

AGENDA

Independent Taxpayer Oversight Committee

January 21, 2021 – 4:00 pm

Join the meeting virtually at:

<https://us02web.zoom.us/j/87285957633>

+16699009128,,87285957633# US (San Jose)

Voting Members:	Joan Borucki, Chair Robert Holderness Beth Tincher
Ex-Officio Members:	Joyce Renison (Sacramento County Auditor-Controller designee) Terri Kletzman (Board Chair designee) Sabrina Drago - STA Executive Director
Staff:	Tim Jones, STA

1. Call to order
2. Review and approve minutes from the November 19, 2020 meeting
3. Meet and greet with Sabrina Drago, STA's new Executive Director
4. Summary of the Decennial Review – Sabrina Drago
5. Highway 50 TMA funding – please see minutes from the November meeting (Item #2) for a summary of the issue and context for continued discussion. Documents for this discussion include the following:
 - a. Sac County 50 TMA Contract
 - b. Measure A Ordinance
 - c. Board approved eligible expenditures
6. Review RFP for financial audit services beginning fiscal year June 30, 2021
7. ITOC meeting schedule for 2021

- a. Proposed – third Thursday each month
- 8. Overview of the December and January Board meetings
- 9. Comments from the public

Agenda Item #2

Meeting Minutes

To: ITOC Committee Members

From: Tim Jones, ITOC Staff

Re: November 19, 2020 ITOC Meeting Minutes

Attendees:

Joan Borucki – Chair, Beth Tincher (absent), Robert Holderness – voting members

Joyce Renison, Terri Kletzman, and Will Kempton – ex-officio members

Meeting called to order at 4:04 pm and adjourned at 5:13 pm

Agenda Item #2

- Reviewed and approved minutes from the September 17, 2020 meeting
 - Approved

Agenda Item #3

- Received presentation of the draft June 30, 2020 Comprehensive Annual Financial Report (CAFR)
 - Jeff Jensen, Audit Partner, Crowe LLP walked the committee through the financial statements explaining key elements along the way.
 - The work was completed in the expected timeframe, no audit adjustments were necessary, and an unqualified (clean) opinion was issued.
 - The final CAFR is expected to be completed around the end of November.
 - The Agreed Upon Procedures (AUP) work is slated to be completed around the end of December.
 - This is Crowe's last year of a three-year audit agreement as limited by the Measure A Ordinance.
 - An RFP will audit services will go out early in calendar year 2021.

Agenda Item #4

- Received a presentation regarding whether certain training/education expenditures for bicycle and other alternative transportation means are eligible under the Ongoing Measure A Program
 - Rick Carter, PE, Sacramento County and Leah Barrett, Executive Director, Highway 50 TMA presented context for the request

- SACOG historically provided funding for Transportation Demand Management (TDM) services to the local Transportation Management Associations (TMAs). However, SACOG no longer provides these funds to the various TMAs. In response to this change, Folsom, Rancho Cordova, and Sacramento County are looking to fund these services along the Hwy 50 corridor through the 50 Corridor TMA (50TMA). Folsom and Rancho Cordova have identified eligible development related Fees they can use within their City limits. The County's equivalent programs are restricted to a very specific geographic area. Within this region there is only one small area of about 2000 homes and a few businesses. (Sacramento County has, and continues, to contract with the 50TMA to provide these TDM programs to this specific geographic area). The County would like to provide these services for the larger unincorporated area along the corridor and use Measure A SSPB funds for this purpose (about \$25,000/year). In reading the Authority's eligibility documents it appears the types of services in the contract (items 1 through 3 only) might be eligible for SSPB or other funds. The County seeks clarification from the ITOC before entering into the contract.
- The 50 Corridor TMA was founded in 1994 as the Folsom-Rancho Cordova-El Dorado Transportation Management Association and is a 501c non-profit. The 50 Corridor TMA focuses on reducing vehicle miles traveled (VMT) through transportation demand management (TDM) programs along the Highway 50 Corridor. Over the years, the 50 Corridor TMA has been responsible for creating and encouraging alternative modes of transportation to commuters such as bicycling, vanpooling, carpooling, and transit. As communities along the Highway 50 Corridor rapidly develop, the 50 Corridor TMA works to keep workplaces and neighborhoods healthy, sustainable, mobile, and connected.
 - The current document summarizing "eligible expenditures" approved by the STA Governing Board does not specifically identify training and education as an eligible expenditure.
 - As part of the decennial review process, the County submitted a written comment to the Governing Board during its November meeting asking it to consider broadening the definition of eligible expenditures to include expending funds for training/education in using alternative means of transportation.
- The committee asked that this item be brought back during the December meeting for further consideration

Agenda Item #5

- Reviewed Q1 FY 2021 Measure A Ongoing Reporting Summary – no questions or concerns.

Agenda Item #6

- Reviewed the Capital Project Status Reports for Q1 FY 2021. No questions or concerns.

Agenda Item #7

- Will Kempton identified the new STA Executive Director – Sabrina Drago, PE, who will join the agency beginning December 11, 2020.
- She brings many years of transportation experience and a broad spectrum of skills within the industry to the STA. She holds masters’ degrees in engineering and business administration.

Agenda Item #8

- STA staff introduced a proposal to accelerate the availability of accumulated Consolidated Transportation Agency (CTSA) funding in the amount of \$10.7 million held in trust by STA for the program.
- Under the original plan, this funding was going to be allocated beginning in FY 2028-29 to backfill the funding gap between the 4.5% monthly allocations for the program’s last decennial period and the proposed 5.5% allocations envisioned under the Ordinance. However, STA staff performed a cash flow analysis that indicates a funding shortfall in excess of \$6 million given certain assumptions such as sales tax revenue and interest income.
- To reduce the impact of the funding shortfall and provide needed assets that serve program recipients now, STA staff asked program partners SRTD and Paratransit to identify current needs that directly impact the target population.
- STA staff intend to either propose the concept to the Governing Board during the December meeting or ask for approval to implement the proposed changes with the expectation that contracts could be ready as soon as the January meeting.

Agenda Item #9

- Will Kempton summarized the key components of the October and November Board meetings
 - In October, the Governing Board approved an STA staff recommendation that determined target allocations for the remaining CIP funding based on several months collaboration with the Professional Advisory Group (PAG).
 - There are five agencies with funding remaining beyond the contracts currently in place – the County, Caltrans, the Capital SouthEast Connector, Citrus Heights, and the City of Sacramento.
 - The total estimated remaining funding is \$236.5 million. However, the “targeted” needs for projects is \$267.5 million. In addition, there are baseline allocations identified in the Ordinance for the Smart Growth Incentive Program (\$29 million based on the revenues included in the adopted FY 2020-21 budget) and the Transportation Project Environmental Mitigation Program – \$5 million.
 - In total, the remaining target allocation is \$301.5 million which exceeds the current estimate of remaining funds for the CIP, however, sales tax revenues in the approved budget are quite conservative thereby providing an opportunity for additional funds if sales tax trends higher than expected. In addition, there will be some consideration given to additional developer fee land use categories and escalations over time that may generate the needed additional funding in the “target” allocation model.
 - Also, in October, the Governing Board approved an STA staff recommendation that contract terms for the Neighborhood Shuttle program partners be extended/updated. The original contracts with SRTD and Paratransit were due to expire in June 2021 but

were extended through June 2023 for Paratransit Inc. and June 30, 2024 for SRTD. In addition, the reimbursement rates for both agencies were updated to reflect actual costs instead of estimated costs now that the program has been in place for two years. Finally, a total of about \$2 million in additional funding was added to the contracts to continue supporting the original/pilot programs for another two years.

- In November, the Decennial review process was continued by inviting local government comments regarding amendments to the Measure A Expenditure Plan.
 - Elk Grove asked that the percentages in the Expenditure Plan not be changed
 - The County asked that the definition for Board Approved eligible expenditures be broadened to include outreach and education for bicycle, pedestrian, and other alternative transportation means.

Agenda Item #9

- Comments from the public
 - none

Trip Reduction Management Services Within the Highway 50 Corridor
Scope of Services: Jan 2021 - Jan 2024 (with two 1-year options)

The 50 Corridor TMA (50 TMA) will provide the following trip reduction services. Costs include staff time at \$150.00/ hour, hard program costs, marketing, and reporting. Marketing costs include printing and ad-buys. Hard program costs include by are not limited to subsidies, event expenses (food, rentals, vendor services), and incentives.

Task #	Task	Task Elements	Annual Costs *
1	May is Bike Month	<ul style="list-style-type: none"> • Conduct community rides to promote May is Bike Month and bicycling as a mode choice • Hold pop-up registration events • Expand outreach to include residents in on-line challenge and incentive giveaways 	Hard program costs: \$2,500 Marketing: \$1,000 Staff costs (including LCIs): \$1,500 Total: \$5,000
2	Bike/Ped: Encourage bicycle ridership and pedestrian travel through activities and resources	<ul style="list-style-type: none"> • Provide free bicycle tune-ups • Organize riding opportunities such as neighborhood rides • Organize open streets events • Equip individuals with cycling knowledge through workshops, programs, and local resources • Deliver project bike smart curricula to schools • Implement walk and bike to school Active4Me tracking and incentive program • Hold Walk to School Day/Bike to School celebration • Provide bike maintenance workshops • Organize school assemblies with biking/walking safety and education themes including bike rodeos, mock cities, and musical theater • Conduct virtual outreach and events, such as an active transportation scavenger hunt • Organize League Cycling Instructor trainings 	Hard program costs: \$3,000 Marketing: \$1,500 Staff: \$2,100 \$2,500 (Active4me, scan cards) Marketing: \$500 Staff: \$3,000 (including parent champions) Total: \$12,600
3	Trip Reduction Services: Various tasks and services as directed by the County to	<ul style="list-style-type: none"> • Provide and explore alternative options and solutions to reduce vehicular trips 	Hard program costs: \$2,500 Marketing: \$500 Staff: \$2,000

	provide support and solutions based on the changing needs of the CSA10-3 community	<ul style="list-style-type: none"> • Provide various tasks and or services as directed by the County to accommodate trip reduction needs • Bike Match – coordinate a donation-based program to match people donating bicycles to people who need bikes 	Total: \$5,000
4	South County Transit Passenger Marketing:	<ul style="list-style-type: none"> • Organizing meetings and events to promote the use of SCT Link by informing people on how to get a ConnectCard and distribute bus schedules and other transit program information 	Total: \$5,000 (Other Funding Sources, likely TDA)
		Total	\$27,600/Year

* These costs are estimates, funds may be reallocated between tasks and zones with approval from the County.

ORDINANCE NO. STA 04-01

AN ORDINANCE PROVIDING FOR THE CONTINUATION OF A ONE-HALF OF ONE PERCENT RETAIL TRANSACTIONS AND USE TAX BY THE SACRAMENTO TRANSPORTATION AUTHORITY FOR LOCAL TRANSPORTATION PURPOSES

BE IT ENACTED BY THE GOVERNING BOARD OF THE SACRAMENTO TRANSPORTATION AUTHORITY:

GUIDING PRINCIPLES AND PREAMBLE

To maintain and improve the quality of life in Sacramento County, the Sacramento Transportation Authority has crafted the Sacramento County Transportation Expenditure Plan:

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

This one-half of one percent retail transactions and use tax is statutorily dedicated for transportation planning, design, construction, operation and maintenance only in Sacramento County and cannot be used for other governmental purposes or programs. There are specific safeguards in this Ordinance to ensure that funding from the one-half of one percent transactions and use tax is used in accordance with the specified voter-approved transportation project improvements and programs. These safeguards include:

- The specific projects and programs included in the Expenditure Plan will be funded by revenue raised by this transactions and use tax. The Expenditure Plan can only be changed upon approval by the Sacramento County Board of Supervisors and a majority of all cities in the County representing a majority of the incorporated population.
- An Independent Taxpayer Oversight Committee is created 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.
- Continuation of Sacramento County's one-half of one percent transactions and use tax is for transportation programs only and is not intended to replace traditional revenues generated through locally-adopted development fees and assessment districts. Collection of the one-half of one percent transactions and use tax will start upon the expiration of the Existing Tax.
- The Sacramento Transportation Authority will continue to seek maximum funding for transportation improvements through State and federal programs. The Authority will not provide transactions and use tax revenue to any city or to the County unless all transportation revenues currently used by that jurisdiction continue to be used for transportation purposes.

- No more than three quarters of one percent of the available funds will be expended on administration of the sales tax program.
- A mandatory Expenditure Plan review is required every ten years to ensure that the program reflects current community needs as demographics, economics and technology change.

SECTION I. SUMMARY. This Ordinance provides for the continued imposition of a retail transactions and use tax of one-half of one percent for local transportation purposes for a period of thirty (30) years.

SECTION II. MANDATED TAXPAYER SAFEGUARDS.

A. Independent Taxpayer Oversight Committee. By April 1, 2010, an Independent Taxpayer Oversight Committee will be established as specified in Exhibit B of this Ordinance to provide citizen review and to ensure that all Measure funds are spent in accordance with provisions of the Expenditure Plan and this Ordinance. Exhibit B contains the specific terms and conditions for an Independent Taxpayer Oversight Committee and its role in supervising of periodic independent financial and performance audits.

B. Administrative Costs. The Authority shall expend only that amount of funds generated from the tax that is necessary and reasonable to carry out its responsibilities for audit, administrative expenses, staff support, and contract services. In no case shall the funds expended for administration exceed three quarters of one percent (0.75%) of the annual net amount of revenue raised by the tax.

C. Maintenance of Effort. The Authority, by the enactment of this Ordinance, intends the additional funds provided government agencies by this measure to supplement existing local revenues being used for street and highway purposes. Transactions and use tax revenue shall not be used to replace existing road funding programs or to replace requirements for new development to provide for its own road needs. Under this Measure, funding priorities should be given to addressing current transportation needs, easing congestion, and improving safety.

The government agencies shall maintain their existing commitment of transportation funds for street and highway, and the Authority shall enforce this provision by appropriate actions, including fiscal audits of the local agencies.

SECTION III. DEFINITIONS. The following definitions shall apply in this ordinance:

- A. "Expenditure Plan" means the Sacramento County Transportation Expenditure Plan 2009-2039 (attached as Exhibit A and adopted as part of this Ordinance) including any future amendments thereto.
- B. "County" means the County of Sacramento.
- C. "Authority" means the Sacramento Transportation Authority, a public district formed for the local performance of governmental functions under the Local Transportation Authority and Improvement Act, commencing at Section 180000 of the Public Utilities Code.
- D. "Existing Tax" means the one-half of one percent retail transactions and use tax adopted pursuant to Ordinance No. STA-0002.

SECTION IV. AUTHORITY. This Ordinance is enacted pursuant to the provisions of Division 19 (commencing with Section 180000) of the Public Utilities Code, and Section 7252.16 of the Revenue and Taxation Code.

SECTION V. CONTINUED IMPOSITION OF RETAIL TRANSACTIONS AND USE TAX.

Upon voter approval, the Authority shall continue to impose, in the incorporated and unincorporated territory of the County of Sacramento, a transactions and use tax for transportation purposes (referred to as "the tax") at the rate of one-half of one percent (0.5%) for a period of thirty (30) years beginning April 1, 2009. There shall be no concurrent assessment of the Existing Tax (which will expire on March 31, 2009) and the tax to be imposed pursuant to this Ordinance. The tax shall be imposed by the Authority in accordance with Section 180201 of the Public Utilities Code and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code. The provisions of Revenue and Taxation Code Sections 7261 and 7262 and the provisions of Ordinance No. STA 0002, unless specifically modified by this Ordinance, are incorporated herein by reference as though fully set forth herein. The tax shall be in addition to any other taxes authorized by law, including any existing or future state or local sales tax or transactions and use tax.

SECTION VI. USE OF PROCEEDS. Revenues from the tax shall be used for transportation purposes only and may include, but are not limited to, administration, construction, maintenance, improvements, and operation of local streets, roads, and highways, state highways and freeways, public transit systems including rail, bicycle and pedestrian facilities and related purposes. These purposes include expenditures for planning, environmental reviews and mitigation, engineering and design costs, and related right-of-way acquisition and for the Cosumnes River Permanent Open Space Preserve and the American River Parkway/Bikeway Network. Expenditures also include, but are not limited to, debt service on bonds and expenses in connection with issuance of bonds. Routine accommodation of bicycles and pedestrians shall be included in all transportation projects.

SECTION VII. SACRAMENTO COUNTYWIDE TRANSPORTATION MITIGATION FEE PROGRAM (SCTMFP). No revenue generated from the tax shall be used to replace transportation mitigation fees required from new development now in effect in Sacramento County. In addition, each local jurisdiction must adopt a development financing mechanism as stated below in order to qualify for its local road maintenance formula funds.

Goal: To develop and implement a uniform transportation mitigation fee on all new development in Sacramento County that will assist in funding road and transit system improvements needed to accommodate projected growth and development.

Specific Program Guidelines:

- A. The Authority shall develop, in coordination with all local jurisdictions, a professional engineering and planning based process for charging new development with the cost of traffic impacts caused by each development during the period covered by this sales tax measure. Such a process will be consistent with state law, require each local jurisdiction to project growth of travel demand, identify specific road and transit capital improvements to meet such demands, describe the appropriate "nexus" between such demand and improvements, and adopt such fee programs as necessary to implement the revenues required.
- B. The Authority process guidelines shall be adopted by the Authority Board no later than November 1, 2005. Each local government jurisdiction shall have completed the adopted process and implemented the fee program in its jurisdiction no later than March 31, 2009 for implementation on April 1, 2009. The fees to be implemented for

this program shall be remitted to the Authority for reallocation to the local jurisdiction(s) in accordance with the SCTMFP. The fees to be implemented shall be in the following amounts:

- For each new single family unit - \$1,000.00
- For new multi-family units, retail building space, office space, and industrial or warehousing space, the fee shall be proportionate to the trip generation rate of the affected land use relative to the trip generation rate of a single family unit.

The fees shall be adjusted annually by action of the STA Governing Board to reflect changes in construction costs based on the McGraw-Hill Engineering News Record (ENR) 20-city Construction Cost Index.

The fee structure shall be implemented if validated by the nexus study described in A. above.

- C. All new low and very low income housing as defined by the California Department of Housing & Community Development shall be exempt from this fee program.
- D. The overall program allocation for the fees collected by this program shall be:
- 35% Local streets and roads for capital improvements and rehabilitation
 - 20% Public transit for capital improvements and rehabilitation
 - 20% Local interchange upgrades, safety projects and congestion relief improvements on the local freeway system, including bus and carpool lane projects.
 - 15% Smart Growth Incentive Program
 - 10% Transportation Project Environmental Mitigation, including, but not limited to habitat conservation, open space preservation, habitat replacement, and recreation, and overall environmental enhancement of transportation facilities to the benefit of local transit users and neighborhoods. Necessary open space preservation and natural habitat preservation programs shall be eligible uses of these funds.
- E. Authority Board may approve changes in the overall formula allocation described in D. above by a 2/3 vote.
- F. All projects and program priorities for use of the SCTMFP shall be included in a five-year program, annually updated and approved by the Authority Board.
- G. All fees raised under this program must be expended in the impacted area where the fees were generated.
- H. A local jurisdiction that fails to implement the SCTMFP on April 1, 2009 shall forfeit its allocation of local street and road maintenance funds authorized by extension of the transportation sales tax. For each month such local jurisdiction does not have this fee program in full operation, such local jurisdiction shall lose local formula road maintenance funds and all such funds shall be made immediately available on a pro-rata basis to all other local jurisdictions that do have this fee program in place and operational.

SECTION VIII. BONDING AUTHORITY. Upon voter approval of the Measure, the Authority shall have the power to sell or issue, from time to time, on or before the collection of taxes, bonds or other evidence of indebtedness, in the aggregate principal amount at any one time outstanding of not to exceed the estimated proceeds of the tax, and to secure such indebtedness solely by way

of future collection of taxes, for capital outlay expenditures for the purposes set forth in Section VI hereof, including the carrying out of transportation projects described in the Expenditure Plan.

SECTION IX. ANNUAL APPROPRIATIONS LIMIT. The annual appropriations limit established pursuant to Section 4 of Article XIII B of the California Constitution and Section 180202 of the Public Utilities Code shall be \$195,000,000.00 for fiscal year 2009/10. The appropriations limit shall be subject to adjustment as provided by law.

SECTION X. OPERATIVE DATE. Subject to voter approval, this Ordinance shall become operative on the first day of the first calendar quarter commencing more than 110 days after adoption of this Ordinance but in no event earlier than April 1, 2009. Prior to the operative date of this Ordinance, the Authority shall contract with the State Board of Equalization to perform all functions incidental to the administration and operation of this Ordinance. The intent is that the extension of the sales tax shall become operative immediately upon expiration of the Existing Tax.

SECTION XI. ELECTION. The Authority requests the Board of Supervisors to call an election for voter approval of this Ordinance which election shall be held on November 2, 2004, and consolidated with other elections to be held on that same date, that the measure retain its designation as Measure "A," and that it appear first in order on the County ballot before all other local measures. The election shall be called and conducted in the same manner as provided by law for the conduct of elections by a county. The sample ballot to be mailed to the voters shall include this full Ordinance and the entire Expenditure Plan. Approval of the Ordinance and the imposition of the tax shall require the affirmative vote of 2/3rds of the electors voting on the proposition at the election described in this section. The proposition to be placed on the ballot shall read substantially as follows:

To relieve traffic congestion, improve safety, and match state/federal funds by:

- Improving I-5, I-80, US 50, SR 99;
- Constructing a new road connecting I-5/SR 99/US 50;
- Maintaining/improving local roads;
- Increasing transit for seniors and persons with disabilities;
- Expanding/planning for light rail and commuter rail;

Shall Sacramento County voters continue the existing half-cent transportation sales tax for thirty years, including creating an Independent Taxpayer Oversight Committee to conduct audits ensuring all voter mandates are met?

YES_____

NO_____

SECTION XII. EXPENDITURE PLAN AMENDMENTS. The Expenditure Plan may only be amended by the following process:

1. Beginning in 2019, and every ten years thereafter, the Authority shall review and, where necessary, propose amendments to the Expenditure Plan to meet changing transportation needs. Such review shall consider recommendations from local governments, transportation agencies and interest groups, and the general public.
2. The Authority shall notify the Board of Supervisors and the city councils in writing of its initiation of an amendment, reciting findings of necessity.
3. Actions of the Board of Supervisors and city councils to approve or to oppose the amendment shall be communicated to the Authority within 60 days after the date the notice is mailed. Failure of the Board of Supervisors or any city council to notify the Authority of formal action within 60 days after the date the notice is mailed shall constitute approval.
4. The amendment must be approved by the Board of Supervisors.
5. The amendment must be approved by a majority of the city councils constituting a majority of the incorporated population.

SECTION XIII. SEVERABILITY. If any provision of this Ordinance is for any reason held invalid or unenforceable by a court of competent jurisdiction, that holding shall not affect the validity or enforceability of the remaining provisions, or the Existing Tax, and the Authority declares that it would have passed each part of this Ordinance irrespective of the validity of any other part.

SECTION XIV. THE EXISTING TAX. Nothing in the Ordinance is intended to modify, repeal, alter or increase the Existing Tax. The provisions of this Ordinance shall apply solely to the retail transactions and use tax adopted herein and not to the collection or administration of the Existing Tax.

SECTION XV. This Ordinance was introduced and the title thereof read at the regular meeting of the Governing Board on July 22, 2004 and on July 22, 2004 further reading was waived by a vote of the Directors present.

On a motion by Member Slowey, seconded by Member Scherman, the foregoing Ordinance was passed and enacted by the Governing Body of the Sacramento Transportation Authority, State of California at a regular meeting thereof, this 29th day of July, 2004 by the following vote, to wit:

AYES: Members Clare, Cooley, Dickinson, Fargo, Johnson, Morin, Niello, Pannell,
 Slowey, Scherman, Nottoli

NOES: Members None

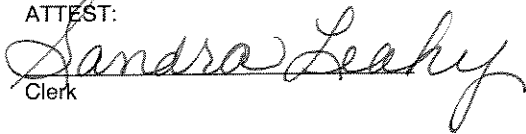
ABSENT: Members Collin, Hammond, Tretheway

ABSTAIN: Members None



Chair
Governing Board of the Sacramento
Transportation Authority

ATTEST:



Clerk

(2/3 Vote Required)

FILED

JUL 29 2004

By 
Clerk of the Governing Board

**Sacramento County Transportation Expenditure Plan 2009-2039
June 10, 2004**

Revenue Estimates and Distribution. Allocation of revenue authorized by Ordinance No. STA 04-01 is established within this Expenditure Plan. Funds shall be allocated by percentage of the actual revenue received. An estimate of revenues and allocation among categories is reflected in the Expenditure Plan. The estimated revenue is based upon 2004 value of money and is not binding or controlling.

Formula Allocations. After deduction of required Board of Equalization fees and authorized costs, revenues to be distributed by formula allocation to local governments and transit agencies as described below. All other funds shall be deposited with the Authority and expended at the discretion of the Authority Board as described below.

Contribution from New Development. No revenue generated from the tax shall be used to replace transportation mitigation fees currently required from new development in each local jurisdiction. In addition, each local jurisdiction must adopt a development financing mechanism as specified in Ordinance No. STA 04-01 in order to continue receiving local road maintenance funds.

Requirement for Annual Financial and Performance Audits of Measure Funds. The Sacramento Transportation Authority and each agency receiving an allocation of Measure revenue authorized in this Expenditure Plan shall undergo an annual financial audit supervised by the Independent Taxpayer Oversight Committee (ITOC) and performed in accordance with generally accepted auditing standards and government auditing standards issued by the Comptroller General of the United States. Compliance audits shall also be conducted to ensure that each agency is expending funds in accordance with the provisions and guidelines established for Measure revenues. In addition, the ITOC shall, based on performance standards for expending sales tax funds adopted by the Authority Board, conduct a performance audit to report on progress in meeting such standards and make recommendations for improving overall program performance. The Authority Board shall adopt the performance standards for each part of the program no later than December 31, 2009.

Sacramento Expenditure Plan. All available sales tax revenues shall be expended as follows:

I. Revenue Estimates. Tax revenues generated by Ordinance No. STA 04-01 over a thirty-year period are estimated to be **\$4,740 million**. Approximately **\$488 million** in contributions from new development are projected over this period, for an estimated total revenue of **\$5,228 million** for transportation improvements. Revenue estimates are not binding or controlling. To the extent these estimates provide more or less revenue, the Authority Board shall make appropriate allocation adjustments periodically to reflect actual revenues received.

II. Allocations to the Cities of Galt and Isleton. The City of Galt shall receive 1% of the sales tax revenues collected annually for eligible transportation purposes. The City of Isleton shall receive 0.04% of the sales tax revenues collected annually for eligible transportation purposes.

III. Cosumnes River Permanent Open Space Preserve. Funding shall be available for planning, development and acquisition of the Cosumnes River Permanent Open Space Preserve for the I-5/SR99/US50 corridor and/or any other environmental mitigation needed to offset project impacts from such project consistent with the adjacent local jurisdictions' land use planning documents and processes. The Preserve shall be eligible for funding in the amount of at least \$5 million in each of the following categories: Local Arterial Program, as part of the funding dedicated for the I-5/US 50/SR 99 corridor; the Smart Growth Incentive Program; and the Transportation Environmental Mitigation Program. Facilities located in the Preserve can also qualify for funds available in the Safety, Streetscaping, Pedestrian and Bicycle Facilities Program at the discretion of each local jurisdiction receiving such funding. The Preserve shall be administered by an appropriate private, not for profit land preservation organization or other organization created specifically for the purpose of administering Measure open space funds as selected by the Authority Board.

IV. Local Road Maintenance, Safety and Congestion Relief Program. 38% of sales tax revenue collected and 35% of the revenues collected from new development shall fund the programs and projects included in this program. Cost estimates for such projects are not binding or controlling. Included in this program are subcategories described below.

A. City Street and County Road Maintenance Program. 30% of the sales tax revenue collected shall be distributed among the local jurisdictions for city street and county road maintenance. A Maintenance of Effort is required regarding existing road maintenance programs to ensure that the net impact of the program will provide continuing funds for this purpose in each of the cities and in the unincorporated areas of the County. Each of the local jurisdictions receiving these funds shall file a pavement and bridge maintenance system report on a biennial basis with the Authority regarding progress in maintaining local streets and roads. The report shall be in a format that can be audited on a biennial basis by the Independent Taxpayer Oversight Committee.

Distribution among the cities and unincorporated County area shall be based 75% on relative population and 25% on total street/road mileage. The formula will be updated annually based on the California Department of Finance population estimates for cities and counties.

B. Local Arterial Safety and Traffic Operations Improvements Program. 8% of the sales tax revenue collected and 35% of the revenues collected from new development shall fund local arterial safety and traffic operations improvements. The 8% portion would be separated into two categories of which 5% would be dedicated to the Local Arterial Program and 3% will be dedicated to the Traffic Control and Safety Program.

1. Local Arterial Program. This program will fund arterial safety, operational, streetscaping, bicycle, and pedestrian improvements, improved accessibility for the disabled, and upgrades of arterials to urban standards. A technical advisory committee made up of the public works directors or their designees from the County and each city in the county shall develop a recommended five-year program, updated annually, for expenditure of these program funds. Funds from this program shall be expended for implementation of, but shall not be limited to, the specific arterials or proposed corridors detailed in this Expenditure Plan. This list of arterials may be modified based on changing traffic, safety, and other changed conditions and priorities of each local jurisdiction over time. The costs shall also include necessary environmental mitigation directly related to project implementation. Receipt of funding for the I-5/SR99/US50 Connector is contingent on establishment of a habitat conservation approach, approval of the habitat conservation approach by the appropriate agencies, and adoption of the habitat conservation approach by the local recipient of funds.

2. Traffic Control and Safety Program. This program will fund traffic control system improvements, high priority pedestrian and vehicle safety projects, and emergency vehicle preemption systems for quicker police, fire and ambulance response throughout Sacramento County. Distribution among the cities and unincorporated County area shall be based 75% on relative population and 25% on total street/road mileage. The formula will be updated annually based on the California Department of Finance population estimates for cities and counties. Each local jurisdiction shall file a five-year program for use of the funds with the Authority, updated every other year to ensure program integrity and performance.

V. Transit Congestion Relief Program. 38.25% of the sales tax revenue collected and 20% of the revenues collected from new development shall fund transit capital improvements and provide funding for operating and maintaining such improvements, as well as existing transit services. The funding for capital improvements assumes 1/3 sales tax and a match of 2/3 federal, state and/or local funding other than sales tax. The funding for operations shall augment existing funds available for transit operations. These funds will be directly subvented to Sacramento Regional Transit based on a five year, annually updated transit capital and operating business plan recommended by Sacramento Regional Transit District, and approved by the Authority Board.

VI. Neighborhood Shuttle System. At least \$30 million in sales tax revenues will fund the development of additional Neighborhood Shuttles throughout Sacramento County. The Authority shall develop a program that will allow local jurisdictions to compete for these funds.

VII. Senior and Disabled Transportation Services. This program will be funded by an average of 4.5% of the sales tax revenues collected over the life of the tax. The sales taxes dedicated in support of the Consolidated Transportation Services Agency (CTSA) shall be 3.5% for years 1-10. In years 11-20 the funding would increase to 4.5% and then increase in years 21-30 to 5.5%. The City and County of Sacramento General Fund contribution to CTSA will expire with the Existing Tax. The funds will be directly subvented to the CTSA based on a five year, annually updated business plan recommended by the CTSA and approved by the Authority Board.

VIII. Freeway Safety and Congestion Relief Program. 12% of the sales tax revenue collected and 20% of the revenues collected from new development shall fund congestion relief projects on the freeway system in Sacramento County. This program is separated into two categories of which 9% of the sales tax revenues collected shall be dedicated to Regional Bus/Carpool Lane Connectors and Extensions and 3% of the sales tax revenues collected shall be dedicated to Local Freeway Interchange Congestion Relief Upgrades.

A. Regional Bus/Carpool Lane Connectors/Extensions. These projects will provide congestion relief on the freeway system throughout the County. The funding for these capital improvements assumes ½ sales tax and a match of ½ federal, state and/or local funding other than sales tax. All local jurisdictions, except the City of Isleton, shall establish transportation management associations to promote the use of carpools and public transit.

B. Local Freeway Interchange Congestion Relief Upgrades. Funding for these projects assumes 2/3 federal, state, and/or developer oriented funding and 1/3 sales tax funding. The Authority Board has the flexibility to change the matching formula based on project delivery and other issues the Board deems appropriate for consideration. Funding is dedicated for, but is not limited to, interchanges described in this Expenditure Plan. The Authority Board in collaboration with the Technical Advisory Committee of Authority may add additional local freeway congestion relief projects to reflect the changing transportation needs of the County over time.

IX. Safety, Streetscaping, Pedestrian and Bicycle Facilities. 5% of the sales tax revenues collected shall fund non-motorized, pedestrian and bicycle safety improvements. With the exception of \$30 million dedicated for improvement and maintenance of the American River Parkway/Bikeway Network, funds shall be distributed among the cities and unincorporated County area based 75% on relative population and 25% on total street/road mileage. The formula will be updated annually based on the California Department of Finance population estimates for cities and counties.

X. Transportation-Related Air Quality Program. 1.50% of the sales tax revenues collected shall exclusively fund projects and programs that facilitate the Authority's ability to meet state and federal air quality mandates for mobile sources and to environmentally mitigate for transportation capital improvements in this Expenditure Plan. The Sacramento Metropolitan Air Quality Management District (SMAQMD) shall administer the program. The program will be based on a five-year program, updated annually, recommended by the SMAQMD and approved by the Authority Board.

XI. Smart Growth Incentive Program. 15% of the revenues collected from new development shall be available to local jurisdictions on a competitive basis for projects that meet certain smart growth objectives. This program shall be administered by the Authority and shall take into account the SACOG Community Design competitive funding program. The program shall include planning, development and acquisition of the Cosumnes River Permanent Open Space Preserve for the I5/SR99/US50 corridor and/or any other environmental mitigation needed to offset impacts from that project consistent with the adjacent local jurisdictions' land use planning documents and processes.

XII. Transportation Project Environmental Mitigation Program. 10% of the revenues collected from new development shall fund environmental mitigation for transportation projects contained in the Expenditure Plan. The program shall be administered by the Authority and will be available for a variety of eligible categories of mitigation. The program shall include planning, development and acquisition of the Cosumnes River Permanent Open Space Preserve for the I5/SR99/US50 corridor and/or any other environmental mitigation needed to offset impacts from that project consistent with the adjacent local jurisdictions' land use planning documents and processes.

XIII. General Program Administration and Independent Taxpayer Oversight Committee. 0.75% of the sales tax revenues collected shall fund staff costs of the Authority and other costs of administering the programs and projects contained in this Expenditure Plan and the activities of the Independent Taxpayer Oversight Committee described in Exhibit B.

Sacramento County Transportation Expenditure Plan 2009-2039

Percentage of DEVELOPER FEES	Percentage of SALES TAX		Proposed Sales Tax Allocation in \$	Proposed Developer Fee Allocation in \$	TOTAL PROPOSED ALLOCATION IN \$\$
35%	38%	Local Road Maintenance, Safety and Congestion Relief Program	<u>\$1,786</u>	<u>\$171</u>	<u>\$1,957</u>
	30%	City Street and County Road Maintenance Program	<u>\$1,410</u>		<u>\$1,410</u>
35%	8%	Local Arterial Safety & Traffic Operations Improvements Program	<u>\$376</u>	<u>\$171</u>	<u>\$547</u>
	5%	Local Arterial Program	<u>\$235</u>	<u>\$171</u>	<u>\$406</u>
		<ul style="list-style-type: none"> • Antelope Road: Watt—Auburn • Arden Way: ITS improvements Del Paso—Fair Oaks Blvd • 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 • Folsom Bridge Crossing • 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 • 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 • Watt Ave: Antelope—Capital City Freeway 			
	3%	Traffic Control and Safety Program	<u>\$141</u>		<u>\$141</u>
		Eligible funding categories:			
		<ul style="list-style-type: none"> • Synchronizing Traffic Signals • Emergency Vehicle Signal Preemption • Installing Fog/Rain/Night Roadway Reflectors • Construct Shoulders for Safety on Rural Roads • Audible Pedestrian Signals • Changeable Message Signs • Modifications to streetscape to improve accessibility for disabled persons 			

Percentage of DEVELOPER FEES	Percentage of SALES TAX		Proposed Sales Tax Allocation in \$	Proposed Developer Fee Allocation in \$	TOTAL PROPOSED ALLOCATION IN \$\$
20%	38.25%	Transit Congestion Relief Program	<u>\$1,798</u>	<u>\$98</u>	<u>\$1,896</u>
	34.50%	Transit Operations, Maintenance & Safety	<u>\$1,622</u>		<u>\$1,622</u>
		Eligible funding categories:			
		<ul style="list-style-type: none"> Operating & Maintaining Existing Bus, Light Rail, & Neighborhood Shuttle System Guaranteed Discount Transit Fares for Students, Seniors & Disabled Operating & Maintaining New Transit Capital Improvements 			
20%	3.75%	Transit Capital Improvement Program	<u>\$176</u>	<u>\$98</u>	<u>\$274</u>
	1.25%	Construct Downtown Sacramento Intermodal Station	<u>\$58</u>		<u>\$58</u>
	2.50%	Rail Transit Improvements	<u>\$118</u>		<u>\$118</u>
		<ul style="list-style-type: none"> Construct LRT extension from Meadowview Road to Cosumnes River College Implement Regional Rail commuter service (Sacto County portion) Fund planning, environmental, and design studies and processing for Downtown to Airport LRT Extension LRT Improvements in the I-80 Corridor 			
		Neighborhood Shuttle System	<u>\$30</u>		<u>\$30</u>
	4.5%	Senior & Disabled Transportation Services <i>3.5% 1-10 years 4.5% 11-20 years 5.5% 21-30 years</i>	<u>\$212</u>		<u>\$212</u>
20%	12%	Freeway Safety and Congestion Relief Program	<u>\$564</u>	<u>\$98</u>	<u>\$662</u>
	9%	Regional Bus/Carpool Lane Connectors/Extensions	<u>\$423</u>		<u>\$423</u>
		<ul style="list-style-type: none"> 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 widenings for connectors between SR 50 and I-5 SR 50 Bus/Carpool Lanes: Sunrise thru Downtown Sacto. 			
	3%	Local Freeway Interchange Congestion Relief Upgrades	<u>\$141</u>		<u>\$141</u>
		<ul style="list-style-type: none"> 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 Ave/SR 50 Interchange Upgrade 			

Percentage of DEVELOPER FEES	Percentage of SALES TAX		Proposed Sales Tax Allocation in \$	Proposed Developer Fee Allocation in \$	TOTAL PROPOSED ALLOCATION IN \$\$
	5%	Safety, Streetscaping, Pedestrian and Bicycle Facilities	\$235		\$235
		Eligible funding categories:			
		<ul style="list-style-type: none"> American River Parkway/Bikeway Network Improvement Program (\$30 million or \$1 million per year) Local Corridor Streetscape Enhancements Pedestrian, Bike, and Road Safety Improvements <ul style="list-style-type: none"> Installing & Maintaining Safe Pedestrian Sidewalks (inc. ADA) Installing Safe Bike & Pedestrian Ways Near Schools Smart Growth Transportation Objectives 			
	1.50%	Transportation-Related Air Quality Program	\$71		\$71
		Eligible funding categories:			
		<ul style="list-style-type: none"> Air Quality Monitoring & Public Information Accelerated Replacement of Dirty Diesel Engines Replacement of Gasoline Engine Catalysts Installation of Diesel Engine Catalysts Other proven emission-reducing strategies 			
15%		Smart Growth Incentive Program		\$73	\$73
		Eligible funding categories:			
		<ul style="list-style-type: none"> Promotion of transit oriented joint development At least \$5 million for planning, development and acquisition of the Cosumnes River Permanent Open Space Preserve for the I5/SR99/US50 corridor and/or any other environmental mitigation needed to offset project impacts from such project consistent with the adjacent local agencies land use planning documents and process. 			
10%		Transportation Project Environmental Mitigation Program		\$48	\$48
		Eligible funding categories:			
		<ul style="list-style-type: none"> Environmental mitigation for transportation projects contained in Measure A Open space acquisition Natural habitat preservation At least \$5 million for planning, development and acquisition of the Cosumnes River Permanent Open Space Preserve for the I5/SR99/US50 corridor and/or any other environmental mitigation needed to offset project impacts from such project consistent with the adjacent local agencies land use planning documents and process. 			
	0.75%	Program Administration	\$35		\$35
		<ul style="list-style-type: none"> General Program Administration Independent Taxpayers' Oversight Committee & Independent Audit 			
	100%	Total Revenue over 30 years	\$4.74B	\$488	\$5.188B

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE (ITOC)

ITOC Goal and Function. Voter adoption of this transportation sales tax ordinance shall result in creation of the Independent Taxpayer Oversight Committee (ITOC) as follows:

The ITOC shall review the fiscal and program performance of the sales tax transportation program through an annual audit to ensure that all transportation sales tax funds are spent by the Sacramento Transportation Authority (hereby referred to as the Authority) in accordance with all provisions of the voter-approved expenditure plan and ordinance. The ITOC's other mission is to provide positive, constructive advice to the Authority on how to improve implementation over the thirty-year course of the program for the benefit of Sacramento County residents and businesses, and to study and report on other issues related to the current or future use of transportation sales tax funds that may be expressly authorized by the Authority Board.

Audit Requirement. The ITOC shall supervise annual fiscal and periodic performance audits, which shall be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States and based on performance standards adopted by the Authority Board for each program or project funded in whole or in part with sales tax funds. The first set of performance standards shall be adopted not later than July 1, 2009 and shall be updated every five years.

Role of Financial and Performance Audits. The ITOC shall, under the competitive procurement rules of the Authority and with the active involvement of the Authority Executive Director, select a professional auditor to conduct the fiscal and performance audits of expenditure of all sales tax funds, report findings based on the audits to the Authority and to the public; and recommend any additional audits that the ITOC believes may improve the financial operation and integrity of program implementation, while meeting all voter mandates. No professional audit firm shall conduct more than three consecutive fiscal audits during the course of the 30-year sales tax extension.

The Authority, with the direct participation of the ITOC, shall hold publicly noticed meetings, which may or may not be part of a regularly scheduled Board meeting, to consider the findings and recommendations of the audits. A report of the findings and recommendations of each audit by the ITOC shall be made readily available to the public in print and on the Authority's electronic website.

Membership and Selection Process. The Authority shall develop an open selection process that actively advertises for potential members and selects three committee members who are all residents of Sacramento County and possess the following professional and/or community credentials:

- One member who is a professional--active or retired--in the field of municipal audit, finance and/or budgeting with at least five years in a relevant and senior decision-making position in the public or private sector.
- One member who is a licensed civil engineer or trained transportation planner--active or retired--with at least five years of demonstrated experience in the field of transportation in government and/or the private sector.
- One member who is a current or retired manager of major public and/or privately financed development or construction projects, who by training and experience would understand the complexity, costs and implementation issues involved in building large scale infrastructure improvements.

- The Chair of the Authority Governing Board, the Executive Director of the Authority, and the County Auditor shall serve as ex-officio non-voting members of the ITOC.

Terms and Conditions for Committees

- Members shall serve staggered four-year terms. In no case shall any voting committee member serve more than eight years on the ITOC.
- Members shall serve without compensation, except they shall be reimbursed for authorized travel and other expenses directly related to the work of the ITOC.
- Members cannot be current local elected officials in the county or a full time or part time staff member of any city, the county government, local transit operator, or state transportation agency.
- If and when vacancies on the ITOC occur on the part of voting committee members, the Authority shall appoint an appropriate replacement within 90 days of the vacancy to fill the remainder of the term.

Sales Tax ITOC Operation Protocols. Given the thirty-year duration of the sales tax extension, the ITOC shall be appointed 120 days after the effective date of the sales tax extension and continue as long as sales tax funds from the current voter authorization are made available. The Authority Board and staff shall fully cooperate with and provide necessary financial and staff support to ensure the ITOC effectively carries out its duties and obligations. The annual cost of the activities of the ITOC shall not exceed \$150,000, adjusted for inflation.

Conflict of Interest. ITOC voting members are prohibited from acting in any commercial activity directly or indirectly involving the Authority, such as being a consultant or vendor to the Authority during their tenure on the ITOC. ITOC voting members shall not have direct commercial interest or employment with any public or private entity that receives transportation sales tax funds authorized by the voters in this ordinance.

New Measure A Expenditure Categories

DEFINITIONS OF ELIGIBLE EXPENDITURES

Adopted March 8, 2007

City Street and County Road Maintenance Program

The preservation and keeping of public street and road rights-of-way and each type of structure, safety device, planting, illumination equipment and associated facilities in the safe and useable condition to which it has been constructed or improved. Upgrades to appurtenances such as bicycle lanes, curbs, gutters, and sidewalks to currently accepted community standards may be performed in association with the repair of public streets and roads.

Includes roadway reconstruction, patching, repairing, surface treating, joint filling, scarifying, reshaping, and restoring material losses; cleaning, painting, and repairing bridges and structures (including those reserved for the exclusive use of non-motorized transportation); pavement sweeping; repainting of pavements, striping, and markings to equivalent standards; patching operations including base restoration; applying dust palliatives; jacking concrete pavements; resealing street or road shoulders and side street and road approaches; reshaping of drainage channels and side slopes; restoration of erosion controls; cleaning culverts and drains; removing slides and restoring facilities damaged by slides; routine landscape maintenance; replacing top soil, sod, plantings, and irrigation facilities on street and roadside; repairing curb, gutter, sidewalk, rip-rap, culverts, and drains; repainting, repairing, and servicing of signs, guardrails, traffic signals, lighting standards, and associated traffic control and safety devices; furnishing power for street and road lighting and traffic control devices.

Associated Measure A revenues are distributed annually to the County and to the Cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, and Sacramento: 75% according to relative population and 25% according to relative street and road mileage within each jurisdiction. The data source for relative population is the annual population estimates for cities and counties published by the California Dept. of Finance. Relative street and road mileage is determined by the cumulative number of lanes miles on the city or County street/road system as reported annually by each affected local entity.

Local Arterial Program

The construction, improvement and/or upgrading of specified arterial streets and roads into multi-modal transportation corridors consistent with contemporary urban design standards to facilitate the safe and efficient movement of high volumes of local and sub-regional motor vehicle, bicycle, and pedestrian traffic.

Includes environmental review and mitigation, engineering, design, inspection, and construction; acquisition of rights-of-way or other property interests; installation, improvement, or upgrades to associated traffic signs and traffic signals, medians, landscaping, incidental drainage, bicycle lanes or pathways, curbs, gutters, and sidewalks; labor, paving, materials and supplies for the construction of specified arterials (including new structures) and for the addition of lanes to or other expansion, upgrading, reconstruction, and implementation of operational improvements of specified arterial streets and roads.

Traffic Control & Safety Program

The installation or implementation of physical features and operational programs to improve the operation and safety of the local street and road network for motor vehicles, bicycles, pedestrians, and persons with disabilities. Such improvements may involve an expansion of vehicle capacity at intersections.

Includes assessment and evaluation of operational deficiencies, needs, and opportunities; environmental review and mitigation, engineering, design, and inspection; acquisition of rights-of-way or other property interests; improved traffic signage, traffic signals, pavement markings, and incidental drainage; implementation, upgrade, expansion, and operation of an integrated traffic signal and control system; traffic channelization; Transportation Systems Management (TSM) including planning, design, implementation, outreach, and evaluation measures to promote efficient and effective use of the transportation system by all users regardless of travel mode.

Associated Measure A revenues are distributed annually to the County and to the Cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, and Sacramento: 75% according to relative population and 25% according to relative street and road mileage within each jurisdiction.

Transit Operations, Maintenance, & Safety

The operation and maintenance of the existing Sacramento Regional Transit District (District) bus, shuttle, and light rail system and new transit capital specified in the Expenditure Plan as authorized to be conducted by Chapter 5 (commencing with Section 102200) of Part 14, Division 10 of the California Public Utilities Code.

Includes routine maintenance of bus, shuttle, and rail vehicles; purchase of associated parts, equipment, materials, and fuel; labor to maintain and operate the transit fleet and to administer the District; reconstruction or replacement of transit vehicles consistent with lifecycle use; repair and maintenance of fixed assets including light rail tracks and rail bed, overhead catenary, structures, buildings, and transit stations and stops; furnishing power for light rail system and transit stops.

Rail Transit Improvements

The construction, extension, improvement, and/or upgrading of specified Sacramento Regional Transit District (District) light rail transit corridors, and the improvement and/or upgrading of the Capitol Corridor regional rail segment within Sacramento County to facilitate improved commuter rail service, as consistent with Chapter 5 (commencing with Section 102200) of Part 14, Division 10 of the California Public Utilities Code.

Includes planning, environmental review and mitigation, engineering, design, and inspection; acquisition of rights-of-way or other property interests; construction, installation, improvement, or upgrades to trackage, overhead catenary, associated signs and signals, buildings, structures, and stations; purchase of rail vehicles and associated equipment; labor, materials, and supplies for the construction of specified rail transit corridors and associated stations (including new structures) and for the addition of track or other expansion, upgrading, reconstruction, and implementation of operational improvements in specified rail transit corridors.

Neighborhood Shuttle System

A competitive grant program among local public transit providers to promote the development or expansion of shuttle routes in residential and commercial areas that have no—or infrequent—transit service. The objective is to connect neighborhoods to the light rail system and to bus routes on major arterials.

Eligibilities, schedules, and grant application procedures are set forth in a separate guidelines document (pending).

Senior & Disabled Transportation Services

The provision by the Consolidated Transportation Services Agency (CTSA) of Sacramento County—per Chapter 5, Section 15975(a) of Part 13, Division 3 of the California Government Code—of specialized public transportation operations for seniors and persons with disabilities.

Includes acquisition, reconstruction, and replacement of specialized transit vehicles and associated equipment; construction of buildings and structures or other improvements; purchase of associated parts, equipment, materials, and fuel; routine maintenance of specialized transit vehicles and associated assets; labor to maintain and operate the vehicle fleet, real property or other property interests, and to administer the CTSA.

Regional Bus/Carpool Connectors/Extensions

The provision by Caltrans of enhanced vehicle capacity on specified segments of the State highway system and the improvement of specified freeway connection ramps for exclusive use by buses, carpools, and other eligible vehicles.

Includes environmental review and mitigation, engineering, design, inspection, project management, and construction; acquisition of rights-of-way or other property interests; installation, improvement, or upgrades to associated access/egress ramps, traffic signage, medians, and landscaping; labor, paving, materials and supplies for the construction of specified projects (including new structures) and/or for the addition of lanes to or other expansion, upgrading, reconstruction, and implementation of operational improvements on specified freeway segments and interchanges.

Local Freeway Interchange Congestion Relief Upgrades

The construction, improvement, or upgrading of specified interchanges to mitigate traffic congestion on the effected local arterial and associated State highway. Arterial-freeway interchange improvements will be implemented by the local jurisdiction in which the project is located. Freeway-freeway interchange improvements will be implemented by Caltrans.

Includes environmental review and mitigation, engineering, design, inspection, and construction; acquisition of rights-of-way or other property interests; installation, improvement, or upgrades to associated traffic signs, traffic signals, pavement markings, medians, landscaping, bicycle lanes or pathways, curbs, gutters, sidewalks, and drainage; labor, paving, materials and supplies for the construction of specified interchanges (including new structures) and for the addition of lanes to or other expansion, upgrading, reconstruction, and implementation of operational improvements

of specified arterial streets and roads. Improvements to arterial/freeway interchanges should permit bicyclists and pedestrians to safely and efficiently traverse the effected freeway segment.

Safety, Streetscaping, Pedestrian and Bicycle Facilities

The construction, improvement, and/or upgrading of transportation facilities and corridors to provide bicyclists, pedestrians, and persons with disabilities safe and efficient travel routes and to improve the aesthetics of local streets and roads. One million dollars per year will be expended exclusively for maintenance, operations, and improvements to the paved bikeway network within the portion of the American River Parkway managed by the Sacramento County Department of Regional Parks.

Includes environmental review and mitigation, engineering, design, inspection, and construction; acquisition of rights-of-way or other property interests; installation, improvement, or upgrades to traffic signs and traffic signals, landscaping, bicycle lanes or pathways, curbs, gutters, and sidewalks; barrier and hazard removal; labor, materials and supplies for the construction or reconstruction of bikeways and sidewalks (including new structures) and for other expansion, upgrading, reconstruction, and implementation of operational improvements to facilitate bicycle and pedestrian travel and improved streetscapes.

Associated Measure A revenues (with the exception of the \$1 million allocated annually to the Sacramento County Department of Regional Parks for maintenance, operations, and improvements to the bikeway network in the American River Parkway) are distributed annually to the County and to the Cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, and Sacramento: 75% according to relative population and 25% according to relative street and road mileage within each jurisdiction.

Transportation-Related Air Quality Program

The development, implementation and evaluation by the Sacramento Metropolitan Air Quality Management District of projects and programs to mitigate the regional impacts of motor vehicle emissions.

Includes air quality monitoring; public relations and information; programs to accelerate the retirement or replacement of older, high-polluting motor vehicle engines; programs to accelerate the dissemination of new, cleaner engine technologies; other programs demonstrated to effectively contribute to reduced vehicle emissions.

Smart Growth Incentive Program

A competitive grant program among local public agencies to facilitate land use planning and development/redevelopment projects that promote pedestrian, bicycle, and transit travel and a reduced reliance on personal automobiles. This program will be funded exclusively via the Countywide development fee component of Measure A. At least \$5 million will be expended exclusively for environmental mitigation associated with construction of the I-5/SR99/SR50 connector road.

Eligibilities, schedules, and grant application procedures are set forth in a separate guidelines document (pending).

Transportation Project Environmental Mitigation Program

The development and implementation of projects and programs to mitigate some of the anticipated environmental consequences of constructing and operating the capital projects set forth in the Measure A expenditure plan. This program will be funded exclusively via the Countywide development fee component of Measure A.

Includes purchase of open space, significant natural habitat, and property easements; construction of replacement or alternative natural habitat; stormwater runoff abatement and erosion controls; other programs demonstrated to effectively mitigate the environmental impacts of constructing and operating the capital projects set forth in the Measure A expenditure plan. At least \$5 million will be expended exclusively for environmental mitigation associated with construction of the I-5/SR99/SR50 connector road.

Eligibilities, schedules, and grant application procedures are set forth in a separate guidelines document (pending).

Program Administration

Overall management and oversight of the Measure A sales tax program.

Includes employment of administrative and clerical staff; contracting for specialized services of a limited-term; acquisition and/or lease, maintenance, and operations of office space, office equipment, materials, and supplies; operation of an Independent Taxpayer Oversight Committee (ITOC); other such administrative and planning activities as deemed necessary and appropriate by the Governing Board.

Adopted March 8, 2007



Sacramento Transportation Authority

801 12th Street, 5th Floor
Sacramento, CA 95814

(916) 323-0080 Phone
(916) 323-0850 Fax

Email: info@sacta.org
Web: SacTA.org

Sacramento Transportation Authority (STA)

Request for Proposal for: Financial Audit Services

Due Date: **TBD**, 2021 by 5:00 pm to the attention of:

Timothy Jones
Chief Financial Officer
801 12th Street Floor 5
Sacramento, CA 95814-2947
(916) 323-0855
tim@sacta.org

SACRAMENTO TRANSPORTATION AUTHORITY
SACRAMENTO ABANDONED VEHICLE SERVICE AUTHORITY (SAVSA)

TABLE OF CONTENTS

SECTION 1 INTRODUCTION

SECTION 2 GENERAL INFORMATION

SECTION 3 SCOPE OF SERVICES

SECTION 4 EVALUATION PROCESS

SECTION 5 PROPOSAL CONTENTS

SECTION 6 PROPOSAL SUBMITTAL PROCEDURE

SECTION 7 ADDITIONAL INFORMATION

SECTION 1 - INTRODUCTION

1.1 The Sacramento Transportation Authority (hereinafter referred to as "STA") is requesting proposals from qualified certified public accounting firms (hereinafter referred to as "Firms") to audit its annual financial statements, and perform a compliance review, as further specified, with respect to governmental entities receiving Measure A and Sacramento Abandoned Vehicle Service Authority (SAVSA) funding for the fiscal year ending June 30, 2021.

1.2 Proposals should respond to the specific scope of services described in Section 3 below.

1.3 Evaluation of proposals and selection of qualified firms will be performed as described in section 4 below.

SECTION 2 - GENERAL INFORMATION

2.1 **MEASURE A TRANSPORTATION SALES TAX PROGRAM**

2.1.1 A sales tax increase of one-half of one percent for transportation improvements was approved by Sacramento County voters in 1988 upon the passage of "Measure A". It was authorized for a period of 20 years under provisions of Division 19 of the California Public Utilities Code.

2.1.2 In November 2004 the voters approved a 30-year extension of the Measure A sales tax program, effective April 2009. This program will sunset in March 2039.

2.1.3 The Sacramento Transportation Authority oversees the collection and distribution of the sales tax in accordance with the Measure A Ordinance and Expenditure Plan (attached).

2.1.4 Using the Expenditure Plan as a strategic guide, the STA Governing Board annually adopts 5-year expenditure programs and periodically enters into contracts with "Measure A" entities for the design and construction of specific projects, operations and maintenance.

2.1.5 The recipient Measure A entities are the County of Sacramento; the Cities of Citrus Heights, Elk Grove, Folsom, Galt, Isleton, Rancho Cordova, and Sacramento; the Sacramento Regional Transit District; Paratransit, Inc.; Sacramento Metropolitan Air Quality Management District; Caltrans; and the Capital Southeast Connector JPA.

2.1.6 To accelerate delivery and construction of Measure A capital projects, the STA issued debt in the form of variable rate sales tax revenue bonds in October 2009. These bonds mature in October 2038. In July 2012, the STA issued fixed rate sales tax bonds to further expedite capital projects. These bonds will mature in October 2027.

2.2 **FREEWAY SERVICE PATROL**

2.2.1 In November 1992 the Freeway Service Patrol (FSP) began operation in Sacramento County. FSP is a partnership among the STA, Caltrans, and the California Highway Patrol. FSP contracts with towing companies that continuously patrol certain Sacramento area freeways during commute hours to improve safety and reduce congestion. The STA administers this program which is funded by Caltrans (State Highway Account) and the Capital Valley Regional Service Authority for Freeways and Expressways (SAFE).

2.3 **SACRAMENTO TRANSPORTATION AUTHORITY**

2.3.1 The Finance Director of the County of Sacramento (hereinafter referred to as "COUNTY") serves as the STA's Treasurer. The COUNTY invests STA funds in the COUNTY investment pool. The STA uses an in-house accounting system for financial reporting purposes. The STA utilizes the COUNTY for certain payments such as monthly sales tax allocations and capital construction reimbursements

2.3.2 Proceeds from the Measure A bonds are invested with the California Asset Management Program (hereinafter referred to as "CAMP"). U S Bank serves as the trustee for debt service on the bonds.

2.3.3 The last independent audit was for the fiscal year ended June 30, 2020.

2.3.4 The STA Governing Board currently consists of 16 members:

- 5 representatives of the Sacramento County Board of Supervisors
- 5 representatives of the Sacramento City Council
- 1 representative of the City of Citrus Heights
- 2 representatives of the City of Elk Grove
- 1 representative of the City of Folsom
- 1 representative for the Cities of Isleton and Galt
- 1 representative of the City of Rancho Cordova

2.3.5 The STA's administrative office is located in Sacramento. The Executive Director and the office address are as follows:

Sabrina Drago, Executive Director
Sacramento Transportation Authority
801 12th Street Floor 5
Sacramento, CA 95814-2947
(916) 323-0894

2.4 SACRAMENTO ABANDONED VEHICLE SERVICE AUTHORITY

2.4.1 In 1991, legislation was passed which enabled a county to levy a \$1 registration fee on automobiles to fund an abandoned vehicle service authority and program. The STA Board serves concurrently as the governing board of the Sacramento Abandoned Vehicle Service Authority (SAVSA). The STA's Executive Director is also the SAVSA's Executive Director.

2.4.2 SAVSA contracts with STA for administrative services. The SAVSA program provides funding to the County of Sacramento and to the Cities of Citrus Heights, Rancho Cordova, Elk Grove, Folsom, Galt, and Sacramento for the abatement of abandoned vehicles.

2.4.3 The STA includes SAVSA as a special revenue fund in its Comprehensive Annual Financial Report (CAFR).

SECTION 3 - SCOPE OF SERVICES

3.1 The STA is soliciting the services of a qualified certified public accounting firm to make an examination of STA's financial statements for the fiscal year ending June 30, 2021. The resultant contract will include an option for STA to extend the contract for each of the two subsequent fiscal years based on satisfactory performance as determined by the Independent Taxpayer Oversight Committee (ITOC), the Executive Director and Governing Board. The examination shall be made in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States and will include all procedures necessary for an opinion regarding the fairness of the financial statements in accordance with generally accepted accounting principles.

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

3.3 The performance of agreed upon procedures related to Measure A entities and SAVSA entities will be made to the extent considered necessary to ensure compliance with applicable laws and contracts. The procedures will include:

3.3.1. A review of each entity's accounting system as it specifically relates to the accounting for and control over all Measure A and SAVSA receipts and expenditures.

3.3.2. Selection of a sample of the entities' Measure A and SAVSA expenditures to ensure they are appropriate and allowable.

3.4 Additionally, the STA is seeking support in maintaining the GFOA Certificate of Achievement for Excellence in Financial Reporting. As such, a review of the STA's CAFR based on the requirements for the certificate shall be included as part of the review process.

3.5 Auditors shall make the work papers available during the audit and for a period of three years thereafter to representatives of any state or local agency that provides funding to the STA and SAVSA.

3.6 Schedule of Work and Due Dates of Required Products

3.6.1 Interim audit work should begin as early as practicable, but no later than September.

3.6.2 Agreed upon procedures work shall begin in September.

3.6.3 Draft copies of the audit reports, internal control reports, management letters, and agreed-upon-procedures report are required by December 1, 2021.

3.6.4 5 copies of the final reports shall be delivered to the STA no later than the last business day of the calendar year.

3.7 STA and Entity Assistance Available to the Auditor

3.7.1 STA staff will be available to be interviewed during the course of the audit, will prepare trial balances, schedules, account analyses and data as required for an **auditor prepared** CAFR.

3.7.2 For the agreed upon procedures, auditors will coordinate all entity fieldwork schedules with STA staff.

3.7.3 Auditor will work with entity staff to schedule times to be interviewed during the course of the agreed-upon-procedures work, and provide documentation as required.

SECTION 4 - EVALUATION PROCESS

4.1 In the evaluation process, emphasis will be placed upon each Firm's qualifications and experience to perform the services and work described in Section 3 of this RFP. Proposers will be evaluated on the following criteria according to the weights assigned below. The STA reserves the right to add interview scores into the evaluation criteria or to select proposals based solely upon their written proposal.

4.2 Proposers will be evaluated on the following criteria:

4.2.1 Proposals will be evaluated for providing the best services at the lowest cost.

4.2.2 Auditors should have a variety of experience in performing similar audits with public, government, private, not-for-profit, and/or other agencies as specified in this RFP. Experience with transportation agencies is preferred. The STA's inability to obtain positive feedback during reference checks or to confirm a proposer's history of financial responsibility will affect the assessment.

4.2.3 Proposers must demonstrate the ability to carry out the project by meeting the proposal requirements identified in the RFP. High quality, clear, and complete proposals showing proposer's understanding of the project and willingness to comply with standard contract requirements will receive more favorable consideration. While proposers are required to meet the goals and deadlines for the project as described in this RFP, proposers are encouraged to demonstrate innovative, advanced and/or well-thought-out methodologies that may not be specifically set forth in this RFP.

4.2.4 Project staff qualifications should include a combination of work experience and education that includes local public agencies, particularly transportation agencies.

4.3 The ITOC, in conjunction with the Executive Director, will make a recommendation to the Board based on the best overall scoring results. Final approval will be made by the STA Governing Board.

SECTION 5 - PROPOSAL CONTENTS

To demonstrate qualifications and ability to perform the services described in Section 3, proposers shall include the following information:

5.1 APPROACH

Each proposal shall include a summary of the proposed technical and management approach to the services contemplated in this RFP, reflecting an understanding of the STA and SAVSA programs and the services required. This section should include a schedule to demonstrate how the services will be met and a management plan describing how the services will be organized among key personnel.

5.2 DISCUSSION OF ISSUES

Each proposal shall include a discussion of the issues outlined in Section 3 to set the context for the scope of work proposed. The discussion of issues shall be concise and shall also provide significant insight into the course of action recommended.

5.3 FIRM INFORMATION

Each firm shall present the information requested below, demonstrating its experience on work similar to that contemplated in this RFP. Information presented shall be brief, shall not include unnecessary promotional material, and shall be presented in the sequence listed herein.

5.3.1 Legal name of firm.

5.3.2 Location(s) and telephone number(s).

5.3.3 Date firm established.

5.3.4 Type of organization (partnership, corporation, etc.), and where incorporated, if applicable.

5.3.5 Firm organization chart.

5.3.6 Names and resumes of firm's officers, principals, and other key personnel applicable to this engagement.

5.3.7 Types of services normally provided by sub consultants.

5.3.8 A brief description of similar projects for which the Firm has provided services during the past 5 years, including the following information:

- Client name
- Project description and location
- Description of services provided
- Total value of services provided
- Budget performance
- Schedule performance
- Key personnel involved
- Sub consultants employed

5.3.9 A list of from three to five former clients (include addresses and phone numbers and a brief description of work performed) for whom the Firm has performed services similar to those described in this RFP. Samples of previous reports on closely related projects, if available, are requested as well.

5.3.10 Current and future Firm and personnel commitments to other projects in sufficient detail to confirm the Firm's ability to commit to the STA.

5.3.11 Lists of contracts terminated (partially or completely) by clients for convenience or default within the past three years. Include contract value, description of work, sponsoring organization, contract number, and name and telephone number of contracting entities.

5.3.12 A statement of the Firm's local experience in auditing a Government Finance Officers Association (GFOA) award winning CAFR and any assistance available to the STA in this endeavor.

5.3.13 A statement of the Firm's current equal opportunity policy.

5.3.14 Additional pertinent information to aid the STA in assessing the Firm's qualifications and experience.

5.4 **COST PROPOSAL**

A cost proposal shall be submitted which describes the total (not to exceed) price for which the Firm will commit to complete the scope of services.

SECTION 6 - PROPOSAL SUBMITTAL PROCEDURE

6.1 The proposal shall be transmitted with a cover letter which conforms to the following:

6.1.1 Signed by an officer authorized to bind the Firm contractually.

6.1.2 Confirms the receipt of the RFP and all addenda thereto.

6.1.3 States that the proposal is valid for a 90-day period from the due date of the proposal.

6.1.4 Provides the name, title, address and telephone number of the individual to whom correspondence and other contacts should be directed during the selection process.

6.1.5 Provides the name, title and telephone number of the individual who will negotiate with the STA and is authorized to contractually bind the firm.

6.2 The proposals shall be submitted as one original signed copy, plus three (3) photocopies.

6.3 The proposal shall be addressed to:

Timothy Jones, Chief Financial Officer
Sacramento Transportation Authority
801 12th Street Floor 5
Sacramento, CA 95814-2947

6.4 The proposal shall be received at the above address **no later than 5:00 p.m. on TBD, 2021.**

6.5 If interviews are to be conducted, the STA shall notify Firm of its selection for interviewing.

6.6 Any questions regarding this RFP must be received **in writing** by TBD 2021. No phone questions will be taken. Responses will be sent to all proposers of record by TBD 2021. A proposer of record will be any firm to whom this RFP was directly mailed by the STA and any firm specifically requesting a copy of the RFP. Questions shall be directed to *Timothy Jones* at the aforementioned address.

SECTION 7 - ADDITIONAL INFORMATION

7.1 RIGHT TO REJECT

The STA reserves the right to reject any or all proposals submitted and to request additional information from any or all proposers.

7.2 LIMITATIONS

This RFP does not commit the STA to award a contract, to pay any costs incurred in the preparation of the proposal in response to this request, or to procure or contract for services or supplies.

7.3 CHANGES AND EXTRA SERVICES

The STA reserves the right to order changes on the services to be performed by the Firm. All such changes shall be incorporated in written change orders executed by the Executive Director of the STA and the Firm. Any changes to compensation will be made in the same fashion. No claim for additional compensation or extension of time shall be recognized unless contained in a duly executed change order.

7.4 EQUAL EMPLOYMENT OPPORTUNITY

In connection with the carrying out of this project, the Firm shall comply with Title VI of the Civil Rights Act of 1964 (as amended) and not discriminate against any employee or applicant for employment because

of race, age, religion, sex, sexual orientation, color, or national origin, ancestry, disability, medical condition, or marital status. The Firm shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code Section 12900 et seq.) and the applicable regulations promulgated thereunder (Cal. Code of Regulations, Title 2, Section 7285.0 et seq.).

7.5 RIGHT TO WAIVE IRREGULARITIES

The STA reserves the right to waive irregularities in the proposal process.

7.6 PUBLIC RECORD

All proposals are deemed a public record subject to public disclosure upon request after the procurement process has concluded.

- - - - -