

SPECIAL MEETING

SACRAMENTO CITY COUNCIL

WEDNESDAY, JULY 20, 1988

2:00 P.M.

BOARD OF SUPERVISORS CHAMBERS  
COUNTY ADMINISTRATION BUILDING  
700 H STREET  
SACRAMENTO, CALIFORNIA

I HEREBY CALL a Special Meeting of the Sacramento City Council to meet jointly with the Sacramento County Board of Supervisors, at the date, time and location specified above, for the purpose of discussion and action associated with financing of roads and transit within Sacramento County, including but not limited to the following issues:

- a. Whether to submit a transportation sales tax measure to the voters in November;
- b. The specific provisions of any measure which may be proposed for submission to the voters;
- c. The formation of a Transportation Authority which would submit the proposal to the voters.

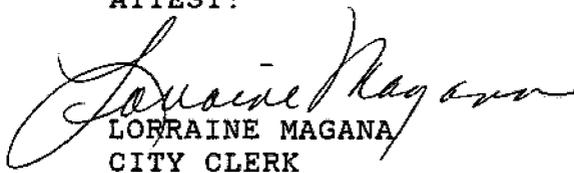
Members of the public are invited to attend the public hearings and present their comments. Copies of documents relative to the foregoing are on file and subject to public inspection and copying at the Office of the Clerk of the Board of Supervisors at the above address.

Dated: July 15, 1988.



ANNE RUDIN  
MAYOR

ATTEST:



LORRAINE MAGANA  
CITY CLERK



July 20, 1988

Dear Mayor Anne Rudin and Chairperson Jim Streng:

Paratransit offers for your consideration the following proposal for the allocation of funds derived from a one-half cent sales tax increase.

The following percentages would be from the total of available funds:

1. A maximum of 1% for administration
2. 1.5% for air quality improvements
3. 2% for specialized door-to-door transportation services to elderly and disabled persons

The remaining funds would be allocated as follows:

- 65% to street and road construction and maintenance
- 35% to fixed-route and light rail transit improvements

It is our feeling that these modifications of the original allocation would strengthen the proposal if it going back to the voters in November.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill E. Durant". The signature is fluid and somewhat stylized, with a large initial 'B' and 'D'.

Bill E. Durant  
Executive Director

BED:djm

# Fairbank, Bregman & Maullin

Marketing Research &  
Public Opinion Analysis

## MEMORANDUM

To: Mayor Anne Rudin

From: Fairbank, Bregman and Maullin

Date: July 18, 1988

Re: Overview of Results  
Measure A Post-Election Survey  
500 Voters in June, 1988 Election  
Interviewing Dates: July 5-8, 1988  
Margin of Error: +/- 4%, at the 95% confidence level

This memorandum presents an overview of the results of the Measure A post-election survey conducted in Sacramento County. Among the 500 voters interviewed for the survey, 52% had voted "No" on Measure A, and 48% had voted "Yes," an exact replication of the actual results in June's election.

Highlighted are some of the key findings from the survey. We believe that there is an excellent chance for a new measure, similar to Measure A, to be approved by the voters if it is on the ballot on November 8, 1988. Some of the reasons for this belief are as follows:

1. Supporters of a half cent sales tax increase measure similar to Measure A are stronger in their convictions than are opponents of such a measure. When these voters were read a description of the provisions of Measure A, 84% of the "Yes" voters remained in favor of it, while only 58% of the "No" voters said they would still vote "No."

### Vote on Measure After Being Read All Provisions

|                  | <u>All Voters</u> | <u>"Yes" Voters</u> | <u>"No" Voters</u> |
|------------------|-------------------|---------------------|--------------------|
| Would vote "Yes" | 54%               | 84%                 | 27%                |
| Would vote "No"  | 36%               | 11%                 | 58%                |
| Undecided        | 10%               | 5%                  | 15%                |

The Hearst Building  
5 Third St., Suite 525  
San Francisco, CA  
94103 415/957-9700  
FAX: 415/957-9723

Colorado Place  
2401 Colorado Ave.  
Ste. 180, Santa Monica  
CA 90404 213/828-1183  
FAX: 213/207-1163

2. Several key voter groups which were in favor of Measure A in June are more likely to go to the polls and vote in the November general election. These particularly include younger people and registered Democrats. The differences between younger and older voters, and between Democrats and Republicans clearly shows how increased turnout among those under 40 and among Democrats will greatly benefit a new measure:

Differences in June Vote By Age Groups

|             | <u>Under 40</u> | <u>40 and Over</u> |
|-------------|-----------------|--------------------|
| Voted "Yes" | 53%             | 46%                |
| Voted "No"  | 47%             | 54%                |

Differences in June Vote By Party

|             | <u>Democrats</u> | <u>Republicans</u> |
|-------------|------------------|--------------------|
| Voted "Yes" | 53%              | 41%                |
| Voted "No"  | 47%              | 59%                |

3. Voters believe that the current division of money between roads and public transit is the best formula. They reject the idea of a 50-50 split and even more strongly would oppose either roads or public transit being excluded.
4. There is evidence that a clearer ballot description of the initiative might have made the difference in June, and consequently, could contribute to passage of a new measure in November. Among those people who said their main reasons for voting against Measure A were beliefs that it would be harmful to seniors or that they were concerned with pollution, one-third changed their votes when they were read a full description of the measure and learned of the money that is set aside for seniors, the handicapped and to fight air pollution.

In short, we feel that a measure similar to Measure A, buoyed by a larger turnout and a clearer ballot presentation, will have an excellent chance to reverse the results of June's vote on Measure A.



# COUNTY OF SACRAMENTO

## DEPARTMENT OF PUBLIC WORKS

COUNTY ADMINISTRATION BUILDING • ROOM 304 • 827 SEVENTH STREET  
SACRAMENTO, CALIFORNIA 95814      TELEPHONE: (916) 440-6581

July 20, 1988

Honorable Board of Supervisors  
County of Sacramento  
State of California

SUBJECT: MEASURE "A" MAINTENANCE

Members in Session:

### RECOMMENDATION:

That New Measure "A" allocate from the road part of the program an amount of one third for road maintenance.

### DISCUSSION:

#### 1. Revenue Estimate

The City and the County collected \$81,200,000 in its 1 Cent Sales Tax Fund for 1987-88. That means the 1/2 cent sales tax would collect \$40,600,000. It is assumed that there will be an increase in 1988-89 and in 1989-90. The first year of a November-approved Transportation Sales Tax would be 1989-90. This would amount to about a \$46,000,000 per year program.

#### 2. Road Fund Revenue

The assumed split of 65 percent for roads would generate about \$29,300,000 per year for the City and County combined.

#### 3. Maintenance Priorities

The present needs for maintenance are in general areas: pavement resurfacing, curb/gutter and sidewalk repair, bridge maintenance, drainage, signing, and traffic signals.

An adequate maintenance program could be created by the addition of \$6 million per year to the County program for the areas mentioned above. It is possible that fines and forfeitures will be lost in the future. This is taken into consideration in that figure.

In order to collect \$6 million per year for the County, the Measure "A" Program would have to have at least \$9,700,000 annually dedicated to Maintenance, or about 33 percent.

Honorable Board of Supervisors

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July 20, 1988

The Board has also expressed interest in litter control, improved landscape maintenance, and street sweeping.

4. Construction Priorities

The remaining 67 percent figure would leave about \$390,000,000 for City/County road construction projects. This figure is probably less than what is needed to do a thorough program. If the Developer Fee is adopted at the Department of Public Works' recommended rate, however, that will raise about \$9,000,000 per year. In addition, certain State Highways' projects could compete for and obtain more matching funds from the CTC. (Particularly if new State gas tax is adopted.) An adequate program would be possible.

5. If fines/forfeitures are lost, then there would not be any present Road Fund money (gas tax, SB 325) that could be transferred to capital projects.
6. With a 1/3 - 2/3 split between maintenance and capital expenditures, many projects now on the Measure "A" Expenditure Plan can still be done. The major exception is the Beltway. That project for \$100 million to \$200 million could not be funded with any significant percentage allocated to Maintenance.

Respectfully submitted,

Douglas M. Fraleigh

JCR:car

cc: Brian H. Richter

COUNTY OF SACRAMENTO

Inter-Department Correspondence

January 20, 1988

To: Board of Supervisors  
County of Sacramento

City Council  
City of Sacramento

From: L. B. Elam  
County Counsel

Subject: Sacramento Transportation Authority -  
Powers and Duties  
Joint Session - January 22, 1988

Enclosed herewith and prepared in accordance with directions by the Board and Council during their joint sessions on January 11 and 12, 1988, are a resolution by which the Sacramento Transportation Authority would be created and attached contract regulating the rights and duties of the parties, both dated as January 15, 1988 Drafts. The purposes of this memorandum are to explain the changes reflected in the enclosed January 15 Drafts from those in the Drafts dated November 17, 1987, and to identify what will hopefully be a final schedule for formation of the Authority and taking of the other actions required in order to place the sales tax increase measure on the June, 1988 ballot.

a. Resolution and Contract Changes

1. The enclosed Resolution provides for the five Board of Supervisors representatives and four Sacramento City Council representatives on the governing body of the Transportation Authority to be either individual Supervisors and Councilpersons or other elected officials who are appointed by the Board and Council. (Para. 3-a). Paragraph 4 of the Resolution has been modified to permit the appointment of substitute officials when an elected appointee has announced that he or she is disqualified from voting on a particular matter.

2. The final Resolution clause on Page 4 of the Resolution has been modified to provide that the Transportation Authority will dissolve unless voters approve a sales tax increase during

the June, 1988 Primary Election. This term constitutes a recommendation by this Office and does not result from a directive by the Board or Council.

A coalition of community interests have produced a relatively complex process of allocating any sales tax increase and defining the various goals of the governmental entities interested in the proceeds of the increase. The detailed programmatic format which has evolved is considered to be an integrated package which is desired to be presented for voter approval, either in express terms or by way of proponent arguments in the election campaign. The various components of the program are inherent in the very structure and existence of the Authority to be created. Regional Transit and other community interests advocating fixed allocations for Public Transit threaten only campaign opposition to the tax increase measure. However, the "situs" allocation of the increase to Folsom, Isleton, and Galt has been exacted as a condition precedent to approval by those Cities of the composition of the Governing Body of the Authority, a consent which is statutorily required. Furthermore, the County Transportation Expenditure Plan, required as a condition precedent to submission of the increase measure to the voters, will contain the totality of the allocation formula. Approval of the Plan by the County and respective Cities, in addition to the Transportation Authority, is required by statute.

Should the voters disapprove the sales tax increase proposal in June, there will very likely be proposals for changes in the programmatic elements before another measure is offered. The flexibility to modify those program elements ought not to be encumbered by a preexisting contract developed for the primary purpose of marketing an earlier program to the voters which has resulted in voter disapproval. Since the small Cities will have approved composition of the Governing Body of the Authority pursuant to an important element of the program, provision for dissolution of the Authority in addition to the rescission of the contract both ensure that rights of interested entities are not prejudiced and that there will be future flexibility to tailor new proposals for voter approval.

3. Paragraph 8 (renumbered from No. 9) of the Contract has been revised to authorize the Transportation Authority to either select public road improvement projects which have not been recommended by the County or Cities and/or build such projects only by a super-majority vote of eight. The instruction by Councilperson Shore was that the super majority vote be structured to require an affirmative vote by at least one Sacramento representative before the Authority should exercise such an extraordinary prerogative.

4. Paragraphs 11 and 12 have been added to the Contract for the purpose of defining in relatively precise terms what the parties mean by the "situs" allocation to Folsom, Isleton and Galt. In general, these two paragraphs state that the allocation is to consist of all tax increases charged within the Cities, plus sales tax increases charged by auto dealers outside of Sacramento County for purchases by citizens of the three Cities of motor vehicles. The costs of the accounting required in order to ascertain the "situs" amounts, is to be borne by the three Cities.

The percentage of the "situs" allocation is to vary according to whether one or more of the three Cities is served by Regional Transit. Paragraph 12 makes it clear that for purposes of the percentage allocation, only service with consent of the City Council will be relevant, not simply service in fact.

5. As per a direction by the Board and Council pursuant to a recommendation by the election committee in support of the tax measure, Paragraph 13-b of the Contract has been modified to permit the 33.33% allocation to Regional Transit to be subject to a three-year average. The average would relate to specified allocations and would apply to revenue estimates each year, not total revenues during the three-year period. The three-year periods would be years 1 through 3, 4 through 6, 7 through 9, 10 through 12, 13 through 15, and 16 through 18. The following example illustrates how the averaging standard would operate.

Assume that in Year 1, estimated revenues subject to allocation are \$70.0 million, and that Regional Transit receives \$7.0 million, a 10% allocation. In Year 2, the revenues are \$75.0 million, and Regional Transit receives \$25.0 million, a 33% allocation. In Year 3, estimated revenues are \$80.0 million. Regional Transit must receive \$45,600,000, a 57% allocation. In Year 4, the estimated revenues are \$85.0 million, and Regional Transit receives \$28,050,000, a 33% allocation. In Year 5, the estimated revenues are also \$85.0 million, and Regional Transit receives \$42,500,000, a 50% allocation. In Year 6, estimated revenues decline to \$70.0 million. Regional Transit must receive \$11,900,000, a 17% allocation.

6. Paragraphs 16, 17, 18, 19, 20, 21, and 23 have been modified in a generally nonsubstantive fashion to permit greater flexibility in the guidelines and other procedural requirements associated with annual requests by recipient entities for allocations, and to make it clear that contracts by which allocations guarantee expenditures for specific purposes may be for terms longer than one year, in order to facilitate debt financing and other financial demands of multi-year projects.

7. Paragraph 22-d of the Contract has been amended to incorporate the Council's desire that the Governing Body of the Authority be forbidden from extracting zoning and other land use requirements as a condition of financial allocations.

8. A new Paragraph 28 has been added to the Contract which would regulate the term of any sales tax increase which is approved by the voters. Under that provision, the approved sales tax increase would terminate the earlier of either 20 years following its implementation, or the date on which a Court finally determines that the requirement that 35% of the increase be allocated to public vehicular transportation is either unlawful or unenforceable. Since under the Act, the Authority is permitted to impose the tax increase for either 20 years or any shorter term, this Office believes that an abbreviated term related to the illegality of a particular element of the program would constitute a legally effective enforcement mechanism.

Thus, even if the County, all of the Cities, and Regional Transit were to decide in the future that the public interest dictates revision of the 35% mandated allocation for whatever reason, that allocation should still be legally enforceable at the instance of a taxpayer who insists that the promise be fulfilled. Should the Court in such a lawsuit find that the mandated allocation constitutes an invalid restriction of governmental authority or is illegal for other reasons, authority to levy the sales tax would ipso facto terminate because the term of the tax increase is coextensive with the period during which the allocation has not been declared unlawful.

The foregoing constitutes the best enforcement mechanism this Office has been able to conceive for the purpose of fulfilling the desired promise to the electorate, given the constraints of the enabling Act.

9. Paragraph 29 has been modified to reflect the allocation language requested by the election committee in support of the ballot measure, as per a direction by the Board and Council. In accordance with the County Executive's qualification, the language relating to the "situs" allocation has been skewed in order to avoid a direct representation that there will be any such allocation.

A third paragraph has been added to the ballot measure which explains to the voters that the sales tax increase authorization will terminate should a Court refuse to enforce the mandated 35% allocation to public vehicular transportation. This term does not extend to either the "situs" allocation

requirement, or to the 1% allocation for motor vehicle emission impact studies. In connection with the latter, it is intended that the allocation be expended pursuant to expenditure requests by interested entities filed on an annual basis. It would be difficult to ensure that exactly 1% be expended during any given year, despite the fact that the word "exactly" is used. the disparity between the word "exactly" and the method by which the allocation would be expended constitutes a flaw in the internal integrity of the format.

10. Paragraph 30 has been added to the Contract for the purpose of regulating how long the agreement will remain in effect. Under Subparagraph "a" of that provision, the agreement would terminate upon dissolution of the Authority. As discussed above, the Authority would terminate in the event of voter disapproval of the sales tax increase on the June, 1988 ballot. The reasons are discussed above.

b. Formation Schedule

Various procedural requirements associated with formation of the Transportation Authority have been resolved. It has been determined that the Authority will constitute a "District" within the meaning of the Cortese-Knox Local Governmental Reorganization Act of 1985, and that LAFCO action in connection with the establishment of the Authority will be required. Under the California Environmental Quality Act, an environmental analysis will be required in connection with the formation of the Authority, the contract defining its powers and duties, and the County Transportation Expenditure Plan required as a condition precedent to voter action. These procedural limitations, coupled with the difficulties of coordinating development of the Transportation Expenditure Plan among the interested jurisdictions, and the deliberations in progress concerning the programmatic elements for purposes of contractual formalization, have produced the following revised schedule.

1. January 19, 1988 -- Adoption by Board of Supervisors of Resolution requesting LAFCO to initiate proceedings for formation of Authority. (Completed)

2. January 22, 1988 -- The third of three joint sessions between the Sacramento City Council and Board of Supervisors deliberating programmatic elements.

3. January 25, 1988 -- Completion of County Transportation Expenditure Plan.

4. January 29, 1988 -- Issuance of Initial Study under CEQA by the County Environmental Section.

5. February 11, 1988 -- Hearing by LAFCO relating to formation of the Transportation Authority.

6. February 16 or 23, 1988 -- Hearing by Board of Supervisors as Conducting Authority to receive protests, and failing protests, to approve formation of Authority.

7. February 28, 1988 -- Expiration of 30-day public comment period on Initial Study under CEQA.

8. March 1, 1988 -- Adoption by Board of Supervisors of Resolution forming Authority.

9. March 1 through 7, 1988 -- Approval by Sacramento, Folsom, Isleton and Galt of Resolution forming the Authority; execution by the County, Sacramento, Folsom, Isleton, Galt and Regional Transit of the Contract; and approval by the County, Sacramento, Folsom, Isleton and Galt of the County Transportation Expenditure Plan.

10. March 8 through 11, 1988 -- Approval by the Governing Body of the Transportation Authority of the Contract and County Transportation Expenditure Plan, and enactment of the Ordinance submitting the sales tax increase measure to the electorate on the June 7, 1988 ballot.

The foregoing schedule does not contemplate public hearings by the Transportation Authority on the County Transportation Expenditure Plan. An attempt by the Authority to hear and approve the Plan during the period March 7 through 11, 1988, could produce requests for a delay and criticisms of inadequate opportunity for public comment.

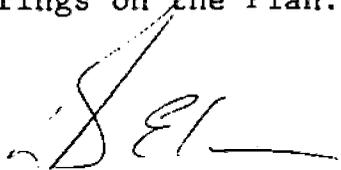
For these reasons, even though the Authority would not be formed until March, the Board and Council should decide whether

Board of Supervisors  
City Council

-7-

January 20, 1988

they desire to convene in joint session during the month of February in order to conduct public hearings on the Plan.



L. B. ELAM  
County Counsel

cc: Brian Richter, County Executive  
Dee Reynolds, Adm. & Finance Agency  
Doug Fraleigh, Dir., Public Works  
Al Freitas, Environmental Coordinator  
John O'Farrell, Exec. Director, LAFCO  
Diane Balter, Deputy City Attorney  
John Ketelsen, Legal Counsel  
Regional Transit  
Phil Mering, City Attorney  
Folsom and Isleton

LBE:ph

m-board/city

APPROVED  
BY THE CITY COUNCIL

EXHIBIT 1

JUL 20 1988

OFFICE OF THE  
CITY CLERK

Sacramento County Counsel  
January 15, 1988

D R A F T

RESOLUTION NO. 88-~~787~~ 665A

A RESOLUTION ESTABLISHING THE SACRAMENTO  
TRANSPORTATION AUTHORITY

WHEREAS, this Resolution is adopted pursuant to the provisions of the Local Transportation Authority and Improvement Act contained in Division 19 of the Public Utilities Code, commencing at Section 180000, as added by Statutes 1986, Chapter 786; and

WHEREAS, the Cities of Folsom, Galt and Isleton plan to enter into the attached contract for the allocation of the retail transactions and use tax increase authorized by the Act to those Cities on a "situs" basis; and in connection with such a "situs" allocation those Cities irrevocably and permanently decline representation on the Governing Body of the Authority established hereunder;

BE IT RESOLVED by the Board of Supervisors of the County of Sacramento, a political subdivision of the State of California, as follows:

1. Establishment of Authority. Pursuant to the provisions of Sections 180050 and 180051 of the Public Utilities Code, there is hereby created, to become operative March 1, 1988, a new public entity which shall be known as the Sacramento Transportation Authority, whose boundary shall be coextensive with those of Sacramento County and include all incorporated and unincorporated territory within the County.

2. Size of Governing Body. The Governing Body of the Authority shall consist of eleven members whose qualifications shall be as prescribed by Section 180051 and also as prescribed by Paragraph 3 of this Resolution.

3. Composition of Governing Body. The composition of the governing body of the Authority shall be as follows:

a. Except as hereinafter provided, the governing body shall consist of:

(1) Five Supervisors or other elected officials of local governmental entities, who shall be appointed by and serve during their terms of office at the pleasure of the Board of Supervisors of Sacramento County;

(2) Four Council persons or other elected officials of local governmental entities, who shall be appointed by and serve during their terms of office at the pleasure of the City Council of the City of Sacramento; and

(3) Two at-large elected officials of local governmental entities who, until their seats are filled in the manner prescribed by Subparagraphs "b", "c" or "d", below, shall be residents of the unincorporated area of Sacramento County. The at-large members shall be appointed by the members of the governing body of the Authority, and shall be subject to removal from office during their terms solely for cause. The appointment of such members shall be by the affirmative votes of not less than six members of the governing body of the Authority.

b. Not later than thirty calendar days following the effective date of incorporation of any city within Sacramento County which is created after February 1, 1988, the office of one of the at-large members of the Governing Body of the Authority shall terminate. The identity of the member whose office becomes vacant shall be determined by chance selection between the two at-large members. The vacancy shall be filled by appointment by the City Council of the newly incorporated City, and the appointee shall serve during his or her term at the pleasure of the City Council of the newly incorporated City. Except as hereinafter provided, all subsequent vacancies in that office shall be filled by the concurrent appointment of the City Council of each City which is incorporated after February 1, 1988, and the appointees shall serve at the pleasure of such City Councils.

c. The office of the second at-large member of the Governing Body shall terminate on that first day of January following the year during which population estimates transmitted by the State of California Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code show that the total population of any City or

Cities which have been incorporated after February 1, 1988, equals or exceeds 100,000. The vacancy in the second at-large office shall be filled by the concurrent appointment of the City Council of each City which has incorporated after February 1, 1988, and the appointee shall serve during his or her term at the concurrent pleasure of each such City Council. All subsequent vacancies in that office shall be filled by the concurrent appointment of the City Council of each City which has incorporated after February 1, 1988, whose appointees shall serve at the concurrent pleasure of such City Councils.

d. The Office of one of the four members appointed by the City Council of the City of Sacramento shall terminate on that first day of January following the year during which the population estimates transmitted by the State of California Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code show that the total population of any City or Cities which have been incorporated after February 1, 1988, equal or exceed 300,000. The identity of the Councilperson whose office becomes vacant shall be determined by chance selection between the four Councilpersons. The vacancy shall be filled by the concurrent appointment by the City Council of each City which has incorporated after February 1, 1988, and the appointee shall serve during his or her term at the concurrent pleasure of each such City Council. All subsequent vacancies in that office shall be filled by the concurrent appointment of the City Council of each City which has incorporated after February 1, 1988, whose appointees shall serve at the concurrent pleasure of each such City Council.

4. Terms of Office. The term of office of each member of the governing body of the Authority shall be coextensive with the term of the elective office which the member holds.

In the event a particular member of the governing body of the Authority announces that he or she will refrain from participating in a decision and casting a vote on a particular matter pending before that governing body on grounds of a conflict of interest disqualification from voting, the appointing authority for that member may appoint a substitute elected official of a local governmental entity to serve on the governing body for the limited purpose of participating in the determination and casting the vote upon the matter to which the disqualification relates.

BE IT FINALLY RESOLVED that this Resolution shall be deemed repealed and of no further force or effect and the Sacramento Transportation Authority shall be deemed dissolved:

a. March 10, 1988, if on or before that date Paragraph Nos. 2 through 4 hereof are not approved by concurring Resolutions adopted by the City of Sacramento and at least two of the following three Cities: Folsom, Galt, Isleton; and

b. March 10, 1988, if on or before that date a contract in a form substantially similar to that draft agreement entitled "Transportation Expenditure Agreement" attached hereto is not approved and executed in the names of the Authority, the County, the Sacramento Regional Transit District, the City of Sacramento, and at least two of the following three Cities: Folsom, Galt, Isleton, and

c. On June 30, 1988, unless during the election on June 7, 1988, the voters of Sacramento County approve an increase in the retail transactions and use tax proposed by ordinance enacted by the Governing Body of the Authority pursuant to the Local Transportation Authority and Improvement Act.

*Councilmember* On a motion by *Councilmember* Supervisor Robie, seconded by *Supervisor* Chen, the foregoing Resolution was passed and adopted by the ~~Board of Supervisors~~ *City Council* of Sacramento, State of California, at a ~~regular~~ *special* meeting thereof, this 30<sup>th</sup> day of July, 1988, by the following vote, to wit:

- AYES: ~~Supervisors~~, Com
- NOES: ~~Supervisors~~, NONE
- ABSENT: ~~Supervisors~~, Com

*Mayor* Chairperson, Board of Supervisors *City Council, City of*  
of Sacramento, ~~County, California~~  
*Sacto, Calif.*

(SEAL)

ATTEST:  
*East* ~~Acting~~ Clerk of the  
Board of Supervisors  
*City Council*  
r-est gov body

APPROVED  
BY THE CITY COUNCIL

JUL 20 1988

EXHIBIT 2

OFFICE OF THE  
CITY CLERK

Sacramento County Counsel  
January 15, 1988

AG 88-~~018A~~  
018A

D R A F T

TRANSPORTATION EXPENDITURE AGREEMENT

THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 1988, by and between the Sacramento Transportation Authority, a public entity formed under the provisions of Division 19, commencing with Section 180000, of the Public Utilities Code, hereinafter called "Authority"; the Sacramento Regional Transit District, a district formed for the local performance of governmental functions under the provisions of the Sacramento Regional Transit District Act, commencing at Section 102000 of the Public Utilities Code, hereinafter called "District"; the City of Sacramento, a chartered municipal corporation, hereinafter called "Sacramento", the Cities of Folsom, Galt and Isleton, general law municipal corporations, hereinafter called respectively, "Folsom", "Galt", and "Isleton"; and the County of Sacramento, a chartered county constituting a political subdivision of the State of California, hereinafter called "County".

W I T N E S S E T H

RECITALS

1. Definitions. Unless the context dictates a different common usage meaning, as used in this Agreement the following terms shall be ascribed the following meanings:

a. "Act" -- shall mean the provisions of the Local Transportation Authority and Improvement Act embodied in Division 19, commencing at Section 180000, of the Public Utilities Code, added by Statutes 1986, Chapter 786, as said enactment may be hereafter amended.

b. "Consolidated Transportation Services Agency" or "CTSA" -- shall mean that agency designated pursuant to subdivision (a) of Section 15975 of the Government Code providing service to the geographical area of Sacramento County.

c. "County Transportation Expenditure Plan" -- shall mean that Plan adopted by the Authority and approved

by Cities and County pursuant to Section 180206 of the Act, subject to amendment by the Authority under Section 180207 thereof.

d. "Elderly and Handicapped Transportation Functions" or "EHT Functions" -- mean all activities associated with operating, maintaining, and acquiring vehicles, real property, or other property and the construction of buildings or other improvements for, or reasonably associated with, specialized paratransit operations for the elderly and disabled.

e. "Entity" -- shall mean the County, Sacramento, Folsom, Galt, Isleton, Future Cities, the District, and the Consolidated Transportation Services Agency, either individually or collectively.

f. "Entity Annual Expenditure Plan" -- means those plans formulated and filed by the District, Sacramento, Folsom, Galt, Isleton, Future Cities, the County and the Consolidated Transportation Services Agency pursuant to Paragraphs 18 and 19, below.

g. "Future City" -- shall mean any municipal corporation which is established within Sacramento County following the date of this Agreement.

h. "Public Road Improvements" -- shall mean environmental review and mitigation, engineering, design and inspection for; acquisition of rights-of-way or other property interests for; transportation system management measures for; appurtenances and incidental facilities, such as traffic signs, traffic signals, bicycle lanes, medians, landscaping, curbs, gutters, sidewalks and bridges for; and all labor, paving and materials and supplies required for the construction of new public roads, streets, highways or freeways, or the addition of lanes to, or other expansion, upgrading, resurfacing, reconstruction, efficiency measures, major road surface maintenance, or other improvement of, existing public roads, streets, highways or freeways. Transportation System Management means all activities associated with the planning, design, implementation, and evaluation of measures to improve the efficiency and effectiveness of the transportation system.

i. "Public Transit Functions" -- means all activities authorized to be carried out by Chapter 5 (commencing with Section 102200) of Part 14, Division 10 of the Public Utilities Code, including operating, maintaining, and acquisition of vehicles, land, or other property, and the construction of buildings, fixed guideways, lightrail, or other improvements for, or reasonably associated with, public transit operations.

j. "Sales Tax" -- means that Retail Transactions and Use Tax increase imposed within incorporated and unincorporated areas of Sacramento County by the Authority following voter approval pursuant to the provisions of Chapter 5, Division 19, commencing with Section 180200, of the Act.

2. Purposes. Under Section 180001 of the Act, it is the legislative intent to permit implementation of local funding programs that go significantly beyond other available revenues for highway and transportation purposes; and to permit voters of the County to raise Sales Taxes to meet local transportation needs in a timely manner.

The primary purposes of this Agreement are: (i) to express the following objectives relating to transportation planning and revenue expenditures in the implementation thereof to govern allocation of the Sales Taxes during the entire twenty-year term thereof; and (ii) to inalterably prescribe the basic allocation apportionments as defined by Paragraphs 11 and 13, below, by which those objectives will be achieved during the twenty-year term.

These purposes are expressed by contract in order to offer for community consensus through voter approval of the Sales Tax an integrated program for transportation improvement and management during the entire twenty-year term. This Agreement is made in contemplation of the requirements imposed by Sections 1800051, 180206, 180201, and 180203(c) of the Act that City approval of the overall local program concept be given before the voters have an opportunity to approve or defeat the Sales Tax. The ultimate purposes of this Agreement are to:

a. Promote the safe, convenient and efficient utilization of State, County and City freeways, highways, roads and streets within Sacramento County; and

b. Improve air quality within the County.

c. To improve and expand Public Transit and EHT Functions within Sacramento County.

3. Objectives. The objectives of allocations and expenditures of Sales Tax revenues shall be to:

a. Assess, plan and finance necessary improvements in freeway, highway, road and street systems on a regional basis in a manner which maximizes Sales Tax expenditures for the greatest public benefit;

b. Encourage the utilization of public transportation conveyances by expanding public transportation services,

promoting convenient use by private citizens of public transportation resources, and underwriting operating deficit costs;

c. Acknowledge the desire of Folsom, Galt and Isleton not to be represented on the Governing Body of the Authority, and respect their desire to participate in the program by way of a guarantee of Sales Tax revenues generated within the territorial boundaries of each such City, to be expended for public road improvements which are primarily of local benefit; and

d. Maximize transportation improvement benefits from the Sales Tax revenue by: (i) insuring that the Authority does not hire professional or technical staff which wastefully duplicates staffing resources available within the County and Cities; and (ii) establishing procedures to ensure that allocated Sales Tax revenues are expended for purposes contemplated by the County Transportation Expenditure Plan and this Agreement; and (iii) to facilitate achievement of the mandate prescribed by Sections 180001(e) and 180200 of the Act that Sales Tax revenues be expended to supplement and not replace other local revenues available for transportation purposes.

#### AGREEMENT

FOR AND IN CONSIDERATION OF THE PROMISES, TERMS AND CONDITIONS SET FORTH HEREIN, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

4. Staffing. The Authority shall be authorized to expend Sales Tax revenues as follows:

a. Subject to the expenditure limitations imposed by Section 180109(b) of the Act and Paragraph 10-a, below, the Authority shall: (i) employ administrative and clerical staff to manage the governmental affairs of the Authority; (ii) appoint the County Treasurer, County Auditor-Controller, and Clerk of the County Board of Supervisors to serve, respectively, as ex officio Treasurer, Auditor-Controller and Clerk of the Authority, and shall reimburse the County for the direct and indirect costs of services rendered to the Authority by those officials; (iii) pay costs of space for its operations, for office equipment, and for office operations; and (iv) incur such other administrative expenses as the Governing Body deems appropriate;

b. The Authority shall be empowered to contract for the services of retained legal counsel;

5. Technical Services. The Authority shall be empowered to: (i) contract with the County or Sacramento for the delivery of expert consulting services necessary for the conduct and preparation of environmental analysis which are legally required to be undertaken by the Authority in connection with discretionary decision-making by the Authority; and (ii) contract with the County or Sacramento for engineering, traffic surveying, land use planning, and other similar expert services required by the Authority to assist it in the formulation of discretionary decisions concerning the prioritization for funding allocation purposes of Public Road Improvement projects which are regional in character. In the event County and Sacramento decline to contract with the Authority to deliver such services, the Authority may retain such services through contracts with private providers.

7. Allocation of Sales Taxes. Except as hereinafter provided by Paragraph 8, below, and subject to the limitations prescribed by Paragraphs 10 through 25, below, Sales Tax revenues and all Federal or State grants, funding and other revenues received by the Authority for transportation purposes, shall be expended for implementation of the purposes and objectives of the Act, the County Transportation Expenditure Plan, and this Agreement through annual allocations by the Authority to the County, District, Sacramento, Folsom, Galt, Isleton, Future Cities and the Consolidated Transportation Services Agency. The revenues shall be expended by the recipient Entities for specific purposes approved by the Authority. Expenditures by recipient Entities for purposes approved by the Authority shall be guaranteed by contracts between the Authority and each recipient Entity made pursuant to the provisions of Paragraphs 22 through 25, below. All expenditures of revenues for Public Road Improvements, Public Transit Functions, EHT Functions, and mitigation of air contaminant emissions or evaluation of the effectiveness of mitigation shall be made by the recipient Entities, including but not limited to, expenditures for environmental review, planning and design of projects, system operations, the purchase of equipment, materials, supplies and labor, acquisition of right-of-way and other property interests, and the letting and supervision of contracts for construction projects. Except as provided by Paragraph 8, below, the Authority shall not be empowered to make purchases of equipment, materials, supplies or labor; to acquire by eminent domain, negotiated acquisition or otherwise interests in real property; to engage in planning and design activities; or to let or supervise construction contracts.

8. Independent Project Selection and Implementation. By, in each instance, the affirmative votes of not less than eight of the members of the Governing Body of the Authority, the Authority shall be empowered to:

a. Select for funding with Sales Tax or other revenues Public Road Improvement Projects which have not been proposed by the County or any City pursuant to the procedures prescribed by Paragraphs 14 through 22, below, and allocate to the County or to any City within whose territorial jurisdiction the Project would be located funds with which to undertake and complete the Project pursuant to a contract let under Paragraphs 22 through 25, below; and

b. Acquire by eminent domain, negotiated purchase or otherwise rights-of-way or other property interests necessary for; purchase materials, supplies and labor for; and let contracts for and supervise the construction of Public Road Improvement Projects which are regional in character in circumstances under which the Authority has allocated Sales Tax or other revenues for the Project and the County or City within whose territorial jurisdiction the Project would be located has refused to execute a contract with the Authority to undertake and complete the Project pursuant to Paragraphs 22 through 25, below.

In connection with the selection or construction of any Public Road Improvement Project authorized by subparagraphs "a" or "b", above, the Authority shall be empowered to conduct environmental analyses therefor, planning and design, and otherwise empowered to make all expenditures necessary to accomplish the objects thereof.

10. Allocations for Administration, Air Quality and Local Projects. Subject to the terms, conditions and restrictions prescribed by Paragraphs 7 and 8, above, and Paragraphs 16 through 25, below, the Authority shall allocate estimated revenues from the Sales Tax for an initial period of eighteen calendar months and thereafter on a fiscal year basis, as follows:

a. Not to exceed 1% of gross estimated revenues for administrative purposes, as defined by Paragraph 4-a, above;

b. Exactly 1% of gross estimated revenues to implement mitigation of the regional impacts of motor vehicle emissions or to evaluate the effectiveness of mitigation, to be expended in accordance with criteria and standards contained in the County Transportation Expenditure Plan, expended for projects identified in Entity Annual Expenditure Plans, and accumulated from year-to-year for future expenditure if qualifying projects in Entity Annual Expenditure Plans filed for particular allocation periods do not consume the allocation;

c. For local Public Road Improvement Projects which are of benefit primarily to its citizens, exactly 98% of that portion of gross estimated revenues attributable to transactions and uses within its municipal boundaries to Folsom, Isleton and Galt for any allocation period during which Public Transit Functions are not performed within its municipal boundaries;

d. For local Public Road Improvement Projects which are of benefit primarily to its citizens, exactly 63% of that portion of estimated revenues attributable to transactions and uses within its municipal boundaries to Folsom, Isleton and Galt for any allocation period during which Public Transit Functions are performed within its municipal boundaries; and

e. A reasonable reserve for contingencies to cover litigation costs, monetary liability risks, and normal operating uncertainties, such as revenue overestimates.

It is currently estimated that the allocations to Folsom, Galt and Isleton constitute a relatively low percentage of the total revenues from the Sales Tax. However, the allocation provisions of Subparagraphs "c" and "d" shall be applicable regardless of how high a percentage of total revenues from the Sales Tax might be allocable to Folsom, Galt and Isleton during the term of this Agreement.

11. "Situs" Allocation Standards. As used in Subparagraphs "c" and "d" of Paragraph 10, the terms "attributable to transactions and uses within its municipal boundaries" shall be determined in accordance with the following standards.

The allocation to Folsom, Galt and Isleton to which the percentages prescribed by Subparagraphs "c" and "d" of Paragraph 10 are applied, shall consist of:

a. All Sales Taxes actually charged and reported to the State of California Franchise Tax Board by persons, firms and other commercial enterprises whose place of business is physically located within the municipality for products which are physically located within the municipality immediately preceding the sale or other transaction; regardless of where the product might be delivered pursuant to the sale or other transaction, the place of use of the product, the place of registration of the product, and the location or residence of the purchaser; plus

b. All Sales Taxes actually charged and reported to the State of California Franchise Tax Board on sales and

other transactions of those motor vehicles, aircraft and undocumented vessels described by Revenue and Taxation Code, Section 7261(a)(6) by dealers from locations outside of Sacramento County, which are charged pursuant to Revenue and Taxation Code, Section 7262 because the vehicle, aircraft or undocumented vessel is registered to an address or to be used within the municipality.

Any and all fees charged by the State of California Franchise Tax Board, independently incurred for accounting, auditing or other expenses, and any and all other costs whatsoever incurred in order to ascertain the Sales Tax allocation prescribed by Subparagraphs "c" and "d" of Paragraph 10, shall be paid by the Authority. The Authority shall be reimbursed for such costs by Folsom, Galt and Isleton by deducting them in equal amounts from the annual allocations otherwise prescribed by Subparagraphs "c" and "d"; provided that if the costs exceed the amount of the allocation to one or more of the Cities, the remaining uncompensated costs shall be deducted from the allocation which would otherwise be received by the City or Cities whose allocation is greater than the cost.

12. Public Transit Services. Within the meaning of subparagraphs "c" and "d" of Paragraph 10, above, the District shall not be deemed to "perform Public Transit Functions" within the municipal boundaries of either Folsom, Galt or Isleton, unless the City has adopted a resolution inviting the District to perform Public Transit Functions within the boundaries thereof, and the District actually performs Public Transit Functions within such boundaries.

For purposes of the allocations prescribed by subparagraphs "c" and "d" of Paragraph 10, above, Public Transit Functions shall not be deemed to be performed within the City until that fiscal year (commencing July 1st) following the fiscal year during which the last of the conditions prescribed by subparagraphs "a" or "b" for the particular City has been fulfilled.

13. Allocations for Transit and Regional Projects. The balance of estimated revenues from the Sales Tax remaining following application of the allocation priorities prescribed by Paragraph 10, above, shall, subject to the terms, conditions and restrictions prescribed by Paragraphs 7 and 8, above, and Paragraphs 16 through 25, below, be allocated by the Authority for an initial period of eighteen calendar months and thereafter on a fiscal year basis, as follows:

a. Exactly 1.67% of such remaining balance to the Consolidated Transportation Services Agency for EHT Functions;

b. Exactly 33.33% of such remaining balance to the District for Public Transit Functions; provided that the Authority may for particular allocation periods apportion more or less sales Tax Revenues than the 33.33% to the extent that during the following groups of three fiscal year periods the Sales Tax is in effect, the average allocation is exactly 33.33% of the remaining balance for each of those years: fiscal Years 1 through 3, 4 through 6, 7 through 9, 10 through 12, 13 through 15, and 16 through 18;

c. The remaining balance for Public Road Improvement Projects which are regional in character and of primary benefit to the metropolitan population of the County, whether situated within incorporated or unincorporated areas, including, but not limited to, allocations for expenditures by recipient entities required by Paragraph 7, above, and direct expenditures by the Authority authorized by Paragraphs 4, 5, and 8, above.

14. Objects of Allocations. The Authority shall allocate revenue derived from the levy of the Sales Tax and other revenues to the County, Cities, the District, and the CTSA for the cost of Public Road Improvements, Public Transit Functions, and EHT Functions in a manner which improves the vehicular traffic circulation system and mitigates the air quality and other regional environmental impacts of traffic within the County by:

a. Facilitating the efficient movement of vehicular traffic to, through, or around cities;

b. Facilitating the efficient movement of commuter vehicular traffic from residential areas to centers of employment;

c. Facilitating the efficient movement of shopper vehicular traffic from residential areas to centers of retail commerce;

d. Relieving congestion of roads, streets, and highways by promoting development, expansion, and utilization of public transit;

e. Providing for the known, unmet demand and the projected growth in demand for EHT Functions by the promotion, development, expansion, and utilization of specialized paratransit services.

15. Allocation Considerations. In selecting Public Road Improvement Projects, the Authority shall consider all of the following:

a. The objects of vehicular traffic circulation system improvement prescribed by Paragraph 14; and

b. The annual revenue derived by each City and the County from levy by that jurisdiction of the special tax or imposition of the fee for road improvement purposes described by Paragraph 16, below, and the Projects or other objects upon which such taxes or fees will be expended by that jurisdiction during each year the Authority selects Public Road Improvement Projects; and

c. The revenue available to each jurisdiction for road improvements from all other sources, including revenues derived from the Highway Users Tax Account in the Transportation Tax Fund pursuant to Chapter 3 (commencing with Section 2100) of Division 3 of the Streets and Highways Code.

The Authority shall select Public Road Improvement Projects in a manner which maximizes the efficient and effective expenditure of all revenues available to the Cities and the County for road improvement and ensures that each jurisdiction lawfully expends all revenues available to it for those purposes.

16. Minimum Qualifications -- Road Taxes or Fees.

Notwithstanding the provisions of Paragraphs 7 through 15, above, the Authority shall not allocate any Sales Tax revenues for expenditure by Folsom, Galt, or Isleton for the 1990-91 or following fiscal years unless the recipient Entity has, not later than January 1, 1990, and for the year for which the allocation is made, at a rate and in amounts which the Authority determines to be reasonable, either: (i) levied a special tax for road improvement purposes in connection with land development on a uniform basis throughout the entire jurisdiction; or (ii) imposed a fee for road improvement purposes in connection with land development within geographical zones throughout the entire jurisdiction established in order to relate fee revenue expenditures to traffic generated by the development for which the fee is imposed.

Notwithstanding the provisions of Paragraphs 7 through 15, above, the Authority shall not allocate any Sales Tax revenues for expenditure by the County, Sacramento, or any Future City unless the County and Sacramento has, for the year for which the allocation is made and the Future City has, not later than two years following its effective date of incorporation and thereafter, at a rate and in amounts which the Authority determines to be reasonable; either: (i) levied a special tax for road improvement purposes in connection with land development on a uniform basis throughout the entire jurisdiction; or (ii) imposed a fee for road improvement purposes in connection with

land development within geographical zones throughout the entire jurisdiction established in order to relate fee revenue expenditures to traffic generated by the development for which the fee is imposed.

17. Same - Financial Commitments. Notwithstanding the provisions of Paragraphs 7 through 15, above, the Authority shall not allocate any Sales Tax revenues for expenditure by the County or Sacramento unless each such recipient entity has, for the year for which the allocation is made, paid to the Consolidated Transportation Services Agency for EHT Functions an amount at least equal to that paid by the Entity for the 1986-87 fiscal year.

The County, Sacramento, Folsom, Galt, Isleton and Future Cities shall commit to the funding of Road Improvement projects all revenue for such purposes derived from the special tax or road improvement fees described above, and all revenue available to the Entity for road improvements from all other sources, including, but not limited to, revenues derived from the Highway Users Tax Account in the Transportation Tax Fund pursuant to Chapter 3 (commencing with Section 2100), Division 3 of the Streets and Highways Code. Any Sales Tax allocations for expenditure by the Entity for such purposes, shall be applied solely to Public Road Improvement projects for which such revenues are not sufficient.

18. Annual Allocations. Allocation of Sales Tax and other revenues received by the Authority shall be made by the Authority on a fiscal year basis, commencing each July 1 and ending the next succeeding June 30; provided that the first allocation shall be for an eighteen-month period commencing January 1, 1989 and ending June 30, 1990.

The gross amount of Sales Tax available for allocation for any particular allocation period shall equal the revenue estimates for that period made by the Executive Director of the Authority. Allocations shall be adjusted during the next succeeding allocation period to account for differences between actual revenue receipts and estimates during the immediately preceding allocation period.

Allocations shall be made to:

a. The CTSA for EHT Functions in accordance with Paragraph 13-a, above, pursuant to an Entity Annual Expenditure Plan filed by the CTSA;

b. The District for Public Transit Functions in accordance with Paragraph 13-b, above, pursuant to an Entity Annual Expenditure Plan filed by the District;

c. To Folsom, Isleton and Galt in accordance with subparagraphs "c" or "d" of Paragraph 10, above, pursuant to Entity Annual Expenditure Plans filed by those Cities;

d. To the County, Sacramento Folsom, Isleton, Galt and Future Cities in accordance with Paragraphs 10-b and 13-c, above, pursuant to Entity Annual Expenditure Plans filed by those Entities; and

e. To the Authority, pursuant and subject to the limitations contained in Paragraph 8, above.

The Governing Body of the Authority shall make for each allocation period those allocations prescribed by subparagraphs "c" and "d" of Paragraph 10, and subparagraphs "a" and "b" of Paragraph 13, above, if Entity Annual Expenditure Plans filed by the recipient Entities provide for the expenditure of the allocations for purposes authorized by the Act. The Governing Body of the Authority shall be vested with discretion not to allocate all estimated revenues for an allocation period available for purposes prescribed by Paragraphs 8, 10-b, and 13-c, above. Notwithstanding any provision to the contrary contained in Paragraphs 10 or 13, above, the Authority shall not be empowered to allocate any amount to the County, Sacramento, Folsom, Isleton, Galt, Future Cities, the District or CTSA which is not identified for expenditure by the recipient Entity in an Entity Annual Expenditure Plan filed by the recipient Entity, except pursuant to the provisions of Paragraph 8, above.

19. Procedural Regulations. Pursuant to the provisions of Section 180105(b) of the Act, the Governing Body of the Authority shall include within its administrative code procedural regulations which require and govern the following:

a. Publication and notice to the County, Sacramento, Folsom, Isleton, Galt, Future Cities, the District and CTSA by a prescribed date certain of the gross amount of revenues which the Executive Director estimates will be received by the Authority for the ensuing allocation period;

b. The date by which the County, Sacramento, Folsom, Isleton, Galt, Future Cities, the District and CTSA must file Entity Annual Expenditure Plans for an ensuing allocation period;

c. The types of information, data and other contents which each Entity Annual Expenditure Plan is required to include;

d. The preparation and issuance following filing of Entity Annual Expenditure Plans of a written analysis by the

Executive Director of the Authority containing his or her recommendations to the Governing Body of allocations for each ensuing allocation period, by recipient Entity, by Public Road Improvement Project, and for other purposes; and

e. Such other and further procedural regulations as the Governing Body, in its discretion, may deem appropriate.

20. Public Hearing. Not later than November 1, 1988, May 1, 1990, and the first day of May of each year thereafter, the Authority shall commence a public hearing on the respective Entity Annual Expenditure Plans filed by the Entities and with respect to the allocation of Sales Tax and other revenues for the ensuing period. Notice of the time, place and purpose of the hearing shall be published in a newspaper of general circulation within the County, and mailed to each filing Entity not later than ten calendar days preceding the date of commencement of the hearing.

Not later than ten calendar days in advance of the commencement of the hearing, the Executive Director of the Authority shall formulate and file as a public record his or her written recommendations concerning allocation of Sales Tax revenues and all other revenues available to the Authority for the applicable allocation period.

21. Allocation Determinations. Not later than December 31, 1988, June 30, 1990, and the 30th day of each June thereafter, the Authority shall allocate estimated Sales Tax revenues and all other revenues available to the Authority for the applicable period. The allocations shall be made in accordance with the percentage requirements prescribed by Paragraphs 10 and 13, above; provided that:

a. No allocation shall be made for expenditure by an Entity which has failed to fulfill any of the conditions prescribed by Paragraphs 16 and 17, above;

b. No allocation shall be made for an expenditure which would not be consistent with the County Transportation Expenditure Plan, as the same may be hereafter amended;

c. Except as authorized by Paragraph 8, above, no allocation shall be made to a recipient Entity for an expenditure which is not included within that Entity's Entity Annual Expenditure Plan; nor shall any allocation be made to an Entity which has not filed an Entity Annual Expenditure Plan in compliance with regulations adopted by the Authority; and

d. Allocations for expenditure by recipient Entities shall be made subject to such conditions, limitations, and affirmative obligations as may be prescribed by the Authority to ensure that the funds allocated be expended for the purposes, objects, projects, and services for which the allocations are made.

22. Contracts. All allocations for expenditure by recipient Entities shall be made pursuant to contracts between the Authority and each Entity. The contracts shall provide for all of the following:

a. Require the County and each City to undertake, construct and complete those Public Road Improvement projects for which the allocation is made within times certain;

b. Require the District to expend the allocation as specified in the allocation;

c. Require the Consolidated Transportation Services Agency to expend the allocation for EHT Functions within the boundaries of the Authority;

d. Embody any other conditions, limitations or affirmative obligations prescribed by the Authority; provided that the Authority shall not be empowered to impose conditions, limitations or affirmative obligations which in any manner limit the legislative discretion of an Entity to exercise its power to zone and otherwise regulate land use or enact and enforce access to public streets and roads and traffic regulations.

e. Provide for the dates of progress or other payments by the Authority to the recipient Entity of the annual allocations; and

f. Contain any other provisions determined by the Authority to be necessary to promote the purposes and objects of the Act, the County Transportation Expenditure Plan or this Agreement.

23. Contract Terms. Contracts between the Authority and recipient Entities shall be for the following terms and provide for fund disbursements in the following manners:

a. Contracts with Folsom, Isleton and Galt shall be for a term which is coextensive with the allocation period, and shall either provide for fund disbursements on a progress payment basis in relation to specific Public Road Improvement Projects or provide for fund disbursements on a quarterly

basis, the first disbursement being made at the beginning of the fourth month following commencement of the term of the contract, or provide for a combination of progress payments in relation to specific Projects and quarterly payments.

b. Contracts with the District and CSTA which fund operations shall be for a term which is coextensive with the allocation period, and shall provide for fund disbursements on a quarterly basis, the first disbursement being made at the beginning of the fourth month following the commencement of the contract term.

c. Contracts with the District and CSTA to fund capital acquisitions or capital improvements shall be for a term which is either coextensive with the period of the acquisition or improvement or with the period of the debt financing thereof, and shall provide for fund disbursements on either a progress payment basis or other basis related to obligations incurred by the Entity.

d. Contracts with the County, Sacramento, and Future Cities shall be for a term which is either coextensive with the period of the Public Road Improvement Project for which the allocation is made or coextensive with the term of the debt financing therefor, and fund disbursements shall be made on a progress payment basis or otherwise in relation to obligations incurred by the recipient Entity.

25. Refusal to Contract. If a recipient Entity is unwilling to enter into a contract offered by the Authority pursuant to Paragraph 23 or such contract is not executed by the recipient Entity within thirty days following the date upon which it is presented to the Entity by the Authority, the Authority may reallocate the funds for any other purpose authorized by this Agreement; provided that if the refusal of the recipient Entity to execute the contract pertains to a particular project for which the Authority has allocated funding, that project may, at the election of the Authority, be removed from the contract, the contract executed with the project omitted, and, pursuant to the provisions of Paragraph 8, above, the Authority may undertake and complete the project.

27. Amendment of Expenditure Plan. It is understood that the terms and conditions contained in this Agreement have constituted a material inducement to the County and City signators to this Agreement in approving the County Transportation Expenditure Plan pursuant to the provisions of Section 180206(b) of the Act. A breach by the Authority of the terms of this Agreement shall be deemed to vitiate the consent by the County and signator Cities of the Plan.

It is further understood that the Authority shall be empowered, from time to time, to amend the County Transportation Expenditure Plan for the reasons and in accordance with the procedures prescribed by Section 180207 of the Act; provided that it is understood and agreed that there is no unforeseen circumstance or other lawful reason permitting an amendment of the Plan which would be inconsistent with the purposes and objects of this Agreement prescribed by Paragraphs 2 and 3, above, or revision or alteration of the functional allocation percentages prescribed by Paragraphs 10 and 13, above; and no such amendment shall relieve the Authority from the obligation to allocate Sales Tax revenues in accordance with said percentages.

28. Sales Tax Term. The effectiveness of the first Sales Tax imposed following voter approval shall commence pursuant to Section 180204 of the Act on the first day of the first calendar quarter commencing more than 120 days after adoption of the Ordinance, and shall continue until and terminate on the earlier of the following two alternative dates:

a. The date twenty years following the one on which the Sales Tax became effective; or

b. The date on which a judgment by a Court of competent jurisdiction becomes final which either adjudicates the invalidity of subparagraph "a" or "b", or both, of Paragraph 13, above, or declines enforcement relief because of the invalidity thereof.

The Ordinance enacted by the Governing Body of the Authority pursuant to Section 180201 of the Act shall prescribe the period of effectiveness of the Sales Tax in accordance with the provisions of this Paragraph.

29. Ordinance and Ballot Measure. The Sales Tax Ordinance enacted by the Governing Body of the Authority pursuant to the provisions of Section 180201 of the Act and the ballot measure by which the proposition for the Sales Tax is submitted to the voters under Section 180203 of the Act shall, on any short form of ballot card, label or other device, regardless of the system of voting utilized, read substantially as follows:

"TRANSPORTATION -- SACRAMENTO TRANSPORTATION AUTHORITY. To authorize the Authority to levy (either a 1/2 of 1% or 1%) retail transactions and use tax for general governmental purposes of the Authority which consist of the funding of Public Road Improvement Projects within the incorporated and unincorporated areas of Sacramento County, Elderly and Handicapped Transportation Functions, and Public Transit Functions to issue bonds payable from the proceeds of that tax for capital outlay expenditures; and to establish the



IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day, month and year first above written.

CITY OF SACRAMENTO

COUNTY OF SACRAMENTO

By \_\_\_\_\_  
Title

By \_\_\_\_\_  
Title

CITY OF FOLSOM

CITY OF ISLETON

By \_\_\_\_\_  
Title

By \_\_\_\_\_  
Title

CITY OF GALT

SACRAMENTO REGIONAL  
TRANSIT DISTRICT

By \_\_\_\_\_  
Title

By \_\_\_\_\_  
Title

SACRAMENTO TRANSPORTATION AUTHORITY

By \_\_\_\_\_  
Title

ag-trans tax2

PROPOSED TRANSPORTATION SUBCOMMITTEE RESOLUTION:

Special Elderly and Handicapped Transit Payroll Tax Measure

WHEREAS the adequate and generous provision of affordable transit for the elderly and handicapped communities is required by the simple imperatives of human rights and social justice;

WHEREAS persons and organizations committed to a radical improvement of elderly and handicapped transit (EHT) services in Sacramento County may honestly and reasonably differ over the merits of a general transportation sales tax such as that placed on the November 1988 ballot by the Sacramento County Board of Supervisors and the Sacramento City Council on July 20, 1988;

WHEREAS such persons and organizations, regardless of their views on the general one-half cent transportation sales tax to be placed on the November ballot, should be afforded an opportunity this November to support a measure specifically addressing the EHT needs of this County,

THEREFORE BE IT RESOLVED by the Transportation Subcommittee of the Advisory Committee for Persons with Disabilities to the Board of Supervisors of the County of Sacramento that the governing bodies of the City and the County of Sacramento should act so as to place on the November ballot a Special Elderly and Handicapped Transit Funding Measure meeting the following criteria:

1. The measure should raise approximately \$5,000,000 annually for the exclusive purpose of EHT functions in Sacramento County;
2. These additional EHT funds should be administered by Paratransit, Inc., in such a way as to maximize compliance with the "full performance level" standards of 49 CFR § 27.95; and
3. The funding mechanism should be chosen to minimize the regressive effect of collecting this additional revenue-- an objective which a payroll tax might best accomplish.

FURTHER BE IT RESOLVED that this resolution shall be without prejudice to the question of other transportation measures which may appear on the November ballot, including the measure placed on the ballot this July 20; and that the Transportation Subcommittee shall in no way be precluded by adoption of this resolution from independently considering and offering recommendations upon such other transportation measures.

Proposed by  
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July 21, 1988