



AGENDA

MEASURE A – INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE

COUNTY OF SACRAMENTO ADMINISTRATION BUILDING
700 "H" STREET – FIRST FLOOR – HEARING ROOM 2
SACRAMENTO, CALIFORNIA

THURSDAY

JANUARY 20, 2011

4:00 P.M.

MEMBERS: MATTHEW KELLY; JOHN van BERKEL (Chair); MAUREEN ZAMARRIPA (Vice Chair);
JEFF SLOWEY, JULIE VALVERDE, BRIAN WILLIAMS

1. **Call to Order / Introductions**
2. **Comments from the Public Regarding Matters Not on the Agenda**
3. **Measure A 5-Year Expenditure Plans: "How We Spend the Money" ***

City of Citrus Heights	City of Rancho Cordova
City of Elk Grove	City of Sacramento
City of Folsom	County of Sacramento
4. **FY 2009-10 Comprehensive Annual Financial Report ***
5. **Results of Independent Audit for FY 2009-10 ***
6. **Request for Qualifications for Consulting Financial Advisory Services ***
7. **2nd Quarter FY 2010-11 Measure A Revenue Report ***
8. **Comments from Committee Members**

* Staff report and associated materials can be viewed or downloaded at www.sacta.org
For a paper copy of all associated materials, please contact Gloria Busby: 916-323-0897; gloria@sacta.org

MEASURE A INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE

January 20, 2011
Item # 3

Subject: Measure A Entity Expenditure Plans: “How We Spend the Money”

Recommendation

Receive and file oral reports from staff of the County of Sacramento and the Cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, and Sacramento on their respective projects and programs that will be funded with Measure A sales tax revenues during the next five years.

Discussion

The **New** Measure A Ordinance requires that the STA Board adopt five-year expenditure plans for on-going Measure A annual programs:

- Transportation-Related Air Quality Program
- Senior & Disabled Transportation Services Program
- Traffic Control & Safety Program
- Safety, Streetscaping, Pedestrian & Bike Program

These programs provide annual formula allocations to local transportation providers for eligible operations expenses that the Board has previously defined. They are funded exclusively from the sales tax revenue component of Measure A.

The **New** Measure A Ordinance also requires that the STA Board adopt five-year expenditure plans for two capital programs:

- Transit Congestion Relief Program
- Local Arterial Program

These two programs provide reimbursement allocations to local transportation providers for expenditures related to the delivery and construction of eligible *capital* projects. The Transit Congestion Relief program also provides on-going funding to SRTD for bus and light rail operations expenses.

At today's ITOC meeting, we will continue the series of presentations by local agency staff on how they spend their respective allocations of Measure A funds. Committee members reviewed the **Transportation-Related Air Quality** program (SMAQMD) and the **Senior & Disabled Transportation Services** program (Paratransit, Inc.) at the August 5 ITOC meeting. Committee members reviewed the **Transit Congestion Relief** program (SRTD) at the October 21 meeting.

The **Traffic Control & Safety** program funds traffic improvements, high priority pedestrian & vehicle safety projects, and emergency vehicle preemption systems. Three percent of cumulative annual Measure A sales tax revenues are allocated for these purposes to the County and the Cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, and Sacramento according to their relative populations (75%) and paved street/road mileage (25%).

Staff representing the County and incorporated cities (except Galt & Isleton) will present their respective Measure A expenditure plans at today's meeting.

The **Safety, Streetscaping, Pedestrian, & Bike** program funds pedestrian and bicycle safety improvements along with associated landscaping features that promote the use of non-motorized travel modes. Five percent of cumulative annual Measure A sales tax revenues are allocated for these purposes to the County and the Cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, and Sacramento according to their relative populations (75%) and paved street/road mileage (25%), with the exception that \$1 million each year is allocated "off-the-top" to the County of Sacramento Dept. of Regional Parks for improvements and maintenance of the bikeway network within the American River Parkway. Parks staff presented the expenditure plan for its respective component of this program at your August 5th meeting. As mentioned, the County and the five larger incorporated cities will present today.

The **Local Arterial** program funds arterial safety, operational, streetscaping, bicycle, and pedestrian improvements, improved accessibility for persons with disabilities, and upgrades of arterials to urban standards. Five percent of total Measure A sales tax revenues and 35% of total Countywide development fee revenues are earmarked for this program during the 30-year term. Expenditures are intended for capital improvements to the specific arterials or proposed corridors listed in the Measure A expenditure Plan. The eligible roadways are located in the unincorporated County area and in all incorporated cities except Galt and Isleton. At today's meeting, the affected local jurisdictions will review their respective components of the Local Arterial program for the next five years.

The associated 5-year expenditure plans are attached hereto. They were approved by the STA Board at meetings in July and October, and are updated every year.

Attachments

Staff Contact: Brian Williams

Measure A
Safety, Streetscaping, Pedestrian & Bicycle Program

City of Citrus Heights
 Five-Year Spending Program, FY 2011-2015

	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	TOTAL
Citywide Sidewalk Infill for Improved Pedestrian Accessibility	\$ 53,668	\$ 164,158	\$ 170,843	\$ 133,013	\$ 194,369	\$ 716,051
Local Match for Safe Routes to School Grant	\$ 104,000					\$ 104,000
Bicycle Facilities				\$ 49,306		\$ 49,306
Total	\$ 157,668	\$ 164,158	\$ 170,843	\$ 182,319	\$ 194,369	\$ 869,357

Measure A
Traffic Control and Safety Program

City of Citrus Heights
 Five-Year Spending Program, FY 2011-2015

	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	TOTAL
Traffic Control Design and Construction	\$ 114,657	\$ 125,000	\$ 15,000	\$ 65,000	\$ 65,000	\$ 384,657
Expansion of Traffic Signal Management System	\$ 13,474	\$ 7,026	\$ 121,037	\$ 77,922	\$ 85,152	\$ 304,611
Total	\$ 128,131	\$ 132,026	\$ 136,037	\$ 142,922	\$ 150,152	\$ 689,268

Measure A
Safety, Streetscaping, Pedestrian & Bicycle Program

County of Sacramento
 Five-Year Spending Program, FY 2011-2015

	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	TOTAL
Elderly & Disabled Ramps	\$ 592,827	\$ 617,231	\$ 642,366	\$ 685,516	\$ 730,824	\$ 3,268,764
Pedestrian Safety Facilities	\$ 237,131	\$ 246,892	\$ 256,946	\$ 274,206	\$ 292,329	\$ 1,307,504
Landscape/Streetscape	\$ 177,848	\$ 185,169	\$ 192,710	\$ 205,655	\$ 219,247	\$ 980,629
Bikeway Improvements	\$ 177,848	\$ 185,169	\$ 192,710	\$ 205,655	\$ 219,247	\$ 980,629
Total	\$ 1,185,654	\$ 1,234,461	\$ 1,284,732	\$ 1,371,032	\$ 1,461,647	\$ 6,537,526

Measure A
Traffic Control and Safety Program

County of Sacramento
 Five-Year Spending Program, FY 2011-2015

	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	TOTAL
Neighborhood Traffic Management Program	\$ 481,770	\$ 496,413	\$ 511,494	\$ 537,384	\$ 564,568	\$ 2,591,629
Install, Upgrade, and Coordinate Traffic Signals	\$ 289,062	\$ 297,848	\$ 306,896	\$ 322,430	\$ 338,741	\$ 1,554,977
School Crossing Guard Program	\$ 144,531	\$ 148,924	\$ 153,448	\$ 161,215	\$ 169,370	\$ 777,488
Safety Improvements	\$ 48,177	\$ 49,641	\$ 51,149	\$ 53,738	\$ 56,457	\$ 259,162
Total	\$ 963,540	\$ 992,826	\$ 1,022,987	\$ 1,074,767	\$ 1,129,136	\$ 5,183,256

Measure A
Safety, Streetscaping, Pedestrian & Bicycle Program

City of Elk Grove
 Five-Year Spending Program, FY 2011-2015

FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	TOTAL
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Bicycle and Pedestrian Improvements	\$ 283,551	\$ 295,224	\$ 307,246	\$ 327,885	\$ 349,556	\$ 1,563,462
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Total	\$ 283,551	\$ 295,224	\$ 307,246	\$ 327,885	\$ 349,556	\$ 1,563,462
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Measure A
Traffic Control and Safety Program

City of Elk Grove
 Five-Year Spending Program, FY 2011-2015

	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	TOTAL
Speed Control Program	\$ 150,000	\$ 150,000	\$ 150,000	\$ 160,000	\$ 160,000	\$ 770,000
High Priority Vehicle/Pedestrian Safety & ADA Upgrades	\$ 80,433	\$ 87,436	\$ 94,650	\$ 97,033	\$ 110,035	\$ 469,587
Total	\$ 230,433	\$ 237,436	\$ 244,650	\$ 257,033	\$ 270,035	\$ 1,239,587

Measure A
Safety, Streetscaping, Pedestrian & Bicycle Program

City of Folsom
 Five-Year Spending Program, FY 2011-2015

	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	TOTAL
Bicycle and Pedestrian Mobility Improvements	\$ 111,989					\$ 111,989
Mobility Improvements for Persons with Disabilities	\$ 40,442	\$ 158,706	\$ 165,169	\$ 176,264	\$ 187,913	\$ 728,494
Total	\$ 152,431	\$ 158,706	\$ 165,169	\$ 176,264	\$ 187,913	\$ 840,483

Measure A
Traffic Control and Safety Program

City of Folsom
 Five-Year Spending Program, FY 2011-2015

FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	TOTAL
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Routine Street & Road Operations & Safety Improvements	\$ 123,875	\$ 127,640	\$ 131,518	\$ 138,175	\$ 145,165	\$ 666,373
Total	\$ 123,875	\$ 127,640	\$ 131,518	\$ 138,175	\$ 145,165	\$ 666,373

Measure A
Safety, Streetscaping, Pedestrian & Bicycle Program

City of Sacramento
 Five-Year Spending Program, FY 2011-2015

	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	TOTAL
Street Repair Partnering Program	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000
Traffic Signs and Markings	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 700,000
Bikeway Program	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 750,000
Pedestrian Safety Program	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 375,000
Public Right-of-Way Accessibility Program	\$ 458,597	\$ 458,597	\$ 458,597	\$ 458,597	\$ 458,597	\$ 2,292,985
Contingency	\$ (9,597)	\$ 28,028	\$ 66,782	\$ 133,309	\$ 203,162	\$ 421,684
Total	\$ 914,000	\$ 951,625	\$ 990,379	\$ 1,056,906	\$ 1,126,759	\$ 5,039,669

Measure A
Traffic Control and Safety Program

City of Sacramento
 Five-Year Spending Program, FY 2011-2015

	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	TOTAL
Guardrail Replacement Program	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
Speed Hump Program	\$ 125,000	\$ 125,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,150,000
Traffic Signal Safety Program	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 625,000
Traffic Operations Center Program	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,500,000
On-street Angled Parking Program	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 100,000
Contingency	\$ 142,777	\$ 140,352	\$ (11,396)	\$ 28,520	\$ 70,432	\$ 370,685
Total	\$ 742,777	\$ 765,352	\$ 788,604	\$ 828,520	\$ 870,432	\$ 3,995,685

Measure A
Local Arterial Program
 Five-Year Spending Program, FY 2011-2015

FY 2010-2011 | FY 2011-2012 | FY 2012-2013 | FY 2013-2014 | FY 2014-2015

SACRAMENTO COUNTY

Hazel Avenue Phase 1: US 50—Curragh Downs Dr	\$ 4,000,000	\$ 4,000,000	\$ -	\$ -	\$ -
Hazel Avenue US Highway 50—Folsom Blvd	\$ -	\$ -	\$ 369,000	\$ 760,000	\$ 783,000
Madison Avenue Phase 1: Sunrise Blvd—Hazel Ave	\$ 246,000	\$ -	\$ -	\$ -	\$ -
South Watt/Elk Grove-Florin Road Phase 1: Kiefer Blvd—Jackson Rd		\$ -	\$ -	\$ 270,000	\$ -
Watt Avenue/SR50 Interchange Upgrade	\$ 1,000,000	\$ -	\$ 2,014,000	\$ 2,802,000	\$ 1,450,000
<i>Subtotal</i>	\$ 5,246,000	\$ 4,000,000	\$ 2,383,000	\$ 3,832,000	\$ 2,233,000

RANCHO CORDOVA

Folsom Beautification Streetscape Phase 2: Bradshaw Rd—Sunrise Blvd	\$ 3,059,000	\$ -			\$ 2,215,000
Sunrise Boulevard Gold Country Rd—Jackson Rd	\$ 1,195,000	\$ -	\$ 1,021,000	\$ -	\$ 3,233,000
<i>Subtotal</i>	\$ 4,254,000	\$ -	\$ 1,021,000	\$ -	\$ 5,448,000

CITRUS HEIGHTS

Antelope Road Phase 1: Roseville Rd—Interstate 80	\$ 480,000	\$ -	\$ -	\$ -	\$ -
Sunrise Boulevard Phase 1: Oak Ave—Antelope Rd	\$ 1,614,000	\$ 2,486,000	\$ 428,000	\$ -	\$ -
<i>Subtotal</i>	\$ 2,094,000	\$ 2,486,000	\$ 428,000	\$ -	\$ -

CSCA

I-5/SR99/US50 Connector	\$ 2,558,000	\$ 200,000	\$ 200,000	\$ -	\$ 940,000
Env Mitigation & Open Space Pres		\$ 1,550,000	\$ 1,550,000	\$ -	\$ 475,000
<i>Subtotal</i>	\$ 2,558,000	\$ 1,750,000	\$ 1,750,000	\$ -	\$ 1,415,000

TOTAL	\$ 14,152,000	\$ 8,236,000	\$ 5,582,000	\$ 3,832,000	\$ 9,096,000
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Measure A
Safety, Streetscaping, Pedestrian & Bicycle Program

City of Rancho Cordova
 Five-Year Spending Program, FY 2011-2015

FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	TOTAL
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Bicycle and Pedestrian Master Plan Implementation	\$ 128,021	\$ 133,291	\$ 138,719	\$ 148,038	\$ 157,822	\$ 705,891
Total	\$ 128,021	\$ 133,291	\$ 138,719	\$ 148,038	\$ 157,822	\$ 705,891

Measure A
Traffic Control and Safety Program

City of Rancho Cordova
 Five-Year Spending Program, FY 2011-2015

FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	TOTAL
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Traffic Signal Program; Street Signage & Striping; Sidewalk Upgrades & Infill; Neighborhood Traffic Management	\$ 104,038	\$ 107,200	\$ 110,457	\$ 116,048	\$ 121,919	\$ 559,662
Total	\$ 104,038	\$ 107,200	\$ 110,457	\$ 116,048	\$ 121,919	\$ 559,662

MEASURE A Transit Congestion Relief Program

Sacramento Intermodal Facility

Projected Use of Funds, FY 2011 - FY 2015

Line		FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
1	<u>Intermodal Phase 1</u>					
2	<u>Track Relocation</u>					
3	Design	\$1,500,000				
4	Construction	\$1,600,000				
5	Site Acquisition	\$550,000				
6	Contingency	<u>\$500,000</u>				
7	Subtotal	\$4,150,000	\$0	\$0	\$0	\$0
8						
9	<u>Intermodal Phase 2</u>					
10	<u>Sac Valley Stn Improvements</u>					
11	Design (Match)	\$1,488,000				
12	Construction		\$5,560,000			
13	Contingency	<u>\$365,000</u>	<u>\$0</u>			
14	Subtotal	\$1,853,000	\$5,560,000	\$0	\$0	\$0
15						
16	<u>Intermodal Phase 3</u>					
17	<u>Intermodal Facility</u>					
18	Environmental & Design		<u>\$1,911,000</u>			
19	Subtotal		\$1,911,000			
20						
21	Phases 1+2+3 Subtotal	\$6,003,000	\$7,471,000	\$0	\$0	\$0
22	Cumulative Total	\$6,003,000	\$13,474,000			

MEASURE A INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE

January 20, 2011
Item # 4

Subject: FY 2009-10 Comprehensive Annual Financial Report

Recommendation

Receive and file the FY 2009-10 Comprehensive Annual Financial Report.

Discussion

The Comprehensive Annual Financial Report (CAFR) for fiscal year 2009-10 has been completed and is enclosed with the agenda packet for your information.

The CAFR's contents are similar to last year's document with the exception that additional disclosure was required in the *Notes to the Basic Financial Statements (Note 8)* related to the FY 2009-10 bond issue and the associated long-term debt per GASB (Government Accounting Standards Board) Statement No. 53 "Accounting and Financial Reporting for Derivative Instruments". This GASB requirement was effective beginning July 2009.

Please note the copy of the Certificate of Achievement for Excellence in Financial Reporting, which we were awarded for our FY 2008-09 CAFR. This is the fifteenth consecutive year in which we have received this award.

Of particular importance in the CAFR is the Financial Section which includes the Independent Auditor's Report. This report attests that our financial statements are presented fairly in accordance with generally accepted accounting principles.

Enclosure

Staff Contact: Lisa Chandler

MEASURE A INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE

January 20, 2011
Item # 5

Subject: Results of Independent Audit for FY 2009-10

Recommendation

Receive and file the attached audit reports for FY 2009/10 and direct staff to ensure correction of findings.

Discussion

The independent audit of the STA, SAVSA, and recipient entities for the fiscal year ended June 30, 2010, was completed in December. Our consulting auditors, *Richardson & Company*, prepared three reports (attached). The first two reports provide general information about the audit process. The third report describes the tasks that the auditors performed and details the findings from agreed-upon procedures performed on the Measure A (on-going and capital) and SAVSA entities.

There was a Measure A finding for Caltrans and there were SAVSA findings for the City of Sacramento and the County of Sacramento. In the prior year, all three entities had findings related to the same program as in the current year, however, all prior year findings have been resolved. There were no findings for the other jurisdictions or for the STA and SAVSA administration. A summary of findings and a listing of planned follow-up by the STA staff are attached hereto.

Attachments

Staff Contact: Lisa Chandler

**SACRAMENTO TRANSPORTATION AUTHORITY
AUDIT FINDINGS
AUDIT OF FISCAL YEAR ENDED JUNE 30, 2010**

City of Sacramento Abandoned Vehicle

FINDING – For the City of Sacramento Abandoned Vehicle program, there was a discrepancy in the number of tows between the City’s records and the tow report for the second quarter. A total of 164 tows were reported by the City, however, the tow report shows only 162 tows.

FOLLOW UP – The City is modifying how they enter tow information into their system to minimize or eliminate future errors.

County of Sacramento Abandoned Vehicle

FINDING – Due to use of an incorrect billing code, the number of hours input for the County’s Abandoned Vehicle program resulted in an understatement of expenses totaling \$27,329 for the fiscal year. In addition, the auditors found the prior year indirect cost rate of \$30 per hour was used to calculate the SAVSA billing although the correct indirect cost rate was \$70 per hour for FY 09/10. This did not result in understated expenditures since the SAVSA funds do not typically cover all the abatement expenditures, however, it does highlight a weakness in the County’s overall control structure.

FOLLOW UP – To address the incorrect input of hours, the County’s Finance Department is now entering the timesheet information to ensure accuracy rather than the Human Resource Department. SAVSA staff has sent a written request to the County Neighborhood Services Agency to provide written correspondence describing how the Auditors’ recommendations will be addressed with regards to the labor rates.

Caltrans Measure A

FINDING – The Auditors calculated five labor charges for the US 50 bus/carpool lane project and the differences between their calculations and Caltrans calculations varied from 5% to 116% of the individual employee charge.

FOLLOW UP - Although the Auditors have not received supporting documentation from Caltrans identifying the differences in the labor rate calculations as of the date of their report, they will continue to correspond with Caltrans regarding this finding.

Prior Year Findings

Caltrans Measure A - On the US 50 bus/carpool lane project, the Auditors were unable to recalculate the salary charges using the timesheet and payroll information provided to them by Caltrans. Additional information was also requested on entries identified as adjustments.

Current Status: After the June 30, 2009 report was issued, the Auditors were able to obtain timesheet information to recalculate the salary adjustments and also received sufficient documentation for the entries identified as adjustments. Both findings are resolved.

City of Sacramento Abandoned Vehicle – Auditors noted one instance in which safety equipment was erroneously charged to SAVSA.

Current Status: City staff submitted written commitment that future operating expense submittals would be subject to additional verification in the future. During the June 30, 2010 audit, there were no similar discrepancies for safety equipment expenditures.

County of Sacramento Abandoned Vehicle – The County had several instances in which pay rates used to bill the Authority were understated compared to published labor rates. Also, in two instances, the hours reported on timesheets were improperly excluded from SAVSA billings. Both of these findings resulted in a small understatement of billings. The Auditors also found a slight overstatement of the number of tows reported to SAVSA relative to County records. While none of these issues was determined to be material, they do highlight a weakness in the County's overall control structure.

Current Status: During the June 30, 2010 audit, the Auditors did not note any discrepancies in the number of tows, however, they did note billing errors related to the coding of employee hours.

MEASURE A INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE

January 20, 2011
Item # 6

Subject: Request for Qualifications for Consulting Financial Advisory Services

Recommendation

Review and comment on the attached draft Request for Qualifications (RFQ) for consulting financial advisory services. Recommend that the STA Governing Board authorize distribution of the RFQ.

Discussion

In 2006, the STA solicited competitive bids from consulting financial advisory firms. The objective was to engage the consulting firm most qualified to assist the STA with its inaugural issue of public debt. The scope of services called for the development and implementation of a prudent debt issuance strategy to accelerate the delivery of **New** Measure A capital projects along with the provision of ongoing information and advice. The STA Governing Board selected **Public Financial Management (PFM), Inc.** as the preferred bidder, and subsequently contracted with the firm for a five-year engagement. The contract period expires on June 30, 2011.

In anticipation of the expiration of the existing contract, staff has prepared the attached Request for Qualifications (RFQ). The RFQ is intended to identify consulting financial advisory firms most qualified to:

- update and amend the STA's comprehensive financing and project delivery strategy
- identify, facilitate, and manage appropriate financing mechanisms, including serving as STA's agent in the financial markets
- provide on-going financial advice tailored to the unique circumstances of the Measure A sales tax program and the current state of the financial markets

Interested firms must submit a SOQ by March 21. Firms determined by the STA Governing Board to be "qualified" relative to the scope of services will receive a subsequent Request for Bids (RFB). Associated cost proposals are due back to the STA by May 19. The STA Board may either select the lowest cost proposer among the "qualified" firms as the preferred bidder; or it may reject all bids if none are determined to be cost-effective.

Attachment

Staff Contact: Brian Williams

SACRAMENTO TRANSPORTATION AUTHORITY

REQUEST FOR QUALIFICATIONS

FINANCIAL ADVISORY SERVICES RELATED TO THE SACRAMENTO COUNTY MEASURE A TRANSPORTATION SALES TAX PROGRAM

PURPOSE

The Sacramento Transportation Authority (STA) is soliciting Statements of Qualifications (SOQs) from consulting municipal financial advisory firms interested in:

- Preparing an updated and amended Measure A Capital Allocation Plan (CAP) that sets forth an anticipated schedule of Measure A revenues, cash flow, and distributions to eligible capital projects
- Evaluating alternative financing mechanisms, and preparing a preferred financing strategy to accelerate the delivery of Measure A capital projects
- Providing on-going advice, facilitation, management, and reporting as needed to implement the preferred financing strategy

It is anticipated that--subject to successful negotiation with a qualified consultant(s)--the associated services would commence in July 2011 with an engagement period of four years. The project budget has not been determined.

BACKGROUND

The Measure A transportation sales tax program was first approved by Sacramento County voters in 1988. It imposed a ½-percent Countywide sales tax for 20 years (1989-2009) to fund a comprehensive program of roadway and transit improvements and services. On November 2, 2004, Sacramento County voters approved an Ordinance to extend and amend the ½-percent transportation sales tax program for 30 years (2009-2039). Eligible expenditures are set forth in the *Sacramento County Transportation Expenditure Plan*.

Measure A is administered by the Sacramento Transportation Authority (STA), a 15-member panel of elected representatives of the County and the incorporated cities therein. The Board consists of all five members of the County Board of Supervisors, 5 members of the Sacramento City Council, 1 member each from the city councils of Citrus Heights, Elk Grove, Folsom, and Rancho Cordova, and one member appointed concurrently by the city councils of Galt and Isleton. The STA is a *Local Transportation Authority* as set forth in the California Public Utilities Code, Sec. 180000.

Cumulative revenues during the 30-year *New* Measure A term are anticipated to be about \$7 billion. Approximately \$6 billion is anticipated from the ½-percent sales tax and \$850 million will be generated from a new uniform Countywide development impact fee. The cumulative revenue estimate is about 30% lower than the forecasted revenues assumed in the original *New* Measure A Plan of Finance (2006). Measure A revenues will represent *approximately* ⅓ to ½ of the total cost of each of the capital improvements listed in the Expenditure Plan. To the maximum extent possible, the STA intends that Measure A revenues be used to leverage and match other local, state, federal, and private transportation funds that may become available during the 30-year term. Measure A revenues are also used to service bond debt. The STA issued Bond Anticipation Notes (BANs) in 2006 and 2007. In 2009, the STA issued long-term sales tax revenue bonds (variable rate demand bonds backed by three standby bond purchase agreements). At that time, the BANs were refunded. Future interest rates on the 2009 bonds are hedged with three interest rate swap agreements.

This Request for Qualifications (RFQ) is being distributed by the STA in its capacity as the administering agency for the Measure A transportation sales tax program. The RFQ is intended solely to identify consulting Financial Advisory firm(s) qualified to update and amend the STA's comprehensive financing and project delivery strategy; identify, facilitate, and manage appropriate financing mechanisms; and provide on-going financial advice tailored to the unique circumstances of the Measure A program and the current state of the financial markets. It is not intended to solicit financial advisory services related to other work elements for which STA is responsible.

The Capital Allocation Plan serves as a blueprint for the allocation of resources to capital projects that will be funded wholly or in part with Measure A revenues. The Plan guides the STA Governing Board and staff—along with the policy boards and staffs of the participating local transportation agencies—in making programming and financing decisions that facilitate efficient and equitable delivery of the Measure A capital program. The Plan supplements the project delivery expertise of the sponsoring public agencies. As such, the preferred consultant may be required to coordinate with transportation and financial management staff from the County of Sacramento, incorporated cities, Sacramento Regional Transit District, and Caltrans during the Plan update.

SCOPE OF SERVICES

The associated Scope of Services will include, but may not be limited to, the following key tasks:

- 1. Refine and Finalize the Scope of Services:** The selected Consultant will work with STA staff to refine the work scope and develop a work schedule for updating the Capital Allocation Plan. This task will result in a detailed work plan and timeline. Each SOQ should describe the consultant's recommended approach in sufficient detail to be evaluated by the STA. Responders to this RFQ may recommend modifications to the scope of services set forth herein.
- 2. Refine Measure A Revenue Projections and Assumptions:** The selected Consultant will develop a methodology for estimating Measure A sales tax and development fee

revenues for each year of the sales tax term. It will be designed so that STA staff can update it as needed to reflect changing assumptions.

3. **Update Project Scopes and Cost Estimates:** The selected Consultant—in coordination with STA staff—will confer with transportation and/or finance staff from the sponsoring transportation entities as needed to update the scope, estimated cost, and delivery schedule of the projects set forth in the Measure A Capital Allocation Plan.
4. **Determine Cash Flow Requirements:** The selected Consultant will determine the amount of cash that must be available at specified intervals to maintain the project delivery schedules prepared per Task #3. The revenue forecasting tool developed per Task #2 will be used to re-evaluate cash flow requirements as revenue and other assumptions change over time. The Consultant will perform a financial capacity analysis of the capital improvement categories set forth in the Expenditure Plan.
5. **Identify Types and Scheduling of Finance Mechanisms:** Based on the cash flow requirements and on the revenue projections and assumptions developed per Task #2, the selected Consultant will prepare a matrix of alternate financing mechanisms for accelerating Measure A and other revenues. The matrix will include the costs and benefits of each alternative approach. Consultant will prepare a financing strategy that sets forth the most appropriate financing mechanism(s) and schedules relative to the cash flow requirements and the STA's financial outlook, credit quality, and other relevant circumstances. The Consultant will also identify those projects that should be funded on a pay-as-you-go basis.
6. **Prepare Draft Update of the Measure A Capital Allocation Plan:** The selected Consultant will present updated policy recommendations and creative funding, financing, and cash flow strategies to facilitate effective and equitable delivery of the Measure A capital program. The product will be an updated Capital Allocation Plan that includes, but is not limited to, the following elements:
 - Executive Summary
 - Policies for Effective and Equitable Project Delivery
 - Proposed Schedule of Measure A Distributions for Each Capital Project during Each Year of the Program Term
 - Schedule and Recommended Type(s) of Financing Mechanism(s)
 - Other Funding Issues and Recommendations

The Consultant will review the Draft Capital Allocation Plan with the STA staff and governing board.

7. **Prepare Final Measure A Capital Allocation Plan:** The Consultant will use technical and policy comments received on the draft (Task #6) to prepare a Final Measure A Capital Allocation Plan. The Plan will be presented to the STA Governing Board for adoption at a regular meeting thereof.

Additional Services

In addition to updating the Capital Allocation Plan, the Consultant will be requested to provide additional services related to implementing the recommended financing mechanisms and providing on-going financial management advice. The selected Financial Advisory consultant will not subsequently be selected to underwrite any recommended financing instrument(s).

SOQ CONTENTS

The Authority prefers to contract with a single firm and not with multiple firms organized as a joint venture. Where two or more Responders desire to submit a single statement of qualifications (SOQ) in response to this RFQ, they should do so as prime-subcontractor rather than as a joint venture. Consultants interested in providing the services described above should submit an SOQ that includes the following elements. The SOQ should contain only information pertinent to the information solicited herein. As such, the STA anticipates that responses will not exceed about 20 pages in length:

1. Introduction to Firm(s)

- A. Transmittal Letter that summarizes the firm(s)' interest and approach to performing the Scope of Services outlined above. The letter should be signed by an individual authorized to subsequently submit a bid proposal and negotiate a contract.
- B. Background Information on the firm and any proposed subconsultants, including: legal name of firm; year established; address, telephone number, and fax number; type of organization (partnership, corporation, etc.).
- C. A statement that the consultant(s) is not in default to the State of California or any public agency in Sacramento County for taxes, licenses, or previous agreements. The statement should include a summary of legal or regulatory violations, pending or actual investigations by regulatory agencies, or other legal matters involving the firm during the prior 3 years.
- D. A statement that the Consultant(s) is an Equal Opportunity Employer as defined by federal and state statutes.
- E. Identification of any Disadvantaged Business Enterprises (DBEs) included in the consulting team. It is the intent of the STA that DBEs be informed of and have an opportunity to participate in the procurement activities that may be associated with this RFQ.

2. Recommended Approach

- A. A narrative summary of the services to be provided and how they will be performed, including an itemization of the interim products (i.e. working papers, reports), if any, that will be delivered as part of the scope of services set forth above.

- B. A Work Plan that itemizes the tasks to be completed and the estimated length of time for completing them. The work plan should include an estimate of the length of time (i.e. number of weeks/months from commencement of project) for the delivery of all interim, draft, and final products.
- C. An Organization Chart that clearly identifies key persons (including subcontractors) who would be responsible for performing the tasks set forth in the scope of services, along with a description of proposed relationships among key personnel and support staff. The Work Plan should include a spreadsheet depicting the *estimated* number of person-hours by job class for each task.

3. Consultant(s)' Qualifications

- A. **Experience & Expertise:** The SOQ should describe the firms(s)' experience and expertise relative to the scope of services outlined above. This should include a listing of projects for which the firm has provided similar services, including:
 - Project description and location
 - Client name and key contact
 - Key consulting personnel involved
 - Fee arrangement and total value of services
 - Budget and schedule performance
- B. **Personnel:** Resumes for all technical, professional, and management personnel (including subcontractors) expected to be assigned to the project. The SOQ should demonstrate the qualifications of all assigned personnel and a clear commitment that each will actually perform the tasks assigned to them in the Organization Chart. The project leader and principal contact for all matters associated with this project should be clearly identified. The SOQ should also demonstrate that the project leader will attend meetings as requested by Authority staff and will be fully engaged in the day-to-day management of the contracted activities.
- C. **Conflict of Interest:** A statement that the consultant is not committed to another project or client that would constitute a conflicting interest with the project described herein. Conflicts of interest *may* include but are not limited to:
 - contracts for work related to the implementation of specific projects in the Measure A Expenditure Plan
 - contracts with public agency sponsors of projects listed in the Measure A Expenditure Plan
 - contracts with local property development companies
- D. **Insurance:** The preferred Contractor will be required to maintain General Liability insurance—including contractual liability and automobile liability—with a combined single limit of at least one million dollars (\$1,000,000). The policy will name the Authority as an additional insured.

4. Exceptions/Deviations

Information that Responder determines to be pertinent to this project and which has not been specifically solicited in this RFQ may be placed in a separate technical appendix to the SOQ. This section should include any variations of the RFQ's technical requirements that the Responder desires to offer.

The SOQ should not include a proposed price for performing the affected services. Price proposals will be solicited from "qualified" firms via a separate Request for Bids process.

SUBMITTAL

Interested consultants should submit four (4) copies of their SOQ by 5:00 p.m. on March 21, 2011, to:

Sacramento Transportation Authority
431 I Street, Suite 106
Sacramento, CA 95814
ATTN: Gloria Busby
Office Manager

The SOQ should be submitted in a sealed envelope or container labeled: ***STATEMENT OF QUALIFICATIONS FOR MEASURE A FINANCIAL ADVISORY SERVICES***. SOQs submitted after the deadline will not be considered. No electronic or facsimile copies will be accepted. All responses become the property of STA, and will be considered public records after an associated contract is executed.

Addenda/Questions

Any adjustments made by the STA to the provisions set forth in this RFQ after it has been distributed will be made by written addendum distributed to all parties that have received an RFQ packet. Responder should acknowledge receipt of any such addenda in the transmittal letter enclosed with the SOQ. STA is not bound to any modifications or variations from the requirements set forth herein as the result of any oral communication.

All questions from Responders regarding the provisions set forth in this RFQ must be submitted to the STA in writing no later than close of business on March 9, 2011. Questions submitted after this date will not be acknowledged. Questions may be submitted (Attn: GLORIA BUSBY) via the following methods:

- US Mail: Sacramento Transportation Authority
431 I Street, Suite 106, Sacramento, CA 95814-2320
- Private Courier: Sacramento Transportation Authority
431 I Street, Suite 106, Sacramento, CA 95814-2320
- Facsimile: 916-323-0850 – Attn: Gloria Busby
- E-mail: gloria@sacta.org

EVALUATION

STA will convene a panel of local public agency finance and transportation managers to review the SOQs. The SOQs will be evaluated on the thoroughness, clarity, quality, and completeness of the material presented with emphasis on understanding of the project and relevant experience with assignments of this type. The following criteria will be of particular significance in the evaluation:

- Experience and expertise of the consulting firm(s) relative to the proposed Scope of Services
- Relevant experience of consulting personnel to be assigned to the project
- Recommended Approach
- Demonstrated understanding of the STA’s needs and of the financial challenges facing transportation agencies in Sacramento County

Interviews may be conducted. The STA Governing Board will approve a list of qualified consulting firms from which to solicit bid proposals.

The preliminary evaluation schedule is as follows:

<u>Feb 10:</u>	STA Governing Board authorizes distribution of RFQ
<u>Feb 14:</u>	RFQs distributed to consultant list and posted on STA website
<u>Mar 9:</u>	Deadline for submitting questions on the RFQ
<u>Mar 11:</u>	Answers to questions posted on STA website
<u>Mar 21:</u>	Statement of Qualifications (SOQ) due to Authority
<u>Mar 28-31:</u>	Panel reviews SOQs and prepares recommended list of “qualified” consulting firms; panel conducts consultant interviews (if necessary)
<u>Apr 14:</u>	STA Governing Board approves list of “qualified” consulting firms
<u>Apr 18:</u>	Request for Bids distributed to “qualified” consulting firms
<u>May 19:</u>	Bid proposals due to Authority
<u>Jun 9:</u>	STA Governing Board considers low bidder as preferred consultant

The STA reserves the right to reject any or all of the SOQ submittals and/or to waive minor irregularities. Solicitation of statements of qualifications or bid proposals in no way obligates the STA to contract with any firm. Selection of a consultant for placement on the list of ~~“qualified”~~ firms may be made without subsequent discussion with any Responder. As such, the SOQ should emphasize qualifications and experience directly relevant to the advisory needs of the STA as set forth in this RFQ.

Thank you for your interest in this important project.

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MEASURE A INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE

January 20, 2011
Item # 7

Subject: 2nd Quarter FY 2010-11 Measure A Revenue Report

Recommendation

Receive and file a summary report of cumulative 2nd quarter FY 2010-11 Measure A sales tax revenues along with a review of revenue trends from recent years.

Discussion

The monthly Measure A sales tax revenue and distribution report for December is attached. December completes the first half of the STA's fiscal year, so this report also provides cumulative first and second quarter revenue and distribution figures. At the top half of the page, the first two columns show the proportional allocation of sales tax revenue to each Measure A program. The first two columns at the bottom half of the page break out the allocations among the County and cities for the *Traffic Control & Safety*, *Streetscaping*, *Bike, Ped*, and *Road Maintenance* programs. The far right column shows the distribution of Measure A revenues for the month of December, while the second column from the right depicts cumulative distributions through the end of the prior month. Lastly, cumulative FY 2011 Measure A distributions to date are shown in the middle column.

The second attachment hereto presents monthly Measure A revenue figures for the past 5+ years. After peaking in the 2nd quarter of 2006 at \$29,214,160, quarterly Measure A sales tax revenues steadily declined to approximately \$20 million before rebounding somewhat during the past two quarterly reporting periods.

Attachments

Staff Contact: Lisa Chandler

Sacramento Transportation Authority
 Sales Tax Revenue Comparison By Quarter
 FY 2006 through 2011

