



**JUNE 16, 2011**

**AGENDA ITEM # 11**

**EXECUTIVE DIRECTOR'S REPORT**

**Action Requested:** Receive and file

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

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**Recommendation**

Receive and file this summary report of current STA activities.

**Discussion**

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

**FY 2011 Measure A Sales Tax Revenues**

The monthly Measure A sales tax revenue and distribution report is attached hereto. It shows the May 2011 Measure A distribution and the 11 month cumulative distribution since July 1 to each eligible expenditure category. Staff had estimated that FY 2010-11 sales tax revenue will match the FY 2009-10 actuals. Through May, we are running 3.9 percent above last year's pace.

**FY 2011-12 Revenue Forecast and Budget**

Current-year Measure A revenues are running about 3.9 percent above the forecasted amount. As reported previously, staff expects that cumulative current-year sales tax revenues will be \$85,538,280 and proceeds from the Countywide development impact fee program will be about \$3 million. Considering that oil prices are elevated, area unemployment remains high, and property development activity is extremely light, your Board has directed staff to assume no change in Measure A revenues for the next fiscal year, 2011-12.

These forecasted Measure A revenue amounts, along with estimated FSP and SAVSA revenues, have been plugged into our budgeting model. A draft FY 2011-12 budget for STA administration was presented to your Board in April. Staff has transformed the raw budget sheets into a final budget in user-friendly booklet form for review and adoption at today's Board meeting (**Item #12**).

**Sacramento County Transportation Mitigation Fee Program**

The **New** Measure A Ordinance created a new Countywide development impact fee—the Sacramento County Transportation Mitigation Fee Program (SCTMFP)—to help fund the Measure A capital program. Your Board adopted the original fee schedule in December 2008, and the SCTMFP took effect on April 1, 2009 at the commencement of the **New** Measure A term. The program is implemented by the County and cities, and associated fee revenues are passed through to the STA. The Ordinance requires that

**A. Measure A Transportation Sales Tax Program (*continued*)**

the SCTMFP fee schedule be updated annually consistent with the change in the McGraw-Hill Engineering News Record (ENR) 20-City Construction Cost Index (CCI). The change in the 20-City CCI for 2010 was **2.7%**. The proposed fee schedule update is presented in **Item #9**.

Measure A On-Going Annual Programs

Roughly 80% of the annual Measure A sales tax revenue is distributed to local transportation providers to implement a set of on-going transportation-related programs. Distributions for this purpose are made each month—according to a formula set forth in the Measure A Ordinance—as revenues are received from the California Board of Equalization. STA requires that each recipient agency execute an annual Memorandum of Understanding (MOU) to ensure that the affected Measure A revenues are expended exclusively on eligible program activities as defined by your Board. The MOUs set forth the administrative and accountability controls necessary to distribute funds to the implementing agencies (**Item #13**).

The 3<sup>rd</sup> quarter FY 2011 status report of on-going annual program expenditures are attached to **Item #3** herein.

Measure A Debt Portfolio

STA's outstanding variable rate debt portfolio is backed by three Standby Bond Purchase Agreements (SBPAs). The SBPAs provide liquidity in that the bank counterparties agree to purchase the bonds if there is insufficient demand for them among investors in the private capital markets. All three SBPAs expire this coming October. At today's meeting (**Item #16**), staff will present a preliminary strategy for replacing the SBPAs and/or issuing new bonds for direct purchase by an investment bank(s). The objective is to preserve liquidity and reduce annual and long-term borrowing costs.

The existing contracts for consulting bond counsel and disclosure counsel services expire at the end of this month. These services will be needed as we finalize the strategy to modify the existing debt portfolio. In **Item #15**, staff proposes to circulate a Request for Proposals (RFP). We will recommend preferred consulting firms for consideration at your Board's July 28<sup>th</sup> meeting.

Measure A Capital Projects

The City of Sacramento held a groundbreaking ceremony on April 28 for the railroad track relocation component of the Downtown Intermodal Station project. The existing tracks in the Downtown Railyard will be straightened and realigned about 500 feet northward to make room for a modern intermodal passenger facility. The project also promotes safety by separating the freight rail tracks from the passenger operations.

On May 3, the City of Rancho Cordova began construction on the second phase of its Folsom Boulevard beautification project. This project will apply a "complete streets" treatment to the segment of Folsom Boulevard between Mather Field Road and Rod Beaudry Drive. The improvements will eventually extend from Bradshaw Road to

**A. Measure A Transportation Sales Tax Program (*continued*)**

Sunrise Blvd. The project will facilitate safe bicycle and pedestrian travel and improved aesthetics in an aging commercial corridor.

The City of Rancho Cordova also recently conducted a ribbon-cutting ceremony for the new extension of International Drive between Kilgore Road and Sunrise Blvd. This project closes a key east-west gap in the City's street network with a new crossing of the Folsom South Canal. Board member Nottoli was one of several dignitaries to speak at the event.

Caltrans will open construction bids next week for the Interstate 80 carpool lanes project between I-5 and Capital City Freeway. Construction is anticipated to begin later this Summer.

Quarterly status reports for all active Measure A capital projects are attached to **Item #4** herein.

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

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

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

The final FY 2011-12 SAVSA budget figures are included with the STA budget booklet presented in **Item #12**.

The 3<sup>rd</sup> quarter status report is included herein (**Item #8**). All participating local agencies are experiencing a decline in the number of quarterly abatements. This is likely due to a reduction in the amount of local funds available for nuisance abatement activities and an increase in non-operational vehicles being retired for their scrap metal value. In addition, the recent "Cash for Clunkers" rebate program removed some older vehicles that might otherwise have been abandoned. It is also likely that some people affected by the economic recession have postponed the purchase of a replacement vehicle.

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

The final FY 2011-12 FSP budget figures are included with the STA budget booklet presented in **Item #12**.

The 3<sup>rd</sup> quarter status report is included herein (**Item #5**). During the period Jan. 1 to Mar. 31, FSP operators assisted 8,235 motorists, an average of 137 per day.

**E. Administrative Matters**

Board Representation

The City of Elk Grove's population breached the 150,000 mark last year. As such, it becomes eligible to appoint a second representative to the STA Board effective July 1. Beginning with the July 28<sup>th</sup> meeting, your Board will consist of 16 members, with nine affirmative votes required to take action.

**E. Administrative Matters (continued)**

Independent Auditor

The contract with **Richardson & Company** for independent auditing services has expired. In April, your Board authorized distribution of a Request for Proposals (RFP) to solicit bids from qualified firms interested in conducting the FY 2010-11 audit of STA, SAVSA, and the Measure A program, along with providing on-going technical assistance to staff. Six firms submitted proposals by the May 16 due date. In **Item #14**, staff recommends that five of the firms be certified as responsive and qualified. We further recommend that **James Marta & Company (JMC)** be selected as the preferred consultant for this engagement. JMC submitted the second lowest fee proposal, but its proposed methodology and assumed contribution by STA staff make it the least expensive for the Authority. Staff seeks authorization to execute a contract with JMC for FY 2011 with a cumulative fee payment not to exceed \$52,600. The incumbent firm was ineligible to participate in this procurement.

Metro Chamber Cap-to-Cap Program

At this year's Metro Chamber Capital-to-Capital advocacy program in Washington, DC, the STA was represented by your Executive Director and by Board members Cohn, McCarty, and Pannell, who were co-sponsored with other local transportation agencies. Staff will present a brief summary of the key policy priorities and information carried by the delegation's transportation team, followed by observations from participating Board members (**Item #17**).

**F. Upcoming Events 2011**

| <b>Date</b> | <b>Event</b>                                       | <b>Comments</b> |
|-------------|--|-----------------|
| July 28     | STA Governing Board                                |                 |
| Aug 25      | STA Governing Board                                |                 |
| Sep 29      | Measure A Independent Taxpayer Oversight Committee |                 |
|             |  |                 |

*Attachments: Measure A Monthly Revenue & Distribution Report  
County Pooled Investment Fund – Monthly Review*