CAPITAL | SOUTHEAST
CONNECTOR JPA
Connecting Communities

2024/25

The Capital SouthEast Connector Authority

Fiscal Year 2024/25 Final Budget

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LETTER OF TRANSMITTAL

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1 LETTER OF TRANSMITTAL

May 31, 2024

Chairman and Member of the Governing Board:

We are pleased to submit the Fiscal Year 2024/25 (FY 2024/25) final budget for the Capital SouthEast Connector Joint Powers Authority (Connector JPA). Section 6(d)(4) of the Connector Joint Powers Agreement instructs the Connector JPA to adopt an annual budget no later than June 30th each year. This budget was created per State law, the Connector JPA's policies, and the Government Finance Officers Association (GFOA) criteria for the Distinguished Budget Presentation Awards Program. This budget is balanced in that beginning fund balance, total revenues and other financing sources are greater than or equal to total expenditures and other financing uses.

As the Connector JPA's policymakers, the Governing Board of Directors (Governing Board) is charged with setting its direction. This budget provides a framework for the Connector JPA's short and long-term finances. It serves as a source of information for the Governing Board, staff, partner agencies, and the public. The programs and services represented in this budget focus on the Connector JPA's mission to maximize the use of limited available resources to build the Capital SouthEast Connector Expressway Project (Connector Project).

HIGH-PRIORITY GOALS

Maximize project delivery through the efficient and effective use of all public resources;

Collaborate with program partners to ensure the complementary alignment of funding sources and uses;

Transparent and timely financial reporting; and

Engaging stakeholders by facilitating meaningful, regular communication.

The budget process is structured to allow the Governing Board, staff, and the public adequate time to review, analyze, and engage in the Connector JPA's budget. The budget process begins in February after completion of the prior year's audited annual financial statements. Staff use last year's ending fund balance as the beginning balance for the current year. Staff then work with agencies that provide funding to estimate revenues for the budget year and beyond. At the same time, expenditure estimates are developed.

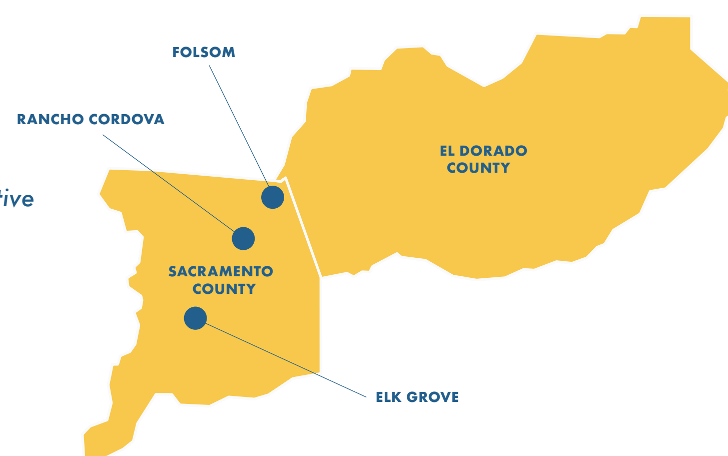
Prior to the Governing Board's May 31, 2024, public meeting, a draft of the final budget is agendized and made available to the public for review and comment. During the Governing Board meeting in May, the final draft will be discussed. If there are any material changes requested by the Governing Board, stakeholders or the public, the item will be continued and the budget brought back to the Governing Board during a special meeting in June. If there are not any material changes, then the budget is recommended for adoption during the May meeting.

CONNECTOR JPA BACKGROUND

In December 2006, the cities of Elk Grove, Rancho Cordova, and Folsom, and the counties of Sacramento and El Dorado established the Elk Grove – Rancho Cordova – El Dorado Connector Authority – now known as the Capital SouthEast Connector Joint Powers Authority (Connector JPA) – to provide for the coordinated planning, environmental evaluation, engineering design, real property acquisition, regulatory permitting, financing, and construction of the Connector Project. The Connector JPA comprises a Governing Board of five Directors, one from each member agency, and alternates.

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.



Given the size of the Connector Project, successful completion will require cooperation and coordination among the participating jurisdictions and other agencies such as the California Department of Transportation (Caltrans), Sacramento Area Council of Governments (SACOG), the Sacramento Transportation Authority (STA), and the El Dorado County Transportation Commission (EDCTC), as well as other agencies.

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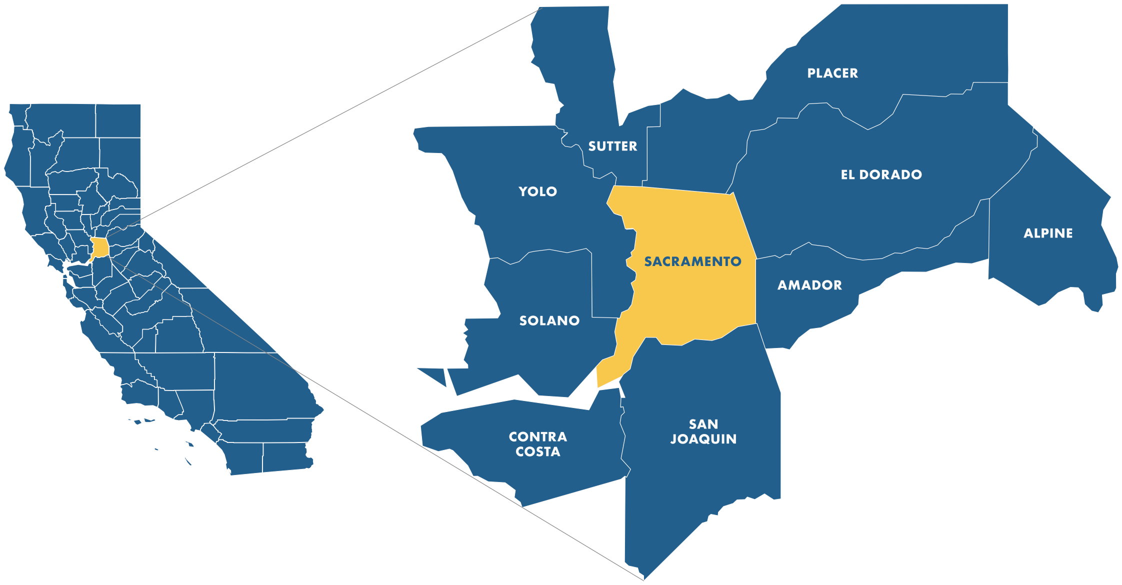
The Connector Project is in each member agency's General Plan, was approved by Sacramento County voters in 2004, has been a feature of long-range transportation planning in the Sacramento region since the early 1980s, was planned and included in the Federal Metropolitan Transportation Plan blueprint, is environmentally approved pursuant to the California Environmental Quality Act, and has obtained its environmental permits from Federal regulatory agencies.

BENEFITS OF THE CONNECTOR PROJECT

THE PROJECT:

- supports long-range regional planning efforts;
- is consistent with the need identified by Measure A, which was approved in 2004 by over 75% of voters in Sacramento County;
- supports transportation and land use principles consistent with the General Plans of the local jurisdictions;
- provides strategic access controls to manage growth which will enhance regional transportation goals;
- provides efficient and safe facilities for multi-modal travel;
- will improve accessibility to job centers and commercial areas, aiding economic activity crucial to the region's economic health and sustainability;
- supports habitat conservation and open space preservation;
- provides regional and local transportation benefits; and
- provides an all-weather transportation facility to enable mobility and emergency vehicle access for improved health and safety.

SACRAMENTO COUNTY AT-A-GLANCE



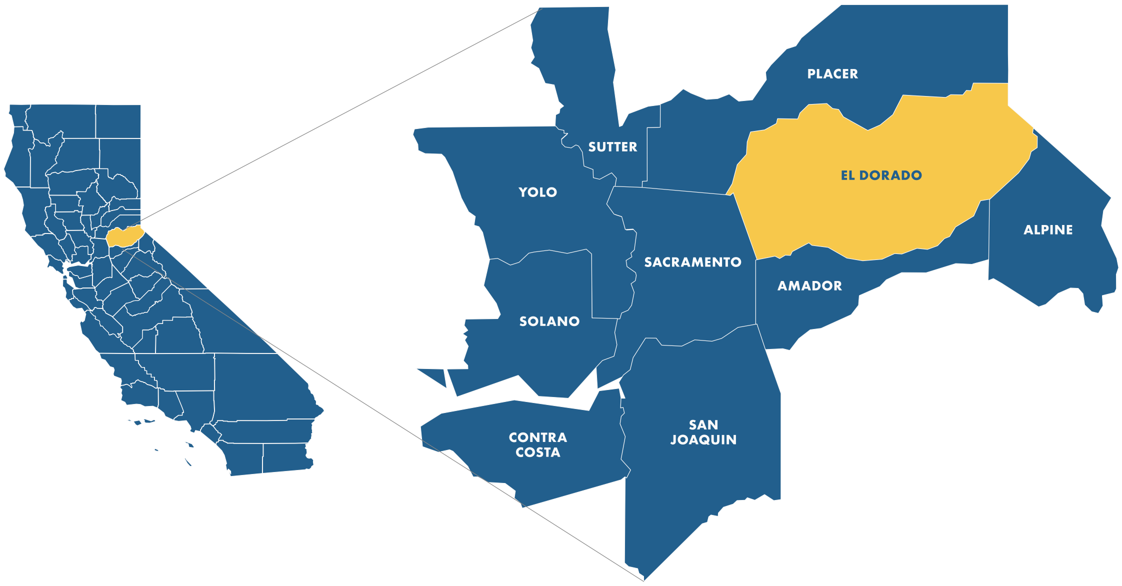
COUNTY POPULATION	UNEMPLOYMENT RATE	PER CAPITA PERSONAL INCOME
1.6 MILLION	3.5% (in 2022)	$61,829 (in 2022)

Sacramento County was incorporated in 1850 as one of the original 27 counties in California. The county's largest city, the City of Sacramento, is the seat of government for the State of California and serves as the County Seat. Sacramento became the State Capital in 1854. The County encompasses approximately 994 square miles in the middle of the 400-mile-long Central Valley, California's prime agricultural region.

Contra Costa and San Joaquin Counties border the County 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 extends from the low delta lands between the Sacramento and San Joaquin Rivers north to about ten miles beyond the State Capitol and east to the foothills of the Sierra Nevada Mountains. The southernmost portion of Sacramento County has direct access to the San Francisco Bay. The County's geographic boundaries include seven incorporated cities: Sacramento, Folsom, Galt, Isleton, Citrus Heights, Elk Grove, and Rancho Cordova. Each of these cities contributes a rich and unique dimension to the Sacramento County region.

The County's population is about 1.6 million, with an average annual growth rate of approximately 1.0%. In December 2022, the County's unemployment rate was 3.5%, down from 4.7% in December 2021. Per capita personal income increased by 6.0% to $61,829 in 2022 compared to 2021, which was $58,307. The region enjoys a diverse employment base, as many State agencies are headquartered in Sacramento. In addition, healthcare entities such as UC Davis Health Systems and Kaiser Permanente employ large pools of highly skilled workers, technology Intel employs manufacturing personnel, and construction in the commercial, infill, and residential sectors continues to be robust.

EL DORADO COUNTY AT-A-GLANCE



COUNTY POPULATION	UNEMPLOYMENT RATE	PER CAPITA PERSONAL INCOME
192,000	4.4% (in 2023)	55,455 (in 2022)

El Dorado County, located east of Sacramento, encompasses 1,805 square miles of rolling hills and mountainous terrain. The County's western boundary contains part of Folsom Lake, and the eastern boundary is the California-Nevada State line. The northeast portion of the County is in the Lake Tahoe basin, while the remainder is in the "western slope" of the Sierra Nevada Mountain range, the area west of Echo Summit.

There are two municipalities within El Dorado County. According to a report published by the Census Bureau, the largest city in the County is South Lake Tahoe, with a July 2022 population of 21,175. The City of Placerville, the County seat, is 45 miles northeast of Sacramento, the State capital. The city's population in July 2022 was 10,664. The remaining 192,000 residents live outside these two incorporated areas.

The county's average annual population growth rate is currently about 0.8%. In December 2023, the county's unemployment rate was 4.4%, up from 3.1% in December 2022. Per capita personal income increased to $55,455 in 2022 compared to 2021, when it was $48,953. The county is home to diverse employers such as Barton Health and Blue Shield of California, Lake Tahoe Community College, Marriot's Timber Lodge, Safeway, and Sierra-at-Tahoe. The county is renowned for outdoor activities, including hiking, skiing, mountain biking, and water sports.

BUDGET OVERVIEW

The Connector JPA receives funding from many sources, including Measure A sales tax, Measure A mitigation fees, various State and Federal grants, and member agency contributions.

Total estimated revenue for FY 2023/24 came in at $1.35 million, while the budget year FY 2024/25 proposes about $7 million – an increase of roughly $5.65 million. The final budget contains three years of data – prior year actual amounts identified as "FY 22/23 Actual," current year amounts identified as "FY 23/24 Estimate", and the budget year amount, reported as "FY 24/25 Proposed."

The FY 2023 Estimate is based on roughly nine months of actual accounting data (modified accrual basis), while the remainder of the fiscal year is based on estimates.

The variance between actual revenues and budgeted amounts for Fiscal Year 2023 is attributed to several factors, notably the nature of revenues as reimbursements of expenditures. In FY 2023/24, spending on mitigation, State-funded engineering work, and federally- funded engineering work did not materialize as initially projected. Consequently, the revenue derived from reimbursements associated with these expenditures remained unrealized, thus contributing to the observed shortfall in actual revenues compared to budgeted figures. Mitigation purchases did not transpire during FY 2023/24. However, these mitigation purchases are slated for execution in the budget year and beyond. The budget envisioned the commencement of two engineering contracts, each facilitated through State and Federal funding mechanisms. While these contractual engagements did not materialize in FY 2023/24, they will progress in FY 2024/25.

CONSOLIDATED BUDGET - GENERAL FUND*

Description	FY 22/23 Actual	FY 23/24 Budget	FY 23/24 Estimate	FY 24/25 Proposed	Change from FY 23/24	Change in Percent
Revenues						
Measure A - Capital**	1,863,356	2,030,360	1,013,777	1,400,000	(630,360)	-31.0%
Measure A - Mitigation***	93,661	3,767,030	71,011	2,759,137	(1,007,893)	-26.8%
Other Local Funding	-	1,000,000	-	533,333	(466,667)	-46.7%
State Funding	-	3,000,000	-	1,300,000	(1,700,000)	-56.7%
Federal Funding	-	700,000	-	800,000	100,000	14.3%
Member Contributions	250,000	250,000	250,000	250,000	-	0.0%
Interest Income	87,728	15,550	18,008	9,004	(6,546)	-42.1%
Total Revenues	**2,294,745**	**10,762,940**	**1,352,796**	**7,051,474**	**(3,711,466)**	**-34.5%**
Expenditures						
Land Acquistion and ROW	-	-	-	200,000	200,000	100.0%
Mitigation Purchases	11,645	3,767,030	-	2,759,137	(1,007,893)	-26.8%
Construction	3,154,925	-	338,647	150,000	150,000	100.0%
Project Professional Services	432,444	5,510,000	774,675	2,800,000	(2,710,000)	-49.2%
Project Overhead						
Salaries and Benefits	742,588	796,344	651,595	677,658	(118,686)	-14.9%
Legal Services	237,006	300,000	202,112	250,000	(50,000)	-16.7%
Audit, Fiscal and County Services	74,637	148,316	70,329	75,000	(73,316)	-49.4%
Rent	63,863	60,000	64,812	65,000	5,000	8.3%
Office Equipement and Supplies	37,501	50,600	43,888	50,000	(600)	-1.2%
Conferences, Meetings, and Travel	25,587	41,500	35,000	40,000	(1,500)	-3.6%
Insurance	15,008	17,850	17,303	17,850	-	0.0%
Other Operating	24,300	71,300	33,417	70,000	(1,300)	-1.8%
Total Expenditures	**4,819,503**	**10,762,940**	**2,231,778**	**7,154,646**	**(3,608,295)**	**-33.5%**
Net Increase (decrease) in Fund Balance	(2,524,758)	-	(878,982)	(103,171)	(103,171)	
Beginning Fund Balance	**4,018,006**	**1,545,851**	**1,493,248**	**614,266**	**(931,585)**	**-60.3%**
Ending Fund Balance	**1,493,248**	**1,545,851**	**614,266**	**511,095**	**(1,034,756)**	**-66.9%**
Fund Reserve	-	-	-	311,377	311,377	-
Ending Fund Balance Less Reserve	1,493,248	1,545,851	614,266	199,717	(1,346,134)	-87.1%

* 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

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BUDGET IMPROVEMENTS FOR FY 2024/25

For FY 2024/25, the Connector JPA developed an entirely new budget document that contains significantly more information about the Agency, its mission, the Project, and more granular financial details.

This budget is designed to comply with all criteria established by the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award Program in an effort to promote greater transparency and accountability. The GFOA program was established in 1984 to encourage and assist Local and State governments in preparing budget documents of the very highest quality that reflect the guidelines established by the National Advisory Council on State and Local Budgeting and GFOA's best practices on budgeting. Budget documents must meet program criteria and excel as a policy document, financial plan, operating guide, and communication tool to earn recognition.

Additionally, the Connector JPA established a fund balance reserve policy in May 2024 that aligns with guidelines published by the GFOA. Specifically, the GFOA recommends that an amount equal to two to four months' revenue or expenditures, whichever is more stable, be set aside for economic uncertainties and any other unforeseeable changes in revenue or expenditures that may negatively impact fund balance. In the Connector JPA's case, expenditures are more stable. Therefore, the Connector JPA has set aside an amount equal to 3 months' of its Project Operating expenditures as its fund reserve for FY 2024/25.

Furthermore, the Connector JPA made the following improvements:

- Created a Five-year Strategic Planning Goals and Strategies section;
- Incorporated a Long-term Financial Planning section;
- Added a Budget Development Process section;
- Developed a Fiscal Policies section;
- Established an Investment Policy section;
- Created a Capital Improvement Program by Segment section;
- Added a Contracting Practices section; and
- Developed an Accomplishments section

Finally, this document demonstrates the Connector JPA's commitment to pursuing excellence in financial planning, fiscal integrity, and transparent reporting.

FIVE-YEAR STRATEGIC PLANNING GOALS AND STRATEGIES

The Connector JPA's mission is to build the Connector Project as a means to relieve traffic congestion, improve air quality, improve public safety, expand public transit, and increase access to biking and walking trails.

The following Strategic Planning Goals and Strategies articulate the Authority's long-term goals, objectives, and priorities. It is comprised of three goals – Public Outreach and Engagement, Develop Collaborative Partnerships, and identify Priorities for Project Delivery.

PUBLIC OUTREACH AND ENGAGEMENT	DEVELOP PARTNERSHIPS	IDENTIFY PRIORITIES

GOAL 1

PUBLIC OUTREACH AND ENGAGEMENT

Responding to public needs through community engagement and coordination of efforts with the public is critical to the success of the Connector Project. Addressing community safety concerns along the Connector Project alignment related to traffic accidents, flooding, and emergency evacuation is an essential aspect of the Connector Project. This effort includes educating the public on the use of funds and the need for additional funds is supported by the following:

This effort includes educating the public on the use of its funds and supported by the following:

- *Identify and secure additional agency funding and provide opportunities for public advocacy in support of the agency's pursuit of additional Project funding;*
- *Regularly assess revenue and expenditures in comparison to planned amounts and address any fiscal imbalances;*
- *Regularly provide project and fiscal updates to the Governing Board, member agencies, and funding agencies;*
- *Adopt an annual budget prior to June 30;*
- *Maintain a fund balance reserve as a means to continue operating in seasons of economic and/or other fiscal uncertainties; and*
- *Complete an annual financial audit.*

GOAL 2

DEVELOP COLLABORATIVE PARTNERSHIPS

Collaborative partnerships are critical to the success of the Connector Project. The Connector JPA will continue to foster meaningful discussions with its member agencies, and project stakeholders, and the public in an effort to align the group's regional priorities. Regional priorities are dynamic in nature and securing funding for the Project is a challenge.

Recent efforts have led to many Project wins and growing support throughout the region. This effort is supported by the following:

- *Regularly engage Project partners through meetings, the Local Professional Advisory Group (PAG), and ongoing coordination activities;*
- *Meet regularly with funding and regulatory agencies involved in the transportation sector at Local, State and Federal level;*
- *Support Project partners through consultation, advocacy, and letters of support;*
- *Engage with the Governing Board which consists of representatives from each member agency; and*
- *Promote public educational opportunities.*

GOAL 3

PRIORITIES FOR PROJECT DELIVERY

To address the challenge of securing funding, the Connector JPA has identified three priority projects that will be completed by 2030.

These projects are environmentally approved, permitted, and underway with final engineering design, with right of way acquisition of real property anticipated to begin in 2025:

KAMMERER ROAD EXTENSION PROJECT

The 3-mile extension of Kammerer Road between Interstate 5 and Bruceville Road is one of the most significantly important projects along the corridor. This new connection to Interstate 5 is being implemented in partnership with the City of Elk Grove. It will provide major economic benefits and new access to growing communities. The project is fully funded through design, but construction funding is needed.

GRANT LINE ROAD SAFETY AND FREIGHT MOBILITY PROJECT

The existing Grant Line Road will be completely reconstructed into a modern expressway, bringing urgent safety improvements, and improving rural freight traffic throughput. This project was recently awarded design funds from the State of California and is the number one regional priority for Federal funding in the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Program. This project is being implemented in partnership with the City of Rancho Cordova and the County of Sacramento. The project is fully funded through design, but construction funding is needed.

WHITE ROCK ROAD EXPRESSWAY PROJECT, PHASE 2

Phase 1 of the White Rock Road Expressway recently completed construction. The expressway with an adjacent Class 1 bike path earned Project of the Year in 2022 by the American Public Works Association. Phase 2, which will extend the expressway to El Dorado Hills, is under design and is being implemented in partnership with the City of Folsom and El Dorado County. The project is only partially funded through design, and construction funding is also needed.

IDENTIFYING NEW FUNDING SOURCES

Securing the needed construction funding for these projects is a top priority for the Connector JPA, and will require a mix of Local, State, and Federal revenues. Positioning the Connector Project as critical to the region's economy and sustainability and helping those decision-makers understand the economic, equity, mobility, and sustainability benefits of having infrastructure in the Sacramento region is key to strategically engaging with policymakers. Decision-makers who understand the Connector Project's critical role in regional mobility will be more inclined to advocate for its success.

Below are the strategies the Connector JPA is developing:

$ FEDERAL

GOAL

Elevate the project profile among Federal audiences to secure funding through all available Federal funding opportunities including Infrastructure for Rebuilding America (INFRA), RAISE, or member-specific community project funding.

STRATEGY

Educate members of the California congressional delegation within the project footprint about the project's benefits and obtain their support for grant funding. Develop and increase partnerships with Federally recognized transportation investment advocacy organizations, such as the American Road and Transportation Builders Association, and Federally recognized tribal nations, such as the Locally established Wilton Rancheria.

DELIVERABLES

- **$105 million** *application to the Multimodal Project Discretionary Grant program for Kammerer Road;*
- **$25 million** *application to the Rebuilding American Infrastructure with Sustainability and Equity RAISE grant program for Grant Line Road; and*
- **$5 million** *RAISE grant program for White Rock Road.*

$ STATE

GOAL

Position the project to capture available State opportunities, including Senate Bill 1 (SB 1) Local Partnership Program (LPP), Solutions for Congested Corridors Program and the Trade Corridor Enhancement Program (TCEP).

STRATEGY

Educate California Legislators, the California Transportation Commission (CTC) and their respective staff about the benefits of the project, including mobility and safety issues that directly impact their constituencies. Develop and increase partnerships with State-wide transportation investment advocacy organizations, such as the California Alliance for Jobs, the Self-Help County Coalition, and the California Supply Chain Council. The support for the project will be leveraged to advocate for funding in existing programs such as TCEP.

DELIVERABLES

- **$25 million** *application to the TCEP grant program for Grant Line Road.*

$ REGIONAL

GOAL

In 2025, the Sacramento Area Council of Governments (SACOG) will offer another round of State and Federal funding for projects. The Connector JPA has secured approximately $20 million from SACOG in the past ten years. The objective for 2025 is to capture construction funds for the Class 1 trail through the Active Transportation Program, and for a 2-lane reconstruction of Grant Line Road in the City of Rancho Cordova, between Chrysanthy Blvd and Douglas Rd.

STRATEGY

Create a coalition with SACOG members to support a funding application in the 2025 funding program.

DELIVERABLES

- **$7 million** *application in the maintenance/modernization grant program for Grant Line Road between Chrysanthy Blvd and Douglas Rd; and*
- **$1 million** *application in the Active Transportation Program for the White Rock Road Class 1 trail.*

$ LOCAL

GOAL

Support the creation of an Enhanced Infrastructure Finance District (EIFD) in 2025. EIFDs are a way to leverage private investment and maximize the impact of public funds on infrastructure development. An EIFD is a financing tool used by local governments to fund infrastructure projects within a designated area and involves the formation of a public financing authority by a local city or county.

STRATEGY

Work with city officials and other stakeholders to develop a detailed plan for the EIFD, including the boundaries of the district, the specific projects to be funded, and the financing mechanisms to be used. Form a coalition of supporters for the EIFD, including local businesses, advocacy groups, and other key stakeholders. Engage with these stakeholders to build consensus around the need for the EIFD and the potential benefits it could bring to the community.

DELIVERABLES

- *Conduct research on EIFDs;*
- *Identify priority projects and geographic boundaries; and*
- *Create a public financing plan that includes the Connector Project as a top priority.*

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 below 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 2026/27 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.

GENERAL FUND* FIVE-YEAR FORECAST

Description	FY 22/23 Actual	FY 23/24 Adopted	FY 23/24 Estimate	FY 24/25 Projected	FY 25/26 Projected	FY 26/27 Projected
Revenues						
Measure A - Capital**	1,863,356	2,030,360	1,013,777	1,400,000	3,300,000	1,374,938
Measure A - Mitigation***	93,661	3,767,030	71,011	2,759,137	2,759,137	-
Other Local Funding	-	1,000,000	-	533,333	533,333	533,334
State Funding	-	3,000,000	-	1,300,000	1,500,000	187,735
Federal Funding	-	700,000	-	800,000	2,000,000	1,087,885
Member Contributions	250,000	250,000	250,000	250,000	250,000	250,000
Interest Income	87,728	15,550	18,008	9,004	9,004	9,004
Total Revenues	**2,294,745**	**10,762,940**	**1,352,796**	**7,051,474**	**10,351,474**	**3,442,896**
Expenditures						
Land Acquistion and ROW	-	-	-	200,000	1,500,000	-
Mitigation Purchases	11,645	3,767,030	-	2,759,137	2,759,137	-
Construction	3,154,925	-	338,647	150,000	650,000	1,150,000
Project Professional Services	432,444	5,510,000	774,675	2,800,000	3,200,000	975,620
Project Overhead	-	-	-			
Salaries and Benefits	742,588	796,344	651,595	677,658	697,988	718,928
Legal Services	237,006	300,000	202,112	250,000	250,000	250,000
Audit, Fiscal and County Services	74,637	148,316	70,329	75,000	75,000	75,000
Rent	63,863	60,000	64,812	65,000	66,950	68,959
Office Equipement and Supplies	37,501	50,600	43,888	50,000	51,500	53,045
Conferences and Travel	25,587	41,500	35,000	40,000	40,000	40,000
Insurance	15,008	17,850	17,303	17,850	18,386	18,937
Other Operating	24,300	71,300	33,417	70,000	72,100	74,263
Total Expenditures	**4,819,503**	**10,762,940**	**2,231,778**	**7,154,646**	**9,381,061**	**3,424,751**
Net Increase (decrease) in Fund Balance	**(2,524,758)**	**-**	**(878,982)**	**(103,171)**	**970,413**	**18,145**
Beginning Fund Balance	**4,018,006**	**1,545,851**	**1,493,248**	**614,266**	**511,095**	**1,481,508**
Ending Fund Balance	**1,493,248**	**1,545,851**	**614,266**	**511,095**	**1,481,508**	**1,499,652**
Fund Reserve	-	-	-	311,377	317,981	324,783
Ending Fund Balance Less Reserve	1,493,248	1,545,851	614,266	199,717	1,163,527	1,174,870

* 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

CHALLENGE: SECURING PROJECT FUNDING

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.

FACTORS AFFECTING FINANCIAL CONDITION

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

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;

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;

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;

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

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 Governing Board and staff remain committed to addressing regional transportation and safety needs through the Connector Project.

Derek Minnema

Derek Minnema, PE

Executive Director

Matt Lampa

Matt Lampa, PE

Principal Engineer

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CONNECTOR JPA OVERVIEW

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2 CONNECTOR JPA OVERVIEW

THE CAPITAL SOUTHEAST CONNECTOR JPA GOVERNING BOARD

CITY OF RANCHO CORDOVA COUNCILMEMBER
GARRETT GATEWOOD (CHAIR)

CITY OF FOLSOM COUNCILMEMBER
MIKE KOZLOWSKI (VICE-CHAIR)

SACRAMENTO COUNTY BOARD OF SUPERVISORS
PATRICK HUME

EL DORADO COUNTY BOARD OF SUPERVISORS
JOHN HIDAHL

CITY OF ELK GROVE COUNCILMEMBER
SERGIO ROBLES

AUTHORTY EXECUTIVE DIRECTOR
DEREK MINNEMA

AUTHORITY PRINCIPAL ENGINEER
MATT LAMPA

SLOAN, SAKAI, YEUNG & WONG LLP
LEGAL COUNSEL

The Connector JPA was created pursuant to Chapter 5 of Division 7 of Title 1 of the California Government Code, commencing with Section 6500, and by Resolution of the Sacramento County Board of Supervisors in December 2006.

The Connector JPA comprises a Governing Board of five Directors, one from each member agency, and alternates. The member agencies represented are the Counties of Sacramento and El Dorado, and the Cities of Elk Grove, Rancho Cordova, and Folsom.

The Capital SouthEast Connector Expressway Project (Connector Project) is a cooperative effort of the five member agencies; however, given the size of the Connector Project, successful completion will require cooperation and coordination among the participating jurisdictions and other agencies such as the California Department of Transportation (Caltrans), Sacramento Area Council of Governments (SACOG), the Sacramento Transportation Authority (STA), and the El Dorado County Transportation Commission (EDCTC), as well as other agencies.

The Connector JPA's purpose is to provide for the planning, design, financing, regulation, permitting, environmental evaluation, public outreach, acquisition of real property, and construction of the Connector Project. The roughly $500 million effort is envisioned to be completed in 2035.

2006
PROJECT STARTED

2035
ESTIMATED COMPLETION

$500 MILLION
ESTIMATED PROJECT COST

REVENUE SOURCES

The Connector JPA relies on revenue sources from Local, State, and Federal agencies. The Connector JPA does not generate internal revenue but relies entirely on external sources.

Each fiscal year, the Counties of Sacramento and El Dorado, and the Cities of Elk Grove, Rancho Cordova, and Folsom provide member contributions. Currently, each member agency contributes $50,000 for a total of $250,000. This source is a relatively small portion of the Connector JPA's total revenue.

Other sources include funding from Sacramento County's Measure A, administered by the Sacramento Transportation Authority (STA). In 1989, in passing Measure A, the voters imposed a countywide one-half percent sales tax levied over 20 years (1989-2009) and established STA. Subsequently, a "New" Measure A was placed on the November 2004 ballot to renew the Measure for 30 more years after the original measure sunsetted in 2009. Voters overwhelmingly approved the Measure in 2004. The "New" Measure A took effect in April 2009 and included the Connector Project. The proceeds of the Measure A tax are used to fund a comprehensive program of roadway and transit improvements, including the Connector Project, which was a flagship project identified in the Measure as the "I-5/SR99/US50 Connector" The "New" Measure A also includes $15 million for open space preservation or other mitigation related to the Connector Project. These funds are generated through the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP) – which imposes a fee on certain construction throughout the County.

In addition, every two years, a Metropolitan Planning Organization (MPO) allocates State and Federal transportation funds to projects based on regional apportionments of Federal Congestion Mitigation and Air Quality (CMAQ), Regional Surface Transportation Program (RSTP), and State Transportation Improvement Program (STIP) funds. Some funds are received through a formula allocation, while others are competitive. As the designated MPO for the six-county region, SACOG must develop the Federally required Metropolitan Transportation Plan (MTP) and the new State-required Sustainable Communities Strategy (SCS) in coordination with the 22 cities, six counties, and other partner agencies in the greater Sacramento region.

Connector JPA staff work continuously with member agencies and financial partners to identify new funding sources. This budget incorporates funding under contract as well as anticipated funding from local and Federal sources over the next several years. In addition, there are several Federal grant applications that have been submitted and are pending review.

GENERAL FUND SUMMARY

The Connector JPA budget supports agency and project costs in the following six areas:

- **Project related professional services**
- **Right of way (ROW)**
- **Mitigation**
- **Construction**
- **Project related professional services**
- **Project related operations and fiscal services**

The Connector JPA reports a single fund for its only project: the Connector Project. The General Fund supports the Connector JPA's operating activities and all project-related costs. The following table provides three years of fiscal information – actual amounts for FY 2022/23, estimated amounts for FY 2023/24, and projected amounts for the budget year FY 2024/25.

The following budget takes into consideration all anticipated project costs for FY 2024/25. All assumptions in this budget except for Project Overhead costs are based on project delivery schedules, regional priorities, and any known external constraints. The process is dynamic in nature, requiring continuous monitoring throughout the year.

Project Overhead costs are based almost entirely on prior year baseline information that has been updated to reflect expectations in the budget year – FY 2024/25. Salaries and benefits were less than expected in the current year and lower in FY 2024/25 than in FY 2023/24 because a staff member retired in December 2023 and that position is currently vacant and will continue to be in the budget year as the Executive Director identifies future staffing needs. In the meantime, professional service contractors are filling Agency needs as they arise.

CONSOLIDATED BUDGET - GENERAL FUND*

Description	FY 22/23 Actual	FY 23/24 Budget	FY 23/24 Estimate	FY 24/25 Proposed	Change from FY 23/24	Change in Percent
Revenues						
Measure A - Capital**	1,863,356	2,030,360	1,013,777	1,400,000	(630,360)	-31.0%
Measure A - Mitigation***	93,661	3,767,030	71,011	2,759,137	(1,007,893)	-26.8%
Other Local Funding	-	1,000,000	-	533,333	(466,667)	-46.7%
State Funding	-	3,000,000	-	1,300,000	(1,700,000)	-56.7%
Federal Funding	-	700,000	-	800,000	100,000	14.3%
Member Contributions	250,000	250,000	250,000	250,000	-	0.0%
Interest Income	87,728	15,550	18,008	9,004	(6,546)	-42.1%
Total Revenues	**2,294,745**	**10,762,940**	**1,352,796**	**7,051,474**	**(3,711,466)**	**-34.5%**
Expenditures						
Land Acquistion and ROW	-	-	-	200,000	200,000	100.0%
Mitigation Purchases	11,645	3,767,030	-	2,759,137	(1,007,893)	-26.8%
Construction	3,154,925	-	338,647	150,000	150,000	100.0%
Project Professional Services	432,444	5,510,000	774,675	2,800,000	(2,710,000)	-49.2%
Project Overhead						
Salaries and Benefits	742,588	796,344	651,595	677,658	(118,686)	-14.9%
Legal Services	237,006	300,000	202,112	250,000	(50,000)	-16.7%
Audit, Fiscal and County Services	74,637	148,316	70,329	75,000	(73,316)	-49.4%
Rent	63,863	60,000	64,812	65,000	5,000	8.3%
Office Equipement and Supplies	37,501	50,600	43,888	50,000	(600)	-1.2%
Conferences, Meetings, and Travel	25,587	41,500	35,000	40,000	(1,500)	-3.6%
Insurance	15,008	17,850	17,303	17,850	-	0.0%
Other Operating	24,300	71,300	33,417	70,000	(1,300)	-1.8%
Total Expenditures	**4,819,503**	**10,762,940**	**2,231,778**	**7,154,646**	**(3,608,295)**	**-33.5%**
Net Increase (decrease) in Fund Balance	(2,524,758)	-	(878,982)	(103,171)	(103,171)	
Beginning Fund Balance	**4,018,006**	**1,545,851**	**1,493,248**	**614,266**	**(931,585)**	**-60.3%**
Ending Fund Balance	**1,493,248**	**1,545,851**	**614,266**	**511,095**	**(1,034,756)**	**-66.9%**
Fund Reserve	-	-	-	311,377	311,377	-
Ending Fund Balance Less Reserve	1,493,248	1,545,851	614,266	199,717	(1,346,134)	-87.1%

* 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

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BUDGET PROCESS AND FISCAL POLICIES

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3 BUDGET PROCESS AND FISCAL POLICIES

BUDGET PROCESS

Budget development begins in January after the prior year's audited annual financial statements are prepared. The ending fund balances 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.

At the beginning of the budget process, staff will determine how much potential funding is available in the budget year and beyond through revenue sources such as State or Federal grants and local Measure A funds. Most of the Project's funding is negotiated through a competitive or formulaic process, which causes significant fluctuations in the amount of funding available in any given year because of competing regional priorities. This effort is central to determining cash flows for the budget year and is based on contractual agreements between the Connector JPA and its funding partners.

Once the revenues for the budget year have been established, staff begin aligning expenditures with the available resources and their respective expenditure requirements. The expenditures' baseline consists of overhead, salaries, benefits, and certain professional services contracts, in addition to mitigation, right-of-way (ROW), and construction costs. The Connector JPA has ongoing contracts for various phases and portions of the Project and related services. As such, it works 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 budget year. If there is any unobligated funding, then staff identify discretionary project tasks to integrate into the budget.

The budget process is fluid. Staff continually monitor regional factors with potential implications to the Agency and Project. Pursuing funding sources is a constant 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 Governing 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 a special meeting of the Governing Board will be arranged for June when an updated budget will be presented to the Governing Board for its consideration and adoption.

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 needed. As necessary, the adopted budget will be revised accordingly and presented to the Governing Board for consideration and adoption.

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

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 budgetary information is reported using the modified accrual basis of accounting like the fund financial statements found in the audited annual financial report. 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 120 days after the fiscal year ends – October 31.

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.

OVERVIEW

The Connector JPA is committed to the following principles as a steward of public funds, demonstrate fiscal integrity, and ensure compliance with all Local, State, and Federal law and recommended best practices.

PRINCIPLES

ESTABLISHING Governing Board approved policies demonstrating the Agency's commitment to the appropriate stewardship of public funds and building the public's confidence in the Connector JPA;

LINKING long-term financial planning with day-to-day operations;

PROMOTING positive financial condition by setting a forward-looking approach to planning;

ENSURING the legal use of all public funds through a sound system of administrative policies and internal controls;

PRIORITIZING the efficient use of limited financial and staffing resources; and;

STRATEGICALLY ALIGNING the source and use of funds through a balanced budget.

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, nearly all expenditures are capitalizable – they are primarily either direct design, engineering, and construction costs or indirect overhead, salaries, and benefits costs.

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, nearly all Connector JPA expenditures are capitalizable because they support Project construction.

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.

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.

FINANCIAL PLANNING

A long-term financial plan uses technical analysis to identify long-term imbalances in financial position in relation to project needs and then develops strategies to counteract those imbalances. The tools and data required for this effort include long-term forecasts, trends in key indicators of financial health (e.g., reserve levels and revenues versus expenditures), and analysis of context-specific issues. A long-term financial plan assists in aligning the supply of and demand of limited resources by proactively recognizing and addressing issues impacting financial position.

Long-term financial planning combines financial forecasts with strategic planning. It is a highly collaborative process that considers future fiscal scenarios to identify challenges and/or confirm program sustainability. Effective strategic planning positions the Connector JPA for long-term success.

Projecting revenues and expenditures over the long term by making assumptions about economic conditions, future spending scenarios, and other notable objectives is imperative to good financial planning. It provides insight into future financial capacity so that strategies can be developed to achieve long-term program stability while considering potential financial challenges.

Long-term financial planning is the process of aligning financial capacity with long-term program objectives. The Connector JPA is committed to regularly updating its financial plan to ensure long-term program sustainability. Elements of this plan are incorporated annually into the budget. The financial tables included in this document are updated throughout each year as the revenue and spending outlook becomes clearer.

The Connector JPA uses this information as part of a package of tools that:

- Identify preliminary spending priorities for future years;
- Incorporates necessary budget adjustments into the long-term financial projections;
- Ensures that both additions and reductions to the budget are sustainable;
- Maintains options to deal with unexpected contingencies; and
- Continues advancing planning to anticipate factors affecting revenues and project needs.

LONG-TERM FINANCIAL PLANNING COMPONENTS

Planning Element	Essential	Important	Discretionary
Commit to preparing a plan	x		
Scope of the plan	x		
Relationship between financial and strategic planning		x	
Find imbalances	x		
Long-term balance	x		

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 all 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 Governing 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.

Establishing a reserve provides financial stability for the following:

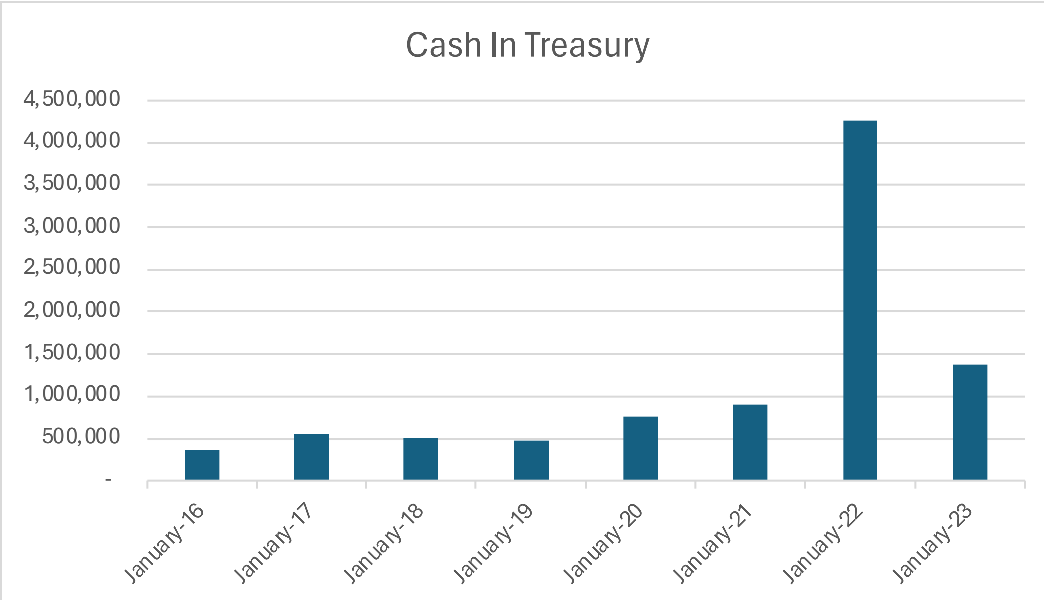
Economic uncertainties and other financial hardships or downturns in the local economy;

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 at all times to meet operating expenditures. However, as the graph shows, there was a spike in the cash balance when the Connector JPA received $3.5 million in Regional and

Community Design Funds 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 2024/25.

FUND BALANCE RESERVE CALCULATION - GENERAL FUND

Fund Balance Reserve Calculation - General Fund			
	Annual Expenditures	Average Monthly Expenditures	Three Months Reserve
FY 2024-25	1,245,508	103,792	311,377

* Based on estimated project overhead expenditures only

The FY 2024/25 budget incorporates a fund balance reserve amount of $311,000 per the Connector JPA's policy and GFOA best practices.

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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.

INVESTMENT FUND OBJECTIVES

SAFETY OF PRINCIPAL

The **PRIMARY** object is the preservation of principal. Each transaction shall seek to ensure that capital losses are avoided, whether they be from securities default or market value erosion;

LIQUIDITY

The **SECOND** objective of the Investment Fund is to remain sufficiently flexible to enable meeting all operating requirements that may be reasonably anticipated;

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

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 Governing 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;
- Tax, financial, and performance audit services; and
- Engineering design and right of way acquisitions.

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.

COST ALLOCATIONS

The Connector JPA employs two staff who oversee the Connector Project. Both 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 budgeted, then County staff and Connector JPA staff work together to revise the estimated charges for the year and request a budget amendment as appropriate.

RECORDS RETENTION POLICY

The Connector JPA's comprehensive 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.

- Governing Board agendas and agenda packets and minutes – permanent;
- Governing Board resolutions, rules, and procedures – permanent;
- Governing 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;
- Governing 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.

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 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 Governing 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.

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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.

PERFORMANCE MEASURES

The Connector JPA tracks select performance measures that are tied to its key five-year strategic goals and strategies. These metrics are a means of demonstrating the Agency's effectiveness, efficiency, timeliness, and productivity. Some activities carry over from year to year, while others change from year to year. The Performance Measures identified in the table below represent current and planned efforts designed to further the Agency's core business operations and project priorities over multiple years.

CONNECTOR JPA PERFORMANCE MEASURES

Performance Measure	Area of Responsibility	Relates to Strategic Goal	FY 2023-24 Planned	FY 2023-24 Estimate	FY 2024-25 Planned
Public Outreach and Engagement:					
Provide quarterly financial updates to the STA*	Finance	Public Outreach and Engagement	4	4	4
Adopt annual budget prior to June 30	Finance	Public Outreach and Engagement	Yes	Yes	Yes
Complete annual financial audit	Finance	Public Outreach and Engagement	Yes	Yes	Yes
Identify and secure additional Project funding	Finance	Public Outreach and Engagement	Yes	Yes	Yes
Develop Collaborative Partnerships:					
Regularly engage Project partners	Collaboration	Develop Collaborative Partnerships	Yes	Yes	Yes
Meet regularly with funding and regulatory agencies	Collaboration	Develop Collaborative Partnerships	Yes	Yes	Yes
Support project partners through consultation and advocacy	Collaboration	Develop Collaborative Partnerships	Yes	Yes	Yes
Engage with the Governing Board	Collaboration	Develop Collaborative Partnerships	4	4	4
Promote public educational opportunities	Collaboration	Develop Collaborative Partnerships	Yes	Yes	Yes
Project Delivery Priorities:					
Identify and regularly promote Project priorities	Project	Project Delivery Priorities	Yes	Yes	Yes
Elevate Project profile amoung Federal audiences	Project	Project Delivery Priorities	Yes	Yes	Yes
Collaborate and build consensus with member agencies	Project	Project Delivery Priorities	Yes	Yes	Yes

* Sacramento Transportation Authority

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LONG-TERM FINANCIAL PLANNING

The Connector JPA is committed to long-term financial stability. As part of this commitment, it provides a long-term financial plan, effectively a "road map," summarizing where the agency intends to go financially and how it plans to get there by combining financial forecasting with financial strategizing.

This plan is intended to serve as a tool to identify challenges and opportunities and to provide the Governing Board, stakeholders, staff, and the public with the insight required to address issues impacting the Connector JPA's financial condition. It also provides a starting point for future decision-making regarding the budget by identifying the balance between potential spending needs and the projected revenue outlook. Some of the benefits from having a long-term financial plan are as follows:

GOVERNING BOARD

long-term financial plans offer guidance to seasoned and new members. The plan also provides context and an up-to-date view of the Agency's financial condition as an ongoing context for Governing Board decisions;

STAKEHOLDERS

provides foundational financial information used to collaborate and align fiscally with Project partner agencies; and

PUBLIC

demonstrates a clear understanding and vision for the fiscal viability of the Project.

The long-term outlook provides a key tool for financial planning. The information in the table below is monitored throughout the year as the outlook for revenue and expenditures becomes clearer. The Connector JPA uses this information as part of a package of tools that:

- Identify preliminary spending priorities for future years;
- Incorporate necessary budget adjustments into the long-term financial projections;
- Ensure that the impact of changes to the budget are understandable and sustainable;
- Maintain options to deal with unexpected contingencies; and
- Continue planning to anticipate factors affecting revenues for project delivery.

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The table below is a forward-looking view of the General Fund operating and capital outlay budget:

GENERAL FUND* FIVE-YEAR FORECAST

Description	FY 22/23 Actual	FY 23/24 Adopted	FY 23/24 Estimate	FY 24/25 Projected	FY 25/26 Projected	FY 26/27 Projected
Revenues						
Measure A - Capital**	1,863,356	2,030,360	1,013,777	1,400,000	3,300,000	1,374,938
Measure A - Mitigation***	93,661	3,767,030	71,011	2,759,137	2,759,137	-
Other Local Funding	-	1,000,000	-	533,333	533,333	533,334
State Funding	-	3,000,000	-	1,300,000	1,500,000	187,735
Federal Funding	-	700,000	-	800,000	2,000,000	1,087,885
Member Contributions	250,000	250,000	250,000	250,000	250,000	250,000
Interest Income	87,728	15,550	18,008	9,004	9,004	9,004
Total Revenues	**2,294,745**	**10,762,940**	**1,352,796**	**7,051,474**	**10,351,474**	**3,442,896**
Expenditures						
Land Acquistion and ROW	-	-	-	200,000	1,500,000	-
Mitigation Purchases	11,645	3,767,030	-	2,759,137	2,759,137	-
Construction	3,154,925	-	338,647	150,000	650,000	1,150,000
Project Professional Services	432,444	5,510,000	774,675	2,800,000	3,200,000	975,620
Project Overhead	-	-	-			
Salaries and Benefits	742,588	796,344	651,595	677,658	697,988	718,928
Legal Services	237,006	300,000	202,112	250,000	250,000	250,000
Audit, Fiscal and County Services	74,637	148,316	70,329	75,000	75,000	75,000
Rent	63,863	60,000	64,812	65,000	66,950	68,959
Office Equipement and Supplies	37,501	50,600	43,888	50,000	51,500	53,045
Conferences and Travel	25,587	41,500	35,000	40,000	40,000	40,000
Insurance	15,008	17,850	17,303	17,850	18,386	18,937
Other Operating	24,300	71,300	33,417	70,000	72,100	74,263
Total Expenditures	**4,819,503**	**10,762,940**	**2,231,778**	**7,154,646**	**9,381,061**	**3,424,751**
Net Increase (decrease) in Fund Balance	**(2,524,758)**	**-**	**(878,982)**	**(103,171)**	**970,413**	**18,145**
Beginning Fund Balance	**4,018,006**	**1,545,851**	**1,493,248**	**614,266**	**511,095**	**1,481,508**
Ending Fund Balance	**1,493,248**	**1,545,851**	**614,266**	**511,095**	**1,481,508**	**1,499,652**
Fund Reserve	-	-	-	311,377	317,981	324,783
Ending Fund Balance Less Reserve	1,493,248	1,545,851	614,266	199,717	1,163,527	1,174,870

* 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

The table includes a balance of funding that is already committed to the Connector JPA through interagency agreements as well as funding that is anticipated but not yet committed under contract. Those amounts that are not yet committed generally require that one or more criteria are met before receiving the funding; however, the strategic goals and financing plans incorporate all elements needed to meet those requirements.

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BUDGET SCHEDULES AND FUND INFORMATION

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4 BUDGET SCHEDULES AND FUND INFORMATION

GENERAL FUND

The Connector JPA reports a single fund – the General Fund. The table below summarizes three fiscal years of information – FY 2022/23 actual amounts, FY 2023/24 estimated amounts, and FY 2024/25 proposed amounts. The estimates for FY 2023/24 are based on roughly nine months of actual information, while the remaining three months are estimated.

In FY 2023/24, spending on Mitigation, State-funded engineering work, and Federally funded engineering work did not materialize as initially projected. Consequently, the revenue derived from reimbursements associated with these expenditures remained unrealized, thus contributing to the observed shortfall in actual revenues compared to budgeted figures.

It is imperative to underscore that the budget is a strategic planning instrument, outlining anticipated expenditures, including those earmarked for mitigation efforts. Mitigation purchases did not transpire during FY 2023/24. However, these mitigation purchases are slated for execution in forthcoming fiscal years.

Likewise, the budget envisioned the commencement of two engineering contracts, each facilitated through State and Federal funding mechanisms. While these contractual engagements did not materialize in FY 2023/24, they are expected to progress during FY 2024/25.

Interest income over the last several years has been trending downward as fund balance has decreased.

The variance in salaries and benefits can be explained by the retirement of the Agency's Administrative Services Officer in December 2023. That vacancy was not filled in the current year and may not be in the budget year. The short-term plan is to use professional services contractors to perform most of that work while the Executive Director determines future staffing needs.

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Legal services which are performed under a professional services agreement are annually budgeted at $300,000 given historical costs for those services. However, in addition to baseline services, each year brings a unique mix of legal services that often create a material variance such as found in the current year.

Similar to legal services, fiscal services vary significantly from year to year based on the demand for accounting, financial reporting, compliance, and audit services. Some services are routine such as monthly accounting, accounts payable and receivables, and the annual financial audit, but other on-demand reporting is common for grants and other Local, State, and Federal funding.

The overall impact on fund balance based on the estimated revenues and expenditures in FY 2023/24 led to a decrease of almost $900,000. As mentioned previously, much of the revenue anticipated in FY 2023/24 did not materialize, nor did the related expenditures. However, the Agency still incurred project professional services and overhead costs during the year which led to the fund balance decrease. This situation is not unique to this fiscal year which is one reason the Agency is committed to being proactive in its financial oversight.

CONSOLIDATED BUDGET - GENERAL FUND*

Description	FY 22/23 Actual	FY 23/24 Budget	FY 23/24 Estimate	FY 24/25 Proposed	Change from FY 23/24	Change in Percent
Revenues						
Measure A - Capital**	1,863,356	2,030,360	1,013,777	1,400,000	(630,360)	-31.0%
Measure A - Mitigation***	93,661	3,767,030	71,011	2,759,137	(1,007,893)	-26.8%
Other Local Funding	-	1,000,000	-	533,333	(466,667)	-46.7%
State Funding	-	3,000,000	-	1,300,000	(1,700,000)	-56.7%
Federal Funding	-	700,000	-	800,000	100,000	14.3%
Member Contributions	250,000	250,000	250,000	250,000	-	0.0%
Interest Income	87,728	15,550	18,008	9,004	(6,546)	-42.1%
Total Revenues	**2,294,745**	**10,762,940**	**1,352,796**	**7,051,474**	**(3,711,466)**	**-34.5%**
Expenditures						
Land Acquistion and ROW	-	-	-	200,000	200,000	100.0%
Mitigation Purchases	11,645	3,767,030	-	2,759,137	(1,007,893)	-26.8%
Construction	3,154,925	-	338,647	150,000	150,000	100.0%
Project Professional Services	432,444	5,510,000	774,675	2,800,000	(2,710,000)	-49.2%
Project Overhead						
Salaries and Benefits	742,588	796,344	651,595	677,658	(118,686)	-14.9%
Legal Services	237,006	300,000	202,112	250,000	(50,000)	-16.7%
Audit, Fiscal and County Services	74,637	148,316	70,329	75,000	(73,316)	-49.4%
Rent	63,863	60,000	64,812	65,000	5,000	8.3%
Office Equipement and Supplies	37,501	50,600	43,888	50,000	(600)	-1.2%
Conferences, Meetings, and Travel	25,587	41,500	35,000	40,000	(1,500)	-3.6%
Insurance	15,008	17,850	17,303	17,850	-	0.0%
Other Operating	24,300	71,300	33,417	70,000	(1,300)	-1.8%
Total Expenditures	**4,819,503**	**10,762,940**	**2,231,778**	**7,154,646**	**(3,608,295)**	**-33.5%**
Net Increase (decrease) in Fund Balance	(2,524,758)	-	(878,982)	(103,171)	(103,171)	
Beginning Fund Balance	**4,018,006**	**1,545,851**	**1,493,248**	**614,266**	**(931,585)**	**-60.3%**
Ending Fund Balance	**1,493,248**	**1,545,851**	**614,266**	**511,095**	**(1,034,756)**	**-66.9%**
Fund Reserve	-	-	-	311,377	311,377	-
Ending Fund Balance Less Reserve	1,493,248	1,545,851	614,266	199,717	(1,346,134)	-87.1%

* 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

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CAPITAL IMPROVEMENT PROGRAM

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5 CAPITAL IMPROVEMENT PROGRAM

South Sacramento County lacks sufficient connectivity and multi-modal facilities to accommodate the community's needs and growing economy. Existing roadways are in poor condition and often flood during severe storm events. Current facilities lack bicycle and pedestrian accommodations for non-motorized travel. There are limited roadway connections from east to west, causing motorists to use the already congested freeways to travel.

The Capital SouthEast Connector Expressway Project (Connector Project) is a long-term capital project that replaces existing two-lane rural roads with a four-lane modern expressway, including a separated Class 1 multi-use path. The redesigned roadway provides capacity for a growing population, active transportation opportunities, access to employment centers, addresses climate resiliencies, deploys innovative technology, and improves quality of life.

The Project is more than a regional multi-modal roadway facility. Economists agree that the Project provided significant economic development benefits to the region. In 2022, the Connector JPA prepared an economic study to determine the direct and indirect benefits of the Project's construction cost, which was estimated at $552.5 million. The incremental economic impact to the region between 2021 and 2040 is estimated to produce $1.1 billion in economic output and create 7,347 new full-time jobs. The Project is also expected to generate $43.1 million in new indirect business taxes. Creating new, well-paying jobs will provide a tremendous economic lift to the region's economy.

KEY PROJECT BENEFITS

Key project benefits are summarized below:

- **Provides new interregional route connecting I-5, SR 99, SR 16, and US 50; reducing congestion throughout the Sacramento region, particularly the south county;**
- **$585.7 million in travel time savings benefits to commuters;**
- **Replaces two-lane rural roads with a four-lane modern expressway;**
- **Adds a separated Class 1 multi-use path along the corridor;**
- **$37.3 million in residual investment value from Project construction;**
- **Establishes an efficient and reliable freight corridor in the region;**
- **Addresses regional climate resiliency and environmental stewardship issues;**
- **$19.5 million in safety benefits from reduced collisions which are more prone in congested corridors;**
- **Deploys innovative smart technologies to manage and improve traffic flow;**
- **Reduces vehicle miles traveled and travel times for commuters;**
- **$17.2 million in avoided pavement rehabilitation costs;**
- **Enhances safety by constructing medians, improved intersections, and buffered bike lanes;**
- **$6.8 million in increased walking and biking benefits for the community;**
- **Reduces greenhouse gas emissions, corrects roadway flooding issues, and supports habitat conservation;**
- **Improves traffic operations to job centers and supports regional job creation;**
- **$6.3 million in reduced vehicle emissions in the region;**
- **Improves affordable transportation choices for underserved communities with the accessibility to bicycle, pedestrian, and public transportation facilities;**
- **$3.5 million in operating cost savings from reduced truck miles traveled; and**
- **Extensive support from Local, State, and Federal elected officials, labor unions, business groups, public agencies, and residents.**

The population in the region has nearly doubled over the last 40 years. Investing in expanded infrastructure like the Connector Project, which includes multi-modal roadways for pedestrians, bikes, and vehicular use, will benefit the existing communities the Project serves and foster continued growth and investment in the region.

The table below facilitates continuing the envisioned project over the next several years by factoring in regional priorities, limitations of available funding, and the strategic collaboration of the Governing Board, staff, stakeholders, and members of the public.

FIVE-YEAR CAPITAL FINANCING PLAN

Description	FY 22/23 Actual	FY 23/24 Estimate	FY 24/25 Projected	FY 25/26 Projected	FY 26/27 Projected
Beginning Balance	**4,018,006**	**1,493,248**	**614,266**	**511,095**	**1,481,508**
Revenues					
Measure A - Capital*	1,863,356	1,013,777	1,400,000	3,300,000	1,374,938
Measure A - Mitigation**	93,661	71,011	2,759,137	2,759,137	-
Other Local Funding	-	-	533,333	533,333	533,334
State Funding	-	-	1,300,000	1,500,000	187,735
Federal Funding	-	-	800,000	2,000,000	1,087,885
Member Contributions	250,000	250,000	250,000	250,000	250,000
Interest Income	87,728	18,008	9,004	9,004	9,004
Total Revenues	**2,294,745**	**1,352,796**	**7,051,474**	**10,351,474**	**3,442,896**
Expenditures					
Land Acquistion and ROW	-	-	200,000	1,500,000	-
Mitigation Purchases	11,645	-	2,759,137	2,759,137	-
Construction	3,154,925	338,647	150,000	650,000	1,150,000
Project Professional Services	432,444	774,675	2,800,000	3,200,000	975,620
Project Overhead	1,220,489	1,118,456	1,245,508	1,271,924	1,299,131
Total Expenditures	**4,819,503**	**2,231,778**	**7,154,646**	**9,381,061**	**3,424,751**
Ending Balance	**1,493,248**	**614,266**	**511,095**	**1,481,508**	**1,499,652**

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

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

THE PROJECT

The Connector Project is envisioned to be 34 miles long, running from Interstate 5 (I-5) to State Route 50 (US 50). When completed, the $500 million Connector Project will run through Sacramento County, Elk Grove, Rancho Cordova, Folsom, and El Dorado County. It will be an alternative route to the Greater Sacramento region's current highway system. The Project will consist of four travel lanes, a high-speed expressway, bike and pedestrian paths, and a traditional thoroughfare.

34 MILES LONG

I-5 TO US 50

FOUR TRAVEL LANES

DETAILED ALIGNMENT DESCRIPTION

When completed, the Connector Project will begin at the Interstate5/ 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 Rd and Wilton Rd.

At Calvine Rd the project transitions to a 4-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 until it reaches the Sacramento – El Dorado County line. The project then transitions to a 4-lane thoroughfare ending at the Hwy 50/Silva Valley Parkway Interchange in El Dorado Hills.

PROJECT UPDATE

During calendar year 2023, there was significant progress in constructing the Connector Project. Approximately $65 million in construction activity was officially completed, with Notices of Completion issued along three segments, totaling 6.5 miles of improvements. An additional 2.5 miles of Class 1 trail adjacent to White Rock Road was constructed and opened to cyclists and pedestrians.

Almost $18 million in Local, State, and Federal funding agreements were secured during 2023 for engineering, right of way, construction, and environmental mitigation.

Federal funding of $4 million was secured through the Consolidated Appropriations Act of 2023 to advance the design, right of way, and construction of the White Rock Road Class 1 trail. This will continue the 2.5 miles of trail completed in 2023.

State funding for $3 million was awarded by the California Transportation Commission (CTC) through the SB 1 Trade Corridor Enhancement Program for Grant Line Road in Rancho Cordova. These funds will advance the design of the segment from Douglas Road to White Rock Road.

Locally, staff partnered with the Sacramento Transportation Authority to allocate $6.7 million in Measure A capital funding. An additional $5 million was allocated for environmental mitigation work along the alignment.

PROJECT CORRIDORS

The Capital SouthEast Connector Expressway consists of three main corridors as follows:

CORRIDOR 1
KAMMERER ROAD

The 6.5-mile Kammerer Road corridor between Interstate 5 and State Route 99 in Elk Grove is being implemented in partnership with the City of Elk Grove and the County of Sacramento.

STATUS

- Environmental review complete;
- The initial construction of a three-mile segment between Bruceville Road and SR 99 was completed in 2023. In August 2023, the American Public Works Association awarded it the Project of the Year award; and
- The final engineering design between Interstate 5 and Bruceville Road will be underway in 2024, with right-of-way acquisitions anticipated in 2025.

PROJECTS

The Kammerer Road corridor currently has two projects:

- A1 - Kammerer Road Extension: I-5 Hood-Franklin Interchange to Bruceville Road. *Underway Now*
- A2 – Kammerer Road Reconstruction: Bruceville Road to State Route 99/Grant Line. *Complete*

CORRIDOR 2
GRANT LINE ROAD

At 19 miles between State Route 99 and White Rock Road, the Grant Line Road corridor is the Connector Project's longest and is being implemented in partnership with the City of Elk Grove, County of Sacramento, and City of Rancho Cordova.

STATUS

- The Hwy 99/Grant Line Road/Kammerer Road Interchange, the Union Pacific Railroad grade separation project, and the Grant Line Road Widening Project to Bradshaw Rd are complete;
- A Precise Roadway Plan for Grant Line Rd between Bond Road and Calvine Road is complete;
- Environmental review is complete for Grant Line Rd between SR 16 and White Rock Road; and
- The final engineering design between Douglas Rd and White Rock Rd will be underway in 2024, with right-of-way acquisitions anticipated in 2025.

PROJECTS

The Grant Line Road corridor currently has five projects:

- B1a – SR 99/Grant Line Road/Kammerer Rd Interchange. *Complete*
- B1b – Grant Line Road Railroad Grade Separation Project. *Complete*
- B2 – Grant Line Road Widening Project. *Complete*
- C1 – Grant Line Road/Wilton Road Roundabout Project. *Upcoming*
- D2a - Grant Line Road Safety and Freight Mobility Project. *Underway Now*

CORRIDOR 3
WHITE ROCK ROAD

The nine-mile White Rock Road corridor between Grant Line Road and US Highway 50 is being implemented in partnership with the County of Sacramento, City of Folsom, and the County of El Dorado.

STATUS

- The Hwy 50/Silva Valley Parkway interchange and the reconstruction of White Rock Road between Grant Line Road and East Bidwell Street are complete;
- Environmental review complete;
- The final engineering design of the White Rock Rd Expressway between East Bidwell Street and Carson Crossing Road will be underway in 2024, with right-of-way acquisitions anticipated in 2025; and
- The White Rock Rd Widening Project between Carson Crossing Dr and Latrobe Road is shovel-ready and seeking construction funds.

PROJECTS

The White Rock Road corridor currently has five projects:

- D3_CMIA – White Rock Rd Reconstruction between Grant Line Road and Prairie City Road. *Complete*
- D3a – White Rock Rd Expressway Phase 1. *Complete*
- D3b – White Rock Rd Expressway Phase 2. *Underway Now*
- E1 – White Rock Rd Widening Phase 1. *Underway Now*
- E2 – White Rock Rd Widening Phase 2. *Pending*
- E3 – US 50/Silva Valley Parkway Interchange. *Complete*

CAPITAL PROJECT FINANCING

The Connector JPA relies primarily on Local, State, and Federal funding to support the completion of the Connector Project and Agency operations. In general, funding is received on a reimbursement basis. Under this arrangement, the Connector JPA submits claims to the various funding entities, which, in turn, remit payment once the claims have been reviewed and approved.

Most of the Project's local funding is received from the Sacramento Transportation Authority (STA). STA administers Measure A, which is a voter approved half-cent regional retail sales tax that funds transportation-related operations and projects throughout the region. The Measure also provides funding from the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP). When voters approved Measure A in 2004, they also approved 54 projects eligible for Measure A funding – including the Connector Project.

Because the Connector Project was included in the voter approved Measure A, there are funding allocations that are competitively and formulaically available. As of April 2024, the Connector JPA had five allocation contracts with STA totaling \$16.7 million, of which \$9.3 million remains available. In addition, the Agency anticipates a future funding allocation in the amount of \$2.3 million. Staff regularly work with STA to align Project financing needs with available resources. This effort is ongoing.

	WBS Code	Funding Amount	Amount Remaining 4/1/2024	Contract #	Contracting Agency
Local Funding	PW-CONSTA-20	$ 4,000,000	$ 1,147,365	STA-21-CAE-003	STA
	PW-CONSTA-30	$ 700,000	$ 700,000	STA-24-CAE-01	STA
	PW-CONSTA-D2	$ 2,000,000	$ 1,946,001	STA-24-CAE-003	STA
	PW-CONRC-D2	$ 1,800,000	$ 1,600,000		Rancho Cordova
	PW-CONSTA-D2	$ 2,281,572	$ 2,281,572	Anticpated in Five-year Financing Plan	STA
Mitigation Funding	PW-MITSTA-20	$ 5,000,000	$ 518,274	STA-21-AE-001	STA
	PW-MITSTA-30	$ 5,000,000	$ 5,000,000	STA-24-CAE-02	STA
State Funding	PW-CATCEP-D2	$ 3,000,000	$ 2,987,735		Caltrans
Federal Funding	PW-CONFED-D3	$ 2,000,000	$ 1,887,885	03-6498F15-F003-ISTEA	Caltrans
	PW-CONFED-D3	$ 2,000,000	$ 2,000,000	Anticipated in Five-year Financing Plan	Caltrans
Totals		**$ 27,781,572**	**$ 20,068,833**		

Local government funding is crucial because it serves as a matching fund for other financing sources, such as those from State and Federal programs. For example, one dollar of local funding can be leveraged to secure two or more dollars from other funding sources. This is an essential component of the Connector Project's overall financing strategy since it depends on local and non-local funding. In general, State and Federal funding will not be awarded without a local matching component, and the Project cannot be completed with local funding alone.

Currently, the most promising source of State funding is the Senate Bill 1 (SB 1) program, the Road Repair and Accountability Act of 2017. SB 1 provides the first significant, stable, and ongoing increase in State transportation funding in over two decades. Funds are formulaically allocated to regional entities throughout the State but competitively awarded within each region.

The Connector Project was recently awarded $3 million from the California Transportation Commission (CTC) through the SB 1 Trade Corridor Enhancement Program. This funding represents continued support from the State, which has contributed $23 million from SB 1.

Federal funds are awarded through a competitive grant application process. The Connector JPA regularly competes for Federal funding through the grant process. Currently, there are three grants submitted awaiting review and one grant anticipated for submission later this year. Below is a table summarizing the various funding sources – actuals for the prior year, an estimate for the current year, and projections for the next three years.

FIVE-YEAR CAPITAL FINANCING PLAN

Description	FY 22/23 Actual	FY 23/24 Estimate	FY 24/25 Projected	FY 25/26 Projected	FY 26/27 Projected
Beginning Balance	**4,018,006**	**1,493,248**	**614,266**	**511,095**	**1,481,508**
Revenues					
Measure A - Capital*	1,863,356	1,013,777	1,400,000	3,300,000	1,374,938
Measure A - Mitigation**	93,661	71,011	2,759,137	2,759,137	-
Other Local Funding	-	-	533,333	533,333	533,334
State Funding	-	-	1,300,000	1,500,000	187,735
Federal Funding	-	-	800,000	2,000,000	1,087,885
Member Contributions	250,000	250,000	250,000	250,000	250,000
Interest Income	87,728	18,008	9,004	9,004	9,004
Total Revenues	**2,294,745**	**1,352,796**	**7,051,474**	**10,351,474**	**3,442,896**
Expenditures					
Land Acquistion and ROW	-	-	200,000	1,500,000	-
Mitigation Purchases	11,645	-	2,759,137	2,759,137	-
Construction	3,154,925	338,647	150,000	650,000	1,150,000
Project Professional Services	432,444	774,675	2,800,000	3,200,000	975,620
Project Overhead	1,220,489	1,118,456	1,245,508	1,271,924	1,299,131
Total Expenditures	**4,819,503**	**2,231,778**	**7,154,646**	**9,381,061**	**3,424,751**
Ending Balance	**1,493,248**	**614,266**	**511,095**	**1,481,508**	**1,499,652**

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

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

PRIORITY PROJECTS UNDERWAY NOW

KAMMERER ROAD EXTENSION

The 3-mile extension of Kammerer Road between Interstate 5 and Bruceville Road is one the most significantly important projects along the corridor. This new connection to Interstate 5 is being implemented in partnership with the City of Elk Grove and will provide major economic benefits and new access to growing communities. The project is fully funded through design, but construction funding is needed.

GRANT LINE ROAD SAFETY AND FREIGHT MOBILITY PROJECT

Existing Grant Line Road will be completely reconstructed into a modern 4-lane expressway, bringing urgent safety improvements and improving rural freight traffic. This project was recently awarded design funds from the State of California and is the number 1 regional priority for federal funding in the RAISE Program. This project is being implemented in partnership with the City of Rancho Cordova. The project is fully funded through design, but construction funding is needed.

WHITE ROCK ROAD EXPRESSWAY

Phase 1 of the White Rock Road Expressway recently completed construction. The 4-lane expressway with an adjacent Class 1 bike path earned Project of the Year in 2022 by the American Public Works Association. Phase 2, which will extend the expressway to El Dorado Hills, is under design and is being implemented in partnership with the City of Folsom. The project is only partially funded through design, and construction funding is also needed.

6

ORGANIZATIONAL OVERVIEW

6 ORGANIZATIONAL OVERVIEW

The Connector JPA exists to build the Connector Project. The following section summarizes the organization structure, each staff member's area of responsibility, pay schedules, and Agency accomplishments over the past year.

The Connector JPA is independent of the County of Sacramento. It retains the exclusive right and responsibility to establish terms and conditions of personnel and work. However, because it had no administrative structure (payroll processing, human resources, etc.) to employ its employees, it relies on an agreement with the County of Sacramento to employ its staff, subject to reimbursement by the Connector JPA.

In the past five years, the agency's workload and the engineering and accounting services required to deliver the Connector Project have increased as the details needed to advance the Project from concept to design have been realized. Therefore, an amendment to the contract with the County of Sacramento was necessary to revise and update the positions to be commensurate with the workload and complexity of the Agency and Project.

In October 2023, the Executive Director recommended to the Governing Board that the contract with the County of Sacramento be amended and restated to align staffing classifications and the number of positions with the Agency's needs. The Governing Board adopted the recommendation. However, the Executive Director will assess the timing of the needed changes—perhaps not until FY 2025/26.

There were three full-time staff members in the prior year and through December of the current year. At that time, one staff member filling an Administrative Services Officer II (ASO II) position retired, and that position has not been refilled. The current plan is to utilize professional services contractors as needed to fill some of the duties previously handled by the retired staff member until a permanent plan is implemented. Below is a staffing summary for the prior year, current year, and budget year.

Below is a staffing summary for the prior year, current year, and budget year.

FULL TIME EQUIVALENT (FTE) POSITIONS

Description	FY 2022-23	FY 2023-24	FY 2024-25
Executive Director	1	1	1
Principal Engineer	1	1	1
Adminstrative Services Officer (ASO) II	1	1*	0

*Currently vacant after the December 2023 retirement of the previous ASO II

POSITION DESCRIPTIONS

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 Governing 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 Governing Board and member agencies;
- Prepares meeting agendas and oversees the development of meeting materials;
- Updates the Governing 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 ENGINEER

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 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.

ADMINISTRATIVE SERVICES OFFICER II

The Administrative Services Officer (ASO) II reports to the Executive Director and performs a full range of administrative support services. The ASO II 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 below. The intent is to be in parity with the compensation for Sacramento County Employees.

PAY SCHEDULES FOR FY 2024/25*

Classification	Monthly Minimum	Monthly Maximum
Executive Director	20,240	22,314
Principal Engineer	13,485	14,868

* Including anticipated 4% Cost of Living Adjustment (COLA)

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AUTHORITY ACCOMPLISHMENTS

PLANNING, PROJECT APPROVALS, ENVIRONMENTAL CLEARANCE, AND DESIGN

- Obtained National Environmental Policy Act (NEPA) clearance on 6.5-miles of Kammerer Road (Interstate 5 to State Route 99);
- Obtained Caltrans approval of the Kammerer Road Project Report (Interstate 5 to State Route 99);
- Executed a Cooperative Agreement with Caltrans, allowing Kammerer Road project to advance with final engineering design, right of way, and construction;
- Grant Line Road Precise Roadway Plan incorporated into the City of Elk Grove General Plan, identifying roundabouts and the preferred alternative for Segment C of the Connector (Bond Road to Calvine Road); and
- Initiated final engineering design on approximately 9 miles of the Connector alignment in all five-member jurisdictions. This includes Kammerer Road, Grant Line Road, and White Rock Road.

MITIGATION

- Prepared and submitted the Connector JPA's South Sacramento Habitat Conservation Plan Annual Report of Covered Activities to the South Sacramento Conservation Agency; and
- Cattle grazing fencing and stock pond repairs completed on project mitigation property acquired by the JPA.

FUNDING

Allocated $18M in Federal, State, and Local funding:

- $4M – Consolidated Appropriations Act 2023;
- $3M – SB1 Trade Corridor Enhancement Program;
- $6.7M – Measure A Capital; and
- $5M – Measure A Mitigation.

PROJECT SUPPORT

- Obtained bipartisan support from the following public representatives;
    - Senator Alex Padilla
    - Representative Ami Bera
    - Representative Kevin Kiley
- Obtained support from the Laborers' International Union of North America (LiUNA) General President ; and
- Obtained support from the National League of Cities.

PROJECT OUTREACH/EDUCATION

- Refreshed the JPA website to provide greater accessibility to project information, benefits, reports, and Governing Board meeting information, making it more user-friendly for mobile devices.

7

STATISTICAL INFORMATION

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7 STATISTICAL INFORMATION

CONNECTOR JPA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	-	-	-	-	-	3,892	2,500	2,500	24,357	37,633
Assigned	-	38,421	-	-	-	-	-	-	-	-
Unassigned	185,011	144,631	761,730	1,020,681	857,139	828,765	637,562	878,821	3,943,832	1,508,218
Total General Fund	**185,011**	**183,052**	**761,730**	**1,020,681**	**857,139**	**832,657**	**640,062**	**881,321**	**3,968,189**	**1,545,851**

Source: Audited Financial Statements

CONNECTOR JPA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Intergovernmental	1,651,674	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
Contributions	50,000	55,000	75,000	125,000	175,000	225,000	225,000	225,000	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
Other	-	-	250,000	-	-	-	-	-	-	-
Total Revenues	**1,701,674**	**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**
Expenditures										
Public Ways and Facilities	1,583,696	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
Debt Service - lease payments										
Principal	-	-	-	-	-	-	-	-	44,853	49,929
Interest	-	-	-	-	-	-	-	-	4,964	2,674
Total Expenditures	**1,583,696**	**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**
Excess (deficiency) of revenues over (under) expenditures	**117,978**	**(1,959)**	**578,678**	**258,951**	**(163,542)**	**(24,482)**	**(192,595)**	**241,259**	**3,086,868**	**(2,422,338)**
Net change in fund balance	**117,978**	**(1,959)**	**578,678**	**258,951**	**(163,542)**	**(24,482)**	**(192,595)**	**241,259**	**3,086,868**	**(2,422,338)**

Source: Audited Financial Statements

CONNECTOR JPA
PRIVATE SECTOR PRINCIPAL EMPLOYERS
JUNE 30, 2023 AND 2014

	2023			2014		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
UC Davis Healh System	16,075	1	2.30			
Kaiser Pemanente	10,934	2	1.56	9,109	2	1.47
Sutter/California Health Services	9,350	3	1.33	9,494	1	1.53
Dignity/Mercy Healthcare	7,353	4	1.05	7,397	3	1.19
Intel Corporation	5,000	5	0.71	6,000	5	0.97
Raley's Inc./Bel Air	2,756	6	0.39	6,240	4	1.01
Siemens Mobility Inc.	2,500	7	0.36			
Safeway	1,874	8	0.27			
Golden 1 Credit Union	1,776	9	0.25			
Pacific Gas and Electric Co.	1,370	10	0.20			
Wells Fargo & Co.				3,249	6	0.52
Hewlett-Packard				3,200	7	0.52
Cache Creek Casino Resort				2,400	8	0.39
Health Net of Califonia				2,358	9	0.38
VSP Global				2,223	10	0.36
Total	**58,988**		**8.42**	**51,670**		**8.34**

Source: June 30, 2023 Sacramento County Annual Comprehensive Financial Report (ACFR)

CONNECTOR JPA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (000's)	Personal Income (000's)	Per Capital Personal Income	Unemployment Rate (percent)
2023	1,588	98,105,641	61,775	3.9
2022	1,589	98,241,828	61,829	7.0
2021	1,559	90,908,707	58,307	9.3
2020	1,552	85,775,621	55,266	3.7
2019	1,541	80,969,087	52,544	3.8
2018	1,531	76,832,120	50,197	4.6
2017	1,514	72,878,458	48,122	5.4
2016	1,497	70,110,138	46,845	6.0
2015	1,478	65,486,553	44,303	7.3
2014	1,460	61,654,690	42,229	10.5

Source: June 30, 2023 Sacramento County Annual Comprehensive Financial Report (ACFR)

8 GLOSSARY

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8 GLOSSARY

A

accrual basis – also referred to as "full accrual" basis. Revenues and expenditures are recognized in the period earned or incurred regardless of whether cash is received or disbursed in that period.

actual – actual level of expenditures.

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

Annual Comprehensive Financial Report - financial statements comprising the Connector JPA's financial report that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB).

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.

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B

balanced budget – refers to a budget in which beginning fund balance and revenues are greater than or equal to the total appropriations and fund transfers.

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.

bond – issuing a written promise to pay a specific sum of money at a specified date or dates in the future together with periodic interest payments.

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 identified in the Expenditure Plan.

Capital Improvement Program (CIP) – capital project funded in part, by Measure A revenues.

E

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

F

final budget – presented during the May Governing 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 2,080 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 the capital program. 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 state and local 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.

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

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 Governing Board.

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

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

CAPITAL | SOUTHEAST
CONNECTOR JPA
Connecting Communities