



**San Gabriel Valley Council of Governments**  
**AGENDA AND NOTICE OF THE SPECIAL MEETING**  
**OF THE SGVCOG EXECUTIVE COMMITTEE**  
**April 10, 2017 - 4:00 PM**  
**LOCATION: SGVCOG Office**  
**(1000 S. Fremont Ave., Alhambra, CA)**

Thank you for participating in tonight's meeting. The Executive Committee encourages public participation and invites you to share your views on agenda items.

President  
**Cynthia Sternquist**

1<sup>st</sup> Vice President  
**Margaret Clark**

2<sup>nd</sup> Vice President  
**Vacant**

3<sup>rd</sup> Vice President  
**Vacant**

Immediate Past President  
**Vacant**

Transportation Chair  
**John Fasana**

Homelessness Chair  
**Joseph Lyons**

EENR Chair  
**Denis Bertone**

Water Resources Chair  
**Diana Mahmud**

ACE Chair  
**Juli Costanzo**

**MEETINGS:** *Regular Meetings of the Executive Committee are held the first Monday of every month at 4:00 p.m. at the SGVCOG Office (1000 S. Fremont Ave., Building 10, Suite 10210, Alhambra, California 91803).* The Executive Committee agenda packet is available at the San Gabriel Valley Council of Government's (SGVCOG) Office, 1000 South Fremont Avenue, Suite 10210, Alhambra, CA, and on the website, [www.sgvkog.org](http://www.sgvkog.org). Copies are available via email upon request ([sgv@sgvcog.org](mailto:sgv@sgvcog.org)). Documents distributed to a majority of the Board after the posting will be available for review in the SGVCOG office and on the SGVCOG website. Your attendance at this public meeting may result in the recording of your voice.

**CITIZEN PARTICIPATION:** Your participation is welcomed and invited at all Executive Committee meetings. Time is reserved at each regular meeting for those who wish to address the Board. SGVCOG requests that persons addressing the Executive Committee refrain from making personal, slanderous, profane or disruptive remarks.

**TO ADDRESS THE EXECUTIVE COMMITTEE:** At a regular meeting, the public may comment on any matter within the jurisdiction of the Board during the public comment period and may also comment on any agenda item at the time it is discussed. At a special meeting, the public may only comment on items that are on the agenda. Members of the public wishing to speak are asked to complete a comment card or simply rise to be recognized when the Chair asks for public comments to speak. We ask that members of the public state their name for the record 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 discussion. **The Executive Committee may not discuss or vote on items not on the agenda.**

**AGENDA ITEMS:** The Agenda contains the regular order of business of the Executive Committee. Items on the Agenda have generally been reviewed and investigated by the staff in advance of the meeting so that the Executive Committee can be fully informed about a matter before making its decision.

**CONSENT CALENDAR:** Items listed on the Consent Calendar are considered to be routine and will be acted upon by one motion. There will be no separate discussion on these items unless a Board member or citizen so requests. In this event, the item will be removed from the Consent Calendar and considered after the Consent Calendar. If you would like an item on the Consent Calendar discussed, simply tell Staff or a member of the Executive Committee.

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In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SGVCOG office at (626) 457-1800. Notification 48 hours prior to the meeting will enable the SGVCOG to make reasonable arrangement to ensure accessibility to this meeting.



**PRELIMINARY BUSINESS**

1. Call to Order
2. Roll Call
3. Public Comment (*If necessary, the President may place reasonable time limits on all comments*)
4. Changes to Agenda Order: Identify emergency items arising after agenda posting and requiring action prior to next regular meeting (*It is anticipated that the Executive Committee may take action on these matters*)

**CONSENT CALENDAR** (*It is anticipated that the Executive Committee may take action on the following matters*)

5. Executive Committee Meeting Minutes  
*Recommended Action: Approve Executive Committee minutes.*

**DISCUSSION ITEMS** (*It is anticipated that the Executive Committee may take action on the following matters*)

6. Call for Nominations  
*Recommended Action: For information only.*
7. FY 2017-18 Draft Budget  
*Recommended Action: For information only.*
8. Ad Hoc ACE/Large Capital Projects Committee Next Steps  
*Recommended Action: For information only.*
9. Measure H Guiding Principles  
*Recommended Action: For information only*
10. Caltrans Audit  
*Recommended Action: For information only*

**GENERAL COUNSEL'S REPORT**

**PRESIDENT'S REPORT**

11. Oral Report  
*Recommended Action: For information only.*

**EXECUTIVE DIRECTOR'S REPORT** (*It is anticipated that the Executive Committee may take action on the following matters*)

12. Oral Report  
*Recommended Action: For information only.*

**ACTION ITEMS** (*It is anticipated that the Executive Committee may take action on the following matters*)

13. Draft Governing Board Agenda  
*Recommended Action: Provide direction to staff.*

**ANNOUNCEMENTS**

**ADJOURN**



**SGVCOG**  
**Executive Committee Minutes**  
**March 6, 2017**  
**4:00 PM**  
**SGVCOG Office**

**PRELIMINARY BUSINESS**

1. Call to Order  
 The meeting was called to order at 4:19 p.m.

2. Roll Call

Members Present	Members Absent
G. Murabito, President K. Stapleton, 1st Vice President C. Sternquist, 2 <sup>nd</sup> Vice President D. Mahmud, Water Committee J. Lyons, Homelessness Chair J. Fasana, Transportation Chair M. Clark, 3 <sup>rd</sup> Vice President J. Costanzo, ACE Chair	D. Bertone, EENR Chair

**Staff:**

- P. Hawkey, Executive Director
- M. Creter, Staff
- C. Cruz, Staff
- M. Christoffels, ACE CEO
- I. Tsai, Jones & Meyer

3. Public Comment  
 There were no comments from the public.
4. Changes to Agenda Order: D. Mahmud requested to add discussion of endorsing Irma Munoz' application to be a member of the State Resources Water Control Board.

**CONSENT CALENDAR**

5. Executive Committee Meeting Minutes  
**There was a motion to approve the consent calendar (M/S: D. Mahmud/J. Fasana).**

**[MOTION PASSES]**

<b>AYES:</b>	K. Stapleton, C. Sternquist, D. Mahmud, J. Fasana, J. Lyons, M. Clark, J. Costanzo, G. Murabito
<b>NOES:</b>	
<b>ABSTAIN:</b>	
<b>ABSENT:</b>	D. Bertone

**DISCUSSION ITEMS**

6. Treasurer's Report  
 R. Graves reviewed the report.
7. FY 2015-16 Financial Audit  
 P. Hawkey reviewed the audit and indicated there were no finding.

- 8. FY 2017-18 Preliminary Budget  
P. Hawkey reviewed the preliminary budget and indicated the draft budget would be presented in April.
- 9. Ad Hoc ACE/Large Capital Projects Committee Next Steps  
P. Hawkey discussed the report outline that was developed by the committee.
- 10. FY 2017-18 Strategic Plan Update  
M. Creter reviewed the strategic plan update.
- 11. Measure M Guiding Principles  
P. Hawkey reviewed the guiding principles that were presented to the Transportation Committee in February.
- 12. Transportation Planner/Program Manager Job Description  
P. Hawkey discussed the efforts to develop a job description for the transportation planner/manager position.

**GENERAL COUNSEL’S REPORT**

- 13. Executive Committee Membership/ Immediate Past-President  
The Executive Committee directed General Counsel to prepare a revision to the bylaws that would clarify current practices.

**PRESIDENT’S REPORT**

- 14. Oral Report  
There was no President’s Report

**EXECUTIVE DIRECTOR’S REPORT**

- 15. Oral Report

**ACTION ITEMS**

- 16. Draft Governing Board Agenda  
**There was a motion to approve the Governing Board Agenda with the addition of bylaws revision (M/S: J. Fasana/D. Mahmud).**

**[MOTION PASSES]**

<b>AYES:</b>	K. Stapleton, C. Sternquist, D. Mahmud, J. Fasana, J. Lyons, M. Clark, J. Costanzo, G. Murabito
<b>NOES:</b>	
<b>ABSTAIN:</b>	
<b>ABSENT:</b>	D. Bertone

**ANNOUNCEMENTS**

**ADJOURN**

The meeting adjourned at 6:00 P.M.



April 3, 2017

**OFFICERS**

*President*  
Cynthia Sternquist

*1<sup>st</sup> Vice President*  
Margaret Clark

*2<sup>nd</sup> Vice President*  
Vacant

*3<sup>rd</sup> Vice President*  
Vacant

**MEMBERS**

*Alhambra*

*Arcadia*

*Azusa*

*Baldwin Park*

*Bradbury*

*Claremont*

*Covina*

*Diamond Bar*

*Duarte*

*El Monte*

*Glendora*

*Industry*

*Irwindale*

*La Cañada Flintridge*

*La Puente*

*La Verne*

*Monrovia*

*Montebello*

*Monterey Park*

*Pasadena*

*Pomona*

*Rosemead*

*San Dimas*

*San Gabriel*

*San Marino*

*Sierra Madre*

*South El Monte*

*South Pasadena*

*Temple City*

*Walnut*

*West Covina*

*First District, LA County*  
*Unincorporated Communities*

*Fourth District, LA County*  
*Unincorporated Communities*

*Fifth District, LA County*  
*Unincorporated Communities*

*SGV Water Districts*

**TO: ALL SGVCOG GOVERNING BOARD MEMBERS**

**RE: SGVCOG LEADERSHIP OPPORTUNITIES**

This letter is to inform you of the various leadership positions with the San Gabriel Valley Council of Governments (SGVCOG). It is the adopted policy of the SGVCOG Governing Board to send out an annual notification of all opportunities to serve as one of our Agency's officers, on our policy committees, and as the SGVCOG representative to external agencies.

Currently these opportunities are as follows:

- **SGVCOG Officer Positions** (See Exhibit 1)
  - President
  - 1<sup>st</sup> Vice President
  - 2<sup>nd</sup> Vice President
  - 3<sup>rd</sup> Vice President
- **SGVCOG Policy Committees** (See Exhibit 2)
  - Transportation
  - Homelessness
  - Energy, Environment and Natural Resources
  - Water
- **SGVCOG Appointments to External Agencies** (See Exhibit 3)
  - Southern California Association of Governments (7 appointments)
    - Transportation Committee
    - Community, Economic, and Human Development
    - Energy and Environment
  - Foothill Gold Line
  - Leagues of California Cities – Los Angeles Division
  - San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy Board: SGVCOG Seat #1- San Gabriel River and/or its Tributaries
  - Metro Service Council

The exhibits provide information about each of the respective committees or organizations, eligibility requirements, and the job duties and responsibilities associated with each appointment.

**Nominations and Appointment Process**

**All individuals who are interested in being appointed to any of the leadership opportunities must submit their names in writing to the SGVCOG offices by 4 PM on April 27, 2017 (nominations are accepted via email).** All committee nominations will be made at the May Governing Board meeting.

Should you have any questions, please feel free to contact the SGVCOG offices at (626) 457-1800.

Sincerely,

A handwritten signature in blue ink, appearing to read "Philip A. Hawkey". The signature is fluid and cursive, with a large initial "P" and "H".

Philip A. Hawkey  
Executive Director  
San Gabriel Valley Council of Governments

Attachment: Exhibits 1, 2, 3

## **SGVCOG Officer Positions**

Section 11 of the SGVCOG's JPA stipulates that the Governing Board shall elect persons to serve as President and 1<sup>st</sup> Vice-President for the coming fiscal year. All candidates must be serving as the Governing Board Representatives (delegates) from their member cities. Moreover, the JPA stipulates that the elections shall take place at the May meeting of the Governing Board. The terms of office will commence on July 1 and expire June 30. The Bylaws of the SGVCOG provide that a 2<sup>nd</sup> and 3<sup>rd</sup> Vice-President are also to be elected by the Governing Board at the same time and in the same manner as the President and 1<sup>st</sup> Vice-President.

The duties and responsibilities of the Officer positions are as follows:

- **President:** According to Section 11 of the SGVCOG JPA, the duties and responsibilities of the COG President are as follows: *“The President shall be the chairperson of the Governing Board, shall conduct all meetings of the Governing Board and perform such other duties and functions as required of such person by provisions of applicable law, this Agreement, the Bylaws or by the direction of the Governing Board.”* Duties of President include, but are not limited to:
  - Chair the Governing Board and Executive Committee meetings.
  - Review and approve the Governing Board agenda.
  - Serve as the SGVCOG representative on the ACE Board of Directors.
  - Serve as a signatory on COG checks, contracts, and resolutions.
  - Serve as the official representative of the COG at all events, including Congressional hearings and press conferences
- **Vice President:** According to Section 11 of the SGVCOG JPA, the duties and responsibilities of the SGVCOG Vice President are as follows: *“The Vice-President shall serve as President in the absence of the President and shall perform such duties as may be required by the provisions of applicable law, this Agreement, the Bylaws, or by the direction of the Governing Board or the Presidents.”* The Vice President serves as the second position in the Governing Board officer leadership succession. This individual is responsible for fulfilling the duties and responsibilities of the President in their absence.
- **2<sup>nd</sup> and 3<sup>rd</sup> Vice President:** Article 5, Section A describes the duties and responsibilities of the SGVCOG 2<sup>nd</sup> and 3<sup>rd</sup> Vice President as follows: *“The Second and Third Vice Presidents may individually serve as President in the absence of the President and Vice President and shall perform such duties as may be required by the Agreement, these Bylaws, or by direction of the Governing Board or the President.”* The 2<sup>nd</sup> and 3<sup>rd</sup> Vice Presidents serve as the third and fourth positions respectively in the Governing Board officer leadership succession. These individuals are responsible for fulfilling the duties and responsibilities of the President and Vice-President in their absence. Additionally, they are responsible for assisting the President in whatever capacity is requested.

***Meetings:***

Executive Committee meetings are held on the first Monday of the month at 4:00 p.m. at the SGVCOG office in Alhambra. The Governing Board meets on the third Thursday of the month at 6:00 p.m. at the Upper San Gabriel Valley Municipal Water District in Monrovia.

***Eligibility:***

SGVCOG Officer positions are open only to SGVCOG Governing Board delegates.

***Compensation:***

There is no compensation paid for attending the Executive Committee meetings. All Governing Board delegates and alternates are paid a \$50 stipend for attending the monthly Governing Board meeting.



## **SGVCOG Policy Committees**

In 2007, the SGVCOG adopted a policy whereby all committee appointments would be reviewed and renewed on annual basis. This was intended to encourage attendance by committee members as well as to inform new board members about opportunities to participate on the SGVCOG's various committees.

The SGVCOG standing committees serve as forums to present and discuss issues relevant to the COG as well as make policy recommendations to the SGVCOG Governing Board. The SGVCOG committees meet regularly, typically every month. Other Ad Hoc Committees are formed on an as needed basis. Cities may have both a representative and alternate for each committee; however, each city is allowed only one vote.

The SGVCOG has four standing Policy Committees as follows:

- **Transportation:** The SGVCOG Transportation Committee studies problems, programs and other matters which pertain to the regional issues of mobility, air quality, transportation control measures and makes policy recommendations to the Governing Board on issues related to transportation.
- **Homelessness:** The SGVCOG Homelessness Committee studies problems, programs, and other matters which pertain to the regional issue of homelessness and related issues, and provides policy direction in these areas to the Governing Board.
- **Energy, Environment and Natural Resources (EENR):** The SGVCOG's Energy, Environment, and Natural Resources (EENR) Committee undertakes activities related to improving air, water, land, natural resources and energy throughout the San Gabriel Valley, securing a fair share of environmental resources, forging a unified voice on environmental issues, and studying, evaluating, and making recommendations on environmental issues.
- **Water:** The SGVCOG Water Committee studies problems, programs, and other matters which pertain to the issues of water resources, water quality, wastewater and other regional issues and provides policy direction in these areas to the Governing Board.

### ***Meetings:***

Meetings are held as follows:

- Transportation:
  - *Date:* 3<sup>rd</sup> Thursday of the month
  - *Time:* 4:00 p.m.
  - *Location:* Upper San Gabriel Valley Municipal Water District Office, Monrovia
- Homelessness:
  - *Date:* 4<sup>th</sup> Monday of the month
  - *Time:* 12:30 noon
  - *Location:* Monrovia Public Library

- Energy, Environment, and Natural Resources:
  - *Date:* 3<sup>rd</sup> Wednesday of the month
  - *Time:* 12:30 p.m.
  - *Location:* Upper San Gabriel Valley Municipal Water District Office, Monrovia
  
- Water Committee:
  - *Date:* 3<sup>rd</sup> Wednesday of the month
  - *Time:* 10:00 a.m.
  - *Location:* Upper San Gabriel Valley Municipal Water District Office, Monrovia

***Eligibility:***

According to SGVCOG by-laws, any city council member, city manager or city or County staff members may serve as the representative or alternate on SGVCOG standing and ad hoc committees.

***Compensation:***

There is no compensation paid for participation in SGVCOG Policy Committees.

**SGVCOG Appointments to External Agencies:**

**1. Southern California Association of Governments (SCAG) Policy Committees**

The Southern California Association of Governments (SCAG) is the Metropolitan Planning Organization (MPO) for the six county area of Southern California. SCAG is governed by a seventy-two member Regional Council (RC) whose members are elected by districts based on population and representing various geographic clusters of cities located throughout the six-county area. The San Gabriel Valley is represented by seven districts on the RC.

In addition to the RC, SCAG has three standing policy committees which are responsible for the development of policies which affect southern California and make recommendations to the Regional Council for adoption. The San Gabriel Valley Council of Governments may make a total of seven appointments to these three policy committees. The description of these policy committees is as follows:

- **Transportation Committee (TC):** Their role is to study problems, programs and other matters which pertain to the regional issues of mobility, air (quality), transportation control measures and communications, and to make recommendations on such matters to the Regional Council. Major programs that are under the purview of TCC are the Regional Transportation Plan (RTP), the Regional Transportation Improvement Program (RTIP), Aviation, Highway, Transportation Finance and Transportation Conformity.
- **Energy and Environment Committee (EEC):** This committee considers environmental and energy issues of regional significance, including but not limited to air quality, water quality, solid and hazardous waste, habitat preservation, environmental justice, and environmental impact analysis.
- **Community, Economic, and Human Development Committee (CEHD):** Their role is to study problems, programs and other matters which pertain to the regional issues of community, economic and human development and growth. This committee reviews projects, plans and programs of regional significance for consistency and conformity with applicable regional plans. The CEHD Committee has oversight of the Growth Visioning and Growth Forecasting processes, as well as the Regional Housing Needs Assessment, the Intergovernmental Review effort and the monitoring and analysis of the Regional economy.

***Meetings:***

Meetings are held on the first Thursday of every month at 10:00 a.m. at the SCAG offices in downtown Los Angeles.

***Eligibility:***

This position is open to all mayors and council members in the San Gabriel Valley.

***Compensation:***

\$120 per meeting

**2. Foothill Gold Line**

In 1999, SB 1847 (Schiff) was passed, forming the Metro Gold Line Construction Authority. The Authority was charged with overseeing the design and construction of a 38-mile light rail line between downtown Los Angeles to Montclair. The first phase of the project (13.6 miles), from Los Angeles to Pasadena, opened to the public on July 26, 2003. This segment was fully funded with state and local money and was completed on time and under budget.

The Foothill Extension of the Metro Gold Line is now focused on Phase 2B, which would extend the Gold Line from its current terminus in Azusa, to Glendora, San Dimas, La Verne, Pomona, Claremont and Montclair. There has been recent discussion to extend the project out to the Ontario Airport as well.

The legislation provided for a Board of Directors to oversee this project. This Board was comprised of stakeholders from the project's geographic included following five voting members:

- 1 representative of the San Gabriel Valley Council of Governments
- 1 representative of the Metropolitan Transportation Authority
- 1 representative of the City of Pasadena
- 1 representative of the City of Los Angeles
- 1 representative of the City of South Pasadena

Once the first phase of this project (Los Angeles to Pasadena) was completed, this governance structure was modified to allow for the representation of the new Phase 2 cities. This change centered around the cities of Pasadena and South Pasadena's seats. SGVCOG was a key agency in getting this legislation enacted, and this Agency's representative seat has been in place since the Board's creation in 1999.

***Meetings:***

Meetings are held on the second and/or fourth Wednesday of the month at 7:00 p.m.

***Eligibility:***

This position is open to SGVCOG Governing Delegates and Alternates.

***Compensation:***

\$150 per meeting

**3. League of California Cities**

The Los Angeles County Division is the largest of 16 regional divisions of the League of California Cities and is comprised of 86 cities in Los Angeles County, from the smallest in population (City of Vernon) to the largest (City of Los Angeles) of the state's 480 cities.

The League of California Cities, Los Angeles County Division, has a thirteen member Executive Board, comprised of the following representatives: President, Vice President, Treasurer and Secretary, State Legislative Director and one representative from each of the six Council of Governments in the Division's boundaries.

***Meetings:***

Monthly conference call with the Executive Committee members to review League matters and subsequent attendance at the League's monthly dinner meeting held the first Thursday of every month.

***Eligibility:***

This position is open to SGVCOG Governing Delegates and Alternates.

***Compensation:***

There is no compensation paid for this appointment.

**4. Rivers and Mountains Conservancy Board - Rivers**

The San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy (RMC) was created in 2000 as the result of SGVCOG sponsored legislation (SB 216 - Solis). The purpose of the RMC is to oversee the restoration of the San Gabriel and Lower Los Angeles Rivers and their tributaries here in the San Gabriel Valley, Southeast Los Angeles County and Northwest Orange County. Board appointments are for a two-year term and some are subject to State approval. The RMC by-laws require that this SGVCOG representative be a delegate on the COG Governing Board.

The SGVCOG “rivers” representative is currently up for appointment. This position represents cities bordering the San Gabriel River and its tributaries, is filled at the sole discretion of the SGVCOG Board and must be done by formal Board action. Table 1 provides a list of cities which border on the San Gabriel River and/or its tributaries; only SGVCOG Governing Delegates from these cities are eligible for this position

• Alhambra	• Covina	• Industry	• Monterey Park	• San Marino
• Arcadia	• Diamond Bar	• Irwindale	• Pomona	• Sierra Madre
• Azusa	• Duarte	• La Puente	• Rosemead	• South El Monte
• Baldwin Park	• El Monte	• Monrovia	• San Dimas	• Walnut
• Claremont	• Glendora	• Montebello	• San Gabriel	• West Covina

**Table 1.**

**SGVCOG Member Agencies Bordering the San Gabriel River and/or its Tributaries**

***Meetings:***

Meetings are held on the fourth Monday and alternate between the Bellflower City Hall and the Rosemead Community Center in Rosemead.

***Compensation:***

\$75 per meeting

**5. Metro Service Council**

MTA has a total of 5 service sectors: Gateway Cities, San Fernando Valley, San Gabriel Valley, South Bay Cities, and Westside/Central. Each of these service sectors has an advisory council comprised of nine representatives. There are three primary goals of these service sector councils:

1. **Greater Community Involvement:** Regionalized outreach gives residents more opportunities for direct input into service issues in their communities.
2. **Improved Service:** Local service evaluation to better understand riders' needs and to recommend appropriate response. Public participation and input is invited and encouraged at each of the council's monthly meetings.
3. **Regional Perspective:** Advise on planning and implementation of service within their area; call and conduct public hearings; evaluate Metro bus programs related to their service area; review proposed service changes; make policy recommendations to the Metro Board; participate in quarterly meetings with the Metro Chief Executive Officer (CEO), Deputy CEO and other appropriate management staff.

The San Gabriel Valley council was formed in 2002, and is comprised of four elected officials and five non-elected officials, appointed by cities in the region, LA County Supervisors, and the Council themselves. The SGVCOG appoints three members to the service sector.

The revised Metro Service Council bylaws, passed by the Metro Board of Directors in March 2011, has three of the members' terms ending on June 30 of each year. This appointment would be for three years.

In the past, this seat has been filled by a city staff member with extensive knowledge and experience related to transit. Representatives should have a basic working knowledge of public transit service within their region and an understanding of passenger transit needs. Additionally, service sector members are expected to be regular transit riders, as defined by using transit multiple times per month.

***Meetings:***

Meetings are held on Second Monday of each month at 5 pm at Metro Division 9 building (3449 Santa Anita Ave, 3rd Floor Service Council room, El Monte)

***Compensation:***

\$100 per meeting (non staff member)







# Proposed Budget – FY 2018





# SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS FISCAL YEAR 2017-18 BUDGET

## Officers

### President

Cynthia Sternquist

### 1<sup>st</sup> Vice President

Margaret Clark

### 2<sup>nd</sup> Vice President

Vacant

### 3<sup>rd</sup> Vice President

Vacant

### Philip A. Hawkey

Executive Director

### Carlos Monroy

Accountant/Treasurer

### Richard Jones

General Counsel

### Marisa Creter

Assistant Executive Director

### Eric Wolf

Senior Analyst

### Christian Cruz

Management Analyst

### Kaitlin Ward

Management Analyst

### Stefanie Hernandez

Project Assistant

Alhambra  
Covina  
Irwindale  
Monterey Park  
San Marino  
West Covina

Arcadia  
Diamond Bar  
La Canada Flintridge  
Pasadena  
Sierra Madre  
LA County District 1

Azusa  
Duarte  
La Puente  
Pomona  
South El Monte  
LA County District 4

Baldwin Park  
El Monte  
La Verne  
Rosemead  
South Pasadena  
LA County District 5

Bradbury  
Glendora  
Monrovia  
San Dimas  
Temple City  
San Gabriel Valley Water Agencies

Claremont  
Industry  
Montebello  
San Gabriel  
Walnut

# Table of Contents

<b>Introduction.....</b>	<b>i</b>
Executive Director’s Budget Message	
SGVCOG Map	
<b>Budget Overview and Net Assets.....</b>	<b>1</b>
<b>Revenues.....</b>	<b>4</b>
Dues Revenue	
Grants and Other Funding	
<b>Expenditures.....</b>	<b>9</b>
Personnel	
General and Administrative	
Ongoing Operation Contracts	
Consultant Services	
Direct Expenses	
Direct Grant and Special Project Expenses	



May 18, 2017

### **Governing Board Delegates and Alternates:**

On behalf of the San Gabriel Valley Council of Governments (SGVCOG), it is my pleasure to present a balanced budget for Fiscal Year 2017-18. The budget provides detailed information about anticipated revenues and planned expenditures for the upcoming fiscal year, and demonstrates how available resources are allocated based on the Governing Board's Strategic Plan and objectives, which serve as the guiding principles. The budget was developed using a conservative approach to revenue forecasting and incorporates prudent expenditure adjustments to achieve a balanced operating budget.

### ***Strategic Plan, Mission, Vision & Core Values***

On April 21, 2016, the SGVCOG adopted the most recent update to its Strategic Plan. This update was developed through a comprehensive outreach process. The SGVCOG mission, vision and values, which were reaffirmed in October 2013 and were used as the basis for developed the key initiatives and near-term actions, are shown below.

#### **Mission**

*“The San Gabriel Valley Council of Governments is a unified voice to maximize resources and advocate for regional and member interests to improve the quality of life in the San Gabriel Valley.”*

#### **Vision**

*“The San Gabriel Valley Council of Governments will be recognized as a leader in advocating for and achieving sustainable solutions for transportation, housing, economic growth and the environment.”*

#### **Core Values & Guiding Principles**

- *Accountability*
- *Fiscal Responsibility*
- *Mutual Respect*
- *Transparency*
- *Integrity*
- *Being Proactive & Results Oriented*
- *Unity of Common Goals & Objectives*
- *Creativity*
- *Reflecting the Diversity of Our Member Agencies*
- *Collaboration*

Table 1 summarizes the key initiatives for FY 2017-18, including goals and near-term actions.

<p><b>Water Quality</b></p> <p><b>Goal:</b> Assist cities in addressing stormwater MS-4 permit requirements, with an emphasis on securing long-term funding and identifying regional solutions.</p> <p><b>Near-Term Actions:</b></p> <ul style="list-style-type: none"> <li>• Draft and advocate for legislation supporting MS4 compliance.</li> <li>• Apply for grants for construction of stormwater capture and infiltration infrastructure.</li> <li>• Complete Stormwater Outreach agenda and continue meeting with stakeholders and policy makers.</li> <li>• Develop stronger coordinated relationships with LA County DPW and LA County Sanitation Districts.</li> <li>• Work to develop approach to new MS4 permit.</li> </ul>	<p><b>Active Transportation</b></p> <p><b>Goal:</b> Create a regional active transportation network that increases safety for bicyclists and pedestrians and enhances access to transit.</p> <p><b>Near-Term Actions:</b></p> <ul style="list-style-type: none"> <li>• Develop a high-level implementation plan for Greenway Network projects based on feasibility study and Measure M guidelines.</li> <li>• Execute 4-cities Open Street event in April 2018.</li> <li>• Coordinate with Goldline Phase 2B cities to develop First/Last Mile plans.</li> <li>• Serve as project manager for SCAG grant funded in FY 2017-18 (e.g. Bike Friendly Business District Pilot Expansion and First/Last Mile Planning).</li> </ul>	<p><b>Legislative &amp; Regulatory Advocacy</b></p> <p><b>Goal:</b> Advocate for San Gabriel Valley priorities and interests on the County-wide, State and Federal level.</p> <p><b>Near-Term Actions:</b></p> <ul style="list-style-type: none"> <li>• After one legislative cycle, report back findings on functionality of Ad Hoc Committee and provide recommendations regarding the formation of a standing committee.</li> </ul>
<p><b>Homelessness</b></p> <p><b>Goal:</b> Serve as a clearinghouse to member agencies for resources related to homelessness and advocate for resources to address homelessness in the San Gabriel Valley.</p> <p><b>Near-Term Actions:</b></p> <ul style="list-style-type: none"> <li>• Engage with the Los Angeles Homeless Services Authority (LAHSA) to better coordinate on regional homeless issues.</li> <li>• Complete master point of contact list and services/programs list.</li> <li>• Identify important legislation at the County, State and Federal Levels that can help combat homelessness in the San Gabriel Valley Region.</li> </ul>	<p><b>Large Capital Transportation Projects</b></p> <p><b>Goal:</b> Ensure the timely implementation of regional priority transportation projects.</p> <p><b>Near-Term Actions:</b></p> <ul style="list-style-type: none"> <li>• Implement Ad Hoc ACE/ Large Capital Projects Committee recommendations, including integration study.</li> <li>• Hire Transportation Planner/Program Manager and develop plan to manage Measure M funds.</li> </ul>	

**Table 1.**  
**FY 2017-18 Key Initiatives.**

### ***FY 2016-17 Major Accomplishments***

As we look forward to another exciting and successful year, it is important to reflect on the accomplishments of the past year. Some of the major accomplishments completed over the past year include the following:

- Adopted new financial and administrative policies and participated in a Caltrans pre-award audit to remove “high risk designation”, which would allow agency to receive State and Federal Transportation funding. That audit was completed in March 2017, and the SGVCOG received no findings and was determined to have addressed all findings from the prior audit.
- In partnership with 10 cities, awarded \$798K in funding for 5 projects submitted under SCAG’s Sustainability Planning Grant program (i.e. Greenway Network Feasibility Plan; Arrow Highway Demonstration Project; Bike Friendly Business District - El Monte/South El Monte; Bike Friendly Business District - Baldwin Park; and First/Last Mile Planning - El Monte).
- Awarded \$594,000 by Metro for Open Street event in partnership with cities of San Dimas, Pomona, La Verne, and Claremont.
- Initiated ATP Cycle 1 Grant to undertake Greenway Network Feasibility Study, which will complete Greenway Network Feasibility Study and Active Transportation Plans for 5 cities (Glendora, Monrovia, La Puente, Irwindale and Montebello), provide educational workshops, and develop a wayfinding/signage coordination plan.
- Coordinated with Metro to initiate Regional Bike Share Expansion Feasibility Study with 15 SGV Cities.
- Launching Bicycle-Friendly Business District Pilot with Glendora and South Pasadena.
- Supported passage of Measure A, which will provide over \$92.7M annually for open space and trail projects including the SGV Greenway Network.
- Developed Stormwater Policy and Legislative Platform that was adopted by Governing Board.
- At least five initiatives from the SGVCOG Legislative Platform are set to be introduced in this legislative cycle including the following:
  - AB 1180 (Holden): Creates a new tire fee to address stormwater pollution
  - SB 589 (Hernandez): Adopts Financial Capability Analysis (FCA) as a component of Municipal Separate Sewer Stormwater System (MS4) permits
  - SB 541 (Allen): Addresses school construction water capture design standards
  - SB 633 (Portantino): Clarifies that permittees shall enjoy entitlement to use the stormwater they capture
  - AB 968 (Rubio): Allows use of existing infrastructure to convey stormwater for capture and infiltration
- Ad Hoc Legislative Committee and committee structure approved by Governing Board in January 2017.
- Homelessness Committee formed in July 2017.
- Homelessness Policy and Committee workplan approved by Governing Board in January 2017.
- Supported Measure H which will provide over \$355M annually over the next 10 years for homeless services.
- Supported passage of Measure M, which will provide over \$3.3B in funding to San Gabriel Valley over next 40 years.
- Governing Board approved recommendations of Ad Hoc ACE/Large Capital Projects Committee to enlarge the scope of ACE to serve the San Gabriel Valley and integrate ACE and SGVCOG.

- Working with Gateway COG, secured \$34 million in funding for the environmental and final project approval phases of the 605/60 improvement project.

***Proposed FY 2017-18 Budget***

The SGVCOG estimated revenues for the Fiscal Year 2016-17 budget are \$1,372,211 proposed expenditures are \$1,367,136, resulting in a net balance of \$5,075. The narrative provides detailed explanations of the anticipated changes and budgeted figures. Major changes from the current year's budget are as follows:

- **Dues:** Per direction from the Governing Board, the FY 2017-18 budget proposes a 2.1% increase to dues based on changes to the consumer price index (CPI).
- **Transportation Planner / Program Manager:** In February 2017, the Governing Board directed staff to begin work to create a transportation planner/program director position to primarily manage Measure M program funds, which will amount to nearly \$1.5 billion in various programs directed towards the SGV over the next 40 years. It is anticipated that staff will return to the Governing Board to request approval of a job description and pay range. Simultaneously, staff is working with Metro staff to develop a Memorandum of Understanding (MOU) with Metro to fund this position using Measure M program funds.
- **General Assembly:** Staff is working to plan the SGVCOG's next General Assembly for October 2017. The theme of this year's assembly will be on the regional impact of future trends. Staff is working to secure more sponsorships in order to expand this event.
- **Office Relocation:** The SGVCOG's office lease is set to expire in December 2017. Staff is working to evaluate various options for new office space and the proposed budget includes expenses related to moving costs.

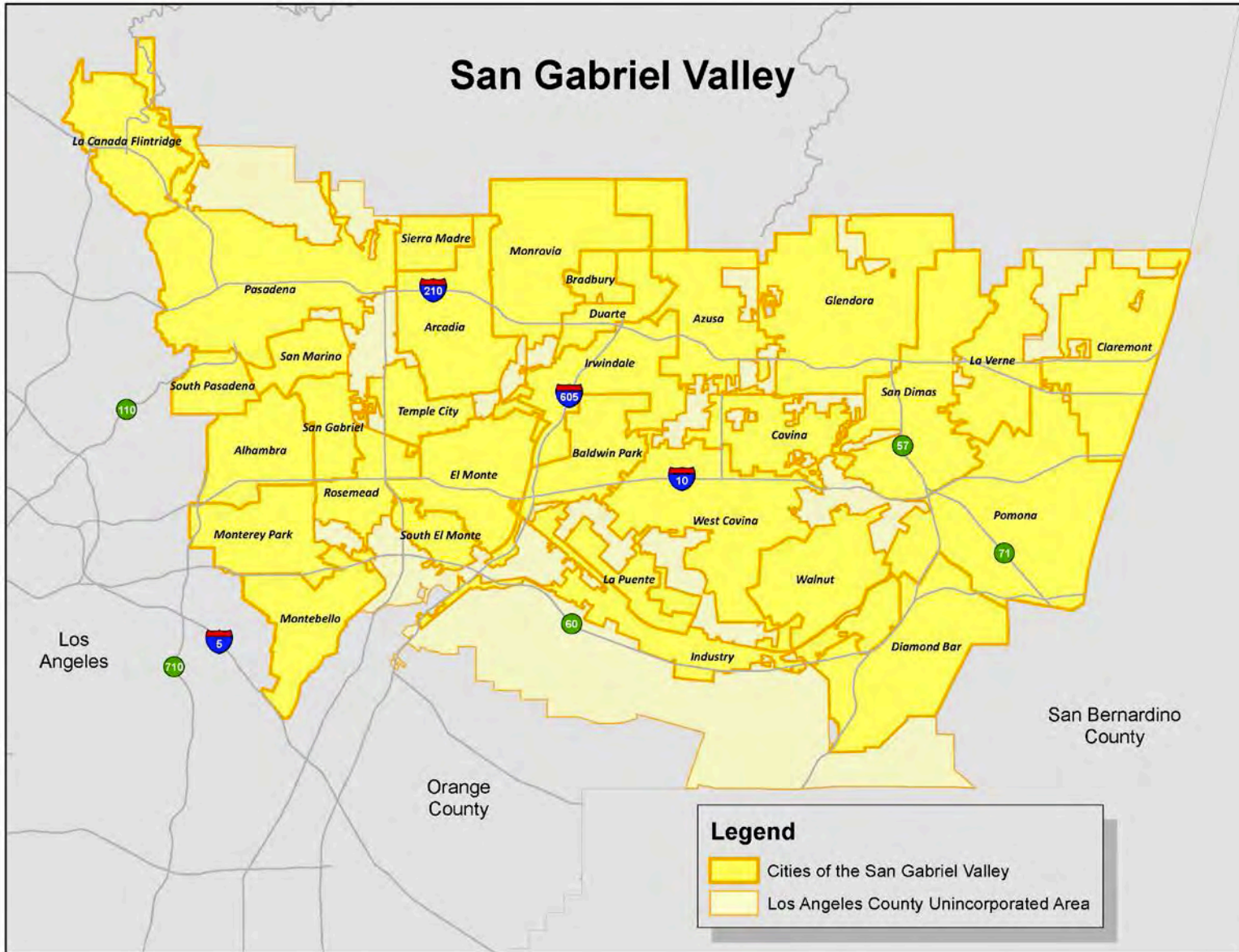
I anticipate this will be an exciting and rewarding year for the SGVCOG. The SGVCOG staff is working closely with you to deliver key projects and initiatives, and we will continue to reach out within our organization and externally to ensure the staff is meeting the Board's expectations and leverage the SGVCOG's resources to preserve and enhance the quality of life in the San Gabriel Valley.

Respectfully submitted,



Philip A. Hawkey  
Executive Director

**MAP OF THE SAN GABRIEL VALLEY**





**FY 2017-18 BUDGET**  
**BUDGET OVERVIEW**

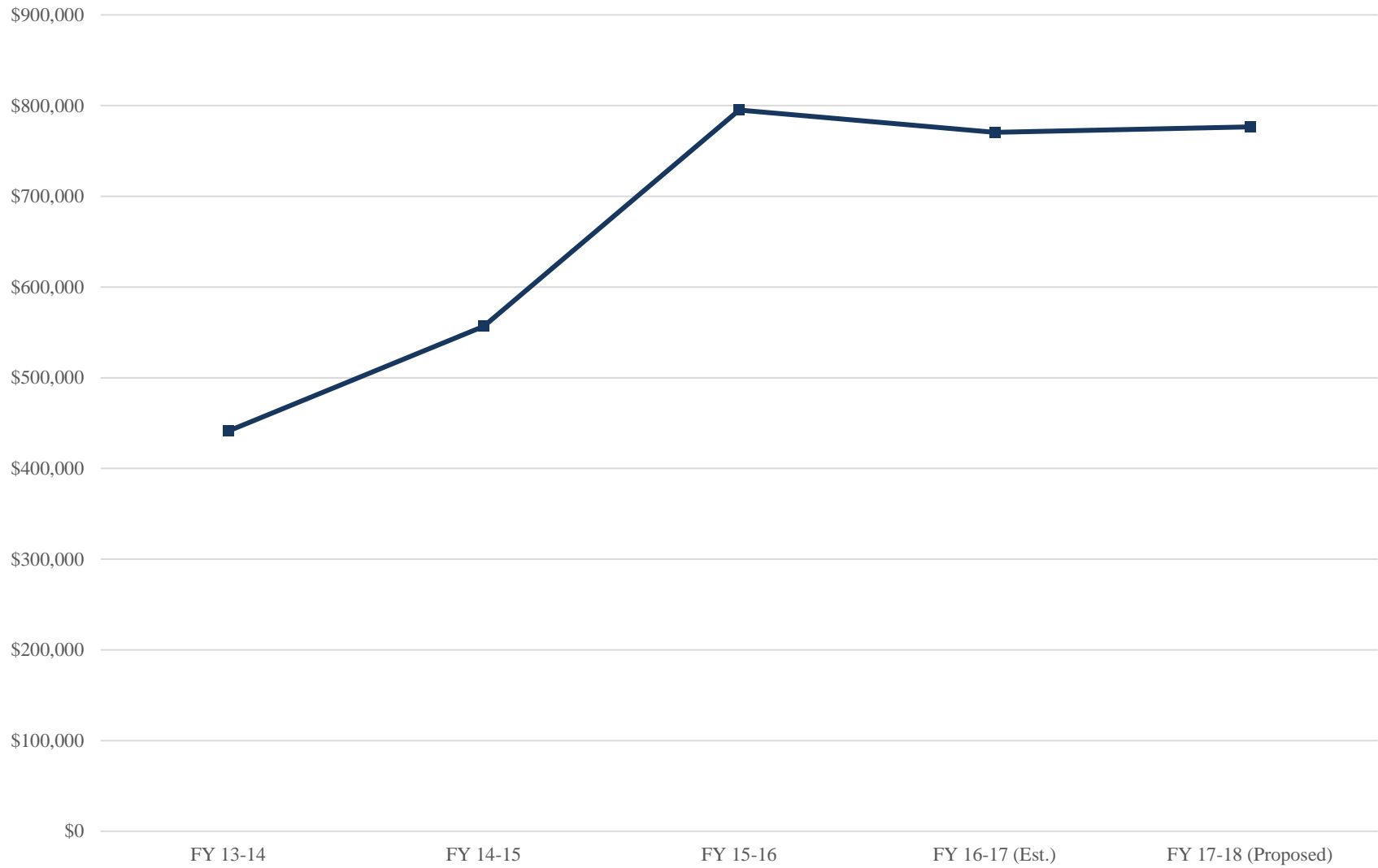
<b>San Gabriel Valley Council of Governments</b>	
<b>Proposed Budget</b>	
<b>Fiscal Year 2017-18</b>	
<b><u>Description</u></b>	<b><u>Amount</u></b>
<b>Revenues:</b>	
General Operating Income	\$ 823,798
Grants & Special Project Income	548,413
<b>Total Revenue</b>	<b>1,372,211</b>
<b>Expenses:</b>	
Ongoing Operational Contracts	90,400
Personnel	780,823
General & Administrative	227,823
Consultant Services	205,090
Direct Expenses	23,000
Grant and Special Project Expenses	40,000
<b>Total Expenses</b>	<b>1,367,136</b>
<b>Estimated Year-End Balance</b>	<b>\$ 5,075</b>

<b>Estimated Fund Balance (7/1/2017):</b>	\$770,584
<b>Estimated Fund Balance (6/30/2018):</b>	\$775,659

**SUMMARY OF REVENUES AND EXPENSES (2015-2018)**

<b><u>Description</u></b>	<b>FY 15-16 (Actual)</b>	<b>FY 16-17 (Estimated)</b>	<b>FY 17-18 (Proposed)</b>
<b>Revenues:</b>			
General Operating Income	\$ 790,168	\$ 784,606	\$ 823,798
Grants & Special Project Income	379,147	706,518	548,413
<b>Total Revenue</b>	<b>1,169,315</b>	<b>1,491,124</b>	<b>1,372,211</b>
<b>Expenses:</b>			
Ongoing Operational Contracts	67,780	100,500	90,400
Personnel	279,459	515,489	780,823
General & Administrative	147,954	170,823	227,823
Consultant Services	405,547	280,090	205,090
Direct Expenses	21,882	23,000	23,000
Grant and Special Project Expenses	75,223	42,475	40,000
<b>Total Expenses</b>	<b>997,845</b>	<b>1,162,376</b>	<b>1,367,136</b>
<b>Year-End Balance</b>	<b>\$ 171,470</b>	<b>\$ (24,511)</b>	<b>\$ 5,075</b>

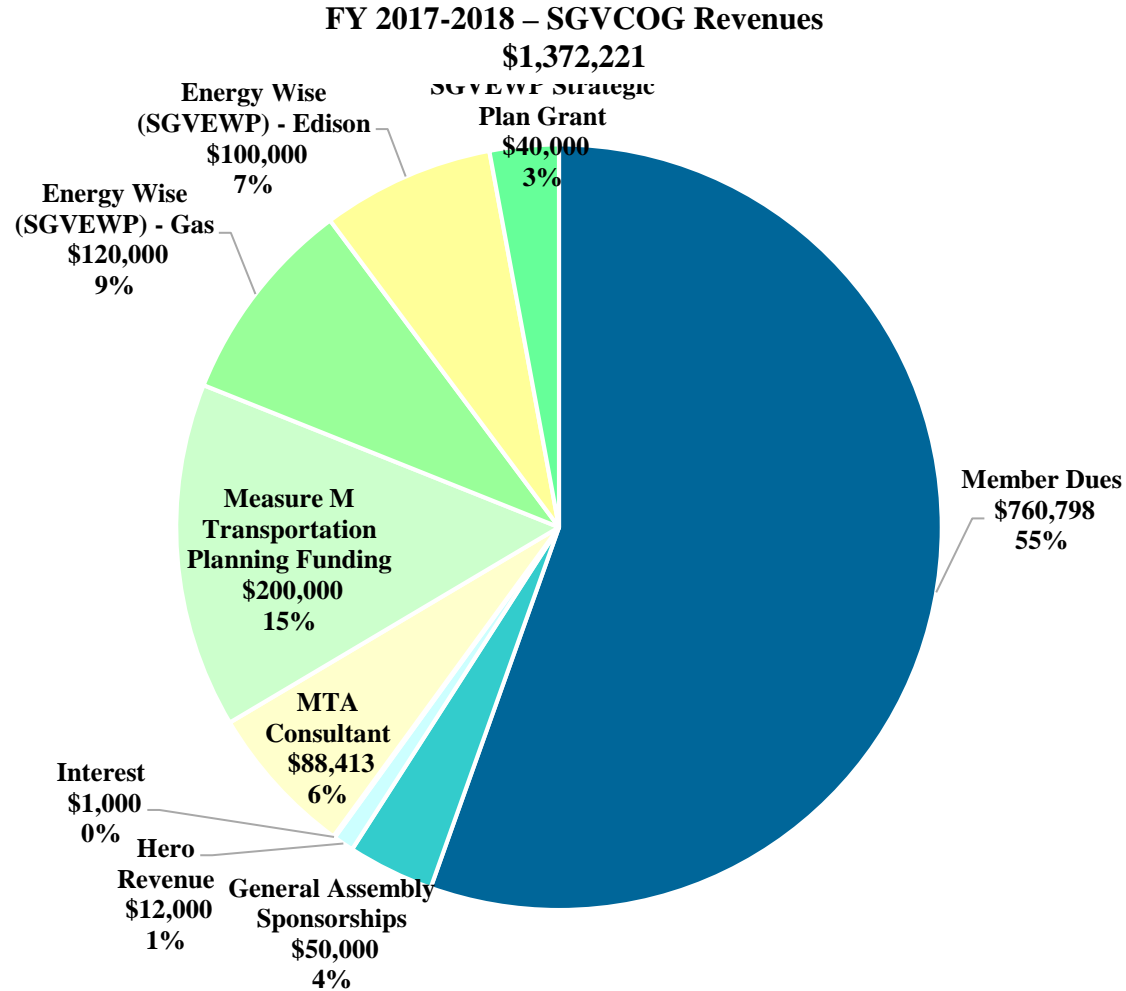
### SGVCOG Fund Balance 2013-2018<sup>1</sup>



<sup>1</sup> FY 16-17 includes back payments to CalPERS and employee costs from FY 2015-16.

## REVENUES

In FY 2017-18, SGVCOG revenues are projected at \$1,372,221. Dues revenue, which reflects direct contributions made by member agencies, is estimated at \$760,798, or 55% of total revenues. It is anticipated there will be \$1,000 in revenue from interest; \$50,000 in sponsorships for the general assembly; and \$12,000 will be received from the HERO program. The remaining \$548,413, or 40%, of the SGVCOG revenues are received through grants and other restricted funding.



**Dues Revenue** - Total member agency dues for FY 2017-18 are estimated to be \$760,798. The revenue from dues is the primary source of income to support the SGVCOG’s day-to-day staffing and operations. On March 19, 2015, the Governing Board approved a revised dues structure for members as follows:

$$[\$5,000 \text{ base fee} + \$0.32 \text{ per capita}] \times \text{Annual CPI Adjustment} = \text{Member Dues}^2$$

At the same time, the Governing Board approved the following:

1. Increased the dues cap from \$30,000 to \$31,200, or by 4%.
2. Implemented an annual CPI adjustment to the base fee, the per capita portion of the dues formula, and the dues cap beginning in FY 2016-17. The CPI would be based on the LA County region. The CPI adjustment would be considered annually by the Governing Board in conjunction with approval of the upcoming fiscal year budget.
3. Capped CPI adjustments at 5 percent.
4. Instituted a policy to review the need for changes to the dues cap and the cap on the CPI adjustment every three years beginning in FY 2016-17.
5. Instituted a policy to utilize the prior year population figures provided by the Department of Finance in calculating the dues. This change will ensure that the SGVCOG staff is able to accurately project the dues revenue earlier in the budget preparation process and prepare timely dues invoices for distribution to the member agencies.

Per the dues policy, staff is proposing a 2.1% CPI adjustment to the member agencies dues and cap. This proposed increase is necessary to because of a number of ongoing operational contracts for goods and services, including rent, legal services, and financial audit services, that include an annual CPI adjustment. Therefore, approval of the CPI adjustment to the member dues would prevent the development of a structural deficit. Incorporating the proposed CPI increase, dues range from \$5,641 to \$32,843, with agencies paying an average of \$21,737; nine member agencies pay the maximum dues amount.

Agency	Dues
Alhambra	\$ 32,842.71
Arcadia	\$ 24,480.45
Azusa	\$ 21,931.18
Baldwin Park	\$ 30,438.62
Bradbury	\$ 5,641.54
Claremont	\$ 17,463.23
Covina	\$ 21,866.85
Diamond Bar	\$ 24,490.89
Duarte	\$ 12,733.54
El Monte	\$ 32,842.71
Glendora	\$ 22,901.31
Industry	\$ 21,737.08
Irwindale	\$ 5,739.90
La Canada Flintridge	\$ 12,187.51
La Puente	\$ 18,912.69
La Verne	\$ 16,446.62
Monrovia	\$ 17,905.51
Montebello	\$ 26,795.95
Monterey Park	\$ 25,927.55
Pasadena	\$ 32,842.71
Pomona	\$ 32,842.71
Rosemead	\$ 23,867.72
San Dimas	\$ 16,764.60
San Gabriel	\$ 18,880.01
San Marino	\$ 9,832.94
Sierra Madre	\$ 8,972.97
South El Monte	\$ 12,274.42
South Pasadena	\$ 14,030.74
Temple City	\$ 17,569.67
Walnut	\$ 15,419.91
West Covina	\$ 32,842.71
LA County District 1	\$ 32,842.71
LA County District 4	\$ 32,842.71
LA County District 5	\$ 32,842.71
SGV Water Agencies	\$ 32,842.71
<b>Total</b>	<b>\$ 760,797.79</b>

<sup>2</sup> The City of Industry pays dues equal to the average dues of all member agencies. That formula was approved by the Governing Board and agreed to by the City of Industry due to the differences in the City’s daytime and nighttime population.

**Grants & Other Funding-** Income from grants and other sources varies annually based on the number of active grants and has been used to leverage the SGVCOG's other resources and enable the organization to meet its objectives and serve the needs of member agencies. In FY 2017-18, there is an estimated \$548,413 in revenue projected from four programs:

- ***San Gabriel Valley Energy Wise Partnership (SGVEWP) (\$220,000):*** This program is funded by the California Public Utilities Commission (CPUC). The objectives of the Partnership are as follows: 1) Assisting local governments in identifying and implementing energy-efficiency projects in their municipal facilities; 2) Providing training to city staff on energy efficiency issues; and 3) Educating and outreaching to the public on energy-efficiency and related programs and rebates. As the local government partner, the SGVCOG is primarily responsible for administrating and coordinating with utility staff in identifying energy-efficiency projects in city facilities and marketing and outreach for the Partnership. SGVCOG is fully reimbursed for all staff time spent managing this program. The SGVCOG receives an annual budget allocation from Southern California Edison (SCE) and SoCalGas (SCG). This grant is paid on a reimbursement basis, based on labor and expenses, under a not to exceed amount. Based on the 2017 workplan and anticipated staffing and expenses, staff is recommending estimated revenues of \$220,000 be included in the proposed FY 2017-18 budget.
- ***SGVEWP Strategic Plan Grant (\$40,000):*** In January 2017, the SGVCOG was awarded funding through the SGVEWP to assist the cities of West Covina, Pomona, South Pasadena and Monrovia with energy benchmarking. Energy benchmarking allows cities to inventory their facilities' energy usage and compare it to similar facilities. All work will be completed in-house and must be completed by December 2017. This grant is paid on a reimbursement basis. It is anticipated the reimbursable labor costs associated with effort will be \$40,000 in FY 2017-18.
- ***MTA Transportation Consultant (\$88,413):*** The Los Angeles County Metropolitan Transportation Authority (MTA) Board of Directors includes one member appointed by the Los Angeles Division of the League of California Cities' City Selection Committee to represent the San Gabriel Valley as the SGVCOG representative. John Fasana (Duarte) currently serves in this role. MTA recognizes the need for the SGVCOG representative to have staff support to perform the duties of a Board Member. Beginning in FY 2013-14, MTA has instead provided an annual allocation to the SGVCOG via a Memorandum of Understanding (MOU), which can then be used to provide the support services either through the use of a consultant or by hiring an employee. Under the terms of this MOU, the SGVCOG and Board Member are responsible for selecting, employing/contracting with, compensating and overseeing the work of the individual responsible for providing the support services. Currently, the total reimbursement from MTA is for an amount not exceed \$88,413 annually. This amount is adjusted in an amount equal to any increases approved by the Board for MTA non-contract employee salary increases.<sup>3</sup> The

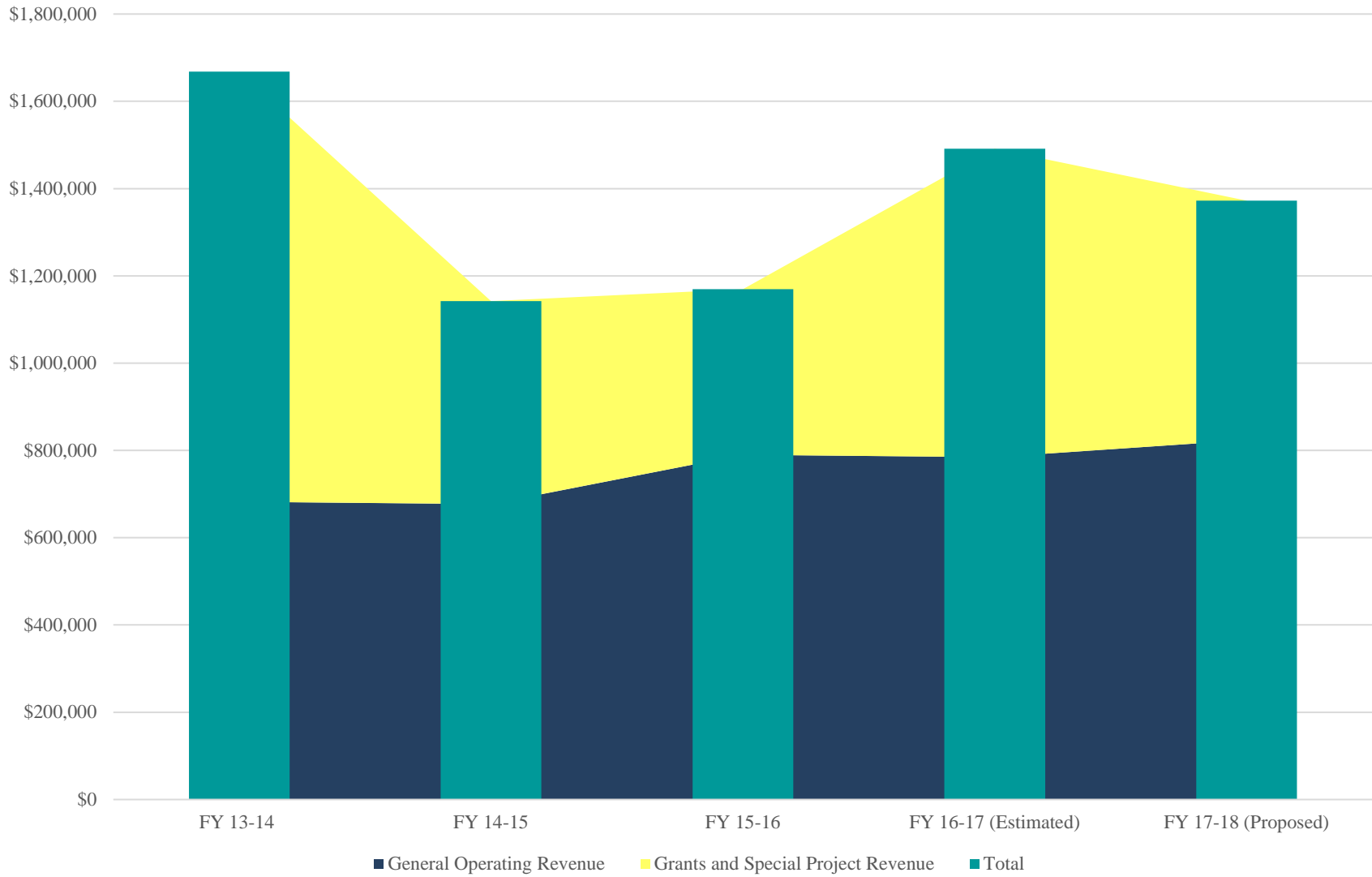
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<sup>3</sup> This revenue is associated with a contract with a consultant. The terms of the contract with the consultant provide that the annual amount paid to the consultant be increased by a percentage equal to the percent increase that the SGVCOG receives from MTA.

term of the MOU is from July 1, 2013 to June 30, 2017, and staff is currently working on an extension. The SGVCOG utilizes this funding to pay for a consultant. The total annual cost of that contract is \$106,090, and the SGVCOG contributes the balance of \$17,677.

- ***MTA Measure M Transportation Planning Funding (\$200,000)***: In February 2017, the Governing Board directed staff to begin work to create a transportation planner/program director position to primarily manage Measure M program funds, which will amount to nearly \$1.5 billion in various programs directed towards the SGV over the next 40 years. It is anticipated that staff will return to the Governing Board to request approval of a job description and pay range. Simultaneously, staff is working with Metro staff to develop a MOU with Metro to fund this position using Measure M program funds. It is expected that this MOU will be brought to the Governing Board for consideration in July.
- ***California HERO (\$12,000)***: In April 2013, the SGVCOG entered into a MOU with Western Riverside Council of Governments (WRCOG) to promote the California HERO program in the San Gabriel Valley. The California HERO program provides property owners with access to loans for the installation of energy-efficiency and renewable energy projects. Pursuant to the MOU, the SGVCOG serves as the point of contact for information and support for the program in our region and assists San Gabriel Valley cities in implementing the program. While contractors have the primary responsibility for marketing the program, SGVCOG staff provides information on California HERO at existing marketing and outreach events in participating cities. In exchange for this program support, WRCOG is obligated to pay Participant fees to the SGVCOG equal to 0.05% of the aggregate cost of the bonds issued to fund California HERO eligible projects within the subregion.

### SGVCOG Total Revenue 2013-2018<sup>4</sup>



<sup>4</sup> FY 15-16 includes \$50,933 in revenue from the SGVCOG's settlement with its insurance carrier.



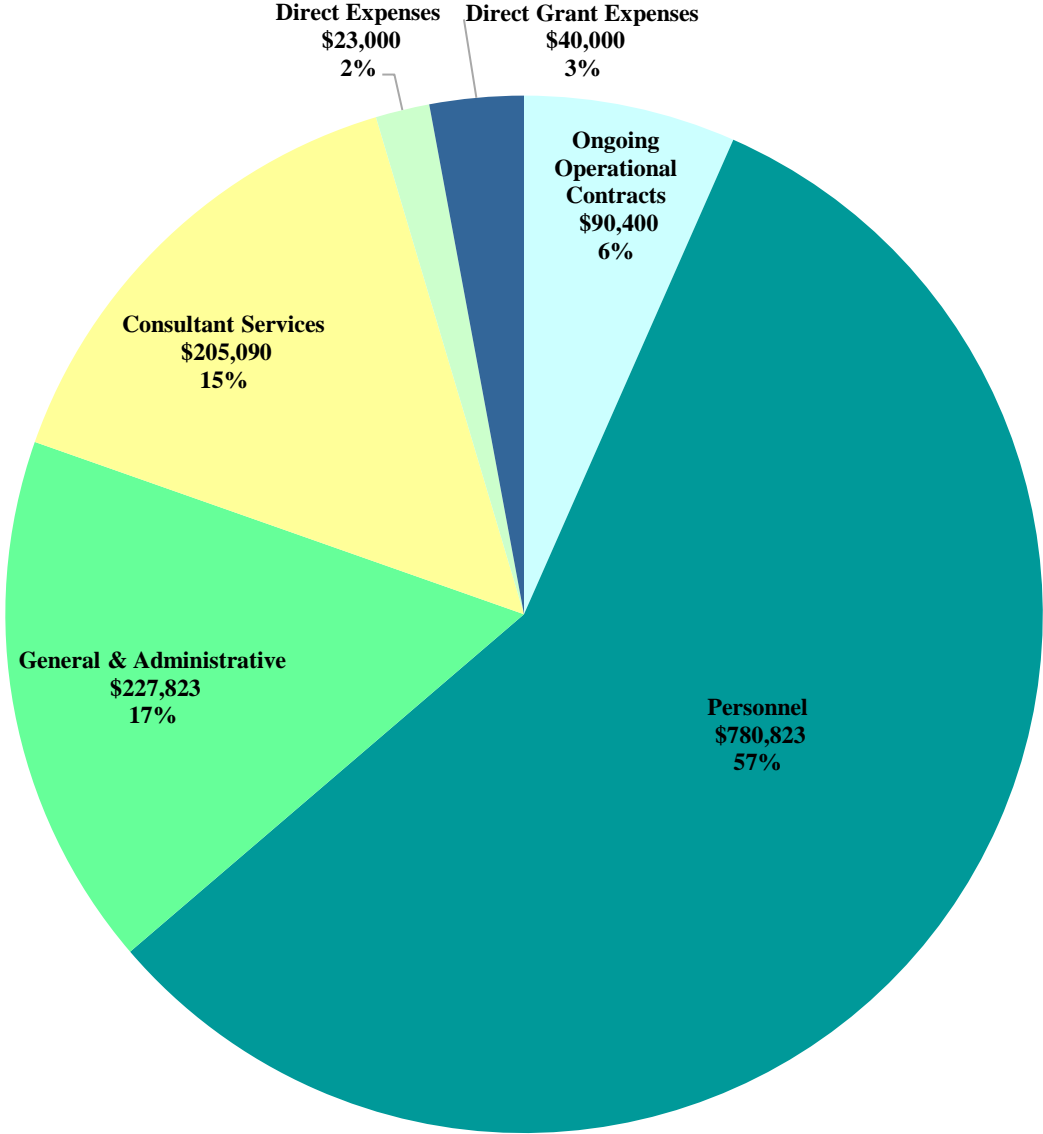
**EXPENDITURES**

During FY 2017-18, SGVCOG expenditures are projected to total \$1,367,136. This reflects an increase of 17.6% from FY 2016-17, largely associated with the creation of the new Measure M Transportation Planner/Program Manager position. The three largest expenditure components are 1) Personnel, 780,823 or 57% 2) General & Administrative Costs, \$227,823 or 17%, and 3) Consultant Services, \$205,090 or 15%.

**SGVCOG Expenses 2013-2018**

<b>Category</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17 (Est.)</b>	<b>FY 2017-18 (Proposed)</b>
Ongoing Operational Contracts	108,886	91,456	67,780	100,500	90,400
Personnel	417,429	353,459	279,459	515,489	780,823
General & Administrative	231,921	133,680	147,954	170,823	227,823
Consultant Services	93,354	254,023	405,547	280,090	205,090
Direct Expenses	15,192	18,177	21,882	23,000	23,000
Grant and Special Project Expenses	132,879	183,022	75,223	42,475	40,000
<b>Total</b>	<b>\$ 1,000,366</b>	<b>\$ 1,033,817</b>	<b>\$ 997,845</b>	<b>\$ 1,162,376</b>	<b>\$ 1,367,136</b>

**FY 2017-18 – SGVCOG Expenditures by Category**  
**\$1,367,136**



**Personnel-** These costs include the salary, benefit and retirement costs associated with the SGVCOG staff. For FY 2017-18, staff is proposing six full-time positions, including an Executive Director, Assistant Executive Director, a transportation planner/program manager, one Senior Management Analyst, two Management Analysts, and one part-time project assistant position. Additionally, the SGVCOG offers a paid internship program, and those interns generally work on projects related to the San Gabriel Valley Energy Wise Partnership. Legal services, administrative support, accounting and treasurer services are provided pursuant to contracts. Additionally, various specialized services, such as strategic planning and human resources, are provided to the SGVCOG on an as-needed basis under contracts. The SGVCOG provides standard benefits to staff, and all staff members participate in the California Public Employees' Retirement System (CalPERS). All new employees are under the "2% at 62" formula, and all employees pay the full employee CalPERS contribution. Of the total personnel costs, \$245,520, or 32%, is anticipated to be offset by grants and revenue from Metro. For those programs that do not have outside funding, including administrative work, legislative tracking and advocacy, homelessness and stormwater, general fund revenue is used to pay these costs.

Changes from current fiscal year (FY 2016-17) and the proposed FY 2017-18 budget are attributable to the following:

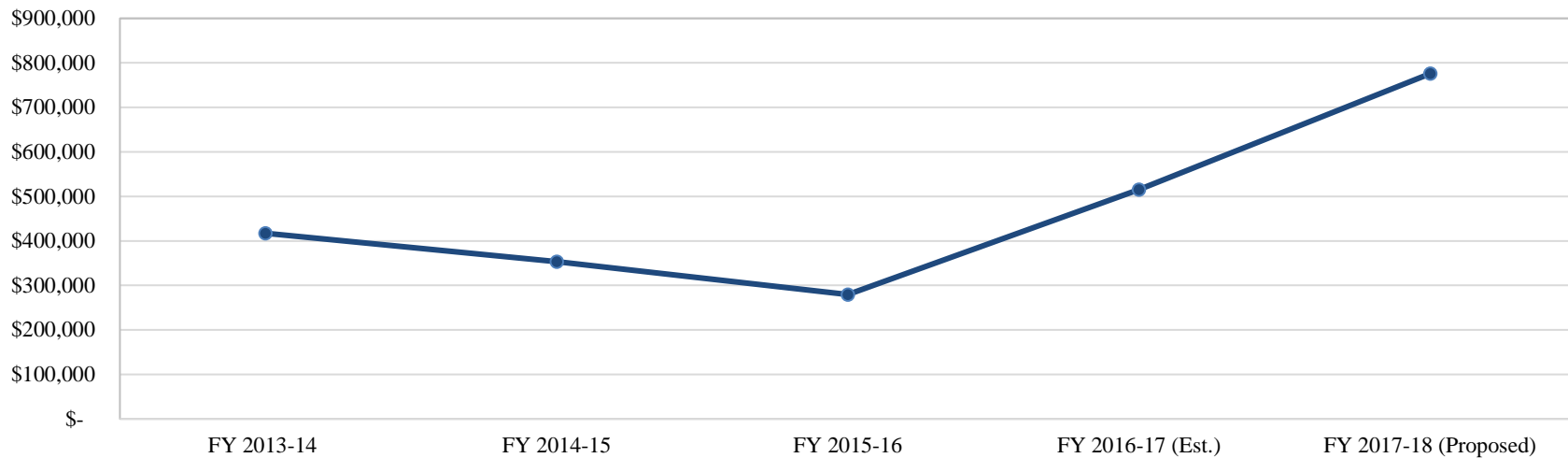
- **Salaries and Deferred Compensation (\$255,383 increase):** There several changes are reflected in the proposed salary costs as follows:
  - *Executive Director:* Per direction from CalPERS, the Executive Director position was converted from a consultant contract to an in-house position in FY 2016-17. The FY 2017-18 budget reflects 12 months of full-time salary for this position. Additionally, the salary was increased to \$180,250 to reflect a 3% increase from the prior full-time Executive Director's salary (\$175,000) in anticipation of undertaking a recruitment for this position.
  - *Salary Adjustments:* SGVCOG staff do not receive step increases or annual cost of living adjustments. All salary increases are based on annual evaluations. The proposed FY 2017-18 budget includes funding to provides to funding to provide merit-based salary increases of up to 3%.
  - *Management Analyst (Energy Wise Partnership):* In January 2017, the Governing Board approved creation of an additional management analyst position to manage the San Gabriel Valley Energy Wise Partnership. This position is limited term (dependent upon grant funding) and is fully funded through the San Gabriel Valley Energy Wise Partnership. The FY 2017-18 budget reflects 12 months of full-time salary for this position.
  - *Transportation Planner / Program Manager:* The Governing Board directed staff to work with Metro to develop an MOU to provide ongoing funding for this new full-time position. Based on comparable positions, the proposed starting salary for this position is \$120,000.
- **Internship Program (\$20,000 increase):** SGVCOG interns work to support and are funded through the San Gabriel Valley Energy Wise Partnership. With the creation of the new full-time Energy Wise Partnership position, staff anticipates that there will some decrease in the need for interns to staff the Energy Wise program.
- **Benefits (\$4,900 increase):** Full-time staff receive medical insurance benefits up to \$700 per month. The FY 2017-18 budget reflects a full year of costs for the new full-time positions (Executive Director, Management Analyst, and Transportation Planner/

Program Manager). This increase is partially offset by back payments for medical insurance benefits that were due to the Executive Director in FY 2016-17 when that position was converted from a consultant contract to an in-house position.

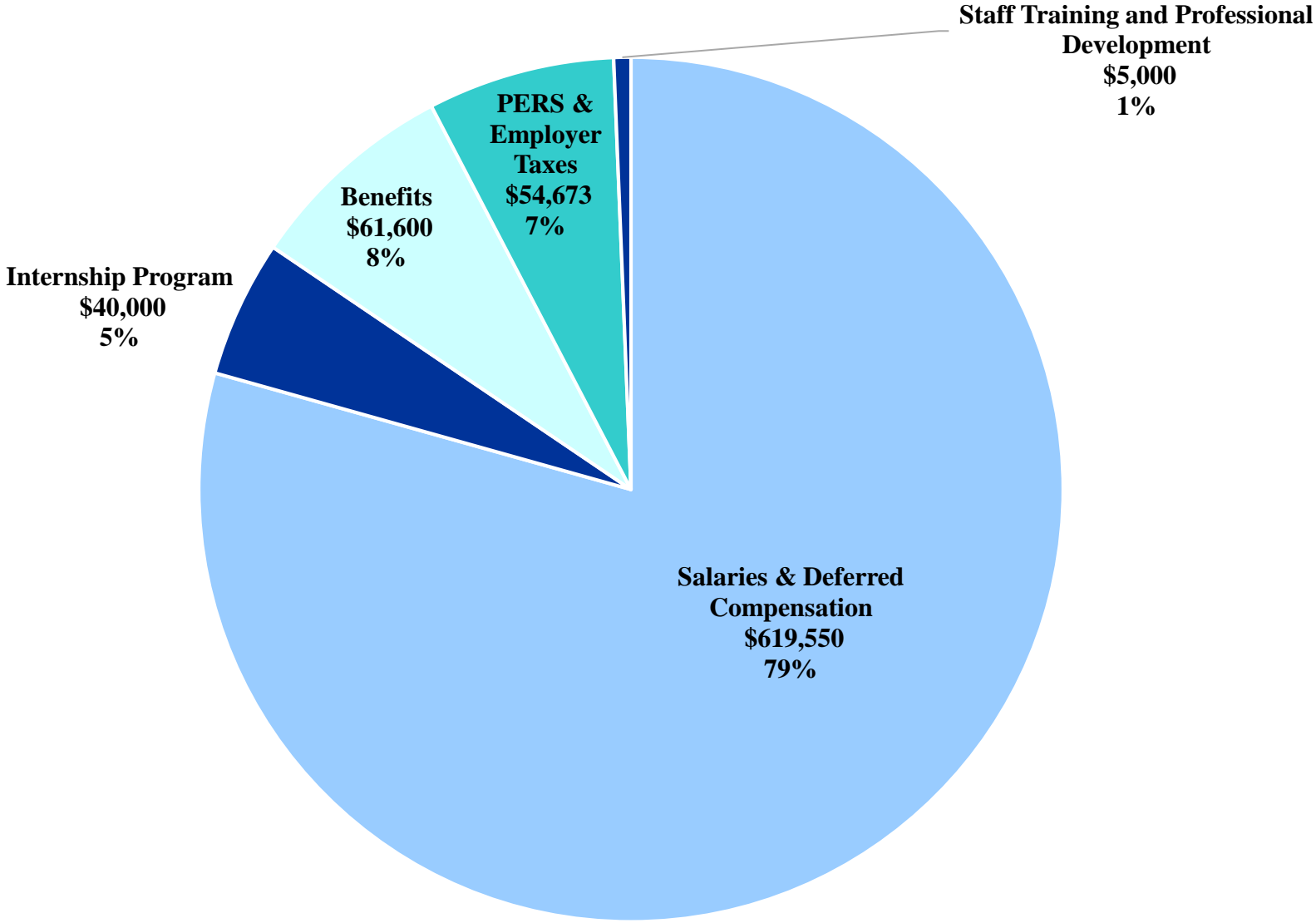
- **PERS & Employer Taxes (\$20,551 increase):** Currently, all SGVCOG employers are subject to the Public Employee Pension Reform Act (PEPRA), which caps and limits pension benefits. CalPERS has indicated that the employer contribution rate for FY 2017-18 will be 6.55% of salaries for PEPRA employees.

	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17 (Est.)</b>	<b>FY 2017-18 (Proposed)</b>
Salaries & Deferred Compensation	348,259	299,983	183,534	364,167	619,550
Internship Program			46,045	60,500	40,000
Benefits	31,738	27,797	28,616	56,700	61,600
PERS & Employer Taxes	37,432	25,679	21,264	34,122	54,673
CalPERS Payment (One-time)				25,000	
Staff Training and Development				5,000	5,000
<b>Total</b>	<b>\$ 417,429</b>	<b>\$ 353,459</b>	<b>\$ 279,459</b>	<b>\$ 515,489</b>	<b>\$ 775,823</b>

**SGVCOG Personnel Costs 2013-2018**



**FY 2017-2018 – SGVCOG Personnel Expenditures**  
**\$775.823**



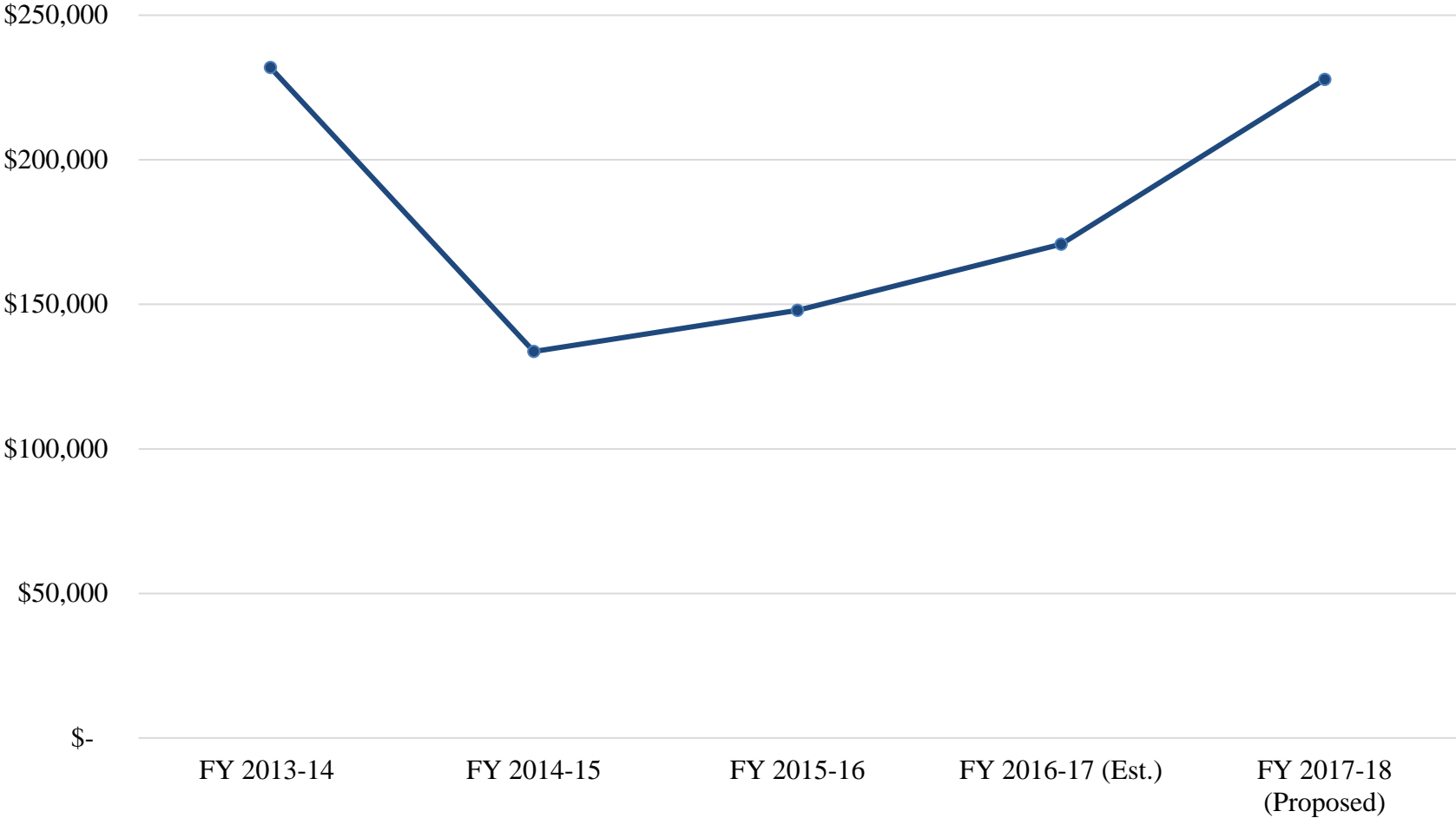
**General & Administrative-** These costs include facility costs (i.e. rent, storage, utilities, and office supplies), insurance/bonding, meetings and travel, and memberships. In January 2013, the SGVCOG entered into a five-year lease for the SGVCOG’s offices that are currently located in Alhambra, and that lease is set to expire in December 2017. Staff is researching potential options for office space and will present options to the Governing Board in the coming months. Based on the SGVCOG’s indirect costs allocation plan, a portion of the general and administrative costs are reimbursed through the SGVCOG’s grant programs.

Changes from current fiscal year (FY 2016-17) and the proposed FY 2017-18 budget are attributable to the following:

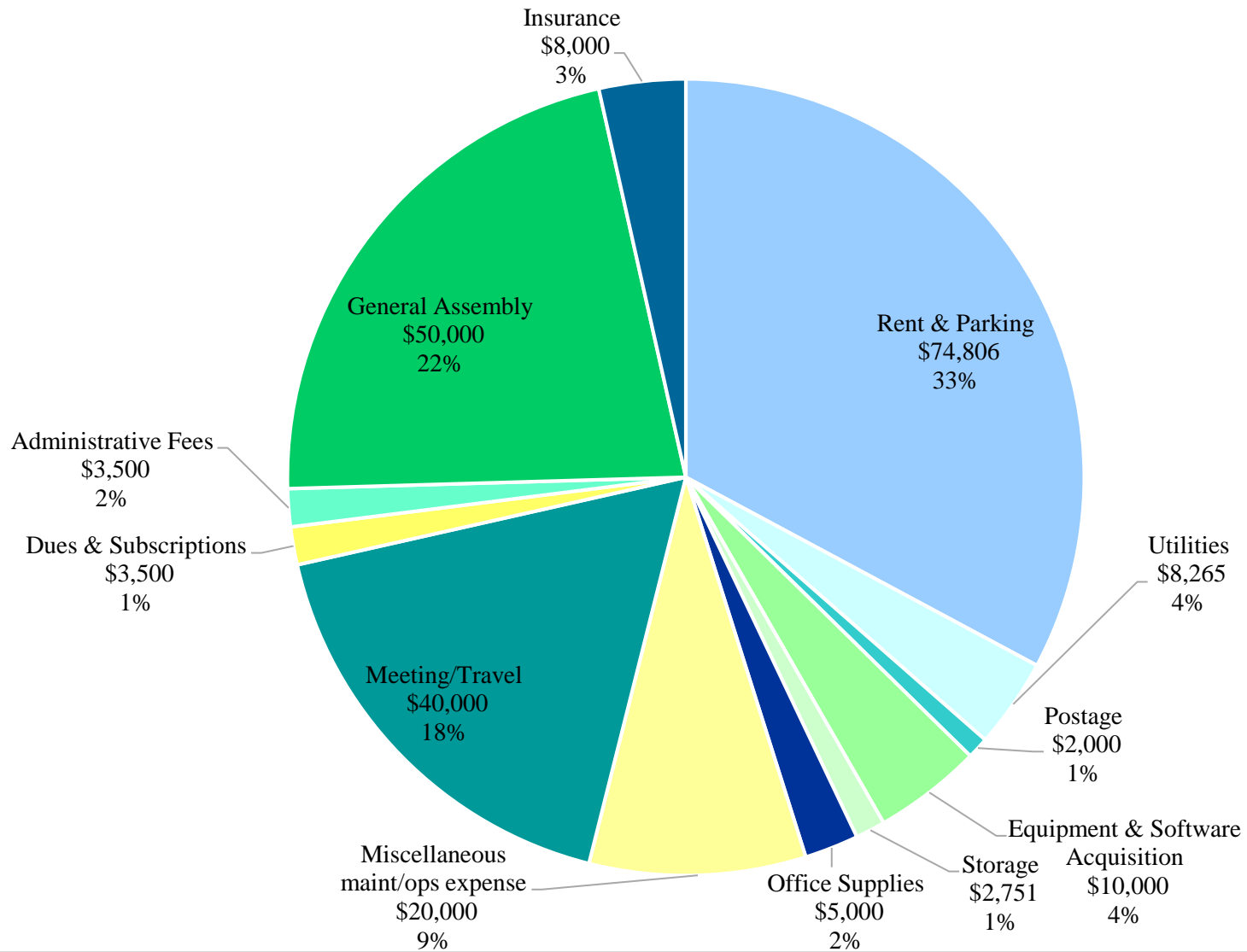
- **Rent (\$2,179 increase):** The FY 2017-18 assumes at 3% increase for rent, utilities, and storage based on increases to the consumer price index. This is consistent with historic trends.
- **Utilities (\$240 increase):** The FY 2017-18 assumes at 3% increase for rent, utilities, and storage based on increases to the consumer price index. This is consistent with historic trends.
- **Storage (\$80 increase):** The FY 2017-18 assumes at 3% increase for rent, utilities, and storage based on increases to the consumer price index. This is consistent with historic trends.
- **Miscellaneous Expenses (\$15,000 increase):** This line item includes \$15,000 to cover possible moving costs.
- **General Assembly (\$35,000 increase):** Staff is working to seek additional sponsorships for the General Assembly to expand the scope of the event. It is anticipated that revenues will offset all expenses for the general assembly.

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 (Est.)	FY 2017-18 (Proposed)
Rent & Parking	62,169	63,762	66,904	72,627	74,806
Utilities	5,097	5,106	5,754	8,025	8,265
Postage	1,718	1,292	868	2,000	2,000
Equipment & Software Acquisition	12,041	4,175	17,291	10,000	10,000
Storage	1,238	2,063	2,578	2,671	2,751
Office Supplies	4,646	5,455	4,008	5,000	5,000
Miscellaneous Expenses	1,517	15,838	3,813	5,000	20,000
Meeting/Travel	30,444	24,520	31,750	40,000	40,000
Dues & Subscriptions	1,239	2,903	4,744	3,500	3,500
Administrative Fees	2,287	2,929	3,635	3,500	3,500
Claim Expense	102,929				
General Assembly				10,500	50,000
Insurance	6,596	5,637	6,609	8,000	8,000
<b>Total</b>	<b>\$ 231,921</b>	<b>\$ 133,680</b>	<b>\$ 147,954</b>	<b>\$ 170,823</b>	<b>\$ 227,823</b>

**SGVCOG General and Administrative Costs 2013-2018**



**FY 2017-18 – SGVCOG General and Administrative Expenditures**  
**\$227,823**





**Ongoing Operational Contracts** – This includes ongoing annual contracts for legal, accountant/financial, treasurer and auditor services. The SGVCOG’s legal contract provides for a monthly retainer, and the financial audit is conducted and paid for annually. In March 2014, the Governing Board approved a renewal of the contract with Jones & Mayer for General Counsel legal services for one year with four one-year options, with the same terms and conditions. In January 2016, the Governing Board approved a five-year contract with Vasquez and Company for financial audit services.<sup>5</sup> In February 2016, the Governing Board approved a Memorandum of Understanding (MOU) with ACE to provide accountant/financial management services. At the same time, the Governing Board approved a two-year contract with Vicenti, Lloyd & Stutzman to provide treasurer services.

Changes from current fiscal year (FY 2016-17) and the proposed FY 2017-18 budget are attributable to the following:

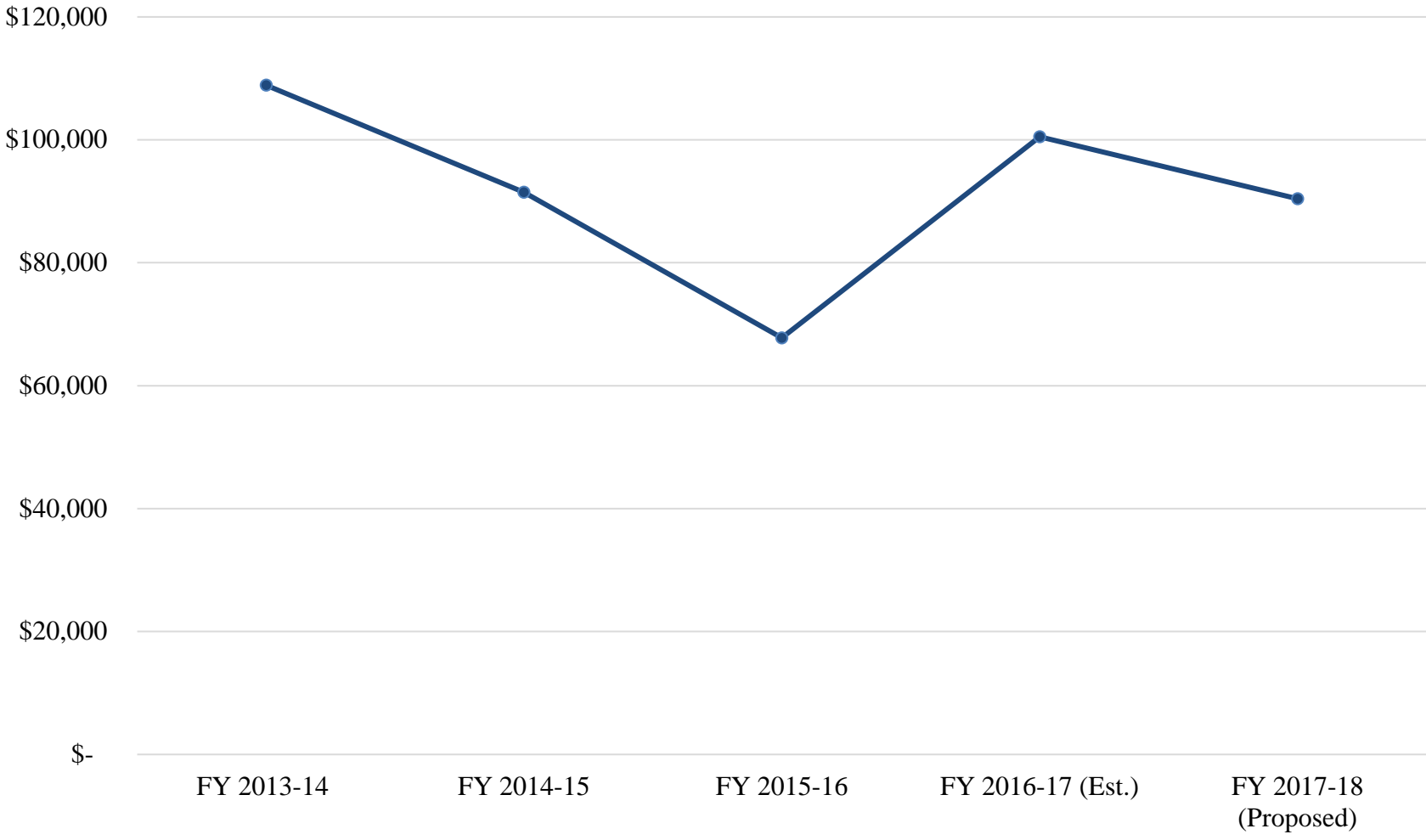
- **Legal Services (\$5,000 decrease):** The annual cost of the SGVCOG’s retainer for legal services is \$25,000. In FY 2016-17, the SGVCOG had additional non-retainer legal expenses associated with addressing inquiries from CalPERS and providing legal opinions related to the reconfiguration of ACE. In FY 2017-18, it is anticipated that there will be some non-retainer services needed related to revising the bylaws and JPA to reflect the reconfiguration of ACE.
- **Financial Audit Service (\$400 increase):** The SGVCOG’s five-year contract provides for specified annual increases.
- **Treasurer (\$1,500 decrease):** The contract for this services specifies an annual not to exceed budget of \$22,500, and the costs are shared between ACE and SGVCOG. Based on discussions with the contractor, it is anticipated that the SGVCOG’s share of costs for FY 2017-18 will decrease slightly.
- **Financial/Accounting Services (\$4,000 decrease):** The SGVCOG’s MOU with ACE specifies an annual not to exceed budget of \$28,000, unless amended. In FY 2016-17, additional accounting costs were incurred assisting in developing new financial policies and participating in the Caltrans audit.

	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17 (Est.)</b>	<b>FY 2017-18 (Proposed)</b>
Legal Services	53,227	35,502	26,974	35,000	30,000
Financial Audit Services	15,000	20,000	17,500	20,000	20,400
Treasurer			2,985	13,500	12,000
Financial/Accounting Services	40,659	36,254	20,321	32,000	28,000
<b>Total</b>	<b>\$108,886</b>	<b>\$91,456</b>	<b>\$67,780</b>	<b>\$100,500</b>	<b>\$90,400</b>

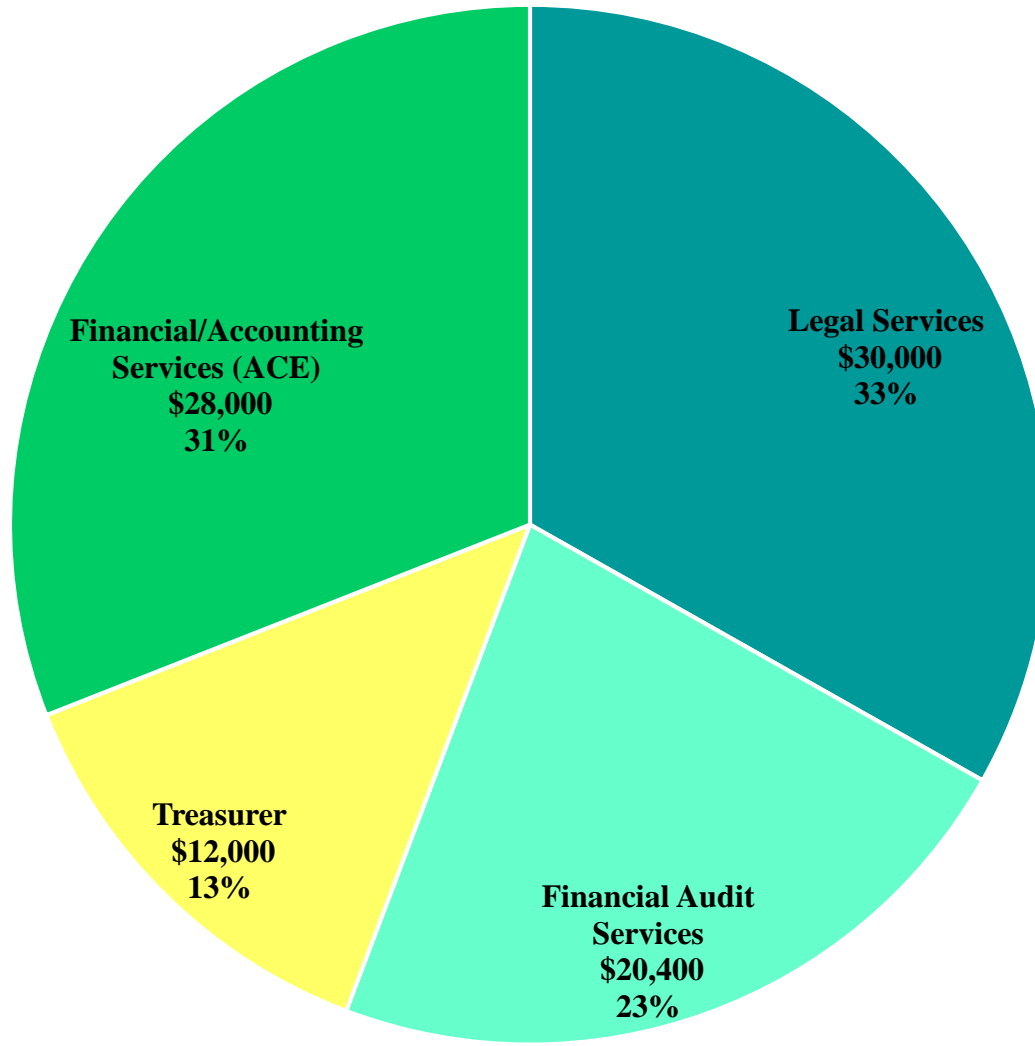
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<sup>5</sup> The contract for financial audit services may be cancelled at any time by the SGVCOG with 30 days written notice.

**SGVCOG Operational Contracts 2013-2018**



**FY 2017-18 – SGVCOG Ongoing Operational  
Contracts Expenditures  
\$90,400**



**Consultant Services-** This reflects the costs related to services including MTA Board Support, transportation planning support, administrative support,<sup>6</sup> media/public relations, and grant writing.

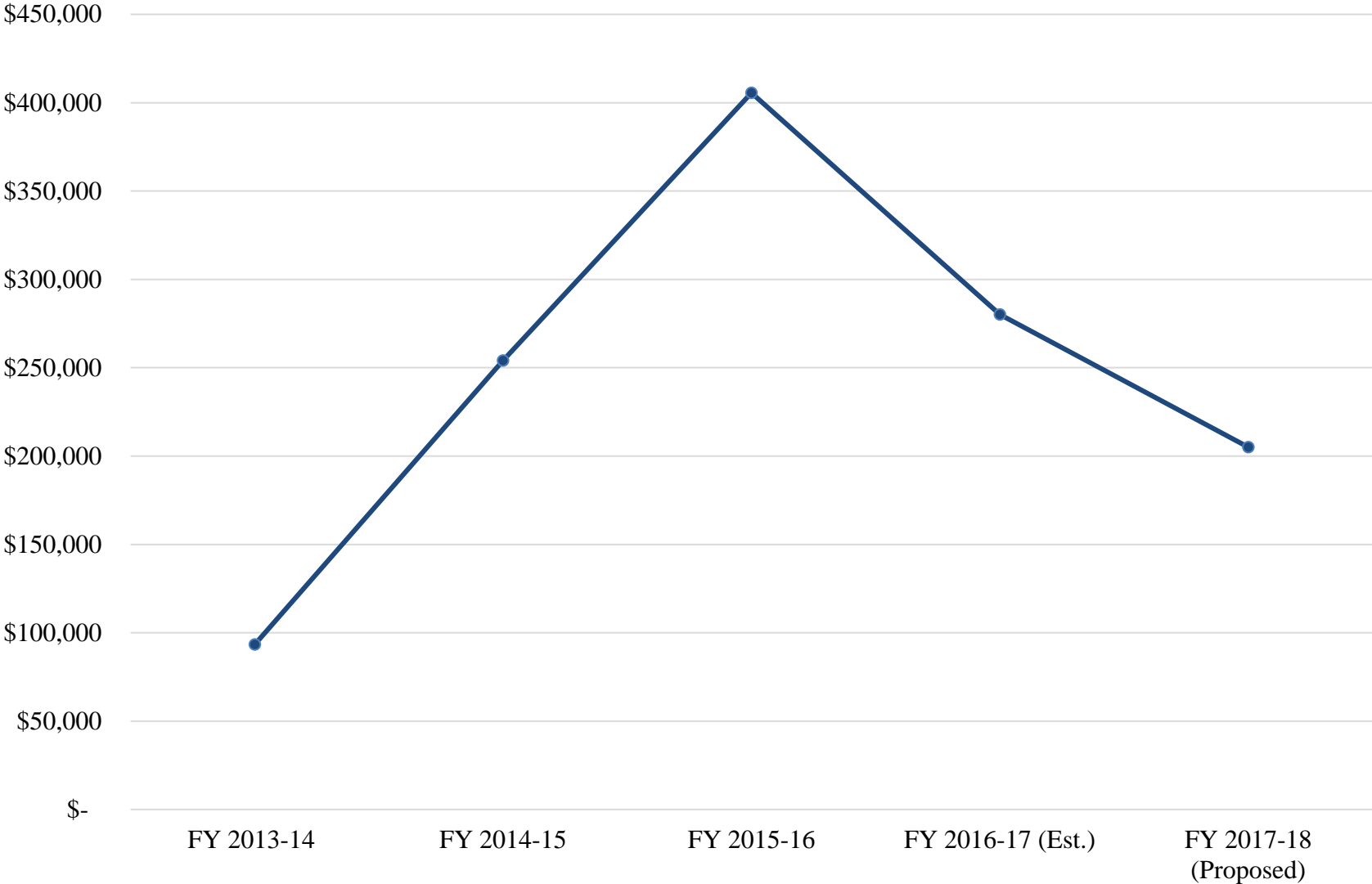
Changes from current fiscal year (FY 2016-17) and the proposed FY 2017-18 budget are attributable to the following:

- **Interim Executive Director (\$65,000 decrease):** In November 2016, the Executive Director position was converted from an consultant position to a full-time staff position. Those costs are now included under personnel costs.
- **Transportation Technical Support (\$5,000 decrease):** With the creation of the new transportation planner/program manager position, it is expected that there will be some decrease in the need for transportation technical support from ACE staff.
- **Administrative Support (\$5,000 decrease):** In FY 2016-17, additional administrative support costs were incurred assisting in developing new human resource procedures and financial policies as well as participating in the Caltrans audit.

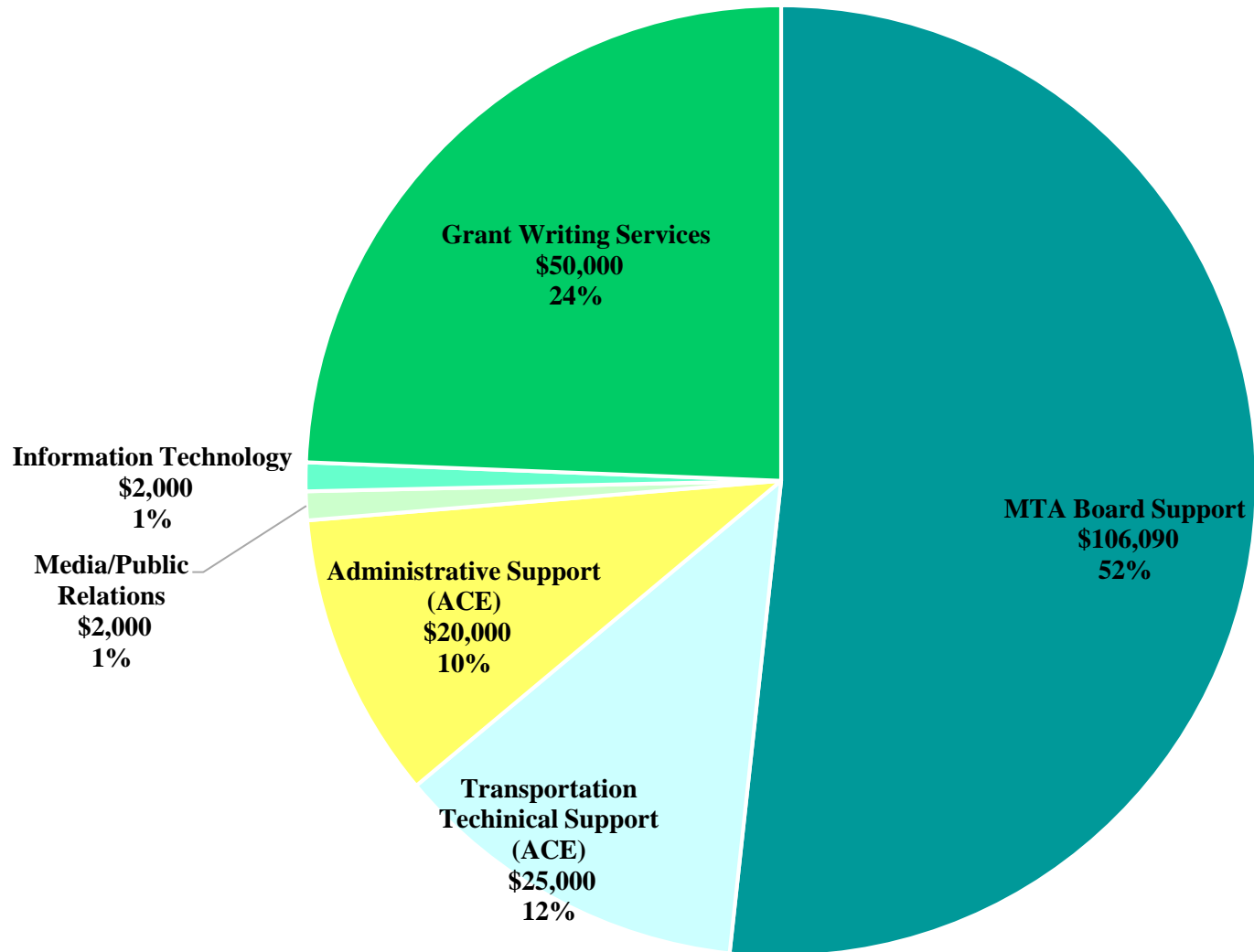
	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17 (Est.)</b>	<b>FY 2017-18 (Proposed)</b>
Interim Executive Director		58,250	156,000	65,000	
MTA Board Support	81,249	95,832	102,750	106,090	106,090
Strategic Plan		22,000	9,998		
Transportation Technical Support (ACE)		6,543	50,000	30,000	25,000
Administrative Support (ACE)	7,238		18,958	25,000	20,000
Media/Public Relations		3,200	1,150	2,000	2,000
Information Technology		5,546	2,532	2,000	2,000
Annual Executive Director Evaluation	4,867				
Management Services Support		55,652	27,293		
Grant Writing Services		7,000	29,553	50,000	50,000
Stormwater Consultant			7,313		
<b>Total</b>	<b>\$ 93,354</b>	<b>\$ 254,023</b>	<b>\$ 405,547</b>	<b>\$ 280,090</b>	<b>\$ 205,090</b>

<sup>6</sup> Both transportation planning and administrative support services are provided by ACE via MOUs that were approved by the Governing Board in February 2015 and February 2016 respectively.

**SGVCOG Consultant Services 2013-2018**

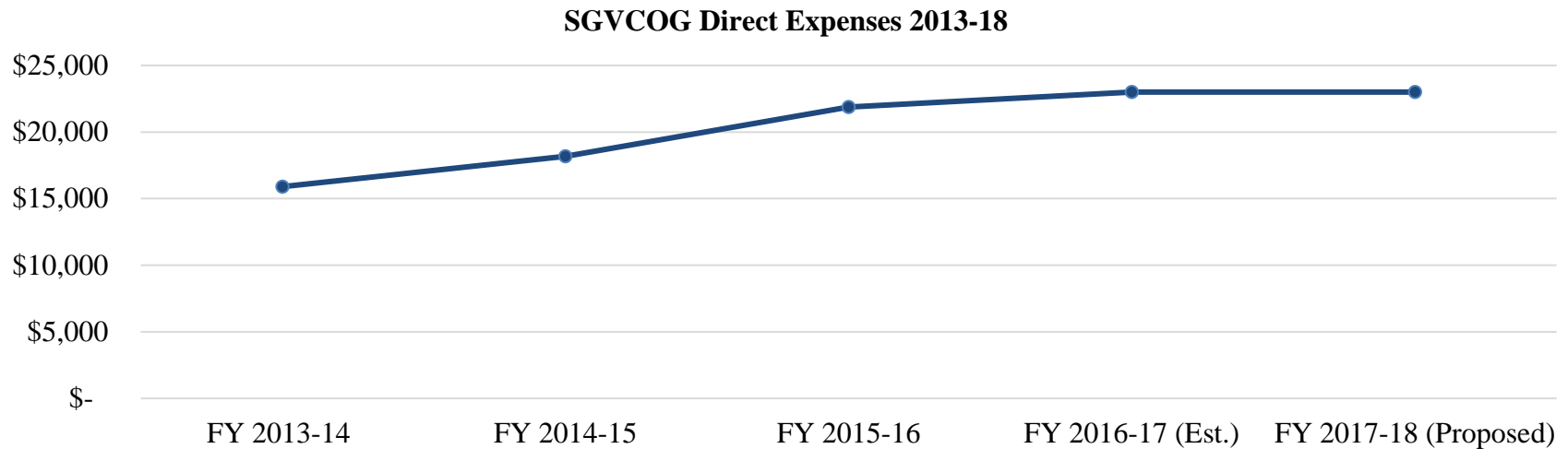


**FY 2017-18 – SGVCOG Consultant Services  
Expenditures  
\$205,090**



**Direct Expenses-** This category includes board stipends and printing/publication. Governing Board members are paid a stipend of \$50 per meeting. Stipend expenditures vary based on the number of meetings and attendance at these meetings. The SGVCOG has a lease arrangement to provide printing equipment. Large quantities and special order materials are generally outsourced. In May 2015, the Governing Board authorized a new five-year lease agreement for copier equipment and supplies.

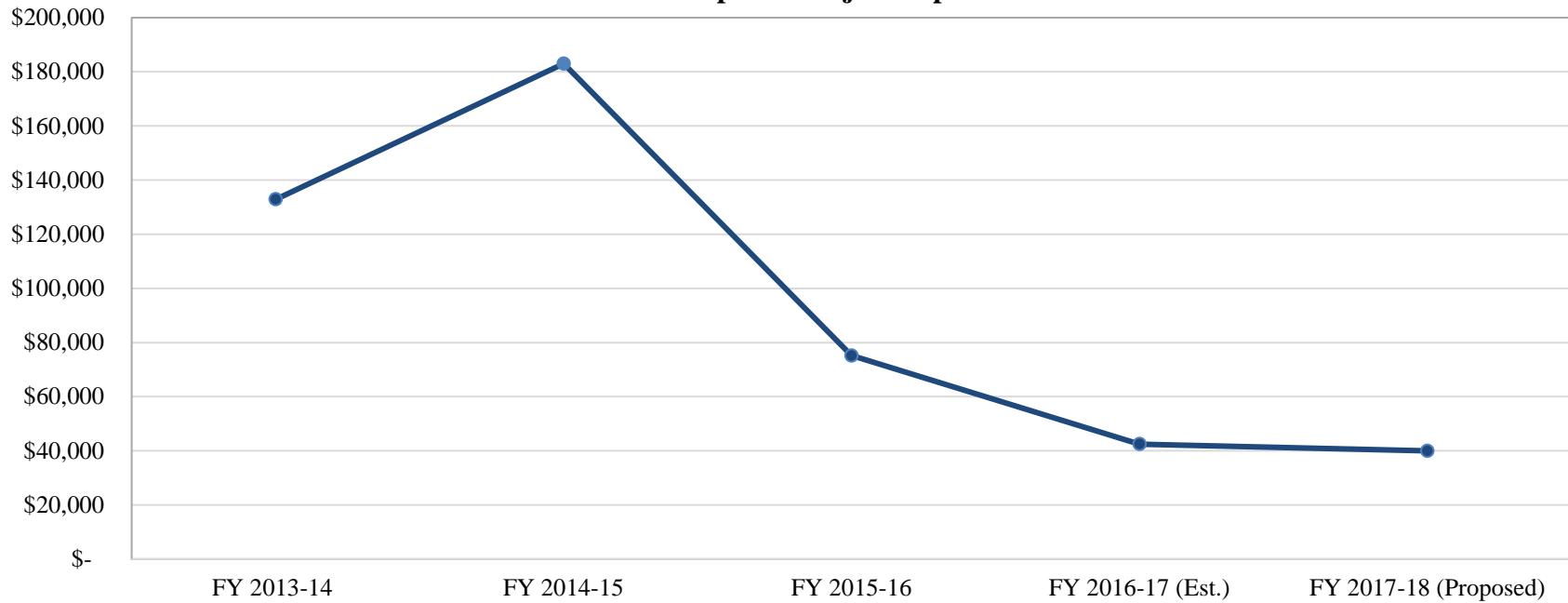
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 (Est.)	FY 2017-18 (Proposed)
Board Stipends & Taxes	8,550	10,800	13,739	11,000	11,000
Printing / Publication	7,347	7,377	8,143	12,000	12,000
<b>Total</b>	<b>\$ 15,897</b>	<b>\$ 18,177</b>	<b>\$ 21,882</b>	<b>\$ 23,000</b>	<b>\$ 23,000</b>



**Grants & Special Projects Expenses-** This expenditure category reflects direct program expenditures related to the SGVCOG’s grant funded projects. In FY 2017-18, the SGVCOG will have two active grant programs: San Gabriel Valley Energy Wise Partnership and SCE Strategic Planning. These programs are described in further detail under “Revenues.”

	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17 (Est.)</b>	<b>FY 2017-18 (Proposed)</b>
SGVEWP Edison & Gas Expenses	29,035	71,433	28,770	40,000	40,000
SCE CEESP Expenses <sup>7</sup>	103,844	111,589	46,453	2,475	
<b>Total</b>	<b>\$ 132,879</b>	<b>\$ 183,022</b>	<b>\$ 75,223</b>	<b>\$ 42,475</b>	<b>\$ 40,000</b>

**SGVCOG Grants and Special Project Expenses 2013-2018**



<sup>7</sup> The SCE CEESP Grant was completed in September 2015.



# REPORT

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DATE: April 10, 2017

TO: Executive Committee

FROM: Phil Hawkey, Executive Director

**RE: MEASURE H GUIDING PRINCIPLES**

## **RECOMMENDED ACTION**

Recommend Governing Board adopt Resolution approving Measure H Guiding Principles.

## **BACKGROUND**

The Los Angeles County Homeless Initiative (HI) is currently in the process of developing Measure H funding allocations for eligible strategies, which will outline the total amount each eligible strategy will be granted. As a part of the funding allocation process, HI formed a Measure H Planning Group with representatives from County departments, LAHSA, COGs, homeless services agencies, the faith community, and persons with lived experience. The Planning Group intends to finalize the recommended funding allocations by May 2017 and present the recommendations to the Los Angeles County Board of Supervisors in June 2017. Linda Lowry (Pomona City Manager) and Joe Lyons (Claremont Councilmember) are representing the SGVCOG on the Measure H Planning Group.

Staff is seeking general policy direction for the roll out of anticipated Measure H funds to the San Gabriel Valley. Staff recommends the following principles:

- **Coordination and Partnerships:** Partner with interested COG's to expand capacity and facilitate coordination with cities by allowing a portion of Measure H funds to be used to create in-house homeless coordinator positions. These positions would be funded through an MOU between the County and the COG; This position would coordinate and engage with cities and service providers to support the Coordinated Entry System and the Continuum of Care services for residents currently homeless and those who are at risk of becoming homeless;
- **Funding for COC's and city programs:** Currently, Continuum of Care (CoC's) and individual cities do not receive automatic allocations. In order to encourage engagement and participation, the County should work to facilitate city's access to Measure H funds for programs that support the HI. The County should explore ways to work with CoC's to determine what portion of funds should automatically be allocated to the CoC's; and
- **Funding Distribution:** Currently, the County is proposing to allocate funds to each SPA according to the 2016 homeless count. The COG is recommending that instead of strictly using that formula the distribution of funds should be based on additional metrics in conjunction with the LAHSA homeless count to avoid funding shortfalls in SPA's which have had considerable success in combating homelessness.

These guiding principles were reviewed and recommended by the SGVCOG Homelessness Committee at their March 2017 meeting.

Prepared by: Christian Cruz  
Christian Cruz  
Management Analyst

Approved by: Marisa Creter  
Marisa Creter  
Assistant Executive Director

# Memorandum

*Serious drought.  
Help Save Water!*

**To:** MARK SAMUELSON  
Acting Chief  
Division of Local Assistance

**Date:** March 23, 2017

**File:** P1560-0016

**From:** MARSUE MORRILL, CPA  
Chief  
External Audits – Local Governments  
Audits & Investigations

**Subject:** **PRE-AWARD AUDIT – SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS**

Audits & Investigations (A&I) performed a Pre-award Audit of the San Gabriel Valley Council of Governments (SGVCOG) to determine whether the SGVCOG's financial management system is adequate to accumulate and segregate reasonable, allowable, and allocable project costs and to determine whether corrective action items from the prior audit report dated September 7, 2011 have been resolved. The audit period covered expenditures from February 1, 2016 through November 30, 2016.

Based on our audit, we determined the SGVCOG's financial management system is adequate to accumulate, segregate, and allocate reasonable and allowable project labor costs. SGVCOG contracts with the Alameda Corridor-East Construction Authority (ACE) to perform their financial management activities and adopts ACE's processes and procedures to perform procurement and grant management. The audit determined the SGVCOG also completed and addressed the corrective action of findings identified in A&I Incurred Cost Audit Report dated September 7, 2011. The final audit report is attached.

If you have any questions, please contact Mandy Ip, Auditor, at (916) 323-7861, or me, at (916) 323-7105.

Attachment

MARK SAMUELSON

March 23, 2017

Page 2 of 2

- c: Phil Hawkey, Executive Director, San Gabriel Valley Council of Governments  
Marisa Creter, Assistant Executive Director, San Gabriel Valley Council of Governments  
Carlos Monroy, Director of Finance, Alameda Corridor-East Construction Authority  
Aimee Kratovil, Acting Director, Financial Services, Federal Highway Administration  
Tashia Clemons, Director, Program Development, Federal Highway Administration  
Kara Magdaleno, Administrative Program Assistant Planning and Finance, Federal Highway Administration  
Veneshia Smith, Financial Program Manager, Federal Highway Administration  
Roberto Rodrigues, F.I.R.E & Program Review Coordinator, Federal Highway Administration  
Erin Thompson, Chief, Office of Regional Planning, Division of Transportation Planning, Caltrans  
Steve Novotny, DLAE, District 7, Office of Local Assistance, Caltrans  
Lisa Gore, Associate Accounting Analyst, Division of Accounting, Caltrans  
Phyllis Nahale, Audits and Federal Performance Measures Analyst, Division of Local Assistance, Caltrans  
MarSue Morrill, CPA, Chief, External Audits - Local Governments, Audits & Investigations, Caltrans  
Tami Gill, Audit Manager, External Audits – Local Governments, Audits & Investigations, Caltrans  
Office Chron

# San Gabriel Valley Council of Governments Pre-Award Audit



**Audit Report**

**March 2017**



## PREPARED BY:

California Department of Transportation

Audits and Investigations – MS 2

Post Office Box 942874

Sacramento, California 94274-0001

[www.dot.ca.gov/hq/audits](http://www.dot.ca.gov/hq/audits)

## AUDIT TEAM

MarSue Morrill, Chief, External Audits - Local Governments

Tami Gill, Audit Manager

Mandy Ip, Auditor

P1560-0016

# TABLE OF CONTENTS

<b>SUMMARY</b>	<b>1</b>
<b>OBJECTIVES</b>	<b>1</b>
<b>SCOPE</b>	<b>1</b>
<b>METHODOLOGY</b>	<b>2</b>
<b>BACKGROUND</b>	<b>2</b>
<b>CONCLUSION</b>	<b>2</b>

## **ATTACHMENTS**

I. Corrective Action Analysis

# **SUMMARY, OBJECTIVES, SCOPE, METHODOLOGY, BACKGROUND, AND CONCLUSION**

## **SUMMARY**

The California Department of Transportation (Caltrans), Audits and Investigations (A&I) performed a Pre-award Audit of the San Gabriel Valley Council of Governments (SGVCOG) and found the SGVCOG's financial management system is capable of accumulating and segregating reasonable, allowable, and allocable project labor costs. SGVCOG also completed and addressed the corrective action of findings identified in A&I's Incurred Cost Audit Report dated September 7, 2011.

## **OBJECTIVES**

Caltrans A&I performed the Pre-award Audit to determine whether the SGVCOG's financial management system can accumulate and segregate costs that are reasonable, allowable, and properly allocated to projects, which included assessing whether internal controls are in place to ensure the SGVCOG's compliance with applicable laws and regulations. In addition, our audit was performed to determine whether corrective action items from the prior audit report dated September 7, 2011 have been resolved.

## **SCOPE**

The scope of the audit was limited to select financial and compliance activities. The audit included a review of the SGVCOG's billing procedures, procurement procedures, project management, internal controls, and accounting policies to ensure compliance with applicable Caltrans agreement provisions, and state and federal regulations. The audit also included a review of the SGVCOG's Single Audit Report for fiscal year ending June 30, 2015, review of corrective action implementation from the September 2011 audit, and inquiries of the SGVCOG's personnel. The audit included tests of individual accounts to the general ledger and supporting documentation to assess allowability, allocability, and reasonableness of costs based on a risk assessment, as well as an assessment of the internal control system as related to the financial management system as of March 20, 2017. Financial management changes subsequent to this date were not tested and, accordingly, our conclusion does not pertain to changes arising after this date. We believe that our audit provides a reasonable basis for our conclusion.

The SGVCOG is responsible for implementing internal controls and maintaining an adequate financial management system to accumulate and segregate reasonable, allowable, and allocable costs in accordance with state and federal requirements. Because of inherent limitations in any financial management system, misstatements due to error or fraud may occur and not be detected. Also, any projection or evaluation of the financial management system in future periods using the results of this audit are subject to the risk that the financial management system may become



inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

## **METHODOLOGY**

We conducted this Pre-award Audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions. The audit was less in scope than an audit performed for the purpose of expressing an opinion on the financial statements of the SGVCOG. Therefore, we did not audit and are not expressing an opinion on the SGVCOG's financial statements.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the data and records selected. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall presentation.

## **BACKGROUND**

Caltrans A&I conducts Pre-award Audits on local agencies receiving state and federal funds to determine if the agencies are complying with state and federal requirements. Caltrans requires Pre-award Audits to be performed by A&I prior to establishing a Master Agreement with agencies for state and federal funded projects.

## **CONCLUSION**

Based on our audit we determined the SGVCOG's financial management system is adequate to accumulate and segregate reasonable, allowable, and allocable project costs. SGVCOG contracts with the Alameda Corridor-East Construction Authority (ACE) to perform their financial management activities and adopts ACE's processes and procedures to perform procurement and grant management thereby addressing and resolving corrective action items from the September 7, 2011 Caltrans A&I audit. SGVCOG also completed and addressed all the corrective action items. See Attachment 1 for corrective action analysis.

This report is intended as information for Caltrans management, California Transportation Commission, Federal Highway Administration, and SGVCOG. The report is a matter for public record and will be placed on Caltrans' website, which can be viewed at <[www.dot.ca.gov/hq/audits/reports\\_issued.html](http://www.dot.ca.gov/hq/audits/reports_issued.html)>.

If you have any questions, please contact Mandy Ip, Auditor at (916) 323-7861, or Tami Gill, Audit Manager at (916) 323-7899.



**MARSUE MORRILL, CPA**  
**Chief**  
**External Audits – Local Government Agency**  
**Audits and Investigations**

**March 23, 2017**

**ATTACHMENT I.  
Corrective Action Analysis**

<b>Action Item</b>	<b>San Gabriel Valley Council of Governments (SGVCOG) Corrective Action Items from Caltrans September 7, 2011 audit report</b>	<b>Audits &amp; Investigation (A&amp;I) Analysis of SGVCOG's Implementation of the Corrective Action Items</b>
1	<p>SGVCOG will continue to be designated a high-risk agency as set forth in 49 Code of Federal Regulations (CFR), Part 18.12. The high risk designation will remain until Caltrans determines that the corrective actions are accomplished. Federal and State funds from Caltrans will not be provided to SGVCOG until the high-risk designation is repealed.</p>	<p>Corrective action is complete.</p> <ul style="list-style-type: none"> <li>• A&amp;I completed and issued a pre-award audit of SGVCOG March 2017.</li> <li>• The objective of the audit was to: 1) Ensure SGVCOG has a financial management system capable of accumulating and segregating project costs and 2) Follow-up on the corrective action items from the September 7, 2011 audit.</li> <li>• The audit found the SGVCOG's financial management system is capable of accumulating and segregating reasonable, allowable, and allocable project labor costs. SGVCOG also completed and addressed the corrective action items from the Caltrans A&amp;I audit dated September 7, 2011.</li> </ul>
2	<p>SGVCOG will develop and implement organizational changes to remove the conflict of interest created by Arroyo Associates, Inc., acting as Executive Director and staff for SGVCOG. The required organizational change is part of the operational plan in action #11 with the same timeframes for review and adoption.</p>	<p>Corrective action is complete.</p> <ul style="list-style-type: none"> <li>• SGVCOG implemented changes in their organizational structure. The conflict of interest issue was resolved as of September 30, 2015.</li> <li>• SGVCOG has a strategic plan that details their goals and key actions. Their mission, vision and core values statement is posted on the agency website.</li> <li>• SGVCOG's adopted budget for FY 2016/17 includes its annual budget; estimated revenue and</li> </ul>

		expenditures, including personnel costs.
3	SGVCOG must undergo a follow-up audit performed by Caltrans Audits and Investigations.	<p>Correction action is complete.</p> <ul style="list-style-type: none"> <li>A&amp;I completed a pre-award audit of SGVCOG March 2017. The pre-award also included follow-up to corrective action items from the September 7, 2011 audit.</li> </ul>
4	SGVCOG shall reimburse Caltrans \$36,937 paid to Arroyo Associates, Inc. Caltrans shall receive reimbursement by June 1, 2012.	<p>Corrective action is complete.</p> <ul style="list-style-type: none"> <li>SGVCOG reimbursed Caltrans \$36,937 for funds paid to Arroyo Associates, Inc.</li> <li>The check deposit date was September 6, 2012.</li> </ul>
5	SGVCOG will provide written administrative procedures by June 1, 2012 for procurement that comply with federal and state regulations.	<p>Corrective action is complete.</p> <ul style="list-style-type: none"> <li>SGVCOG has adopted and implemented Alameda Corridor-East Construction Authority's (ACE) procurement policy. <i>A contract or project that will be funded by state and/or federal funds will be procured and administered according to ACE's procurement policy.</i></li> <li>The procurement policy conforms to the federal procurement standards.</li> <li>A&amp;I tested an ACE procurement transaction and determined the contract was procured in accordance with SGVCOG and ACE's procurement policy, and state and federal guidelines.</li> </ul>

<p>6</p>	<p>SGVCOG will ensure its financial management system is in compliance with state and federal rules and regulations, including procurement billings procedures, local match, and contract management procedures addressed in 49 CFR, Part 18, and 2 CFR Part 225.</p>	<p>Corrective action is complete.</p> <ul style="list-style-type: none"> <li>• SGVCOG utilizes ACE’s financial management system for accounting, budgeting, finance and information technology and ACE staff for administrative support.</li> <li>• ACE’s financial management system is in compliance with state and federal rules and regulations.</li> <li>• SGVCOG adopted ACE’s Accounting and Financial policies and procedures October 20, 2016.</li> </ul>
<p>7</p>	<p>SGVCOG shall reimburse Caltrans \$5,750 for unsupported consultant costs from IBI Group. Caltrans shall receive reimbursement by June 1, 2012.</p>	<p>Corrective action is complete.</p> <ul style="list-style-type: none"> <li>• SGVCOG reimbursed Caltrans for \$5,750 for unsupported consultant costs for IBI Group.</li> <li>• The check deposit date was September 6, 2012.</li> </ul>
<p>8</p>	<p>SGVCOG shall develop and maintain a grant management system for federal and state funds that includes staff and management familiar with requirements of funding agreements, adequate supporting documentation for billings, and appropriate review and approval of grant invoices before they are submitted to Caltrans.</p>	<p>Corrective action is complete.</p> <ul style="list-style-type: none"> <li>• SGVCOG adopted an updated procurement policy on September 18, 2014.</li> <li>• SGVCOG utilizes ACE’s Procurement Policy which states, “if any contract/project will be funded by state and/or federal funds, those contract/project will be procured and administered by ACE.”</li> <li>• ACE currently manages state and federal transportation grants and has active transportation projects.</li> <li>• Tested an ACE procurement transaction and determined the contract was procured in accordance with SGVCOG and ACE’s procurement policy, and state and federal guidelines.</li> </ul>

<p>9</p>	<p>SGVCOG shall maintain an adequate contract management system.</p>	<p>Corrective action is complete.</p> <ul style="list-style-type: none"> <li>• SGVCOG will utilize ACE for managing any state and/or federal funds projects.</li> <li>• Tested the payable process and determined SGVCOG maintains an adequate contract management over its professional services contract, management service contract, and legal services agreement.</li> </ul>
<p>10</p>	<p>SGVCOG shall develop and implement a project costing system that can accumulate and segregate allowable project costs and create written policies and procedures as well as controls to ensure the policies and procedures are followed.</p>	<p>Corrective action is complete.</p> <ul style="list-style-type: none"> <li>• SGVCOG utilizes ACE for its financial management system operations for accounting, budgeting, finance and information technology and ACE staff for administrative support.</li> <li>• ACE’s accounting system can accumulate and segregate allowable project costs. Labor costs and receivable transactions were tested.</li> <li>• SGVCOG adopted ACE’s accounting and financial policies and procedures as of October 20, 2016. Policies are communicated to staff through staff meetings.</li> </ul>

11	SGVCOG will prepare an operational plan that details the agency's purpose and goals, estimated annual budget, staff resources, anticipated projects/activities, funding sources, and other pertinent information for FYs 2011/12, 2012/13, and 2013/14.	Corrective action is complete. <ul style="list-style-type: none"><li>• SGVCOG has a strategic plan that details the agency's goals and key actions. Their mission, vision and core values statement is posted on the agency website.</li><li>• SGVCOG's adopted budget for FY 2016/17 includes its annual budget; estimated revenue and expenditures, including personnel costs and financial policies.</li></ul>
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AGENDA AND NOTICE OF THE REGULAR MEETING OF THE  
SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS GOVERNING BOARD

**APRIL 20, 2017 - 6:00 P.M.**

**Upper San Gabriel Valley Municipal Water District Office  
602 E. Huntington Drive, Suite B, Monrovia, California 91016**

**SGVCOG Officers**

President  
**Cynthia Sternquist**

1<sup>st</sup> Vice President  
**Margaret Clark**

2<sup>nd</sup> Vice President  
**Vacant**

3<sup>rd</sup> Vice President  
**Vacant**

**Members**

*Alhambra*

*Arcadia*

*Azusa*

*Baldwin Park*

*Bradbury*

*Claremont*

*Covina*

*Diamond Bar*

*Duarte*

*El Monte*

*Glendora*

*Industry*

*Irwindale*

*La Cañada Flintridge*

*La Puente*

*La Verne*

*Monrovia*

*Montebello*

*Monterey Park*

*Pasadena*

*Pomona*

*Rosemead*

*San Dimas*

*San Gabriel*

*San Marino*

*Sierra Madre*

*South El Monte*

*South Pasadena*

*Temple City*

*Walnut*

*West Covina*

*First District, LA County  
Unincorporated Communities*

*Fourth District, LA County  
Unincorporated Communities*

*Fifth District, LA County  
Unincorporated Communities*

*SGV Water Districts*

Thank you for participating in tonight's meeting. The Governing Board encourages public participation and invites you to share your views on agenda items.

**MEETINGS:** *Regular Meetings of the Governing Board are held on the third Thursday of each month at 6:00 PM at the Upper San Gabriel Valley Municipal Water District Office (602 E. Huntington Drive, Suite B, Monrovia, California 91016).* The Governing Board agenda packet is available at the San Gabriel Valley Council of Government's (SGVCOG) Office, 1000 South Fremont Avenue, Suite 10210, Alhambra, CA, and on the website, [www.sgvco.org](http://www.sgvco.org). Copies are available via email upon request ([sgv@sgvco.org](mailto:sgv@sgvco.org)). Documents distributed to a majority of the Board after the posting will be available for review in the SGVCOG office and on the SGVCOG website. Your attendance at this public meeting may result in the recording of your voice.

**CITIZEN PARTICIPATION:** Your participation is welcomed and invited at all Governing Board meetings. Time is reserved at each regular meeting for those who wish to address the Board. SGVCOG requests that persons addressing the meeting refrain from making personal, slanderous, profane or disruptive remarks.

**TO ADDRESS THE GOVERNING BOARD:** At a regular meeting, the public may comment on any matter within the jurisdiction of the Board during the public comment period and may also comment on any agenda item at the time it is discussed. At a special meeting, the public may only comment on items that are on the agenda. Members of the public wishing to speak are asked to complete a comment card or simply rise to be recognized when the Chair asks for public comments to speak. We ask that members of the public state their name for the record and keep their remarks brief. There is a three minute limit on all public comments. Proxies are not permitted and individuals may not cede their comment time to other members of the public. **The Governing Board may not discuss or vote on items not on the agenda.**

**AGENDA ITEMS:** The Agenda contains the regular order of business of the Governing Board. Items on the Agenda have generally been reviewed and investigated by the staff in advance of the meeting so that the Governing Board can be fully informed about a matter before making its decision.

**CONSENT CALENDAR:** Items listed on the Consent Calendar are considered to be routine and will be acted upon by one motion. There will be no separate discussion on these items unless a Board member or citizen so requests. In this event, the item will be removed from the Consent Calendar and considered after the Consent Calendar. If you would like an item on the Consent Calendar discussed, simply tell Staff or a member of the Governing Board.

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In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SGVCOG office at (626) 457-1800. Notification 48 hours prior to the meeting will enable the SGVCOG to make reasonable arrangement to ensure accessibility to this meeting.



**PRELIMINARY BUSINESS**

**5 MINUTES**

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Public Comment (*If necessary, the President may place reasonable time limits on all comments*)
5. Changes to Agenda Order: Identify emergency items arising after agenda posting and requiring action prior to next regular meeting

**PRESENTATIONS**

**20 MINUTES**

6. Recognition of Former President Gene Murabito and Former Vice-President Kevin Stapleton
7. Impact of Proposition 64 (Legalization of Recreational Marijuana)

**CONSENT CALENDAR**

**10 MINUTES**

*(It is anticipated that the SGVCOG Governing Board may take action on the following matters)*

8. Governing Board Meeting Minutes  
*Recommended Action: Adopt Governing Board minutes.*
9. Monthly Cash Disbursements/Balances/Transfers  
*Recommended Action: Approve Monthly Cash Disbursements/Balances/Transfers.*
10. ACE Board of Directors Minutes  
*Recommended Action: Receive and file.*
11. ACE Monthly Report  
*Recommended Action: Receive and file.*
12. Committee Attendance  
*Recommended Action: Receive and file.*
13. SGVCOG Bylaws  
*Recommended Action: Adopt 8<sup>th</sup> Amended and Restated Bylaws*
14. Letter of No Prejudice for Lemon Avenue/ SR-60 Project  
*Recommended Action: Request that the Metropolitan Transportation Authority (Metro) issue a "Letter of No Prejudice" for the early construction of a Measure M eligible project for new ramps at State Route 60 and Lemon Avenue.*
15. Official Signatures  
*Recommended Action: Adopt Resolution 17-06 updating the authorized signatures for banking.*

**ACTION ITEMS**

**30 MINUTES**

*(It is anticipated that the SGVCOG Governing Board may take action on the following matters)*

16. Measure H Guiding Principles  
*Recommended Actions: Adopt Resolution 17-07 approving Measure H Guiding Principles.*
17. Measure M Draft Guidelines  
*Recommended Action: Recommend Governing Board send comment letter regarding draft guidelines.*
18. SB 541 (Allen)  
*Recommended Action: Adopt Resolution 17-08 in support of SB 541 (Allen)*
19. AB 1180 (Holden)  
*Recommended Action: Adopt Resolution 17-09 in support of AB 1180 (Holden).*
20. AB 1 (Frazier)  
*Recommended Action: Adopt Resolution 17-10 in support of AB 1 (Frazier).*

21. SB 1 (Beall)  
*Recommended Action: Adopt Resolution 17-11 in support of SB 1 (Beall).*

22. AB 346 (Daly & Brough)  
*Recommended Action: Adopt Resolution 17-12 in support of AB 346 (Daly & Brough)*

**PRESIDENT'S REPORT** **5 MINUTES**

*(It is anticipated that the SGVCOG Governing Board may take action on the following matters)*

23. Oral Report  
*Recommended Action: For information.*

24. Call for Nominations  
*Recommended Action: For information.*

**EXECUTIVE DIRECTOR'S REPORT** **15 MINUTES**

*(It is anticipated that the SGVCOG Governing Board may take action on the following matters)*

25. Oral Report  
*Recommended Action: For information.*

26. Draft FY 17-18 Budget  
*Recommended Action: For information.*

27. Caltrans Audit  
*Recommended Action: For information.*

**GENERAL COUNSEL'S REPORT**

**COMMITTEE REPORTS** **10 MINUTES**

Transportation Committee  
Homelessness Committee  
Energy, Environment and Natural Resources Committee  
Water Committee  
Ad Hoc Legislative Committee

**PROJECT REPORTS** **10 MINUTES**

The ACE Project  
San Gabriel Valley Energy Wise Partnership

**LIAISON REPORTS** **10 MINUTES**

Gold Line Foothill Extension Construction Authority  
San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy  
Southern California Association of Governments  
League of California Cities  
San Gabriel Valley Economic Partnership  
South Coast Air Quality Management District

**BOARD MEMBER ITEMS**

**ANNOUNCEMENTS**

**ADJOURN**