



MAY 18, 2009

AGENDA ITEM # 4

EXECUTIVE DIRECTOR'S REPORT

Action Requested: Receive and file

Key Staff: Brian Williams, Executive Director

Recommendation

Receive and file this summary report of current STA activities.

Discussion

A. Measure A Transportation Sales Tax Program

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

B. New Measure A, 2009-2039

Five-Year Expenditure Plans

The **New** Measure A Ordinance requires that your Board adopt five-year expenditure plans for several of the categorical programs included in the overall **New** Measure A expenditure plan. In cooperation with the effected local transportation providers, staff has prepared 5-year plans for three of the required programs: *Traffic Control & Safety*; *Senior & Disabled Transportation Services*; and *Transportation-Related Air Quality*. These three programs provide for annual formula allocations to local agencies for eligible operations expenses that your Board has previously defined. These plans will be updated biennially to accommodate changing circumstances and revenue projections.

The other two programs subject to the 5-year expenditure plan requirement—*Local Arterials and Transit Congestion Relief*—include formula based reimbursements to local agencies for *capital* expenses. The five-year plans for these programs will be presented to your Board next month after staff has completed the revenue capacity analysis for Measure A capital expenditures to reflect the substantial reduction in Measure A revenues during the past year.

New Measure A Plan of Finance

Earlier this year, the local agency project sponsors updated the delivery and cash flow schedule for each **New** Measure A capital project. These data have been compared to updated forecasts of **New** Measure A sales tax and development fee revenue in a program capacity analysis. The capacity analysis effectively forecasts the ability of estimated revenues to meet the project sponsors' demands (amounts and timing) for Measure A revenues. In **Item #8**, staff reports that the Measure A capital program set forth in the original (2006) Measure A Plan of Finance cannot be sustained. This is due to the significant drop-off of sales tax revenues during the past three years, the

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

persistent lull in property development activity, and the tightening of available credit for municipal bond issuers.

The results of the capacity analysis are being used to prepare a draft 2009 edition of the **New Measure A** Plan of Finance (POF). The POF provides a detailed estimate and schedule of revenues and expenditures during the 30-year program term, and it sets forth a financing strategy to accelerate the delivery of **New Measure A** capital projects. The aggressive capital financing and project delivery schedule in the 2006 POF will need to be stretched out to conform to forecasted revenues, and some projects that were likely candidates for accelerated delivery will have to be delayed and funded “pay-as-you-go.” During the next few weeks, staff will work with local project sponsors to revise the Measure A capital program to address this issue. Prior to our next issue of bonds, the STA must adopt a balanced Plan of Finance

C. Countywide Transportation Planning, Programming, and Policies

2009 Metro Chamber Capitol-to-Capitol Advocacy Trip

The 2009 Metro Chamber Cap-to-Cap trip to Washington DC was conducted April 25-29. Five STA Board members, along with your Executive Director, dedicated all or part of their time to the delegation’s transportation team. Staff will present a brief summary of the team’s key policy and appropriations issues (**Item #6**), followed by observations of participating Board members.

D. Sacramento Abandoned Vehicle Service Authority (SAVSA)

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

E. Sacramento Metropolitan Freeway Service Patrol (FSP)

Selection of Tow Contractors

The contracts for motorist assistance services on FSP Beat 5 (I-80), Beat 6 (I-5), and Beat 7 (Bus80/I-80 in Yolo County) expire on June 30. Per your Board’s direction, staff distributed requests for proposals (RFPs) last month to private tow contractors to continue this service. The response was quite good. Seven proposals were received by the May 4th submittal deadline, including three very aggressive bid prices. In **Item #5**, staff reviews the process used to evaluate the proposals, and recommends a preferred bidder for your Board’s consideration.

In March, Freeway Service Patrol operators provided 3,400 motorist assists, a daily average of 155. The monthly assistance statistics are attached hereto.

F. Administrative Matters

FY 2010 Budget for STA Administration

Your Board will open a public hearing on the draft FY 2009-10 budget for STA administration (**Item #10**). The proposed budget is extremely lean. This will be the first year under the **New** Measure A Ordinance, which reduces the annual formula allocation of transportation sales tax revenues to STA administrative functions from 1.00% to 0.75%. In addition, we have experienced a cumulative reduction in sales tax revenues during the past 3 years of almost 30 percent. Staff remains committed to thorough and prudent oversight of the Measure A program and the other administrative functions (SAVSA and FSP), but project sponsors should not count on any spillover of “surplus” administration funds as occurred in many past years. This matter will be continued until June 8 for action.

County and Cities Population Estimates

The California Dept of Finance (DOF) published updated population estimates for each of the State’s 58 counties and 480 cities last week. STA uses the local annual population estimates—along with estimated street and road mileage—to allocate Measure A on-going program revenues among the unincorporated County area and five of the seven incorporated cities. (Galt and Isleton receive Measure A allocations “off-the-top”). DOF’s local population estimates, effective January 1, 2009, are as follows:

| | | | |
|-------------------|---------|--------------|---------|
| Citrus Heights -- | 87,565 | Elk Grove -- | 141,430 |
| Folsom -- | 71,018 | Galt -- | 24,133 |
| Rancho Cordova -- | 61,817 | Isleton -- | 818 |
| Sacramento -- | 481,097 | County -- | 565,309 |

Board Meeting Schedule

The STA Board was bumped from its usual second-Thursday meeting schedule this month due to an extensive series of budget hearings being conducted by the County Board of Supervisors. The same situation will occur next month, so the next STA Board meeting has been moved up to **Monday June 8**.

G. Upcoming Events 2009

| <u>Date</u> | <u>Event</u> | <u>Comments</u> |
|---------------|--------------|-----------------|
| June 8 | STA Board | |
| July 23 | STA Board | |
| Aug 27 | STA Board | |
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*Attachments: PFM Asset Management LLC – Monthly Market Update & Outlook, April 2009
 County Pooled Investment Fund – Monthly Review
 Freeway Service Patrol – Monthly Statistics Report*