)	(20,534,968)	(21,116,140)	(25,296,978)
Proceeds from leases	-	-	-	381,753	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ 381,753	\$ (4,098,184)
Net change in fund balances	\$ 5,698,214	\$ (4,095,690)	\$ (10,093,813)	\$ (3,972,153)	\$ 13,784,556
Debt Service as a Percentage of Noncapital Expenditures	19.53%	17.31%	12.50%	11.69%	12.59%

Source: Authority Audited Financial Statements

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





8

GLOSSARY

8

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.

annual comprehensive financial report (ACFR) – financial statements comprising the Authority’s financial report that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB).

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 – total accumulation of 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.

B

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.

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-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, fees are collected through the State of California Department of Motor Vehicles.

CTSA – Consolidated Transportation Services Agency

D

debt issuance – 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.

draft budget – presented initially during May, prior to being brought to the Board for adoption in June.

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

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 - in 2004, voters approved a one-half of one-percent retail sales and use tax collected over a 30-year period in the County beginning in April 2009 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 CDTFA administration costs, sales tax recovery expenses, 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.

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

Sacramento County Pooled Investment Fund – pool of local agency funds managed by the Sacramento County Department of Finance.

SAVSA – Sacramento Abandoned Vehicle Service Authority

salaries and benefits – budgetary category that generally accounts for all employee salaries and benefits such as medical, dental, and retirement.

SCTMFP – Sacramento Countywide Transportation Mitigation Fee Program

Special Revenue Fund – fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

STA – Sacramento Transportation Authority

swap agreement – interest rate swaps are forward contracts in which one stream of future interest payments is exchanged for another based on a specific principal amount.

V

VRDB – Variable Rate Demand Bond

STA

SACRAMENTO TRANSPORTATION AUTHORITY

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