



**FEBRUARY 11, 2009**

**AGENDA ITEM # 9**

**EXECUTIVE DIRECTOR'S REPORT**

**Action Requested:** Receive and file

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

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**Recommendation**

Receive and file this summary report of current STA activities.

**Discussion**

**A. Measure A Transportation Sales Tax Program**

Richardson & Company, our independent auditors, completed the audit of STA's FY 2008-09 transactions in December. There are a few findings to report, but they are mostly immaterial. Staff will present the audit report at today's meeting (*Item #10*), along with our recommendations for addressing the findings and working with the relevant Measure A and SAVSA entities to improve future-year reporting.

**B. New Measure A, 2009-2039**

**Revenue Trends**

Cumulative Measure A revenues for the period July 2009 - January 2010 were \$47,545,000. This was down 17.6 percent from the same period a year ago, much greater than the 3% annualized reduction assumed in the current FY 2010 STA budget. Staff is awaiting the February distribution from the Board of Equalization—which incorporates retail sales activity from the 2009 holiday period—before preparing an updated FY 2010 revenue estimate. That updated FY 2010 estimate and an initial estimate for FY 2011 will be presented at your Board's March 11 meeting. Staff has preliminarily informed the Measure A entities that forecasted cumulative distributions for on-going operations and maintenance activities during FY 2010 will need to be trimmed by 12-15%. There will likely be some near-term impact to the Measure A capital program as well, but most of those affected expenditures are from bond proceeds that are already in hand.

**Investment Policy**

In *Item #3*, staff recommends that your Board adopt the Authority's Annual Investment Policy for 2010. On-going Measure A revenues will continue to be invested in the County Pooled Investment Fund and the California Local Agency Investment Fund (LAIF) pending expenditure on eligible projects and programs. The County Pool is managed by the County Finance Dept., and the State LAIF is managed by the State Treasurer. Bond proceeds backed by **New** Measure A revenues are invested in the California Asset Management Program (CAMP) prior to expenditure on eligible capital

**B. New Measure A, 2009-2039 (continued)**

projects. CAMP is a joint powers authority and common law trust created by local government financial officers to assist California public agencies with investing the proceeds of tax exempt debt issues and complying with IRS arbitrage regulations. All of these investment vehicles are designed to promote liquidity and safety of principal.

Independent Taxpayers Oversight Committee

We have received some additional applications from volunteers interested in serving on the pending Measure A Independent Taxpayers Oversight Committee (ITOC). We have been soliciting interested persons (active or retired) who possess the following professional and community credentials:

- A senior-level professional in municipal auditing, finance, and/or budgeting
- A licensed civil engineer or professional transportation planner
- A manager of large development or construction projects

The ITOC is charged with supervising fiscal and performance audits regarding the use of Measure A sales tax funds and with providing independent program review to ensure that all affected funds are spent in accordance with the provisions of the Measure A Ordinance. Staff proposes that your Board select a committee of Board members to review the applications during the next few weeks and to recommend three preferred applicants for consideration by the full Board on March 11.

Measure A Program Performance Standards

The **New** Measure A Ordinance requires that your Board adopt **performance** standards by December 31, 2009, to guide the expenditure of transportation sales tax funds. In December, staff requested additional time to complete this task, and your Board directed that the performance standards be presented for adoption within six months. Staff has now prepared "baseline" performance standards for Board review and discussion (*Item #11*). The proposed standards are organized into three themes: *maintenance of effort; planning and programming; and reporting*. At today's meeting, staff will present the draft baseline standards for review and discussion. The matter will be continued to March 11 for action. Staff will also propose that when the baseline performance standards are adopted, your Board direct the Independent Taxpayers Oversight Committee (ITOC) to periodically re-visit them and recommend updates as appropriate to reflect program delivery experience and changing circumstances.

Project Events

A groundbreaking ceremony for the project to extend the US 50 bus/carpool lanes from Sunrise Blvd. to Watt Avenue is scheduled for Feb. 10. STA Board member and Rancho Cordova Mayor Ken Cooley will represent STA at the event. Caltrans expects construction to be complete in about 18 months.

**C. Countywide Transportation Planning, Programming, and Policies**

SACOG is hosting a five-year anniversary event for the Sacramento Regional Blueprint. It will take place from 8:00am to 11:00 am, April 2 at the CSUS Ballroom. The purpose is to discuss the Blueprint's major highlights, review examples of its implementation, and receive a forecast of related upcoming activities. Interested persons can register at [www.sacregionblueprint.org](http://www.sacregionblueprint.org).

**D. Sacramento Abandoned Vehicle Service Authority (SAVSA)**

There is no new information to report regarding this work element.

**E. Sacramento Metropolitan Freeway Service Patrol (FSP)**

On February 1, our new FSP contractor, Mike's Towing Service, began providing motorist assistance services on I-5 and on two segments of I-80. The CHP field supervisors report no significant problems in transitioning these beats from the former incumbent contractor. Mike's has been responsive in meeting all of the training, equipment, and documentation requirements for new contractors.

In November, Freeway Service Patrol operators provided 2,936 motorist assists, a daily average of 163. December assists totaled 2,404, which represented a daily average of 141. The monthly assistance statistics are attached hereto.

**F. Administrative Matters**

2010 Board Chair

Today's agenda includes the selection of Board Chair and Vice Chair for 2010. In *Item #1*, the current Chair will accept nominations from Board members for subsequent consideration by the full Board. Traditionally, the Chair and Vice-Chair positions have alternated between a County representative and a representative of one of the incorporated cities, but there is no requirement to continue that pattern. Indeed, during 2009, the Chair and Vice Chair both represented cities.

New Employee

I'm pleased to introduce the STA's new employee, **Lisa Chandler**. Ms. Chandler serves as the Authority's senior (*and only*) accountant. She replaces Mona Stephens who retired in December after 17 years at the STA. Ms. Chandler comes to STA from the City of Sacramento Dept. of Parks & Recreation. She has quickly become familiar with the STA's accounting and reporting protocols.

2010 Metro Chamber Capital-to-Capital Trip

In recent years, STA has sponsored or co-sponsored the participation of several Board members on the annual Metro Chamber Capital-to-Capital advocacy trip to Washington, DC. Participants on the delegation's transportation team inform federal lawmakers, administrators, and regulators of the Sacramento region's transportation program, and they advocate for federal policies and resources to help deliver it. Staff recommends

**F. Administrative Matters**

that STA participate again this year. Since the Authority's administrative budget is substantially reduced from prior years, however, we propose that participation be limited to your Executive Director and to co-sponsorship of two Board members.

**G. Upcoming Events 2010**

| <u>Date</u> | <u>Event</u>                 | <u>Comments</u>               |
|-------------|------------------------------|-------------------------------|
| Mar 11      | STA Board                    |                               |
| Apr 2       | Blueprint: Then / Now / Next | <i>sacregionblueprint.org</i> |
| Apr 8       | STA Board                    |                               |
| Apr 17-21   | Metro Chamber Cap-to-Cap     |                               |
| May 13      | STA Board                    |                               |
|             |                              |                               |

*Attachments: County Pooled Investment Fund – Monthly Review  
PFM Asset Management LLC – Monthly Market Update & Outlook  
Freeway Service Patrol – Monthly Statistical Reports*