# 2026 -2027

CAPITAL | SOUTHEAST CONNECTOR JPA

*Connecting Communities*

## ELK GROVE-RANCHO CORDOVA-EL DORADO CONNECTOR AUTHORITY

## FISCAL YEAR 2026-27 BUDGET

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

# *Distinguished Budget Presentation Award*

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**July 01, 2025**

Christopher P. Morrill

**Executive Director**

# ELK GROVE-RANCHO CORDOVA-EL DORADO CONNECTOR AUTHORITY

# FISCAL YEAR 2026-27 BUDGET

*Connecting Communities*

*Adopted: May 2026*
*Effective July 1, 2026 - June 30, 2027*

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# 1 LETTER OF TRANSMITTAL

May 29, 2026

**Chair and Members of the Board:**

I am pleased to submit the Fiscal Year 2026-27 Budget for the Elk Grove-Rancho Cordova-El Dorado Connector Authority (Authority). This was a year in which the Authority advanced three priority projects along the alignment. The White Rock Road Trail Project completed all activities necessary to go out to bid in the City of Folsom; right-of-way offers were extended across 3.5 miles of Grant Line Road in Rancho Cordova; and Kammerer Road advanced into final engineering design, with the City of Elk Grove leading right-of-way activities along that segment.

With three concurrent segments in active delivery, an elevated tempo of stakeholder engagement, and an increasingly competitive federal and state funding posture, the FY 2026-27 Budget Work Plan is developed to focus on the construction of our priority segments. This Work Plan is delivered, as it has been since the Authority's formation, by a staff of three full-time employees.

FY 2026-27 is the year the Authority pivots from  design into right of way and competing for construction funds. The agency will submit approximately $70M in federal, state, and regional applications during the budget year, supported by a coordinated advocacy and communications platform built specifically for this competition.

Authority staff has averaged three to five stakeholder meetings per month across the alignment this fiscal year, and four of the agency's five member jurisdictions – Sacramento County and the Cities of Folsom, Elk Grove, and Rancho Cordova – are presently engaged as active co-delivery partners on elements of the Project. The strategic two-lane initial construction phase, developed jointly with the Sacramento Area Council of Governments (SACOG), the Sacramento Transportation Authority (STA), Sacramento County, and the City of Rancho Cordova, continues to provide the framework for that interagency coordination.

Strategic priorities and key budget initiatives for FY 2026-27 include:

## FY 2026-27 STRATEGIC PRIORITIES AND KEY INITIATIVES

- **ADVANCE** a disciplined state and federal funding strategy. Continue pursuing state, federal, regional, and local funding to support the Connector Project's long-term corridor funding need, including congressionally directed spending requests, discretionary grant programs, state transportation funding programs, and local match strategies. These efforts will distinguish between secured funding, pending applications, anticipated local commitments, and remaining unfunded needs.
- **DELIVER** priority corridor segments. Advance three concurrent corridor segments through defined delivery milestones: the White Rock Road Trail Project, which is positioned for bid in the City of Folsom; active right-of-way negotiations across approximately 3.5 miles of Grant Line Road; and the Kammerer Road segment, which is advancing through final engineering design with the City of Elk Grove leading right-of-way activities.
- **USE** communications to support public accountability and funding readiness. Continue board-aligned public education and stakeholder engagement efforts that explain project benefits, construction readiness, safety needs, funding status, and community impacts. Communications tools may include project videos, podcasts, digital outreach, public-facing interviews, earned media, and other agency channels when they are tied to the Authority's public purpose, including transparency, grant competitiveness, stakeholder coordination, and construction funding.
- **MAINTAIN** the operating and financial controls that support delivery. Sustain the administrative foundations necessary for a lean capital delivery agency, including the fund balance reserve established in May 2024, ongoing coordination with the South Sacramento Conservation Agency and regulatory partners on environmental mitigation, disciplined budget development, independent financial reporting, and continued alignment with Government Finance Officers Association budget presentation standards.

The budget itself is prepared, in every section, to the standards of the Government Finance Officers Association's Distinguished Budget Presentation Award program. The agency's recent Annual Comprehensive Financial Report, completed in November 2025, demonstrated a clean, unmodified audit opinion under Government Auditing Standards. The FY 2026-27 Budget has been prepared in accordance with the Authority's standing budget development process, beginning in January with the prior fiscal year's audited ending fund balance, refined through ongoing coordination with funding partners, and presented to the Board for adoption ahead of the June 30 fiscal-year deadline.

I want to thank the Authority's staff, fiscal consultant Tim Jones, CPA, and our funding and delivery partners for their work in preparing this document and, more importantly, for the year of delivery it reflects. I extend my appreciation to the Board for the vision and leadership that continues to make this regionally significant project possible.

I respectfully recommend adoption of the FY 2026-27 Budget as presented.

Sincerely,

Derek Minnema

**Derek Minnema**

Executive Director

Elk Grove-Rancho Cordova-El Dorado Connector Authority

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# 2 BUDGET INTRODUCTION AND EXECUTIVE SUMMARY

The Fiscal Year 2026-27 Budget for the Elk Grove-Rancho Cordova-El Dorado Connector Authority (Authority) is the budget of an inflection year. The agency has reached the point in the Connector Project's delivery cycle at which the work of design, environmental clearance, right of way acquisition, and partner alignment converges with the work of competing for construction funding. The budget commits roughly $10 million in total annual expenditure, including approximately $8 million in professional service contracts, to advance three priority segments toward construction readiness and to pursue approximately $70 million in federal, state, and regional funding applications. The construction need across those three segments is approximately $265 million.

The Authority continues to operate with three full time employees and a disciplined, lean administrative structure. The agency is, by design, a high leverage capital delivery: a small permanent staff supported by a focused portfolio of professional service contracts in engineering, right of way, construction management, funding advocacy, integrated communications, legal counsel, and fiscal services.

## FIVE-YEAR STRATEGIC PLAN AND GOALS

The Authority's three core strategic goals anchor agency planning, decision making, and accountability in FY 2026-27. The first goal has been reformulated and elevated to match the agency's shift from program shaping to program execution: deliver the Grant Line Road priority segment, from White Rock Road to Jackson Road. In prior plan cycles, this goal appeared third in the strategic plan and was framed as "Identify Priorities for Project Delivery," a formulation appropriate to a phase in which the

**GOAL 1**

**Grant Line Road, from White Rock Road to Jackson Road, as the Connector Project's priority delivery segment for the next planning horizon.**

Authority was building the case, sequencing the work, and aligning partners across the Connector Project's many segments. That work is now substantially complete. Sequencing is established, partner roles are defined, and three concurrent segments have moved into active delivery during FY 2025-26. The goal is therefore restated to name what the Authority has identified, prioritized, and is now organized to execute, and it now leads the strategic plan. The two remaining goals, Public Outreach and Engagement and Developing Collaborative Partnerships, carry forward as Goals 2 and 3. Each expands in substance: Public Outreach and Engagement reflects the maturing scope of the Authority's communications platform, and Developing Collaborative Partnerships reflects the increasing density of partner coordination across the corridor.

GOAL 2

## Public Outreach and Engagement

GOAL 3

## Developing Collaborative Partnerships

The strategic two-lane initial construction phase, the White Rock Road Trail Project, the Kammerer Road segment, and the Authority's continuing work in El Dorado County all remain active and in the Authority's program. However, the operational reality is that the Grant Line Road segment between White Rock Road and Jackson Road is where the Authority's right-of-way, engineering, mitigation, and funding activities are most densely concentrated, and where the next significant inflection of construction-phase delivery will occur. Naming it as the priority gives the strategic plan a delivery target the Authority can plan, fund, and report against.

GOAL 1

## Deliver the Grant Line Road Priority Segment

*Grant Line Road, between White Rock Road and Jackson Road, is the Connector Project's named priority segment for the FY 2026-27 planning horizon. The Authority's right-of-way, engineering, environmental, and funding activities will be coordinated to advance this segment toward construction-phase readiness during the planning period. Defining a single named priority segment – rather than maintaining the previous "identify priorities" formulation – reflects the Authority's transition from program shaping to program execution and gives the strategic plan a delivery target against which staff and the Board can measure progress.*

## STRATEGIES AND INITIATIVES

- **ADVANCE** right-of-way acquisition along the priority segment, building on the active offers extended across 3.5 miles of Grant Line Road in the prior fiscal year.
- **CONTINUE** final engineering design and constructability review along the segment, in coordination with member agencies and consultant teams.
- **SECURE** environmental and mitigation clearances necessary to support construction phasing, working through the South Sacramento Conservation Agency and its technical advisory partners.
- **PURSUE** federal earmark, state discretionary grant, and regional funding awards sized to the priority segment's construction phasing.
- **COORDINATE** construction phasing, traffic management, and stakeholder engagement along the segment with Sacramento County and other affected partner agencies.

## GOAL 2

### Public Outreach, Engagement, and Communications

*In FY 2026-27, this goal encompasses the Authority's financial transparency obligations and the integrated communications and digital platform that gives the Connector Project a credible, sustained voice in the regional, state, and national infrastructure conversation. The Authority operates an integrated communications and digital platform that produces the substantive public information base on which member agencies, partner agencies, state and federal stakeholders, and the public engage with the project. The platform was established during FY 2025-26 and for FY 2026-27, to expand from a content production focus to an integrated digital operation. Planned work includes a full redevelopment of the Authority website on a modern content management system, dedicated public information pages organized around the project's funding context and major corridor segments, continued podcast and video content production including an interview series with state, regional, and national transportation officials, and the digital infrastructure for content distribution, audience analytics, and stakeholder inquiry response.*

GOAL 2

## Public Outreach, Engagement, and Communications *continued*

*The platform supports the Authority's public mission and Board-approved project delivery objectives. Communications activities focus on accurate public information, transparency, stakeholder education, construction readiness, and documentation of the project's safety, mobility, freight, economic, environmental, and community benefits. These materials support Board reporting, member agency coordination, public outreach, and the Authority''s communications with state and federal transportation funding agencies. The platform operates in coordination with, but procured separately from, the Authority's public affairs and government relations consultants, with the Executive Director managing operational coordination.*

*Communications services are procured, authorized, documented, and managed consistent with the adopted budget, the Authority's procurement requirements, and applicable public agency financial controls.*

### STRATEGIES AND INITIATIVES

- **MAINTAIN** disciplined budget development and adoption practices that meet the standards of the Government Finance Officers Association's Distinguished Budget Presentation Award.
- **COMPLETE** the annual independent financial audit and prepare the Annual Comprehensive Financial Report to the standards of the GFOA Certificate of Achievement for Excellence in Financial Reporting.
- **PROVIDE** regular financial updates and project reporting to the Sacramento Transportation Authority and other oversight bodies.
- **OPERATE** the integrated communications and digital platform, including the Authority website, podcast and video production, public information content, and audience distribution and analytics infrastructure.
- **COORDINATE** communications activity with the Authority's public affairs and government relations consultants so that public information work and direct stakeholder engagement operate from a shared understanding of project status and funding context.
- **DOCUMENT** and report platform engagement metrics, including content produced, audience reach, distribution performance, and stakeholder inquiry response, to the Board annually as part of budget development.

# GOAL 3

## Develop Collaborative Partnerships

*The Connector Project is a multi-jurisdictional capital program executed through coordinated partnerships with member agencies, funding partners, regulatory bodies, and federal and state policy stakeholders. The Authority continues to invest in the working relationships that make corridor-scale delivery possible.*

### STRATEGIES AND INITIATIVES

- **MAINTAIN** regular engagement with member jurisdictions – including the Counties of Sacramento and El Dorado, and the Cities of Folsom, Elk Grove, and Rancho Cordova – through stakeholder coordination averaging three to five meetings per month across the alignment.
- **MEET** regularly with funding agencies, including the United States Department of Transportation, the California Transportation Commission, the California State Transportation Agency, Caltrans, the Sacramento Area Council of Governments, and the Sacramento Transportation Authority, to identify, pursue, and secure additional capital.
- **SUSTAIN** the Authority's multi-year working relationship with the South Sacramento Conservation Agency and its technical advisory partners on environmental mitigation and regulatory clearance.
- **MAINTAIN** federal-level positioning through participation on the executive committee of the American Road & Transportation Builders Association (ARTBA).
- **ENGAGE** the Governing Board through scheduled and special meetings, providing timely materials and recommendations for action.
- **SUPPORT** project partners through consultation, advocacy, and shared technical resources where the Authority is best positioned to add value.

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## PERFORMANCE MEASURES

The Authority tracks performance measures aligned to each of its three strategic goals. Measures are reviewed annually by staff and the Board to ensure the Authority remains on track to deliver capital segments, maintain public trust, and maximize its funding potential.

### AUTHORITY PERFORMANCE MEASURES

| Performance Measure | Area of Responsibility | Strategic Goal | 2025-26 Planned | 2025-26 Estimate | 2026-27 Planned |
|---|---|---|---|---|---|
| **GRANT LINE ROAD PRIORITY SEGMENT (WHITE ROCK ROAD TO JACKSON ROAD)** | | | | | |
| Advance right-of-way acquisition along the priority segment | Engineering and Program Delivery | Grant Line Road Priority | Yes | Yes | Yes |
| Continue final engineering design and constructability review | Engineering and Program Delivery | Grant Line Road Priority | Yes | Yes | Yes |
| Secure environmental and mitigation clearances necessary for construction phasing | Engineering and Program Delivery | Grant Line Road Priority | Yes | Yes | Yes |
| Pursue federal earmark and state grant awards sized to the segment | Executive Office | Grant Line Road Priority | Yes | Yes | Yes |
| Coordinate construction phasing with member agencies and the regional partners | Engineering and Program Delivery | Grant Line Road Priority | Yes | Yes | Yes |
| **PUBLIC OUTREACH AND ENGAGEMENT** | | | | | |
| Provide quarterly financial updates to the STA | Administrative Services | Public Outreach and Engagement | 4 | 4 | 4 |
| Adopt annual budget prior to June 30 | Administrative Services | Public Outreach and Engagement | Yes | Yes | Yes |
| Complete annual financial audit by December | Administrative Services | Public Outreach and Engagement | Yes | Yes | Yes |
| Achieve GFOA Distinguished Budget Presentation Award | Administrative Services | Public Outreach and Engagement | Yes | Yes | Yes |
| Achieve GFOA Certificate of Achievement for Excellence in Financial Reporting | Administrative Services | Public Outreach and Engagement | Yes | Yes | Yes |

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| Performance Measure | Area of Responsibility | Strategic Goal | 2025-26 Planned | 2025-26 Estimate | 2026-27 Planned |
|---|---|---|---|---|---|
| Regularly and consistently create and distribute content to advance delivery and funding outcomes | Executive Office | Public Outreach and Engagement | Yes | Yes | Yes |
| Document and report platform engagement metrics to the Board annually | Executive Office | Public Outreach and Engagement | Yes | Yes | Yes |
| **DEVELOP COLLABORATIVE PARTNERSHIPS** | | | | | |
| Regularly engage Project partners | Executive Office | Develop Collaborative Partnerships | Yes | Yes | Yes |
| Meet regularly with funding and regulatory agencies | Executive Office | Develop Collaborative Partnerships | Yes | Yes | Yes |
| Support project partners through consultation and advocacy | Executive Office | Develop Collaborative Partnerships | Yes | Yes | Yes |
| Engage with the Governing Board | Executive Office | Develop Collaborative Partnerships | 4 | 4 | 4 |
| Identify and secure additional Project funding | Executive Office | Develop Collaborative Partnerships | Yes | Yes | Yes |
| Maintain federal positioning through ARTBA executive committee participation | Executive Office | Develop Collaborative Partnerships | Yes | Yes | Yes |
| Sustain working relationship with the South Sacramento Conservation Agency and technical advisory partners | Executive Office | Develop Collaborative Partnerships | Yes | Yes | Yes |

## REVENUE MODEL

The Authority does not generate internal revenue through taxes, tolls, or service charges. The Authority is funded entirely by non-dedicated external sources, including state and federal transportation grants, local transportation sales tax proceeds (Measure A), and a local funding agreement with the City of Rancho Cordova for the Grant Line Road project. Funding partners include the Sacramento Transportation Authority (STA), the Sacramento Area Council of Governments (SACOG), the California Transportation Commission (CTC), and the U.S. Department of Transportation (USDOT).

Critically, the Authority operates on a reimbursement model: funding is drawn only after eligible work is completed and invoiced. This structure underscores the importance of conservative cash management and the maintenance of an adequate fund balance reserve.

## FY 2026-27 BUDGET AT-A-GLANCE

| Description | FY 2026-27 Proposed |
|---|---|
| Total Revenues | $ 10,119,046 |
| Total Expenditures | $ 9,869,046 |
| Net Change in Fund Balance | $ 250,000 |
| Beginning Fund Balance | $ 1,382,892 |
| Ending Fund Balance | $ 1,632,892 |
| Fund Balance Reserve (3 months overhead) | $ 362,589 |
| Ending Fund Balance Less Reserve | $ 1,270,304 |

## BUDGET IMPROVEMENTS FOR FY 2026-27

This budget incorporates three substantive improvements over the FY 2025–26 submission:

### CLARIFICATION OF FUNDING SOURCES

The budget lists the eight active funding source contracts through which the Authority receives reimbursement for eligible project expenditures.

### A STRATEGIC ARTICULATION OF LOCAL FUNDING NEED

Quantifies the gap between secured funding and total project cost, frames the gap in terms member agencies and regional partners can act on, and identifies the financing tools and partnership structures most likely to close it.

### AN EXPANDED GLOSSARY

Adds the acronyms and program terms most frequently referenced throughout the budget, supporting accessibility for Board members, member-agency staff, and the public.

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# 3 FY 2026-27 BUDGET AND WORK PLAN

## CONSOLIDATED BUDGET — GENERAL FUND

The following table presents actual expenditures for FY 2024–25, estimated expenditures for FY 2025–26, and proposed appropriations for FY 2026–27, providing a three-year comparative view. All figures are reported on the modified accrual basis of accounting.

| Description | FY 24/25 Actual | FY 25/26 Estimate | FY 26/27 Proposed | Change from FY 25/26 | Change in Percent |
|---|---|---|---|---|---|
| **Revenues** | | | | | |
| Measure A - Capital | $ 1,400,000 | $ 1,541,350 | $ 3,650,000 | $ 2,250,000 | 160.7% |
| Measure A - Mitigation | $ 43,776 | $ 250,134 | $ 2,176,078 | $ 2,132,302 | 4870.9% |
| Other Local Funding | $ 537,953 | $ 675,000 | $ 505,815 | $ (32,138) | -6.0% |
| State Funding | $ 744,542 | $ 624,240 | $ 1,100,000 | $ 355,458 | 47.7% |
| Federal Funding | $ 613,028 | $ 724,847 | $ 2,425,153 | $ 1,812,125 | 295.6% |
| Member Contributions | $ 250,000 | $ 267,431 | $ 250,000 | $ - | 0.0% |
| Interest Income | $ 31,961 | $ 15,000 | $ 12,000 | $ (19,961) | -62.5% |
| **Total Revenues** | **$ 3,621,260** | **$ 4,098,002** | **$ 10,119,046** | **$ 6,497,786** | **179.4%** |
| | | | | | |
| **Direct Project Expenditures** | | | | | |
| Land Acquisition and ROW | $ - | $ 179,847 | $ 1,550,000 | $ 1,550,000 | 0.0% |
| Mitigation Purchases | $ - | $ 250,134 | $ 1,976,078 | $ 1,976,078 | 0.0% |
| Construction | $ - | $ - | $ 1,975,153 | $ 1,975,153 | 0.0% |
| Project Professional Services | $ 2,307,534 | $ 2,203,219 | $ 2,917,459 | $ 609,925 | 26.4% |
| **Overhead Expenditures** | | | | | |
| Salaries and Benefits | $ 762,338 | $ 809,095 | $ 819,726 | $ 57,388 | 7.1% |
| Legal Services | $ 171,974 | $ 185,336 | $ 175,000 | $ 3,026 | 1.6% |
| Audit, Fiscal and County Services | $ 174,110 | $ 238,566 | $ 180,345 | $ 6,235 | 2.6% |
| Rent | $ 53,923 | $ 54,733 | $ 59,594 | $ 5,671 | 10.4% |
| Office Equipment and Supplies | $ 73,906 | $ 20,919 | $ 37,925 | $ (35,981) | -172.0% |
| Conferences, Meetings, and Travel | $ 30,225 | $ 39,972 | $ 43,575 | $ 13,350 | 33.4% |
| Insurance | $ 20,753 | $ 34,446 | $ 22,426 | $ 1,673 | 4.9% |
| Other Operating | $ 31,849 | $ 81,736 | $ 111,766 | $ 79,917 | 97.8% |
| **Total Expenditures** | **$ 3,626,612** | **$ 4,098,002** | **$ 9,869,046** | **$ 6,242,434** | 152.3% |
| Net Increase (decrease) in Fund Balance | $ (5,352) | $ (0) | $ 250,000 | $ (250,001) | - |
| **Beginning Fund Balance** | **$ 1,186,071** | **$ 1,186,071** | **$ 1,186,071** | $ 0 | **-** |
| **Ending Fund Balance** | **$ 1,180,719** | **$ 1,186,071** | **$ 1,436,071** | $ (250,000) | **-** |
| Fund Reserve | $ 329,770 | $ - | $ 362,589 | $ - | - |
| Ending Fund Balance Less Reserve | $ 850,950 | $ 1,186,071 | $ 1,073,482 | $ - | - |

** The Authority reports a single fund - the General Fund*
*Notes:The consolidated schedule above also serves as the fund-level schedule.*

# EXPLANATION OF REVENUE CHANGES BETWEEN FY 2025-26 AND FY 2026-27

### MEASURE A CAPITAL AND MITIGATION

Measure A Capital, supports planning, design, right-of-way, construction, and funding acquisition activities on the three priority segments. Expenditures are anticipated to increase by approximately $1 million due to right-of-way acquisitions for Grant Line Road. Measure A Mitigation steps down from $2.4 million to $2.1 million as some mitigation work was completed in FY 2025-26, however it's anticipated significant mitigation will be purchased in FY 2026-27 for impacts related to Grant Line Road.

### STATE AND FEDERAL FUNDING

State funding decreases modestly from $1.25 million to $1.1 million as TCEP Cycle 3 design activities wind down. Federal funding increases substantially from $1.3 million to $2.4 million, reflecting the anticipated drawdown of the $4 million 2023 Appropriations Act funding as the White Rock Road Class I Trail project moves from final design into construction.

### OTHER LOCAL FUNDING

Other Local Funding decreases from $987,500 to $505,000 as the City of Rancho Cordova's design and right of way phase contribution to the Grant Line Road project becomes expended. Member contributions decrease from $267 thousand to $250 thousand as more indirect costs are reimbursed through other funding sources in FY 2026-27.

# EXPLANATION OF EXPENDITURE CHANGES

### CONSTRUCTION

The most significant year-over-year change in expenditures is in the Construction line item, which grows from $192 thousand to nearly $2 million. This reflects the anticipated commencement of construction activity on the White Rock Road Class 1 Trail. Approximately $1.9 million in federal funding will be transferred to the City of Folsom to implement construction of the Trail project.

### LAND ACQUISITION AND RIGHT-OF-WAY

Land Acquisition and Right-of-Way expenditures decrease from $2.16 million to $1.55 million to reflect an updated schedule of acquisition of the Grant Line Road project. Remaining FY 2026–27 right-of-way activity supports the acquisitions for the White Rock Road Phase 2 segment.

## WORK PLAN PRIORITIES FOR FY 2026-27

The Authority's project portfolio is anchored in the 34-mile alignment defined in the original Joint Exercise of Powers Agreement.

**SPECIFIC SEGMENTS ARE ADVANCED WHEN THREE CONDITIONS ARE MET:**

- The segment has completed preliminary engineering and environmental clearance sufficient to support grant applications
- A member-agency co-delivery partner is engaged and a cooperative agreement is in place or under negotiation
- A primary funding source (federal discretionary, state competitive, or Measure A capital) has been awarded or is realistically available within the budget horizon

Segments meeting all three conditions advance into the work plan; segments meeting only some conditions remain in the program but are not budgeted for construction-phase expenditures.

### GRANT LINE ROAD SAFETY AND FREIGHT MOBILITY PROJECT

Right of Way acquisition is the top priority for FY 2026–27. The project is fully funded through design, with $25 million from the federal RAISE program and $3 million from TCEP Cycle 3. Future state grants and federal earmarks will close the construction funding gap for the first construction package. Right-of-way certification, utility coordination, and final permitting will be completed towards the end of the budget year, with construction beginning in 2028.

### KAMMERER ROAD EXTENSION

The 3-mile extension from Bruceville Road to Interstate 5 advances through final design and right-of-way certification in partnership with the City of Elk Grove and Caltrans. The project will be positioned for federal discretionary funding cycles in late 2026 and 2027, including the Infrastructure for Rebuilding America (INFRA) program and the Multimodal Project Discretionary Grant (MPDG) program.

### WHITE ROCK ROAD EXPRESSWAY PHASE 2

Phase 2 of White Rock Road advances through final design in partnership with the City of Folsom, Sacramento County, and El Dorado County. The project is partially funded through design; the Authority is pursuing additional federal funding to complete design and advance to construction. A new federal earmark has been secured to advance right of way acquisition in this segment.

## ENVIRONMENTAL MITIGATION PROPERTY STEWARDSHIP AND RIGHT-OF-WAY PRESERVATION

In FY 2026-27, the Authority will undertake a coordinated infrastructure and stewardship program on a 159 acre mitigation parcel adjacent to the future Grant Line Road and Jackson Road interchange. The parcel serves three concurrent purposes: SSHCP habitat conservation, future Connector right of way preservation, and active working lands cattle grazing. The work program rehabilitates the property's pond berm, agricultural well, stock water distribution, cattle corrals, and fencing infrastructure; completes right of way preservation site planning for the Grant Line Road and Jackson Road frontages; and produces a Restoration and Mitigation Plan and a Standard Operations and Maintenance Manual to support long term stewardship.

## STRATEGIC FUNDING, FINANCE, AND GRANT PURSUITS

In FY 2026–27, the Authority will advance implementation of a coordinated funding and finance strategy to position the Connector Project for state, federal, regional, and local construction funding. This work will include board-level strategy review, monthly coordination with Authority leadership, regional coordination with funding partners, and preparation of targeted discretionary grant applications aligned with available program criteria. Anticipated funding pursuits include state programs such as the Local Partnership Program and Trade Corridor Enhancement Program, federal discretionary opportunities such as INFRA, MEGA, Rural, and BUILD, and regional prioritization processes through SACOG and related partners. The work program will also include development of grant narratives, maps, cost and schedule documentation, letters of support, application packages, and related coordination materials. Following successful awards, optional grant administration support may be used to assist with award negotiations, progress reporting, compliance tracking, invoicing, amendments, and closeout documentation. This effort is intended to strengthen the Authority's funding competitiveness, maintain disciplined coordination with regional and state partners, and convert project readiness into secured construction funding.

## PUBLIC EDUCATION, STAKEHOLDER ENGAGEMENT, AND FUNDING READINESS

In FY 2026–27, the Authority will continue professional communications and public education work to support project delivery, stakeholder engagement, and construction funding advocacy. This work will build on the agency's prior-year investment in project videos, interviews, digital content, website materials, and public-facing infrastructure education, with the purpose of helping residents, member agencies, funding partners, and state and federal decision-makers understand the Connector Project's safety, mobility, freight, economic, environmental, and community benefits. During FY 2026–27, there will be continued development of an integrated platform for web content, public education interviews, funding-status explainers, stakeholder briefing materials, and digital outreach assets that support Board reporting, grant applications, member agency coordination, and transportation funding discussions. The effort is intended to improve the quality, reach, and consistency of public information regarding the Connector Project while supporting the Authority's long-term state, federal, regional, and local funding strategy.

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# 4 FUNDING SOURCE CONTRACTS

Funding contracts are the agreements through which the Authority receives reimbursement for eligible project expenditures. The Authority does not draw down funds directly; reimbursement is requested against documented work performed under each source contract. The table below summarizes the eight active funding-source contracts that support FY 2026-27 delivery.

| Funding Source | Scope | Total Committed | Expended | Remaining |
|---|---|---|---|---|
| Measure A General (CONSTA-30) | General JPA activities across the alignment | $ 700,000 | $ 170,615 | $ 529,385 |
| Rancho Cordova Local (CONLCL-20) | Grant Line Road design, ROW, and federal advocacy | $ 1,600,000 | $ 1,094,185 | $ 505,815 |
| State TCEP Cycle 3 (PW-CATCEP-D2) | Grant Line Road design (north of Douglas Road) | $ 3,000,000 | $ 1,339,151 | $ 1,660,849 |
| Federal Earmark, Design (PW-CONFED-D3) | White Rock Road Trail design | $ 2,000,000 | $ 1,440,492 | $ 559,508 |
| Federal Earmark, ROW (PW-ROWFED-D3) | White Rock Road Trail right-of-way | $ 500,000 | $ 74,847 | $ 425,153 |
| Measure A Capital (CONSTA-D2) | Grant Line Road, TCEP match and south of Douglas Road | $ 4,900,000 | $ 1,256,317 | $ 3,643,683 |
| Measure A Mitigation, Allocation 2 (PW-MITSTA-20) | JPA mitigation program | $ 5,000,000 | $ 4,823,922 | $ 176,078 |
| Measure A Mitigation, Allocation 3 (PW-MITSTA-30) | JPA mitigation, including Kammerer Road agricultural mitigation | $ 5,000,000 | $ - | $ 5,000,000 |
| **Total** | | **$ 22,700,000** | **$ 10,199,529** | **$ 12,500,471** |

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# 5 STRATEGIC ARTICULATION OF LOCAL FUNDING NEED

Securing sufficient construction funding is the single most consequential variable facing the Authority. The Authority has made substantial progress on design, environmental clearance, right-of-way acquisition, and competitive grant capture. What remains is the local match required to unlock the federal and state construction dollars already programmed or under active pursuit.

This section frames the unfunded local need in terms that allow member agencies, regional partners, and the public to act on it. It is not a request for new appropriations from any single source. It is a strategic map of the remaining gap and the tools available to close it.

## WHERE THE FUNDING STANDS

The Grant Line Road Safety and Freight Mobility, Kammerer Road Extension, and White Rock Road Expressway Phase 2 projects are the three priority projects and they carry a combined construction cost estimate of approximately $265 million. Against that need, the funding picture stands as follows:

| Funding Status | Amount | Source / Notes |
|---|---|---|
| Total Construction Cost Estimate | $265M | - |
| Secured Construction Funds | $25M | RAISE |
| Pending Competitive Award (Under review) | $8M | BUILD |
| Anticipated 2026/2027 Grant Applications | $74M | LPP, TCEP, State and Federal Earmarks |
| **Construction Gap** | **$158M** | |

## LOCAL MATCH: $30 TO $40 MILLION

Federal and state grants typically require at least a 20% match, which means locally the Authority and its member agencies should anticipate needing around $30 million to leverage in applications. This is the binding constraint on commencing construction across the three priority segments. Closing the construction funding gap is not work that any single grant application, any single funding agency, or any single advocacy firm can complete.

The $265 million construction need spans federal discretionary programs scored in Washington, state competitive programs scored in Sacramento, federal and state earmarks decided through direct engagement with elected officials, regional allocations administered by the Sacramento Transportation Authority and the Sacramento Area Council of Governments, and local match commitments authorized by five member agency governing bodies. Each venue runs on its own calendar, its own scoring criteria, and its own decision makers.

The Authority's three person staff cannot cover those venues at the pace and depth that competitive applications require, which is why the Authority contracts for coordinated funding advocacy capacity. Drago Vantage leads the program and sets the integrated pursuit strategy across federal and state cycles. Bryant Government Affairs and O'Keefe Shahmoradi Strategies provide specialized federal capacity covering Congressionally Directed Spending, federal discretionary grants, and the distinct House, Senate, and USDOT program relationships those pursuits require.

Whyze Marketing Inc. provides the stakeholder engagement, marketing, and digital presence that builds and maintains the Connector Project's public information record, including project videos, podcast and interview content, a new redeveloped agency website, public information pages, funding status explainers, and stakeholder briefing materials. That record is the medium through which member agencies, partner agencies, elected officials, and state and federal grant scorers encounter the project's safety, mobility, freight, environmental, and community benefits when they form their assessments.

## WHY LOCAL MATCH IS THE HIGHEST-LEVERAGE INVESTMENT AVAILABLE

The competitive federal and state programs the Authority pursues (RAISE, BUILD INFRA, MPDG, TCEP, LPP, ATP) each weigh local financial commitment heavily in their scoring. Projects with confirmed local match consistently outscore projects without it, even when other project attributes are comparable. The Connector Project's strong scoring history reflects, in part, the willingness of member agencies to commit local resources alongside federal and state asks.

As a result, local match dollars are the highest-leverage public dollars available to member agencies in this corridor. Local funds spent inside this project carry a regional multiplier that local funds spent on stand-alone city or county projects cannot match.

## TOOLS AVAILABLE TO FUND CONSTRUCTION

The Authority and its member agencies have access to several financing tools that, individually or in combination, can close the near-term match gap. None of these tools is new. Each is well established in California municipal finance and has been used by member agencies or peer agencies on comparable projects.

### TOOL 1: MEASURE A CAPITAL ALLOCATIONS THROUGH THE SACRAMENTO TRANSPORTATION AUTHORITY

Measure A is the primary local funding source for the Connector Project and has been since 2004. The STA's pay-as-you-go funding model constrains the pace at which Measure A capital dollars can be allocated, but the Connector Project remains a Measure A-named project. Continued STA prioritization, particularly during the annual allocation cycle, is the most direct path to securing local funds to be used as matching contributions to major state and federal grants. The Authority will engage the STA Board during the FY 2026–27 allocation cycle to confirm Measure A's continuing role as anchor funding.

### TOOL 2: MEMBER AGENCY DIRECT CONTRIBUTIONS AND COOPERATIVE AGREEMENTS

Each of the five member agencies has the authority to commit local funds directly to specific Connector segments under cooperative agreements. The City of Rancho Cordova's existing funding agreement supporting design and right-of-way phases of the Grant Line Road project is the template. Similar agreements supporting construction could be used as matching contributions to major state and federal grants. The Authority will propose formal funding cooperation discussions with each member agency during the FY 2026–27 budget cycle.

### TOOL 3: DEVELOPMENT-BASED FINANCING

The Connector corridor passes through some of the highest-growth areas in the Sacramento region. Tools available to member agencies include development or traffic impact fees, Community Facility Districts (CFDs), Enhanced Infrastructure Financing Districts (EIFDs), and developer agreements tied to specific entitlements. Several segments have already benefited from such mechanisms. The Authority will work with member agency planning and finance staff to identify additional development-related contributions that align with parcel-level approvals expected within the budget year.

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### TOOL 4: FEDERAL DISCRETIONARY PROGRAMS AND EARMARKS

Federal discretionary grant programs operate at award sizes well-matched to the remaining gap. Each program has identified the Connector Project as a strong candidate based on prior submissions. The Authority's federal advocacy program, supported by professional government affairs counsel, is positioned to convert that recognition into one or more additional awards during the budget year. The Authority has been successful in the past, and is well positioned to request additional awards, contingent on local match commitments being in place at the time of application.

### TOOL 5: STATE PROGRAM SEQUENCING

The State Transportation Improvement Program (STIP), the Local Partnership Program (LPP), Trade Corridor Enhancement Program (TCEP), and the Active Transportation Program (ATP) each offer pathways for state-funded contributions to portions of the project scope. Sequencing applications across these programs maximizes the cumulative state contribution. The Authority's grant strategy for FY 2026–27 explicitly sequences these applications rather than treating each in isolation.

## WHAT THE BOARD IS ASKED TO AUTHORIZE THROUGH THIS BUDGET

This budget does not request a single appropriation to close the local funding gap. Closing the gap requires a coordinated, multi-year, multi-source effort that no single Board action can complete. What the budget does authorize is the staff capacity, professional services support, and member agency engagement necessary to make that effort succeed.

Specifically, the FY 2026–27 budget supports:

- Continued engagement with the Sacramento Transportation Authority on Measure A allocation priorities
- Direct cooperative-agreement discussions with each of the five member agencies, with a target of formalized commitments for at least one priority segment during the budget year
- Coordinated federal and state grant pursuit through the Authority's government affairs and grant-writing consultants
- Member-agency-specific briefings to support locally driven development financing decisions
- Transparent quarterly reporting to the Board on progress against each of the five funding tools

## RISK AND SENSITIVITY

The Authority's financial outlook is most sensitive to two variables: (1) the timing and amount of anticipated TCEP and LPP Cycle 5 awards, including the pending request of approximately $60 million for Grant Line Road, and (2) the timing of member-agency match commitments needed to support discretionary applications.

Under the base case, if near-term state awards and local match commitments materialize substantially as planned, the Authority can advance final readiness activities and position the first Grant Line Road construction package for procurement and construction in 2028.

Under a delayed-funding case, the project remains eligible and delivery-ready, but construction start for Grant Line Road will shift into 2029 or beyond. Interim activity would focus on right-of-way certification, permitting, utility coordination, and grant readiness, and potentially smaller construction-packages for demolition, utility relocation, or cost-to-cure improvements are part of right-of-way negotiations.

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# 6 PROFESSIONAL SERVICES AND CONSULTANT PROGRAM

The Authority delivers its capital program through a portfolio of professional service contracts organized into seven functional categories: engineering and environmental, right of way, construction management, funding advocacy, integrated digital and communications, legal, and fiscal and audit.

## ENGINEERING AND ENVIRONMENTAL

Engineering and environmental services support design, environmental clearance, constructability review, and technical analysis across the priority corridor segments. Dokken Engineering serves as the lead design consultant on Grant Line Road and on the White Rock Road Trail Project. Jacobs leads engineering and environmental work on Kammerer Road. Kimley-Horn, MacKay and Somps, and Economic and Planning Systems are retained on an on call basis for specialized task order work outside the lead consultant scope. The Authority's Principal Civil Engineer coordinates all engineering and environmental work and reviews deliverables before acceptance.

## RIGHT OF WAY

Right of way services support appraisal, negotiation, and relocation activity across the priority segments. Bender Rosenthal is retained under an on call agreement, with task orders issued as activity scales on Grant Line Road, Kammerer Road, and White Rock Road Phase 2. Right of way activity is coordinated with member agency partners on segments where the member agency leads acquisition, including the City of Elk Grove on Kammerer Road.

## CONSTRUCTION MANAGEMENT

Construction management services support the Authority's transition from design and right of way activity into construction phase delivery, and provide ongoing mitigation property management capacity. 4LEAF holds a master on call agreement covering both functions. Current authorization is concentrated on habitat compliance monitoring under the South Sacramento Habitat Conservation Plan and on the coordinated infrastructure and stewardship program described in Section 3. As priority segments enter construction, the scope under this agreement will expand accordingly.

## FUNDING ADVOCACY

Funding advocacy services convert the Authority's design ready project pipeline into competitive grant capture. The work is performed by three coordinated firms whose scopes reflect the venues in which competitive applications are decided. Drago Vantage leads the integrated pursuit strategy across federal and state cycles, including state competitive programs and overall coordination of the advocacy program. Bryant Government Affairs covers federal House and USDOT program relationships. O'Keefe Shahmoradi Strategies covers federal Senate and Congressionally Directed Spending. The three firms operate under the direct coordination of the Executive Director, with weekly engagement across the program.

## INTEGRATED DIGITAL AND COMMUNICATIONS

Integrated digital and communications services build and maintain the Connector Project's public information record. That record is the medium through which member agencies, partner agencies, elected officials, and state and federal funding agencies encounter the project's safety, mobility, freight, environmental, and community benefits. Whyze Marketing Inc. operates the platform, with scope covering the redeveloped agency website, project videos, podcast and interview content, funding status explainers, and stakeholder briefing materials. The contract is procured separately from the funding advocacy contracts, with the Executive Director managing coordination between the two functions.

## LEGAL

Legal services are provided through a general counsel firm supplemented by two specialty firms. Sloan Sakai Yeung and Wong serves as general counsel on routine agency matters. Kronick provides specialty counsel on matters outside the general counsel's primary practice areas. Lozano Smith is retained on an on call basis for funding and finance matters.

## FISCAL AND AUDIT

Fiscal and audit services support the Authority's financial reporting obligations, indirect cost rate development, and independent annual audit. TTJ Consulting provides ongoing fiscal consulting under a multi year engagement. Robert Merritt, CPA, conducts the annual independent financial audit and prepares the Annual Comprehensive Financial Report consistent with GFOA Certificate of Achievement standards.

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# 7 AUTHORITY OVERVIEW

## JOINT POWERS AUTHORITY BACKGROUND

The Elk Grove-Rancho Cordova-El Dorado Connector Authority (Authority) is a multi-jurisdictional public agency established on December 12, 2006, pursuant to Section 6500 of the California Government Code and by resolution of the Sacramento County Board of Supervisors. The Authority was formed through a Joint Exercise of Powers Agreement among five local governments—the Counties of Sacramento and El Dorado, and the Cities of Elk Grove, Rancho Cordova, and Folsom—to acquire, plan, design, finance, and construct a 34-mile multimodal transportation corridor known as the Capital SouthEast Connector Expressway.

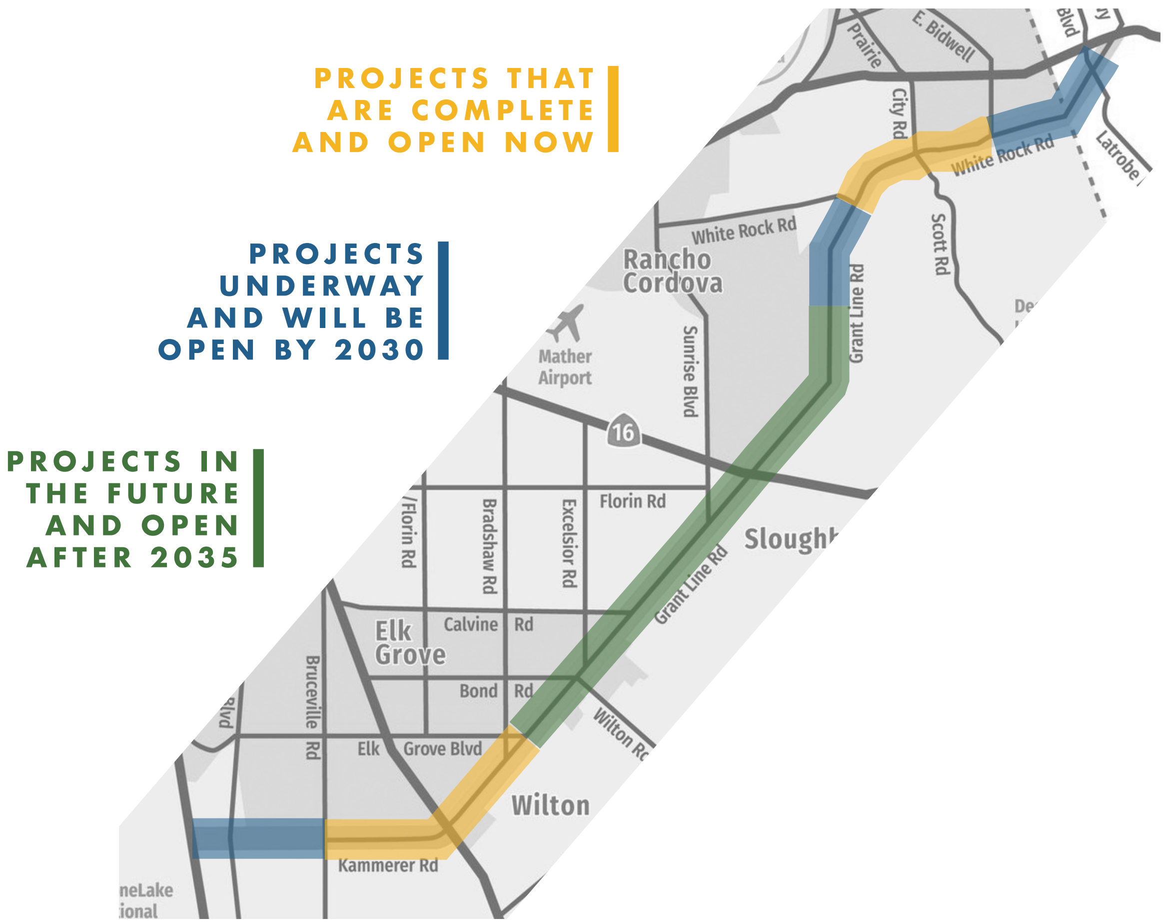
The Authority is governed by a five-member Board of Directors with one representative appointed from the governing body of each member agency. The Board is supported by alternates, legal counsel, and professional consultants. The Authority is a political subdivision of the State of California. It does not collect taxes or tolls directly. Its primary revenue sources include local Measure A transportation sales tax funds, transportation mitigation fees, state and federal infrastructure grants, and annual member contributions.

**CONNECTOR JPA GOVERNING BOARD**
FORMED THROUGH A JOINT EXERCISE OF
POWERS AGREEMENT AMONG
FIVE LOCAL GOVERNMENTS

The Authority exists solely to deliver the Connector Project. Completed segments will be transferred to the member jurisdictions for long-term operation and maintenance. The agency's financial focus is therefore on capital project delivery, right-of-way acquisition, and grant fund management—not on general service operations or long-term asset ownership.

## PROJECT STATUS

As of mid-2026, approximately 11 miles of the Connector Expressway are complete, including segments on Kammerer Road, White Rock Road, and Grant Line Road. Two major highway interchanges and 2.5 miles of Class I multi-use trail are open to the public. Three high-priority projects totaling nine miles are currently underway, with construction expected to commence on the Grant Line Road Safety and Freight Mobility Project during the budget year.



# ORGANIZATIONAL STRUCTURE

The Authority operates a functional departmental model led by a compact three-person staff supported by professional service consultants and inter-agency partners. Each function is aligned with the Authority's mission, project milestones, and compliance responsibilities.

## LIST OF PRINCIPAL OFFICIALS AND ORGANIZATION CHART

CITY OF FOLSOM
COUNCILMEMBER
**MIKE KOZLOWSKI**

CITY OF ELK GROVE
COUNCILMEMBER
**SERGIO ROBLES**

SACRAMENTO COUNTY
BOARD OF SUPERVISORS
**PATRICK HUME (CHAIR)**

EL DORADO COUNTY
BOARD OF SUPERVISORS
**GEORGE TURNBOO (VICE-CHAIR)**

CITY OF RANCHO CORDOVA
COUNCILMEMBER
**GARRETT GATEWOOD**

AUTHORTY
EXECUTIVE DIRECTOR
**DEREK MINNEMA**

AUTHORITY
PRINCIPAL ENGINEER
**MATT LAMPA**

SLOAN, SAKAI, YEUNG
& WONG LLP
**LEGAL COUNSEL**

## EXECUTIVE OFFICE

Led by the Executive Director. The Executive Office is responsible for overall agency leadership, strategic direction, Board relations, intergovernmental coordination, federal and state advocacy, public outreach, and the Authority's strategic communications platform. FY 2026–27 priorities: lead the federal and state funding pursuit; sustain the strategic communications platform; convert member-agency briefings into formal cooperative agreements; participate on the ARTBA executive committee.

## ENGINEERING AND PROGRAM DELIVERY

Led by the Principal Civil Engineer. This department oversees project design, right-of-way, environmental clearance, construction management, and consultant coordination across the three priority projects. FY 2026–27 priorities: advance Grant Line Road into construction mobilization; complete Kammerer Road final design; advance White Rock Road Phase 2 design; manage the mitigation portfolio under the SSHCP.

### ADMINISTRATIVE SERVICES

Led by the Administrative Services Officer. This department is responsible for finance, budget, procurement, contracts, records management, and audit support.

#### FULL TIME EQUIVALENT (FTE) POSITIONS

| Description | FY 2024-25 | FY 2025-26 | FY 2026-27 |
|---|---|---|---|
| Executive Director | 1 | 1 | 1 |
| Principal Engineer | 1 | 1 | 1 |
| Adminstrative Services Officer (ASO) | 1 | 1 | 1 |
| Total Positions | 3 | 3 | 3 |

## PAY SCHEDULES FOR FY 2026-27

The Authority aligns its compensation practices with Sacramento County's classification and pay scales. The pay ranges below reflect monthly minimum and maximum amounts, inclusive of an estimated 5.0 percent cost-of-living adjustment (COLA) for FY 2026–27. Additional compensation elements such as health benefits and SCERS retirement contributions are provided consistent with Sacramento County employee benefit policies.

#### PAY SCHEDULES FOR FY 2026/27*

| Classification | Monthly Minimum | Monthly Maximum |
|---|---|---|
| Executive Director | 23,988 | 24,995 |
| Principal Engineer | 14,943 | 16,474 |
| Administrative Services Officer 1 (ASO 1) | 7,001 | 8,510 |

* Including anticipated 5.0% COLA

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# 8 BUDGET PROCESS, OPERATIONS, AND FISCAL POLICIES

## BUDGET PROCESS

Budget development begins in January after the prior year's audited annual financial statements are completed. The ending fund balances from the preceding year serve as the beginning balances for the current year. Staff develop expectations for revenues and expenditures for the remainder of the current fiscal year and the budget year, working with funding partners to estimate revenues and costs across the multi-year planning horizon.

A draft budget is published for review ahead of the May 2026 Board meeting. If material changes are requested during the meeting or through public comment, the budget is revised and returned at a special meeting in June. If no material changes are required, the Board may adopt the final budget in May. The FY 2026–27 budget calendar followed this schedule.

### BUDGET TIMELINE

**JANUARY**
- *Review prior year audited financial statements*

**FEBRUARY**
- *Review year-to-date expenditures*
- *Kick-off meeting with staff and consultants to set expectations and timeline*

**MARCH**
- *Begin gathering data and documentation, holding ongoing conversations with finance team and update budget templates*

**APRIL**
- *Prepare draft budget document including preliminary fiscal tables with beginning and ending balances and updated text*
- *Prepare message from Executive Director, present several formatting options, and begin to finalize text*

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**MAY**

*Present fully formatted final draft budget to Executive Director*

*Present draft final budget to the Governing Board. If there are not any material changes needed, recommend for adoption. If changes are necessary, ask that the item be continued to a special meeting in June*

**JUNE**

*Present updated draft of final budget. Recommend for adoption*

*Submit adopted budget to GFOA's Distinguished Budget Presentation Award Program*

**AFTER JUNE**

*An amended budget may be necessary if there any material changes subsequent to budget adoption in June*

## BASIS OF BUDGETING

All financial information in this budget is reported using the modified accrual basis of accounting, consistent with the fund financial statements presented in the Annual Comprehensive Financial Report (ACFR). Revenue is recognized when it becomes measurable and available; expenditures are recognized when the obligation to pay them is incurred. The Authority's cutoff for financial reporting purposes is 90 days after the fiscal year ends.

## FUND STRUCTURE

The Authority operates a single fund—the General Fund—appropriate for an agency formed solely to deliver one capital project. Under the Authority's Capital Asset and Expenditure Policy, all expenditures are capitalizable because they support the construction of the Connector Project. All three departments – Executive Office, Engineering and Program Delivery, and Administrative Services – operate within and draw appropriations from the single General Fund. No department or function is supported by a separate or restricted fund.

## BALANCED BUDGET

The Authority annually develops a balanced budget in which the beginning fund balance, revenues, and other financing sources are greater than or equal to total expenditures and other financing uses. The FY 2026–27 budget is balanced.

## INDIRECT COST RATE

The Authority's Indirect Cost Rate (ICR) is developed using financial information from the most recent audited financial statements and is approved by the California Department of Transportation (Caltrans). The most recent approved rate, calculated from FY 2024-25 audited data, was 258.13%. The FY 2026–27 budget incorporates the updated rate calculation, which will be submitted to Caltrans. The ICR is applied to direct labor hours charged to the project to recover proportionate overhead costs through interagency billing.

## FUND BALANCE RESERVE

The Authority maintains a fund balance reserve equivalent to approximately three months of overhead expenditures, consistent with Government Finance Officers Association (GFOA) guidelines and the agency's adopted reserve policy. The FY 2026–27 reserve is calculated at $362,589, based on $1,450,356 in projected overhead expenditures.

### FUND BALANCE RESERVE CALCULATION - GENERAL FUND*

| | Annual Expenditures | Average Monthly Expenditures | Three Months' Reserve |
|---|---|---|---|
| FY 2026-27 | $ 1,450,356 | $ 120,863 | $ 362,589 |

* Based on estimated overhead expenditures only

## FUND BALANCE

Fund balance is the difference between the General Fund's assets and liabilities at the close of each fiscal year, available for appropriation in subsequent years.

## DEBT POLICY

The Authority has never issued debt and has no current plans to do so. The Authority does not have a dedicated revenue source to pledge against debt service. Should the Authority pursue debt issuance in the future—a step requiring the unanimous affirmative vote of all five Board members under the Joint Exercise of Powers Agreement—a comprehensive debt policy aligned with the County of Sacramento's policy will be developed and adopted.

## INVESTMENT POLICY

All Authority funds are held in the Sacramento County Treasury and invested in the Sacramento County Pooled Investment Fund. The fund is managed by the Sacramento County Director of Finance under an investment policy reviewed and approved annually by the Sacramento County Board of Supervisors. The investment objectives, in order of priority, are safety of principal, liquidity, public trust, and maximum rate of return.

## OPERATIONAL EXPENDITURE PRACTICES

The Authority transacts a range of recurring operational expenditures in support of its capital program, including software and subscription services, digital tools and online platforms (including AI assisted drafting and analysis tools), paid digital outreach, professional creative services, business travel, business meals, and credit card transactions. Each category is budgeted in the appropriate line of the consolidated budget and is subject to the procurement framework set forth in this section. Many of these categories are predominantly sold through vendor portals and advertising platforms that require credit card payment. Business travel, business meals, and credit card use are governed by the Authority's adopted Travel Policy and Credit Card Policy, which establish the documentation, approval, and allowability standards that apply to each transaction.

## ANNUAL INDEPENDENT AUDIT

The Authority's annual financial statements are audited by an independent certified public accountant in accordance with Government Auditing Standards. The most recent audit, covering FY 2024 to 25, was completed in November 2025 and resulted in a clean unmodified opinion. The next audit cycle is scheduled for completion by December 2026. The auditor reports findings, if any, directly to the Board and supports preparation of the Annual Comprehensive Financial Report consistent with the standards of the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting program.

## PROCUREMENT, REPORTING, AND AUDIT

Operational expenditures are subject to the procurement thresholds set forth in the Authority's adopted procurement policy. Total annual spend with each vendor is tracked to manage vendor concentration and trigger formal procurement when applicable thresholds are reached. The Authority's independent auditor reviews these expenditures annually as part of the regular financial audit.

### AUTHORITY CONTRACTING PRACTICES

| Price Threshold | Method of Procurement* | Required Approval level |
|---|---|---|
| Under $2,500 | Purchase Order, No Bidding Required | Executive Director |
| $2,500 to $50,000 | Small Purchase - for Supplies/Special Services and A&E, IFB, or CM/GC - Construction and/or Construction Management | Executive Director |
| More than $50,000 | RFP or RFQ - for Supplies/Special Services and RFP or RFQ for A&E, IFB, or CM/GC - Construction and/or Construction Management | Authority Board |

* A&E IFB - Architectural and Engineering Invitation for Bids, CM - Construction Manager, GC - General Contractor

## RECORDS RETENTION AND CONTRACTING

The Authority maintains a Records Retention Policy aligned with applicable law. Goods and services are acquired through procurement processes that provide full and open competition to the maximum extent feasible, consistent with state and federal statutes.

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# 9 STATISTICAL INFORMATION

## AUTHORITY DEMOGRAPHIC AND ECONOMIC STATISTICS – SACRAMENTO COUNTY

Sacramento County continues to anchor the regional economy served by the Connector Corridor. Population growth, employment trends, and per capita income remain the leading indicators driving long-term demand for the corridor.

### ELK GROVE-RANCHO CORDOVA-EL DORADO CONNECTOR AUTHORITY DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

| Fiscal Year | Population (000's) | Personal Income (000's) | Per Capita Personal Income | Unemployment Rate (percent) |
|---|---|---|---|---|
| 2025* | 1,593 | $ 112,207,831 | $ 69,072 | 5.5 |
| 2024 | 1,584 | 103,143,749 | 65,104 | 4.4 |
| 2023 | 1,588 | 98,105,641 | 61,775 | 3.9 |
| 2022 | 1,589 | 98,241,828 | 61,829 | 7.0 |
| 2021 | 1,559 | 90,908,707 | 58,307 | 9.3 |
| 2020 | 1,552 | 85,775,621 | 55,266 | 3.7 |
| 2019 | 1,541 | 80,969,087 | 52,544 | 3.8 |
| 2018 | 1,531 | 76,832,120 | 50,197 | 4.6 |
| 2017 | 1,514 | 72,878,458 | 48,122 | 5.4 |
| 2016 | 1,497 | 70,110,138 | 46,845 | 6.0 |

*Source: June 30, 2025 Sacramento County Annual Comprehensive Financial Report (ACFR)*
**Latest information available*

## SUPPLEMENTAL STATISTICAL REFERENCE TABLES

The reference tables below carry forward the long-term statistical context published in prior budgets. They present a ten-year view of Sacramento County's private sector principal employers, the Authority's governmental fund balances, and the year-over-year changes in those fund balances. Together with the demographic and economic statistics, they support comparison and trend analysis across budget cycles.

### ELK GROVE-RANCHO CORDOVA-EL DORADO CONNECTOR AUTHORITY PRIVATE SECTOR PRINCIPAL EMPLOYERS JUNE 30, 2025 AND 2026

| | 2025* | | | 2016 | | |
|---|---|---|---|---|---|---|
| **Employer** | **Employees** | **Rank** | **Percentage of Total County Employment** | **Employees** | **Rank** | **Percentage of Total County Employment** |
| UC Davis Healh | 16,617 | 1 | 2.10 | 9,706 | 1 | 1.50 |
| Kaiser Permanente | 12,624 | 2 | 1.59 | 6,464 | 3 | 1.00 |
| Sutter/California Health Services | 10,129 | 3 | 1.28 | 8,817 | 2 | 1.36 |
| Dignity/Mercy Healthcare | 7,353 | 4 | 0.93 | 6,286 | 4 | 0.97 |
| Apple Inc. | 5,000 | 5 | 0.63 | 2,500 | 7 | 0.39 |
| Intel Corporation | 4,000 | 6 | 0.63 | 6,200 | 5 | 0.96 |
| Raley's Inc/ Bel Air | 2,519 | 7 | 0.32 | 3,289 | 6 | 0.50 |
| Siemens Mobility Inc. | 2,500 | 8 | 0.32 | | | |
| VSP Vision | 1,950 | 9 | 0.25 | | | |
| Safeway | 1,854 | 10 | 0.23 | | | |
| Health Net of California | | | | 2,299 | 9 | 0.31 |
| VSP Global | | | | 2,415 | 8 | 0.37 |
| Wells Fargo & Co. | | | | 2,038 | 10 | 0.31 |
| **Total** | **64,546** | | **8.28** | **50,014** | | **7.67** |

*Source: June 30, 2025 Sacramento County Annual Comprehensive Financial Report (ACFR)*
** Latest information available*

## ELK GROVE-RANCHO CORDOVA-EL DORADO CONNECTOR AUTHORITY
## FUND BALANCES OF GOVERNMENTAL FUNDS
## LAST TEN FISCAL YEARS
## (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| **General Fund** | | | | | | | | | | |
| Nonspendable | $ - | $ - | $ - | $ 3,892 | $ 2,500 | $ 2,500 | $ 24,357 | $ 37,633 | $ 35,499 | $ 54,596 |
| Assigned | - | - | - | - | - | - | - | - | - | - |
| Unassigned | 761,730 | 1,020,681 | 857,139 | 828,765 | 637,562 | 878,821 | 3,943,832 | 1,508,218 | 1,150,572 | 1,328,296 |
| **Total General Fund** | **$ 761,730** | **$ 1,020,681** | **$ 857,139** | **$ 832,657** | **$ 640,062** | **$ 881,321** | **$ 3,968,189** | **$ 1,545,851** | **$ 1,186,071** | **$ 1,382,892** |

*Source: Audited Financial Statements*

## ELK GROVE-RANCHO CORDOVA-EL DORADO CONNECTOR AUTHORITY
## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
## LAST TEN FISCAL YEARS
## (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| **Revenues** | | | | | | | | | | |
| Intergovernmental | $2,947,422 | $ 4,409,798 | $7,889,548 | $5,302,891 | $4,827,652 | $5,242,750 | $ 10,874,809 | $ 1,957,017 | $ 2,116,163 | $ 3,361,618 |
| Member contributions | 75,000 | 125,000 | 175,000 | 225,000 | 225,000 | 225,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| Interest earnings | 2,276 | 3,976 | 12,568 | 15,029 | 11,108 | 5,721 | 18,731 | 87,728 | 57,633 | 31,963 |
| Other | 250,000 | - | - | - | - | - | - | - | - | - |
| **Total Revenues** | **3,274,698** | **4,538,774** | **8,077,116** | **5,542,920** | **5,063,760** | **5,473,471** | **11,143,540** | **2,294,745** | **2,423,796** | **3,643,581** |
| | | | | | | | | | | |
| **Expenditures** | | | | | | | | | | |
| Capital outlay | 2,696,040 | 4,279,823 | 8,240,658 | 5,567,402 | 5,256,355 | 5,232,212 | 8,006,855 | 4,664,480 | 2,730,562 | 3,392,887 |
| Debt Service - lease payments | | | | | | | | | | |
| Principal | - | - | - | - | - | - | 44,853 | 49,929 | 46,919 | 47,506 |
| Interest | - | - | - | - | - | - | 4,964 | 2,674 | 6,095 | 6,367 |
| **Total Expenditures** | **2,696,040** | **4,279,823** | **8,240,658** | **5,567,402** | **5,256,355** | **5,232,212** | **8,056,672** | **4,717,083** | **2,783,576** | **3,446,760** |
| **Excess (deficiency) of revenues over (under) expenditures** | **578,658** | **258,951** | **(163,542)** | **(24,482)** | **(192,595)** | **241,259** | **3,086,868** | **(2,422,338)** | **(359,780)** | **196,821** |
| **Net change in fund balance** | **$ 578,658** | **$ 258,951** | **$ (163,542)** | **$ (24,482)** | **$ (192,595)** | **$ 241,259** | **$ 3,086,868** | **$ (2,422,338)** | **$ (359,780)** | **$ 196,821** |
| | | | | | | | | | | |
| **Debt Service as a Percentage of Noncapital Expenditures*** | **0.00%** | **0.00%** | **0.00%** | **0.00%** | **0.00%** | **0.00%** | **0.00%** | **0.00%** | **0.00%** | **0.00%** |

*Source: Audited Financial Statements*
** The Authority was created to build a single project that will be transferred upon completion to the agencies whose jurisdictions the asset is located in. At that time, asset depreciation will begin. All expenditures are capitalized and included in capital outlay.*

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# 10 GLOSSARY OF TERMS AND ACRONYMS

The glossary below lists acronyms and program terms used throughout this budget.

| Term / Acronym | Definition |
|---|---|
| **ACFR** | Annual Comprehensive Financial Report. The financial statements comprising the Connector JPA's annual financial report, prepared in accordance with Governmental Accounting Standards Board requirements and the GFOA Certificate of Achievement criteria. |
| **Appropriation** | An authorization by the Governing Board to make expenditures and incur obligations for a specific purpose. An appropriation is usually limited in amount and in the time during which it may be expended. |
| **ARTBA** | American Road and Transportation Builders Association. A national trade association representing the U.S. transportation construction industry, in which the Executive Director participates as a panelist and executive committee member. |
| **ATP** | Active Transportation Program. A SACOG- and Caltrans-administered state grant program supporting bicycle and pedestrian infrastructure. |
| **Balanced Budget** | A budget in which beginning fund balance, revenues, and other financing sources are greater than or equal to total expenditures and other financing uses. |
| **CAA** | Consolidated Appropriations Act. Federal appropriations legislation through which the Connector JPA received $4 million in Community Project Funding for the White Rock Road Class I multi-use trail. |
| **Caltrans** | California Department of Transportation. The state agency that owns and operates the state highway system, approves Indirect Cost Rates for local agencies, and administers a range of state and federal-aid transportation funding programs. |
| **Capital Expenditures** | Expenditures related to specific capital construction projects incorporated in the adopted budget. As defined by the U.S. Department of Transportation, capital expenditures include outlays for planning, engineering, approval, permitting, mitigation, construction, inspection, and acquisition of land and existing structures. |

| Term / Acronym | Definition |
|---|---|
| **CFD** | Community Facility District. A California financing mechanism authorized under the Mello-Roos Community Facilities Act of 1982 that allows local governments to levy special taxes to fund public infrastructure. |
| **CIP** | Capital Improvement Plan. The multi-year capital project plan that identifies anticipated capital expenditures and their associated funding sources. |
| **COLA** | Cost-of-Living Adjustment. The percentage increase applied annually to salaries and benefits to maintain real wage levels. |
| **CTC** | California Transportation Commission. The state body that programs and allocates state and federal transportation funds, including STIP, TCEP, LPP, and SCCP allocations. |
| **Direct Project Costs** | Costs that can be specifically and easily identified with a particular project or activity and are allowable under the sponsoring organization's guidelines. |
| **EIFD** | Enhanced Infrastructure Financing District. A California financing mechanism allowing local agencies to capture incremental property tax revenue from new development to fund public infrastructure within a defined district. |
| **Expenditures** | Authorized spending such as employee salaries and benefits, professional services, and capital construction costs. |
| **Final Budget** | The budget presented during the May Board meeting and adopted if no material changes are required. |
| **Fiscal Year** | The Connector JPA's fiscal year runs from July 1 through June 30. |
| **FTE** | Full-Time Equivalent. Hours worked by one employee on a full-time basis, equivalent to 2,088 hours annually. |
| **Fund** | A group of related accounts used to maintain control over resources segregated for specific activities or objectives. The Connector JPA reports only one fund — the General Fund. |
| **Fund Balance** | The difference between a governmental fund's assets and liabilities, representing the net resources available for appropriation in future periods. |
| **GASB** | Governmental Accounting Standards Board. The independent organization that establishes accounting and financial reporting standards for U.S. state and local governments. |
| **General Fund** | The Connector JPA's sole fund, used for both Project and operating costs. |
| **GFOA** | Government Finance Officers Association. The national professional association of public finance officials in the United States and Canada. The Connector JPA's annual budget is submitted to the GFOA Distinguished Budget Presentation Award Program annually. |
| **Indirect Project Costs (ICR)** | A proportionate share of costs clearly related to the construction, development, or improvement of capital assets as a group, but not to a specific capital asset. Because the Connector JPA exists solely to deliver one project, all of its Project costs are classified as Direct. |
| **INFRA** | Infrastructure for Rebuilding America. A federal discretionary grant program administered by USDOT under the Multimodal Project Discretionary Grant program, supporting projects that improve safety, generate economic benefits, reduce congestion, and improve freight movement. |
| **JPA** | Joint Powers Authority. A public agency formed under California Government Code Section 6500 by two or more public agencies to jointly exercise common powers. |

| Term / Acronym | Definition |
|---|---|
| **LPP** | Local Partnership Program. A state grant program under Senate Bill 1 that provides funding to counties, cities, and other local agencies for transportation infrastructure projects, with funds distributed by formula and competitive allocations. |
| **Measure A** | A half-cent transportation sales tax originally approved by Sacramento County voters in 1989 and renewed by voters in 2004. Measure A includes both a direct capital investment in the Connector Project and a transportation mitigation fee component, both administered by the Sacramento Transportation Authority. |
| **Modified Accrual Basis of Accounting** | An accounting method that recognizes revenue when it becomes measurable and available, and expenditures when the obligation to pay them is incurred. This is the basis used by the Connector JPA for its budget and for the fund-based statements in its ACFR. |
| **MPDG** | Multimodal Project Discretionary Grant. A federal grant program administered by USDOT that combines the INFRA, Mega, and Rural funding programs into a single application process. |
| **RAISE** | Rebuilding American Infrastructure with Sustainability and Equity. A federal discretionary grant program administered by USDOT (formerly known as TIGER and BUILD). The Connector JPA received a $25 million RAISE grant in support of the Grant Line Road Safety and Freight Mobility Project. |
| **Reserve** | A portion of a fund's balance that is available for appropriation but has been set aside for economic uncertainties or specific purposes. |
| **Resolution** | A written motion adopted by the Governing Board. |
| **Revenues** | Income received from various sources including intergovernmental taxes and fees, grants, and other contributions. |
| **RFP / RFQ** | Request for Proposals / Request for Qualifications. Formal solicitation methods used for procurement of professional services and other non-construction goods and services. |
| **SACOG** | Sacramento Area Council of Governments. The federally designated Metropolitan Planning Organization for the Sacramento region. |
| **Sacramento County Pooled Investment Fund** | The pool of local agency funds managed by the Sacramento County Department of Finance, in which all Connector JPA funds are held. |
| **SCERS** | Sacramento County Employees' Retirement System. The defined-benefit retirement system in which Connector JPA employees participate. |
| **SEO** | Search Engine Optimization. The practice of improving the visibility of online content in search engine results, used by the Connector JPA to support its outreach communications. |
| **SSHCP** | South Sacramento Habitat Conservation Plan. A multi-species habitat conservation plan covering the southern portion of Sacramento County, under which the Connector JPA manages over 150 acres of mitigation property. |
| **STA** | Sacramento Transportation Authority. The local transportation funding agency that administers Measure A sales tax revenues and provides oversight for transportation programs funded by Measure A. |
| **STIP** | State Transportation Improvement Program. A multi-year capital improvement program adopted by the California Transportation Commission that programs state and federal transportation funds across California. |

| Term / Acronym | Definition |
|---|---|
| **TCEP** | Trade Corridor Enhancement Program. A state grant program under Senate Bill 1 focused on improvements to federally designated Trade Corridors of National and Regional Significance. The Connector JPA has received TCEP Cycle 3 funding and has applied for TCEP Cycle 4 funding. |
| **USDOT** | United States Department of Transportation. The federal cabinet department is responsible for transportation policy, regulation, and infrastructure funding. |