



Adopted Budget – FY 2018





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

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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

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

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 \$1,369,136, resulting in a net balance of \$3,075. 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

FY 2017-18 BUDGET
BUDGET OVERVIEW

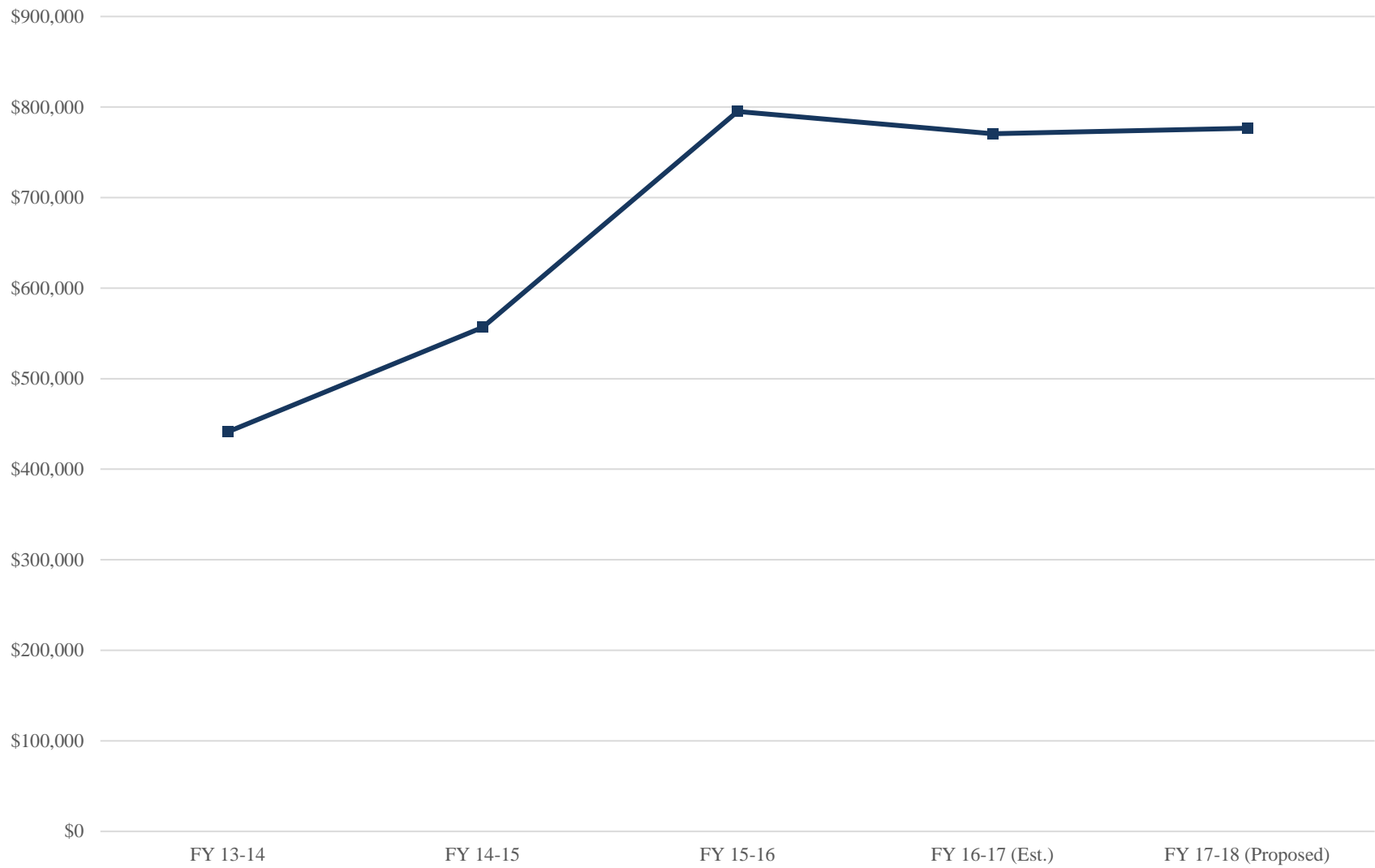
San Gabriel Valley Council of Governments	
Proposed Budget	
Fiscal Year 2017-18	
<u>Description</u>	<u>Amount</u>
Revenues:	
General Operating Income	\$ 823,798
Grants & Special Project Income	548,413
Total Revenue	1,372,211
Expenses:	
Ongoing Operational Contracts	90,400
Personnel	782,823
General & Administrative	227,823
Consultant Services	205,090
Direct Expenses	23,000
Grant and Special Project Expenses	40,000
Total Expenses	1,367,136
Estimated Year-End Balance	\$ 3,075

Estimated Fund Balance (7/1/2017):	\$770,584
Estimated Fund Balance (6/30/2018):	\$773,659

SUMMARY OF REVENUES AND EXPENSES (2015-2018)

<u>Description</u>	FY 15-16 (Actual)	FY 16-17 (Estimated)	FY 17-18 (Proposed)
Revenues:			
General Operating Income	\$ 790,168	\$ 784,606	\$ 823,798
Grants & Special Project Income	379,147	706,518	548,413
Total Revenue	1,169,315	1,491,124	1,372,211
Expenses:			
Ongoing Operational Contracts	67,780	100,500	90,400
Personnel	279,459	515,489	782,823
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
Total Expenses	997,845	1,162,376	1,369,136
Year-End Balance	\$ 171,470	\$ (24,511)	\$ 3,075

SGVCOG Fund Balance 2013-2018¹

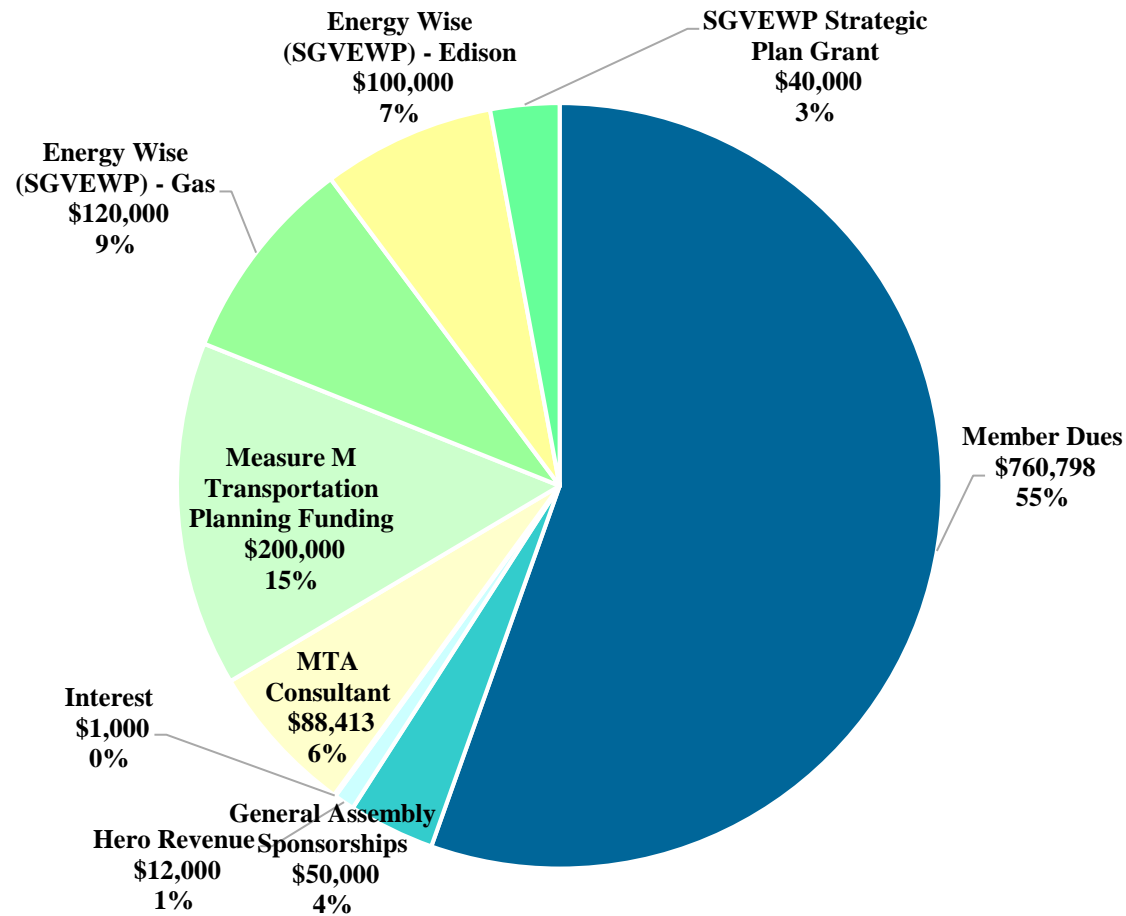


¹ FY 16-17 includes back payments to CalPERS and employee costs from FY 2015-16.

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.

FY 2017-2018 – SGVCOG Revenues
\$1,372,221



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 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
Total	\$ 760,797.79

² 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:

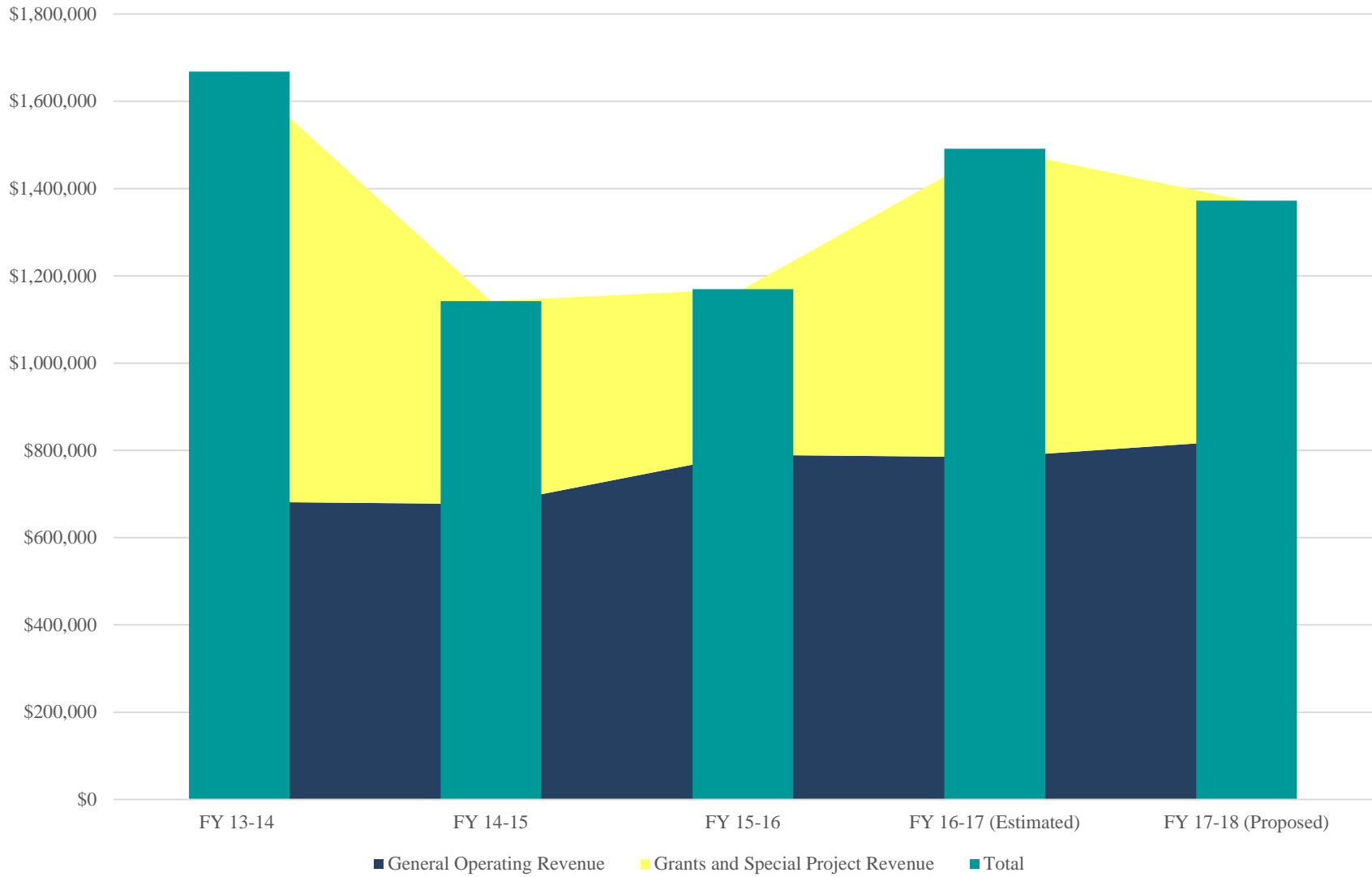
- ***San Gabriel Valley Energy Wise Partnership (SGVEWP) (\$220,000):*** This program is funded by the California Public Utilities Commission (CPUC). The objectives of the Partnership are as follows: 1) Assisting local governments in identifying and implementing energy-efficiency projects in their municipal 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 administering 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.³ The 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.

³ 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.

SGVCOG Total Revenue 2013-2018⁴



⁴ FY 15-16 includes \$50,933 in revenue from the SGVCOG’s settlement with its insurance carrier.

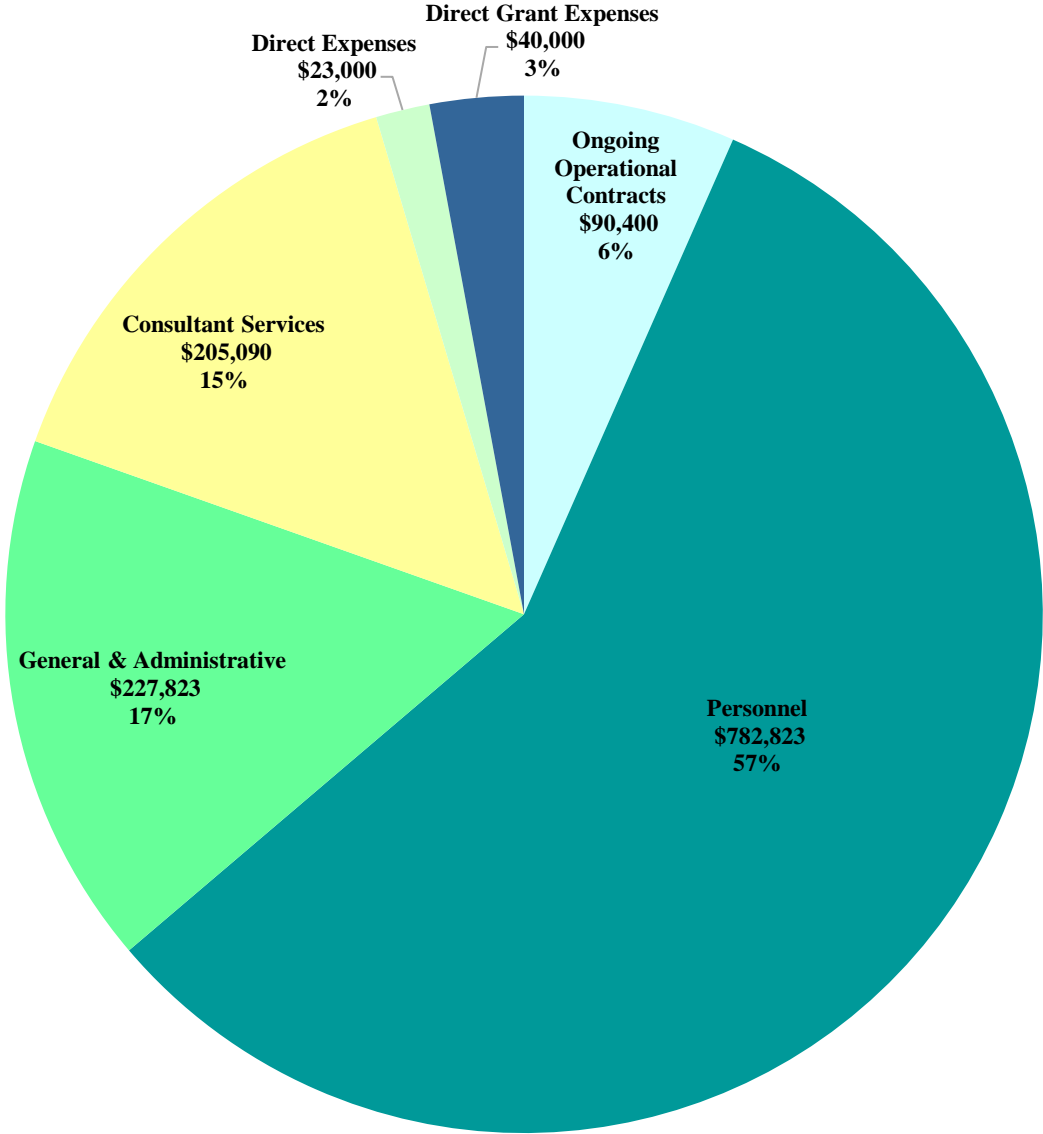
EXPENDITURES

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

Category	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 (Est.)	FY 2017-18 (Proposed)
Ongoing Operational Contracts	108,886	91,456	67,780	100,500	90,400
Personnel	417,429	353,459	279,459	515,489	782,823
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
Total	\$ 1,000,366	\$ 1,033,817	\$ 997,845	\$ 1,162,376	\$ 1,369,136

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:

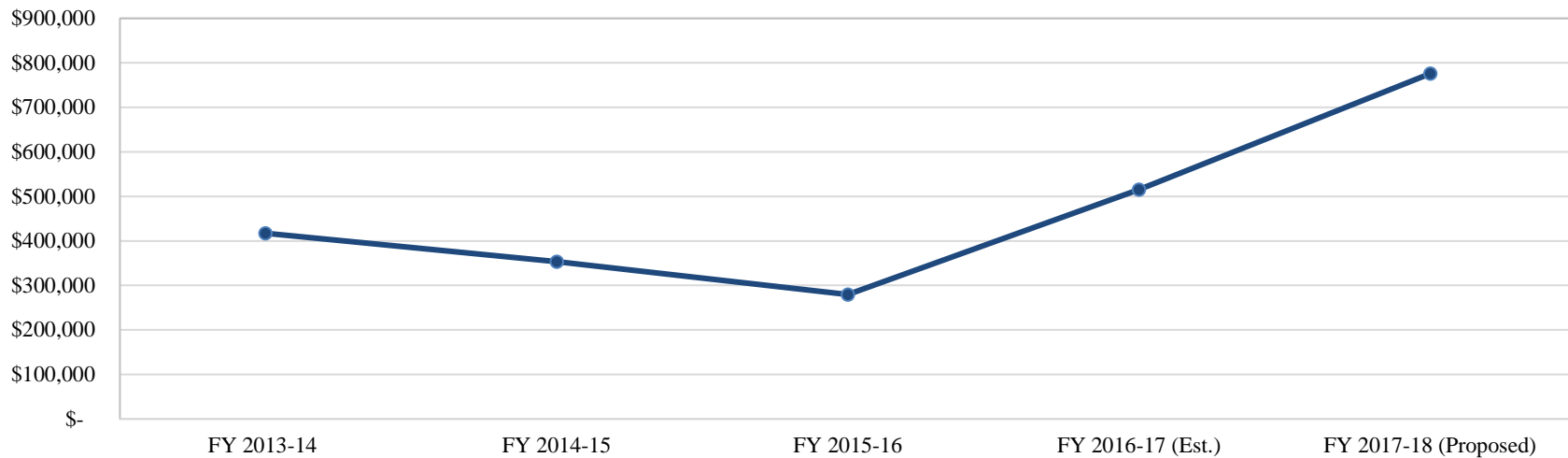
- **Salaries and Deferred Compensation (\$255,383 increase):** There several changes are reflected in the proposed salary costs as follows:
 - *Executive Director:* Per direction from CalPERS, the Executive Director position was converted from a consultant contract to an in-house position in FY 2016-17. 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 (\$6,900 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.

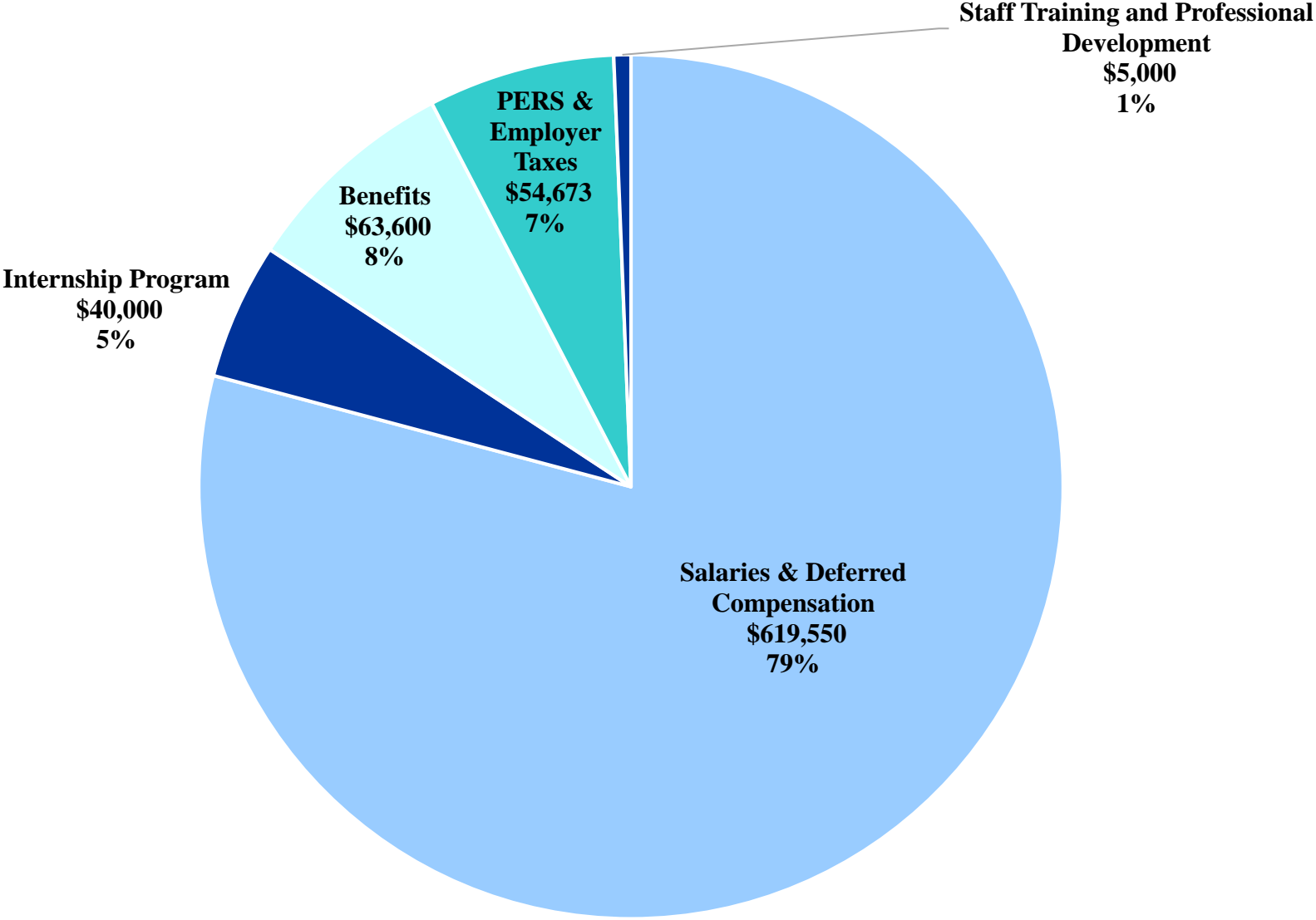
- **PERS & Employer Taxes (\$20,551 increase):** Currently, all SGVCOG employers are subject to the Public Employee Pension Reform Act (PEPRA), which caps and limits pension benefits. CalPERS has indicated that the employer contribution rate for FY 2017-18 will be 6.55% of salaries for PEPRA employees.

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 (Est.)	FY 2017-18 (Proposed)
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	63,600
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
Total	\$ 417,429	\$ 353,459	\$ 279,459	\$ 515,489	\$ 782,823

SGVCOG Personnel Costs 2013-2018



FY 2017-2018 – SGVCOG Personnel Expenditures
\$782.823



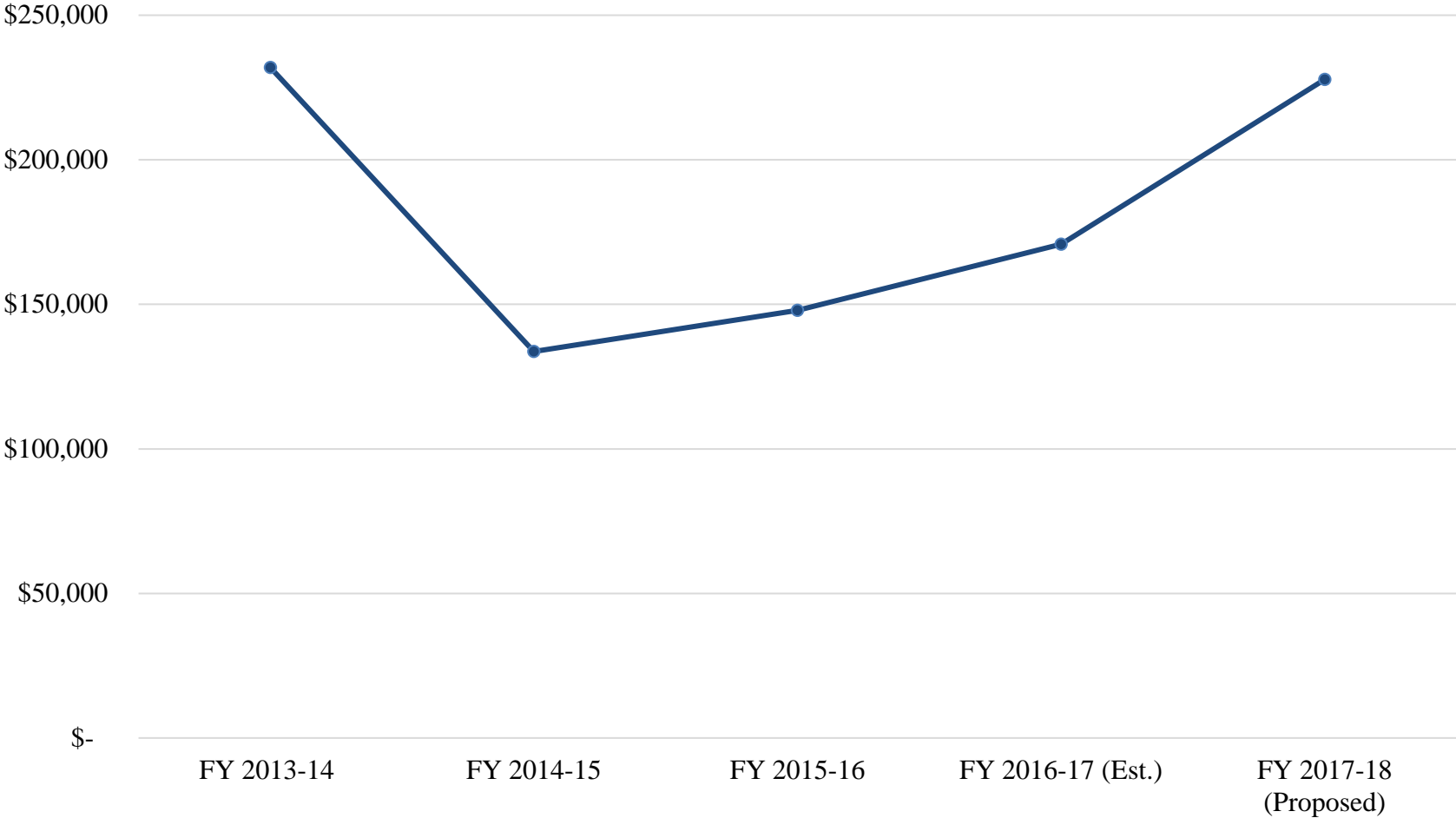
General & Administrative- These costs include facility costs (i.e. rent, storage, utilities, and office supplies), insurance/bonding, meetings and travel, and memberships. In January 2013, the SGVCOG entered into a five-year lease for the SGVCOG’s offices that are currently located in Alhambra, and that 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:

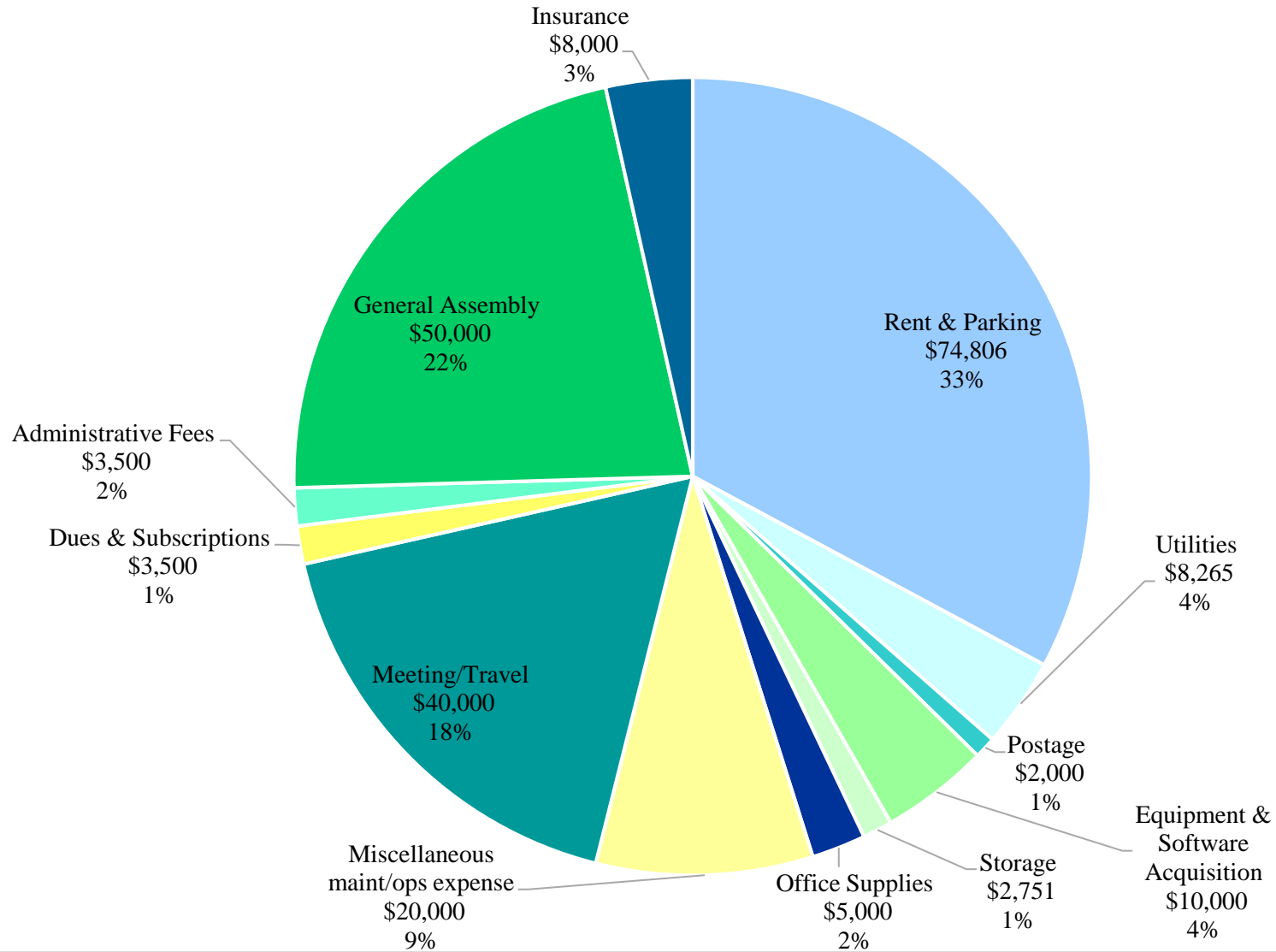
- **Rent (\$2,179 increase):** The FY 2017-18 assumes at 3% increase for rent, utilities, and storage based on increases to the consumer price index. This is consistent with historic trends.
- **Utilities (\$240 increase):** The FY 2017-18 assumes at 3% increase for rent, utilities, and storage based 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
Total	\$ 231,921	\$ 133,680	\$ 147,954	\$ 170,823	\$ 227,823

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.⁵ 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.

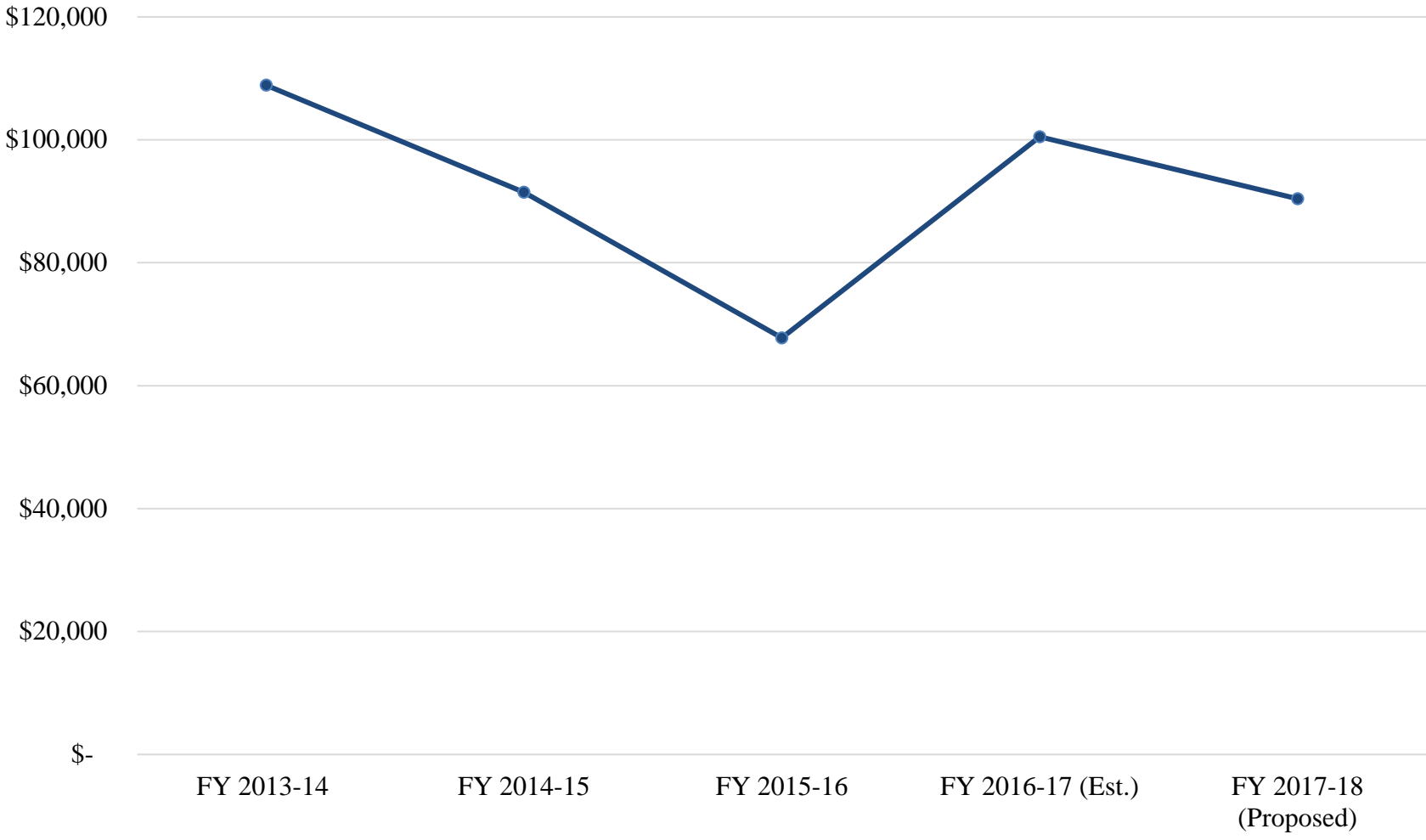
Changes from current fiscal year (FY 2016-17) and the proposed FY 2017-18 budget are attributable to the following:

- **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.

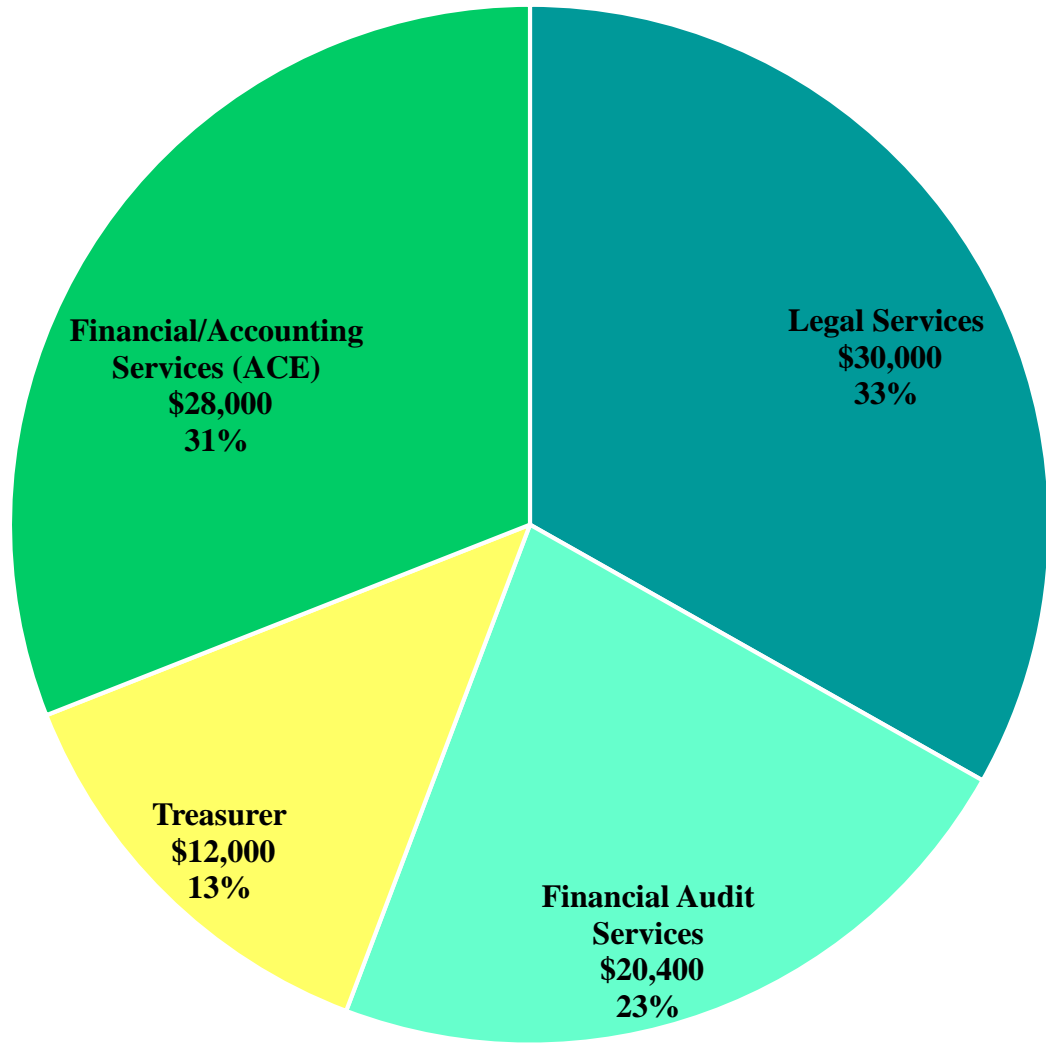
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 (Est.)	FY 2017-18 (Proposed)
Legal Services	53,227	35,502	26,974	35,000	30,000
Financial Audit Services	15,000	20,000	17,500	20,000	20,400
Treasurer			2,985	13,500	12,000
Financial/Accounting Services	40,659	36,254	20,321	32,000	28,000
Total	\$108,886	\$91,456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

⁵ 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,⁶ media/public relations, and grant writing.

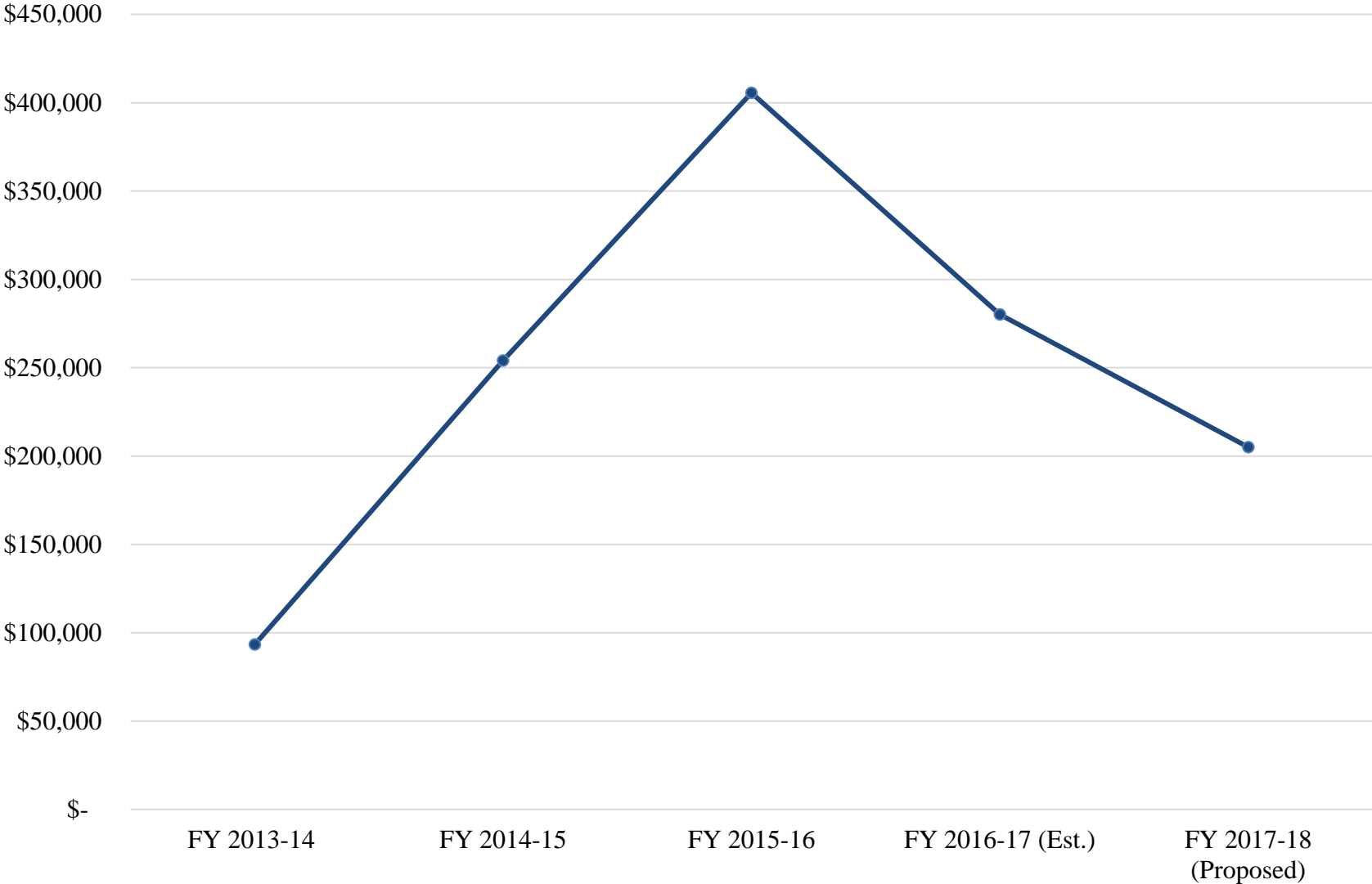
Changes from current fiscal year (FY 2016-17) and the proposed FY 2017-18 budget are attributable to the following:

- **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.

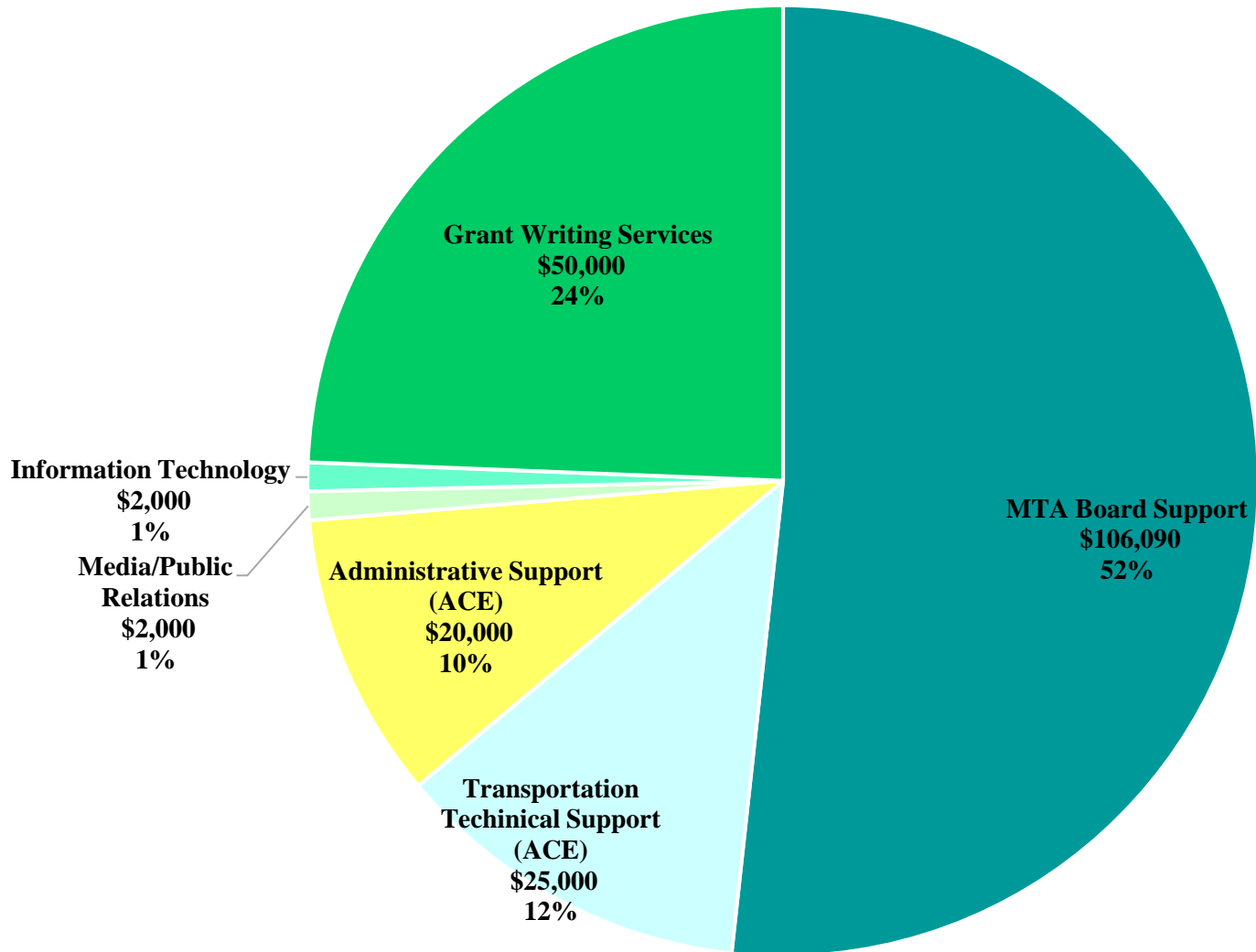
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 (Est.)	FY 2017-18 (Proposed)
Interim Executive Director		58,250	156,000	65,000	
MTA Board Support	81,249	95,832	102,750	106,090	106,090
Strategic Plan		22,000	9,998		
Transportation Technical Support (ACE)		6,543	50,000	30,000	25,000
Administrative Support (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		
Total	\$ 93,354	\$ 254,023	\$ 405,547	\$ 280,090	\$ 205,090

⁶ 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

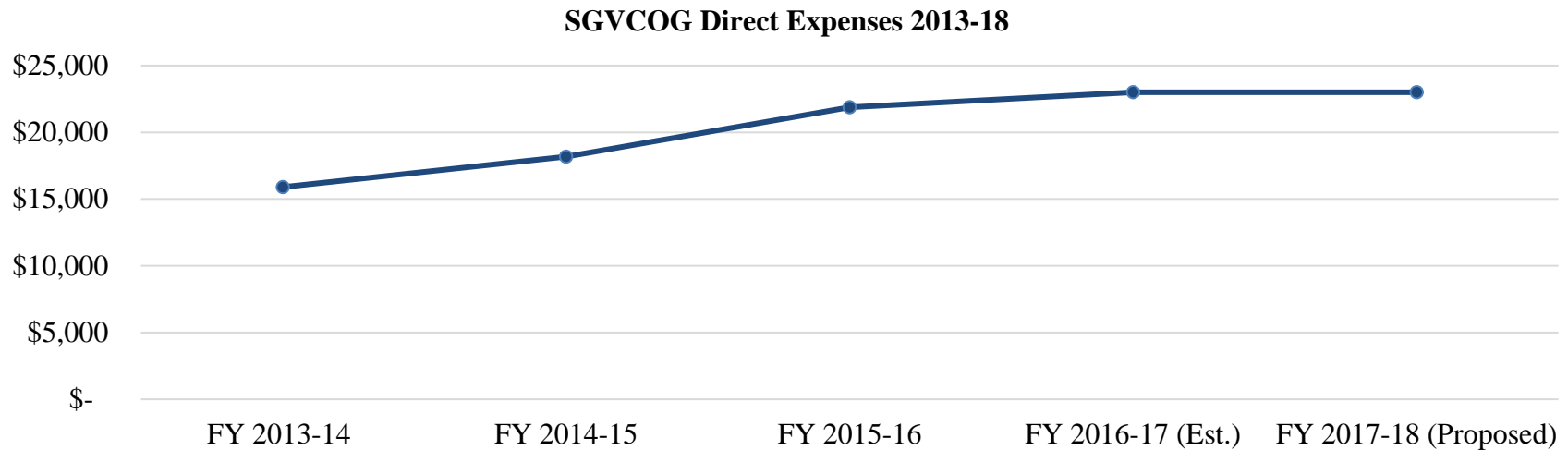


**FY 2017-18 – SGVCOG Consultant Services
Expenditures
\$205,090**



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.

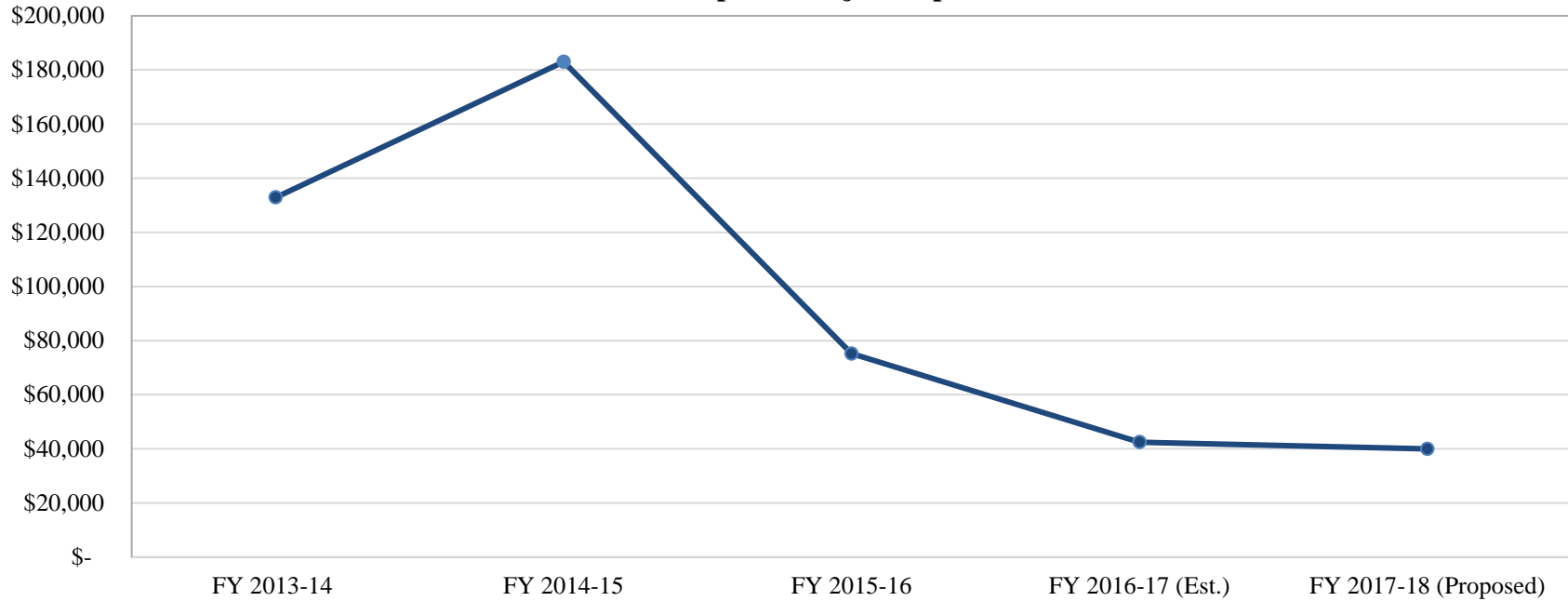
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 (Est.)	FY 2017-18 (Proposed)
Board Stipends & Taxes	8,550	10,800	13,739	11,000	11,000
Printing / Publication	7,347	7,377	8,143	12,000	12,000
Total	\$ 15,897	\$ 18,177	\$ 21,882	\$ 23,000	\$ 23,000



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.”

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

SGVCOG Grants and Special Project Expenses 2013-2018



⁷ The SCE CEESP Grant was completed in September 2015.