



Special Meeting of the Board of Directors

Location: Rancho Cordova Council Chambers
2729 Prospect Park Drive
Rancho Cordova, CA

Date: Friday, June 25, 2010, 8:35 am – 10:30 am

Roll Call: Directors Budge, Hume, Knight, Nottoli, Starsky

Members of the public may comment on any item on the agenda at the time that it is taken up by the Board. We ask that members of the public complete a request to speak form, submit it to the Clerk of the Board, and keep their remarks brief. If several persons wish to address the Board on a single item, the Chair may impose a time limit on individual remarks at the beginning of the discussion.

Public Communications: Any person wishing to address the Board on any item not on the agenda may do so at this time. After ten minutes of testimony, any additional testimony may be heard following the New Business Items.

1. Executive Director's Report

Consent Agenda

2. Minutes May 21, 2010, Meeting
3. Report on Findings of Personnel Consulting Services by the California Fair Services Authority (CFSA)
 - a. Attachment – Staff Report
 - b. Attachment – CFSA Report
4. Update on Sheldon Limited Access Roadway (LAR) Efforts
 - a. Attachment – Staff Report

New Business Items

5. Motion: Nomination and Election of Board Chair and Vice-Chair for FY 2010-11
 - a. Attachment – Staff Report
6. Motion: Agreement with Participants of the South Sacramento Habitat Conservation Plan (SSHCP)
 - a. Attachment – Staff Report
7. Resolution: Adopt Budget for FY 2010-11
 - a. Attachment – Staff Report
 - b. Attachment – Resolution Adopting Budget for FY 2010-11
 - c. Attachment – Resolution Approving Member Jurisdiction Contributions
8. Resolution: Adopt Annual Work Program and Schedule for FY 2010-11
 - a. Attachment – Staff Report
 - b. Attachment – Resolution Adopting Annual Work Program and Schedule for FY 2010-11
9. CLOSED SESSION: PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Executive Director
10. Adjournment

The Board may take action on any matter, however listed on this Agenda, and whether or not listed on this Agenda, to the extent permitted by applicable law. Staff Reports are subject to change without prior notice.

If requested, this agenda can be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof. Persons seeking an alternative format should contact the Board Secretary for further information. In addition, a person with a disability who requires a modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting, should telephone or otherwise contact the Board Secretary as soon as possible. The Board Secretary may be reached at 428 J Street, Suite 400, Sacramento, California 95814, or by telephone at (916) 447-7933. The Connector JPA's address is 10640 Mather Blvd., Suite 120, Mather, CA 95655. The Connector JPA's phone number is (916) 876-9094.



Capital SouthEast Connector Board of Directors

Item #1
Receive and File

June 25, 2010

Issue: An Executive Director's report is filed every month on current JPA activities.

Recommendation: Receive and File

Discussion: The following is a brief status report on some of the more significant issues and activities currently being pursued by the Connector JPA staff.

Administrative

- To better facilitate the environmental review process and Board member commitments, the currently scheduled Board meetings in July and August will be combined to a single meeting on August 12th. In September we will begin the new schedule for the Board meetings. The meetings will be held on the 2nd Friday of each month. This change was made to accommodate various schedule changes for our JPA Board of Directors. This calendar change will be presented as a consent item on the August 12th agenda.
- To assist the Board and public during your monthly meetings, staff now has the capacity to project various project fundamentals such as alignments, cross-sections, maps, and schedules on the screen and monitor system in the Council Chambers. Staff will work to keep this information updated should the need for the materials arise.

Project

- Work on the Sheldon Limited Access Roadway (LAR) continues with both JPA and City of Elk Grove staff working with the consultant team from DC&E on outreach and information distribution to the community. The outreach studio has been open for several weeks and is preparing for the four day design Charrette on July 9-12. Detailed information is noted in agenda item #4 of today's agenda.
- A work plan to analyze potential distribution of trips on the eastern portion of the Connector corridor is underway with El Dorado County and Folsom staff and will be presented to the Community once further consultation with the member jurisdictions has occurred.
- Release of the Request for Proposals (RFP) for a Financial Advisor has been issued with proposals expected in mid-July. The RFP has been sent to over twenty firms which specialize in transportation and public financing. A contract recommendation will be presented to the Board in September with a plan of finance expected to be delivered in early 2011.

Fiscal

- A request from the JPA for “pay-go” funds in FY 2010-11 was approved by the STA Board at its June 10 meeting. These funds will be used in conjunction with member contribution funds to cover administrative costs not eligible for reimbursement from bond proceeds.
- Staff is exploring the potential for submitting a Federal TIGER II planning grant and will have a verbal report at today's hearing on the details of that process.
- A final FY 2010-11 budget has been developed and will be presented today as agenda Item #7-Final FY 2010-11 Budget
- Staff will be discussing proposed FY 2011-12 Measure A distributions with STA staff in an effort to provide the Board with long range funding options by the September Board meeting. This funding plan is considered essential given the current bond capacity forecast released earlier by the STA.

Miscellaneous

- Staff attended a one day forum on Public Infrastructure Financing sponsored by the State of California last month to hear presentations on current opportunities for private financing on projects like the Connector. The forum was primarily attended by local officials, private finance management consultants and concessionaires interested in public/private finance opportunities. The forum was encouraging in that it concluded that despite the global recession, private equity financing is still an attractive option for projects like the Connector and that staff will continue to investigate options for its use through the financial advisor consultant services contract.
- The Executive Director will be attending the American Public Works Association Annual meeting in August to investigate technologies on sustainable infrastructure and Best Management Practices (BMP) for “green” roadway design.

Respectfully Submitted,



Tom Zlotkowski
Executive Director



Capital SouthEast Connector Board of Directors

Item #2
Receive and File

June 25, 2010

Action Minutes of the May 21, 2010, Meeting

The Capital SouthEast Connector Authority's Board of Directors met in regular session on May 21, 2010, in the Rancho Cordova Council Chambers, located at 2729 Prospect Park Drive, Rancho Cordova, CA, at 8:30 a.m.

Call to Order: Chairperson Hume called the meeting to order at 8:43 a.m.

Roll Call: Directors Budge, Hume, Knight, and Starsky were present.
Director Nottoli arrived during the Executive Director's Report.

Public Comment: No members of the public requested to comment on items not on the agenda.

Executive Director's Report: Mr. Tom Zlotkowski, the Executive Director of the Authority, summarized the highlights from his Executive Director's Report, including the Board's Summer meeting schedule, Director Nottoli's availability for meetings; the progress of work being conducted in the Sheldon area, the process with the federal regulatory agencies, and an RFP regarding financial advisory services. The Executive Director also discussed the success of outreach sessions conducted by the JPA and the Executive Director's appearance at an El Dorado County Board meeting. Director Nottoli arrived and discussed his schedule with the Board. Director Budge asked about spending on consultants and other items in the current budget.

Consent Agenda:

The consent agenda included the Minutes of April 23, 2010, Meeting. It was moved by Director Budge, seconded by Director Knight, and passed by unanimous vote with Director Nottoli abstaining that:

THE CAPITAL SOUTHEAST CONNECTOR AUTHORITY BOARD OF DIRECTORS APPROVES THE CONSENT AGENDA, WHICH INCLUDED THE MINUTES OF APRIL 23, 2010, MEETING.

New Business Items:

Introduction of Draft FY 2010-11 Budget: The Executive Director introduced the Draft FY 2010-11 Budget and explained that it was similar to last year's budget. The member jurisdictions' contributions will remain the same. The Executive Director explained the differences between the Measure A funding mechanisms. He explained that all RSTP money has been expended. Federal planning grants will be pursued over the Summer. The Executive Director explained that there will be a contribution to the SSHCP in next year's budget. Director Starsky stated that he was told that the SSHCP did not require a contribution by the JPA and the Board discussed the issue. The Executive Director further discussed anticipated expenditures. Director Starsky asked a question regarding a breakdown on the JPA's legal expenses and the budgeted amount for next year.

Update on Status of Agreement with Participants of the South Sacramento Habitat Conservation Plan (SSHCP): The Executive Director explained that the JPA was continuing to work towards an agreement with the participants of the SSHCP and anticipates coming back in June with further information. The JPA's counsel, Kirk Trost, stated that he was

also consulting with the Participants to create an agreement. Director Starsky reiterated that he was told that the SSHCP did not need a contribution from the JPA.

Presentation of Program Environmental Impact Report (PEIR) Alternatives Screening and Recommendations for Further Analysis: Maggie Townsley, the JPA's environmental consultant, gave a presentation on the alternatives screening process for the PEIR. She explained the matrix attached to the Staff Report and discussed the performance of the alternatives in connection with the project objectives and adverse environmental impacts. Alternative 4 had the worst performance compared to the other alternatives. Alternative 1 had the second worst performance. Alternatives 2 and 3 had best performance for achieving project objectives and the least adverse impacts. Based on this analysis, ICF recommends adopting Alternatives 2/3 as the proposed project for the PEIR and that Alternatives 1 and 4 be compared to Alternatives 2/3 in the PEIR. Ms. Townsley also discussed meeting with federal regulatory agencies.

The Directors asked questions and discussed the alternatives screening matrix. Ms. Townsley suggested updating the project objectives and distributing it to members of the Project Development Team. A member of the public expressed concern that the amount of analysis given to the Sheldon area was not being given to the El Dorado County portion of the Connector. Concerns were also expressed regarding disbursement routes on the eastern end of the Connector and the effects on White Rock and Latrobe.

Adjournment: The meeting was adjourned by Chairperson Hume at 10:09 a.m.

Approved By:

Attest:

Director Hume
Chairperson

Kirk Trost
Secretary



Capital SouthEast Connector Board of Directors

Item #3
Receive and File

June 25, 2010

Report on Findings of Personnel Consulting Services by the California Fair Services Authority (CFSA)

Issue: To report the findings of the personnel consulting services performed by CFSA on behalf of the Connector JPA.

Recommendation: Review the attached report from CFSA regarding the personnel consulting services performed for the Connector JPA and provide comments as necessary

Discussion: In August, 2009, the JPA entered into an Agreement with CFSA to provide personnel consulting services. The purpose of these services was to research, analyze and recommend what administrative association would best serve the interests of the Connector Authority with regard to existing and future personnel services, employee benefits, retirement benefits, and other related services. Since staff has no experience in this area of investigation, it was felt the most efficient process would be to contract for the assistance of another JPA with the necessary expertise. The CFSA had recently performed such an analysis for its own organization in 2009 and was familiar with the issues and nuances to be considered. Their availability and willingness to assist the Connector Authority made them an excellent choice to perform the service.

A list of questions was developed to elicit the necessary information from the JPA's member agencies regarding their respective employee benefit and retirement packages in order to make comparisons and recommendations. The following are the three options analyzed, along with CFSA's findings:

Option #1

Shifting to another member jurisdiction for personnel services and benefits:

- Employee benefits for active and retired employees at other member agencies are comparable, but no more generous, than the current benefits offered through Sacramento County;
- It is unclear whether supplemental benefits could be negotiated through other member jurisdictions, while Sacramento County allows the Connector JPA to provide benefits at its discretion;
- Approval of the member jurisdiction's governing body would be required;
- Written approval from CalPERS would be required and the additional costs would need to be absorbed by the member jurisdiction

Option #2

Contracting directly with CalPERS for benefits to allow the JPA to administer its own personnel functions"

- It would be necessary for the Connector to have in-house or contracted expertise to operate its own personnel functions and administer the CalPERS contract;

- The Connector would need to have a reliable funding stream to implement the CalPERS contract for retirement benefits, along with the funds necessary to comply with GASB 45 requirements

Option #3

Maintain the status quo with Sacramento County:

- The Connector would not incur the administrative burden and expense of maintaining its own personnel functions;
- The Connector is already able to enhance and supplement the benefits provided by Sacramento County;
- It would be beneficial to the senior employees who have tenure with the County for accrued sick leave as that leave is used in the calculation of service retirement benefits with SCERS;
- Future options may still be pursued, including contracting with CalPERS, if increased funding becomes available to the Connector

CFSA Recommendation

Of the three options analyzed, CFSA has recommending option #3 – to maintain the status quo with Sacramento County. In summary, this option is the most desirable because employee benefits for active and retired employees at other member agencies are comparable, but no more generous than the current benefits offered through Sacramento County. In addition, the Connector would not incur the additional expenses associated with maintaining its own personnel functions.

The attached report and chart outlines CFSA's findings in detail.

Respectfully submitted,



Tom Zlotkowski
Executive Director



May 25, 2010

Mr. Tom Zlotkowski, Executive Director
Capital SouthEast Connector
10503 Armstrong Avenue, Suite 120
Mather, CA 95655
E-Mail: zlotkowski@ConnectorJPA.net

Via E-Mail and U.S. Mail

Dear Tom:

The California Fair Services Authority ("CFSA") was engaged in October, 2009 to provide personnel consulting services to the Capital SouthEast Connector ("Connector" or "Agency"). The focus of the assignment was to analyze and determine what would be in the best interests of the Connector with regard to their existing and future personnel services, employee benefits, retirement benefits, and related services currently provided by Sacramento County.

We analyzed the services and benefits currently being provided to the Connector through Sacramento County. We also developed a list of questions to pursue with the other Connector JPA member agencies regarding their respective employee benefit and retirement packages, in order to make comparisons and recommendations. Then, we focused on three options for the Agency's consideration: 1) shifting to another member jurisdiction for personnel services and benefits; 2) contracting directly with CalPERS for benefits, thus allowing the Connector to administer its own personnel functions; and 3) maintaining the status quo with Sacramento County.

Current Status — Services with Sacramento County

We analyzed the current Contract for Services effective August 11, 2009, between the Connector and the County of Sacramento. The Contract for Services provides that the County employ specified personnel and allocate their services to the Connector, with benefits being provided through the County. The Connector reimburses the County for all salary, benefits, and other compensation costs incurred by the County. The following is an outline of key provisions under the Contract for Services:

- The County employs selected individuals and provides benefits as established for the particular County position. Additional compensation and benefits may be established by the Connector.

- The Connector has the exclusive right to establish the hours and other terms and conditions of work for employees, including, but not limited to, furloughs, reductions in force, and total compensated hours worked.
- The County remains responsible for financial obligation associated with accrued leave for eligible employees who were County employees prior to assignment with Connector. Additionally, Sacramento County Employees Retirement System ("SCERS") provides for eligible employees to receive sick leave credit towards retirement service credit.
- Upon retirement, eligible employees receive retirement benefits through the SCERS. SCERS benefits are comparable to benefits available under the California Public Employees' Retirement System ("CalPERS"). Page one of the attached chart outlines the retirement and retirement health benefits under SCERS.
 - Sacramento County's retirement benefits are paid through the Sacramento County Employees Retirement System.
 - The employer rate is approximately 15.76% .
 - Sacramento County's employee rate is 4.88% and employees pay into Social Security.
 - SCERS has a 2% @ 55 retirement formula and three retirement tiers available for employees determined by date of hire and employee selection. (Connector employees are currently in all three tiers).
 - SCERS has a three year average for final compensation.
 - Retirees may participate in health and dental at cost of the plan with no contribution from the County, however, the County does pay a modest amount towards an employee's Retiree Health Savings Plan during an employee's active service.

Options with Other Member Jurisdictions

From the list of questions that was developed to determine the employee benefit and retirement packages, comparisons were made between the remaining Connector member jurisdictions: one county member (El Dorado County) and three city members (Elk Grove, Folsom and Rancho Cordova). We concluded that, while all benefits are comparable, appointment, position, and

Mr. Tom Zlotkowski
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longevity play a large roll in the benefits recognized into retirement. The Retirement and Retirement Health Benefits available with other member jurisdictions are outlined at pages 1 through 3 of the attachment. We observed the following:

- All other member jurisdictions contract with CalPERS for retirement benefits.
- All other member jurisdictions have reciprocity and require five (5) years to vest.
- The employer rates average 14.5% and employee rates are as much as 8%, with the employer picking up some or all of the employee's portion.
- Three of the four member jurisdiction employees do not pay into Social Security.
- The County member's retirement formula is 2% @ 55 and the three City members' retirement formulas are 2.7% @ 55 with varying retirement tiers.
- Two of the members have one year highest compensation and two of the members have three years highest compensation.
- All of the other member jurisdictions have very limited health benefits into retirement for newly added employees.

Contracting with CalPERS Directly

A third option is for the Connector to contract directly with CalPERS for health and retirement benefits. Under this option, the Connector would hire its own employees and provide benefits, through CalPERS, including health and retirement benefits. The following would be required for the Connector to contract directly with CalPERS:

- Negotiation and selection of CalPERS contract benefit options, as well as ongoing contract maintenance and amendments.
- Manage and administer all personnel functions, including hiring and supervising personnel, processing payroll, and administering benefits.
- Compliance and reporting to CalPERS on payroll, employees, and benefits, under CalPERS regulations.
- Provide necessary funding contributions as identified by CalPERS upon entering into a contract for retirement.

Mr. Tom Zlotkowski

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- If the Connector wishes to provide retirement health benefits, it must comply with Governmental Accounting Standard Board ("GASB") 45 which requires public sector employers to accrue the costs of other post-employment benefits ("OPEB") over the career of an employee. All public sector employers offering OPEBs, other than pensions, are required to reflect the costs of those benefits in their financial statements.

Analysis of Options and Recommendations

The first option we considered was shifting to another member jurisdiction for personnel services and benefits. Under the analysis of this option, we determined the following:

- Employee benefits for active and retired employees at other member jurisdictions are comparable, but no more generous, than the current benefits offered through Sacramento County.
- It is unclear whether supplemental benefits could be negotiated through other member jurisdictions, while Sacramento County allows the Connector to provide supplemental benefits at its discretion.
- Approval of the member jurisdiction's governing body would be required for the Connector to contract with a different member jurisdiction for personnel services, including health and retirement benefits.
- Written approval from CalPERS would be required for the Connector to participate in a different member jurisdiction's retirement plan.

The second option we considered was for the Connector to contract directly with CalPERS for benefits. Analyzing this option, we determined:

- It would be necessary for the Connector to have in-house or contracted expertise to operate its own personnel function and administer the CalPERS contract pursuant to CalPERS policies and regulations.
- It would be necessary for the Connector to have a reliable funding stream to implement the CalPERS contract for retirement benefits, along with the funds necessary to comply with GASB 45 requirements for post retirement health benefits.

The third option we considered was for the Connector to maintain the status quo under its Contract for Services with Sacramento County. Based upon the foregoing analysis, we are currently

Mr. Tom Zlotkowski
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recommending the third option for the following reasons:

- The Connector will not incur the administrative burden and expense of maintaining its own personnel function, which would be difficult given its current staffing level.
- The Connector is already able to provide the benefits provided by Sacramento County, and to enhance and supplement those benefits if desired.
- Staying with Sacramento County is beneficial to the senior employees who have tenure with the County for accrued sick leave. Accrued sick leave is used in the calculation of service retirement benefits with SCERS.
- Staying with the County doesn't limit future options including contracting with CalPERS if increased funding for the Connector becomes available.

I would be happy to meet with you or to speak with you on the phone to further discuss my analysis and recommendations.

Sincerely,



Donna K. Horner
Assistant Director Operations

Attachment

cc: Kirk E. Trost, Miller, Owen and Trost
Christiane E. Layton, Miller, Owen and Trost

RETIREMENT BENEFITS PROGRAM COMPARISON

County or City	Retirement Plan	Employer Rate	Employee Rate	Retirement Formula	Final Comp	Full Benefit or Modified (Tier 1 or 2)	Health Benefits Into Retirement	Reciprocity	Vesting	Deferred Comp.
Sacramento County Employee Benefits Office 700 H S., Rm. 6750 SCERS (916) 874-9119	SCERS	As of July 2009, 15.76% for Tier 3	3.24% of first \$161 & 4.88% over \$161 Employees Pay into Social Security	2% @ 55	3 year average	Tier 1 is fixed Tier 2 & 3 are indexed (COLAs)	If retired prior to May 31, 2007 a portion of benefit is paid into retirement. After May 31, 2007, retirees may participate in health and dental at cost of plan with no contribution from the County. County contributes \$25 to RHSP (Retiree Health Savings Plan) for Regular and Part-time Employees	Yes	5 years	Small match for Atty & Mgrs if they contribute to 457 plan County will match 1% in a 401(a) plan
El Dorado County 330 Fair Lane Placerville, CA 95667 (530) 621-5565	CalPERS		7% Employee rate may be paid by county - depending on employee classification or bargaining unit.	2% @ 55	1 year highest	Full	Verify benefits into retirement 12 years of eligible service at retirement to qualify for County paid credits to towards retiree health coverage. Amount of credit depends on years of	No guarantee return rights to county Yes, but only with respect to CalPERS retirement credit - does not apply to credit towards health	5 years	457 Plan - County may contribute to Management

RETIREMENT BENEFITS PROGRAM COMPARISON

County or City	Retirement Plan	Employer Rate	Employee Rate	Retirement Formula	Final Comp	Full Benefit or Modified (Tier 1 or 2)	Health Benefits Into Retirement	Reciprocity	Vesting	Deferred Comp.
			<p>If not represented, Employee will pay 7% for the 1st year; County will pay on behalf of employees, 3.5% for 2nd year and 7% for 3rd year..</p> <p>Employees do not pay into Social Security.</p>				<p>service with COUNTY and not other public agencies/CalPERS and the County's contract limits.</p>	<p>coverage into retirement.</p>		
			<p>12 days sick leave; 15-25 days vacation; 11 Paid Holidays plus 2 Floating Holidays</p>							
<p>City of Elk Grove 8401 Laguna Palms Way Elk Grove, CA 95758 (916) 683-7111</p>	CalPERS	12.217%	<p>8%-100% Employer Paid</p> <p>Employees do not pay into Social Security.</p>	<p>2.7% @ 55</p>	<p>3 year average</p>	Full	<p>City contributes \$200 to RHSP (Retiree Health Savings Plan) for Regular and Part-time Employees (RHSP goes with Employee)</p>	Yes	5 years	<p>Matching 100% up to 3% for all employees - 1 year vesting period.</p>
			<p>Annual Leave (sick and vacation) 176 hours per year (6.77 hours per pay period) up to 240 hours per year (9.23 hours per pay period) based on years of service.</p>							

RETIREMENT BENEFITS PROGRAM COMPARISON

County or City	Retirement Plan	Employer Rate	Employee Rate	Retirement Formula	Final Comp	Full Benefit or Modified (Tier 1 or 2)	Health Benefits Into Retirement	Reciprocity	Vesting	Deferred Comp.
				11 Paid Holidays plus 1 Floating Holiday						
City of Folsom City Hall, Second Floor Folsom, CA 95630 (916) 355-7208	CalPERS	16.006%	8%-100% Employer Paid Employees pay into Social Security.	2.7% @ 55	1 year highest	Full	All benefits (health, dental, and vision) into retirement if hired before May 9, 2008. Hired after May 9, 2008, Dental & Vision only. City contributes \$50 to RHSP (Retiree Health Savings Plan) for Regular Employees. City does not participate in CalPERS Health	Yes	5 Years	Matching w/limits & Service Years and bargaining unit (Mid Mgt and Misc.)
				80 Hours Management Leave per year Annual Leave is based on years of service and ranges from 16 hours per month at 5 years of service to 24 hours per month at 15+ years of service 12 Holidays per year plus 1 Personal Holiday						
City of Rancho Cordova (916) 851-8740	CalPERS		8% - 5.5% Employer paid 2.5% Employee paid	2.7% @ 55	3 year average	Full	Nothing into retirement	Yes	5 Years	3% matching

RETIREMENT BENEFITS PROGRAM COMPARISON

County or City	Retirement Plan	Employer Rate	Employee Rate	Retirement Formula	Final Comp	Full Benefit or Modified (Tier 1 or 2)	Health Benefits Into Retirement	Reciprocity	Vesting	Deferred Comp.
			Employees do not pay into Social Security.							
			Universal Leave Accrual 2.25/2.66 days per month for first year. Accrual rates increase based on years of service. 12 Holidays per year plus 1 Floating Holiday							



Capital SouthEast Connector Board of Directors

Item #4
Receive and File

June 25, 2010

Issue: Update on Sheldon Limited Access Roadway (LAR) Efforts

Recommendation: Receive and File

Discussion: The purpose of this agenda item is to update the Board on the efforts in the Sheldon Community thus far into the subject study. In an effort to invite more collaboration with the community, the Sheldon LAR Study has been branded with the title Sheldon Grant Line Road (GLR) Vision Plan.

The current phase of the effort is for the consultant, Design, Community, & Environment (DCE), to gain familiarity with the community and the Capital SouthEast Connector Project. The entire outreach and information process will culminate in a design Charrette (multi-day design workshop) held on July 9-12, 2010. This four-day design-intensive Charrette will be a collaborative process that encourages stakeholders to come together and draft possible solutions for long term vehicular capacity through Sheldon with the least disruption to residents and businesses.

The following is a summary of the efforts to date:

- A local studio has been established in the commercial center of Sheldon, located at 8973 Grant Line Road, Elk Grove, CA 95624. As of June 18th, approximately 82 people have stopped by the office (not counting current CWG members).
- Advertisement for the local studio and design Charrette was mailed to the community (1200 letters). Local businesses were invited to post a flyer in their front windows.
- The Sheldon/Wilton Community Working Group (CWG) have been knocking on doors to inform the community of the Capital SouthEast Project, the local office hours, and the upcoming Charrette.
- On the weeks of June 7th and June 14th, DCE has been holding office hours twice a week, 8 hours per day.
- On the week of June 21st, DCE held office hours for the entire week.
- During the week of June 21st, DCE will be conducting stakeholder meetings to gather the concerns of focus groups. Three stakeholder meetings have been identified: 1) the local businesses 2) the residents directly on Grant Line Road and 3) residential representatives from the interior parcels set back from Grant Line Road.
- The City of Elk Grove is providing planning personnel on behalf of the City to answer questions the week of June 21st.
- The City of Elk Grove is lending a traffic changeable message sign on Grant Line Road to let the public know when the office hours are being held. There has been attendance at the studio because of the changeable message sign.
- The Local Project Representative, Tom Franzoia, has been assisting in the local office and with the outreach effort.
- An Elk Grove Citizen article featured the Connector Project in its May 28, 2010, issue. The workshop and Charrette schedule were also featured.
- Future outreach efforts include: further office hours on July 1, print advertisements in local newspapers, radio spots on local news radio.

The local Sheldon office has prompted some good conversation and questions. The JPA staff and DCE look forward to a productive design Charrette to be held July 9-12 at the Sheldon studio office. Summary and preliminary results of the Charrette will be presented to the Board at its next meeting in August.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Tom Zlotkowski". The signature is fluid and cursive, with the first name "Tom" and last name "Zlotkowski" clearly distinguishable.

Tom Zlotkowski
Executive Director



Capital SouthEast Connector Board of Directors

Item #5
Motion

June 25, 2010

Nomination and Election of Board Chair and Vice Chair for FY 2010-2011

Issue: The annual nomination and election of a Board Chair and Vice Chair.

Recommendation: Staff recommends that the Board nominate and elect a Chair and Vice Chair to preside over the FY 2010-2011 Board meetings.

Discussion: In June 2009, the Board of Directors nominated and elected Patrick Hume as Chair of the Board and Jeff Starsky as Vice Chair, pursuant to section 6.c (1) of the Authority's Joint Exercise of Powers Agreement. Staff wishes to recognize Chair Hume and Vice-Chair Starsky for their service during the previous year.

The Joint Exercise of Powers Agreement indicates that the Board Chair shall be elected annually, and the Authority's Bylaws state that the term of office for the Chair and Vice Chair shall be one year. Based on these provisions, Staff recommends that the Board nominate and elect a Board Chair and Vice Chair for FY 2010-2011.

Respectfully Submitted,

Tom Zlotkowski
Executive Director



Capital SouthEast Connector Board of Directors

Item #6
Motion

June 25, 2010

Agreement with Participants of the South Sacramento Habitat Conservation Plan (SSHCP)

Issue: To provide an update on the status of the Connector Project's participation in the SSHCP and provide the Board with an opportunity to take action on this item.

Recommendation: Staff will provide a verbal update on the SSHCP process.

Discussion: This item is a continuation of the matter presented at the May 2010, Board meeting. Staff has previously submitted staff reports on this item at the March 2010, and April 2010, Board meetings.

Staff will present additional information on this item at the June 25, 2010, Board meeting.

Respectfully Submitted,

Tom Zlotkowski
Executive Director



Capital SouthEast Connector Board of Directors

Item #7
Resolution

June 25, 2010

FY 2010-11 Budget

Issue: To adopt the annual budget for the Capital SouthEast Connector JPA covering the period of July 2010 through June 2011, inclusive.

Recommendation: The Executive Director and the Agency Staff Advisory Committee recommend that the Board approve and adopt the attached budget for FY 2010-11 as presented at this meeting.

Discussion: Section 6.d.4 of the Capital SouthEast Connector Joint Powers Authority Agreement requires that the Board adopt a budget within 120 days of its first meeting and no later than June 30 of each year thereafter. Additionally, Sacramento County, acting as the Treasurer/Auditor for the Authority, requires that a budget be adopted prior to processing transactions on behalf of the Authority.

The Executive Director prepared a proposed budget for FY 2010-11 and presented it at the May 21, 2010, Board meeting. That proposed budget has been revised to reflect the removal of four line items related to the County's allocated costs. The JPA's legal counsel has determined that the JPA should not incur these allocated costs (see a detailed explanation on page 2), which total \$13,811. This cost savings has been applied to the "Other Professional Services" line item. In addition, the Measure A allocation for FY 2010-11 was reduced from \$2,638,403 to \$2,558,000 (\$80,403). This reduction in revenue is reflected in the reduced budget available for "Other Professional Services." In summary, with the savings on allocated costs and the reduction in Measure A proceeds, the total reduction for the "Other Professional Services" line item from the Proposed FY 2010-11 budget is \$66,592.

The contract between the Sacramento Transportation Authority (STA) and the Connector JPA for an allocation of Measure A proceeds in the amount of \$2,558,000 for FY 2010-11 will be presented for STA Board approval at their July 22, 2010, Board meeting. Of this total contract amount, \$200,000 will be made available in the form of "pay-go" funds as approved by the STA Board earlier this month.

The revenues anticipated in the proposed FY 2010-11 budget include a combination of Sacramento Transportation Authority (STA) Measure A bond proceeds, Measure A "pay-go" proceeds, member agency contributions, and a small amount of interest earnings.

The key elements of the proposed budget are set forth below:

Revenue

- The proposed member agency contribution for FY 2010-11 is \$10,000 for each of the five jurisdictions. This is the same contribution as last year. These funds shall be used for expenses that are not reimbursable through Measure A proceeds. A resolution confirming that contribution is attached for approval.
- Measure A bond proceeds shall continue to be used exclusively for project related expenditures in line with current STA revenue estimates.
- Measure A "pay-go" revenues shall continue to be used exclusively for administrative expenses that cannot be reimbursed using bond proceeds.

- As previously reported, the Federal RSTP funds that remained from the SACOG Phase One work were exhausted during FY 2009-10.
- Due to re-structuring of the environmental services contract, revenues originally budgeted for that contract will be re-allocated to the "Other Professional Services" revenue line item.
- Unexpended bond revenues from FY 2009-10 can be re-budgeted for use in FY 2010-11 once a new annual contract is approved by the STA. The total availability of unexpended bond revenue from FY 2009-10 is contingent on the JPA's participation in the SSHCP. It is currently anticipated that approximately \$576,500 of Measure A bond proceeds will remain for use in FY 2010-11.
- It is anticipated that \$27K of local funds will remain by the fiscal year end and will be used to supplement the Measure A "pay-go" funds if required.

Expenditures

- Salaries and Benefits remain basically unchanged for FY 2010-11 except for benefit cost increases as provided by Sacramento County.
- Legal services budget will be reduced to \$150K from the amended \$200K allocation.
- Major contract expenditures for FY 2010-11 will be:
 - The environmental services contract, which will continue from FY 2009-10 and will extend into FY 2010-11. This is a separate budget line item (\$1.14M). This allocation will likely conclude the required funding for this contract.
 - The remaining portion of the services contract with Design, Community & Environment (DC&E) to conduct the Limited Access Roadway outreach and concept process design in the Sheldon area (\$75K plus any additional funding approved by the Board).
 - Contract for financial advisory services (\$110K).
 - A number of smaller project related and administrative contracts executed by the Executive Director (\$150K).
- Allocated cost and support services from the County of Sacramento. As discussed above, certain County costs do not apply to the JPA, as follows:
 - County liability insurance: This cost is for excess liability insurance to cover claims above a self-insured retention of \$2M. The JPA carries its own comprehensive general liability insurance in the amount of \$35M per occurrence and does not require any additional excess liability insurance.
 - Executive Cabinet: This cost is for services provided by the County Executive Office. The JPA does not receive such services.
 - Bonded Debt Service: This cost is for debt service on County-owned facilities/buildings. The JPA leases all office space from a non-County owned building and should not incur this cost.
 - Countywide Cost Plan: This cost is in support of the County Executive and Board of Supervisors. The JPA is not governed by nor does it receive services from the County Board of Supervisors or the Executive team at the County.

The budget does not include participation in the South Sacramento Habitat Conservation Plan (SSHCP), but reflects a fund balance that would allow for the anticipated contribution of \$500,000, should the Board choose to join this effort as a plan partner. As the long range Plan of Finance is developed over the course of the fiscal year, staff will report back to the Board on the status of overall revenue balances and make recommendations on the uses.

In addition to the attached resolution adopting the FY 2010-11 budget, staff also requests the Board adopt a second attached resolution that officially requests the \$10,000 local contribution from the individual member jurisdictions. This resolution will clarify the expectation of the Board with respect to the member contributions and hopefully expedite the processing and receipt of said funds.

The proposed budget is in substantial conformance with the JPA plan of finance/funding adopted by the Board in March, 2009. Details of the proposed budget are found on the attached budget spreadsheet. Staff requests that the Board review the attached spreadsheet and provide comments and recommendations to staff in anticipation of adopting a final budget at this Board meeting.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Tom Zlotkowski". The signature is stylized and written in a cursive-like font.

Tom Zlotkowski
Executive Director

CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY

Proposed Final Budget for FY 2010/11

Expenditures	Breakdown by Revenue Stream					Total
	Project Related	Non-Project Related			Total	
	Bond	Pay-go	JPA Member Contribution	Interest Income		
Salaries & Benefits	\$ 587,020	\$ 500,581	\$ 86,439			\$ 587,020
Services & Supplies:						
Facilities, Furniture & Equipment	\$ 64,610	10,000	22,305	32,305		64,610
Legal Services	150,000	138,000	12,000			150,000
Other Professional Services (DCE, ENS, Future Consultants)	518,408	518,408				518,408
Support Services (AFS, Audits, MIS)	66,490	20,507	45,983			66,490
Environmental Services	1,138,000	1,138,000				1,138,000
Allocated Costs (phones, mail, personnel srvs) *	20,802	2,282	18,520			20,802
Other (supplies, insurance, fax, copier, etc.) *	49,470	22,722	14,753	10,195	1,800	49,470
Total Services & Supplies	\$ 2,007,780	\$ 1,849,919	\$ 113,561	\$ 42,500	\$ 1,800	\$ 2,007,780
Other Charges	15,000	7,500		\$ 7,500		15,000
Total Expenditures	\$ 2,609,800	\$ 2,358,000	\$ 200,000	\$ 50,000	\$ 1,800	\$ 2,609,800
Revenues:						
Measure A Bond Proceeds **	\$ 2,358,000	\$ 2,358,000				\$ 2,358,000
Measure A Pay-Go Proceeds	200,000		\$ 200,000			200,000
Contributions from JPA jurisdictions	50,000			\$ 50,000		50,000
Interest Income	1,800				\$ 1,800	1,800
Total Revenues	\$ 2,609,800	\$ 2,358,000	\$ 200,000	\$ 50,000	\$ 1,800	\$ 2,609,800
* Charges removed from County Allocated Cost Package and applied to Other Professional Services	\$ 13,811					
** Measure A allocation reduction decreases Other Professional Services	\$ 80,403					
Fiscal Year-End local funds remaining	\$ 27,000					
Fiscal Year-End Measure A funds remaining	\$ 576,500					



Item #7
Attachment

RESOLUTION NO. 2010-06

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CAPITAL SOUTHEAST CONNECTOR
AUTHORITY ADOPTING THE BUDGET
FOR THE 2010-11 FISCAL YEAR

BE IT RESOLVED by the Board of Directors ("Board") of the Capital SouthEast Connector Authority that the proposed FY 2010-11 Budget, presented to the Board at this meeting and attached hereto, is hereby adopted in substantially the same form as attached hereto.

This Resolution shall take effect from and after the date of its passage and adoption.

* * * * *

PASSED AND ADOPTED this 25th day of June, 2010, by the following vote:

AYES:

NOES:

ABSENT:

Chairperson

ATTEST:

Secretary



Item #7
Attachment

RESOLUTION NO. 2010-07

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CAPITAL SOUTHEAST CONNECTOR
AUTHORITY ADOPTING THE MEMBER
JURISDICTION CONTRIBUTION
FOR THE 2010-11 FISCAL YEAR

BE IT RESOLVED by the Board of Directors ("Board") of the Capital SouthEast Connector Authority ("Authority") that each member jurisdiction shall contribute local funds in the amount of \$10,000 for the FY 2010-11 Annual Budget, as presented to the Board at this meeting.

This Resolution is intended to facilitate the expeditious transfer of funds from member jurisdictions to the Authority, which will aid in the management of the Authority's cash account.

This Resolution shall take effect from and after the date of its passage and adoption.

* * * * *

PASSED AND ADOPTED this 25th day of June, 2010, by the following vote:

AYES:

NOES:

ABSENT:

Chairperson

ATTEST:

Secretary



Capital SouthEast Connector Board of Directors

Item #8
Resolution

June 25, 2010

FY 2010-11 Work Program and Schedule

Issue: To continue the active development of the Connector Project by adopting a Work Program and Schedule for Fiscal Year 2010-11.

Recommendation: Approve the proposed Work Program and Schedule for FY 2010-11 and direct staff to pursue the Work Program consistent with the FY 2010-11 Budget.

Discussion: This item will be continued to the August 12, 2010, Board meeting.

Respectfully Submitted,

Tom Zlotkowski
Executive Director