

AGENDA

Independent Taxpayer Oversight Committee

April 16, 2020 – 4:00 pm

Join the meeting virtually at:

<https://zoom.us/j/679221085>

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

1. Call to order
2. Review and approve minutes from the February 20, 2020 meeting
3. Draft of Proposed FY 2020-21 Budget
 - a. Economic impact on financial position
4. Budget to Actual Reports
 - a. July 1, 2019 through September 30, 2019 (Q1 FY 2020)
 - b. July 1, 2019 through December 31, 2019 (Q2 FY 2020)
5. Summary of Board discussion – Will Kempton
6. Comments from the public

Agenda Item #2

Meeting Minutes

To: ITOC Committee Members
From: Tim Jones, ITOC Staff
Re: February 20, 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 4:02 pm and adjourned at 5:21 pm

Agenda Item #2

- Reviewed and approved the December 19, 2019 meeting minutes

Agenda Item #3

- Discussed whether to hire Crowe LLP to complete the financial audit for the fiscal year ending June 30, 2020 – its third consecutive year which would be its last as per the Ordinance.
 - Approved hiring Crowe

Agenda Item #4

- Maria Lara with Streamline demonstrated an ADA compliant website platform for the ITOC's consideration. The firm will maintain ADA compliance on behalf of the ITOC and ITOC staff would populate the website with committee materials using a more user-friendly platform than its current website. Cost is a flat rate of \$150 per month.
 - Approved to proceed with month-to-month contract

Agenda Item #5

- Reviewed and approved December 31, 2019 capital status reports
 - Recommended adding a requirement to report how much other funding was secured by matching Measure A funds
 - Recommended posting reports to website as a standalone reporting item
 - Suggested reviewing reporting template used by Caltrans for Proposition 1B as a model for updating current STA reporting template

Agenda Item #6

- Will Kempton updated the committee on the progress of the proposed Measure A Ordinance and Expenditure Plan
 - Next steps – update draft expenditure plan as more input is received from the public and Board
 - Working toward a March 2020 Board approval date

Agenda Item #7

- No members of the public were present

Item not on the agenda

- Committee recommended including language in the new Ordinance for additional voting members to assist with the additional responsibilities that come with “safeguarding” two programs.

Sacramento Transportation Authority

Proposed Budget

Fiscal Year 2020-21

DRAFT

Letter of Transmittal

April 9, 2020

Chairman and Members of the Board:

We are pleased to submit the Fiscal Year 2020-21 (FY 2020-21) Proposed Budget for the Sacramento Transportation Authority (Authority). California Public Utilities Code Section 180105 instructs the Authority to adopt an annual budget. This budget was created in accordance with State Law, the Authority's policies, and the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Awards Program criteria. This budget is balanced in that revenues and fund balance are greater than expected appropriations.

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

To that end, the following goals have been established:

- Maximize program effectiveness through efficient and effective stewardship of all public resources;
- Collaborate with partner agencies to ensure the timing of their funding needs and the availability of funding resources are complimentary;
- Provide accurate and timely distribution of required financial reports;
- Effectively implement taxpayer safeguards identified in the Measure A Ordinance;
- Provide support to the Independent Taxpayer Oversight Committee (ITOC) in its mission to safeguard public resources by overseeing annual fiscal and periodic performance audits and;
- Engage the public and solicit its input on important Authority matters.

The budget process is structured to allow the Board, staff, ITOC, and the public adequate time for review and analysis of the budget's key components. The budget process begins in January after completion and approval of the prior year's audited Comprehensive Annual Financial Report (CAFR). The process continues in February and March as staff update the budget with revenue forecasts developed in conjunction with the Authority's consultant – Avenu Insights and Analytics. At the same time, staff work

with each Measure A agency to gather financial information for the Capital Improvement Program (CIP) and other ongoing transportation programs. In April, the Proposed Budget is presented to the Board in a public hearing for its consideration and comments. In May, the Final Budget is presented to the Board in a public hearing for adoption.

SACRAMENTO COUNTY AT A GLANCE

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

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

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

The County's population is currently about 1.54 million with an average annual growth rate of approximately 1 percent. The County's unemployment rate reached a historic low of 3.2% in 2019, while per capita personal income increased by 4.2% to \$52,544 in 2019. The region's employment base is diversified. Many state agencies are headquartered in the region, healthcare entities such as UC Davis Health Systems and Sutter California Health Services employ large pools of highly skilled workers, technology giants Apple and Intel employ call center and manufacturing personnel, and construction in the commercial, infill, and residential sectors has been robust.

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

Budget Overview

The Proposed Budget contains three years data - prior year actual amounts identified as "FY 2019 actual," current year amounts identified as "FY 2020 Estimate", and the budget year amount, reported as "FY 2021 Proposed". The FY 2020 Estimate is based on roughly 7 months of actual accounting data (modified accrual basis), while the remainder of the fiscal year is based on estimates

The Proposed Budget anticipates \$149.1 million in total revenue, which is an increase of about \$1.7 million (1.1%) over the prior year. This includes revenue from all funding sources. Appropriations for FY

2020-21 are expected to total \$144.8 million, an increase of about \$13.3 million (10.1%) compared to the prior year. In addition, other financing uses, reported as transfers out, are expected to be \$23.6 million in FY 2020-21 which is consistent with the amount in the prior year. The net impact on fund balance is an decrease of \$10.1 million (-24.6%).

Major factors impacting the budget are as follows:

- Sales tax revenue is forecast to increase by \$1.7 million (1.3%) to about \$133.5 million in budget year FY 2020-21 based on the Authority's February 2020 revenue forecast compared to budgeted sales tax revenue of \$131.8 million in FY 2019-20;
- Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP) revenue is expected to be \$6 million, a decrease of \$1 million (-14.3%);
- Interest revenue from the Authority's interest rate swap program is expected to decrease by \$500,000 (-11.1%) to roughly \$4 million as interest rates decrease;
- Sacramento Metropolitan Freeway Service Patrol (SacMetro FSP) revenue is expected to increase by \$1.4 million (50.6%) because of new funding provided by Senate Bill 1 – Road Repair and Accountability Act of 2017
- Capital Improvement Program (CIP) appropriations are expected to increase by \$11.9 million (52.9%) to \$34.4 million as many capital projects throughout the region are ready to move into the construction phase;
- Ongoing allocation appropriations are expected to increase \$1.3 million (1.3%) to \$105.3 million since ongoing allocations change at essentially the same rate as sales tax revenue

Consolidated Budget General Fund, SAVSA, and Debt Service - Revenue, Appropriations, and Fund Balance

| Description | FY 2019 Actual | FY 2020 Budget | FY 2020 Estimate | FY 2021 Proposed | Change from FY 2020 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Revenues | | | | | |
| Sales Tax | \$131,757,081 | \$131,773,144 | \$130,154,100 | \$133,513,377 | \$1,740,233 |
| SCTMFP Fees * | 6,684,037 | 7,000,000 | 7,109,583 | 6,000,000 | (1,000,000) |
| Interest and Other | 5,668,191 | 4,500,400 | 4,073,226 | 4,000,400 | (500,000) |
| FSP State Allocation/CVR-SAFE ** | 2,043,752 | 2,889,222 | 2,552,200 | 4,351,113 | 1,461,891 |
| SAVSA*** | 1,316,666 | 1,259,939 | 1,286,479 | 1,273,975 | 14,036 |
| Total Revenues | \$147,469,727 | \$147,422,705 | \$145,175,588 | \$149,138,865 | \$1,716,160 |
| Appropriations | | | | | |
| Administration | 772,413 | 899,328 | 1,056,494 | 581,544 | (317,784) |
| FSP | 1,986,738 | 2,918,749 | 2,402,047 | 3,247,315 | 328,566 |
| SAVSA | 1,316,666 | 1,260,335 | 1,325,632 | 1,274,375 | 14,040 |
| Contributions to Measure A Entities: | | | | | |
| Ongoing Allocations | 103,922,104 | 103,951,563 | 102,676,993 | 105,321,537 | 1,369,974 |
| Capital Improvement Program (CIP) | 10,705,881 | 22,488,454 | 18,251,439 | 34,375,296 | 11,886,842 |
| Total Appropriations | \$118,703,802 | \$131,518,429 | \$125,712,605 | \$144,800,067 | \$13,281,638 |
| Other Financing Sources (Uses) | | | | | |
| Transfers Out (to the Debt Service Fund) | (23,096,608) | (23,640,000) | (22,779,687) | (23,650,000) | (10,000) |
| Total Financing Sources (Uses) | (\$23,096,608) | (\$23,640,000) | (\$22,779,687) | (\$23,650,000) | (\$10,000) |
| Net Increase (decrease) in Fund Balance | 5,669,317 | (7,735,724) | (3,316,704) | (19,311,202) | (11,575,478) |
| Beginning Fund Balance | 47,852,856 | 48,741,598 | 53,522,173 | 50,205,470 | 1,463,872 |
| Ending Fund Balance | \$53,522,173 | \$41,005,874 | \$50,205,470 | \$30,894,268 | (\$10,111,606) |
| Fund Reserve**** | 1,100,000 | 2,000,000 | 2,000,000 | 2,000,000 | - |
| Ending Fund Balance Less Reserve | \$52,422,173 | \$39,005,874 | \$48,205,470 | \$28,894,268 | (\$10,111,606) |

* Sacramento Countywide Transportation Mitigation Fee Program

** SacMetro Freeway Service Patrol

*** Sacramento Abandoned Vehicle Service Authority

**** FY 2021 \$1.8 million for the General Fund and \$200,000 for administration

Budget Improvements for FY 2020-21

Fund balance reserves remain consistent with guidelines published by GFOA. GFOA recommends that 2-4 months revenue or expenditures, whichever is more stable, be set aside for economic uncertainties and any other unforeseeable changes in revenue or expenditures impacting fund balance. The more stable basis in the Authority's case is revenue. For FY 2020-21, the CIP and administration reserve fund balances are budgeted at \$1.8 million and \$200,000 respectively. Other improvements include the following:

- **EXPENDITURES** – added expenditures by fiscal year to the long-term revenue forecast table;
- **STATISTICAL SECTION** – added statistical subsection to the Letter of Transmittal;
- **BUDGET TABLES** - reformatted so that financial information is easy for the user to read and understand;
- **TABLES AND GRAPHS** – added tables and graphs showing trends and metrics

Strategic Planning Goals and Strategies

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

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

Goal 1: Financial Stability

The goal is to ensure adequate fiscal resources are available to fulfill the Authority’s mission. The Authority has a fiduciary responsibility to regularly monitor current and projected revenues and expenditures to ensure an appropriate amount of funding is available when needed. The Authority’s three funding sources for its Measure A program are local sales tax, mitigation fee revenue, and bonded debt. The table below summarizes five years’ data for the Authority’s funding sources, debt metrics, and cash.

Key Performance Indicators

| | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| | Actual | Actual | Actual | Estimate | Proposed |
| Sales Tax Revenue | \$116,877,996 | \$119,187,748 | \$131,757,081 | \$130,154,100 | \$133,513,377 |
| Mitigation Fee Revenue | 7,848,175 | 7,621,753 | 6,684,037 | 7,109,583 | 6,000,000 |
| Bonded Debt Outstanding | 368,205,000 | 364,615,000 | 360,875,000 | 356,985,000 | 352,935,000 |
| Debt Service Coverage Ratio | 5.68x | 5.36x | 5.51x | 5.70x | 5.61x |
| Bond Rating (S & P) | AA+ | AA+ | AA+ | AA+ | AA+ |
| Fiscal-Year-End GF Fund Balance | \$47,650,413 | \$47,691,937 | \$53,354,683 | \$50,076,695 | \$30,765,493 |

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

1. Perform sales tax revenue forecasts at least twice annually
 - a. Engage a revenue forecasting consultant to assist Authority staff in developing revenue projections through the end of the program in FY 2038-39
2. Monitor mitigation fee revenue received from each jurisdiction
 - a. Semiannually review actual mitigation fee revenue receipts to develop an understanding of the trends in local construction activity and engage program partners collecting the fee to determine future fee revenue expectations
3. Perform cash flow analyses for the capital program based on single-year and multi-year funding contracts

- a. Review cash flows and available fund balance twice annually to ensure adequate program funding
4. Provide updated financial information to bond rating agencies
 - a. To maintain the Authority's credit rating, proactively provide financial and local economic information to each bond rating agency;
 - b. Periodically meet in person with the Authority's bond program credit rating agencies to provide updated financial and other economic information for the region and Authority
5. Provide financial reporting package to financial institutions on a quarterly basis
 - a. Within 60-days after the end of each fiscal quarter and upon completion of the audited financial statements, provide required financial reporting information to each financial institution underwriting the Authority's bond program

Goal 2: Operational Efficiency

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

Key Performance Indicators

| | FY 2016-17 Actual | FY 2017-18 Actual | FY 2018-19 Actual | FY 2019-20 Estimate | FY 2020-21 Proposed |
|---|----------------------|----------------------|----------------------|------------------------|------------------------|
| Sales tax allocation for administration | \$1,022,402 | \$1,033,547 | \$970,464 | \$958,554 | \$983,436 |
| Other | | | | | |
| Beginning Fund Balance | (195,546) | 3,224 | 664,030 | 862,081 | 764,141 |
| Total Revenues and Fund Balance | \$826,856 | \$1,036,771 | \$1,634,494 | \$1,820,635 | \$1,747,578 |
| Expenditures: | | | | | |
| Salaries and Benefits | 509,998 | 340,579 | 444,551 | 455,242 | 462,324 |
| Overhead | 83,593 | 53,553 | 45,336 | 41,063 | 50,970 |
| Professional Services | 230,041 | 99,506 | 282,526 | 560,189 | 68,250 |
| Total Expenditures | \$823,632 | \$493,639 | \$772,412 | \$1,056,494 | \$581,544 |
| Ending Fund Balance | \$3,224 | \$664,030 | \$862,081 | \$764,141 | \$1,166,033 |

Generally, sales tax allocations combined with non-recurring revenues exceed expenditures leaving a fund balance to carry into the following year. However, there is one exception which occurred in FY 2015-16. In this case, a contract for professional services related to outreach and education for a ballot measure in November 2016 resulted in expenditures exceeding revenues and the beginning fund balance, creating a deficit in the administration fund. The effect of this issue carried over as a deficit

beginning fund balance in FY 2016-17. Since that time, the Authority has proactively reduced total annual administrative expenditures, providing an appropriate ending fund balance again since FY 2017-18. Two of the five years in the table include non-recurring revenues – FY 2016-17 reimbursements from local jurisdictions for outreach and education expenditures in FY 2015-16 and a legal settlement related to hedging derivatives in FY 2017-18. The Authority does not rely on non-recurring revenue to fund program administration. To maximize operational efficiency, staff implemented strategic objectives to ensure that every appropriated dollar is justified.

1. Prepare multi-year cash-flow analyses
 - a. As part of the budget cycle and mid-year, staff prepare cash-flow analyses to ensure a reasonable fund balance is maintained considering the expected expenditures
2. Established a fund balance reserve
 - a. Beginning in FY 2018-19 a fund balance reserve of \$100,000 was established. In FY 2019-20, the reserve was increased to \$200,000 which is consistent with GFOA guidelines – in this case roughly two month’s revenues. The FY 2020-21 budget includes the same reserve amount
3. As contracts for services expire, bid out the services through the competitive bid process.
 - a. A contract for sales tax audit services performed by a consultant expired early in FY 2020-21. The services had been provided at a cost of \$.30 for every dollar recovered. However, costs for the same services under a new multi-year contract are \$.15 for every dollar collected. The estimated savings for FY 2020-21 is about \$30,000;
 - b. Returned leased copier and eliminated monthly copier service contract. Purchased new equipment outright and only request maintenance services on an as-needed basis. Annual savings estimated to be \$2,500;
 - c. Developed a methodology to allocate administration costs to the SAVSA and SacMetro FSP programs using an annually updated formula

Goal 3: Outreach and Education

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

1. Promote an awareness of regularly scheduled Independent Taxpayer Oversight Committee (ITOC) public meetings.
 - a. Developed a website dedicated to the ITOC. Established a meeting calendar. Post all meeting materials and committee product to the website;
 - b. Invite ITOC to regularly update the Board in its efforts to carry out its responsibilities as identified in the Measure A Ordinance
2. Promote attendance to Board meetings
 - a. Invite local advocate groups to participate in Board meetings
3. Enlist awareness at the local agency level

- a. Encourage local jurisdictions participating in the Measure A program to post approved signage on vehicles and projects
- 4. Initiate performance audit
 - a. Provide funding and staff support for the ITOC to conduct the first of a series of performance audits performed under contract by an independent audit firm

Goal 4: Transportation Project Planning and Prioritization

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

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

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

Challenges

The Authority receives funding for its program primarily from two sources – local sales tax and development fees. Given the recent outbreak of COVID-19 and its global impact – in health and financial terms – the Authority is expecting, at a minimum, a near-term decrease in revenue from both sources. Although we do not currently know the extent of the impact financially, the Authority will continue to monitor events impacting the economy locally and respond accordingly. In August 2020, the Authority will engage its consultant – Avenu Insights and Analytics - to provide updated sales tax revenue forecasts. In the event there is a material change in comparison to the budgeted revenue amounts, staff will develop an amended budget for the Board to consider. Additionally, staff will work with partner agencies to determine how best to address any anticipated shortfalls.

The Measure A Capital Improvement Program (CIP) is currently financed through pay-as-you-go (pay-go) and Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP) funding since remaining proceeds from bonds issued early in the program were expended in FY 2017-18. Based on a 2019 analysis, it was estimated that the Authority could afford roughly \$65-70 million in additional debt however, pay-go and SCTMFP cash is projected to be enough to pay for anticipated claims for at least 2-3 fiscal years, including the budget year. The cash accumulation is the result of many project delays including construction bids coming in higher than engineers' estimates – delaying project starts and the related spending. This presents a challenge because the opportunity to issue additional bonds diminishes as time passes since any new debt needs to be repaid by FY 2027-28. At that time nearly all the projected funding set aside for the debt program will be consumed by principal payments on the Authority's existing debt. Because of the delayed spending and debt program constraints, demand for funding and available cash will likely not align, creating future challenges.

The Measure A Ordinance limits to 0.75% of the net sales tax revenue, the amount that can be used to fund administration. Since sales tax revenue fluctuates but salaries, benefits, and other costs such as the California Public Employee Retirement System (CalPERS) unfunded liability continue to rise, the current staffing level of 3 full-time equivalent (FTE) positions is not likely to increase in the near term. At the same time, staff workload continues to increase as the Authority implements new programs such as the Neighborhood Shuttle in July 2018 and the Consumnes River Permanent Open Space Preserve program in fall 2019.

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

Capital Improvement Program (CIP)

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

of Supervisors and a majority of city councils constituting a majority of the incorporated population. This effort began during FY 2019-20 and is expected to be completed in spring 2021.

The Authority does not construct, operate, or own the related capital assets for any of the projects in the Expenditure Plan. The Authority exists, in part, to administer pass-through funding for the CIP. As such, there is no impact on the Authority's operating costs resulting from activity associated with the projects in the Expenditure Plan.

There are 15 projects programmed to receive Measure A funding during FY 2020-21 through interagency funding agreements. All CIP projects are multi-year or long-term in nature, therefore many projects span multiple funding agreement cycles. Since availability of funding is a primary driver for the construction cycle, some projects may stall while enough funding is identified. Therefore, it is not uncommon to reallocate funding from one project to another based on the availability of other funding sources. Since Measure A funding is normally the local matching component for other funding sources, the Authority and the agencies building the projects work together throughout the project lifecycle to ensure funding is available when and where needed. Since most projects receive funding from multiple sources, a project's allocation of Measure A funding may be exhausted before completion of the project depending on agency priorities and the availability of matching funding. Projects in the budget include the following:

Sacramento County

- **FOLSOM BOULEVARD/COMPLETE STREETS** – This project will improve safety and connectivity along Folsom Boulevard between Bradshaw Road and Mayhew Road. FY 2020-21 funding \$2,000,000.
- **GREENBACK LANE/COMPLETE STREETS** – This project, which is on Greenback Lane between Chestnut Avenue and Folsom City Limits, will improve safety and connectivity. FY 2020-21 funding \$500,000.
- **HAZEL AVENUE/U.S. 50 TO FOLSOM BOULEVARD** – This project will construct capacity, safety, and access improvements at the U.S. 50/Hazel Avenue interchange and the Hazel Avenue/Folsom Boulevard intersection. FY 2020-21 funding \$2,500,000.
- **HAZEL AVENUE/U.S. 50 TO MADISON** - This is the 3rd phase of the Hazel Avenue project that will widen Hazel Avenue from four to six lanes from Sunset Avenue to Madison Avenue. FY 2020-21 funding \$5,000,000.

- **MADISON AVENUE/PHASE 1** – This project will widen Madison Avenue from 4 to 6 lanes with raised medians between Fair Oaks Boulevard and Hazel Avenue in the Citrus Heights and Fair Oaks areas. FY 2020-21 funding \$1,500,000.
- **SUNRISE BOULEVARD/JACKSON TO GRANT LINE** – This project will widen the existing intersection at Jackson Road and Sunrise Boulevard. FY 2020-21 funding \$500,000.
- **WATT AVENUE/ANTELOPE TO CAPITAL CITY FREEWAY** – This project will provide safety and connectivity improvements on Watt Avenue north of I-80 from Orange Grove Avenue to Roseville Road. FY 2020-21 funding \$500,000.
- **SOUTH WATT/ELK GROVE-FLORIN ROAD** – This project will widen South Watt Avenue from two to four lanes between Florin Road and Jackson Road. FY 2020-21 funding \$2,000,000.

City of Sacramento

- **RICHARDS BOULEVARD/I-5 INTERCHANGE** – This project will provide long-term operational and circulation improvements to address future impacts resulting from high density development in the Central City. FY 2020-21 funding \$800,000.
- **INTERMODAL STATION/PHASE III** – This project is currently in the planning phase for the expansion of the existing station facility which will better connect transportation services closer to the relocated train track and platform alignment. The timeline for full build-out is currently 2040 and is planned to be implemented in distinct phases. FY 2020-21 funding \$2,200,000.

City of Rancho Cordova

- **Folsom Boulevard enhancements** – This multi-phase project will provide improved aesthetics and safety along Folsom Boulevard between Horn Road and Tiffany West Way, Horn Road and Bradshaw Road, and between Kilgore Road and Sunrise Boulevard. FY 2020-21 funding \$1,650,982.

City of Citrus Heights

- **Sunrise Boulevard/Sayonara to North City Limits** – This project will result in full pedestrian connectivity along the Sunrise Boulevard corridor, focusing on multiple segments between Sayonara Drive and the North City Limits. FY 2020-21 funding \$600,000

Caltrans

- **U.S. 50 HIGH OCCUPANCY VEHICLES (HOV)/I-5 TO WATT AVENUE** – This project is designed to reduce recurring congestion on U.S. 50 from the Watt Avenue Interchange (where the current HOV lanes start and stop on U.S. 50) to the I-5 Interchange in downtown Sacramento. FY 2020-21 funding \$1,250,000.
- **I-5 HOV** – This project, in its first phase, will construct approximately 19 miles of bus/carpool lanes on I-5 from Bach Lake Bridge to U.S. 50. Phase two will construct 6 miles of bus/carpool lanes from 1.1 mile south of Elk Grove Boulevard to Beach Lake Bridge. FY 2020-21 funding \$7,000,000.

Capital SouthEast Connector

- This project consists of a 34-mile-long expressway that will serve as a beltway through the southern area of Sacramento County into El Dorado County, enabling travelers to bypass downtown Sacramento and Highway 50 congestion between Elk Grove, Rancho Cordova, Folsom and El Dorado Hills. FY 2020-21 funding \$6,374,314.

Long-Term Financial Planning

Sales tax revenue forecasts are the starting point for short and long-term financial planning. Annually, Authority staff work with a revenue forecasting consultant – Avenu Insight and Analytics - to provide updated revenue projections for each remaining fiscal year of the Measure A sales tax program – through FY 2038-39. This information is used to provide overall program revenues based on audited revenue amounts for past years and forecasts for the remaining years as a comparison to the revenue forecasts included in the Expenditure Plan approved by voters in 2004. A portion of this revenue is pledged to service the Authority's debt program and to determine the Authority's debt coverage ratios which are important to investors and financial institutions underwriting its debt. In addition, this effort allows the Authority to determine if forecasted revenue supports the issuance of additional debt, as necessary.

To illustrate the Authority's ability to continue funding its commitments for the remainder of the program, staff prepare a summary of funding sources and uses including legally required ongoing allocations, capital project costs, and debt service costs. The table below summarizes each expenditure type by fiscal year based on actual data through FY 2018-19, an estimate for FY 2019-20 based on 7 months of actual data and estimates for the remainder of the fiscal year and projections for future years.

Total funding sources for Measure A are cumulatively forecast to be \$4.97 billion consisting of local sales tax revenue of \$4.39 billion, development fees of \$193 million, and the issuance of bonded debt in the

amount of \$383 million – including premium. In the voter approved Expenditure Plan, total funding sources were expected to be \$5.19 billion, leaving an estimated shortfall of \$220 million over the life of the program. The voter approved Expenditure Plan assumed \$488 million in development fees of which only \$193 million are expected using the most recent projections – which accounts for nearly all of the shortfall. Even with the funding shortfall, the expected funding sources are about 97% of the amount originally forecast in the Expenditure Plan.

Total uses of funds are forecast to be \$4.97 billion consisting of ongoing allocations of \$3.48 billion, capital improvement programs costs of \$751 million, and debt service costs of \$736 million. Because of the anticipated funding shortfall and significant capital project funding early in the program – in particular prior to FY 2010 – some projects not slated for construction until later in the program will likely be negatively impacted.

DRAFT

Measure A Program Revenue and Appropriation Summary (in 000's)

| Fiscal Year | Sales Tax Revenue | SCTMFP | Bonds Issued | Total Sources | Ongoing Allocations* | CIP ** | Debt Service Net*** | Total Uses |
|--------------------|--------------------------|------------------|---------------------|----------------------|-----------------------------|------------------|----------------------------|--------------------|
| 2010 | \$81,414 | \$3,074 | \$318,300 | \$402,788 | \$64,521 | \$209,223 | \$11,426 | \$285,170 |
| 2011 | 87,299 | 2,334 | - | 89,633 | 69,184 | 49,025 | 16,182 | 134,391 |
| 2012 | 92,240 | 2,957 | - | 95,197 | 73,100 | 35,957 | 14,836 | 123,893 |
| 2013 | 97,390 | 3,176 | 64,681 | 165,248 | 77,182 | 16,917 | 15,687 | 109,785 |
| 2014 | 100,063 | 3,541 | - | 103,604 | 79,300 | 17,124 | 16,231 | 112,655 |
| 2015 | 105,564 | 4,624 | - | 110,188 | 83,659 | 20,233 | 15,797 | 119,689 |
| 2016 | 110,708 | 4,364 | - | 115,072 | 87,736 | 26,206 | 17,218 | 131,159 |
| 2017 | 116,878 | 7,848 | - | 124,726 | 92,626 | 16,697 | 18,999 | 128,322 |
| 2018 | 119,188 | 7,622 | - | 126,810 | 94,456 | 13,250 | 19,491 | 127,197 |
| 2019 | 131,757 | 6,684 | - | 138,441 | 104,417 | 10,706 | 17,403 | 132,526 |
| 2020 | 130,154 | 7,110 | - | 137,264 | 103,147 | 18,251 | 18,280 | 139,678 |
| 2021 | 133,513 | 6,000 | - | 139,513 | 105,809 | 34,375 | 19,650 | 159,835 |
| 2022 | 136,959 | 6,132 | - | 143,091 | 108,540 | 19,000 | 19,476 | 147,016 |
| 2023 | 140,494 | 6,267 | - | 146,761 | 111,342 | 18,000 | 19,479 | 148,820 |
| 2024 | 144,120 | 6,405 | - | 150,525 | 114,215 | 17,000 | 19,483 | 150,698 |
| 2025 | 147,840 | 6,546 | - | 154,386 | 117,163 | 16,500 | 19,480 | 153,143 |
| 2026 | 151,656 | 6,690 | - | 158,346 | 120,187 | 16,500 | 19,477 | 156,165 |
| 2027 | 155,570 | 6,837 | - | 162,407 | 123,289 | 16,500 | 19,477 | 159,266 |
| 2028 | 159,585 | 6,987 | - | 166,573 | 126,471 | 16,000 | 19,481 | 161,952 |
| 2029 | 163,704 | 7,141 | - | 170,845 | 129,736 | 16,000 | 35,438 | 181,174 |
| 2030 | 167,930 | 7,298 | - | 175,228 | 133,084 | 15,000 | 36,539 | 184,624 |
| 2031 | 172,264 | 7,459 | - | 179,722 | 136,519 | 15,000 | 36,474 | 187,993 |
| 2032 | 176,710 | 7,623 | - | 184,333 | 140,043 | 15,000 | 36,466 | 191,509 |
| 2033 | 181,271 | 7,790 | - | 189,061 | 143,657 | 15,000 | 36,407 | 195,064 |
| 2034 | 185,949 | 7,962 | - | 193,911 | 147,365 | 15,000 | 36,401 | 198,766 |
| 2035 | 190,749 | 8,137 | - | 198,886 | 151,168 | 15,000 | 36,343 | 202,512 |
| 2036 | 195,672 | 8,316 | - | 203,988 | 155,070 | 15,000 | 36,333 | 206,403 |
| 2037 | 200,722 | 8,499 | - | 209,221 | 159,072 | 15,000 | 36,266 | 210,338 |
| 2038 | 205,903 | 8,686 | - | 214,589 | 163,178 | 15,000 | 36,241 | 214,420 |
| 2039 | 211,217 | 8,877 | - | 220,094 | 167,390 | 13,356 | 36,141 | 216,887 |
| Total | \$4,394,486 | \$192,985 | \$382,981 | \$4,970,451 | \$3,482,630 | \$751,820 | \$736,601 | \$4,971,051 |

* Ongoing allocations as required under the Measure A Ordinance

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

*** Net of interest rate swap revenue

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

- Sales tax revenue projections provided by Avenu Insights and Analytics in February 2020
 - The Authority will engage its contractor to update these projections in August 2020 and will amend the budget if there are any material changes in the expected revenue
- SCTMFP fees projections are developed by staff internally. As seen in the table, this source of revenue is highly volatile making it difficult to project. Staff use a modest growth rate of 2.2% beginning with the baseline year – FY 2021-22
- Bonds issued in FY 2013 include a “premium” of over \$11 million – this happens when the face value of the bonds sold is higher than market rates
- Ongoing allocations are required per the Measure A Ordinance and calculated by multiplying the sales tax revenue by 79.25% - which is the sum of the allocations identified in the Expenditure Plan
 - The remaining sales tax revenue is dedicated to the CIP
- Capital improvement program allocations are the actual amounts through FY 2018-19, estimated for FY 2019-20, and forecast for the remaining years
 - Much of the CIP funding (44.5%) was spent in the first five years of the program period
- Debt service costs are the actual amounts through FY 2018-19 and for the remaining years based on a debt service table developed by the Authority’s financial consultant – PFM Financial Advisors

This table will annually undergo a comprehensive update.

Factors Affecting Financial Condition

Over the past year, the Authority has undertaken an effort to promote another one-half cent retail sales tax for transportation over 40-years (2021-2061) that if approved by local jurisdictions and the Authority will likely be taken to voters in the November 2020 elections. This Measure, if approved, is estimated to provide over \$8.3 billion to fund road repair and maintenance, transit and transportation construction and operations costs. Given the current likelihood that unemployment will increase in the near future, this Measure could provide significant funding early in the program to promote construction activity and operations costs, including payroll, throughout the region.

The table below represents some of the fundamentals driving Sacramento County’s financial condition during the past 11 years. Unemployment reached a historic low of 3.2% in 2019 at the same time the County’s population increased by 16,673 (1.1%) and per capita personal income increased by 4.2%. However, since that time COVID-19 has crippled the global economy and created dire uncertainty in the health, employment, and financial sectors. As a result, the local economy will certainly be negatively impacted – but the extent is unknown at this time.

To partially address the uncertainty, the Authority will be taking extraordinary measures to ensure the financial information in this budget is updated if any material changes are expected to occur. At a minimum, staff will update sales tax revenue projections in the August/September timeframe to determine if and how changes in those projections impact the budget and take appropriate measures to communicate the changes to those impacted. Additionally, Staff plan to regularly communicate with the Authority's financial team to ensure that prudent measures are taken, as necessary, to ensure the preservation of principal in all cash accounts and to adjust or post disclosures related to the bond program as warranted.

During the crisis, operations at the Authority have continued as normal, much of it remotely. The transition to operating remotely was generally seamless in part, because the agency shifted to a mostly electronic environment over the last several years. This was accomplished by moving nearly all documents and software to a cloud-based platform administered by Microsoft. In doing so, not only could staff easily work from a remote site, but information security was significantly improved.

The table below captures fundamental economic data for Sacramento County for the last 11 years.

Factors Affecting Financial Condition

| Year | Unemployment Rate | Per Capita Personal Income | Change in Percent | Population Growth | Change in Percent |
|------|-------------------|----------------------------|-------------------|-------------------|-------------------|
| 2009 | 7.2% | \$39,280 | | 1,394,438 | |
| 2010 | 11.0% | 38,213 | -2.7% | 1,408,601 | 1.0% |
| 2011 | 12.6% | 38,443 | 0.6% | 1,422,018 | 1.0% |
| 2012 | 12.1% | 40,068 | 4.2% | 1,435,002 | 0.9% |
| 2013 | 10.5% | 41,303 | 3.1% | 1,447,236 | 0.9% |
| 2014 | 8.9% | 42,229 | 2.2% | 1,460,023 | 0.9% |
| 2015 | 7.3% | 44,303 | 4.9% | 1,478,137 | 1.2% |
| 2016 | 6.0% | 46,845 | 5.7% | 1,496,644 | 1.3% |
| 2017 | 5.4% | 48,965 | 4.5% | 1,514,460 | 1.2% |
| 2018 | 4.1% | 50,445 | 3.0% | 1,529,501 | 1.0% |
| 2019 | 3.2% | 52,544 | 4.2% | 1,546,174 | 1.1% |

Source: Bureau of Labor Statistics and California Department of Finance

Sales tax collected in the County is the Authority's largest revenue source. Sales tax revenue for FY 2019-20 was budgeted to come in at \$131.8 million, but the actual estimated amount is expected to be \$130.1 million, (-1.2%) less than planned. Revenue projections developed in February 2020 expect FY 2020-21 sales tax revenues to be \$133.5 million (2.6%) higher than budgeted in FY 2019-20. However,

both FY 2019-20 and FY 2020-21 revenues will certainly be less than expected, but the amount is unknown at this time.

On a more positive note, a portion of the current growth is net migration from surrounding counties with a higher cost of living. Sacramento County borders eight neighboring counties where home prices are, on average, much higher. In January 2020, the median home price in the County was about \$395,000 while eight neighboring, more expensive, counties varied from \$452,000 in Solano County to over \$1.4 million in the Bay area. The remaining growth is primarily attributable to people moving into the County for employment reasons. Population growth directly supports increases in taxable retail sales and associated revenues. Additionally, per capita income has grown steadily since 2011 with an increase of 4.2% in 2019 to \$52,544, which is consistent with state and national trends.

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

Sincerely,

Will Kempton
Executive Director

A handwritten signature in blue ink that reads "Timothy Jones". The signature is written in a cursive style.

Timothy Jones, CPA, CPFO
Chief Financial Officer

General Fund Budget - Revenue, Appropriations, and Fund Balance

| Description | FY 2019 Actual | FY 2020 Budget | FY 2020 Estimate | FY 2021 Proposed | Change from FY 2020 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Revenues | | | | | |
| Sales Tax | \$131,757,081 | \$131,773,144 | \$130,154,100 | \$133,513,377 | \$1,740,233 |
| SCTMFP Fees * | 6,684,037 | 7,000,000 | 7,109,583 | 6,000,000 | (1,000,000) |
| Interest and Other | 5,661,620 | 4,500,000 | 4,072,788 | 4,000,000 | (500,000) |
| FSP State Allocation/CVR-SAFE ** | 2,043,752 | 2,889,222 | 2,552,200 | 4,351,113 | 1,461,891 |
| Total Revenues | \$146,146,491 | \$146,162,366 | \$143,888,671 | \$147,864,490 | \$1,702,124 |
| Appropriations | | | | | |
| Administration | 772,413 | 899,328 | 1,056,494 | 581,544 | (317,784) |
| FSP | 1,986,738 | 2,918,749 | 2,402,047 | 3,247,315 | 328,566 |
| Contributions to Measure A Entities: | | | | | |
| Ongoing Allocations | 103,922,104 | 103,951,563 | 102,676,993 | 105,321,537 | 1,369,974 |
| Capital Improvement Program (CIP) | 10,705,881 | 22,488,454 | 18,251,439 | 34,375,296 | 11,886,842 |
| Total Appropriations | \$117,387,136 | \$130,258,094 | \$124,386,973 | \$143,525,692 | \$13,267,598 |
| Other Financing Sources (Uses) | | | | | |
| Transfers Out (to the Debt Service Fund) | (23,096,608) | (23,640,000) | (22,779,687) | (23,650,000) | (10,000) |
| Total Financing Sources (Uses) | (\$23,096,608) | (\$23,640,000) | (\$22,779,687) | (\$23,650,000) | (\$10,000) |
| Net Increase (decrease) in Fund Balance | 5,662,746 | (7,735,728) | (3,277,989) | (19,311,202) | (11,575,474) |
| Beginning Fund Balance | 47,691,937 | 48,655,679 | 53,354,683 | 50,076,695 | 1,421,016 |
| Ending Fund Balance | \$53,354,683 | \$40,919,951 | \$50,076,695 | \$30,765,493 | (\$10,154,458) |
| Fund Reserve*** | 1,100,000 | 2,000,000 | 2,000,000 | 2,000,000 | - |
| Ending Fund Balance Less Reserve | \$52,254,683 | \$38,919,951 | \$48,076,695 | \$28,765,493 | (\$10,154,458) |

* Sacramento Countywide Transportation Mitigation Fee Program

** SacMetro Freeway Service Patrol

*** Includes \$1.8 million for the General Fund and \$200,000 for administration

**Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP)
Revenue, Appropriations, and Fund Balance**

| Description | FY 2019 Actual | FY 2020 Budget | FY 2020 Estimate | FY 2021 Proposed | Change from FY 2020 |
|---|---------------------|---------------------|---------------------|---------------------|------------------------|
| Revenue | | | | | |
| Fees | \$6,684,037 | \$7,000,000 | \$7,109,583 | \$6,000,000 | (\$1,000,000) |
| Interest | 665,387 | 250,000 | 250,000 | 250,000 | - |
| Total Revenues | \$7,349,424 | \$7,250,000 | \$7,359,583 | \$6,250,000 | (\$1,000,000) |
| Appropriations | | | | | |
| Caltrans | 1,193,987 | 3,000,000 | \$1,230,698 | 1,250,000 | (1,750,000) |
| Capital SouthEast Connector | 4,659,492 | 3,600,000 | 3,944,567 | 6,374,314 | 2,774,314 |
| Rancho Cordova | 1,322,520 | 2,460,000 | 1,451,174 | 1,650,982 | (809,018) |
| Sacramento City | 716,073 | 1,863,454 | 200,000 | 800,000 | (1,063,454) |
| Sacramento County | 1,689,048 | 2,400,000 | 3,475,000 | - | (2,400,000) |
| Total Appropriations | 9,581,120 | 13,323,454 | 10,301,439 | 10,075,296 | (3,248,158) |
| Net Increase (decrease) in Fund Balance | (2,231,696) | (6,073,454) | (2,941,856) | (3,825,296) | 2,248,158 |
| Beginning Fund Balance | 23,315,012 | 21,412,116 | 21,083,316 | 18,141,460 | (3,270,656) |
| Ending Fund Balance | \$21,083,316 | \$15,338,662 | \$18,141,460 | \$14,316,165 | (\$1,022,497) |

Administration Budget - Revenue, Appropriations, and Fund Balance

| Description | FY 2019 Actual | FY 2020 Budget | FY 2020 Estimate | FY 2021 Proposed | Change from FY 2020 |
|---|-------------------|-------------------|---------------------|---------------------|------------------------|
| Revenue | | | | | |
| Sales Tax* | \$970,401 | \$970,520 | \$958,504 | \$983,436 | \$12,916 |
| Interest and Other | 63 | 50 | 50 | 50 | 0 |
| Total Revenues | \$970,464 | \$970,570 | \$958,554 | \$983,486 | \$12,916 |
| Appropriations | | | | | |
| Salaries and Benefits | 444,551 | 484,327 | 455,242 | 462,324 | (22,003) |
| Rent | 23,855 | 24,635 | 24,635 | 30,820 | 6,185 |
| Conferences and Travel | 7,594 | 6,950 | 1,368 | 2,600 | (4,350) |
| Insurance | 3,738 | 7,066 | 7,022 | 7,150 | 84 |
| Professional Services | 250,748 | 263,450 | 459,216 | 32,500 | (230,950) |
| ITOC | 31,778 | 101,850 | 100,973 | 35,750 | (66,100) |
| Other Operating Expenditures | 10,149 | 11,050 | 8,039 | 10,400 | (650) |
| Total Appropriations | \$772,413 | \$899,328 | \$1,056,494 | \$581,544 | (\$317,784) |
| Net Increase (decrease) in Fund Balance | 198,050 | 71,242 | (97,940) | 401,942 | 330,700 |
| Beginning Fund Balance | 664,031 | 837,864 | 862,081 | 764,141 | (73,723) |
| Ending Fund Balance | \$862,081 | \$909,106 | \$764,141 | \$1,166,083 | \$256,977 |
| Fund Reserve | 100,000 | 200,000 | 200,000 | 200,000 | - |
| Ending Fund Balance Less Reserve | \$762,081 | \$709,106 | \$564,141 | \$966,083 | \$256,977 |

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

SAVSA Budget - Revenue, Appropriations, and Fund Balance

| Description | FY 2019 Actual | FY 2020 Budget | FY 2020 Estimate | FY 2021 Proposed | Change from FY 2020 |
|---|--------------------|--------------------|---------------------|---------------------|------------------------|
| Revenue | | | | | |
| Vehicle License Fees | \$1,316,666 | \$1,259,939 | \$1,286,479 | \$1,273,975 | \$14,036 |
| Interest | 6,571 | 400 | 438 | 400 | - |
| Total Revenues | \$1,323,237 | \$1,260,339 | \$1,286,917 | \$1,274,375 | \$14,036 |
| Appropriations | | | | | |
| Abandoned Vehicle Abatement | 1,294,962 | 1,237,439 | 1,303,875 | 1,252,334 | 14,895 |
| Salaries and Benefits/Overhead | 21,704 | 22,896 | 21,757 | 22,041 | (855) |
| Total Appropriations | \$1,316,666 | \$1,260,335 | \$1,325,632 | \$1,274,375 | \$14,040 |
| Net Increase (decrease) in Fund Balance | 6,571 | 4 | (38,715) | - | (4) |
| Beginning Fund Balance | 160,919 | 85,919 | 167,490 | 128,775 | 42,856 |
| Ending Fund Balance | \$167,490 | \$85,923 | \$128,775 | \$128,775 | \$42,852 |

SacMetro FSP Budget - Revenue, Appropriations, and Fund Balance

| Description | FY 2019 Actual | FY 2020 Budget | FY 2020 Estimate | FY 2021 Proposed | Change from FY 2020 |
|---|--------------------|--------------------|---------------------|---------------------|------------------------|
| Revenue | | | | | |
| State Allocation | \$1,295,752 | \$2,201,222 | 1,804,200 | 3,603,113 | \$1,401,891 |
| CVR-SAFE (local match) | 748,000 | 688,000 | 748,000 | 748,000 | 60,000 |
| Total Revenues | \$2,043,752 | \$2,889,222 | \$2,552,200 | \$4,351,113 | \$1,461,891 |
| Appropriations | | | | | |
| Salaries and Benefits | 129,425 | 141,176 | 140,375 | 150,763 | 9,587 |
| Overhead | 28,870 | 45,046 | 49,991 | 58,846 | 13,800 |
| Conferences and Travel | 1,533 | 1,650 | 919 | 1,825 | 175 |
| Communications | 49,543 | 50,210 | 87,217 | 58,818 | 8,608 |
| Professional Services | 87,933 | - | - | - | - |
| Other Operating Expenditures | 4,817 | 4,350 | 5,888 | 3,400 | (950) |
| Contractors | 1,684,618 | 2,676,317 | 2,117,658 | 2,973,663 | 297,346 |
| Total Appropriations | \$1,986,738 | \$2,918,749 | \$2,402,047 | \$3,247,315 | \$328,566 |
| Net Increase (decrease) in Fund Balance | 57,014 | (29,527) | 150,153 | 1,103,798 | 1,133,325 |
| Beginning Fund Balance | 331,181 | 47,739 | 388,195 | 538,348 | 490,609 |
| Ending Fund Balance | \$388,195 | \$18,212 | \$538,348 | \$1,642,145 | \$1,623,933 |

Debt Service - Revenue, Appropriations, Other Financing Sources, and Fund Balance

| Description | FY 2019 Actual | FY 2020 Budget | FY 2020 Estimate | FY 2021 Proposed | Change from FY 2020 |
|---|---------------------|---------------------|---------------------|---------------------|------------------------|
| Revenue | | | | | |
| Interest | \$84,589 | \$80,000 | \$80,235 | \$80,000 | \$0 |
| Total Revenues | \$84,589 | \$80,000 | \$80,235 | \$80,000 | \$0 |
| Appropriations | | | | | |
| Principal | 3,740,000 | 3,890,000 | 3,890,000 | 4,050,000 | 160,000 |
| Interest | 19,444,323 | 19,750,000 | 19,901,781 | 19,750,000 | - |
| Total Appropriations | \$23,184,323 | \$23,640,000 | \$23,791,781 | \$23,800,000 | \$160,000 |
| Other Financing Sources (Uses) | | | | | |
| Transfers In | 23,096,608 | 23,640,000 | 22,779,687 | 23,650,000 | 10,000 |
| Total Financing Sources (Uses) | \$23,096,608 | \$23,640,000 | \$22,779,687 | \$23,650,000 | \$10,000 |
| Net Increase (decrease) in Fund Balance | (3,126) | 80,000 | (931,860) | (70,000) | (150,000) |
| Beginning Fund Balance | 6,923,116 | 6,919,990 | 6,919,990 | 5,988,130 | (931,860) |
| Ending Fund Balance | \$6,919,990 | \$6,999,990 | \$5,988,130 | \$5,918,130 | (\$1,081,860) |

BUDGET TO ACTUAL ANALYSIS
STA General Fund
Quarter Ending September 30, 2019 (accrual basis)

| | FY 20 Budget | Expected Amount | Actual Amount | Expected/Actual Variance | Comments |
|---|-----------------------|------------------------|----------------------|---------------------------------|--|
| Revenue: | | | | | |
| Sales Tax | \$131,773,144 | \$32,943,286 | \$34,094,342 | \$1,151,056 | good |
| Mitigation Fees | 7,000,000 | - | - | - | good |
| Interest | 4,500,000 | 1,125,000 | 1,216,956 | 91,956 | good |
| Total Revenue | 143,273,144 | 34,068,286 | 35,311,297 | 1,243,011 | see above |
| Beginning Fund Balance | 48,655,679 | 52,136,617 | 52,136,617 | - | actual beginning fund balance - June 30, 2019 audited financial statements |
| Total Revenue and Beginning Fund Balance | \$191,928,823 | \$86,204,903 | \$87,447,914 | \$1,243,011 | See above |
| Appropriations: | | | | | |
| Ongoing allocations to Measure A Entities | \$103,951,563 | \$25,987,891 | \$26,894,043 | (\$906,152) | allocations are a percentage of sales tax - which is higher so allocations are too |
| Capital Improvement Program | 22,488,454 | 5,622,114 | 3,072,838 | 2,549,276 | expecting increased expenditures later in the fiscal year |
| Total Appropriations | \$126,440,017 | \$31,610,004 | \$29,966,881 | \$1,643,123 | see above |
| Other Financing Sources (Uses): | | | | | |
| Transfers out (to the Debt Service Fund) | (23,640,000) | (5,910,000) | (5,970,625) | (60,625) | good |
| Total Financing Sources (Uses) | (\$23,640,000) | (\$5,910,000) | (\$5,970,625) | (\$60,625) | see above |
| Ending Fund Balance | \$41,848,806 | \$48,684,899 | \$51,510,409 | - | |

BUDGET TO ACTUAL ANALYSIS

STA Administration

Quarter Ending September 30, 2019 (accrual basis)

Revenue:

| | FY 20 Budget | Expected Amount | Actual Amount | Expected/Actual Variance | Comments |
|---|---------------------|------------------------|----------------------|---------------------------------|--|
| Sales Tax | \$970,520 | \$242,630 | \$251,173 | \$8,543 | good |
| Other | 50 | 15 | 15 | - | good |
| Total Revenue | 970,570 | 242,645 | 251,189 | 8,543 | see above |
| Beginning Fund Balance | 837,864 | 861,894 | 861,894 | - | actual beginning fund balance - June 30, 2019 audited financial statements |
| Total Revenue and Beginning Fund Balance | \$1,808,434 | \$1,104,539 | \$1,113,083 | \$8,543 | see above |

Appropriations:

| | | | | | |
|------------------------------|------------------|------------------|------------------|-------------------|---|
| Salaries and Benefits | \$484,327 | \$121,082 | \$184,590 | (\$63,509) | overhead allocations to SacMetro FSP and SAVSA later in the fiscal year will reduce this cost |
| Rent | 24,635 | 6,159 | 9,300 | (3,141) | overhead allocations to SacMetro FSP and SAVSA later in the fiscal year will reduce this cost |
| Conferences and Travel | 6,950 | 9 | 9 | - | no cap-to-cap this year |
| Insurance | 7,066 | 7,066 | 10,803 | (3,737) | overhead allocations to SacMetro FSP and SAVSA later in the fiscal year will reduce this cost |
| Professional Services | 263,450 | 65,863 | 79,360 | (13,497) | billing for some services provided by outreach consultant delayed until FY 20 |
| I/TOC | 101,850 | 81,480 | 76,000 | 5,480 | good |
| Other Operating Expenditures | 11,050 | 2,763 | 3,966 | (1,204) | good |
| Total Appropriations | \$899,328 | \$284,421 | \$364,029 | (\$79,608) | see above |
| Ending Fund Balance | \$909,106 | \$820,119 | \$749,054 | - | |

BUDGET TO ACTUAL ANALYSIS
SacMetro Freeway Service Patrol (FSP)
Quarter Ending September 30, 2019 (accrual basis)

| | FY 20 Budget | Expected Amount | Actual Amount | Expected/Actual Variance | Comments |
|---|--------------------|--------------------|--------------------|--------------------------|--|
| Revenue: | | | | | |
| State Allocation | \$2,201,222 | \$0 | \$0 | \$0 | state allocation received later in fiscal year |
| CVR-SAFE* | 688,000 | 748,000 | 748,000 | - | good |
| Total Revenue | 2,889,222 | 748,000 | 748,000 | - | see above |
| Beginning Fund Balance | 47,739 | 388,196 | 388,196 | - | actual beginning fund balance - June 30, 2019 audited financial statements |
| Total Revenue and Beginning Fund Balance | \$2,936,961 | \$1,136,196 | \$1,136,196 | \$0 | see above |
| Appropriations: | | | | | |
| Salaries and Benefits | \$141,176 | \$35,294 | \$32,107 | \$3,187 | good |
| Overhead | 45,046 | - | - | - | most overhead will be billed later in the fiscal year |
| Conferences and Travel | 1,650 | - | - | - | good |
| Communications | 50,210 | 12,553 | 8,785 | 3,767 | good |
| Other Operating Expenditures | 4,350 | 4,041 | 4,041 | - | good |
| Contractors | 2,676,317 | 669,079 | 493,417 | 175,663 | FSP vendor lost contract, reducing costs |
| Total Appropriations | \$2,918,749 | \$720,967 | \$538,349 | \$182,617 | see above |
| Ending Fund Balance | \$18,212 | \$415,229 | \$597,847 | - | |

* Capitol Valley Regional Service Authority for Freeways and Expressways

BUDGET TO ACTUAL ANALYSIS
Sacramento Abandoned Vehicle Service Authority (SAVSA)
Quarter Ending September 30, 2019 (accrual basis)

Revenue:

| | FY 20 Budget | Expected Amount | Actual Amount | Expected/Actual Variance | Comments |
|---|--------------|-----------------|---------------|--------------------------|--|
| Vehicle License Fees | \$1,259,939 | \$344,038 | \$344,038 | \$0 | good |
| Interest | 400 | - | - | - | good |
| Total Revenue | 1,260,339 | 344,038 | 344,038 | - | See above |
| Beginning Fund Balance | 85,919 | 167,490 | 167,490 | | actual beginning fund balance - June 30, 2019 audited financial statements |
| Total Revenue and Beginning Fund Balance | \$1,346,258 | \$511,528 | \$511,528 | - | |

Appropriations:

| | | | | | |
|---------------------------------|-------------|-----------|-----------|-----|-----------|
| Contributions to SAVSA Entities | \$1,237,439 | \$333,564 | \$333,564 | - | Good |
| Salaries and Overhead | 22,896 | - | - | - | Good |
| Total Appropriations | \$1,260,335 | \$333,564 | \$333,564 | \$0 | See above |
| Ending Fund Balance | \$85,923 | \$177,963 | \$177,963 | - | |

BUDGET TO ACTUAL ANALYSIS
STA General Fund
Quarter Ending December 31, 2019 (accrual basis)

| | FY 20 Budget | Expected Amount | Actual Amount | Expected/Actual Variance | Comments |
|---|-----------------------|------------------------|-----------------------|---------------------------------|--|
| Revenue: | | | | | |
| Sales Tax | \$131,773,144 | \$65,886,572 | \$70,657,397 | \$4,770,825 | sales tax trending higher - implementation of phase II internet sales tax |
| Mitigation Fees | 7,000,000 | 3,500,000 | 4,109,583 | 609,583 | good |
| Interest | 4,500,000 | 2,250,000 | 2,732,516 | 482,516 | good |
| Total Revenue | 143,273,144 | 71,636,572 | 77,499,496 | 5,862,924 | See above |
| Beginning Fund Balance | 48,655,679 | 52,136,617 | 52,136,617 | - | actual beginning fund balance - June 30, 2019 audited financial statements |
| Total Revenue and Beginning Fund Balance | \$191,928,823 | \$123,773,189 | \$129,636,113 | \$5,862,924 | See above |
| Appropriations: | | | | | |
| Ongoing allocations to Measure A Entities | \$103,951,563 | \$51,975,782 | \$55,731,546 | (\$3,755,765) | allocations are a percentage of sales tax - which is higher so allocations are too |
| Capital Improvement Program | 22,488,454 | 11,244,227 | 9,449,208 | \$1,795,019 | expecting increased expenditures later in the fiscal year |
| Total Appropriations | \$126,440,017 | \$63,220,009 | \$65,180,754 | (\$1,960,746) | see above |
| Other Financing Sources (Uses): | | | | | |
| Transfers out (to the Debt Service Fund) | (23,640,000) | (15,870,000) | (15,196,257) | 673,743 | good |
| Total Financing Sources (Uses) | (\$23,640,000) | (\$15,870,000) | (\$15,196,257) | \$673,743 | see above |
| Ending Fund Balance | \$41,848,806 | \$44,683,181 | \$49,259,102 | - | |

BUDGET TO ACTUAL ANALYSIS

STA Administration

Quarter Ending December 31, 2019 (accrual basis)

Revenue:

| | FY 20 Budget | Expected Amount | Actual Amount | Expected/Actual Variance | Comments |
|---|---------------------|------------------------|----------------------|---------------------------------|--|
| Sales Tax | \$970,520 | \$242,630 | \$251,173 | \$8,543 | Good |
| Other | 50 | 15 | 15 | - | Good |
| Total Revenue | 970,570 | 242,645 | 251,189 | 8,543 | See above |
| Beginning Fund Balance | 837,864 | 861,894 | 861,894 | - | Actual beginning fund balance - June 30, 2019 audited financial statements |
| Total Revenue and Beginning Fund Balance | \$1,808,434 | \$1,104,539 | \$1,113,083 | \$8,543 | See above |

Appropriations:

| | | | | | |
|------------------------------|-----------|-----------|-----------|------------|---|
| Salaries and Benefits | \$484,327 | \$121,082 | \$184,590 | (\$63,509) | Overhead allocations to SacMetro FSP and SAVSA later in the fiscal year will reduce this cost |
| Rent | 24,635 | 6,159 | 9,300 | (3,141) | Overhead allocations to SacMetro FSP and SAVSA later in the fiscal year will reduce this cost |
| Conferences and Travel | 6,950 | 1,738 | 9 | 1,728 | Good |
| Insurance | 7,066 | 7,066 | 10,803 | (3,737) | Overhead allocations to SacMetro FSP and SAVSA later in the fiscal year will reduce this cost |
| Professional Services | 263,450 | 65,863 | 79,360 | (13,497) | Billing for some services provided by outreach consultant deferred from FY19 to FY20 |
| ITOC | 101,850 | 81,480 | 76,000 | 5,480 | good |
| Other Operating Expenditures | 11,050 | 2,763 | 3,966 | (1,204) | Good |
| Total Appropriations | \$899,328 | \$286,149 | \$364,029 | (\$77,880) | see above |
| Ending Fund Balance | \$909,106 | \$818,390 | \$749,054 | - | |

BUDGET TO ACTUAL ANALYSIS
SacMetro Freeway Service Patrol (FSP)
Quarter Ending December 31, 2019 (accrual basis)

| | FY 20 Budget | Expected Amount | Actual Amount | Expected/Actual Variance | Comments |
|---|--------------------|--------------------|--------------------|--------------------------|--|
| Revenue: | | | | | |
| State Allocation | \$2,201,222 | \$235,493 | \$235,493 | \$0 | state allocations will increase later in fiscal year |
| CVR-SAFE* | 688,000 | 748,000 | 748,000 | - | good |
| Total Revenue | 2,889,222 | 983,493 | 983,493 | - | see above |
| Beginning Fund Balance | 47,739 | 388,196 | 388,196 | - | actual beginning fund balance - June 30, 2019 audited financial statements |
| Total Revenue and Beginning Fund Balance | \$2,936,961 | \$1,371,689 | \$1,371,689 | \$0 | see above |
| Appropriations: | | | | | |
| Salaries and Benefits | \$141,176 | \$70,588 | \$69,627 | \$961 | good |
| Overhead | 45,046 | 28,072 | 28,072 | - | good |
| Conferences and Travel | 1,650 | - | - | - | conference spring 2020 |
| Communications | 50,210 | 50,210 | 49,206 | 1,004 | most communications billed in first half of fiscal year |
| Other Operating Expenditures | 4,350 | 4,157 | 4,157 | - | good |
| Contractors | 2,676,317 | 1,200,000 | 884,675 | 315,325 | FSP vendor lost contract, reducing costs |
| Total Appropriations | \$2,918,749 | \$1,353,027 | \$1,035,738 | \$317,290 | see above |
| Ending Fund Balance | \$18,212 | \$18,662 | \$335,952 | - | |

* Capitol Valley Regional Service Authority for Freeways and Expressways

BUDGET TO ACTUAL ANALYSIS
Sacramento Abandoned Vehicle Service Authority (SAVSA)
Quarter Ending December 31, 2019 (accrual basis)

Revenue:

| | FY 20 Budget | Expected Amount | Actual Amount | Expected/Actual Variance | Comments |
|---|---------------------|------------------------|----------------------|---------------------------------|--|
| Vehicle License Fees | \$1,259,939 | \$649,492 | \$649,492 | \$0 | good |
| Interest | 400 | 219 | 219 | - | good |
| Total Revenue | 1,260,339 | 649,711 | 649,711 | - | See above |
| Beginning Fund Balance | 85,919 | 167,490 | 167,490 | | Actual beginning fund balance - June 30, 2019 audited financial statements |
| Total Revenue and Beginning Fund Balance | \$1,346,258 | \$817,201 | \$817,201 | - | |

Appropriations:

| | | | | | |
|---------------------------------|--------------------|------------------|------------------|--------------|-----------|
| Contributions to SAVSA Entities | \$1,237,439 | \$639,019 | \$639,019 | - | Good |
| Salaries and Overhead | 22,896 | 11,448 | 10,473 | 975 | Good |
| Total Appropriations | \$1,260,335 | \$650,467 | \$649,492 | \$975 | See above |
| Ending Fund Balance | \$85,923 | \$166,734 | \$167,709 | - | |