



**MARCH 8, 2007**

**AGENDA ITEM # 9**

**NEW MEASURE A: INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE**

**Action Requested:** Receive and file

**Key Staff:** Brian Williams, Executive Director

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**Recommendation**

Receive and file this report on the requirement that the Authority create an independent taxpayer oversight committee.

**Discussion**

The **New** Measure A ordinance provides for the creation of an Independent Taxpayer Oversight Committee (ITOC) *“to supervise fiscal and performance audits regarding the use of all sales tax funds and provide for independent review to ensure that all Measure funds are spent in accordance with provisions of the Expenditure Plan and Ordinance as approved by the voters.”* The Ordinance requires that committee members be appointed within 120 days after the effective date of the **New** Measure A program, and that the ITOC be formally established by April 1, 2010, one year after program commencement. Since the Authority has already begun to accelerate the delivery of **New** Measure A capital projects through bonding, your Board has directed staff to proceed with the creation of the ITOC this year.

Specific terms and conditions of the oversight committee requirement are set forth in Exhibit B of the **New** Measure A expenditure plan (attached hereto). The ITOC will work with staff to procure a professional auditor(s) to conduct annual fiscal and periodic performance audits of the expenditure of all sales tax funds, report audit findings to your Board and to the public, and recommend any additional audits or review procedures to improve financial operation and the integrity of program implementation relative to the provisions of the Ordinance. Performance audits will assess the implementation of **New** Measure A relative to program performance standards to be adopted by your Board. The ITOC will conduct public meetings to present its findings and recommendations. These meetings may be conducted as part of regularly scheduled Board meetings.

In addition to reviewing fiscal and program performance through audits, the ITOC is charged with advising the Authority on how to improve program implementation and with studying and reporting on other issues related to the use of Measure A funds as requested by your Board.

The ITOC will consist of three “voting” members and three *ex-officio* non-voting members. Your Board will select the three voting members through an open solicitation for interested persons that reside in Sacramento County and who possess the required professional and/or community credentials:

- A professional with senior-level decision-making responsibility in the field of municipal auditing, finance, and/or budgeting
- A licensed civil engineer or trained transportation planner
- A manager of large development or construction projects

Each member must have at least five years demonstrated experience in the relevant field. These members can be actively employed or retired, but they cannot have any commercial interest or employment with the Authority or any entity that receives funding via the **New** Measure A sales tax program. They also cannot hold elective office in the County. In the next few months, staff will develop a recommended solicitation process for your Board's consideration.

The ITOC's three *ex-officio* members will be the STA Board Chair, Executive Director, and the County Auditor-Controller. The annual cost of the ITOC and all associated activities may not exceed \$150,000, adjusted for inflation.

*Attachments*