

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
12	12/10/18	Open	Action	12/03/18

Subject: Voting Distribution Update to Account for Annexation of Folsom with Option to Update Voting Distribution for the Inclusion of Citrus Heights Annexation

## ISSUE

Whether to conditionally approve a new Vote Allocation for the remainder of Fiscal Year 2019 to reflect new annexations.

## RECOMMENDED ACTION

Adopt Resolution No. 18-12-\_\_\_\_, Conditionally Approving a New Vote Allocation for Fiscal Year 2019, effective as of January 1, 2019.

## FISCAL IMPACT

None as a result of this action.

## DISCUSSION

As part of the budget approval process, on June 11, 2018 the Board of Directors, by Resolution 18-06-0063, approved the Vote Allocation for Fiscal Year 2019.

The SacRT Board of Directors and the Folsom City Council have voted to annex the City of Folsom into SacRT. In addition, SacRT approved the annexation of the City of Citrus Heights into SacRT at the November 12, 2018 Board meeting. The Citrus Heights City Council will consider annexation at its December 13, 2018 meeting.

Both draft annexation agreements require the Board of Directors to adopt a new vote allocation prior to the January 1, 2019 effective date of each annexation.

The table below contains the current Vote Allocation as adopted by the Board for Fiscal Year 2019, how it will be after the inclusion of Folsom and Citrus Heights, and how it would be if only Folsom annexes prior to January 1, 2019. Exhibit A and Exhibit B contain the details of how the vote shares were calculated under the methodology specified in the Public Utilities Code (PUC).

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Approved:

Presented:

Final 12/5/18

General Manager/CEO

Director, Office of Management and Budget

J:\Board Meeting Documents\2018\16 December 10, 2018\Annexation\IP - Annexation Voting Distribution - BB.doc

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	Current Vote Allocation (Per Adopted Reso. 18-06-0063)	Annexation of Folsom and Citrus Heights (Exhibit B)	Annexation of Folsom only (Exhibit A)
Sacramento City	36	32	34
Sacramento County	42	37	37
Rancho Cordova	10	9	10
Citrus Heights	5	10	5
Folsom	3	9	10
Elk Grove	4	3	4
Total	100	100	100

## PUC and Voting Calculation Methodology

The calculation required by the PUC (Sections 102105.1(d) and 102205) to ascertain the number of votes for each entity contains multiple steps as outlined below:

- 1) The first step in the process is to allocate five “membership incentive votes” to each entity that is annexed to SacRT, up to a maximum of 30 incentive votes, with the remainder of the 100 votes allocated based on financial contribution.
- 2) The next several steps in the process are to determine each agency’s financial contribution from four different sources: (a) federal formula grant funds; (b) the Transportation Development Act; (c) funds provided under a “proportionate share” agreement by non-annexed “participating entities”; and (d) other local funds made available to the district by the voting entity for the operation of public transit service. These funding sources do not encompass all of SacRT’s operating revenues and there are substantial sources (such as Measure A) that were deliberately excluded from the calculation at the time the legislation was enacted.
- 3) Determining the federal formula grant funds “attributable” to each voting entity is a multi-step process: the first step is to ascertain the amount of federal formula grants funds that was available and eligible for use during the prior fiscal year for operating purposes within the Sacramento urbanized area; the second step is to subtract out the amount of federal formula grant funds that was allocated to entities other than SacRT (Note: This figure will vary depending on the entities annexed into SacRT); the third step is to determine each entity’s proportionate share of the total population of all voting entities using the population statistics used by the Sacramento Area Council of Governments (SACOG) for TDA purposes; and the final step is to multiply the federal formula grant funds that were available and eligible for use by SacRT for operating purposes during the prior fiscal year by the voting entity’s proportionate share of the total population (Note: this calculation results in participating entities receiving an “attribution” of federal funds even if that entity, such as Folsom or Elk Grove, receives its own allocation of federal formula grant funds and those funds are not provided to SacRT).

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- 4) The TDA allocation for each member entity that is reserved for SacRT for operating purposes is determined by the annual SACOG Finding of Apportionment.
- 5) The amount of “proportionate share” contract revenues is determined based on the current contract with the participating entity.
- 6) The amount from any other local funds made available to SacRT by a voting entity for the operation of public transit service is determined by looking at current contracts and agreements between SacRT and all of the voting entities.
- 7) All four funding sources are aggregated to determine the total financial contribution of each entity and then compared to determine each agency’s proportionate financial contribution.
- 8) The remaining votes left after deducting the membership incentive votes are then multiplied by each entity’s proportionate financial contribution to SacRT.
- 9) The next step is to add the financial contribution votes to the membership votes.
- 10) If the prior calculation results in a fractional number of votes, each fractional vote that is 0.6 or greater is rounded up to the nearest whole number and each fractional vote that is less than 0.6 is rounded down to the nearest whole number.
- 11) If the sum total of votes after rounding is greater than 100, the excess vote or votes are taken one each from the voting entity or entities with the greatest number of total votes, in descending order of the number of votes, until the sum total is 100. If the sum total of votes after rounding is less than 100, one vote is added to the total of the voting entity or entities with the greatest number of total votes, in descending order of the number votes, until the sum total is 100. Ties in either case are determined by drawing lots.

For any voting entity that has appointed more than one member to the Board, the total votes annually allocated to that voting entity are divided equally among the Board members or alternates representing that entity who are present and voting at any given meeting. Where the equal division would result in fractional votes, the votes are divided to the nearest whole number among all members representing the voting entity who are present and voting, with any odd votes being allocated based on seniority on the Board.

## CONCLUSION

Based on the methodology described in the PUC, staff has calculated new voting shares that will be applicable if either (1) Folsom and Citrus Heights both annex, as anticipated; or (2) only Folsom annexes.

## RECOMMENDATION

Staff requests that the Board conditionally approve a new Vote Allocation, with the determination of which allocation is ultimately adopted being made based on which entities annex January 1, 2019.

RESOLUTION NO. 18-12-\_\_\_\_\_

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 10, 2018

**CONDITIONALLY APPROVING A NEW VOTE ALLOCATION FOR FISCAL YEAR  
2019 EFFECTIVE AS OF JANUARY 1, 2019**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, conditioned upon the Cities of Folsom and Citrus Heights annexing to SacRT as of January 1, 2019, the following Vote Allocation will apply to all votes taken from January 1, 2019 to June 30, 2019 as further tabulated in the "Schedule of Weighted Voting Distribution" in the attached Exhibit A.

Jurisdiction	Votes
Sacramento City	32
Sacramento County	37
Rancho Cordova	9
Citrus Heights	10
Folsom	9
Elk Grove	3
Total	100

THAT, if only the City of Folsom, and not the City of Citrus Heights, annex to SacRT as of January 1, 2019, the following Vote Allocation will apply to all votes taken from January 1, 2019 to June 30, 2019 as further tabulated in the "Schedule of Weighted Voting Distribution" in the attached Exhibit B.

Jurisdiction	Votes
Sacramento City	34
Sacramento County	37
Rancho Cordova	10
Citrus Heights	5
Folsom	10
Elk Grove	4
Total	100

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PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

# Exhibit A

## Fiscal Year 2019 Schedule of Weighted Voting Distribution

### Base Values\*

#### Federal Financial Information

Code Section:		
102205(b)(6)	<u>FY 18 Federal Funds Available in the Sacramento MSA</u>	40,894,483
102205(b)(7)	<u>Allocation of Federal Funds to jurisdictions other than RT</u>	4,764,326
102205(b)(8)	<u>FY 18 Federal Funds Available for use in RT Service Area:</u>	36,130,157

#### Jurisdiction Specific Values

	City of Sacramento	County of Sacramento	Rancho Cordova	Citrus Heights	Folsom	Elk Grove	Totals:
102205(b)(10)	<u>Population:**</u>	493,025	584,729	73,872	87,013	78,525	1,488,223
	<u>Proportionate Population:</u>	33.13%	39.29%	4.96%	5.85%	5.28%	100%
	<u>Member:</u>	Yes	Yes	Yes	Yes	Yes	No
102100.2, 102100.3		4	3	1	1	1	11
102105.1(d)(2)(D)	<u>Federal Funds Attributed to Entity (Total Federal Funding x Share of Population):</u>	11,969,921	14,195,539	1,792,056	2,113,614	1,907,672	4,151,355
102105.1(d)(2)(A), 102205(b)(3)	<u>FY 19 State TDA Funds Made Available to RT:</u>	22,518,546	25,493,831	3,374,049	4,150,937	3,788,826	59,326,189
102105.1(d)(2)(B), 102205(b)(4)	<u>FY 19 Funds Provided Under Contract:</u>	364,853	75,000	450,000	0	0	350,000
102105.1(d)(2)(C), 102205(b)(5)	<u>FY 19 Other Local Funds</u>	0	0	0	0	0	0
102105.1(d)(2)	<u>Total Financial Contribution:</u>	34,853,320	39,764,370	5,616,105	6,264,551	5,696,498	4,501,355
102105.1(d)(2)	<u>Proportionate Financial Contribution:</u>	36.04%	41.12%	5.81%	6.48%	5.89%	4.66%

#### Voting Calculation

	City of Sacramento	County of Sacramento	Rancho Cordova	Citrus Heights	Folsom	Elk Grove	Totals:
102105.1(d)(1)	<u>Incentive Shares (5 for member jurisdictions)</u>	5	5	5	5	5	0
102105.1(d)(2)	<u>Financial Contribution Shares (Proportionate Financial Share x Remainder of 100 shares):</u>	27.0300	30.8400	4.3575	4.8600	4.4175	3.4950
102105.1(d)(3)	<u>Total Shares:</u>	32.0300	35.8400	9.3575	9.8600	9.4175	3.4950
102105.1(d)(4)(i)	<u>Shares After Rounding:</u>	32	36	9	10	9	3
102105.1(d)(4)(i), 102105.1(d)(4)(ii)	<u>Share Adjustment (To Ensure 100 Shares):</u>	32	37	9	10	9	3
102105.1(d)(7)	<u>Distribution of Shares Among Members (Assuming All Members Present to Vote):***</u>						
	Member 1	8	13	9	10	9	3
	Member 2	8	12	N/A	N/A	N/A	N/A
	Member 3	8	12	N/A	N/A	N/A	N/A
	Member 4	8	N/A	N/A	N/A	N/A	N/A
	Member 5	N/A	N/A	N/A	N/A	N/A	N/A
	<u>Total Votes:</u>	32	37	9	10	9	3

\* In addition to the funding identified above, RT projects the following funds for operating purposes: \$43,824,000 - Measure A

\*\* Population as measured by the population statistics used by SACOG to allocate TDA funds for the same fiscal year for which the budget is adopted.

\*\*\* If, in any vote allocation, any member would have more than 15 votes, that jurisdiction will be given an additional seat and the votes will be reallocated to the larger number of members.

# EXHIBIT B

## Fiscal Year 2019 Schedule of Weighted Voting Distribution

### Base Values\*

#### Federal Financial Information

Code Section:		
102205(b)(6)	<u>FY 18 Federal Funds Available in the Sacramento MSA</u>	40,894,483
102205(b)(7)	<u>Allocation of Federal Funds to jurisdictions other than RT</u>	4,764,326
102205(b)(8)	<u>FY 18 Federal Funds Available for use in RT Service Area:</u>	36,130,157

#### Jurisdiction Specific Values

	City of Sacramento	County of Sacramento	Rancho Cordova	Citrus Heights	Folsom	Elk Grove	Totals:
102205(b)(10)	<u>Population:**</u>	493,025	584,729	73,872	87,013	78,525	1,488,223
	<u>Proportionate Population:</u>	33.13%	39.29%	4.96%	5.85%	5.28%	100%
	<u>Member:</u>	Yes	Yes	Yes	No	Yes	No
102100.2, 102100.3		4	3	1	1	1	11
102105.1(d)(2)(D)	<u>Federal Funds Attributed to Entity (Total Federal Funding x Share of Population):</u>	11,969,921	14,195,539	1,792,056	2,113,614	1,907,672	4,151,355
102105.1(d)(2)(A), 102205(b)(3)	<u>FY 19 State TDA Funds Made Available to RT:</u>	22,518,546	25,493,831	3,374,049	0	3,788,826	0
102105.1(d)(2)(B), 102205(b)(4)	<u>FY 19 Funds Provided Under Contract:</u>	364,853	75,000	450,000	3,785,417	0	350,000
102105.1(d)(2)(C), 102205(b)(5)	<u>FY 19 Other Local Funds</u>	0	0	0	0	0	0
102105.1(d)(2)	<u>Total Financial Contribution:</u>	34,853,320	39,764,370	5,616,105	5,899,031	5,696,498	4,501,355
102105.1(d)(2)	<u>Proportionate Financial Contribution:</u>	36.18%	41.28%	5.83%	6.12%	5.91%	4.67%

#### Voting Calculation

	City of Sacramento	County of Sacramento	Rancho Cordova	Citrus Heights	Folsom	Elk Grove	Totals:
102105.1(d)(1)	<u>Incentive Shares (5 for member jurisdictions)</u>	5	5	5	0	5	0
102105.1(d)(2)	<u>Financial Contribution Shares (Proportionate Financial Share x Remainder of 100 shares):</u>	28.9440	33.0240	4.6640	4.8960	4.7280	3.7360
102105.1(d)(3)	<u>Total Shares:</u>	33.9440	38.0240	9.6640	4.8960	9.7280	3.7360
102105.1(d)(4)(i)	<u>Shares After Rounding:</u>	34	38	10	5	10	4
102105.1(d)(4)(i), 102105.1(d)(4)(ii)	<u>Share Adjustment (To Ensure 100 Shares):</u>	34	37	10	5	10	4
102105.1(d)(7)	<u>Distribution of Shares Among Members (Assuming All Members Present to Vote):***</u>						
	Member 1	9	13	10	5	10	4
	Member 2	9	12	N/A	N/A	N/A	N/A
	Member 3	8	12	N/A	N/A	N/A	N/A
	Member 4	8	N/A	N/A	N/A	N/A	N/A
	Member 5	N/A	N/A	N/A	N/A	N/A	N/A
	<u>Total Votes:</u>	34	37	10	5	10	4

\* In addition to the funding identified above, RT projects the following funds for operating purposes: \$43,824,000 - Measure A

\*\* Population as measured by the population statistics used by SACOG to allocate TDA funds for the same fiscal year for which the budget is adopted.

\*\*\* If, in any vote allocation, any member would have more than 15 votes, that jurisdiction will be given an additional seat and the votes will be reallocated to the larger number of members.