



**SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS
FISCAL YEAR 2020-2021 BUDGET**



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Alhambra
Arcadia
Azusa
Baldwin Park
Claremont
Covina

Diamond Bar
Duarte
El Monte
Glendora
Industry
Irwindale
La Cañada Flintridge

La Puente
La Verne
Monrovia
Montebello
Monterey Park
Pomona
Rosemead

San Dimas
San Gabriel
San Marino
Sierra Madre
South El Monte
South Pasadena
Temple City

Walnut
West Covina
LA County District 1
LA County District 4
LA County District 5

TRANSMITTAL LETTER

May 31, 2020

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 2020-2021. 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.

Mission & Vision

On March 21, 2019, the SGVCOG adopted the most recent update to its Strategic Plan. This update was developed through a comprehensive outreach process. The SGVCOG mission, and vision are shown below.

Mission

“The SGVCOG is a sub-regional government that serves as 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

“By 2021, the SGVCOG will serve as a model subregional agency in Southern California by continuing its existing support of member agency goals and priorities while leveraging the new opportunities provided by the extension and expansion of ACE.”

FY 2019-2020 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:

Administration and Integration

- Completed comprehensive update of employee handbook including outlining a revolving door prohibition and employee discipline procedures.
- Held 8 process workflow workshops with staff to improve processes for invoicing, budgeting/reporting, procurement, project tracking, grants management, and HR/resource management.
- Implemented new software for recruitment and employee performance evaluations through NeoGov.

Water

- Submitted comments on behalf of member agencies for major regulatory actions of the State and Regional Water Boards.
- Submitted four scientific study grant applications through the Safe Clean Water Program on behalf of the Upper Los Angeles River Management Group.

Homelessness

- Sponsored SB 751 (Rubio), which authorizes the creation of the San Gabriel Valley Regional Housing Trust (SGVRHT) allowing cities in the San Gabriel Valley to form a joint powers authority (JPA) for the purposes of funding the planning and construction of homeless, extremely low, very low, and low income housing, receive public and private financing and funds, and authorize and issue bonds.
- Held 7 negotiation meetings between interested parties for the development of SGVRHT JPA terms and conditions. This resulted in the development of a JPA document that, to date, has been adopted by 11 cities. The SGVRHT was officially formed in February 2020 and Board members were appointed to serve on the SGVRHT in April 2020.
- Successfully secured \$5,625,000 in State funding and \$1,541,876 in LA County Measure H Innovation funding for homeless programs in the San Gabriel Valley.
- Formulated comprehensive funding allocation plan for State Homeless Funds and Measure H Innovation Funds across the following programs:
 - SGVRHT;
 - City Homeless Plans Implementation;
 - City Homeless Plans Development;
 - Master Leasing;
 - Homeless Prevention and Diversion;
 - Pilot Program;
 - Landlords Incentives and Outreach; and
 - Regional Work.
- Held first Regional Forum series featuring the topic of Housing Trust and Affordable Housing best practices with over 80 attendees.

Transportation

- Developed unanimous consensus on the Governing Board to allocate \$126 million in Measure M subregional equity program funds to the Gold Line Foothill Extension to allow the project to be built to Pomona.
- Supported efforts by SGV representatives on the Metro Board of Directors to secure unanimous support for a motion that protects \$635.3M of Measure R funds for transportation projects along the SR-60 corridor.
- Implemented the El Monte and South El Monte open streets event in partnership with ActiveSGV.
- Launched the Bicycle-Friendly Business District Pilot with El Monte, South El Monte, and Baldwin Park in partnership with Southern California Association of Governments (SCAG).
- Coordinated efforts to establish the San Gabriel Valley Regional Vehicles Miles Travelled (VMT) Model to assist member agencies to comply with SB 743 mandates.
- Approved and supported the I-605 Corridor Aesthetics Master Plan to provide a uniform approach to future highway improvements along the I-605 freeway.

Sustainability & Environment

- Engaged in transition period for the local government energy partnership with SoCalGas and Southern California Edison, including securing funding with SoCalGas through 2020.
- Conducted over 20 community events and community presentations promoting sustainability in the San Gabriel Valley.

- Launched successful new Energy Working Group quarterly meetings to facilitate the development and implementation of municipal energy efficiency projects in the San Gabriel Valley.
- Assisted the San Gabriel Valley Mosquito and Vector Control District to develop a Regional Swimming Pool Ordinance that can lead to the abatement and decrease of improperly-maintained residential swimming pools.

Regional Leadership

- Developed a Regional Coyote Management Framework to provide a comprehensive regional coyote management model for all San Gabriel Valley cities, as well as developed the Neighborhood Coyote Program to conduct coyote safety outreach and coordinate centralized coyote activity reporting for 10 participating cities.
- Served as a public outreach partner to assist the Los Angeles County Office of Emergency Management to streamline public outreach communication efforts in the San Gabriel Valley during emergencies.

Capital Projects

- Achieved the following project milestones:
 - Fairway Drive Grade Separation, Durfee Avenue Grade Separation and Fullerton Road Grade Separation – Construction Ongoing
 - At-Grade Crossing Safety Improvements - Pomona - Design at 95%
 - Turnbull Canyon Grade Separation - Design 95% complete & completion of environmental clearance
 - Montebello Ave Grade Separation - Design 95% complete & completion of environmental clearance
 - At-Grade Crossing Safety Improvements - Montebello - Design at 95% & completion of environmental clearance
 - Maple Avenue Overhead Pedestrian Bridge - Design at 35% & completion of environmental clearance
 - Rio Hondo Load Reduction Strategy – Design at 35%

FY 2020-21 Workplan

The FY 2020-21 workplan includes several key activities that align with the SGVCOG’s strategic plan as listed below:

Administration and Integration

- Update accounting/financial policy manual with latest federal guidelines and best practices.
- Implement new finance software to streamline processes

Water

- Continue engagement with the implementation of the Safe Clean Water Program.
- Advocate based on adopted stormwater/water legislative policy agenda.

Homelessness

- Implement the following programs funded through State funding and County Homeless Initiative Innovation Funds.
 - SGVRHT;
 - City Homeless Plans Implementation;
 - City Homeless Plans Development;
 - Master Leasing;
 - Homeless Prevention and Diversion;

- Pilot Program;
 - Landlords Incentives and Outreach; and
 - Regional Work.
- Create and maintain a comprehensive San Gabriel Valley resource guide and list of “local champions.”
- Develop the foundations of a Regional Communications Plan to support regional and local homeless solutions.

Regional Housing Trust

- Provide support for the formation and operation of the SGVRHT.
- Support the identification of potential projects and programs that provide homeless, extremely low, very low, and low income housing for the San Gabriel Valley.
- Help to facilitate the award and management of the SGVRHT funding.

Transportation

- Facilitate development of San Gabriel Valley wide Electric Vehicle Charging Infrastructure Plan in partnership with SCAG.
- Implement Heart of the Foothills open streets events in partnership with La Verne, Pomona, and San Dimas.

Sustainability & Environment

- Engage in request for abstract for the local government energy partnership with SoCalGas and Southern California Edison.
- Develop a zero-waste policy for the SGVCOG.

Regional Leadership

- Implement the Neighborhood Coyote Program by conducting outreach and centralized reporting for 10 participating cities.
- Continue to host the SGVCOG’s Regional Forum events centered around topics related to emerging issues (e.g. public safety, artificial intelligence, etc.).

Capital Projects

- Durfee Avenue Grade Separation
 - *Goal:* Construction to 60% Completion
- Fairway Drive Grade Separation
 - *Goal:* Construction to 70% complete
- Fullerton Road Grade Separation
 - *Goal:* Construction to 70% complete
- At-Grade Crossing Safety Improvements - Pomona
 - *Goal:* Design 100% complete and bid/award a construction contract
- Montebello Avenue Grade Separation
 - *Goal:* 100% design complete and bid/award a construction contract.
- Maple Avenue Overhead Pedestrian Bridge
 - *Goal:* 100% design complete
- Turnbull Canyon Road Grade Separation
 - *Goal:* Design 100% complete
- At-Grade Crossing Safety Improvements - Montebello
 - *Goal:* 65% design complete
- Rio Hondo Load Reduction Strategy
 - *Goal:* Design 100% complete
- Regional Bike Share Program

- *Goal:* Deploy at least 840 pedal-assist bicycles in 15 participating cities.
- SR-57/SR-60 Confluence Project
 - *Goal:* Initiate Utility Relocations for Phase 4; Bid and award a construction contract for golf course modifications, Freeway Design 100% complete
- City of La Verne Gold Line Transit Oriented Development Pedestrian Bridge
 - *Goal:* Design 100% & completion of environmental clearance

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,

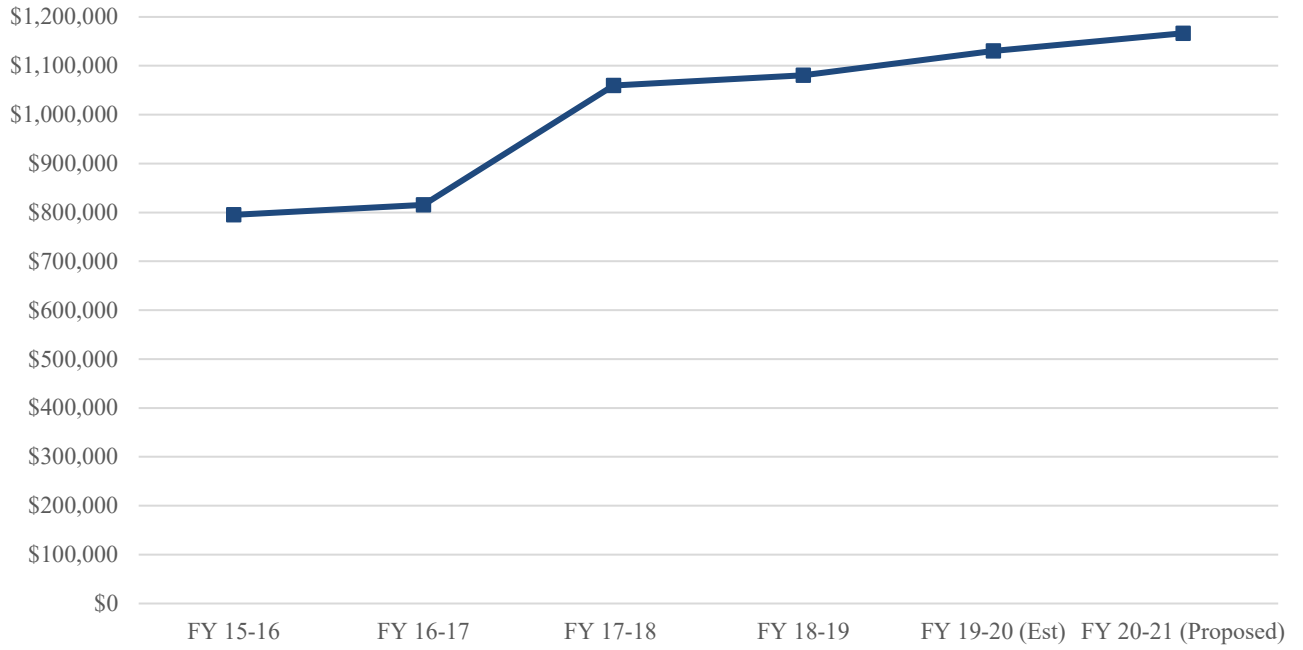


Marisa Creter
Executive Director

FY 2020-2021 BUDGET OVERVIEW

Revenue	Operating Budget	Housing Trust	Non-Capital Projects	Capital Projects	Total
Operating					
Member Dues	786,013				786,013
Transportation Administration (Local)	105,509				105,509
Hero Program	2,000				2,000
Interest	1,000				1,000
Subtotal Operating Revenue	894,522				894,522
Projects					
Federal				1,723,500	1,723,500
State			2,177,858	29,375,842	31,553,700
Local		300,000	1,936,131	65,092,809	67,053,940
Subtotal Revenue		300,000	4,113,989	96,192,151	100,331,140
Total Revenue	894,522	300,000	4,113,989	96,192,151	101,500,662
Expenditures					
Indirect Expenses					
Personnel	410,842	25,000	80,000	2,536,679	3,052,521
Committee & Employee Expenses	68,100	15,000	11,000	63,700	157,800
Professional Services	290,604	56,000	20,000	189,580	556,184
Other Expenses	88,824	12,000	62,176	602,100	765,100
Total Indirect	858,370	108,000	173,176	3,392,059	4,531,605
Direct Expenses					
Personnel/Construction Direct Labor		142,000	434,714	78,151,111	78,727,825
Program Management		50,000	3,506,099	14,648,981	18,205,080
Total Direct		192,000	3,940,813	92,800,092	4,132,813
Total Expenditures	858,370	300,000	4,113,989	96,192,151	101,464,510
Estimated Year-End Balance	\$36,151	0	0	0	\$36,151

SGVCOG General Fund Balance 2016-2021¹



Estimated Fund Balance (7/1/2020):	\$1,130,503
Estimated Fund Balance (6/30/2021):	\$1,166,654

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

OPERATING BUDGET

In FY 2020-2021, SGVCOG total operating revenues are projected at \$894,522. The SGVCOG general operating revenue is made up of four categories: member agency dues; interest; transportation administration and the HERO program.

Revenue

Member Dues (\$786,013) – Total member agency dues for FY 2020-2021 are estimated to be \$786,013. The revenue from dues is the primary source of income to support the SGVCOG’s day-to-day staffing and operations. The dues structure for members is as follows:

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

Transportation Administration (Local) (\$105,509) – The Los Angeles County Metropolitan Transportation Authority (Metro) provides an annual allocation to the SGVCOG via a Memorandum of Understanding (MOU) to be used to provide the support services either through the use of a consultant or by hiring an employee assigned to SGV representative on the Metro Board of Directors, John Fasana. 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 Metro is for an amount not exceed \$105,509 annually. This amount is adjusted in an amount equal to any increases approved by the Board for Metro non-contract employee salary increases.² The SGVCOG utilizes this funding to pay for a consultant and pays the remaining balance with general funds.

HERO Program (\$2,000) – The SGVCOG has an existing agreement with Western Riverside Council of Governments (WRCOG) to promote the California HERO program in the San Gabriel Valley. In exchange for the SGVCOG’s 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.

FY 20-21 Member Agency Dues	
Agency	Dues
Alhambra	\$36,167.44
Arcadia	\$26,468.70
Azusa	\$23,808.58
Baldwin Park	\$32,925.94
Bradbury	\$6,174.13
Claremont	\$18,612.60
Covina	\$22,953.12
Diamond Bar	\$25,978.66
Duarte	\$13,501.92
El Monte	\$36,167.44
Glendora	\$24,092.57
Industry	\$23,118.02
Irwindale	\$6,324.72
La Canada Flintridge	\$13,028.03
La Puente	\$20,116.42
La Verne	\$17,450.68
Monrovia	\$19,320.98
Montebello	\$28,348.83
Monterey Park	\$27,499.68
Pomona	\$36,167.44
Rosemead	\$25,136.89
San Dimas	\$17,936.16
San Gabriel	\$20,250.87
San Marino	\$10,483.05
Sierra Madre	\$9,704.81
South El Monte	\$13,270.59
South Pasadena	\$15,008.90
Temple City	\$18,637.88
Walnut	\$16,520.45
West Covina	\$36,167.44
LA County District 1	\$36,167.44
LA County District 4	\$36,167.44
LA County District 5	\$36,167.44
SGV Water Agencies	\$36,167.44
Total	\$786,012.70

² 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 Metro.

Expenses

During FY 2020-2021, SGVCOG operating expenses are projected to total \$858,370 across the following four categories: Personnel (\$410,842); Committee & Employee Expenses (\$68,100); Professional Services (\$290,604); and Other Expenses (\$88,824). Increases and decreases in expenses from the previous FY are denoted in each category.

Personnel (\$37,086 decrease) – These costs include the salary, benefit and retirement costs associated with the SGVCOG staff not reimbursed through capital and non-capital projects. The decrease in this category is due to more non-capital project activities over the previous FY. See Exhibit A for a listing of all staff positions and salary ranges³. The SGVCOG provides standard benefits to staff, and all staff members participate in the California Public Employees' Retirement System (CalPERS). The budget provides for a 3% merit pool to be allocated based on performance evaluations.

Committee & Employee Expenses (\$6,900 increase) – This category includes board stipends, training/memberships and meeting/travel costs. An increase in this category is attributed to anticipated costs for meeting expenses, including advocacy travel.

Professional Services (\$4,331 increase) – This includes ongoing annual contracts for legal, auditor services, treasurer, Metro Board Support and grant writing. Key features of these contracts are as follows:

- ***Legal Services:*** The SGVCOG's legal contract provides for a monthly retainer for routine legal advice and meeting attendance. Additional services are provided on an hourly basis.
- ***Auditor⁴:*** The SGVCOG is required to have an annual financial audit. In January 2016, the Governing Board approved a five-year contract with Vasquez and Company for financial audit services.
- ***Treasurer⁵:*** As an added level of accountability, the Governing Board hired a consultant to serve as treasurer and independently review the SGVCOG's quarterly financial reports and report to the Governing Board. In March 2018, the Governing Board approved a new two-year contract with CliftonLarsonAllen LLP to provide treasurer services.
- ***Metro Board Support:*** Metro provides funding to the SGVCOG, via an MOU, to fund staff support to the SGV representative on the Metro Board of Directors. In September 2019, the Governing Board approved a one-year contract with Mary Lou Echternach to provide these services.
- ***Grant Writing:*** An allocation for grant writing/applications is also included in this category, which the SGVCOG will use on various consulting firms throughout the year to facilitate various support areas as needed.

Other Expenses (\$18,700 increase) – These costs include facility costs (i.e. rent, storage, utilities, and office supplies), insurance/bonding and office equipment/software acquisition.

³ Includes 3.1% CPI range adjustment as outlined in the most current SGVCOG salary resolution 19-33.

⁴ The last year of auditor services with Vasquez will be for FY 2020-2021 and it is anticipated that an RFP will be issued in Spring 2021 for auditor services.

⁵ It is anticipated that an RFP for treasurer services will be released in June 2020. The FY 20-21 budget estimates costs based on the current treasurer contract.

SAN GABRIEL VALLEY REGIONAL HOUSING TRUST

The San Gabriel Valley Regional Housing Trust (SGVRHT) is a separate joint-powers authority that is intended to provide a stronger opportunity for San Gabriel Valley cities to attract and secure funding for supportive housing and affordable housing projects. The SGVRHT is responsible for preparing an annual budget and it is anticipated that the RHT will enter into an agreement with the SGVCOG to provide core functions of the SGVRHT. A brief explanation of revenues and expenditures are listed below:

Revenue

- *Administrative Fees* – Participating parties to the SGVRHT will contribute an annual administrative fee based on population size.
- *Los Angeles County (LAC) Funding* – In November 2018, several San Gabriel Valley cities submitted interest in exploring the feasibility of forming a housing trust under LAC’s City Planning and Homeless Program. A portion of these requested funding amounts have been allocated for the start-up of the SGVRHT.

Expenditures

- *Personnel* – These costs include the salary, benefit and retirement costs associated with 1 FTE Principal Management Analyst and 0.05 FTE management oversight.
- *Committee Expenses & Employee Expenses* – This category includes meeting/travel costs associated with managing the SGVRHT.
- *Professional Services* – This includes costs for activities associated with legal, auditing, finance, and administrative support.
- *Other Expenses* – These costs include office space, insurance, and office equipment.
- *Program Management* – This includes anticipated costs for administration of the SGVRHT’s capital funding and finance.

NON-CAPITAL PROJECTS BUDGET

Non-capital project expenditure reflects direct program expenditures, including salaries/wages and benefits, as well as indirect costs (i.e. overhead). In FY 2020-21, there is an estimated \$4,113,989 in revenue from six program areas. With the exception of the stormwater ULAR project,⁶ all programs are paid on a reimbursement basis, with revenues equal to expenditures.

Homelessness (State) (\$2,177,858) – In June 2019, California Governor Gavin Newsom signed the 2019 Budget Trailer bill which contained \$5,625,000 in funding for homeless programs for the San Gabriel Valley to be administered by the SGVCOG. In February 2020, the Governing Board approved a programmatic funding plan for the use of these funds and staff anticipates using these funds over a two year period starting with FY 2020-2021.

Homelessness (Local) (\$1,110,032) – In September 2018, the Governing Board executed a contract with Los Angeles County (LAC) to fund a full-time Regional Homelessness Coordinator. Staff anticipates receiving the same level of funding in FY 2020-2021. Associated expenses, including overhead and direct expenses for events, training and grant writing, are also reimbursed through this agreement. Additionally, LAC allocated one-time funding in January 2020 to the SGVCOG for city homelessness prevention/diversion programs, pilot programs, and master leasing.

Neighborhood Coyote Program (Local) (\$100,000) – In December 2019, the SGVCOG entered into an agreement with 10 member cities to provide outreach and reporting for coyote safety over a two year period. Each participating city contributes \$10,000 per year for the program, which is used to fund one full-time Management Aide, marketing materials and other program related expenses.

Energy Efficiency (Local) (\$135,000) – The SGVCOG has an agreement with SoCalGas to implement the San Gabriel Valley Energy Wise Partnership (SVGWEP) program through December 31, 2020. In addition, the SGVCOG entered into an agreement with the Energy Coalition to support regional public agency engagement for the Southern California Regional Energy Network (SoCalREN) in September 2019. These funds are used to support staff time associated with these two programs, including time from management analysts and project assistants (2 FTEs).

Measure M Subregional Administration (Local) (\$1,000) – In June 2017, the Metro Board of Directors adopted the Measure M guidelines to identify a process by which Measure M funds will be programmed by subregional entities, including the SGVCOG, through the development of five-year subregional fund programming plans. COGs may use up to .5% of subregional funds for administrative purposes, including the development of this five-year plan. In the San Gabriel Valley, the total amount of subregional administrative funds available from FY 2018-22 is \$188,000. In March 2018, the Governing Board approved the use of these funds to offset existing SGVCOG staff costs. In FY 2020-2021, staff will only be responsible for submitting the annual report and any updates to the programming so minimal costs are anticipated.

⁶ The SGVCOG is paid an annual fee of \$100,000 to manage the ULAR project and may retain any revenue in excess of actual costs.

Stormwater (Local) (\$590,099) – The Los Angeles Regional Water Quality Control Board (Regional Board) established a Coordinated Integrated Monitoring Program (CIMP) to monitor the Upper Los Angeles River (ULAR) Enhanced Watershed Management Program (EWMP) progress toward meeting clean water goals. In 2015, all ULAR permittees voluntarily entered into a Memorandum of Agreement (MOA) with the City of Los Angeles to perform CIMP functions on behalf of the EWMP. The City of Los Angeles and all eleven SGVCOG cities in the ULAR have tasked the SGVCOG to take over the billing portion of the MOA. As a component of the ULAR CIMP management, the SGVCOG anticipates executing contracts with 3rd party consultants, as needed, to support special studies and other identified tasks. All staff costs associated with managing this project are also covered by the administration fee.

CAPITAL PROJECTS BUDGET⁷

The following are the projects currently in design or under construction for FY 2020-2021.

The ACE Project – The ACE Project is an on-going, comprehensive program of constructing grade separations. The project is currently funded through the following sources: Federal (15%), State (38%), Local – MTA (41%), and Other (6%).⁸ Specific projects underway in FY 2020-2021 include the following:

- In construction:
 - Fairway Drive Grade Separation,
 - Fullerton Road Grade Separation
 - Durfee Ave Grade Separation
- In design:
 - Montebello Avenue Grade Separation
 - Turnbull Canyon Road Grade Separation
 - At-Grade Crossing Safety Improvements (Pomona)
 - At-Grade Crossing Safety Improvements (Montebello)
 - Maple Avenue Overhead Pedestrian Bridge

SR-57/SR-60 Confluence Project – The Confluence project is a partnership between the SGVCOG and Metro to relieve congestion at the confluence of SR-57 & SR-60. The project includes widening of the confluence area, construction of Grand Avenue Bridge, modification to adjacent golf course and several utility relocations. Project is being funded with Measure M and SB1 funding.

Rio Hondo Load Reduction Strategy – This project is a partnership between SGVCOG and nine municipalities and is intended to assist these agencies in meeting their MS-4 requirements related to the Los Angeles River Bacteria Total Maximum Daily Load (LAR Bacteria TMDL). The project examines options to divert storm water flows at three locations that contribute to the overall Rio Hondo River. The Project is being funded through a joint resources agreement with all participating municipalities.

Regional Bike Share Program – The Bike Share Program is an effort by the SGVCOG to bring cost effective transportation alternatives to the region. In partnership with 15 member agencies, the SGVCOG has entered into an agreement for the purchase and implementation of pedal-assist bicycles. The program is being funded through a Statewide Active Transportation Program (ATP) grant.

⁷ Because the SGVCOG has no sources of revenue to advance capital projects other than grants and contributions from funding agencies, staff continues to make every effort to ensure that all other expenditures are reimbursable by federal, state or local sources. SGVCOG has developed and implemented budgeting, accounting and project control systems that meet generally accepted accounting standards with the goal of delivering a project that accomplishes its intended purposes as expeditious and cost effective as possible.

⁸ Financing of the ACE Program will continue to utilize the funds from a \$45 million working capital loan from the Los Angeles County Metropolitan Transportation Authority (Metro) to maintain cash flows and bridge the timing gap between project expenditures and reimbursements from our granting agencies.

City of La Verne Gold Line Transit Oriented Development Pedestrian Bridge – In partnership with the City of La Verne, the SGVCOG has entered into agreements with Metro to serve as implementing agency for all phases of this project. The proposed bridge will span Arrow Highway and the adjacent parallel Metrolink railroad track; the bridge would connect La Verne’s Gold Line Station to the northern edge of the Fairplex property. Project is being funded with Measure M funds.

FY 2020-2021 Proposed Revenues & Expenditures

<u>Revenues</u>	ACE Project	^{57/60} ⁹Confluence Project	Rio Hondo LRS	Bike Share	CLV Ped Bridge¹⁰
Federal	1,723,500				
State	29,375,842				
Local	59,394,984	541,651	319,395	2,075,000	8,647
Betterment/Other	2,753,132				
Total Revenue	\$ 93,247,458	541,651	319,395	2,075,000	8,647
<u>Operating Expenditures</u>					
Direct					
Design	9,109,615	323,599	249,158		8,647
ROW Acquisition	22,224,099	218,052			
Construction	44,332,941				
Construction Management	12,648,981			2,000,000	
Betterment	1,685,000				
Total Direct	90,000,636	541,651	249,158	2,000,000	8,647
Indirect Expenses					
Personnel	2,391,442		70,237	75,000	
Committee & Employee Expenses	63,700				
Professional Services	189,580				
Insurance	100,000				
Equipment Expense	106,000				
Office Expense	300,000				
Office Operations	47,000				
Other	49,100				
Total Indirect	3,246,822	0	70,237	75,000	0
Total Operating Expenditures	93,247,458	541,651	319,395	2,075,000	8,647
Excess Revenue Over Expenditures before Financing					
Financing Income					
Investment Revenue					
Financing Expense					
Net Financing Income/ Expense					
Excess Revenue Over Expenditures / Change in Net Position					
Net Position at FY 20 Year's End¹¹	13,217,000				
Estimated Year-End Balance¹²	\$ 13,126,619	0	0	0	0

⁹ Based on estimated revenues and projected expenses. Pending funding award details.

¹⁰ Based on estimated revenues and projected expenses. Pending funding award details.

¹¹ The net position changes with cost estimates that the ACE project carries for financing activities.

¹² Net balance is inclusive of funds committed for CalPERS obligations.

The following addresses significant line item changes proposed for FY 2020-21 ACE Project budget compared to the FY 2019-2020 budgeted (greater than 10%). The total anticipated expenditures in FY 2020-2021 will be down from what was budgeted in FY 2019-20 as construction expenses (largest budget item for capital projects) is decreased to reflect the construction activity anticipated.

Indirect Expenditures

- *Committee/ Employee Expense (\$8,700 increase)* – This expense has increased due to the employee expenses for staff development and trainings.
- *Personnel (\$8,700 increase)* – The FY 2020-2021 proposed budget provides for a 3% merit pool to be allocated based on performance evaluations. There is no CPI or fixed percentage salary adjustments included in the budget.
- *Office Expense (\$34,000 increase)* – The increase in office expense is due to planned expenses that will be required for moving costs towards the end of the year as well as a phone system.

Direct Expenditures

- *Program Management (\$1.9M increase)* – This increase over the previous year is due to the agency having three large grade separation projects in full construction and the associated outreach efforts.
- *Right of Way Acquisition (\$24.5M decrease)* – This decrease over the previous year comes as a result of having accelerated the needed property acquisitions for the Montebello and Turnbull project during FY 19-20.
- *Construction (\$4.4M increase)* – With three large grade separation projects now in full construction, contractor billings will be up over the previous year.

The pace of active projects is the major factor in the annual budget projection. For FY 2020-2021 the following assumptions have been made on the projects that will have the biggest impact on spending estimates:

- Fairway Drive Grade Separation (Industry/LA County) – Construction 70% complete.
- Fullerton Road Grade Separation (Industry) – Construction 70% complete.
- Durfee Avenue Grade Separation (Pico Rivera) – Construction 60% complete.
- At-Grade Crossing Safety Improvements - Pomona – Design 100% complete.
- Montebello Avenue Grade Separation (Montebello) – Design 100% complete.
- Turnbull Canyon Road – Design 100% complete
- At-Grade Crossing Safety Improvements - Montebello – Design 100% complete.
- Maple Avenue Overhead Pedestrian Bridge (Montebello) – Design 100% complete.
- SR-57/SR-60 Confluence Project (Industry/Diamond Bar) – ROW Acquisitions & Utility Relocations; Design 100% complete.
- Rio Hondo LRS – Design 100% complete.
- Regional Bike Share – Purchase and deploy at least 840 pedal-assist bicycles.
- City of La Verne Gold Line Transit Oriented Development Pedestrian Bridge – Design 100% complete.

BUDGET GLOSSARY

Indirect Expenses: The proposed FY 2020-2021 indirect expense budget was developed by line item, based on past expenditures and anticipated cost changes such as liability insurance, rent, utility costs, salaries, benefits, legal support, office supplies, and IT support. The ratio of all indirect costs to anticipated direct labor and fringe benefit cost is used to calculate the Indirect Cost Allocation Plan (ICAP) which is submitted to Caltrans for approval and becomes the basis for billing indirect costs in FY 2020-2021.

Personnel

- *Salaries and Wages:* Salaries for employees (charged both as indirect and direct expenses).
- *Fringe Benefits:* Employee benefits such as health insurance, life insurance and pension.

Board/Employee Expenses

- *Auto/Travel:* Employee travel for business purposes. Includes registration fees and local mileage reimbursement or auto allowance.
- *Training/Memberships:* Authority and professional memberships; ongoing professional training.
- *Board or Committee Related Expenses:* Board stipends, travel.

Professional Services

- *Auditing/Accounting:* Financial auditing and accounting services.
- *Legal - Agency Support:* General Counsel, construction legal and any other legal services not directly chargeable to specific construction projects.
- *Program Management:* Contracted project administration support which cannot be charged to specific projects. Consists primarily of special studies, community relations, and those activities of our support contractors which address general agency needs.
- *State/Federal Advisory Services:* State & Federal legislation research, monitoring and funding application services.
- *Risk Management:* Administrative fee for analyzing insurance requirements, reviewing in-house and contractor policies and obtaining insurance.
- *Insurance:* Annual insurance premiums
- *Equipment Expense:* Purchase/lease and maintenance of office equipment such as copiers, printers and computers.
- *Office Expense:* Rent on ACE office space, including maintenance and miscellaneous expense.
- *Office Operations:* Office supplies, postage, printing/copying and telephones.
- *Other:* General advertising, subscriptions, payroll service fees, etc.

Direct Expenses: The proposed FY 2020-2021 direct expense budget assumes two projects in major construction (Fairway and Fullerton), one project beginning construction (Durfee) and four projects in design (At-grade safety improvements, Turnbull Canyon, Montebello and Rio Hondo). For the active construction projects staff used the construction schedules to determine the rate of construction and determine the anticipated contractor expenditures. For the four projects in design staff included in the project budget the final design as well as the current estimated cost of land acquisition if applicable to the project. It should be noted that the pace and cost of land acquisition is the most speculative part of the budget estimates and may change if cost settlements require court action.

- *Betterments*: City funded work that City desires to have the SGVCOG construct concurrently with project (e.g. street modifications, beautifications)
- *Program Management*: The portion of overall program management expenses which can be directly charged to projects; consists primarily of design and utility relocation support, land acquisition related services and office support.
- *Legal*: Legal expenses which can be directly charged to specific projects for land acquisition activities.
- *Design*: Preparation of project plans, specifications and estimates and support during construction.
- *Right of Way Acquisition*: Property acquisition costs, closing costs, appraisals, surveys, miscellaneous acquisition support costs.
- *Utility Relocation*: Costs of relocating utilities, including design.
- *Construction Management*: Field oversight of construction.
- *Railroad*: Railroad (UPRR and Metro link) charges to projects for project support, design, procurement and construction.
- *Construction*: Payment to construction contractors.
- *Third Party Review*: Payment to outside agencies (e.g., UPRR, Cities, LA County) for their costs to review and approve project designs and submittals.
- *UPRR Invoice Review*: Use of an outside contractor to review UPRR billings for errors, mischarges, questionable costs, etc.
- *Advertising*: Cost of advertising construction contracts.
- *Utilities (Site)*: Cost of utilities service to construction sites

Exhibit A

Staff Positions and Salary Ranges¹³

Full-Time Positions

Grade	Range Min	Range Max	Classification Title
100	167,705	238,405	Executive Director ¹⁴
99	152,280	216,553	Director of Capital Projects/Chief Engineer
98	138,600	197,029	Director of Finance Director of Regional Planning Senior Project Manager Capital Projects Program Manager Director of Government & Community Relations
97	128,778	183,131	
96	119,793	170,355	
95	111,436	158,470	
94	103,615	144,242	Administrative Services Manager Accounting Manager Audit Manager Contracts / Procurement Manager Project Manager
93	96,498	134,291	Principal Management Analyst
92	89,766	124,922	Senior Contracts Auditor Sr. Contracts Administrator/Labor Compliance Officer
91	83,502	116,205	
90	77,677	108,098	Senior Management Analyst
89	72,257	100,557	Senior Accountant Contracts Auditor Contracts Administrator
88	67,216	93,541	IT Analyst
87	62,498	85,102	Management Analyst Accountant Executive Assistant Engineering Technician
86	58,137	79,164	
85	54,081	73,641	Senior Administrative Assistant Management Aide
84	50,308	68,504	Accounting Technician Administrative Assistant
83	46,772	62,005	
82	43,509	57,679	Office Assistant
81	40,473	53,655	
80	37,649	49,912	

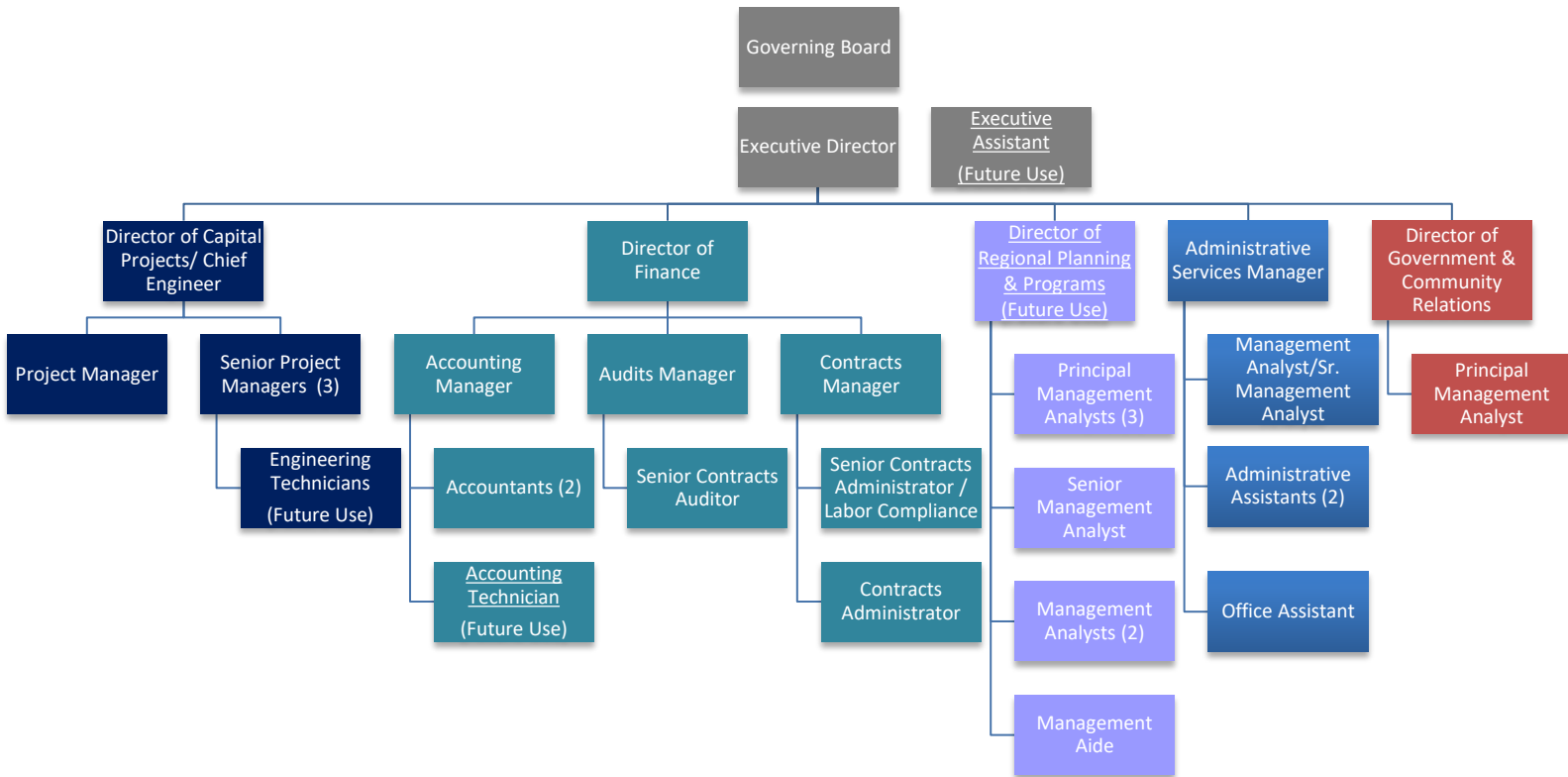
Part-Time Positions

Part Time Positions	Hourly Rate
Project Assistant	\$ 25
Office Assistant	\$ 18
Intern (Graduate Student)	\$ 18
Intern (Undergraduate Student)	\$ 16

¹³ Executive Director assigns salary ranges based on available funding within the ranges above.

¹⁴ Governing Board assigns salary and compensation package for this position.

ORGANIZATIONAL CHART ^{15 16 17}



¹⁵ Integrate SGVCOG and ACE staff under a single personnel system reporting to the Executive Director of SGVCOG.

¹⁶ Restructure the ACE Board so that it has representation from the entire San Gabriel Valley and revise its role so it is no longer a separate Board with advisory to the Governing Board regarding the ACE operation.

¹⁷ This organizational chart represents job titles, internal working titles organizational chart is available as required for compliance of Caltrans/MTA agreements.