



MARCH 13, 2014

AGENDA ITEM # 5

SACRAMENTO ABANDONED VEHICLE SERVICE AUTHORITY: STATUS REPORT FOR 2ND QUARTER FY 2013-14

Action Requested: Receive and file

Key Staff: Norman Hom, Administrative Services Officer III

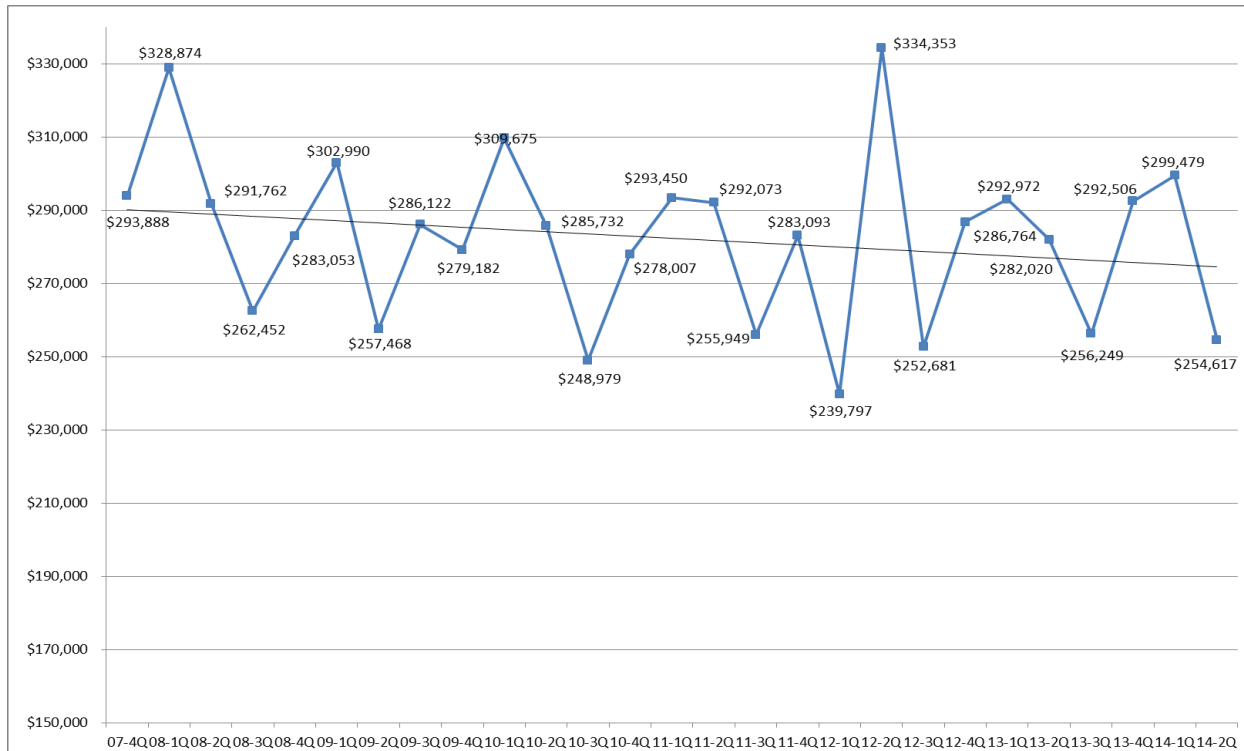
Recommendation

Receive and file the SAVSA 2nd Quarter Status Report for FY2013-14.

Discussion

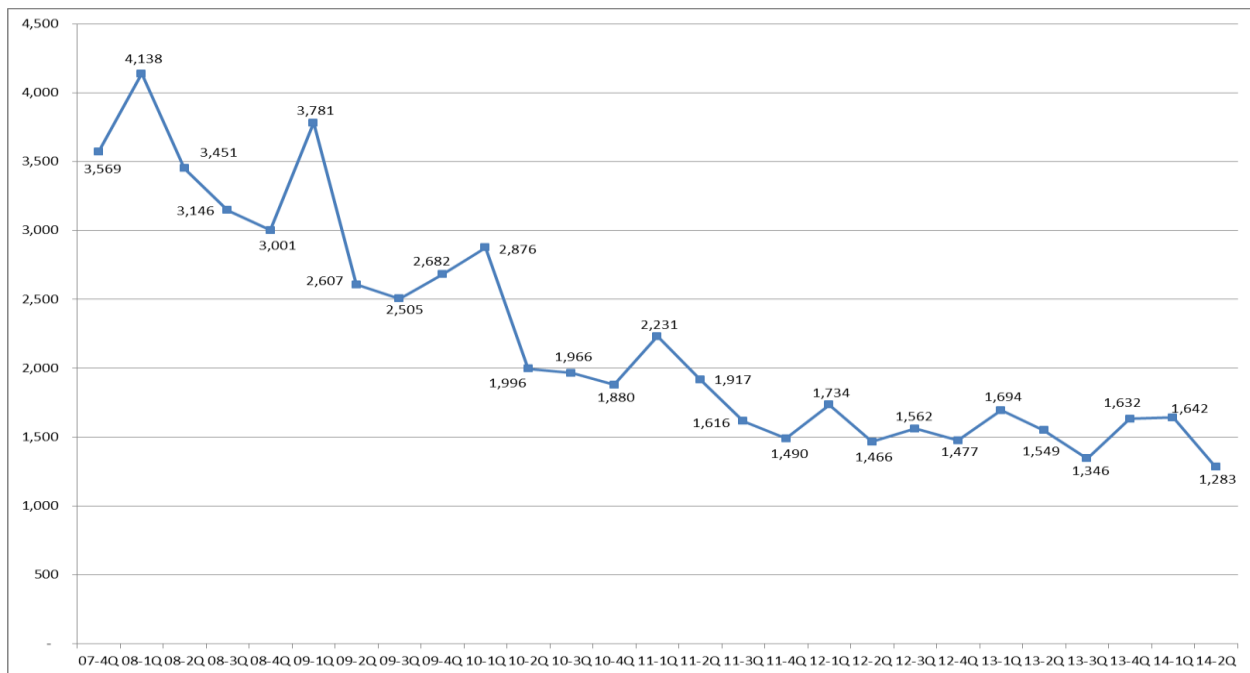
Revenues. Second Quarter FY 2013-14 vehicle abatement revenues received from the California Department of Motor Vehicles (DMV) were \$300,460.03 (shown as the last point in the graph below). This represents the amount of the \$1 vehicle registration fee collected in Sacramento County from July 2013 through September 2013 for abandoned vehicle abatement and paid to us on November 22, 2013 (all abandoned vehicle abatement agencies in the state necessarily lag one quarter behind in the collection of revenues to the ultimate distribution of funds to the local agencies). As shown in the graph below, quarterly SAVSA revenues have been fairly consistent during the last six years with only a modest downward trend.

Graph 1: Quarterly SAVSA Revenues, FY 2007—Present



Abatements. A total of 1,283 vehicles were abated in the second quarter. The City of Sacramento continues to abate the most vehicles, this quarter performing 55.5 percent of all abatements in the county. The County of Sacramento and the City of Galt accounted for 13 and 12 percent of total abatements respectively with the remainder shared between the Cities of Elk Grove (7 percent), Citrus Heights and Folsom (both at 6 percent).

Graph 2: Total Quarterly SAVSA Abatements, 2007—Present



Total abatements have generally followed a downward trend as shown in Graph 2 above. The 1,283 abatements in the second quarter—which is typically a slow quarter—is the lowest second quarter total in program history (see Table 1 below) and well as the lowest quarterly total in program history.

Table 1: Second Quarter Abatements by Agency, FY 2009-14

	Second Quarter Abatements					
	FY2009	FY2010	FY2011	FY2012	FY2013	FY2013
County	716	388	487	280	250	167
Sacramento	1,312	1,128	933	763	882	712
Galt	101	76	153	79	80	158
Folsom	75	85	75	83	66	75
Citrus Heights	157	163	79	115	94	76
Elk Grove	246	156	190	146	177	95
TOTAL	2,607	1,996	1,917	1,466	1,549	1,283

A number of factors are responsible for the decline in abatements, including high scrap metal prices, the effectiveness of SAVSA in prior years, and reduced staffing and other resources

devoted by the local agencies for vehicle abatement. As the economy improves and local agency budgets along with it, abatements should increase again.

Please note that the City of Isleton no longer appears in the table. Isleton has not reported an abatement since the second quarter of 2006 and its contract with SAVSA has expired. Consequently, Isleton will not receive allocations until it reestablishes membership in SAVSA.

Distributions and Payments. SAVSA received \$300,460.03 in vehicle license fees on November 22, 2013 and 100 percent of it was distributed to the six SAVSA agencies. The adopted formula for each quarter's distribution is 50 percent based on relative population within Sacramento County and 50 percent based on relative abatement performance. By formula, the second quarter distribution was made as follows:

Table 2: 2nd Quarter FY 2013-14 Distribution

DISTRIBUTION	2013 Population		50% alloc. based on population	Eligible Reported Abatements		50% alloc. based on abatements	Total Quarterly Allocation
County of Sacramento	564,657	40.97%	\$ 61,556.23	167	13.02%	\$ 19,554.49	\$ 81,110.73
City of Sacramento	473,509	34.36%	\$ 51,619.71	712	55.49%	\$ 83,370.05	\$ 134,989.76
City of Galt	24,185	1.75%	\$ 2,636.53	158	12.31%	\$ 18,500.66	\$ 21,137.19
City of Folsom	72,294	5.25%	\$ 7,881.15	75	5.85%	\$ 8,781.96	\$ 16,663.11
City of Citrus Heights	84,345	6.12%	\$ 9,194.89	76	5.92%	\$ 8,899.05	\$ 18,093.94
City of Elk Grove	159,074	11.54%	\$ 17,341.49	95	7.40%	\$ 11,123.81	\$ 28,465.31
Totals	1,378,064	100.00%	\$ 150,230.02	1,283	100.00%	\$ 150,230.02	\$ 300,460.03

Table 3 below shows the payments to the SAVSA agencies on February 11, 2014 to reimburse them for the eligible expenses incurred in the second quarter:

Table 3: 2nd Quarter FY 2013-14 Payments

PAYMENTS	Balance Forward	Quarterly Distribution	Total Available	Claim	Payment	Ending Balance
County of Sacramento	\$ -	\$ 81,110.73	\$ 81,110.73	\$ 91,154.00	\$ 81,110.73	\$ -
City of Sacramento	\$ -	\$ 134,989.76	\$ 134,989.76	\$ 141,725.92	\$ 134,989.76	\$ -
City of Galt	\$ 101,355.17	\$ 21,137.19	\$ 122,492.36	\$ -	\$ -	\$ 122,492.36
City of Folsom	\$ 42,730.90	\$ 16,663.11	\$ 59,394.01	\$ 8,261.62	\$ 8,261.62	\$ 51,132.39
City of Citrus Heights	\$ 1,784.86	\$ 18,093.94	\$ 19,878.81	\$ 22,975.77	\$ 19,878.81	\$ -
City of Elk Grove	\$ 180,587.49	\$ 28,465.31	\$ 209,052.80	\$ 10,376.04	\$ 10,376.04	\$ 198,676.76
Totals	\$ 326,458.42	\$ 300,460.03	\$ 626,918.45	\$ 274,493.35	\$ 254,616.95	\$ 372,301.51

The City of Galt's second quarter claim, plus all of its FY2012-13 claim, are pending adoption of updated indirect cost rates per the findings of the previous year's STA independent audit. The City of Elk Grove has been notified that it must accelerate its abatement activities to draw down the large balance, because abandoned vehicle abatement monies must be spent within two fiscal years. Elk Grove's response indicating how it will proceed will be incorporated into the FY2014-15 SAVSA budget.