CAPITAL | SOUTHEAST
CONNECTOR JPA
Connecting Communities

2025 -2026

THE CAPITAL SOUTHEAST CONNECTOR AUTHORITY

FISCAL YEAR 2025/26 BUDGET

CONTENTS

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THE CAPITAL SOUTHEAST CONNECTOR AUTHORITY

FISCAL YEAR 2025/26 BUDGET

1

LETTER OF TRANSMITTAL

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May 30, 2025

Chair and Members of the Board:

I am pleased to submit the Fiscal Year 2025–26 Budget for the Capital SouthEast Connector Joint Powers Authority (Connector JPA). This document reflects our continued commitment to fiscal discipline, long-range planning, and transparent stewardship of public resources. In 2024, the Connector JPA was awarded the Distinguished Budget Presentation Award by the Government Finance Officers Association (GFOA), recognizing our adherence to the highest standards of governmental budgeting and performance-based financial management.

As the Connector JPA's policymakers, the Governing Board of Directors (Board) is responsible for setting strategic direction. This budget provides a clear framework for managing both near-term operations and long-term capital delivery. It serves as a policy document, financial plan, operations guide, and communications tool for the Board, staff, partner agencies, and the public. All programs and services reflected herein align with the Connector JPA's mission to maximize the use of limited resources to advance the Capital SouthEast Connector Expressway Project (Connector Project).

The budget process is structured to allow the Board, staff, and the public adequate time to review, analyze, and engage in the Connector JPA's financial planning. The process begins each February, following the release of the audited financial statements for the prior fiscal year. Staff use the audited ending fund balance as the beginning point for the current year, and work with funding partners to estimate revenues and costs across the five-year planning horizon. A draft budget is published for review ahead of the May 30, 2025, 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 changes are required, the Board may adopt the final budget in May.

Strategic priorities and key budget initiatives for FY 2025–26 include:

2025-26 STRATEGIC PRIORITIES AND KEY INITIATIVES

- **ADVANCING** a strategic two-lane initial construction phase—developed in partnership with the Sacramento Area Council of Governments (SACOG), the Sacramento Transportation Authority, Sacramento County, and the City of Rancho Cordova—that enables near-term construction while acquiring the full right-of-way needed for the ultimate four-lane facility.
- **DELIVERING** on the Connector JPA's five-year Capital Improvement Plan, which is supported by $52 million in secured funding awards from federal, state, and local sources, with another $20 million in construction funding pending.
- **LEVERAGING** the $25 million RAISE grant from the U.S. Department of Transportation and $3 million in TCEP Cycle 3 funding to support the JPA's TCEP Cycle 4 request for an additional $20 million in construction funds.
- **MAINTAINING** a healthy fund balance reserve, established in May 2024, to provide stability amid funding cycle fluctuations and construction market pressures.

In November 2024, the JPA completed its first Annual Comprehensive Financial Report (ACFR) and received a clean, unmodified audit opinion with no material weaknesses or compliance findings under Government Auditing Standards. The ACFR will be submitted for consideration under the GFOA Certificate of Achievement for Excellence in Financial Reporting program, further demonstrating our dedication to transparency and public accountability.

I want to thank the Connector JPA staff, fiscal consultant Tim Jones, CPA, and our funding and delivery partners for their hard work in preparing this document. I also extend my appreciation to the Board for its vision and leadership in delivering this regionally significant project.

I respectfully recommend adoption of the FY 2025–26 Budget as presented.

Sincerely,

Derek Minnema

Derek Minnema

Executive Director
Capital SouthEast Connector JPA

2

BUDGET INTRODUCTION AND EXECUTIVE SUMMARY

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The Fiscal Year 2025–26 Budget for the Capital SouthEast Connector Joint Powers Authority (Connector JPA) presents a comprehensive financial plan to support delivery of the Capital SouthEast Connector Expressway (Connector Project), a 34-mile multimodal transportation corridor serving Sacramento and El Dorado Counties. This budget reflects the JPA's strategic focus on phased project implementation, cost-efficient capital delivery, and interagency coordination, while maintaining fiscal discipline and transparency.

The Connector JPA operates with just three full-time employees and maintains a disciplined, efficient administrative structure. While annual expenditures can fluctuate significantly based on the timing of capital activity—such as right-of-way acquisition, design milestones, and construction phases—the agency's core operating costs remain stable and lean. In years when large capital expenditures are not actively billed or reimbursed, overhead may appear to represent a larger share of the budget; however, these fixed administrative costs consistently account for only a small fraction of the Connector Project's long-term program budget. This model allows the JPA to scale resources to meet delivery needs while preserving fiscal discipline and maximizing the percentage of funding directed to tangible infrastructure improvements.

The Connector JPA does not generate internal revenue through taxes, tolls, or service charges. Instead, it relies entirely on non-dedicated external revenue sources, including state and federal transportation grants, local transportation sales tax proceeds, and member agency contributions. Each year, the Counties of Sacramento and El Dorado, and the Cities of Elk Grove, Rancho Cordova, and Folsom contribute modest member dues to sustain critical baseline operations.

A primary source of funding is Sacramento County's Measure A—a half-cent transportation sales tax originally approved by voters in 1989 and renewed overwhelmingly in 2004. Measure A includes a direct investment in the Connector Project and provides additional mitigation funding through the Sacramento Countywide Transportation Mitigation Fee Program. Connector JPA funding also includes State and Federal programs allocated or programmed through the region's Metropolitan Planning Organization, the Sacramento

Area Council of Governments (SACOG). These include Congestion Mitigation and Air Quality (CMAQ), Regional Surface Transportation Program (RSTP), and State Transportation Improvement Program (STIP) funds. Connector JPA staff actively pursue federal and state discretionary grants to supplement known resources and advance priority segments.

The Connector JPA operates a single fund—the General Fund—managed within the Sacramento County Treasury. This fund structure supports both agency operations and project-related expenditures. Since the Connector JPA exists solely to deliver one capital project, a single-fund structure is appropriate and practical. Budgetary information is prepared using the modified accrual basis of accounting, which recognizes revenues when measurable and available and records expenditures when incurred.

THE BUDGET SUPPORTS COSTS OVER **SIX KEY PROGRAM AREAS**

- **PROJECT-RELATED PROFESSIONAL SERVICES (E.G., ENGINEERING, ENVIRONMENTAL, LEGAL)**
- **RIGHT-OF-WAY ACQUISITION**
- **ENVIRONMENTAL MITIGATION**
- **CONSTRUCTION**
- **PROJECT MANAGEMENT AND OVERHEAD**
- **FISCAL AND ADMINISTRATIVE OPERATIONS**

Budget estimates for FY 2025–26 are based on a combination of prior-year actuals, ongoing contract performance, anticipated grant timing, and the project delivery schedule.

To ensure fiscal stability and buffer against timing risks in state and federal reimbursements, the Connector JPA established a fund balance reserve in May 2024. This reserve strengthens the agency's ability to withstand unanticipated delays in revenue or project execution and ensures continuity in core functions.

Total estimated revenue for FY 2025-26 is projected to be almost $8.7 million, compared to an estimated $2.3 million in FY 2024-25—a year in which actual revenues fell well short of projections due to delays in executing federally and state-funded contracts. Because the Connector JPA's revenues are reimbursement-based, funding is only drawn when work is completed and invoiced. Several anticipated mitigation purchases and engineering contracts planned for FY 2024-25 are now expected to advance in the budget year.

2025-26 TOTAL ESTIMATED REVENUE

$8.7 MILLION

To maintain accountability and ensure transparency, the Connector JPA provides quarterly financial and project updates to the Sacramento Transportation Authority and holds public board meetings where budget performance, expenditures, and project milestones are discussed. These updates offer visibility into how public funds are being used, the timing of project delivery, and any adjustments in planning or funding.

The FY 2025–26 Budget includes three years of financial data:

- actual expenditures for FY 2023-24;
- estimated expenditures for FY 2024-25, and;
- proposed appropriations for FY 2025–26.

It reflects a dynamic and performance-based budgeting approach that aligns with current priorities and emerging opportunities. The following budget table is explained in detail in the Budget and Work Plan section.

Consolidated Budget - General Fund *

Description	FY 23/24 Actual	FY 24/25 Budget	FY 24/25 Estimate	FY 25/26 Proposed	Change from FY 24/25	Change in Percent
Revenues						
Measure A - Capital**	1,359,433	1,400,000	1,120,000	2,688,000	1,288,000	92.0%
Measure A - Mitigation***	320,918	2,759,137	43,000	2,415,000	(344,137)	-12.5%
Other Local Funding	-	533,333	550,000	987,500	454,167	85.2%
State Funding	95,493	1,300,000	585,000	1,250,000	(50,000)	-3.8%
Federal Funding	340,319	800,000	320,000	1,177,000	377,000	47.1%
Member Contributions	250,000	250,000	250,000	267,431	17,431	7.0%
Interest Income	57,633	9,004	11,500	10,000	996	11.1%
Total Revenues	**2,423,796**	**7,051,474**	**2,879,500**	**8,794,931**	**1,743,457**	**24.7%**
Direct Project Expenditures						
Land Acquisition and ROW	12,355	200,000	45,400	2,159,712	1,959,712	979.9%
Mitigation Purchases	-	2,759,137	26,029	2,063,583	(695,554)	-25.2%
Construction	253,985	150,000	-	192,259	42,259	28.2%
Project Professional Services	1,144,750	2,800,000	1,513,343	2,862,527	62,527	2.2%
Overhead Expenditures						
Salaries and Benefits	720,696	657,135	671,589	807,391	150,256	20.8%
Legal Services	248,378	250,000	174,691	250,000	-	0.0%
Audit, Fiscal and County Services	115,641	136,116	199,191	221,089	84,973	73.5%
Rent****	153,501	65,000	54,733	55,593	(9,407)	-6.1%
Office Equipment and Supplies	40,760	42,550	21,310	16,045	(26,505)	-65.0%
Conferences, Meetings, and Travel	30,734	41,250	35,438	41,957	707	2.3%
Insurance	17,303	17,850	20,753	22,094	4,244	24.5%
Other Operating	45,473	35,608	88,245	92,682	57,074	125.5%
Total Expenditures	**2,783,576**	**7,154,646**	**2,850,722**	**8,784,931**	**1,630,285**	**58.6%**
Net Increase (decrease) in Fund Balance	(359,780)	(103,172)	28,778	10,000	388,558	
Beginning Fund Balance	**1,510,352**	**1,150,572**	**1,150,572**	**1,179,350**	**(359,780)**	**-23.8%**
Ending Fund Balance	**1,150,572**	**1,047,400**	**1,179,350**	**1,189,350**	**28,778**	**2.5%**
Fund Reserve	-	311,377	-	376,713	-	-
Ending Fund Balance Less Reserve	1,150,572	736,023	1,179,350	812,637	28,778	2.5%

* The Capital SouthEast Connector Authority reports a single fund - the General Fund
** Measure A Sales Tax Revenue Administered by the Sacramento Transportation Authority
*** Sacramento Countywide Transportation Mitigation Fee Program Administered by the Sacramento Transportation Authority
**** FY 23/24 includes lease amortization and interests costs required under GASB 87

BUDGET IMPROVEMENTS FOR FY 2025-26

The Fiscal Year 2025/26 Budget includes several enhancements to strengthen transparency, accountability, and alignment with the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award Program. Following feedback received on the FY 2024/25 submission, this document now includes an organizational chart, expanded program descriptions, and meaningful performance measures for evaluating progress.

A new section explains how and why the Connector JPA develops and uses an Indirect Cost Rate (ICR), which supports the agency's ability to comply with federal and state grant requirements and recover administrative costs appropriately. The budget format has also been updated to more clearly delineate functional spending categories, program areas, and long-range capital investments.

The Connector JPA continues to pursue budgeting excellence and is committed to meeting all four pillars of the GFOA award program: serving as a policy document, financial plan, operations guide, and communications tool.

FIVE-YEAR STRATEGIC PLANNING GOALS AND STRATEGIES

The Connector JPA's mission is to deliver the Capital SouthEast Connector Expressway to relieve congestion, improve safety and air quality, expand access to multimodal travel, and support economic vitality. These outcomes are supported by focused regional collaboration, sustained fiscal planning, and prioritization of capital investment in critical segments.

The JPA's five-year strategic plan is guided by **three core goals:**

FIVE-YEAR STRATEGIC PLAN

CORE GOALS

PUBLIC OUTREACH AND ENGAGEMENT

DEVELOP COLLABORATIVE PARTNERSHIPS

IDENTIFY PRIORITIES FOR PROJECT DELIVERY

PUBLIC OUTREACH AND ENGAGEMENT

Building public trust through proactive communication is essential to the success of the Connector Project. The Connector JPA is committed to transparency, accessibility, and responsiveness as it delivers a transformative infrastructure initiative that impacts communities, commuters, and regional stakeholders. Addressing public concerns—particularly those related to traffic safety, emergency access, the timing of improvements, and overall project status—is central to the JPA's public engagement mission.

The agency provides regular updates to its Governing Board, funding partners, and the public regarding the use of funds, project milestones, and capital priorities. These efforts strengthen accountability and foster broad support across jurisdictions. The Connector JPA's FY 2025/26 budget continues implementation of a comprehensive marketing and communications plan developed in 2024, which outlines an integrated strategy for video-led storytelling, brand development, and stakeholder engagement across all levels of government and the public.

KEY OUTREACH EFFORTS

Building public trust is vital to the success of the Connector Project.
Key public outreach efforts include:

HOSTING
QUARTERLY BOARD MEETINGS THAT ARE OPEN TO THE PUBLIC

PRODUCING
MONTHLY VIDEO UPDATES, PODCASTS, AND DIGITAL CONTENT TO COMMUNICATE PROGRESS AND IMPACT;

MAINTAINING
AN INTERACTIVE PROJECT WEBSITE WITH MAPS, REPORTS, TIMELINES, AND THE ABILITY FOR THE PUBLIC TO PROVIDE FEEDBACK;

DISTRIBUTING
NEWSLETTERS AND TARGETED EMAIL UPDATES TO STAKEHOLDERS AND COMMUNITY MEMBERS;

RESPONDING
TO COMMUNITY QUESTIONS AND CONCERNS THROUGH Q&A SESSIONS AND ONLINE SURVEYS

CONDUCTING
SOCIAL MEDIA CAMPAIGNS TO RAISE AWARENESS AND ENCOURAGE PUBLIC INPUT

COLLABORATING
WITH MEMBER AGENCIES TO AMPLIFY COMMUNICATIONS THROUGH LOCAL NETWORKS

DEVELOP STRATEGIC PARTNERSHIPS

The Connector JPA's core goal in developing strategic partnerships is to build a united, cross-jurisdictional coalition that maximizes funding competitiveness and supports seamless project delivery. Central to this is the JPA's collaboration with the Sacramento Area Council of Governments (SACOG), which elevated the two-lane phasing strategy to align with regional planning and secure priority status for state and federal funding. The California Transportation Commission (CTC) and U.S. Department of Transportation (USDOT) are recognized as critical partners whose support is essential to advancing construction. The JPA also maintains strong relationships with elected officials, labor organizations, community leaders, and public agencies. The Connector has received over 50 letters of support --from city councils, counties, chambers of commerce, business leaders, and environmental stewards --demonstrating widespread endorsement of the project's economic, safety, and environmental benefits. These partnerships are key to building trust, achieving funding success, and delivering transformational infrastructure for the Sacramento region.

IDENTIFY PRIORITIES FOR PROJECT DELIVERY

To efficiently deliver the corridor while addressing funding limitations, the Connector JPA has adopted a phased two-lane initial construction strategy. This approach allows shovel-ready segments to move forward using available funds while right-of-way is acquired and permits are secured for the ultimate four-lane buildout. The two-lane strategy was developed in partnership with SACOG, STA, Sacramento County, and member jurisdictions, and has strengthened the project's eligibility for competitive state and federal grants. The current phased approach ensures continued momentum while preserving the long-term vision.

The Connector JPA has identified three top-priority segments that are environmentally cleared, federally and state-permitted, and advancing toward construction. These projects are expected to be fully designed and right-of-way ready by 2027 and open to traffic by 2030, subject to construction funding:

KAMMERER ROAD EXTENSION PROJECT

This 3-mile segment between Interstate 5 and Bruceville Road is critical for unlocking new access to south county employment centers and development areas. The project is fully funded through design and is awaiting construction funding.

GRANT LINE ROAD SAFETY AND FREIGHT MOBILITY PROJECT

This 3.5-mile segment will reconstruct a rural roadway into a modern expressway, improving freight movement and safety performance. It is the region's top priority for federal discretionary funding. The project is fully funded through design.

WHITE ROCK ROAD EXPRESSWAY PROJECT, PHASE 2

Phase 2 of the White Rock Road Expressway builds on the success of Phase 1, which delivered a modernized roadway and Class I multi-use trail and was recognized as the 2024 APWA Sacramento Chapter "Project of the Year."
Phase 2 will extend the expressway east from East Bidwell Street toward Latrobe Road, improving regional mobility and safety while connecting to future segments in El Dorado County. The project includes new expressway lanes, drainage improvements, and continued trail expansion. It is currently in the final design phase, with funding partially secured through local sources. The Connector JPA is actively pursuing additional funding to complete the design and advance the project to construction. This segment is a critical link in the full Connector corridor and is prioritized in the five-year Capital Improvement Plan.

PROJECT MILESTONES AND FUNDING ACHIEVEMENTS

Recent years marked one of the most productive years in the Connector Project's history. Over $65 million in construction activity was completed, including 6.5 miles of new expressway improvements. Notices of Completion were issued for three segments, and an additional 2.5 miles of Class 1 multi-use trail was completed and opened to the public along White Rock Road.

In total, nearly **$39 MILLION** in local, state, and federal funding was secured to advance design, right-of-way acquisition, construction, and environmental mitigation. Highlights include:

- **$25 MILLION** in federal funding secured through the United States Department of Transportation;
- **$4 MILLION** in federal funding secured through the Consolidated Appropriations Act of 2023 to continue work on the White Rock Road Class 1 trail;
- **$3 MILLION** in state funding awarded through the SB 1 Trade Corridor Enhancement Program (TCEP) for the Grant Line Road Safety and Freight Mobility Project;
- **$6.7 MILLION** in capital funds allocated by the Sacramento Transportation Authority for project delivery and an additional **$5 MILLION** allocated for environmental mitigation.

These accomplishments reflect the effectiveness of the phased delivery strategy and the JPA's ability to align with regional funding cycles and priorities.

PERFORMANCE MEASURES AND ALIGNMENT WITH STRATEGIC GOALS

To support its Five-Year Strategic Planning Goals and Strategies, the Connector JPA uses performance measures to track progress, guide decision-making, and demonstrate accountability. These measures are aligned with the agency's three core goals: Public Outreach and Engagement, Develop Collaborative Partnerships, and Identify Priorities for Project Delivery.

The performance measures are monitored annually and reviewed by staff and the Board to ensure that the JPA remains on track to deliver key capital segments, maintain public trust, and maximize its funding potential. These indicators reflect both quantitative and qualitative outcomes that matter most to stakeholders, partners, and the public.

Connector JPA Performance Measures

Performance Measure	Area of Responsibility	Relates to Strategic Goal	FY 2024-25 Planned	FY 2024-25 Estimate	FY 2025-26 Planned
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
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
Promote public educational opportunities	Executive Office	Develop Collaborative Partnerships	Yes	Yes	Yes
Project Delivery Priorities:					
Identify and regularly promote Project priorities	Engineering and Program Delivery	Project Delivery Priorities	Yes	Yes	Yes
Elevate Project profile among Federal audiences	Engineering and Program Delivery	Project Delivery Priorities	Yes	Yes	Yes
Collaborate and build consensus with member agencies	Engineering and Program Delivery	Project Delivery Priorities	Yes	Yes	Yes

* Sacramento Transportation Authority

LONG-TERM FINANCIAL PLANNING

A strategic approach to long-term planning is vital in navigating the financial landscape where an agency's revenue hinges on securing discretionary grants. This involves understanding the dynamics of grant funding, exploring diverse revenue streams, forecasting budgets with scenario analysis, establishing reserve funds, managing costs effectively, maintaining a varied grant portfolio, advocating for funding support, having contingency plans, and continuously adapting strategies to handle fluctuations in grant funding.

The table on the following page incorporates a comprehensive application of the Connector JPA's mission, vision, and priorities into a financial action plan over the next several years. New revenue has been identified through FY 2028/29 which will fund continued progress on the priority segments. However, the Connector JPA will continue pursuing additional new funding opportunities at the Local, State, and Federal level.

As the following table demonstrates, the Authority is anticipating accelerated Project funding beginning in FY 2028/29. Federal and State grants currently awarded and others that are anticipated in the next two years will provide much needed capital to continue buildout of 3 miles of the Connector Project. Currently significant effort is underway to identify new funding for FY 2027/28 when numerous contracts are expected to be completed in FY 2026/27.

Five-Year Projections - General Fund*

Description	FY 24/25 Adopted	FY 25/26 Projected	FY 26/27 Projected	FY 27/28 Projected	FY 28/29 Projected
Revenues					
Measure A - Capital**	1,400,000	2,688,000	2,625,000	-	500,000
Measure A - Mitigation***	2,759,137	2,415,000	2,000,000	1,000,000	1,000,000
Other Local Funding	533,333	987,500	400,000	-	500,000
State Funding	1,300,000	1,250,000	1,100,000	-	10,000,000
Federal Funding	800,000	1,177,000	2,150,000	-	10,000,000
Member Contributions	250,000	267,431	280,802	294,842	250,000
Interest Income	9,004	10,000	10,000	10,000	10,000
TBD Professional Services/Construction	-	-	-	18,500,000	-
Total Revenues	7,051,474	8,794,931	8,565,802	19,804,842	22,260,000
Expenditures					
Land Acquistion and ROW	200,000	2,159,712	1,519,637	-	461,655
Mitigation Purchases	2,759,137	2,063,583	1,688,486	931,239	923,311
Construction	150,000	192,259	1,287,470	15,272,323	18,466,220
Project Professional Services	2,800,000	2,862,527	2,490,516	1,955,602	461,655
Project Overhead	-				
Salaries and Benefits	657,135	807,391	847,761	890,149	916,853
Legal Services	250,000	250,000	250,000	250,000	250,000
Audit, Fiscal and County Services	136,116	221,089	232,143	243,750	255,938
Rent	65,000	55,593	58,372	61,291	64,355
Office Equipement and Supplies	42,550	16,045	16,847	17,690	18,574
Conferences and Travel	41,250	41,957	44,055	46,258	48,571
Insurance	17,850	22,094	23,199	24,359	25,577
Other Operating	35,608	92,682	97,316	102,182	107,291
Total Expenditures	**7,154,646**	**8,784,931**	**8,555,802**	**19,794,842**	**22,000,000**
Net Increase (decrease) in Fund Balance	(103,172)	10,000	10,000	10,000	260,000
Beginning Fund Balance	**1,150,572**	**1,179,350**	**1,189,350**	**1,199,350**	**1,209,350**
Ending Fund Balance	**1,047,400**	**1,189,350**	**1,199,350**	**1,209,350**	**1,469,350**
Fund Reserve	311,377	376,713	392,423	408,919	421,790
Ending Fund Balance Less Reserve	736,023	812,637	806,927	800,430	1,047,560

* The Connector Authority reports a single fund - the General Fund

* Measure A Sales Tax Revenue Administered by the Sacramento Transportation Authority

** Sacramento Countywide Transportation Mitigation Fee Program Administered by the Sacramento Transportation Authority

CHALLENGES AND FACTORS AFFECTING FINANCIAL CONDITION

The primary challenge the Connector JPA faces is securing sufficient funding for design and construction. Coordinating and obtaining funding from a diverse mix of Local, State, and Federal sources entails navigating complex bureaucratic processes, aligning priorities across different levels of government, and satisfying various funding requirements and regulations.

Local funding may be limited, requiring State and Federal support to bridge the gap, while Federal funding availability can fluctuate based on political priorities and budget allocations. Additionally, competition among other regional priorities is intensifying as population growth fuels the need for infrastructure improvements.

One example of this challenge is local funding, which is crucial for matching State and Federal grants. The project's primary local funding source, Measure A administered by the Sacramento Transportation Authority, is currently limited to pay-as-you-go funding to finance more than 50 projects envisioned under the Measure voters approved in November 2004.

Several factors impact the financial condition of the Connector JPA which, in part, is reliant on securing discretionary grants:

FACTOR #1
GRANT AVAILABILITY AND COMPETITION

The availability of discretionary grants and the level of competition for those grants can directly influence the Agency's ability to secure funding. Changes in government and regional priorities, budget allocations, and the number of applicants competing for grants can all affect grant success rates;

FACTOR #2
ECONOMIC CONDITIONS

Economic factors such as recessions, tax revenue fluctuations, and changes in government spending priorities can impact grant funding levels. Governments may reduce discretionary spending during economic downturns, leading to fewer available grants;

FACTOR #3
POLICY AND REGULATORY CHANGES

Changes in government policies, regulations, or legislative priorities can affect grant eligibility criteria, funding priorities, and the overall grant-making landscape. The Connector JPA will monitor regulatory developments that could impact its funding sources;

FACTOR #4
EXTERNAL PARTNERSHIPS

Partnerships with other organizations, collaborations with stakeholders, and leveraging resources from the community will enhance the Agency's competitiveness for grants and its ability to deliver on grant objectives. Strong partnerships will also provide additional funding sources and support sustainability efforts; and

FACTOR #5
PUBLIC SUPPORT AND ADVOCACY

Public support, community engagement, and advocacy efforts influence funding decisions and help secure additional resources for the agency. Building relationships with policymakers, elected officials, and key stakeholders strengthens the Agency's position and support its funding goals.

In summary, the Connector JPA will continue to monitor national, regional, and local trends as it carries out its mission to build this important regional project. This endeavor will continue to require strategic collaboration with the Project's stakeholders and the public it serves. The Board and staff remain committed to addressing regional transportation and safety needs through the Connector Project.

3

BUDGET AND WORK PLAN

3 BUDGET AND WORK PLAN

HOW TO USE THIS BUDGET

HOW THE BUDGET IS ORGANIZED

This budget is structured to serve as a comprehensive financial, operational, and strategic planning tool for the Capital SouthEast Connector Joint Powers Authority (Connector JPA). It begins with a transmittal letter and executive summary that outline the agency's priorities, funding context, and overall fiscal outlook for Fiscal Year 2025/26 and beyond. The main body includes detailed sections on revenue and expenditure categories, strategic goals, capital project planning, fiscal policies, and organizational structure. Appendices and supplemental sections provide supporting detail such as performance measures, long-term financial planning, and glossary definitions.

WHO USES THE BUDGET

The budget is intended for use by a wide range of audiences:

- **Governing Board members** use it to set priorities, authorize spending, and monitor progress.
- **Connector JPA staff** use it to guide daily operations, manage consultant contracts, and ensure compliance with grant and policy requirements.
- **Member agencies, funding partners, and the public** use it to understand how public resources are being invested, what milestones are being pursued, and how the Connector Project is advancing regionally significant infrastructure goals.

HOW TO INTERPRET THE BUDGET

This budget is both a narrative and a financial document. Narrative sections provide the context, strategy, and policy framework for each area of spending, while the accompanying financial tables show actual, estimated, and proposed figures over a multi-year horizon. Together, they illustrate not only how much the JPA plans to spend, but why those expenditures are necessary, how they align with funding sources, and how they contribute to the agency's long-term goals. Readers are encouraged to review narrative and financial information together to gain a full understanding of the agency's priorities, constraints, and delivery approach.

FY 2025/26 BUDGET

The FY 2025/26 Budget for the Connector JPA reflects a continued shift from long-term planning to active implementation. It is a performance-based, single-fund budget aligned with the Connector JPA's mission to deliver the 34-mile Capital SouthEast Connector Expressway. The budget supports both agency operations and capital project delivery, with funding directed toward design, right-of-way acquisition, environmental mitigation, public outreach, and grant readiness.

The Connector JPA does not generate internal revenues but is funded entirely by external sources. These include local sales tax proceeds from Sacramento County's Measure A, State Transportation Improvement Program (STIP) funds, competitive SB 1 programs such as the Trade Corridor Enhancement Program (TCEP) and Local Partnership Program (LPP), federal discretionary grants such as RAISE and INFRA, and member agency contributions.

The budget is structured around six expenditure categories:

- Project-related professional services
- Right-of-way acquisition
- Environmental mitigation
- Construction
- Project operations and fiscal services
- Overhead and administrative services

Funding is based on a reimbursement model, requiring that work be performed and invoiced before revenues are received. This fiscal structure underscores the importance of reserve planning, cost control, and timely project delivery.

This year's budget supports the phased two-lane implementation strategy adopted in partnership with SACOG, STA, Sacramento County, and member agencies. The phased approach allows shovel-ready segments to advance while continuing to secure right-of-way for the full four-lane expressway. The strategy ensures near-term project momentum while preserving long-term goals.

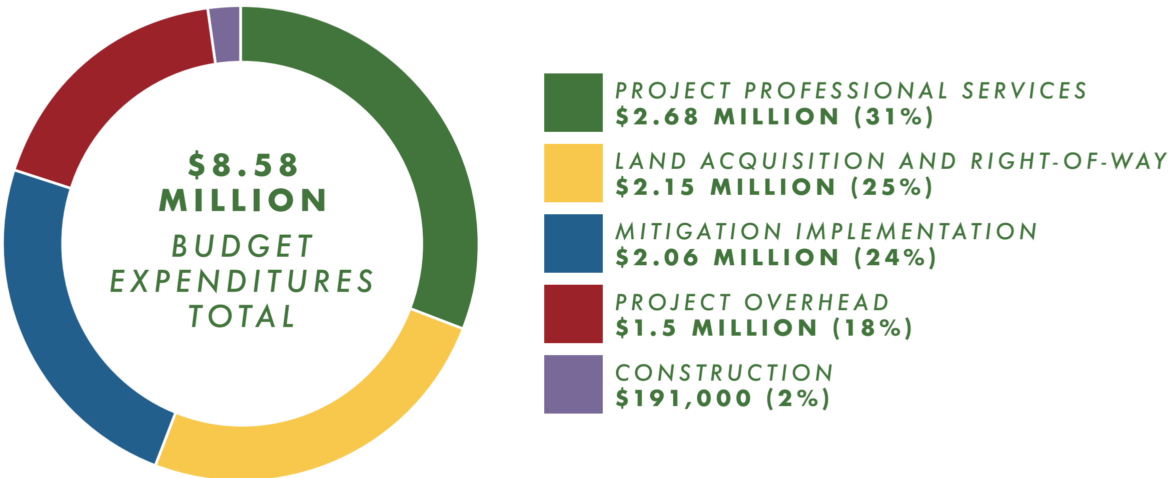
The FY 2025/26 Budget reflects the Connector JPA's commitment to lean operations, transparent financial management, and strategic infrastructure investment. Total projected revenues are $8.67 million, primarily from Measure A (Capital and Mitigation), state and federal funding, and local contributions.

Budgeted expenditures total $8.58 million, with the majority allocated to capital delivery activities:

- Land Acquisition and Right-of-Way: $2.15 million (25% of total expenditures)
- Mitigation Implementation: $2.06 million (24%)
- Construction: $191,000 (2%)
- Project Professional Services: $2.68 million (31%)
- Project Overhead (all other categories combined): $1.5 million (18%)

The Connector JPA continues to operate with just three full-time employees, while managing a multi-year portfolio of engineering, environmental, and right-of-way contracts. The agency's overhead—including salaries, legal, audit, and general operations—remains modest relative to the scale of capital projects underway. The FY 2025/26 budget anticipates a net increase in fund balance of $10,000, bringing the projected ending fund balance to about 1.2 million. This structure supports near-term project readiness while maintaining the financial flexibility needed for future construction obligations.

The Connector JPA also maintains a fund balance reserve, established in 2024, to manage the uncertainty of reimbursement schedules and maintain financial stability. Quarterly reports to the Sacramento Transportation Authority and annual financial audits continue to promote accountability and transparency.



EXPLANATION OF VARIANCES

As a reimbursement-based agency, the Connector JPA earns revenue only when eligible expenditures are submitted and approved for payment by local, state, and federal funding partners. The only direct (non-reimbursable) income is the $250,000 in annual member agency contributions. All other revenues are tied to project delivery progress.

In FY 2023/24 and FY 2024/25, several planned project expenditures—particularly related to mitigation purchases and engineering contracts—were delayed, resulting in lower-than-anticipated reimbursement revenue. These delays were timing-related and not due to funding loss or ineligibility.

Budget Variance FY 2024/25

Description	FY 24/25 Budget	FY 24/25 Estimate	Variance	Change in Percent
Revenues				
Measure A - Capital**	1,400,000	1,120,000	(280,000)	-20.0%
Measure A - Mitigation***	2,759,137	43,000	(2,716,137)	-98.4%
Other Local Funding	533,333	550,000	16,667	3.1%
State Funding	1,300,000	585,000	(715,000)	-55.0%
Federal Funding	800,000	320,000	(480,000)	-60.0%
Member Contributions	250,000	250,000	-	0.0%
Interest Income	9,004	11,500	2,496	27.7%
Total Revenues	**7,051,474**	**2,879,500**	**(4,171,974)**	**-59.2%**
Direct Project Expenditures				
Land Acquisition and ROW	200,000	45,400	(154,600)	-77.3%
Mitigation Purchases	2,759,137	26,029	(2,733,108)	-99.1%
Construction	150,000	-	(150,000)	-100.0%
Project Professional Services	2,800,000	1,513,343	(1,286,657)	-46.0%
Overhead Expenditures				
Salaries and Benefits	657,135	671,589	14,454	2.2%
Legal Services	250,000	174,691	(75,309)	-30.1%
Audit, Fiscal and County Services	136,116	199,191	63,075	46.3%
Rent	65,000	54,733	(10,267)	-15.8%
Office Equipment and Supplies	42,550	21,310	(21,240)	-49.9%
Conferences, Meetings, and Travel	41,250	35,438	(5,812)	-14.1%
Insurance	17,850	20,753	2,903	16.3%
Other Operating	35,608	88,245	52,637	147.8%
Total Expenditures	**7,154,646**	**2,850,722**	**(4,303,924)**	**-60.2%**
Net Increase (decrease) in Fund Balance	(103,172)	28,778	388,558	
Beginning Fund Balance	**1,150,572**	**1,150,572**	**(359,780)**	**-23.8%**
Ending Fund Balance	**1,047,400**	**1,179,350**	**28,778**	**2.5%**
Fund Reserve	311,377	-	-	-
Ending Fund Balance Less Reserve	736,023	1,179,350	28,778	2.5%

* The Capital SouthEast Connector Authority reports a single fund - the General Fund
** Measure A Sales Tax Revenue Administered by the Sacramento Transportation Authority
*** Sacramento Countywide Transportation Mitigation Fee Program Administered by the Sacramento Transportation Authority

MITIGATION VARIANCES

Mitigation purchases planned for both FY 2023/24 and FY 2024/25 were delayed due to permitting and coordination requirements. As a result, both expenditures and the associated revenue reimbursements did not materialize, leading to a noticeable budget-to-estimate variance in mitigation activity. These obligations remain active and are expected to advance in FY 2025/26, with an estimated drawdown of $750,000 under the JPA's multi-year $6 million mitigation program.

ENGINEERING VARIANCES

Two major engineering contracts budgeted in FY 2023/24 were executed but delayed due to extensive coordination with funding agencies to allocate funding.. The contracts are anticipated to advance in FY 2024/25 and FY 2025/26, resulting in a shift of anticipated revenue and expenditure into the current and budget years. The FY 2025/26 budget includes an estimated $2.25 million in engineering drawdowns from a multi-year contract portfolio of approximately $9 million.

SALARIES AND BENEFITS

FY 2024/25 estimates and FY 2025/26 budgeted amounts reflect staffing transitions. The Administrative Services Officer (ASO) retired in December 2023, and the position remained vacant for the remainder of the year. In the short term, administrative tasks have been absorbed by existing staff and consultants. The FY 2025/26 budget includes funding for three full-time positions, with flexibility to evaluate the future structure of support services.

LEGAL AND FISCAL SERVICES

Legal and fiscal support services vary annually based on demand. While legal services are budgeted at $250,000 based on historical averages, actual costs fluctuate depending on project-specific needs, such as right-of-way negotiations, environmental permitting, and interagency agreement review. Fiscal services similarly include both baseline operations—such as monthly accounting and annual audits—and variable on-demand work related to grant compliance, budget development, and financial reporting.

INTEREST INCOME

Interest income continues to trend downward due to declining fund balance. As capital outlays have increased and the JPA's available reserve has decreased, the earnings from the Sacramento County Pooled Investment Fund have correspondingly declined.

IMPACT ON FUND BALANCE

The estimated ending fund balance for FY 2024/25 increased almost $30,000, while the fund balance for FY 2025/26 is projected to increase by $10,000 to almost $1.2 million. The Authority operates under a model where expenditures are billed to program partners who reimburse them under interagency contracts. As such, the agency's fund balance is relatively stable except for one time upfront funding for certain projects. While some major project costs did not occur as anticipated, fixed costs such as professional services and overhead continued. The agency bills its program partners for an equitable portion of the direct labor and overhead costs. This underscores the importance of maintaining a conservative fund balance reserve and monitoring revenue timing closely. The Connector JPA remains proactive in its financial oversight to mitigate such impacts.

Consolidated Budget - General Fund *

Description	FY 23/24 Actual	FY 24/25 Budget	FY 24/25 Estimate	FY 25/26 Proposed	Change from FY 24/25	Change in Percent
Revenues						
Measure A - Capital**	1,359,433	1,400,000	1,120,000	2,688,000	1,288,000	92.0%
Measure A - Mitigation***	320,918	2,759,137	43,000	2,415,000	(344,137)	-12.5%
Other Local Funding	-	533,333	550,000	987,500	454,167	85.2%
State Funding	95,493	1,300,000	585,000	1,250,000	(50,000)	-3.8%
Federal Funding	340,319	800,000	320,000	1,177,000	377,000	47.1%
Member Contributions	250,000	250,000	250,000	267,431	17,431	7.0%
Interest Income	57,633	9,004	11,500	10,000	996	11.1%
Total Revenues	**2,423,796**	**7,051,474**	**2,879,500**	**8,794,931**	**1,743,457**	**24.7%**
Direct Project Expenditures						
Land Acquisition and ROW	12,355	200,000	45,400	2,159,712	1,959,712	979.9%
Mitigation Purchases	-	2,759,137	26,029	2,063,583	(695,554)	-25.2%
Construction	253,985	150,000	-	192,259	42,259	28.2%
Project Professional Services	1,144,750	2,800,000	1,513,343	2,862,527	62,527	2.2%
Overhead Expenditures						
Salaries and Benefits	720,696	657,135	671,589	807,391	150,256	20.8%
Legal Services	248,378	250,000	174,691	250,000	-	0.0%
Audit, Fiscal and County Services	115,641	136,116	199,191	221,089	84,973	73.5%
Rent****	153,501	65,000	54,733	55,593	(9,407)	-6.1%
Office Equipment and Supplies	40,760	42,550	21,310	16,045	(26,505)	-65.0%
Conferences, Meetings, and Travel	30,734	41,250	35,438	41,957	707	2.3%
Insurance	17,303	17,850	20,753	22,094	4,244	24.5%
Other Operating	45,473	35,608	88,245	92,682	57,074	125.5%
Total Expenditures	**2,783,576**	**7,154,646**	**2,850,722**	**8,784,931**	**1,630,285**	**58.6%**
Net Increase (decrease) in Fund Balance	(359,780)	(103,172)	28,778	10,000	388,558	
Beginning Fund Balance	**1,510,352**	**1,150,572**	**1,150,572**	**1,179,350**	**(359,780)**	**-23.8%**
Ending Fund Balance	**1,150,572**	**1,047,400**	**1,179,350**	**1,189,350**	**28,778**	**2.5%**
Fund Reserve	-	311,377	-	376,713	-	-
Ending Fund Balance Less Reserve	1,150,572	736,023	1,179,350	812,637	28,778	2.5%

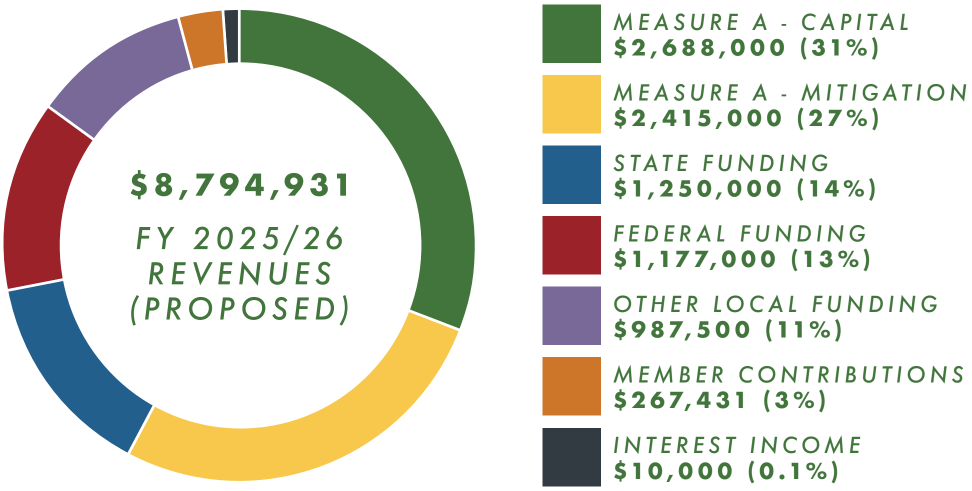
* The Capital SouthEast Connector Authority reports a single fund - the General Fund

** Measure A Sales Tax Revenue Administered by the Sacramento Transportation Authority

*** Sacramento Countywide Transportation Mitigation Fee Program Administered by the Sacramento Transportation Authority

**** FY 23/24 includes lease amortization and interests costs required under GASB 87

EXPLANATION OF REVENUE SOURCES



MEASURE A FUNDING - CAPITAL

These are reimbursements provided through the Sacramento Transportation Authority (STA) under Measure A, a half-cent transportation sales tax approved by Sacramento County voters. Capital funds are allocated to support design, engineering, right-of-way acquisition, and construction activities for Connector Project segments. These funds are disbursed on a reimbursement basis.

MEASURE A FUNDING - MITIGATION

These reimbursements are tied to the environmental mitigation components of the Connector Project. The funds are used for land acquisition, habitat preservation, restoration, and compliance with the South Sacramento Habitat Conservation Plan (SSHCP). These funds are disbursed on a reimbursement basis.

STATE FUNDING - TCEP

This refers to funds awarded under the **Trade Corridor Enhancement Program (TCEP)**, a state grant program under Senate Bill 1 (SB 1) focused on improving freight corridors. The Connector JPA has received TCEP funding to advance design of Grant Line Road. These funds are disbursed on a reimbursement basis.

FEDERAL FUNDING

This refers to the $4 million in federal funding awarded to the Connector JPA through the Consolidated Appropriations Act of 2023. These funds were designated to support the design, right-of-way acquisition, and construction of the White Rock Road Class I multi-use trail.

OTHER LOCAL FUNDING

This refers to the funding agreement between the Connector JPA and the City of Rancho Cordova, which supports the design and right-of-way phases of the Grant Line Road Safety and Freight Mobility Project. The agreement provides local funding to match state and federal grant contributions and reflects the City's ongoing leadership as a project partner.

MEMBER CONTRIBUTIONS

Each of the five member agencies—Sacramento County, El Dorado County, and the Cities of Elk Grove, Rancho Cordova, and Folsom—contribute annually to support general operations, These funds are essential to sustain baseline agency functions and non-reimbursable activities.

INTEREST INCOME

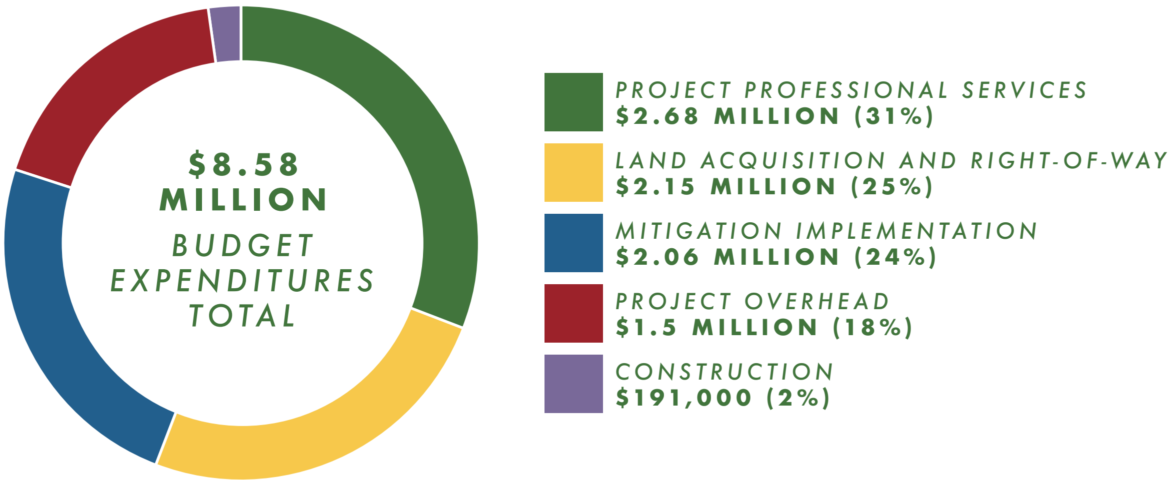
Revenue earned on funds held in trust within the Sacramento County Treasury Pool. These earnings help offset administrative expenses and support agency reserves.

GENERAL AND ADMINISTRATION

This may include minor cost recoveries, adjustments, or reimbursements not specifically categorized above. It is not a primary revenue source but may include items such as prior-year expense refunds or administrative cost reimbursements.

EXPLANATION OF EXPENDITURE CATEGORIES - DIRECT PROJECT EXPENDITURES

Project delivery is led by the Executive Director and Principal Civil Engineer. Engineering, right-of-way, and mitigation contracts are managed directly by staff and supported by consultants retained through a competitive procurement process.



LAND ACQUISITION AND RIGHT-OF-WAY

This category includes all costs related to acquiring land or easements necessary for the construction of the Connector Project. Expenditures may include appraisals, title reports, negotiations, relocation services (if required), and property maintenance activities.

MITIGATION PURCHASES

These are costs associated with acquiring, restoring, and maintaining land to satisfy environmental mitigation obligations under the South Sacramento Habitat Conservation Plan (SSHCP) and other regulatory permits. This includes conservation easements, habitat credits, and associated compliance costs.

CONSTRUCTION

Funds in this category support the direct construction of roadway and trail improvements, including grading, paving, drainage, traffic signal installation, and bike/pedestrian infrastructure. This line will expand significantly as segments move into shovel-ready status.

PROJECT PROFESSIONAL SERVICES

This category reflects expenditures for specialized technical services obtained via contract to support planning, design, permitting, and funding activities. Typical services include:

- Engineering (civil, traffic, structural)
- Environmental documentation and permitting
- Right-of-way support
- Land surveying
- Construction management
- Public engagement, marketing and communications
- Grant writing and funding strategy

The Connector JPA relies on a network of specialized consultants to provide technical expertise, program delivery support, and strategic advisory services. These partnerships enable the JPA to maintain lean staffing while advancing complex, multijurisdictional projects and remaining competitive for federal and state funding. Consultant costs are reflected across multiple expenditure categories in the budget, including professional services, right-of-way, public engagement, and fiscal operations.

ENGINEERING SERVICES

The JPA's engineering consultants lead the planning, design, and preconstruction activities for multiple Connector segments. Dokken Engineering provides final design and right-of-way engineering for the Grant Line Road Safety and Freight Mobility Project. Kimley-Horn & Associates is conducting a zero-emission freight infrastructure feasibility study along the corridor to support future grant positioning. Jacobs Engineering, under a City of Elk Grove-led agreement, is advancing PS&E for the Kammerer Road extension in coordination with Caltrans and the JPA. On-call consultants further support environmental documentation, surveying, construction management, and visualization.

RIGHT-OF-WAY SUPPORT

Right-of-way acquisition is critical to project delivery. The JPA contracts with right-of-way specialists to conduct property appraisals, negotiate acquisitions, manage relocations, and coordinate utility clearance. These consultants are currently focused on the Grant Line Road and White Rock Road segments, ensuring they remain eligible for TCEP and LPP construction funding. ROW services are delivered in close coordination with the JPA's engineering and legal teams.

PUBLIC ENGAGEMENT AND COMMUNICATIONS

The Connector JPA has a comprehensive marketing strategy designed to elevate the project's visibility, build trust with funding authorities, and engage the public in a compelling and modern way. This initiative includes high-quality video storytelling, digital and traditional advertising, executive brand positioning, social media engagement, and an interactive website. The plan aligns with the agency's strategic goals by improving transparency, enhancing public awareness, and supporting funding acquisition through proactive storytelling.

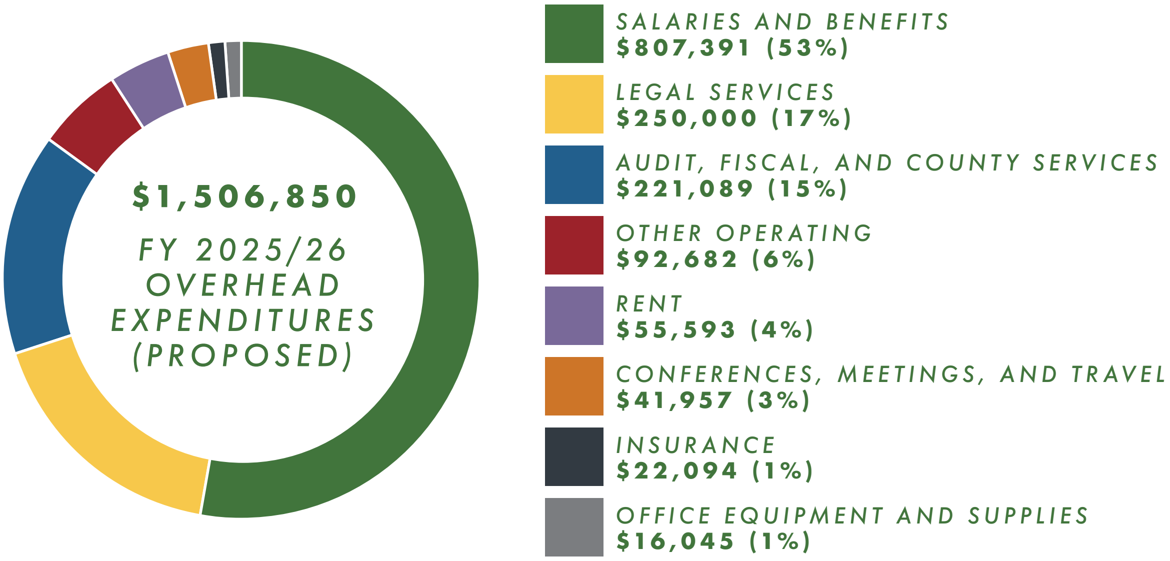
GOVERNMENT AFFAIRS AND LOBBYING

The JPA engages professional lobbyists at both the state and federal levels to advocate for funding and policy support. These consultants provide strategic insight, coordinate engagement with legislators and agency staff, and help align the Connector Project with current funding priorities. Their work has contributed to securing the $25 million RAISE grant and positioning the JPA for additional awards under programs such as INFRA, MPDG, and TCEP. Ongoing efforts are focused on maintaining visibility with the California Transportation Commission, CalSTA, and congressional delegation staff.

MITIGATION AND PROPERTY MANAGEMENT

In support of its long-term environmental mitigation strategy, the JPA entered into a master on-call agreement with 4LEAF, Inc. in 2025. 4LEAF oversees inspection, maintenance, and contractor management on JPA-owned conservation properties, in accordance with CUPCCAA procurement rules. Services include firebreak disking, well installation, fencing repair, and habitat compliance monitoring. These activities are funded through Measure A mitigation allocations and a multi-year STA-JPA mitigation agreement.

EXPLANATION OF EXPENDITURE CATEGORIES - OVERHEAD EXPENDITURES



SALARIES AND BENEFITS

This line includes personnel costs for Connector JPA staff, including salaries, health benefits, retirement contributions, and related payroll expenses. Staff perform program management, interagency coordination, contract administration, and oversight of project delivery.

LEGAL SERVICES

This includes both general counsel and specialized legal support related to environmental law, CEQA/NEPA compliance, real estate transactions, procurement, and interagency agreements.

The Connector JPA contracts with two law firms to provide comprehensive legal support: Sloan Sakai Yeung & Wong LLP as General Counsel, and Kronick Moskovitz Tiedemann & Girard as Special Counsel. Sloan Sakai has represented the JPA since its formation, offering deep institutional knowledge and expertise in public agency law. Their services include advising on Brown Act and Public Records Act compliance, CEQA guidance, contract and MOU review, and personnel and labor matters. Special Counsel services are provided by Kronick on an as-needed basis to address specialized legal issues such as SB 375 compliance, Vehicle Miles Traveled (VMT) assessments, environmental permitting, land use regulations, and competitive transportation funding strategies. Together, these firms ensure the JPA remains compliant with evolving legal requirements and well-positioned to advance capital projects. Legal services are funded within the JPA's $250,000 annual legal budget and tracked in accordance with board-adopted fiscal oversight policies

AUDIT, FISCAL, AND COUNTY SERVICES

This category includes:

- Annual financial audit costs
- Accounting and treasury support provided by Sacramento County
- IT services, data storage, and GIS
- Internal cost allocations per Sacramento County's Allocated Cost Package

The Connector JPA's fiscal and administrative support structure is built on a hybrid model that leverages both in-house oversight and Sacramento County's centralized services. The County of Sacramento serves as Treasurer, providing banking, investment, and accounting services through its internal orders system. Fiscal services are allocated based on departmental usage and include treasury, payroll processing, financial reporting, document storage, desktop support, and GIS services. In addition to County services, the JPA engages an independent Certified Public Accountant (CPA) for its annual audit and financial statement preparation, conducted in accordance with Generally Accepted Auditing Standards and Government Auditing Standards. The JPA publishes an Annual Comprehensive Financial Report (ACFR) and maintains compliance with all applicable State and federal financial reporting requirements. These services ensure the JPA maintains accurate financial records, fulfills grant compliance obligations, and provides transparent reporting to its Board, member agencies, and funding partners.

RENT

Includes office lease expenses for the Connector JPA headquarters and related facility costs.

OFFICE EQUIPMENT AND SUPPLIES

Covers ongoing administrative needs including computers, printers, software, office furniture, and supplies necessary to support agency operations.

CONFERENCES, MEETINGS, AND TRAVEL

Supports professional development, stakeholder engagement, and representation at regional, state, and federal meetings. It includes travel for grant advocacy, policy coordination, and industry conferences such as ARTBA and Cap-to-Cap.

INSURANCE

This includes premiums for general liability, property, workers' compensation, and other insurance coverage required to protect agency assets and fulfill legal obligations.

OTHER OPERATING

Captures miscellaneous operational costs not categorized elsewhere, including postage, subscriptions, advertising, document printing, and miscellaneous expenses.

WORK PLAN

The Connector JPA's Work Plan for FY 2025/26 is centered on delivering high-priority capital segments, advancing regional trail infrastructure, and implementing environmental mitigation strategies. These efforts reflect the agency's evolving role from long-range planner to implementing entity for one of Northern California's most significant infrastructure investments.

PRIORITY PROJECTS

KAMMERER ROAD EXTENSION

The Kammerer Road Extension Project will extend the expressway 3 miles west from Bruceville Road to Interstate 5 at the Hood-Franklin interchange. It is being delivered in partnership with the City of Elk Grove and Caltrans under a cooperative agreement. This shovel-ready project is eligible for federal and state discretionary funding and is a top priority in the region's long-term mobility network.

GRANT LINE ROAD SAFETY AND FREIGHT MOBILITY PROJECT

The Grant Line Road project will reconstruct 3.6 miles of substandard roadway into a modern expressway, improving freight throughput and emergency response capabilities. The project is fully funded through design with support from a $25 million RAISE grant and a $3 million Cycle 3 TCEP award. A $20 million Cycle 4 TCEP request is pending. Design and right-of-way activities are underway in coordination with Sacramento County and the City of Rancho Cordova.

WHITE ROCK ROAD EXPRESSWAY – PHASE 2

Following the completion of Phase 1, which received the 2024 APWA "Project of the Year" award, Phase 2 will extend the expressway and regional trail east toward El Dorado Hills. The project is being advanced in partnership with the City of Folsom and El Dorado County. Final design is underway, and additional funding is being pursued for construction.

PRIORITY PROJECTS *CONTINUED*

CLASS I REGIONAL BIKE TRAIL

The Connector JPA continues to build out a Class I multi-use trail along the full 34-mile corridor. In 2023, 2.5 miles of new trail were completed and opened to the public along White Rock Road. This segment supports regional trail connectivity and fulfills a longstanding promise to provide safe, car-free travel options for cyclists and pedestrians.

FUTURE SEGMENTS

Future segments will be advanced in coordination with planned roadway projects to reduce costs and maximize impact. The Connector JPA is also pursuing funding under SACOG's Active Transportation Program (ATP) to support future phases of trail construction. The goal is to complete a continuous regional spine trail integrated with local trail systems in Folsom, Rancho Cordova, and Elk Grove.

ENVIRONMENTAL MITIGATION

The Connector JPA remains fully compliant with the South Sacramento Habitat Conservation Plan (SSHCP) and has established a long-term mitigation strategy to acquire, manage, and preserve open space lands. The JPA currently manages over 150 acres of mitigation property near Grant Line Road and Jackson Road and recently entered into a Master On-Call Agreement with 4LEAF, Inc. to oversee site maintenance, inspection, and habitat stewardship under the California Uniform Public Construction Cost Accounting Act (CUPCCAA).

Planned work includes:

- Grazing lease management
- Firebreak maintenance
- Well installation and fencing repair
- Debris removal and invasive species control

These efforts are supported through a multi-year agreement with the Sacramento Transportation Authority, which provides up to $5 million for mitigation implementation and oversight.

4

AUTHORITY OVERVIEW

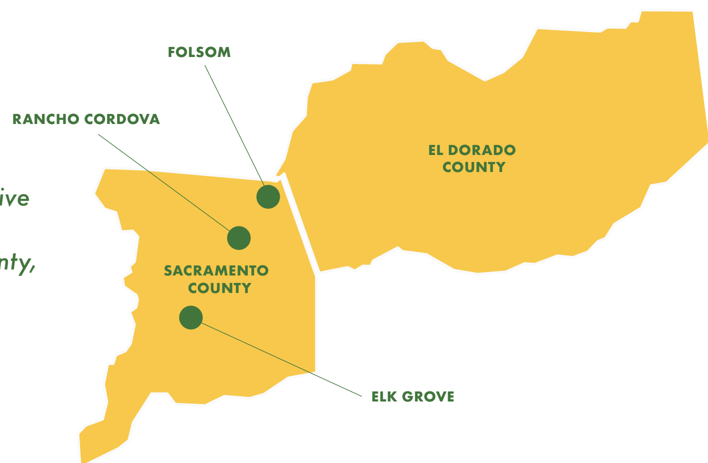
4 AUTHORITY OVERVIEW

JOINT-POWERS AUTHORITY BACKGROUND

The Capital SouthEast Connector Joint Powers Authority (Connector JPA) 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 Connector JPA 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 (Connector Project).

A COOPERATIVE EFFORT

The Connector Project is a cooperative effort of five local jurisdictions: Sacramento County, El Dorado County, and the cities of Elk Grove, Rancho Cordova, and Folsom.



The Connector JPA is a political subdivision of the State of California 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, advisory staff, legal counsel, and professional consultants. While the Connector Project is a cooperative regional effort, its scale and complexity require sustained coordination with external agencies such as the California Department of Transportation (Caltrans), Sacramento Area Council of Governments (SACOG), Sacramento Transportation Authority (STA), and the El Dorado County Transportation Commission (EDCTC).

CONNECTOR JPA GOVERNING BOARD
ONE REPRESENTATIVE FROM EACH
MEMBER AGENCY

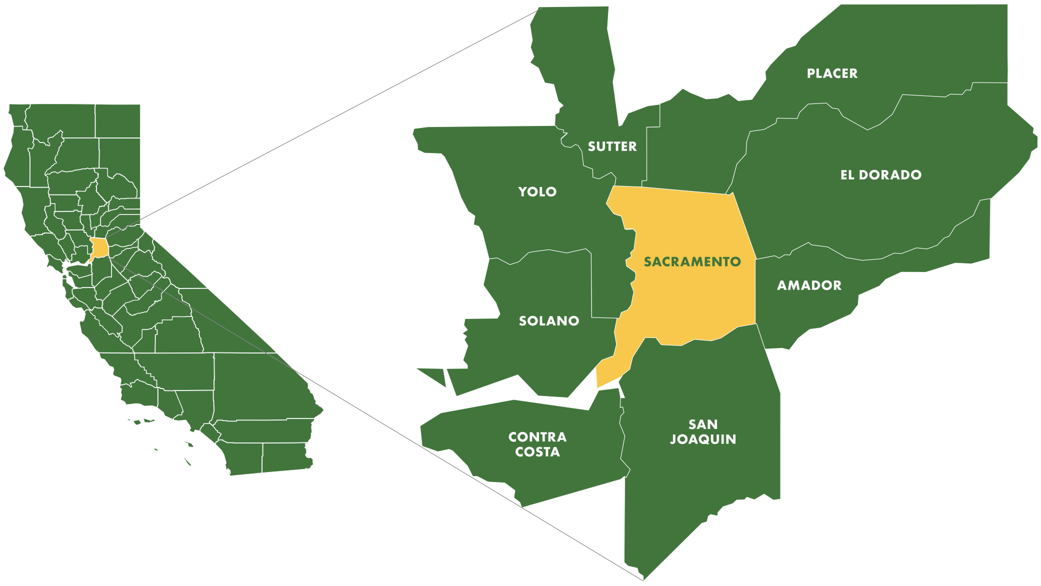
The Connector JPA does not collect taxes or tolls directly. Its primary revenue sources include:

- Local Measure A transportation sales tax funds;
- Transportation mitigation fees collected by member jurisdictions;
- State and federal infrastructure grants (including SB1/TCEP, RAISE, and STIP funds); and
- Annual member contributions from participating agencies.

The Connector JPA exists solely to deliver the Connector Project. It does not operate or maintain roadway assets after construction. Instead, completed segments are transferred to local jurisdictions for long-term operation. Therefore, the agency's financial focus is on capital project delivery, right-of-way acquisition, and grant fund management—not general service operations or long-term asset ownership.

SACRAMENTO COUNTY AT-A-GLANCE

Sacramento County was incorporated in 1850 as one of California's original 27 counties. The City of Sacramento—both the county's largest city and the state capital since 1854—serves as the County Seat and the seat of government for the State of California. The County spans approximately 994 square miles in the heart of California's Central Valley, a region widely recognized for its agricultural productivity.



COUNTY POPULATION
1.6 MILLION

UNEMPLOYMENT RATE
4.8% (FEB 2025)

PER CAPITA PERSONAL INCOME
$65,104 (in 2023)

Sacramento County is bordered by Contra Costa and San Joaquin Counties to the south, Amador and El Dorado Counties to the east, Placer and Sutter Counties to the north, and Yolo and Solano Counties to the west. The County's boundaries stretch from the low-lying delta lands between the Sacramento and San Joaquin Rivers north past the State Capitol and east to the Sierra Nevada foothills. The southern edge of the County offers direct access to the San Francisco Bay, enhancing its regional connectivity and economic reach.

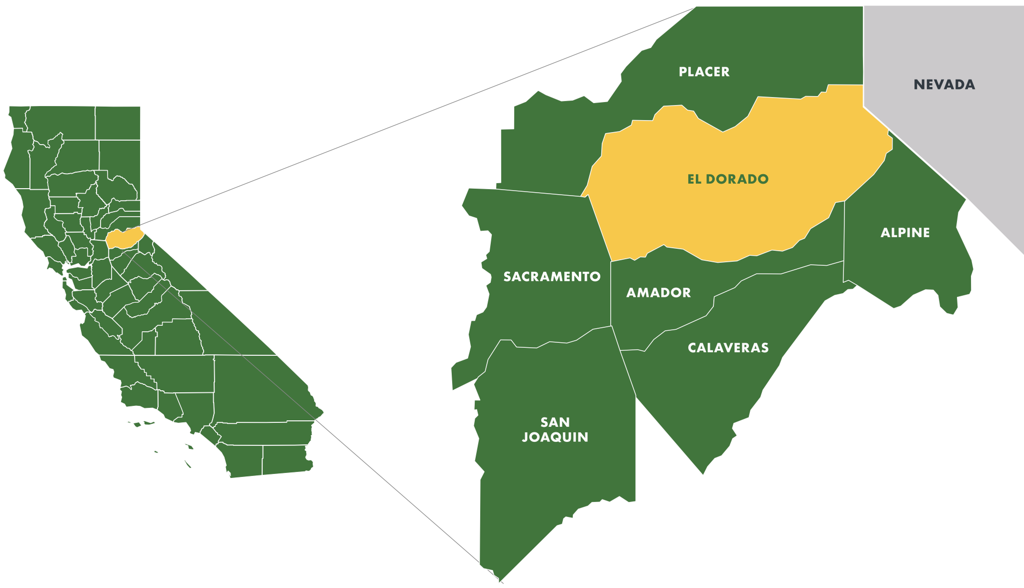
Within the County are seven incorporated cities: Sacramento, Folsom, Galt, Isleton, Citrus Heights, Elk Grove, and Rancho Cordova. Each city contributes its own distinct character and economic vitality to the region, making Sacramento County a dynamic and diverse metropolitan area.

As of 2025, the County's population is estimated at approximately 1.6 million, with an average annual growth rate of about 1.0%. In February 2025, the unemployment rate was 4.8%, down slightly from 4.9% in February 2024. Per capita personal income rose 5.0% in 2023 to $65,104, up from $61,965 in 2022.

The region benefits from a diverse employment base. Sacramento hosts the headquarters of many State of California agencies, making public sector employment a foundational component of the local economy. The area also supports major private-sector employers in healthcare, such as UC Davis Health and Kaiser Permanente, as well as high-tech manufacturing led by Intel Corporation. The construction sector remains strong, with continued growth in commercial, infill, and residential development.

EL DORADO COUNTY AT-A-GLANCE

El Dorado County, located directly east of Sacramento, spans 1,805 square miles of scenic rolling hills and mountainous terrain. The county's western edge includes a portion of Folsom Lake, while its eastern boundary meets the California–Nevada state line. The northeastern section of the county lies within the Lake Tahoe Basin, with the remainder situated along the "western slope" of the Sierra Nevada, west of Echo Summit.



COUNTY POPULATION
160,000

UNEMPLOYMENT RATE
4.9% (MAR 2025)

PER CAPITA PERSONAL INCOME
$57,916 (in 2023)

There are two incorporated municipalities within El Dorado County. According to U.S. Census Bureau estimates as of July 2023, the largest city is South Lake Tahoe, with a population of 21,079. The County Seat is the City of Placerville, located approximately 45 miles northeast of Sacramento. Placerville's population was estimated at 10,656 in July 2023. The remainder of the county's approximately 160,000 residents live in unincorporated communities spread throughout the region.

The county's population is growing at an average annual rate of about 0.8%. In March 2025, the unemployment rate was 4.9%, a slight increase from 4.8% the previous year. Per capita personal income rose 4.4% to $57,916 in 2023, up from $55,455 in 2022.

El Dorado County has a diverse employment base, with major employers including Barton Health, Blue Shield of California, Lake Tahoe Community College, Marriott's Timber Lodge, Safeway, and the Sierra-at-Tahoe ski resort. The county is also known for its abundant outdoor recreational opportunities, including hiking, skiing, mountain biking, and water sports, making it both a recreational destination and a desirable place to live.

CAPITAL SOUTHEAST CONNECTOR PROJECT BACKGROUND

The Capital SouthEast Connector Expressway (Connector Project) is a 34-mile multimodal transportation corridor designed to connect Interstate 5 in Elk Grove to U.S. Highway 50 in El Dorado Hills. It is a regionally significant project that has been studied, planned, and prioritized for over four decades. The Connector Project is included in each member agency's General Plan, was originally envisioned in the early 1980s as part of Sacramento County's East Area Transportation Study and has consistently been reflected in the region's long-range planning efforts through the Metropolitan Transportation Plan/ Sustainable Communities Strategy.

In 2004, Sacramento County voters approved Measure A, a countywide transportation sales tax expenditure plan, with more than 75 percent support. The Connector Project was the only road project specifically named in the ballot measure. In the years since, it has been advanced collaboratively by the Connector JPA's five member jurisdictions: the Counties of Sacramento and El Dorado, and the Cities of Elk Grove, Rancho Cordova, and Folsom.

The Connector Project is environmentally cleared under the California Environmental Quality Act (CEQA), with full programmatic review and tiered project-level documents. It has also obtained required environmental permits from federal regulatory agencies, including the U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, and the Regional Water Quality Control Board. These approvals provide the foundation for implementation and funding eligibility at the state and federal levels.

Substantial progress has been made. As of 2024, approximately 11 miles of the expressway are complete, including segments on Kammerer Road, White Rock Road, and Grant Line Road. Major infrastructure completed includes two highway interchanges, a rail grade separation, and 2.5 miles of Class I multi-use trail now open to cyclists and pedestrians.

Currently, three high-priority projects totaling nine miles are underway:

- The Kammerer Road Extension between Interstate 5 and Bruceville Road;
- The Grant Line Road Safety and Freight Mobility Project between Chrysanthy Boulevard and White Rock Road; and
- The White Rock Road Expressway – Phase 2 between East Bidwell Street and Latrobe Road.

To enable near-term progress while continuing to build toward the long-term vision, the Connector JPA has developed a **phased two-lane initial construction strategy.** This approach was developed in partnership with SACOG, the Sacramento Transportation Authority, Sacramento County, and Rancho Cordova. It allows the project to advance through design, permitting, and construction more quickly while concurrently acquiring the full right-of-way needed for the ultimate four-lane expressway. This strategy has strengthened the project's competitiveness for funding and enabled incremental delivery aligned with fiscal constraints and regulatory timelines.

The Connector Project has consistently remained a regional priority, supported by SACOG, STA, local governments, and the public. Its importance stems from a broad set of **LONG-TERM REGIONAL BENEFITS**, which include:

- **SUPPORTING** long-range regional planning efforts and regional blueprints;
- **FULFILLING** the transportation needs identified in Measure A and approved by voters;
- **ADVANCING** transportation and land use goals embedded in local General Plans;
- **MANAGING** growth through strategic access controls;
- **PROVIDING** efficient and safe multimodal transportation infrastructure;
- **ENHANCING** access to job centers, business parks, and commercial corridors;
- **PROMOTING** economic development and goods movement;
- **SUPPORTING** habitat conservation and open space preservation;
- **DELIVERING** both regional and local transportation benefits; and
- **PROVIDING** an all-weather, resilient route for emergency vehicle access and evacuation during natural disasters.

When complete, the Connector Project will provide a modern east-west expressway for one of California's fastest-growing regions, improving traffic safety, economic opportunity, and regional resiliency for decades to come.

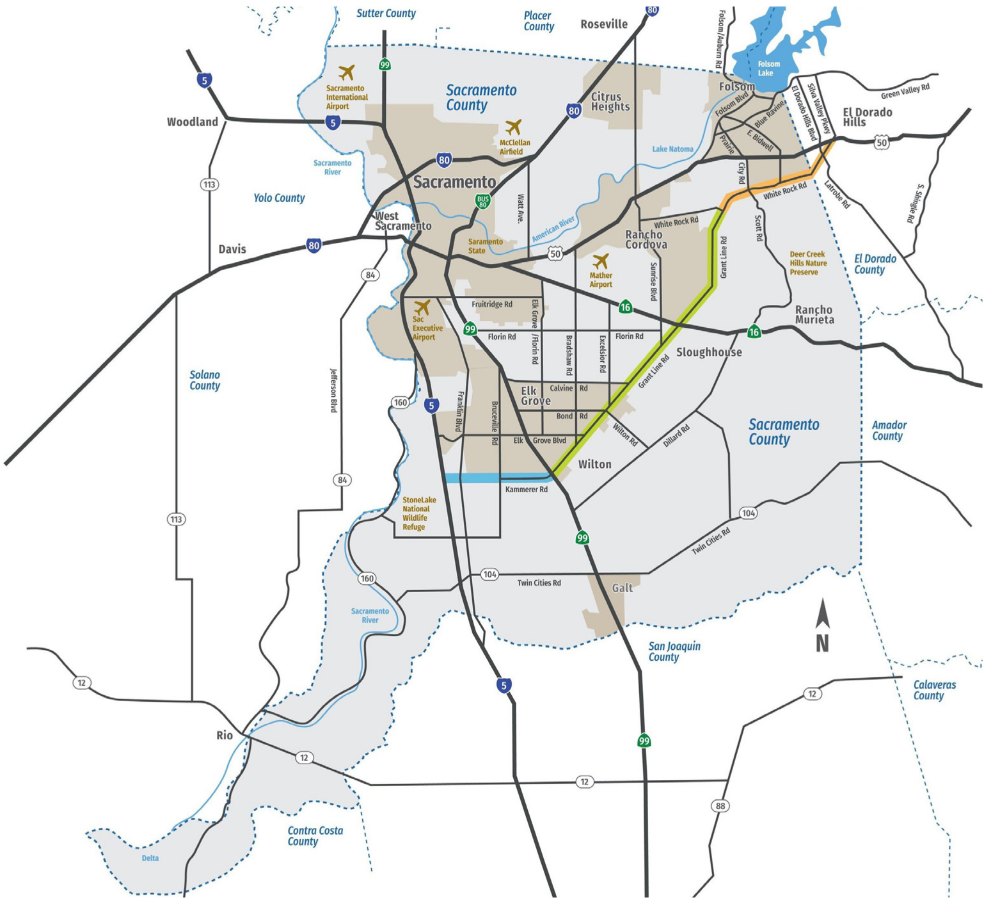
DETAILED ALIGNMENT DESCRIPTION

When completed, the Connector Project will **begin at the Interstate 5/Hood-Franklin Road Interchange** as a four-lane expressway heading east until the intersection with Bruceville Road, where it will connect with the existing **Kammerer Road** and become a four to six-lane thoroughfare to State Route 99.

At **State Route 99**, four lanes will be constructed as a thoroughfare consistent with the design standards of the City of Elk Grove, until it reaches the intersection of Bond Road, at which point it becomes the Sheldon Section until it reaches the Calvine Road intersection.

The **Sheldon Corridor** is 2.6 miles long, and its design is governed by the Precise Roadway Plan adopted by the City of Elk Grove in 2023. Roundabouts are planned at five intersections, and an environmental review will be conducted at the intersection of Grant Line Road and Wilton Road.

At **Calvine Road**, the project transitions to a four-lane high-speed expressway with limited access. The expressway continues northeast towards Rancho Cordova. At the intersection of Grant Line Road and White Rock Road, the expressway continues through the City of Folsom. At the **El Dorado County line**, the project transitions to a traditional 4-lane thoroughfare with slower speeds and a raised median per El Dorado County standards, ending at the Hwy 50/Silva Valley Parkway Interchange in El Dorado Hills.



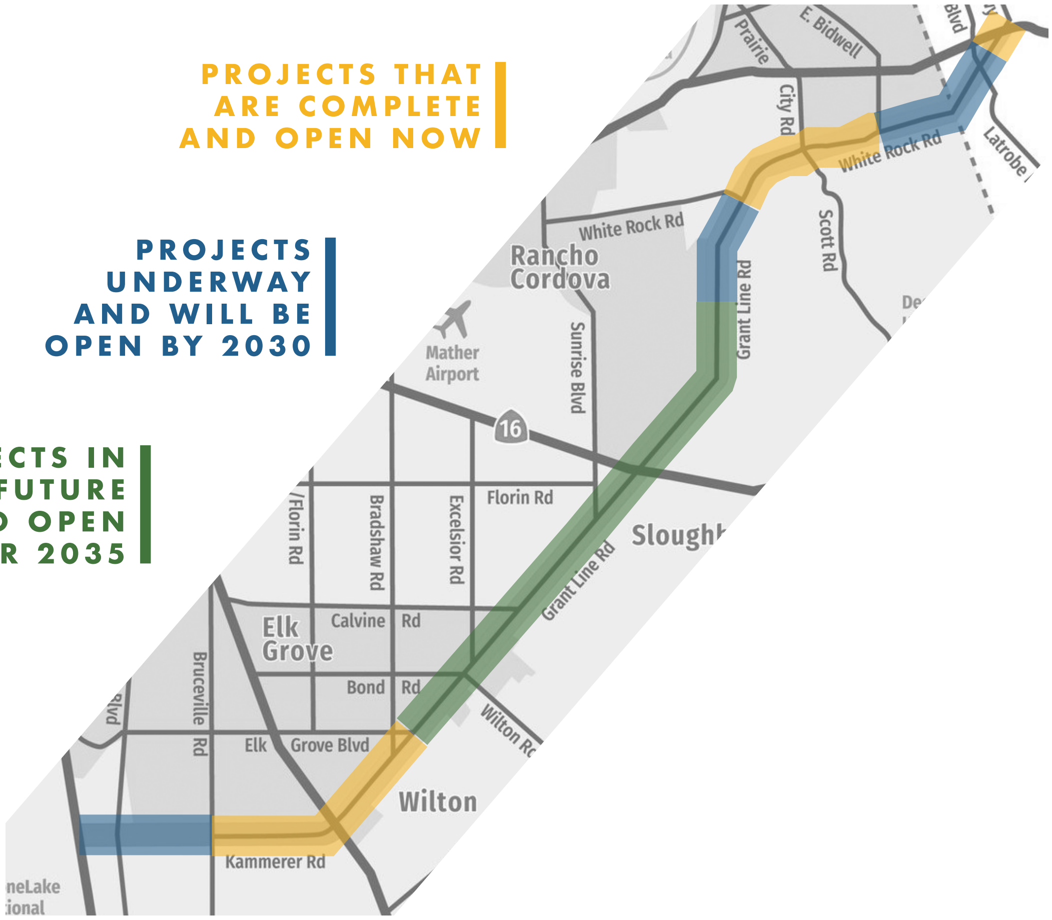
PROJECT STATUS

Development of the Capital SouthEast Connector Project is not linear from one point to the next. Segments have been completed/are scheduled to be completed according to different timetables and funding. Segments of the project fall into one of three categories:

PROJECTS THAT ARE COMPLETE AND OPEN NOW

PROJECTS UNDERWAY AND WILL BE OPEN BY 2030

PROJECTS IN THE FUTURE AND OPEN AFTER 2035



PROJECTS THAT ARE COMPLETE AND OPEN NOW

As of 2024, the project has completed **two major highway interchanges** and approximately **11 miles of the expressway.** Key segments are now operational and benefiting local commuters and businesses.

COMPLETED PROJECTS

From west to east along the alignment:

- Kammerer Road Reconstruction Project between Bruceville Road and Hwy 99 was completed in 2023
- Hwy. 99/Kammerer Road/Grant Line Road Interchange Project was completed in 2009
- Grant Line Road/Union Pacific Railroad Overhead Project was completed in 2015
- Grant Line Road Widening Project between Waterman Road and Bradshaw Road was completed in 2023.
- White Rock Road reconstruction between Grant Line Road and Prairie City Road was completed in 2018
- White Rock Road Expressway Phase 1 between Prairie City Road and East Bidwell Street was completed in 2023.
- Scott Road Realignment was completed in 2023.
- Hwy 50/White Rock Road/Silva Valley Parkway Interchange Project was completed in 2015.

2
HIGHWAY INTERCHANGES COMPLETED

11
EXPRESSWAY MILES COMPLETED

$230 MILLION
TOTAL COST OF CONSTRUCTED IMPROVEMENTS

KAMMERER ROAD RECONSTRUCTION PROJECT

completed in 2023

GRANT LINE ROAD/ UNION PACIFIC OVERHEAD PROJECT

completed in 2015

SILVA VALLEY PARKWAY INTERCHANGE PROJECT

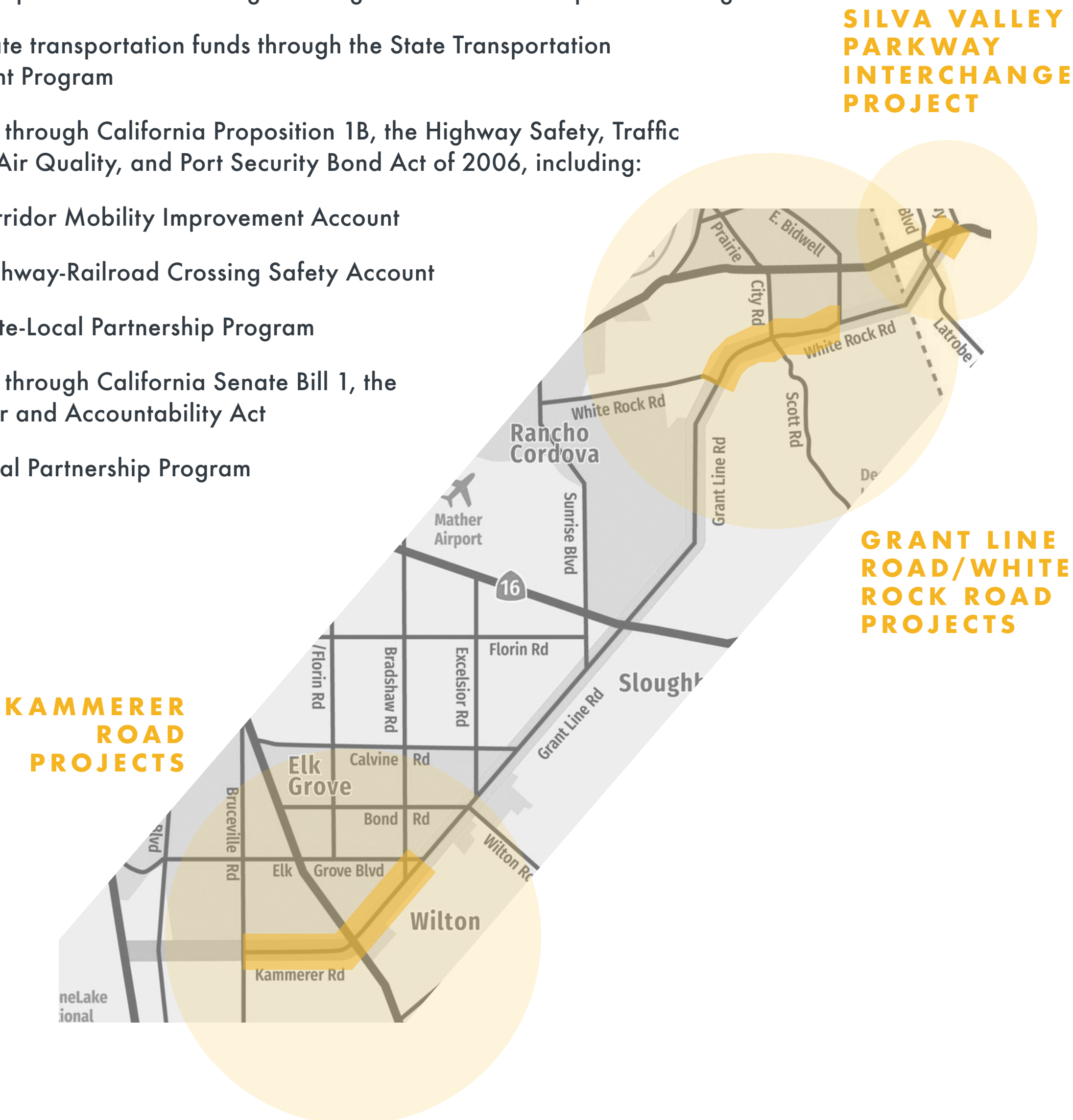
completed in 2015

The cost of these constructed improvements total approximately $230 million, which includes:

- Environmental approvals, permits, and mitigation
- Engineering design and construction management
- Utility relocations
- Right-of-way acquisitions

Funding for these projects included Measure A, as well as:

- Development and traffic impact mitigation fees
- Local City/County general fund allocations
- Federal transportation funds through the Regional Surface Transportation Program
- Federal/State transportation funds through the State Transportation Improvement Program
- State Funds through California Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, including:
    - Corridor Mobility Improvement Account
    - Highway-Railroad Crossing Safety Account
    - State-Local Partnership Program
- State Funds through California Senate Bill 1, the Road Repair and Accountability Act
    - Local Partnership Program



PROJECTS UNDERWAY AND ANTICIPATED TO BE OPEN BY 2030

The Connector JPA's budget identifies three priority projects totaling nine miles currently underway for the Capital SouthEast Connector:

#1 - KAMMERER ROAD EXTENSION PROJECT

This three-mile extension of Kammerer Road as an expressway between Interstate 5 and Bruceville Road is being implemented in partnership with the City of Elk Grove. The project is fully funded through design, but construction funding is needed to move it forward. The City of Elk Grove estimates this project will cost **$170 MILLION.**

#2 - GRANT LINE ROAD SAFETY AND FREIGHT MOBILITY PROJECT

This 3.5-mile reconstruction of Grant Line Road into a modern expressway between Chrysanthy Boulevard and White Rock Rd is being implemented with the City of Rancho Cordova and Sacramento County. The project is fully funded through design and partially funded through construction, but additional funding is still needed. The City of Rancho Cordova estimates this project will cost **$55 MILLION.**

#3 - WHITE ROCK ROAD EXPRESSWAY PROJECT - PHASE 2

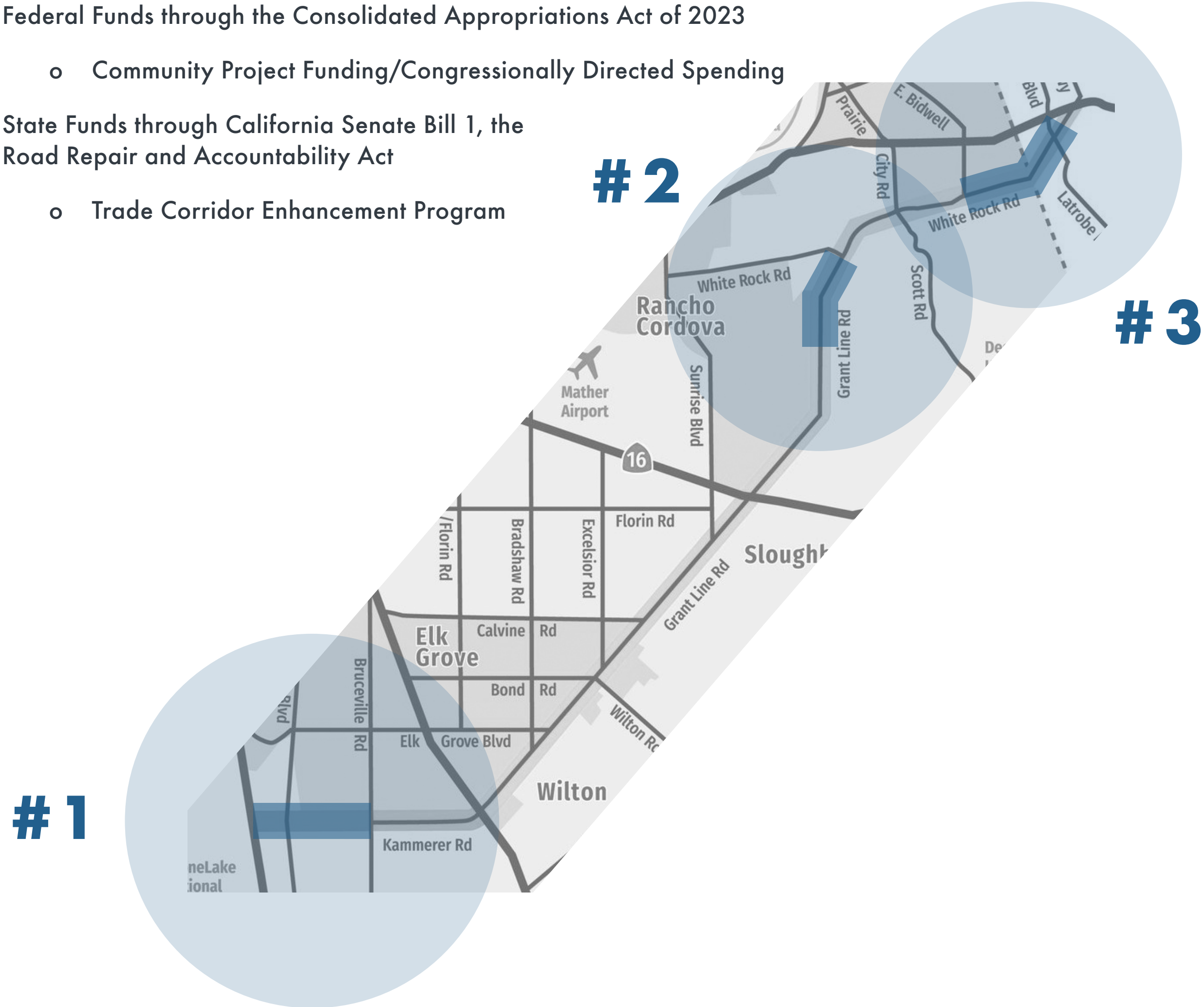
This 2.5-mile reconstruction of White Rock Road into a modern expressway between East Bidwell Street and Latrobe Rd is being implemented by the City of Folsom, Sacramento and El Dorado Counties. The project is partially funded through design; construction funding is also needed. The City of Folsom estimates this project will cost **$40 MILLION.**

$265 MILLION
TOTAL COST TO CONSTRUCT IMPROVEMENTS

9
TOTAL MILES OF CURRENT PROJECTS

While total funding for these three project segments is not yet secured, the Connector JPA and its member agencies have already successfully obtained some of the funding through various sources, including:

- Measure A and other local city general fund sales taxes
- Development and traffic impact mitigation fees
- Community Facility District fees
- Tribal funds through citywide road funding commitments
- Federal transportation funds through the Regional Surface Transportation Program
- Federal and state transportation funds through the State Transportation Improvement Program
- Federal funds through the Infrastructure Investment and Jobs Act of 2021
    - o Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Program
- Federal Funds through the Consolidated Appropriations Act of 2023
    - o Community Project Funding/Congressionally Directed Spending
- State Funds through California Senate Bill 1, the Road Repair and Accountability Act
    - o Trade Corridor Enhancement Program



#1 - KAMMERER ROAD EXTENSION PROJECT

#2 - GRANT LINE ROAD SAFETY AND FREIGHT MOBILITY PROJECT

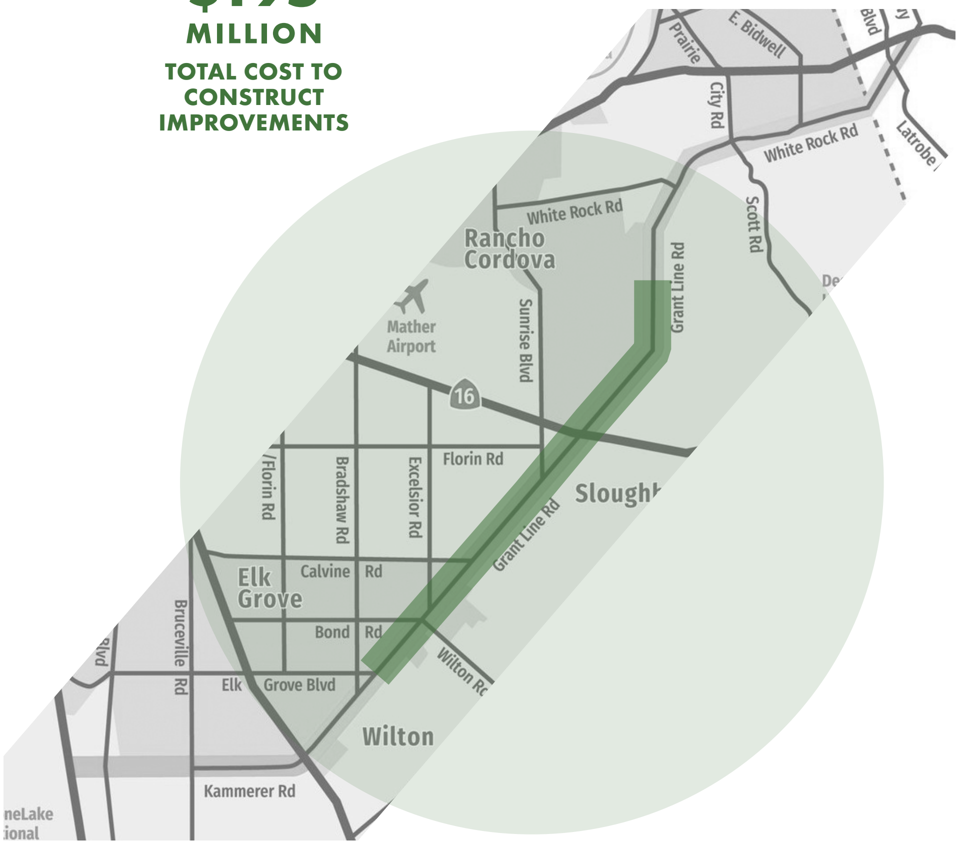
#3 - WHITE ROCK ROAD EXPRESSWAY PROJECT - PHASE 2

FUTURE PROJECTS

The Capital SouthEast Connector will make significant progress by 2030. Looking forward, fourteen miles of Grant Line Road between Bradshaw Road and Douglas Road are expected to open after 2035.

The timeline for completion of this section depends on several factors, including securing funding, completing environmental reviews, and resolving any engineering or construction challenges that arise during earlier phases of the project.

$195
MILLION
TOTAL COST TO CONSTRUCT IMPROVEMENTS



AUTHORITY ORGANIZATIONAL CHART

GOVERNING BOARD

CITY OF RANCHO CORDOVA
COUNCILMEMBER
GARRETT GATEWOOD

SACRAMENTO COUNTY
BOARD OF SUPERVISORS
PATRICK HUME

CITY OF FOLSOM
COUNCILMEMBER
MIKE KOZLOWSKI (CHAIR)

EL DORADO COUNTY
BOARD OF SUPERVISORS
GEORGE TURNBOO

CITY OF ELK GROVE
COUNCILMEMBER
SERGIO ROBLES (VICE-CHAIR)

AUTHORITY STAFF

AUTHORTY
EXECUTIVE DIRECTOR
DEREK MINNEMA

AUTHORITY
PRINCIPAL ENGINEER
MATT LAMPA

OFFICE ASSISTANT/
ADMINISTRATIVE SUPPORT
ERIKA ZHENG

LEGAL COUNSEL

SLOAN, SAKAI, YEUNG
& WONG LLP

AUTHORITY DEPARTMENTS

The Connector JPA is structured to operate as a lean, specialized agency focused solely on the planning, design, financing, and construction of the Capital SouthEast Connector Expressway. Unlike traditional public agencies with numerous internal departments, the Connector JPA operates under a functional departmental model led by a compact in-house team and supported by professional service consultants and interagency partners.

The JPA is organized around three core departments: Executive Office, Engineering and Program Delivery, and Administrative Services. Each function is aligned with the agency's mission, project milestones, and compliance responsibilities.

EXECUTIVE OFFICE

The Executive Office is responsible for the overall leadership, direction, and governance of the agency. The Executive Director oversees intergovernmental coordination, external partnerships, funding strategy, policy development, and Board relations. The Executive Office also serves as the primary liaison to elected officials, grant agencies, member jurisdictions, and the public.

Key responsibilities include:

- Oversight of strategic goals and five-year capital planning
- Coordination with local, state, and federal transportation entities
- Development of grant funding strategies and advocacy
- Communication with the Governing Board and member agencies

ENGINEERING AND PROGRAM DELIVERY

This department is led by the Principal Civil Engineer and is responsible for all technical aspects of project development and delivery. This includes planning, design, environmental compliance, right-of-way acquisition, and construction coordination. The department manages engineering contracts, supervises consultant teams, and ensures adherence to regulatory and funding requirements.

Key responsibilities include:

- Management of engineering consultants and design contracts
- Coordination of right-of-way acquisition activities
- Environmental clearance and permitting oversight
- Construction staging and delivery coordination

ADMINISTRATIVE SERVICES

The Administrative Services department provides internal support for finance, operations, procurement, human resources, and agency administration. It is led by the Administrative Services Officer (ASO), who works closely with the Executive Director and external fiscal partners to ensure compliance with state and federal regulations.

Key responsibilities include:

- Budget development and monitoring
- Procurement and contract administration
- Records management and audit preparation
- Accounts payable and receivable coordination
- Coordination with Sacramento County for payroll and IT services

AUTHORITY POSITION DESCRIPTIONS

DEREK MINNEMA

EXECUTIVE DIRECTOR

*The **EXECUTIVE DIRECTOR** is the Chief Executive Officer responsible for the effective administration of all the Connector JPA's activities, such as project management, funding, and community and governmental relations. The Executive Director is appointed by and serves at the pleasure of the Board. The position is charged with overseeing the collaboration of the member agencies, which may require the reconciliation of competing interests.*

RESPONSIBILITIES/DUTIES:

- *Administers and exercises supervision and control over all employees, consultants, and programs in accordance with all established policies;*
- *Plans, organizes, directs, and evaluates the operations of the Connector JPA; develops and evaluates program/project proposals and services, responds to regulatory and legislative changes, resolves problems, ensures the effective utilization of available resources by managing organizational change, allocates staff resources, and oversees work processes;*
- *Directs the planning, development, preparation, and administration of the annual budget;*
- *Ensures appropriate fiscal controls and reporting processes are in place;*
- *Identifies and oversees the Connector JPA's strategic direction based on the Agency's vision, mission, and overall strategic plan;*
- *Safeguards the Connector JPA through adherence to all applicable laws and regulations by identifying and responding to risks in cooperation with legal counsel;*
- *Represents the Agency by working closely with all public and private stakeholders to provide technical assistance;*
- *Develops strong working relationships with the Board and member agencies;*
- *Prepares meeting agendas and oversees the development of meeting materials;*
- *Updates the Board on important issues facing the Agency and requests input and direction to address them;*
- *Promotes partnership, mutual respect, open communication, and equal treatment to all members; and*
- *Builds strong relationships with various Local, State, and Federal government partners, as well as community members and various business organizations.*

PRINCIPAL CIVIL ENGINEER

MATT LAMPA

The ***PRINCIPAL CIVIL ENGINEER*** *reports to the Executive Director and is responsible for a variety of civil engineering duties in connection with the planning, design, surveying, environmental clearance, right of way, and construction of the Connector Project. This management level class requires a high degree of professional skill and knowledge in administering and evaluating complex engineering programs. The position also includes administrative responsibilities, short and long-term planning and budget control, and other responsibilities as assigned by the Executive Director.*

RESPONSIBILITIES/DUTIES:

- *Overseeing activities such as engineering design, contract preparation and review, and site suitability studies;*
- *Participates in negotiations with consultants, grant agencies, and regulatory bodies;*
- *Prepares special studies and reports;*
- *Develops short and long-term project/segment budgets;*
- *Understands laws and regulations pertaining to public works construction and design;*
- *Implements civil engineering principles and practices applicable to the planning and design of highways, bridges, traffic control systems, and related facilities;*
- *Develops and interprets policies and procedures for coordinating the furtherance of the project with other agencies;*
- *Understands Local, State, and Federal laws, ordinances, and regulations pertaining to the Connector Project;*
- *Evaluates complex design and consulting work; and*
- *Prepares and presents technical reports.*

ADMIN SERVICES OFFICER

The ***ADMINISTRATIVE SERVICES OFFICER*** *(ASO) reports to the Executive Director and performs a full range of administrative support services. The ASO may work independently. The emphasis of duties is on several major administrative activities, including preparing and monitoring the Agency's budget and other fiscal matters, policies, procedures, facilities, systems, collections, grants, equipment, supplies, personnel, and special projects.*

RESPONSIBILITIES/DUTIES:

- *Prepares, directs, and participates in preparing the department's annual budget, including analysis and estimates of expenditures; analysis and projections of revenue; review of intra-department requests and sub-budgets; and recommendations on allocations of funds and personnel;*
- *Analyzes and evaluates department personnel requests for budget allocations changes throughout the fiscal year in staffing levels, facilities, systems, and equipment; coordinates and consults with other department personnel and other departments; makes recommendations; and obtains final approval for changes;*
- *Conducts, directs, or participates in studies of new and existing programs and special projects to determine feasibility, resolve problems, and increase efficiency, including organizational, technical, and fiscal research and analysis;*
- *Assists in evaluating existing and proposed organization policies and procedures; consulting with and advising Agency personnel;*
- *Responds to requests from the public and from other governmental and private entities for organization, technical, operations, and administrative information about the department.*
- *Coordinates, monitors, and directs the acquisition, allocation and use of equipment, supplies, telecommunication systems, office and facility space, records storage and retrieval systems, and forms; conducts research and develops procedures to improve efficiency and cost-effectiveness; and monitors expenditures; and*
- *Performs related duties as assigned.*

The Connector JPA aligns its pay scales to comparable Sacramento County classifications. The following pay schedules represent the monthly minimum and maximum published amounts for FY 2023/24 with an estimated 4% cost of living adjustment (COLA) for FY 2024/25. Where a County classification includes a wage differential or incentive such as for education or certifications, those amounts are added to the pay schedules on the following page. The intent is to be in parity with the compensation for Sacramento County Employees.

AUTHORITY FULL TIME EQUIVALENT POSITIONS AND PAY SCALES

The Connector JPA currently employs three full-time equivalent (FTE) staff positions: Executive Director, Principal Civil Engineer, and Administrative Services Officer. These positions are responsible for strategic direction, project delivery, interagency coordination, and administrative operations across the 34-mile Capital SouthEast Connector corridor.

Full Time Equivalent (FTE) Positions

Description	FY 2023-24	FY 2024-25	FY 2025-26
Executive Director	1	1	1
Principal Engineer	1	1	1
Adminstrative Services Officer (ASO)	1*	1*	1
Total Positions	**3**	**3**	**3**

*Vacant December 2023 through December 2024

To ensure transparency and consistency, the Connector JPA aligns its compensation practices with Sacramento County's established classification and pay scales, as the JPA contracts directly with the County for personnel services. Pay scales are benchmarked against equivalent County positions to maintain parity in salary, benefits, and incentives such as professional certifications. This approach helps the JPA remain competitive in recruiting and retaining qualified staff while operating within public-sector compensation standards.

The pay ranges listed in the table below represent the monthly minimum and maximum salary amounts, inclusive of an estimated 2.7% cost-of-living adjustment (COLA) for FY 2025/26. Additional compensation elements—such as health benefits and retirement contributions through SCERS—are provided consistent with County employee benefit policies.

Pay Schedules for FY 2025/26*

Classification	Monthly Minimum	Monthly Maximum
Executive Director	21,503	22,084
Principal Engineer	14,767	15,166
Administrative Services Officer 1 (ASO 1)	6,328	6,499

* Including anticipated 2.7% Cost of Living Adjustment (COLA)

5
AUTHORITY BUDGET PROCESS AND FISCAL POLICIES

5 AUTHORITY BUDGET PROCESS 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 (modified accrual basis) from the preceding year serve as the beginning balances for the current year. Using this information as a starting point, staff develop expectations for revenues and expenditures for the remainder of the current fiscal year and beyond.

Since the agency relies primarily on reimbursements, the budget process begins by developing anticipated expenditures for the remainder of the current year, the budget year, and beyond. The expenditures' baseline consists of direct salaries and benefits, and indirect overhead costs such as legal, rent, office, audit and accounting, and insurance. Additionally, projections for professional services related to project design and engineering, property mitigation purchases, right-of-way (ROW) acquisitions, and construction costs are estimated. To estimate project costs, staff work with each vendor to determine priority tasks so that the costs of those tasks (i.e., right-of-way acquisition) can be incorporated into the current and budget years. If there is any unobligated funding, then staff identify discretionary project tasks to integrate into the budget.

Once estimates for expenditures are completed, staff align eligible funding sources with reimbursable expenditures. Most of the Project's funding is awarded through a competitive and/or formulaic process, which causes fluctuations in the amount of funding available in any given year because of competing regional priorities. The budget includes all current contracts with remaining funding and anticipated, but not awarded, funding from State and Federal grants and contracts. During the budget planning phase, staff are tasked with determining the success rate of grant applications currently in process and those that are planned for the budget year and beyond. For those grants that are expected to be awarded based on information available at the time the budget is finalized, the amounts are incorporated into the budget summary. This effort is central to determining project priorities and the related financing mechanisms to fund them.

The budget process is fluid. Staff continually monitor regional factors with potential implications for the Agency and Project. Pursuing funding sources is a continuous effort that, when successful, often requires timely planning to ensure the funds are spent according to law or contractual requirements.

During the budget hearing in May, the Board or members of the public may ask questions, make comments, or provide direction to staff. If any substantive budget revisions are required in response to comments, then staff will complete the necessary updates and bring it back for adoption during a special meeting of the Board in June.

If there are material changes to the budget after its adoption, the Executive Director will confer with the finance team to determine if budget amendments are required. As necessary, the adopted budget will be revised accordingly and presented to the Board for consideration and adoption. The budget calendar summarizes the budget process.

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*
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 the budget is reported using the modified accrual basis of accounting like the fund financial statements found in the Annual Comprehensive Financial Report (ACFR). This method recognizes revenue when it becomes measurable and available, while expenditures are recognized when the obligation to pay them is incurred. The Connector JPA's cut off for financial reporting purposes is 90 days after the fiscal year ends – September 30.

FUND STRUCTURE

The Connector JPA a single fund – the General Fund. Since the Agency exists to build a single capital project, a single fund is an appropriate structure. Under the Agency's Capital Asset and Expenditure Policy, all expenditures are capitalizable – they are primarily design, engineering, and construction costs or direct labor and indirect overhead costs.

FISCAL POLICIES

Stewardship of public funds is a primary responsibility to the Agency's Board, member agencies, other stakeholders and the public. Fiscal policies designed to protect all public assets under the Connector JPA's administration are foundational to this effort.

The Connector JPA 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.

CAPITAL ASSET AND EXPENDITURE POLICY

The Connector JPA was formed in 2006 for the sole purpose of constructing a single transportation infrastructure capital asset – the Capital Southeast Connector Expressway Project (Connector Project) for its member jurisdictions. As such, all Connector JPA expenditures are capitalizable because they support the Project.

As defined by the United States Department of Transportation, a capital expenditure in transportation is any expenditure that increases the capacity and efficiency of the transportation infrastructure, whether by reducing travel times, improving access, creating capacity for more passenger and goods traffic, reducing costs, or reducing adverse safety and environmental impacts. It includes outlays for the planning, engineering, approval, permitting, mitigation, and construction and inspection of transportation infrastructure, including the necessary purchase of land and existing structures, purchase of equipment, research activities, and outlays for major maintenance and repairs to existing infrastructure and equipment.

Capital expenditures reported by the Connector JPA include, but are not limited to, direct and indirect outlays for the planning, engineering, management, administration, approval, permitting, mitigation, inspection, and construction for the Connector Project. Expenditures also include relocation and acquisition of rights-of-way easements, utilities or public facilities or other real property interests.

DIRECT PROJECT COSTS

Direct project costs are those that can be specifically and easily identified with a particular project or activity and are allowable under the sponsoring organization's guidelines. Direct costs are usually easily identifiable and can be traced to the asset directly. Since the Connector JPA exists solely to construct the Connector Project, all expenditures are classified as Direct Project Costs.

INDIRECT PROJECT COSTS

Indirect project costs typically consist of a proportionate share of costs clearly related to the construction, development, or improvement of capital assets as a group, but not the construction, development, or improvement of a specific capital asset. Since the Connector JPA exists solely to construct the Connector Project, none of the Project costs are classified as Indirect Project Costs.

The Connector JPA has adopted the Modified Approach for the 30-year useful life of the Connector Project.

At the time of project completion or termination of the Connector JPA, capital asset costs will be transferred internally to the applicable capital asset class. Pursuant to the Joint Exercise of Powers Agreement for the Elk Grove – Rancho Cordova – El Dorado Connector JPA dated December 12, 2006, the capital assets will be allocated to the member in whose jurisdiction the real property is located, according to a formula to be determined by the Connector JPA. The approved formula for distribution of the asset uses the Distribution by Percentage of Shoulder Miles is as follows:

DISTRIBUTION BY PERCENTAGE OF SHOULDER MILES

Roadway	From	To	Length	% of Sac Co	% of EG	% of RC	% of FOL	% of El Dor
Kammerer	I-5	SR-99	6.44	75%	25%			
Grant Line	SR-99	Waterman Road	0.95	0%	100%			
Grant Line	Waterman Road	Bradshaw Road	1.20	50%	50%			
Grant Line	Bradshaw Road	Bond Road	2.10	50%	50%			
Grant Line	Bond Road	Calvine Road	2.71	10%	90%			
Grant Line	Calvine Road	Jackson Road	4.48	100%				
Grant Line	Jackson Road	Raymer Road	6.00	50%		50%		
Grant Line	Raymer Road	White Rock Road	1.40	100%				
White Rock	Grant Line Rd	Prairie City Road	2.16	100%				
White Rock	Prairie City Road	County Line	4.15	50%			50%	
White Rock	County Line	US-50	2.62	0%				100%
		TOTAL MILES	**34.21**	**19.87**	**6.65**	**3.00**	**2.08**	**2.62**
		TOTAL PERCENT		**58.07%**	**19.44%**	**8.77%**	**6.07%**	**7.66%**

Under this model the asset – Connector Project – is broken down into subsections of the Project and each subsection is assigned a distribution/ratio by shoulder mile. This methodology indicates that the County of Sacramento owns about 58% of the asset, the City of Elk Grove about 20% of the asset, and the Cities of Rancho Cordova and Folsom 9% and 6% respectively, and the County of El Dorado about 8 percent.

INDIRECT COST RATE

An Indirect Cost Rate (ICR) is established based on a Federally approved indirect cost rate proposal and supporting documentation submitted to the California Department of Transportation. The ICR is a method for determining fairly and conveniently within the boundaries of sound administrative principles what proportion of indirect cost a program should bear. Indirect costs are incurred for common or joint objectives and cannot be readily identified with a particular grant, contract, or other activity of the agency. An ICR is the ratio between the total indirect expenses and some direct cost base. The ICR methods used depend on the structure, program functions, and accounting system within each organization.

The rate is developed using financial information from the most recent audited financial statements – the period ending June 30, 2024. Using that data resulted in an ICR for FY 2023/24 of 140.65% which has been approved by the California Department of Transportation. The Authority invoices its local, State, and Federal partners for direct labor and indirect overhead costs one year in arrears – May/June 2025 for prior year activities. Annually, the Authority applies for a new ICR.

The rate is applied to direct labor hours charged by staff to the project. Using this rate means that for every direct labor dollar, an additional $1.40 is charged for indirect overhead costs. The calculation for the approved rate is in the following table.

INDIRECT COST ALLOCATION PLAN FY 23/24
PUBLISHED ANNUAL COMPREHENSIVE FINANCIAL REPORT

Expenditures	Direct Expense	Indirect Expense	TOTAL
Salaries	$ 388,644	$ 113,156	$ 501,800
Fringe Benefits	181,676	37,219	218,895
Total	**570,320**	**150,375**	**720,695**
Direct Costs	**1,411,090**		**1,411,090**
Indirect Costs			-
Legal Services		248,378	248,378
Audit, Fiscal and County Services		115,641	115,641
Rent		153,501	153,501
Office Equipment and Supplies		40,760	40,760
Conferences, Meetings, and Travel		30,734	30,734
Insurance		17,303	17,303
Other Operating		45,473	45,473
Total	**$ 1,981,410**	**$ 802,165**	**2,783,575**
Indirect Costs	802,165		
Direct Salaries and Benefits	570,320		
Indirect Cost Rate	140.65%		

DEBT POLICY

The Connector JPA has never issued debt, nor does it have current plans to do so anytime in the future. Since the Agency does not have a dedicated revenue source as a pledge to service debt and most of its expenditures are reimbursed under interagency contracts or grants, it does not have the financial fundamentals necessary to attract investors or issue debt in the publicly traded market.

However, as part of the Joint Exercise of Powers Agreement establishing the Connector JPA in December 2006, there is a provision for the Agency to issue debt with the unanimous affirmative vote of all five Board members. Should the Connector JPA decide to pursue debt issuance, which is highly unlikely, it will develop a comprehensive debt policy that closely aligns to that of the County of Sacramento.

FUND BALANCE RESERVE

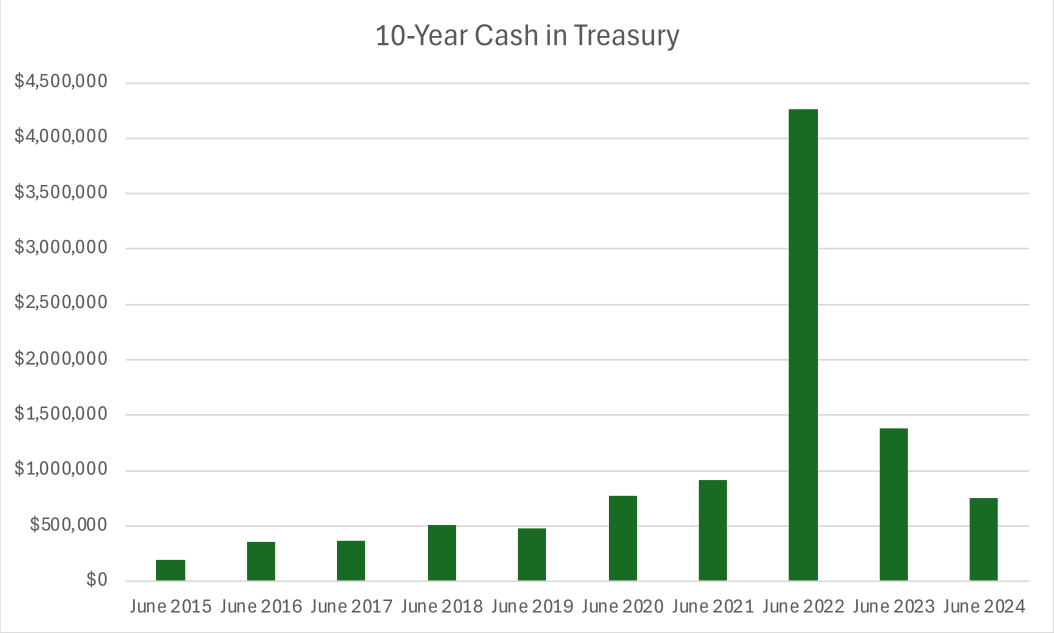
The Connector JPA strives to maintain an adequate fund balance in its only fund – the General Fund. This is a best practice recommended by the Government Finance Officers Association (GFOA) and it aligns with the Agency's short and long-term financial planning objectives.

Additionally, adequate fund balance is necessary to pay upfront costs for certain expenditures such as overhead and personnel costs – which are subsequently submitted for reimbursement under interagency agreements. Finally, establishing a fund balance reserve provides financial stability for the following:

- Economic uncertainties and other financial hardships or downturns in the local economy;
- Contingencies for unforeseen operational and capital needs; and
- Cash-flow requirements.

The following graph shows that the Agency often operates on minimal cash balances. As mentioned previously, the Agency does not generate any revenue of its own but relies on interagency agreements for funding. Therefore, as it incurs expenditures, claims are submitted for reimbursement. Under this model, the Agency carefully monitors cash inflows and outflows to ensure that there is adequate cash on hand to meet operating expenditures.

As the graph below shows, there was a spike in the cash balance when the Connector JPA received up front Regional and Community Design funds of $3.5 million for the Scott Road Realignment Project. Unlike the reimbursement model, the Agency received these funds in advance of the capital outlay, so the cash in treasury balance was much higher than normal until most of the funds were deployed in June 2022.



GFOA guidelines recommend the equivalent of two to four months' revenue or expenditures, whichever is more stable. In the Connector JPA's case, both are relatively stable since revenues follow the submission of claims. However, since the Agency's mission is to build a single capital project and project funding significantly varies yearly, the Connector JPA's reserve policy is centered on meeting overhead and personnel costs. The table below shows the calculation to determine an amount equal to three months' reserve for FY 2025/26.

The FY 2025/26 budget incorporates a fund balance reserve amount of $377,000 per the Connector JPA's policy and GFOA best practices.

	Annual Expenditures	Average Monthly Expenditures	Three Months Reserve
FY 2025-26	1,506,850	125,571	376,713

* Based on estimated overhead expenditures only

INVESTMENT POLICY

All funds are held in the County of Sacramento treasury (County Treasury). The County Treasury funds are invested in the Sacramento County Pooled Investment Fund (Investment Fund). California Government Code section 53646 requires that the Board of Supervisors review and approve the investment policy annually during a public meeting.

Since all Connector JPA cash is held in the Investment Fund, the Connector JPA's investment policy refers to the Investment Fund's policy in its entirety. The Connector JPA annually adopts a policy that aligns with the updated Investment Fund policy. The Investment Fund is managed by the Sacramento County Director of Finance (Treasurer), who is responsible for making investments on behalf of the Connector JPA according to the Investment Fund's policy.

The Investment Fund is prudently invested to earn a reasonable rate of return, while awaiting application for governmental purposes.

The specific objectives for the Investment Fund are ranked in order of importance:

#1 **SAFETY OF PRINCIPAL** – the primary object is the preservation of principal. Each transaction shall seek to ensure that capital losses are avoided, whether they are from securities default or market value erosion;

#2 **LIQUIDITY** – the second objective of the Investment Fund is to remain sufficiently flexible to enable meeting all operating requirements that may be reasonably anticipated;

#3 **PUBLIC TRUST** – the third objective in managing the Investment Fund is to avoid any transactions that might impair public confidence. Investments should be made with precision and care, considering the probable safety of the capital as well as the probable derived income; and

#4 **MAXIMUM RATE OF RETURN** – As the fourth objective, the Investment Fund should be designed to attain a market average rate of return through budgetary and economic cycles consistent with desirable risk limitations, prudent investment principles, and cash flow characteristics. The performance benchmark for the Investment Fund is the State of California Local Agency Investment Fund (LAIF).

PERSONNEL RESOURCE MANAGEMENT

The Connector JPA strives to provide competitive compensation and benefits for its workforce to attract and retain staff. To manage staffing costs, the Connector JPA will:

- Authorize all staff positions; and
- Give the Executive Director the authority to leave a position open, partially filled (part-time), or filled at a lower classification, but not above.

To augment the activities of regular employees, the Board and Executive Director may authorize the use of professional service consultants to perform activities such as the following:

- Legal counsel;
- Financial advisory services;
- Public relations and outreach;
- Economic studies;
- Financial, and performance audit services; and
- Engineering design and right of way acquisitions.

The Connector JPA employs three full-time staff. All staff are County of Sacramento employees under contract with the agency to fulfill the requirements of the agency and project.

PRODUCTIVITY REVIEW

The Connector JPA regularly monitors and reviews its operational procedures to ensure that all services are provided in the most cost-effective manner. Staff proactively look for opportunities to streamline workload using technology and procedural improvements.

Current year improvements include training the Administrative Services Officer (ASO) to utilize the County of Sacramento accounting system – COMPASS. This effort has allowed access to financial information in a timelier manner and assisted in streamlining internal information reporting. Previously, the agency relied on County of Sacramento staff to provide the information. Additionally, the financial team identified a process improvement that allows the entire team to access reimbursable claims in real time instead of waiting for that information to flow from monthly County financial reports.

COST ALLOCATIONS

The Connector JPA employs three staff who oversee the Connector Project. Staff members are primarily engaged in project delivery. The Agency relies on professional services contractors and County of Sacramento staff for most support services.

The County of Sacramento provides personnel, IT, fiscal, benefit administration, employment, training, and labor relations services. Charges for these services are determined annually by County staff and allocated to the Connector JPA on a pro-rata basis.

Estimated charges for services are communicated by County staff in January of each year so that the charges can be incorporated in the County and Connector JPA's budgets for the coming fiscal year. If the actual costs are expected to be more than the adopted budget, then County staff and Connector JPA staff work together to revise the appropriations for the year and recommend a budget amendment as appropriate. The amended budget is taken to the Board for its consideration and adoption.

RECORDS RETENTION POLICY

The Connector JPA's Records Retention Policy (Retention Policy) is periodically reviewed and updated. The Retentions Policy ensures the safekeeping of records with administrative, legal, fiscal, programmatic, or historical value. It also ensures the ease of access to Agency records by staff and the public in accordance with applicable law and provides the necessary guidance to ensure the efficient and economical management methods to the creation, utilization, maintenance, retention, preservation, and disposal of the Agency's records. Effective records management ensures that records are kept only as long as they have some administrative, fiscal, or legal value. Below is a description of certain records and the retention period related to the adopted policy.

- Board agendas and agenda packets and minutes – permanent;
- Board resolutions, rules, and procedures – permanent;
- Board members and Chair correspondence – permanent;
- Bylaws/Joint Powers Agreements – permanent;
- Claims/lawsuits/litigation – permanent (high profile) and completion plus seven years (routine);
- Insurance policies – permanent;
- Audits and management letters – permanent;
- Adopted budgets – permanent;

- Grant agreements/funding contracts – project termination plus five years;
- Board-approved agreements/contracts/MOUs – completion plus five years; and
- Accounting records – audit date plus five years.

The Connector JPA reviews and updates the policy as necessary and as may be required by applicable law.

CONTRACTING PRACTICES

It is the policy of the Connector JPA that goods and services be acquired through a procurement process that provides full and open competition to the maximum extent feasible, consistent with State and Federal statutes and regulations, and that such procurements shall be consolidated, whenever possible, to ensure efficient use of Connector staff resources. The Connector will only contract with responsible contractors possessing the ability to perform successfully.

The Connector JPA's Executive Director administers this policy and ensures funds are available for needed services. The Executive Director may delegate responsibility for implementation to other Connector JPA staff members, as appropriate. Staff develop and maintain standard purchasing forms, purchase orders, and other forms as necessary to implement this policy and the following procedures:

- Competitive bidding - Selecting a contractor must always be the result of an open and fair selection process in which all qualified providers of the product or service desired have the opportunity, and the information necessary, to submit a bid or proposal;
- Contract management – Managing the contract should be anticipated and planned during the contracting process. Deliverables should be clearly described so that they can be evaluated, and payments can be approved;
- Federally funded contracts – Contracts utilizing Federal funds of more than $2,500 must contain a completed "Consultant Contract Reviewers Checklist" and a "History of the Procurement" documents. These forms must be completed by the Project Manager as applicable for every project; and
- The Connector JPA is required to prepare and maintain purchasing and financial records, covering procurement transactions as well as other aspects of project implementation for three years after final payment has been made and all other pending matters are closed.

The table below summarizes the appropriate method of procurement based on the contract price threshold.

Authority Contracting Practices

Price Threshold	Method of Procurement*	Required Approval Level
Under $2,500	Purchase Order, No Bidding Required	Executive Director
$2,500 tp $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	Connector JPA Board

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

The Executive Director or an approved designee are authorized to lease real property for use by the Connector JPA for a term not to exceed three years and for a rental not to exceed $5,000 per month. Any lease for a term exceeding three years or $5,000 per month is required to be approved by the Board.

RETIREMENT BENEFIT FUNDING POLICY

The Connector JPA provides defined benefit retirement benefits through the Sacramento County Employees' Retirement System (SCERS).

SCERS was established in 1941 by the Sacramento County Board of Supervisors and is governed by specified provisions of the California State Constitution, State law (County Employees Retirement Law of 1937 or "CERL" and the California Public Employees' Pension Reform Act of 2013 or "PEPRA"), and the Federal Internal Revenue Code (IRC). SCERS benefits are as follows:

- SCERS is a Defined Benefit Pension Plan, in which benefits are fixed by law based on years of service, final compensation, and age at retirement. Once SCERS benefits have been earned, they cannot be reduced or eliminated;
- SCERS has a broadly diversified investment program designed to help mitigate the impact of bad investment performance in one or more areas of the financial markets; and
- SCERS has successfully weathered difficult financial market experiences in the past and rebounded strongly when the investment markets recovered.

Currently, the Connector JPA employs two staff members: the Executive Director and Principal Civil Engineer. Both were hired after December 31, 2012, so they are covered under SCERS' Public Employees' Pension Reform Act (PEPRA) formula. Under the PEPRA plan, they are classified as "Miscellaneous Tier 5" members.

Funding for each employee is a mix of member and employer contributions based on Membership Category, Benefit Tier, and pension-eligible compensation. A member must be "vested" to earn the right to receive a monthly SCERS retirement benefit. Staff members are considered vested if any of the following apply:

- Receive credit for five years of full-time service with a Participating Employer;
- Reach the age of 70, regardless of the number of years of service; and
- Eligible for "vested" status based on prior public employment covered by a Reciprocal System.

The monthly lifetime retirement benefit amount is calculated using the following three factors:

- Age at retirement;
- Years of service credit at retirement; and
- Final compensation.

Tier 5 members are eligible for the 2%@ age 62 formula. This formula refers to the percentage of pay that a recipient will receive as a retirement benefit for every year of service credit earned. For example, if an eligible employee retires at age 62, 2% of their final compensation multiplied by the years of service credit will be the benefit. If the employee retires before age 62, the percentage is less; if the employee retires after age 62, the percentage is more.

6

STATISTICAL INFORMATION

6 STATISTICAL INFORMATION

Connector JPA
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (000's)	Personal Income (000's)	Per Capita Personal Income	Unemployment Rate (percent)
2023-2024	1,584	103,143,749	65,104	4.4
2022-2023	1,588	98,105,641	61,775	3.9
2021-2022	1,589	98,241,828	61,829	7.0
2020-2021	1,559	90,908,707	58,307	9.3
2019-2020	1,552	85,775,621	55,266	3.7
2018-2019	1,541	80,969,087	52,544	3.8
2017-2018	1,531	76,832,120	50,197	4.6
2016-2017	1,514	72,878,458	48,122	5.4
2015-2016	1,497	70,110,138	46,845	6.0
2014-2015	1,478	65,486,553	44,303	7.3

Source: U.S. Department of Commerce; Bureau of Economic Analysis; California Department of Education, K-12 Public Schools Enrollment for Sacramento County; and California State Employment Development Department

Connector JPA
Private Sector Principal Employers
June 30, 2024 and 2015

	2024			2015		
Employer	Employees*	Rank	Percentage of Total County Employment	Employees**	Rank	Percentage of Total County Employment
UC Davis Healh System	16,075	1	2.29	9,905	1	1.57
Kaiser Permanente	11,856	2	1.69	5,421	5	0.86
Sutter/California Health Services	10,129	3	1.44	7,352	2	1.16
Dignity/Mercy Healthcare	7,353	4	1.05	6,212	3	0.98
Intel Corporation	4,300	5	0.61	6,000	4	0.95
Raley's Inc./Bel Air	2,624	6	0.37	3,289	6	0.52
Siemens Mobility Inc.	2,500	7	0.36			
Safeway	1,874	8	0.27			
Golden 1 Credit Union	1,679	9	0.24			
Pacific Gas and Electric Co.	1,370	10	0.19			
Apple Inc.				2,500	7	0.40
VSP Global				2,382	8	0.38
Health Net of Califonia				2,299	9	0.36
VSP Global				2,198	10	0.35
Total	**59,760**		**8.51**	**47,558**		**7.53**

* Source: Sacramento Business Journal Annual Book of Lists Current Year
** Source: June 30, 2015 Sacramento County Annual Comprehensive Financial Report

Connector JPA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	-	-	-	-	3,892	2,500	2,500	24,357	37,633	35,499
Assigned	38,421	-	-	-	-	-	-	-	-	-
Unassigned	144,631	761,730	1,020,681	857,139	828,765	637,562	878,821	3,943,832	1,508,218	1,150,572
Total General Fund	**183,052**	**761,730**	**1,020,681**	**857,139**	**832,657**	**640,062**	**881,321**	**3,968,189**	**1,545,851**	**1,186,071**

Source: Audited Financial Statements

Connector JPA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Intergovernmental	2,225,427	2,334,666	2,369,610	7,465,001	4,977,951	4,785,652	5,204,750	10,874,809	1,957,017	2,116,163
Contributions	55,000	75,000	125,000	175,000	225,000	225,000	225,000	250,000	250,000	250,000
Federal	17,549	612,776	2,040,188	424,547	324,940	42,000	38,000	-	-	-
Interest	1,372	2,276	3,976	12,568	15,029	11,108	5,721	18,731	87,728	57,633
Other	-	250,000	-	-	-	-	-	-	-	-
Total Revenues	**2,299,348**	**3,274,718**	**4,538,774**	**8,077,116**	**5,542,920**	**5,063,760**	**5,473,471**	**11,143,540**	**2,294,745**	**2,423,796**
Expenditures										
Public Ways and Facilities	2,301,307	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
Debt Service - lease payments										
Principal	-	-	-	-	-	-	-	44,853	49,929	46,919
Interest	-	-	-	-	-	-	-	4,964	2,674	6,095
Total Expenditures	**2,301,307**	**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**
Excess (deficiency) of revenues over (under)	**(1,959)**	**578,678**	**258,951**	**(163,542)**	**(24,482)**	**(192,595)**	**241,259**	**3,086,868**	**(2,422,338)**	**(359,780)**
Net change in fund balance	**(1,959)**	**578,678**	**258,951**	**(163,542)**	**(24,482)**	**(192,595)**	**241,259**	**3,086,868**	**(2,422,338)**	**(359,780)**

Source: Audited Financial Statements

7
GLOSSARY

7 GLOSSARY

A

ACTUAL – actual level of expenditures.

ADOPTED BUDGET – approved annual budget establishing the legal authority to spend in specific accounts.

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) - financial statements comprising the Connector JPA's financial report that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB) and criteria established by the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program.

APPROPRIATION – authorization by the Connector JPA to make expenditures and to incur obligations for a specific purpose. An appropriation is usually limited in amount and to the time when it may be expended.

AUDIT – systematic collection of sufficient and competent evidential matter needed to attest to the fairness of management's assertions in the financial statements, or to evaluate whether management has efficiently and effectively carried out its responsibilities.

B

BALANCED BUDGET – refers to a budget in which beginning fund balance, revenues, and other financing sources are greater than or equal to the total expenditures and other financing uses.

B

BEGINNING/ENDING FUND BALANCE – total accumulation of resources available in a fund from the prior/current year after payment of the prior/current year's expenditures. Not necessarily cash on hand. Also refer to fund balance.

BUDGET – plan of financial operation consisting of proposed/approved appropriations for specified purposes and the proposed/approved means of financing them.

BUDGET CALENDAR – schedule of key dates and milestones that a government follows in the preparation and adoption of its budget.

BUDGET MESSAGE – included in the opening section of the budget, the budget message (Transmittal Letter) provides an overall summary of the most important elements of the budget including changes from the prior fiscal year.

C

CAPITAL EXPENDITURES – expenditures related to specific capital construction projects incorporated in the adopted budget.

CEQA – The California Environmental Quality Act promotes environmental protection requiring public agencies to identify and disclose the potential environmental impacts of their proposed activities.

CMAQ – The Congestion Mitigation and Air Quality program funds are directed to transportation projects and programs which contribute to the attainment or maintenance of National Ambient Air Quality Standards.

CONGESTION MITIGATION AND AIR QUALITY (CMAQ) – Federal initiative designed to provide funding for transportation projects that help meet the requirements of the Clean Air Act.

E

EXPENDITURES – authorized spending such as employee salaries and benefits, professional services, and capital construction costs.

F

FINAL BUDGET – presented during the May Board meeting and adopted if there are not any material changes needed.

FISCAL YEAR – the Connector JPA's fiscal year is July 1 through June 30.

FULL-TIME EQUIVALENT (FTE) – hours worked by one employee on a full-time basis – equal to 2,088 hours annually.

F

FUND – group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Connector JPA reports only one fund – the General Fund.

FUND BALANCE – total amount remaining after current appropriations and other financing uses are subtracted from the sum of the beginning fund balance, revenue, and other financing sources.

G

GENERAL FUND – fund used for Project and operating costs. The Connector JPA reports only this fund.

GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) – GFOA was founded in 1906 to represent public finance officials throughout the United States and Canada. GFOA's mission is to promote excellence in local and State government financial management.

GOVERNMENTAL FUNDS – typically used to account for most of a government's activities, including those that are tax supported.

M

MODIFIED ACCRUAL BASIS OF ACCOUNTING - recognizes revenue when it becomes measurable and available, while expenditures are recognized when the obligation to pay them is incurred. This is the basis used by the Authority for its budget and the fund-based statements in its Annual Comprehensive Financial Report (ACFR).

N

NEPA – The National Environmental Policy Act requires federal agencies to consider and disclose the effects of their actions on the quality of the human environment.

P

PERFORMANCE MEASURES – an important component of decision making, and at a minimum, are based on program goals and objectives, measure program results or accomplishments, provide for comparisons over time, measure efficiency and effectiveness, and are reliable, verifiable, and understandable.

R

RAISE - Rebuilding American Infrastructure with Sustainability and Equity - a federal grant program

REGIONAL SURFACE TRANSPORTATION PROGRAM (RSTP) – Provides funding to regional planning organizations within the State.

REIMBURSEMENT – payment of an amount remitted on behalf of another party, department, or fund.

RESERVE – portion of a fund's balance that is available for appropriation but has been reserved for economic uncertainties.

RESOLUTION – written motion adopted by the Board.

REVENUES – income received from various sources including intergovernmental taxes and fees, grants, and other contributions.

RSTP – The Regional Service Transportation Program allocates transportation funds to states for various projects, including roads, transit, and non-motorized transportation needs.

S

SACOG – Sacramento Area Council of Governments

SALARIES AND BENEFITS – employee salaries and benefits such as medical, dental, and retirement.

SACRAMENTO COUNTY POOLED INVESTMENT FUND – pool of local agency funds managed by the Sacramento County Department of Finance.

STA – Sacramento Transportation Authority

STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP) – Funding mechanism that outlines a multi-year capital improvement program for transportation programs.

T

TCEP – The Trade Corridor Enhancement Program funds freight infrastructure improvements on federally designated Trade Corridors of National and Regional Significance.

CAPITAL | SOUTHEAST
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