



AGENDA AND NOTICE OF THE REGULAR MEETING OF THE  
SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS GOVERNING BOARD

**AUGUST 17, 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  
**Joe Lyons**

3<sup>rd</sup> Vice President  
**Becky Shevlin**

**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

**CONSENT CALENDAR**

**5 MINUTES**

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

6. Governing Board Meeting Minutes – Page 1  
*Recommended Action: Adopt Governing Board minutes.*
7. Monthly Cash Disbursements/Balances/Transfers – Page 7  
*Recommended Action: Approve Monthly Cash Disbursements/Balances/Transfers.*
8. ACE Board of Directors Minutes – Page 9  
*Recommended Action: Receive and file.*
9. ACE Monthly Report – Page 13  
*Recommended Action: Receive and file.*
10. Committee Appointments – Page 15  
*Recommended Action: Add the City of Bradbury to the Water TAC.*
11. Committee Attendance – Page 17  
*Recommended Action: Receive and file.*

**CLOSED SESSION**

**30 MINUTES**

12. PUBLIC EMPLOYMENT: Titles: Executive Director, Assistant Executive Director pursuant to California Government Code section 54957  
CONFERENCE WITH LABOR NEGOTIATORS: Agency designated representatives: Phil Hawkey, Richard D. Jones, Dominic Lazaretto, Tony Ramos and Chris Jeffers; Unrepresented employees: Executive Director, Assistant Executive Director pursuant to California Government Code section 54957.6.
13. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Pursuant to Government Code § 54956.9(d)(3)  
Number of Cases: One (1)

**ACTION ITEMS**

**90 MINUTES**

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

14. Salary Resolution – Regional Homelessness Coordinator – Page 27  
*Recommended Actions: Recommend Governing Board adopt Resolution 17-29 updating the salary and classification system.*
15. ACE / SGVCOG Integration – Page 43  
*Recommended Actions: Approve the integration of Alameda Corridor East Construction Authority (ACE) into the SGVCOG as described in Attachment A in order to accomplish the following objectives:*
  - *Restructure ACE so it will be an ongoing operation as a division of SGVCOG, and not expire at the end of its mission (currently estimated to be in FY 2022-23).*

- *Expand the jurisdiction of ACE as a construction and projects entity that can serve all of the San Gabriel Valley.*
- *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 management control over ACE but instead will be a standing committee advisory to the Governing Board regarding the ACE operation.*
- *Integrate SGVCOG and ACE staff under a single personnel system reporting to the Executive Director of SGVCOG.*

*In order to achieve these objectives, direct staff to undertake the following actions with a target completion date of July 1, 2018:*

- 1. Prepare revisions to the SGVCOG Joint Powers Authority agreement to address restructuring of the ACE scope and authority and other related changes as described in this report. Upon approval from the Governing Board, submit to the legislative bodies of all members of the SGVCOG for adoption.*
- 2. Prepare revisions to the SGVCOG bylaws to address modifications to the structure and authority of the ACE Board of Directors and personnel structure and other related changes as described in this report and submit to the Governing Board for approval.*
- 3. Develop processes for identification and adoption of new projects that may be constructed or managed by ACE as a division of SGVCOG and submit to Governing Board for approval. Upon approval of these processes, develop an initial project list and submit for approval.*
- 4. Initiate outreach to ACE and SGVCOG staff to communicate and engage in collaborative discussions about the impact of the integration of ACE into SGVCOG and the process and timetable for implementation.*
- 5. Develop a uniform human resource system for the integrated SGVCOG organization, addressing the positions, compensation, benefits, and other terms and conditions of employment, and submit to Governing Board for approval.*
- 6. Develop consolidated administrative and financial management policies for the merged organization and submit to Governing Board for approval.*
- 7. Identify options for joint office space for the integrated organization, negotiate a lease and submit to Governing Board for approval.*

**PRESIDENT’S REPORT**

**5 MINUTES**

**EXECUTIVE DIRECTOR’S REPORT**

**5 MINUTES**

**GENERAL COUNSEL’S REPORT**

**COMMITTEE REPORTS**

**15 MINUTES**

**Transportation Committee**

**Homelessness Committee**

**Energy, Environment and Natural Resources Committee**

**Water Committee**

**Ad Hoc Legislative Committee**

**PROJECT REPORTS**

**5 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**

**ADJOURN**



**SGVCOG Governing Board Unapproved Minutes**

Date: July 20, 2017,

Time: 6:00 PM

Location: USGVMWD (602 E. Huntington Drive, Monrovia)

**PRELIMINARY BUSINESS**

1. Call to Order  
President Cynthia Sternquist called the meeting to order at 6:03 p.m.

2. Pledge of Allegiance  
Tim Sandoval led the pledge.

3. Roll Call  
**A quorum was in attendance.**

**Governing Board Members Present**

Alhambra	Barbara Messina
Arcadia	Sho Tay
Azusa	Angel Carrillo
Claremont	Joe Lyons
Diamond Bar	Nancy Lyons
Duarte	John Fasana
El Monte	Victoria Martinez
Covina	Peggy Delach
Glendora	Judy Nelson
La Verne	Tim Hepburn
Monrovia	Becky Shevlin
Montebello	Jack Hadjinian
Monterey Park	Teresa Real Sebastian
Pasadena	Terry Tornek
Pomona	Tim Sandoval
Rosemead	Margaret Clark
San Dimas	Denis Bertone
San Gabriel	Juli Costanzo
Sierra Madre	John Capoccia
South Pasadena	Michael Cacciotti
South El Monte	Joseph Gonzales
Temple City	Cynthia Sternquist
West Covina	James Toma
LA County District 5	Debra Mendelsohn
LA County District 1	Rachel Barbosa
Water Districts	Anthony Fellow

**Absent**

Bradbury  
Baldwin Park  
Industry  
Irwindale  
La Canada Flintridge  
La Puente  
San Marino  
Walnut  
LA County District 4

**SGVCOG Staff**

Phil Hawkey, Executive Director  
Marisa Creter, Assistant Executive Director  
Dick Jones, General Counsel  
Stefanie Hernandez, Staff  
Eric Wolf, Staff  
Christian Cruz, Staff

4. Public Comment  
No Public Comment

5. Changes to Agenda Order

Item 13 was pulled from consent calendar for further discussion.

**CLOSED SESSION**

- 6. PUBLIC EMPLOYMENT: Titles: Executive Director, Assistant Executive Director pursuant to California Government Code section 54957  
 CONFERENCE WITH LABOR NEGOTIATORS: Agency designated representatives: Phil Hawkey, Richard D. Jones, Dominic Lazaretto, Tony Ramos and Chris Jeffers; Unrepresented employees: Executive Director, Assistant Executive Director pursuant to California Government Code section 54957.6.

**PRESENTATIONS**

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

- 7. Prison and Probation Reform (AB 109/Proposition 47/Proposition 57) - Michelle Hanisee, Association of Deputy District Attorneys – Page 1  
**There was a motion to adopt Resolution 17-23 urging for reforms related to sentencing and probation. (M/S: D. Bertone/N. Lyons).**

**[Motion Passed]**

<b>AYES:</b>	Alhambra, Arcadia, Azusa, Claremont, Diamond Bar, El Monte, Duarte, Covina, Glendora, La Verne, Monrovia, Montebello, Monterey Park, Pomona, Rosemead, San Dimas, San Gabriel, Sierra Madre, South Pasadena, South El Monte, Temple City, West Covina, LA County District 5, Water Districts
<b>NOES:</b>	
<b>ABSTAIN:</b>	LA County District 1, Pasadena
<b>ABSENT:</b>	Industry, Irwindale, La Canada Flintridge, La Puente, San Marino, Walnut, LA County District 4

**CONSENT CALENDAR**

- 8. Governing Board Meeting Minutes – Page 5  
*Recommended Action: Adopt Governing Board minutes.*
- 9. Monthly Cash Disbursements/Balances/Transfers – Page 11  
*Recommended Action: Approve Monthly Cash Disbursements/Balances/Transfers.*
- 10. ACE Board of Directors Minutes – Page 13  
*Recommended Action: Receive and file.*
- 11. ACE Monthly Report – Page 17  
*Recommended Action: Receive and file.*
- 12. Committee Attendance – Page 19  
*Recommended Action: Receive and file.*
- 13. AB 1654 (Rubio) – Page 37  
**There was a motion to adopt Resolution 17-25 supporting AB 1654 (Rubio). (M/S: D. Bertone /T. Sandoval).**

**[Motion Passed]**

<b>AYES:</b>	Alhambra, Arcadia, Azusa, Claremont, Diamond Bar, El Monte, Duarte, Covina, Glendora, La Verne, Monrovia, Montebello, Monterey Park, Pasadena, Rosemead, San Dimas, San Gabriel, Sierra Madre, South Pasadena, South El Monte, Temple City, West Covina, LA County District 5, LA County District 1, Water Districts
<b>NOES:</b>	
<b>ABSTAIN:</b>	

<b>ABSENT:</b>	Industry, Irwindale, La Canada Flintridge, La Puente, Pomona, San Marino Walnut, LA County District 4
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- 14. SB 649 (Hueso) – Page 55  
*Recommended Action: Adopt Resolution 17-26 opposing SB 649 (Hueso).*
- 15. HR 465 – Page 73  
*Recommended Action: Adopt Resolution 17-27 supporting HR 465, with amendments.*
- 16. HR 2510 (DeFazio) – Page 105  
*Recommended Action: Adopt Resolution 17-28 supporting HR 2510 (DeFazio)*
- 17. Extension of Lease – Page 127  
*Recommended Action: Authorize Executive Director to execute a six month extension of the SGVCOG’s office lease, through June 30, 2018.*
- 18. Contract with San Gabriel Valley Economic Partnership (SGVEP) – Page 139  
*Recommended Action: Authorize Executive Director to execute a contract with the SGVEP for an amount not to exceed \$100,000 to support Commercial Property Assessed Clean Energy (PACE) outreach.*

**There was a motion to approve consent calendar items 8-12 &14-18 (M/S: D. Bertone /B. Shevlin).**

**[Motion Passed]**

<b>AYES:</b>	Alhambra, Arcadia, Azusa, Claremont, Diamond Bar, Duarte, Covina, Glendora, La Verne, Monrovia, Montebello, Monterey Park, Pasadena, Pomona, Rosemead, San Dimas, San Gabriel, Sierra Madre, South Pasadena, South El Monte, Temple City, West Covina, LA County District 5, LA County District 1, Water Districts
<b>NOES:</b>	
<b>ABSTAIN:</b>	
<b>ABSENT:</b>	El Monte, Industry, Irwindale, La Canada Flintridge, La Puente, San Marino Walnut, LA County District 4

**ACTION ITEMS**

- 19. Los Angeles Community Choice Energy (LACCE) Joint Powers Authority (JPA) – Page 159  
**There was a motion to adopt Resolution 17-24 in support of LACCE JPA and direct staff to provide support to cities interested in participating in LACCE. (M/S: P. Delach/D. Mahmud).**

**[Motion Passed]**

<b>AYES:</b>	Alhambra, Arcadia, Claremont, Diamond Bar, Duarte, Covina, Glendora, La Verne, Monrovia, Montebello, Monterey Park, Pomona, San Dimas, San Gabriel, Sierra Madre, South Pasadena, South El Monte, Temple City, West Covina,
<b>NOES:</b>	
<b>ABSTAIN:</b>	Azusa, Pasadena, Rosemead, LA County 1, LA County4, LA County 5, Water Districts
<b>ABSENT:</b>	El Monte, Industry, Irwindale, La Canada Flintridge, La Puente, Pomona, San Marino Walnut, LA County District 4

- 20. Metro Open Streets Grant Program

**There was a motion to authorize the Executive Director to execute the following agreements: 1) contract with the Los Angeles County Metropolitan Transportation Authority (Metro) for \$596,000 to execute an open streets event on April 22, 2018; 2) contract with Ciclavia in an amount not to exceed \$325,000 for production of the event; and 3) Memorandums of Understanding (MOUs) with the cities of San Dimas, La Verne, Pomona and Claremont for public safety, traffic controls and other support services. (M/S: B. Shevlin/J. Fasana).**

[Motion Passed]

<b>AYES:</b>	Alhambra, Arcadia, Azusa, Claremont, Diamond Bar, El Monte, Duarte, Covina, Glendora, La Verne, Monrovia, Montebello, Monterey Park, Pasadena, Pomona, Rosemead, San Dimas, San Gabriel, Sierra Madre, South Pasadena, South El Monte, Temple City, West Covina, LA County District 5, LA County District 1, Water Districts
<b>NOES:</b>	
<b>ABSTAIN:</b>	
<b>ABSENT:</b>	El Monte, Industry, Irwindale, La Canada Flintridge, La Puente, San Marino Walnut, LA County District 4

**PRESIDENT’S REPORT**

- 21. Oral Report  
No report.

**EXECUTIVE DIRECTOR’S REPORT**

- 22. Oral Report  
P. Hawkey provided information on the SGVCOG General Assembly.
- 23. SGVCOG/ACE Merger  
No report given.

**GENERAL COUNSEL’S REPORT**

There was no report given.

**COMMITTEE REPORTS**

**Transportation Committee**

J. Fasana reported on this item.

**Homelessness Committee**

J. Lyons reported on this item.

**Energy, Environment and Natural Resources Committee**

D. Bertone reported on this item.

**Water Committee**

D. Mahmud presented on this item.

**ACE / Large Capital Projects Ad Hoc Committee**

There was no additional report.

**Ad Hoc Legislative Committee**

M. Clark reported on this item.

**PROJECT REPORTS**

**The ACE Project**

J. Costanzo reported on this item.

**San Gabriel Valley Energy Wise Partnership**

There was no report.

**LIAISON REPORTS**

**Gold Line Foothill Extension Construction Authority**

No report given

**San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy**

D. Bertone reported on RMC meeting and Glendora Conservancy to purchase 600 acres.

**Southern California Association of Government**

A. San Miguel reported on this item.

**San Gabriel Valley Economic Partnership**

B. Jensen report given.

**South Coast Air Quality Management District**

M. Cacciotti reported on electrical blower and provided a demonstration.

**BOARD MEMBER ITEMS**

Request to amend California Civil Rights act on at large voting and propose legislative proposal.

**ANNOUNCEMENTS**

**ADJOURN**

President Cynthia Sternquist adjourned the meeting at 8:18 p.m..



**SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS**  
**Selected Asset Account Balances**  
**As of July 31, 2017**

<b>Account Name</b>	<b>Balance 6/30/2017</b>	<b>Increase</b>	<b>Decrease</b>	<b>Net Change</b>	<b>Balance 7/31/17</b>
CBB - Checking	\$ 422,578	\$ 361,562	\$ 80,906	\$ 280,656	\$ 703,234
CBB- 242-034-325 CD	\$ 55,562	\$ -		\$ -	\$ 55,562
CBB - 2766 Savings	\$ 1,588	\$ 0		\$ 0	\$ 1,588
CBB -242-034-953 CD	\$ 54,796	\$ -		\$ -	\$ 54,796
Petty Cash	\$ 400			\$ -	\$ 400
LAIF	\$ 229,834	\$ 529		\$ 529	\$ 230,363
LAIF Maket Value	\$ 86			\$ -	\$ 86
Member Receivable	\$ -	\$ 760,798	\$ 307,622	\$ 453,175	\$ 453,175
Grants/Contracts Receivable	\$ 75,807	\$ -	\$ 35,442	\$ (35,442)	\$ 40,365
Sponsorships Receivable	\$ 25	\$ 29,000	\$ 10,000	\$ 19,000	\$ 19,025
Rental Deposits Receivable	\$ 215			\$ -	\$ 215
Receivables - Other	\$ 4,613	\$ -	\$ 4,613	\$ (4,613)	\$ -
	<b>\$ 845,502</b>	<b>\$ 1,151,889</b>	<b>\$ 438,583</b>	<b>\$ 713,306</b>	<b>\$ 1,558,808</b>





# Alameda Corridor-East Construction Authority

4900 Rivergrade Rd. Ste. A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 www.theaceproject.org

## ACE Construction Authority Board of Directors Meeting June 26, 2017 Minutes

Chairperson Costanzo called the meeting of the Board of Directors of the Alameda Corridor-East Construction Authority to order at 12:07PM at the San Gabriel City Hall Council Chambers.

1. **Pledge of Allegiance** – Member Sandoval led the pledge of allegiance.

2. **Roll Call:** Chairperson Costanzo asked Mr. Christoffels to call the roll.

In attendance was:

Juli Costanzo, San Gabriel, Chair

Barbara Messina, SGVCOG

Cory Moss, Industry

Tim Sandoval, Pomona

Jack Hadjinian, Montebello

### **Staff:**

Mark Christoffels, CEO

Gregory Murphy, Burke, Williams & Sorensen, legal counsel

Deanna Stanley

Amy Hanson

Charles Tsang

Paul Hubler

Ricky Choi

Victoria Butler

Cecilia Cardenas

### **Guests:**

Joshua Nelson, CNC City of Industry

DJ Thakare, Jacobs

Allen Tanjuaquio, Jacobs

Charlie Nakamoto, Jacobs

John Burton, LA Co. DPW

Alex Gonzales, City of Industry

Javier Hernandez, LA Co. BOS

Phil Hawkey, SGVCOG

Waqas Rehman, LA County

3. **Public Comments** – Judy Mooradian updated the board on her efforts to vacate the property needed for the Durfee Avenue Grade Separation project. She requested an extension of September 15. Chair Costanzo indicated this was not agendized therefore the Board could not take action.

4. **Approval of Board meeting minutes** – A motion was made by member Hadjinian and seconded by member Messina to approve the June 5, 2017 Special Board meeting minutes.  
M/S/C/Hadjinian/Messina/Unanimous
5. **Chairman Remarks** – Chairman Costanzo announced the birth of her new granddaughter born on June 9th.
6. **Board Member Comments** – There were no board member comments.
7. **Chief Executive Officer's Report** – Mr. Christoffels indicated staff attended a CTC workshop held to develop guidelines for new grant programs under Senate Bill 1. He indicated it is expected to release RFPs in January.
8. **Construction Progress Reports** – Charles Tsang reviewed progress photos for the Fairway Drive project that included retaining wall construction and east and west bound ramp construction photos for Lemon Avenue. Mark Christoffels reviewed progress photos of the Puente Avenue project. Photos included installation of pavement on Puente and installation of precast girders on UPRR bridge. He reminded the Board that construction was "top down" approach, meaning the Railroad bridge was placed and excavation would be done under it. Victoria Butler reviewed photos taken with drones for the Fullerton Road project. Progress photos depicted construction of the pump station & sidewalk photos. Mr. Christoffels reviewed construction photos for the San Gabriel Trench project that included pavement rehabilitation work on Mission and Grand. He reminded the Board that with the excessive excavation and heavy truck traveling on the streets, ACE is obligated to repair the roads.
9. **Approval of Annual Support Services Task Orders and Amendments for Support Services** – Greg Murphy announced that due to the contract of Burke, Williams Sorensen being a part of this discussion, he would excuse himself from participation and left the room. Mr. Christoffels reviewed the annual support services contractors and the services provided to ACE.

A motion was made to authorize the Chief Executive Officer amend or issue annual task orders for the following contracts for continuing support services from July 1, 2017 to June 30, 2018:

- Burke, Williams & Sorensen, LLC annual task order for \$ 512, 000;
- Capital Representation Group contract amendment for \$ 55,000;
- David Lang & Associates annual task order for \$ 73,978;
- Epic Land Solutions, Inc. annual task order for \$146,424;
- HDR Engineering, Inc. annual task order for \$412,027;

- Ken Spiker & Associates contract amendment for \$50,000;
- LSA Associates, Inc. annual task order for \$983,299;
- Lee Andrews Group, Inc. annual task order for \$1,044,625;
- Lubka & White, LLP annual task order for \$75,000;
- Oliver Sandifer & Murphy annual task order for \$682,400;
- Paragon Partners, Ltd. annual task order for \$1,454,049;
- Prince Global Solutions, LP contract amendment for \$180,000;
- Stantec (formerly MWH Americas, Inc.) annual task order for \$569,463;
- Vasquez and Company annual task order for \$41, 514; and
- Wagner Engineering & Survey annual task order for \$63, 858.

M/S/C/Hadjinian/Sandoval/Unanimous

Mr. Murphy rejoined the meeting.

10. **Presentation on ACE Small Business Enterprise Program** – Mr. Christoffels reviewed the disadvantages and small business enterprise program. He reviewed qualifications for small business certification and disabled veterans business. He reviewed qualification for disadvantaged business enterprise that included certain groups including women, Black, Hispanic, Asian Pacific, Subcontinent Pacific and Native Americans. He indicated Metro, Caltrans, City of Los Angeles and the Department of General Services are certifying agencies in Southern California. He reviewed ACE outreach efforts and monitoring mechanisms for SBE and DBE contract compliance. He also reviewed the DBE and SBE contract goal commitments for current design, construction management and construction contracts.
11. **Closed Session** – Legal Counsel announced that the Board would adjourn to closed session in accordance with Government Code Section 54956.8 for conference with real property negotiators. The Board returned to open session and Mr. Murphy announced the Board approved an administrative settlement of price and terms of payment for the property at 4754 Durfee Avenue in Pico Rivera. He indicated once executed, the agreement will be available to the public at ACE offices.
12. **Adjournment** – The meeting adjourned at 12:54.

X 

Deanna Stanley  
Clerk of the Board





## Alameda Corridor-East Construction Authority

4900 Rivergrade Rd. Ste. A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 [www.theaceproject.org](http://www.theaceproject.org)

MEMO TO: SGVCOG Governing Board Members & Alternates

FROM: Juli Costanzo, Chair

DATE: August 9, 2017

SUBJECT: Monthly Report

The following are items of note since the last meeting:

**San Gabriel Trench milestone** – The ACE Board and staff and our funding and project partners gathered for a ceremony last month to celebrate the inauguration of train operations in the 1.4-mile-long San Gabriel Trench, the largest project in the ACE program and the largest public works project ever undertaken in the City of San Gabriel. Union Pacific freight and Amtrak passenger trains will be diverted to the trench later this month, ending collisions, traffic queuing and resulting vehicle emissions as well as train horn blasts at four former crossings used by 90,000 vehicles per day.

**National Freight Trust Fund** – The ACE Board has voted to support H.R. 3001, the National Multimodal and Sustainable Freight Infrastructure Act, introduced by U.S. Rep. Alan Lowenthal with bipartisan support. The bill proposes to institute a new 1 percent fee on domestic waybills itemizing the cost of moving goods by train or truck for a certain distance, modeled on an existing air freight fee. The fee would generate an estimated \$8 billion annually for a Freight Trust Fund for freight improvement projects.

**Community Outreach Update** – Staff conducted the following project outreach activities:

- Distributed construction alert notices regarding a temporary closure of Walnut Grove Avenue at the railroad crossing for the San Gabriel Trench project;
- Distributed construction alert notices regarding repaving work on Mission Road and San Gabriel Boulevard for the San Gabriel Trench project;
- Distributed construction alert notices regarding temporary traffic lane closures on Gale Avenue for sewer line and storm drain installation for the Fullerton Road project;
- Distributed construction alert notices regarding the 55-hour weekend closure of westbound Fullerton Road on-ramps on State Route 60 for the Fullerton Road project;
- Distributed construction alert notices regarding the 36-month closure of Fullerton Road between Railroad Street and Rowland Street/San Jose Avenue for the Fullerton Road project;
- Distributed construction alert notices regarding sewer work on Fairway Drive for the Fairway Drive project; and
- Conducted ongoing community outreach and support activities for the San Gabriel Trench, Puente Avenue, Fairway Drive and Fullerton Road grade separation projects.



# REPORT

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DATE: August 17, 2017  
TO: Governing Board Delegates and Alternates  
FROM: Phil Hawkey, Executive Director  
RE: **COMMITTEE APPOINTMENTS**

## **RECOMMENDED ACTION**

Appoint the City of Bradbury to the Water TAC.

## **BACKGROUND**

The SGVCOG Bylaws provide for the creation of technical advisory committees (TACs) and policy committees to provide technical support and policy recommendations to the Governing Board. There are currently 4 policy committees (Transportation, Energy, Environment, and Natural Resources (EENR), Water, and Homelessness) and 4 TACs: the City Managers' TAC, the Planning TAC, the Transportation TAC and the Public Works TAC. The Bylaws also provide for the creation of a City Managers' Steering Committee, to provide assistance and support to the full City Managers' TAC, the Governing Board, and/or the Executive Committee. The SGVCOG Bylaws allow for the creation of additional TACs and policy committees as needed. Each May, the Governing Board affirms the appointments received from member agencies for participation on the policy committees and TACs.

In August 2017, SGVCOG staff received a request from the City of Bradbury to join the Water TAC.

Prepared by: Marisa Creter  
Marisa Creter  
Assistant Executive Director

Approved by: Phil Hawkey  
Phil Hawkey  
Executive Director



**Governing Board  
FY 2017-18**

	2017						2018					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Alhambra	D											
Arcadia	D											
Azusa	D											
Baldwin Park												
Bradbury												
Claremont	D											
Covina	D											
Diamond Bar	D											
Duarte	D											
El Monte	D											
Glendora	D											
Industry												
Irwindale												
La Canada Flintridge												
La Puente												
La Verne	D											
Monrovia	D											
Montebello	D											
Monterey Park	D											
Pasadena	D											
Pomona	D											
Rosemead	D											
San Dimas	D											
San Gabriel	D											
San Marino												
Sierra Madre	D											
South El Monte	D											
South Pasadena	D											
Temple City	D											
Walnut												
West Covina	D											
LA County District 1	D											
LA County District 4												
LA County District 5	D											
SGV Water Agencies	D											

**Major Action Items and Presentations**

***July***

AB 1645 (Rubio)

LACCE JPA

Metro Open Streets Grant Program

**Transportation Committee Attendance  
FY 2015-16**

	2016						2017					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Alhambra												
Claremont	✓											
Diamond Bar	✓											
Duarte	✓											
El Monte	✓											
Glendora												
La Canada Flintridge												
LA County District 1	✓											
LA County District 5	✓											
San Gabriel	✓											
South El Monte												
South Pasadena												
Temple City	✓											
Walnut												

**Agenda Topics**

**July**

- Transit Open Space Access
- Ramona Corridor Electric Bus Rapid Transit
- Metro Open Streets

**EENR Committee Attendance  
2016-2017**

	2016						2017					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Claremont	✓											
Duarte	✓											
Glendora												
Rosemead	✓											
San Dimas	✓											
Sierra Madre	✓											
South Pasadena	✓											
West Covina												

**Agenda Topics**

*July*

US DOT Improve Access to ANF

**Homelessness Committee Attendance  
FY 2016-2017**

	2016						2017					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Baldwin Park	✓											
Claremont	✓											
Covina												
Monrovia	✓											
Pasadena												
Pomona	✓											
Rosemead	✓											
West Covina												
LA County Dist 1												
Water Districts												

**Agenda Topics**

*July*

SB 2 Best Practices Guide

Sheriffs First Responder Homeless Training

**Water Policy Committee  
2016-2017 Attendance**

	2016						2017					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Claremont	✓											
Diamond Bar	✓											
Glendora	✓											
Monrovia												
Rosemead												
Sierra Madre	✓											
South Pasadena	✓											

**Agenda Topics**

***July (Joint Meeting with Water TAC)***

AB 1180 (Holden)

Drought Response legislation

HR 465, HR 2510

State Audit

**City Managers' Steering Committee Attendance  
FY 2016-17**

	2016						2017					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Arcadia	✓											
Baldwin Park	✓											
Claremont	✓											
Diamond Bar												
Duarte	✓											
Glendora	✓											
La Canada Flintridge												
La Verne												
Monrovia												
Monterey Park												
Pomona	✓											
South Pasadena												
Temple City												
West Covina	✓											

**Agenda Topics**

**July**

- Office Lease
- SGVEP Contract
- Open Streets
- Salary Resolution
- Metro Support Contract

**Planning TAC Attendance  
FY 2016-17**

	2016						2017					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Alhambra												
Arcadia												
Azusa												
Baldwin Park												
Claremont												
Covina												
Diamond Bar												
Duarte												
El Monte												
Glendora												
Irwindale												
LaVerne												
Monrovia												
Monterey Park												
Pasadena												
Pomona												
Rosemead												
San Dimas												
San Gabriel												
Sierra Madre												
South Pasadena												
Temple City												
Walnut												
West Covina												

**Agenda Topics**

**Public Works TAC Attendance  
FY 2016-17**

	2016						2017					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Alhambra												
Arcadia												
Azusa												
Claremont												
Diamond Bar												
Duarte												
El Monte												
Irwindale												
Monrovia												
Pasadena												
Pomona												
San Dimas												
West Covina												
LA County												

**Agenda Topics**

**Water TAC Attendance  
FY 2016-17**

	2016						2017					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Alhambra												
Arcadia	✓											
Covina												
Monrovia	✓											
Sierra Madre												
LA County DPW	✓											
Upper San Gabriel Valley Municipal Water District	✓											
<i>Ex-Officio</i>												
Foothill MWD												
LA County Sanitation Districts	✓											
Main San Gabriel Basin Watermaster	✓											

**Agenda Topics**

**July (Joint Meeting with Water TAC)**

- AB 1180 (Holden)
- Drought Response legislation
- HR 465, HR 2510
- State Audit



# REPORT

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DATE: August 17, 2017  
TO: Governing Board  
FROM: Phil Hawkey, Executive Director  
RE: **SALARY RESOLUTION**

## **RECOMMENDED ACTION**

Recommend Governing Board adopt Resolution 17-29 updating the salary and classification system to create a Regional Homelessness Coordinator position. The position be limited term and would be fully funded through a funding agreement with LA County.

## **BACKGROUND**

Staff is recommending the creation of a new staff position to support the implementation of Measure H, which addresses homelessness. Information about that position is included below.

Staff has also included information regarding the proposed Transportation Program Manager position. At this time, no action is being recommended related to this position.

## **REGIONAL HOMELESSNESS COORDINATOR**

On March 8<sup>th</sup>, Measure H was approved by County voters to combat the homeless crisis and the Los Angeles County Board of Supervisors (BOS) approved a funding allocation plan at their June 13<sup>th</sup> meeting. Included in this action was direction to providing \$2 million in funding for COG regional coordination and homeless planning grants for cities.

The amount of funding is based on number of cities in each COG. In FY 2017-18, \$500,000 will be allocated between the COGs as follows:

- Antelope Valley Transit Authority: \$30,000
- Gateway COG: \$142,000
- Malibu/ Las Virgenes COG: \$30,000
- San Fernando Valley COG: \$30,000
- San Gabriel Valley COG: \$158,000
- South Bay COG: \$79,000
- Westside Cities COG: \$30,000

The Los Angeles County CEO's office will administer these funds through a contract with the COGs, based on the BOS motion and it is anticipated that this will be an ongoing source of funding over the ten-year term of Measure H.

Staff is proposing to create an in-house Regional Homelessness Coordinator position. The Regional Homelessness Coordinator would be responsible for engaging cities and high-level staff across the San Gabriel Valley to increase support of the Homeless Initiative (HI) programs. This individual

would also plan, organize and direct special programs and projects in the area of homeless issues and services including applications for Measure H funding and work with regional homeless organizations and coalitions to ensure the coordination of homeless services and cities and across the region. Table 1 shows the salary ranges for equivalent/related positions.

Agency	Position	Years of Experience	Salary	
			Minimum	Maximum
City of Pomona	Homeless Services Coordinator	3-5 years	\$70,476	\$85,692
City of Santa Monica	Senior Administrative Analyst Homeless Services	5-8 years	\$90,360	\$111,552
Los Angeles County	Homeless Initiative Coordinator	5-8 years	\$102,000	\$132,000
Average			\$87,612	\$109,748

**Table 1.  
Salary Ranges for Comparable Positions**

Based on these salary ranges, the proposed pay range for the SGVCOG Regional Homelessness Coordinator is \$85,000-\$110,000. The minimum qualifications for this position would be five years of professional experience in a leadership position related to homeless service programs, as well as the possession of a Bachelor’s degree. The responsibilities for this position includes the coordination of homelessness related services within the San Gabriel Valley. For a full list of responsibilities, please see Attachment A.

In FY 2017-18, COGs will be funded through the Provisional Financing Uses (PFU) fund for regional coordination efforts. It is expected a contract for those funds will be executed by September 2017. The Board of Supervisors directed staff from the Los Angeles County Homeless Initiative to identify and dedicate a long-term source of funds for this program through Measure H. The report back on that issue is due on September 12<sup>th</sup>. Until a multi-year contract between the COG and the County is in place, this position will be considered limited-term, dependent upon grant funds.

**UPDATE ON TRANSPORTATION PROGRAM MANAGER**

At its February 2017 meeting, the Governing Board directed staff to secure funding for and create a Transportation Program Manager position. With the passage of Measure M, San Gabriel Valley transportation projects and programs will receive more than \$3 billion in local sales tax funds over the coming decades, including \$1.5 billion funds for the following programs:

- Active Transportation (\$231 million)
- Bus System Improvement (\$55 million)
- First/Last Mile and Complete Streets (\$198 million)
- Highway Demand Management (\$231 million)
- Goods Movement (\$33 million)
- Highway Efficiency (\$534 million)
- ITS/Technology (\$66 million)
- Subregional Equity (\$199 million)

The Transportation Program Manager would be responsible for working with cities, technical committees, and Metro on planning and programming in each of the funding categories. Together, they would develop project design standards, scope, tasks, costs, and timeline, before making recommendations to decision-making bodies.

Staff is proposing to create two positions, one more junior-level and one more senior-level, with only one being filled based on the qualifications of the selected candidate. Staff has prepared a comparative analysis of equivalent/related positions at various transportation agencies including LA Metro, SCAG, and OCTA. Based on these salary ranges, the proposed pay range for the SGVCOG Transportation Program Manager is \$80,000-\$100,000 and \$100,000-\$130,000 for the Senior Transportation Program Manager. The minimum qualifications for the Transportation Program Manager level position would be a minimum of 3 years' experience, as well as the possession of a Bachelor's degree. The Senior Transportation Program Manager level, would require a minimum of 5 years' experience, plus 1 year of program/project management experience, in addition to possession of a Bachelor's degree. The responsibilities for the position includes the coordination of all Measure M program management activities.

In June 2017, Metro approved the Measure M guidelines, these guidelines identify a process by which Measure M funds will be programmed by the subregional entities, including the SGVCOG, through the development of five-year subregional fund programming plans. It also allowed for up to 0.5% of subregional program funds to be used for staffing and to support these activities. In the SGVCOG, this amounts to \$185,125 in funding per year, which would be used to fund this position.

SGVCOG staff is working to secure funding authorization from Metro. Once funding authorization is secured through Metro, a formal salary resolution will be submitted to Governing Board for approval for the proposed Transportation Program Manager position.

**NEXT STEPS**

The City Managers' TAC reviewed the salary resolution at their August 9<sup>th</sup> meeting and recommended the creation of the Regional Homelessness Coordinator position. They also directed staff to explore the development of a system to set aside sufficient funds for future CalPERS liability.

Prepared by: Christian Cruz                      Katie Ward  
Christian Cruz                                      Katie Ward  
Management Analyst                              Management Analyst

Approved by: Marisa Creter  
Marisa Creter  
Assistant Executive Director

**ATTACHMENTS**

- Attachment A – Recruitment Flyer: Regional Homelessness Coordinator
- Attachment B – Resolution 17-29



# SGVCOG

San Gabriel Valley Council of Governments

**SAN GABRIEL VALLEY  
COUNCIL OF GOVERNMENTS**

1000 S. Fremont Ave., Unit #42  
Suite 10-210  
Alhambra, CA 91803

**INVITES APPLICANTS FOR THE POSITION OF  
SGVCOG HOMELESSNESS REGIONAL  
COORDINATOR – EXEMPT (LIMITED TERM)**

**SALARY AND BENEFITS:**

Yearly salary range: \$85,000 - \$110,000

A standard array of benefits, including public employee retirement pension, will also be provided in an employment contract to the successful candidate.

**OPENING DATE:** September 1, 2017

**CLOSING DATE:** September 30, 2017

**BACKGROUND**

The San Gabriel Valley Council of Governments (SGVCOG) was founded in 1994 as a Joint Powers Authority (JPA). The current membership includes the 31 incorporated cities in the San Gabriel Valley, three Supervisorial Districts representing the unincorporated areas in the San Gabriel Valley, and the Valley's three water agencies. Collectively, those agencies represent the Valley's two million residents living in 31 cities and numerous unincorporated communities. The primary focus of the SGVCOG is to support activities related to Transportation; Energy, Environment and Natural Resources; Homelessness; and Water Policy.

***The Mission***

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

More information about the SGVCOG can be viewed at [www.sgvco.org](http://www.sgvco.org).

### **THE POSITION:**

Works independently to coordinate with cities, homeless service providers, and other related agencies; performs a wide variety of professional, administrative, fiscal and analytical support within assigned program areas, including budget preparation, financial management, and grant coordination; conducts research; supervises assigned functions with emphasis on professional administrative methods; may serve as a project manager working closely with the Assistant Executive Director, Executive Director, and the Governing Board members; performs other related duties as required.

Responsible for communicating with all levels of government including regional government agencies; assists in the implementation the SGVCOG Governing Board's Strategic Plan, goals and priorities of the JPA. The position reports to the Assistant Executive Director and will be responsible for assigned functions on behalf of the San Gabriel Valley Region for programs and funds benefiting the 31 cities, the County unincorporated areas, and the water service areas.

### **MAJOR DUTIES**

- Serves as liaison with cities, the County, LAHSA, community-based organizations, and the public on issues related to homelessness
- Connects community-based programs with Measure H and other funding sources
- Plans, develops, and coordinates the implementation of programs and projects of a large scope or complexity.
- Prepares, monitors, and oversees the grant budgets.
- Negotiates and administers contracts, agreements, leases and services. Develops agreements and contract terms and monitors compliance.
- Researches grant programs, prepares grant applications and monitors compliance with applicable terms.
- Conducts research and analyzes statistical and related data. Reviews and makes recommendations.
- Prepares comprehensive technical reports, and correspondence, as well as maintains records.
- Prepares and presents reports to the Governing Board, Policy Committees, and Technical Advisory Committees.
- Coordinates and presents at community meetings and events as assigned.
- Conducts a needs assessment (using existing data and/or new surveys) of homelessness in the SGV
- Provide information and assistance to member cities/agencies and service providers as it relates to homelessness
- Establish and maintain effective and cooperative working relationships with City employees, service providers, and the public
- Performs related duties, as assigned.

### **MINIMUM QUALIFICATIONS**

- Bachelor's degree in public administration, business administration, economics, or related field.
- Five years of professional experience in administrative analysis evaluating and managing homeless service programs, providing high level administration and management, and preparing complex analytical reports in either a social service, non-profit or government setting focused on homelessness issues.
- A master's degree is highly desirable.

## **KNOWLEDGE SKILLS & ABILITIES**

Knowledge of:

- Principles and practices of public administration.
- Principles and practices of organization, administration, and management.
- Program and project development, implementation and evaluation.
- Fiscal analysis and budget preparation and administration.
- Data collection and analysis.
- Report writing techniques and editing.
- Quantitative and management analysis technique.
- Methods and techniques of effective supervision.
- Homeless population, including subpopulations, predominant homeless issues and barriers to stable housing and income.
- Homeless service needs, programs and related community issues.
- Best practices in program and project development, implementation and evaluation relating to homeless populations.
- Development of and processes associated with Request for Proposals (RFPs).
- Grants and contractual agreement management.

Ability to:

- Develop, implement, and administer projects and programs.
- Develop and implement goals, objectives, policies and procedures.
- Analyze legislation.
- Prepare analytical and financial reports.
- Prepare and deliver effective public presentations.
- Communicate effectively both orally and in writing.
- Exercise independent judgment and initiative within established guidelines.
- Establish and maintain effective and cooperative working relationships with officials of public and private agencies, City Councils, commissions, community groups, and the general public.
- Supervise, train, and evaluate staff.
- Identify and benchmark best practices for subpopulations, program types and other initiatives.

Skill in:

- The use of computers and related word processing and spreadsheet application software.

## **APPLICATION PROCESS**

Send resume and letter of interest to Mr. Philip A. Hawkey, e-mail: ([sgv@sgvcog.org](mailto:sgv@sgvcog.org)) by 5:00 p.m.; PST, August 31, 2017. It is anticipated that interviews will be held the week of September 11, 2017.

Additionally, include responses to the following supplemental questions:

1. Describe your experience working in the field on homelessness and describe your biggest accomplishment as it relates to this work.
2. Describe the most complex and/or challenging project you have managed related to homelessness. Describe how you engaged stakeholders including city staff, elected officials, community organizations and the public.

Each answer should be included on a separate page and not exceed one-page single-spaced. Applicant's name should be included in the top right-hand corner of each page. Please call 626-457-1800 with any questions. Your inquiries and application will be handled with the utmost confidentiality.

**RESOLUTION NO. 17-29**

**A RESOLUTION OF THE GOVERNING BOARD OF THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS (SGVCOG) REGARDING EMPLOYMENT BENEFITS AND SALARY RATES FOR ALL CLASSES OF EMPLOYMENT**

**WHEREAS**, in 2013, the Governing Board restructured the SGVCOG organization and added administrative employees who are assigned to the traditional Council of Governments functions including completion of the goals and objectives adopted in the SGVCOG’s Strategic Plan and annual work plan, administration of grant programs, and coordination of the various policy and technical advisory committees;

**WHEREAS**, given the changes to the organization, the Governing Board is reviewing current practices and developing systems that reflect best industry practices and afford the greatest level of transparency and protection to the SGVCOG, its member agencies, the communities, and the employees including practices and policies related to the administrative and financial functions of the organization;

**WHEREAS**, on May 29, 2014, the Governing Board adopted Ordinance No. 100 which established an Administrative Code that created a personnel system;

**WHEREAS**, on July 17, 2014, the Governing Board adopted an Employee Policy and Procedures Manual that established a comprehensive set of rules, regulations and policies and a classification system designed to afford the greatest protection to the SGVCOG and its employees by clearly defining the expectations of employment, establishing a system for addressing and resolving areas of concern, and creating opportunities to mentor, train and develop personnel; and

**WHEREAS**, on September 18, 2014, the Governing Board adopted Resolution No. 14-23 establishing the employment benefits and salary rates for all classes of employment.

**NOW, THEREFORE**, the Governing Board of the SGVCOG does hereby resolve, declare, determine and order as follows, which supersedes Resolution No. 14-23, 15-13, ~~and 15-22, and 16-16~~ in their entirety:

**SECTION 1.** The following bi-weekly salary schedules are assigned to the full-time classes of employment. Annual compensation is equal to 26 bi-weekly pay periods.

Position Title	Range Minimum		Range Maximum	
	Monthly Salary	Bi-Weekly Salary	Monthly Salary	Bi-Weekly Salary
Management Analyst	\$4,166.67	\$1,923.08	\$5,487.50	\$2,532.69
Senior Management Analyst	\$5,487.61	\$2,532.74	\$7,097.50	\$3,275.77
<u>Regional Homelessness Coordinator</u>	<u>\$7,083.33</u>	<u>\$3,269.23</u>	<u>\$9,166.66</u>	<u>\$4,230.76</u>
Assistant Executive Director	\$7,276.58	\$3,358.42	\$9,189.76	\$4,241.43
Executive Director			\$14,583.33	\$6,730.77

**SECTION 2.** The following table designates the full-time position titles as non-exempt or exempt under the Fair Labor Standards Act (FLSA). All hourly position listed in Section 4 of this Resolution are designated as non-exempt. Position titles listed as non-exempt are compensated overtime for hours worked in excess of 40 hours per workweek. Position titles designated as exempt are not eligible for overtime compensation under the FLSA and will not receive overtime compensation for hours worked in excess of 40 hours per workweek.

Position Title	Exempt/Non-Exempt Status	Position Category
Management Analyst	Exempt	Supv/Professional
Senior Management Analyst	Exempt	Professional/Executive
<u>Regional Homelessness Coordinator</u>	<u>Exempt</u>	<u>Professional/Executive</u>
Assistant Executive Director	Exempt	Executive
Executive Director	Exempt	Executive

**SECTION 3.** The SGVCOG shall provide the following benefits:

A. Retirement.

- 1) The SGVCOG shall provide a tax-qualified governmental defined benefit plan through the California Public Employees Retirement System (CalPERS) for all full-time miscellaneous classes of employees, in accordance with the following provisions:
  - a. Employees of the SGVCOG shall pay seven percent (7%) the normal member contributions to CalPERS.
  - b. The period for determining the average monthly pay rate when calculating retirement benefits shall be the 36 highest paid consecutive months.
  - c. For full-time employees hired before July 1, 2012, the period for determining the average monthly pay rate when calculating retirement benefits shall be the 12 highest paid consecutive months.
  - d. All full-time employees will be covered by the Fourth Level of 1959 Survivor Benefits.
  - e. The lump sum death benefit paid to beneficiaries of retired CalPERS members will be \$500.
  
- 2) The SGVCOG shall provide a retirement plan for all hourly employees. The SGVCOG will contribute 2.5% of the employee's salary into an Internal Revenue Code 457 (b) qualified defined contribution plan. Additionally, employees

contribute 5.0% of salary towards this program on a pre-tax basis. Upon separation from the SGVCOG, hourly employees will receive 100% of both the SGVCOG and the employee’s contributions, plus any accrued interest.

B. Insurances.

- 1) The SGVCOG will contribute \$700 per month for medical, dental, and vision care for all active full-time employees and their family members.
- 2) The SGVCOG shall provide a short-term disability program for all full-time employees. The SGVCOG shall also provide a long-term disability program for full-time employees to work in concert with the short-term disability program.
- 3) The SGVCOG shall contribute \$350 per month for medical, dental, and vision care for all part-time employees who have completed a 90-day waiting period and average no less than 25 hours per week (Monday – Sunday).
- 4) The SGVCOG shall provide a medical insurance rebate program for full-time employees who are currently enrolled under a medical insurance program through a spouse or other source. Qualifying employees can exchange their SGVCOG medical benefit for a cash rebate equal to the amount of the benefit.
- 5) In accordance with the California Labor Code, the SGVCOG pays the premium for unemployment insurance for employees.
- 6) Under the Workers’ Compensation Insurance Law of California, any employee injured on the job in the course of employment is entitled to disability compensation and medical care. Full-time employees may utilize sick leave during the period of absence due to a work-related illness or injury. However, when payment of workers’ compensation benefits is received by the employee:
  - a. He/she must endorse the check over to the SGVCOG;
  - b. The SGVCOG will convert the dollar amount of the check to sick leave hours (Total amount of the check divided by the hourly wage); and
  - c. The SGVCOG will credit the employee’s sick leave account by that number of hours. Employees who do not wish to cover this absence with sick leave or who lack adequate sick leave hours may keep the check from workers’ compensation.

C. Vacation.

- 1) Full-time employees accrue vacation according to the following schedule:

Years of Service	Annual Rate (Hours)
0 to 5 years (0 to 60 months)	80
5 years 1 month + (61 months +)	120

Vacation will be credited bi-weekly on a prorated basis proportionate to a full working month. Upon separation, termination, or retirement, full-time employees shall be compensated at their current rate of pay for their accrued vacation up to a maximum number of 240 hours.

- 2) An employee who has reached the maximum vacation accrual based on years of service will stop accruing vacation hours and will resume accruing vacation hours only when the number of accrued vacation hours falls below the maximum. No employee shall carry forward more than the maximum vacation accrual beyond the last full pay period in June of a fiscal year into a succeeding fiscal year. Accrued vacation may be used for time off following a written notice of resignation or retirement with prior written approval of the Executive Director. New full-time probationary employees are eligible to use accrued vacation during the probationary period with prior approval of the Executive Director.

D. Holidays.

- 1) The SGVCOG will provide full-time employees 96 hours a fiscal year for holidays. Employees must use holiday hours for fixed holidays observed by the SGVCOG. Employees who do not use the full 96 hours during the fixed holidays when the SGVCOG is closed due to professional commitments approved by the Executive Director may use any remaining time as floating holidays. These remaining hours may be used any time throughout the fiscal year with the proper approval of the Executive Director. All holiday hours must be used by the last full pay period in June of each fiscal year and cannot be credited or carried over to the succeeding fiscal year. New full-time probationary employees are eligible to use paid holiday leave hours upon hire with prior approval of the Executive Director.
- 2) The SGVCOG will observe twelve (12) holidays a year during which the office will be closed. These include:
  - New Year's Day
  - Martin Luther King Day
  - Presidents' Day
  - Memorial Day (last Monday in May)
  - Independence Day
  - Labor Day (first Monday in September)
  - Veterans' Day
  - Thanksgiving Holiday (fourth Thursday and Friday in November)
  - Christmas Eve and Christmas Day (two days determined by the Executive Director)
  - New Year's Eve

If any holiday should fall on a day the SGVCOG office is scheduled to be closed, the Executive Director shall determine the date the holiday will be observed.

- 3) The COG offices will be closed from December 24 through January 1 of each year. Employees may use vacation, holiday, or other accrued time to be compensated for those days.

E. Leaves of Absence.

- 1) Full-time employee sick leave with pay shall accrue at the rate of six (hours) for each calendar month of service or any portion thereof prorated in proportion to a full working month for a maximum of 72 hours per calendar year. New full-time probationary employees are eligible to use accrued sick leave during the probationary period.
- 2) Accrued sick leave does not have any cash value, and employees will not be compensated for the value of accrued sick leave upon separation, termination, or retirement. Accrued sick leave may be used for time off following written notice of resignation or retirement if the employee or employee's immediate family member is ill. This includes any relative by blood or marriage that is an actual member of the employee's household, and/or any parent, grandparent, parent-in-law, grandparent-in-law, spouse, registered domestic partner, child, step-child, sibling or siblings-in-law of the employee regardless of residence
- 3) Bereavement leave of up to three (3) days leave with pay will be granted to full-time employees in the event of the death of an immediate family member. This includes any relative by blood or marriage that is an actual member of the employee's household, and/or any parent, grandparent, parent-in-law, grandparent-in-law, spouse, registered domestic partner, child, step-child, sibling or siblings-in-law of the employee regardless of residence. Sick leave, vacation, or holiday hours may be applied to a bereavement period for bereaving a family member not included in the SGVCOG's bereavement policy.
- 4) The Executive Director shall have the discretion to provide up to 20 hours executive leave in a fiscal year for exempt employees required to work significantly more hours on a regular basis due to operational demands. Executive leave shall not accrue from one fiscal year to the next, and therefore, if granted, the executive leave must be used during the fiscal year beginning with the pay period including July 1 and terminating the last full pay period in June of that same fiscal year. Approved executive leave shall be added to the employee's leave time effective the beginning of the pay period including July 1. Employees will not be compensated for the value of unused executive leave upon separation, termination, or retirement.
- 5) Any employee holding a full-time position who is ordered to active duty in the United States Armed Forces shall be entitled to military leave in accordance with federal and state law, including but not limited to, reinstatement with no loss of seniority rights and full reimbursement for up to 80 hours per year. Prior to the use of any military leave, an official copy of the military orders must be provided and remain on file in the office of the Executive Director.

- 6) Employees called to serve jury duty will be granted a leave of absence for the period of service required. Full-time employees will receive up to 40 hours of jury duty pay per calendar year while performing this service. Payment of salary to FLSA-exempt employees during jury duty shall be carried out in accordance with the FLSA. At the discretion of the Executive Director, full-time employees who are required to serve extended jury service beyond 40 hours in any one calendar year may receive additional jury service pay.
- 7) A female employee disabled by pregnancy, childbirth or related medical conditions will be granted Pregnancy Disability Leave up to four (4) months in a twelve (12) month period in accordance with California Law (California Government Code section 12945, as may be amended from time to time). An eligible employee shall be required to use, or may elect to use, accrued leave during any portion of unpaid Pregnancy Disability Leave in accordance with state law. The SGVCOG will continue health care coverage under any employer group health plans for up to four (4) months of the Pregnancy Disability Leave under the same terms as if the employee had continued to work. Any eligible female employee who takes Pregnancy Disability Leave shall have the right to reinstatement to her former job or a comparable position, with no loss of seniority. Should an eligible female employee also qualify for Family and Medical Leave, discussed below, the maximum amount of Pregnancy Disability Leave and Family and Medical Leave shall be governed by subsection 8 below.
- 8) In compliance with the California Moore-Roberti Family Rights Act of 1991 (CFRA), the Federal Family and Medical Leave Act of 1993 (FMLA), the National Defense Authorization Act of 2008, the Uniformed Services Employment and Reemployment Rights Act (USERRA), and the California Military and Veteran Code, or as may be amended from time to time, the SGVCOG will provide eligible employees with up to twelve (12) work weeks in any twelve (12) month period, unpaid, job-protected leave for certain family and medical reasons, and up to 26 work weeks in a single twelve (12) month period for unpaid, job-protected caregiver leave. Employees are eligible if they have worked for the SGVCOG for at least one year, and for 1,250 hours over the previous 12 months. Unpaid leave must be granted to any eligible employee for the following reasons:
  - a. The birth of the employee's child and in order to care for the child;
  - b. The placement of a child with the employee for adoption or child care;
  - c. To care for a child, spouse, or parent who has a serious health condition;
  - d. A serious health condition that renders the employee unable to perform the essential functions of his or her position;
  - e. Treatment of substance abuse of the employee or his/her covered family member;
  - f. A qualifying exigency arising out of the fact that a covered military member is on active duty or has been notified of an impending call or order to active duty in the federal Armed Forces in support of a contingency operation; or

- g. To care for a spouse, son, daughter, parent, or next of kin who is a covered service member, because the covered service member suffered a serious injury or illness while on active duty that may render said person unable to perform the duties of the service member's office, grade, rank or rating.

An eligible employee shall be required to use, or may elect to use, accrued leave during any portion of unpaid Family Medical Leave in accordance with federal and state law. For the duration of the Family and Medical Leave, the SGVCOG will continue health care coverage under any employer group health plans under the same terms as if the employee had continued to work. The SGVCOG will provide the employee with a guarantee of employment in the same or an equivalent job with equivalent pay, benefits, and other employment terms and conditions upon returning from the Family and Medical Leave except that the SGVCOG may deny reinstatement to a key employee, in accordance with state and federal law. An employee's use of Family and Medical Leave will not result in the loss of any employment benefit that the employee earned or was entitled to before using Family and Medical Leave. If the employee cannot be returned to their original job, he/she shall be returned to a substantially similar job, unless there is no substantially similar job position available or filling the substantially similar position would substantially undermine the SGVCOG's ability to operate safely and efficiently. An employee shall have no greater rights to reinstatement, benefits, and other conditions of employment than if the employee had been continuously employed during the leave period. Should an employee also qualify for Pregnancy Disability Leave pursuant to section 7 above, the maximum amount of Pregnancy Disability Leave and Family and Medical Leave shall be governed by this Subsection (subsection 8).

- 9) If an employee is eligible for Family and Medical Leave under FMLA, and is also eligible for Pregnancy Disability Leave, but is not eligible for CFRA Leave under state law, any available FMLA Leave and any available Pregnancy Disability Leave shall run concurrently. The maximum amount of time that an eligible employee may take for FMLA Leave and Pregnancy Disability Leave is twelve (12) workweeks. If an employee is eligible for CFRA Leave and is also eligible for Pregnancy Disability Leave at the time of request for CFRA Leave, the four (4) months of Pregnancy Disability Leave authorized by subsection 7 shall be in addition to the twelve (12) workweeks of CFRA Leave. The maximum amount of time that an eligible employee may take for CFRA Leave and Pregnancy Disability Leave is twelve (12) workweeks plus four (4) months, or a total of seven (7) months.
- 10) The SGVCOG may, at the discretion of the Executive Director, grant an employee a leave of absence for up to three (3) months without pay. At the discretion of the Executive Director, an employee's leave of absence without pay may be extended in three (3) month increments up to a total maximum unpaid leave of absence of one (1) year. Leave without pay is intended for unusual circumstances and the request will be evaluated based upon the impact to the SGVCOG operations and

work force levels. Leave without pay will only be granted upon the complete use of accrued sick leave, vacation, and holiday time.

F. Work Hours.

- 1) Full-time and hourly employees working 8 hours or more in a workday shall take a one hour scheduled lunch break and two 15-minute breaks daily. Lunch breaks are unpaid; however, the 15-minute breaks are paid.
- 2) Hourly employees working a 6 to 7 hour workday are entitled to a 30-minute unpaid lunch and two 15-minute breaks. Hourly employees working a 4 to 5 hour workday are entitled to a 15-minute break; and those hourly employees working less than a 4-hour workday are not entitled to a break. Two 15-minute breaks may not be combined to replace any part of an unpaid lunch break.

G. Additional Compensation.

- 1) Employees classified as exempt, as defined in Section 2 of this Resolution, are not eligible for overtime compensation. Employees classified as non-exempt, as defined in Section 2 of this Resolution, will receive compensation for approved overtime work as follows: Hours worked by non-exempt staff in excess of 40 hours in a seven day workweek are considered overtime. All eligible employees shall be compensated for authorized overtime at the rate of one and one-half times his/her equivalent hourly rate of pay or shall be allowed to accumulate one and on-half hours of compensatory time (of up to 30 hours) for each overtime hour worked, at the SGVCOG's option. Compensatory time must be taken by the end of the fiscal year in which it was earned.
- 2) After the last full pay period in any given month, full-time employees shall have the opportunity to sell to 80 hours of accrued vacation provided they have met the following:
  - a. During the current year, up to the last full pay period in June 30 of the fiscal year, the employee has used 40 hours of vacation.
  - b. The employee must maintain a minimum of 80 accrued hours after buyback.

Because the employee must approve disbursements from accrued vacation in writing, it is the employee's responsibility to request the buyback in writing seven days in advance of the impacted payroll period.

H. Miscellaneous Benefits.

- 1) Automobile allowance shall be provided on a monthly basis to the Assistant to the Executive Director in the amount of \$350 and to the Executive Director in the amount of \$400.

- 2) For those employees not provided with an automobile allowance, the SGVCOG shall reimburse the employee the current Internal Revenue Service mileage rate in effect per mile driven for authorized use of an employee’s private vehicle on SGVCOG business. Employees that receive an automobile allowance are not eligible for mileage reimbursement and must have a private vehicle available for use of SGVCOG business.

**SECTION 4.** Hourly employees shall be compensated at a fixed rate pursuant to the following schedule:

Position Title	Hourly Rate
Office Assistant	\$25
Project Assistant	\$18
Intern (Graduate Student)	\$18
Intern (Undergraduate Student)	\$16

The Executive Director may hire, on an hourly basis, positions identified as full-time according to the current salary resolution. Such positions shall only be hired when filling in temporarily for an existing full-time position.

**SECTION 5.** The SGVCOG reserves the right, in its sole discretion, at any time and from time to time, and upon a non-discriminatory basis, to amend or rescind any provision of this Resolution or any salary or benefit provisions, or to terminate any benefits or salary provisions. Such changes may apply to current and/or future employees. All salary and benefits in this Resolution are subject to meet and confer guidelines and shall be reviewed at least annually in their entirety.

**SECTION 6.** The Executive Director shall certify to the adoption of this Resolution and shall enter this Resolution into the official book of resolutions.

**PASSED AND ADOPTED** by the Governing Board of San Gabriel Valley Council of Governments, County of Los Angeles, in the County of Los Angeles, State of California, on the 17<sup>th</sup> day of August, 2017.

San Gabriel Valley Council of Governments

\_\_\_\_\_  
Cynthia Sternquist, President

Attest:

I, Philip A. Hawkey, Executive Director and Secretary of the Board of Directors of the San Gabriel Valley Council of Governments, do hereby certify that Resolution 17-29 was adopted at a regular meeting of the Governing Board held on the 17<sup>th</sup> day of August, 2017 by the following roll call vote:

<b>AYES:</b>	
<b>NOES:</b>	
<b>ABSTAIN:</b>	
<b>ABSENT:</b>	

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Philip A. Hawkey, Secretary

DATE: August 17, 2017  
TO: Governing Board  
FROM: Phil Hawkey, Executive Director  
RE: **SGVCOG / ACE INTEGRATION**

## **RECOMMENDED ACTIONS:**

Approve the integration of Alameda Corridor East Construction Authority (ACE) into the SGVCOG as described in Attachment A in order to accomplish the following objectives:

- Restructure ACE so it will be an ongoing operation as a division of SGVCOG, and not expire at the end of its mission (currently estimated to be in FY 2022-23).
- Expand the jurisdiction of ACE as a construction and projects entity that can serve all of the San Gabriel Valley.
- 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 management control over ACE but instead will be a standing committee advisory to the Governing Board regarding the ACE operation.
- Integrate SGVCOG and ACE staff under a single personnel system reporting to the Executive Director of SGVCOG.

In order to achieve these objectives, direct staff to undertake the following actions with a target completion date of July 1, 2018:

1. Prepare revisions to the SGVCOG Joint Powers Authority agreement to address restructuring of the ACE scope and authority and other related changes as described in this report. Upon approval from the Governing Board, submit to the legislative bodies of all members of the SGVCOG for adoption.
2. Prepare revisions to the SGVCOG bylaws to address modifications to the structure and authority of the ACE Board of Directors and personnel structure and other related changes as described in this report and submit to the Governing Board for approval.
3. Develop processes for identification and adoption of new projects that may be constructed or managed by ACE as a division of SGVCOG and submit to Governing Board for approval. Upon approval of these processes, develop an initial project list and submit for approval.
4. Initiate outreach to ACE and SGVCOG staff to communicate and engage in collaborative discussions about the impact of the integration of ACE into SGVCOG and the process and timetable for implementation.
5. Develop a uniform human resource system for the integrated SGVCOG organization, addressing the positions, compensation, benefits, and other terms and conditions of employment, and submit to Governing Board for approval.
6. Develop consolidated administrative and financial management policies for the merged organization and submit to Governing Board for approval.
7. Identify options for joint office space for the integrated organization, negotiate a lease and submit to Governing Board for approval.

## **BACKGROUND:**

When the SGVCOG undertook an extensive strategic planning process for the SGVCOG in February 2016, the future of the ACE was identified as a top priority issue because ACE is scheduled to expire in about six years when its mission is completed. The SGVCOG created ACE in 1998 as a section of the COG, separately administered by an ACE Board made up of COG Board members, for the specific purpose of constructing railroad grade crossings and grade separations in a defined rail corridor generally paralleling the 60 freeway. ACE was successful in attracting nearly \$1.7 billion to perform the projects. Because of the success of ACE the Governing Board decided to evaluate whether ACE might be restructured to manage and build projects throughout the San Gabriel Valley.

The Governing Board approved the creation of the Ad Hoc ACE/Large Capital Projects Committee in June 2016 to study the relationship between SGVCOG and ACE and to explore integrating the COG and ACE so that the COG could both plan and implement a wider range of capital projects. SGVCOG President Gene Murabito appointed members of the Ad Hoc Committee.

In its interim report issued in January 2017, the Ad Hoc Committee recommended that the SGVCOG develop a plan for integrating ACE as an integral part of the COG to allow for the potential of the newly configured ACE to construct capital projects throughout the San Gabriel Valley as may be specifically approved by the Governing Board. As a result of the Ad Hoc Committee's report, the Governing Board approved the following actions:

- *Develop a multi-year plan to integrate ACE, as an ongoing integral part of the SGVCOG, to allow for potential future capacity to construct capital projects in the San Gabriel Valley pending future specific direction from the Governing Board. Report back within six months;*
- *Direct ACE and SGVCOG staff to further integrate administrative functions; and*
- *Consult with legal counsel of ACE and SGVCOG to identify necessary changes to SGVCOG JPA and Bylaws.*

Following that January 2017 action by the Governing Board, the Ad Hoc Committee met several times and approved a final report at its May 2017 meeting, which was amended by the Ad Hoc Committee on August 7th. Their final recommendation is included as Attachment B and is summarized as follows:

1. Keep ACE, and do not allow it to expire upon completion of its mission in six years.
2. Expand ACE's jurisdiction so it can undertake projects throughout the SGV.
3. Modify the existing ACE Board to include representatives from five districts in the SGV, and the president of the SGVCOG, and a county supervisor who represents a part of the SGV. In addition, the current ACE Board members will remain as voting members of the ACE Board until the ACE grade separation projects within their respective cities have been completed.
4. The new ACE Board will have similar responsibilities as the previous ACE Board.
5. The new ACE Board will report to the Governing Board, with communication to the Executive Committee

6. All ACE personnel will be maintained as a separate management unit.
7. Review the organizational structure and responsibilities in 18 months.

## **GOVERNING BOARD ACTION**

At its June 2017 meeting, the Governing Board reviewed the Ad Hoc Committee's recommendation, as well as an alternative proposed by the Executive Committee that recommended to proceed immediately with the full integration of ACE and COG. The modified recommendations from the Executive Committee were as follows (See Attachment A for full report):

1. Keep ACE, and do not allow it to expire upon completion of its planned mission in six years.
2. Expand ACE's jurisdiction so it can undertake projects throughout the SGV.
3. Modify the existing ACE Board to include representatives from five districts in the SGV, and the president of the SGVCOG, and a county supervisor who represents a part of the SGV. In addition, the current ACE Board members will remain as voting members of the ACE Board until the ACE grade crossing and grade separation projects within their respective cities have been completed. The ACE Board shall be renamed to become the ACE Committee.
4. The new ACE Committee will be a standing committee of the SGVCOG providing advisory policy oversight of the ACE operation, except it will have authority to approve eminent domain actions. The new ACE committee will not have management or personnel responsibilities. The CEO position of ACE will be modified to become a direct report to the SGVCOG Executive Director.
5. The new ACE Committee will report to the Governing Board, with communication to the Executive Committee.
6. ACE will become a division within the SGVCOG, reporting to the Executive Director.
7. All ACE staff will fully integrate with other employees of the SGVCOG, with full staff integration to occur no later than July 1, 2018.

After extensive discussion, the Governing Board approved the following motion:

*“Direct staff to prepare documents that implement the Executive Committee recommendation to be brought back to the Governing Board in July for approval.”*

## **JOINT AD HOC / EXECUTIVE COMMITTEE MEETING**

The agenda item recommending the integration of ACE into the SGVCOG was originally scheduled to be presented to the Governing Board at its July 20, 2017 meeting. However, in an effort to look for ways to resolve different opinions between members of the Ad Hoc Committee and the Executive Committee, a joint meeting was held on Monday, August 7. Consensus was not reached between the two committees. However, the Ad Hoc committee voted at the August 7 meeting to amend its recommendation regarding the separation of administrative employees from the ACE organization. Previously the Ad Hoc Committee had recommended moving the ACE administrative staff into the SGVCOG while keeping the ACE employees directly involved with construction management as a distinct unit reporting to the ACE Board. The Ad Hoc Committee determined that was not feasible to pull out the administrative employees of ACE and have them

assigned to be employees of SGVCOG. Thus the Ad Hoc Committee revised its recommendation and endorsed maintaining two distinct employee units (ACE and SGVCOG). The revision is reflected in the final Ad Hoc recommendations listed above and attached at the Ad Hoc Committee recommendation.

The City Manager Steering Committee had previously voted to support the Executive Committee recommendation to proceed immediately with the merger of ACE with SGVCOG. The Committee reviewed the revised/final Ad Hoc Committee recommendation and the Executive Committee's recommendation, and affirmed its prior support of the Executive Committee's recommendation. The City Managers Steering Committee support letter is included as Attachment C. The San Gabriel Valley Economic Partnership has also reviewed both reports and recommendations and is in support of the Executive Committee's report. The Economic Partnership support letter is included as Attachment D.

## **NEXT STEPS**

Based on the June 2017 action taken by the Governing Board directing that the Executive Committee recommendation be presented for approval by the Governing Board, staff has prepared a draft schedule of next steps. That schedule is shown below in Table 1.

	Activity	2017				2018					
		S	O	N	D	J	F	M	A	M	J
JPA	Revise JPA to include changes to ACE and project and program processes										
	Submit revised JPA to GB for approval										
	Submit GB-approved JPA revisions to governing bodies for approval										
By-laws	Revise By-laws to include changes to ACE and project and program processes										
	Submit revised by-laws to GB for information										
	Submit revised by-laws to GB for approval										
	Based on JPA and Bylaws, hold elections for newly configured ACE Committee										
Project Identification	Develop process for project identification, development and approval										
	Submit process for project identification, development and approval to GB for approval										
	Develop and approve initial project list										
Personnel & Admin. Restructure	Conduct ACE/COG employee outreach										
	Develop consolidated personnel system										
	Implement consolidated personnel system										
	Develop consolidated admin and finance system										
	Implement consolidated admin and finance system										
Budget	Develop consolidated budget										
	Present budget to GB for approval										
Office Space	Identify options for joint office space										
	Present office space options to GB for approval										

**Table 1.  
Implementation Schedule.**

## ATTACHMENTS

Attachment A - Executive Committee Recommendation regarding COG/ACE Integration (Recommended for Approval as Part of this Agenda Report)

Attachment B – ACE/Large Capital Projects Ad Hoc Committee final report

Attachment C – City Managers Steering Committee Letter of Support for the Executive Committee Recommendation

Attachment D – San Gabriel Valley Economic Partnership Letter of Support for the Executive Committee Recommendation



## REPORT

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DATE: June 15, 2017

TO: SGVCOG Governing Board

FROM: Phil Hawkey, Executive Director

RE: **Executive Committee Recommendation regarding COG/ACE organizational structure**

### **RECOMMENDED ACTION:**

Approve the alternative recommendation to immediately proceed with the merging of COG/ACE into an integrated SGVCOG.

### **EXECUTIVE SUMMARY:**

After an extensive strategic planning process for the SGVCOG in February, 2016, the future of the Alameda Corridor East Construction Authority (ACE), (which is a subsidiary of the SGVCOG) was identified as a top priority issue, since ACE is scheduled to expire in about six years when its current mission is completed. The Ad Hoc ACE/Large Capital Projects Committee was appointed in June 2016 by SGVCOG President Gene Murabito to study the relationship between SGVCOG and ACE and to explore combining the COG and ACE into an integrated organization that could both plan and implement capital projects.

In its interim report issued in January 2017, the Ad Hoc Committee recommended that the SGVCOG develop a plan for integrating ACE as an integral part of the COG to allow for the potential of the newly configured ACE to construct capital projects throughout the San Gabriel Valley as may be specifically approved by the Governing Board. The decision was made by the Governing Board in January to merge ACE fully into COG. The following language was approved:

- *Develop a multi-year plan to integrate ACE, as an ongoing integral part of the SGVCOG, to allow for potential future capacity to construct capital projects in the San Gabriel Valley pending future specific direction from the Governing Board. Report back within six months;*
- *Direct ACE and SGVCOG staff to further integrate administrative functions; and*
- *Consult with legal counsel of ACE and SGVCOG to identify necessary changes to SGVCOG JPA and Bylaws.*

The Ad Hoc Committee was directed by the Governing Board in January to further study the integration of SGVCOG and ACE and to report back to the Governing Board within six months.

The Ad Hoc Committee has been working since January and has now made its final recommendations, as follows:

1. Keep ACE, and do not allow it to expire upon completion of its mission in six years.
2. Expand ACE's jurisdiction so it can undertake projects throughout the SGV.

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3. Modify the existing ACE Board to include representatives from five districts in the SGV, the president of the SGVCOG, and a county supervisor who represents a part of the SGV. In addition, the current ACE Board members will remain as voting members of the ACE Board until the ACE projects within their respective cities have been completed.
4. The new ACE Board will have similar responsibilities as the previous ACE Board.
5. The new ACE Board will report to the Governing Board, with communication to the Executive Committee.
6. ACE construction management staff will be maintained as a separate management unit.
7. Transfer all non-project staff (i.e. administrative staff) of ACE to become SGVCOG staff.
8. Review the organizational structure and responsibilities in 18 months.

The Executive Committee, at its meeting on June 5, directed by a unanimous motion (with one member absent), that an alternative proposal be submitted to the Governing Board that would modify the recommendation of the Ad Hoc Committee, as follows:

1. Keep ACE, and do not allow it to expire upon completion of its mission in six years.  
**Executive Committee: Agrees**
2. Expand ACE's jurisdiction so it can undertake projects throughout the SGV.  
**Executive Committee: Agrees**
3. Modify the existing ACE Board to include representatives from five districts in the SGV, the president of the SGVCOG, and a county supervisor who represents a part of the SGV. In addition, the current ACE Board members will remain as voting members of the ACE Board until the ACE projects within their respective cities have been completed.  
**Executive Committee: Agrees, with the modification that the ACE Board be re-named the ACE Committee to reflect the equivalent organizational alignment with other Committees of the SGVOCOG.**
4. The new ACE Board will have similar responsibilities as the previous ACE Board.  
**Executive Committee: Agrees, except that the new ACE Committee will not have management or personnel responsibilities.**
5. The new ACE Board will report to the Governing Board, with communication to the Executive Committee.  
**Executive Committee: Agrees, except that the ACE Committee will communicate through the Executive Committee while reporting to the Governing Board.**
6. ACE construction management staff will be maintained as a separate management unit.  
**Executive Committee: Disagrees, recommending instead that the COG and ACE be combined into one organization with one Executive Director, and that ACE will be a SGVCOG division reporting to the Executive Director.**
7. Transfer all non-project staff (i.e. administrative staff) of ACE to become SGVCOG staff.

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**Executive Committee: Disagrees, and instead recommends that all ACE staff become SGVCOG employees, reporting to the SGVCOG Executive Director.**

8. Review the organizational structure and responsibilities in 18 months.

**Executive Committee: Disagrees, and instead recommends that the Governing Board approve the merger of COG and ACE into one organization, with full implementation of staff integration to occur no later than July 1, 2018.**

This recommendation should be discussed by the Governing Board as part of the discussion of the Recommendation from the Ad Hoc Committee. These recommendations are being presented to the Governing Board for discussion on June 15 so that the Board can direct staff on the action item that will be brought to the July 20 Governing Board meeting for approval.

**ATTACHMENTS:**

Attachment A – Executive Committee alternative report presenting modifications of the Ad Hoc Committee Final Report

Attachment B – the Executive Committee recommended organizational chart

## REPORT

### **Executive Committee Alternative Recommendation as a modification of the Report of the Ad Hoc ACE/ Large Capital Projects Committee**

#### **BACKGROUND:**

ACE was created by the SGVCOG in 1998 as a subsidiary of the SGVCOG, with a narrow mission to address the traffic congestion caused by the expansion of freight rail traffic from the Ports of Los Angeles and Long Beach. For the past 18 years, ACE has had great success in securing more than \$1.6 billion in funding to construct grade separations to facilitate freight railroad movement through the southern portion of the San Gabriel Valley.

The mission of the ACE project is approaching completion in the next few years, and the SGVCOG must determine next steps. The expertise and excellent reputation of the ACE organization presents an opportunity to address an expanded and new scope of projects, but there are inherent risks and costs with this type of new endeavor.

In addition, with the passage of Measure M in Los Angeles County in November 2016, the SGVCOG will be responsible for guiding the allocation and implementation of over \$2 billion in capital projects and programs. The SGVCOG will either need to expand its capacity to handle these funds, or allow Metro to manage the funds in a manner guided by the advice of the SGVCOG.

As part of its Strategic Planning process in early 2016, the SGVCOG Governing Board identified the need to conduct an assessment about the future of ACE and the role of the SGVCOG in planning, funding, and constructing large capital projects. As a result, SGVCOG President Gene Murabito formed an ad hoc committee with the purpose of studying and fully exploring these issues.

#### **Existing Structure**

ACE is a subsidiary unit of the SGVCOG, operating under the Joint Powers Authority (JPA) that created the SGVCOG. However, ACE operates as a quasi-independent agency reporting to the ACE Board of Directors. ACE has a separate Chief Executive Officer, who reports to the ACE Board, and all ACE employees report to the Chief Executive Officer. As specified in the SGVCOG JPA and bylaws, the SGVCOG Governing Board is responsible for approving ACE's scope of projects and annual budget but all other functions are delegated to the ACE Board of Directors, including approving contracts, property acquisition, hiring of staff, and setting compensation of ACE employees. The ACE Board of Directors is comprised of the following members (all of which have, or did have, at least one ACE project within their jurisdiction):

- LA County
- El Monte
- Industry
- Montebello
- Pomona
- San Gabriel

Additionally, the SGVCOG President or his/her designee serves on the Board as a voting member.

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The SGVCOG also has a memorandum of understanding (MOU) with ACE to have ACE staff provide technical assistance related to transportation planning. Under this MOU, the CEO of ACE is compensated by SGVCOG to periodically perform the functions of the Transportation Director for the SGVCOG. This role was most active in the development of the mobility matrix, as well in the communications with Metro and Caltrans on behalf of the SGVCOG. This work by the CEO of ACE as the Transportation Director of SGVCOG entails only a few hours a month and compensation from the SGVCOG is paid to ACE, which offsets the compensation that the CEO receives from ACE.

Two additional MOUs were approved by the SGVCOG Governing Board in early 2016 to allow ACE staff to provide administrative/HR, IT and financial management support services. ACE is fully reimbursed for these labor costs.

### **AD HOC COMMITTEE PURPOSE, MEMBERS, AND PROCESS:**

The Ad Hoc Committee was comprised of the following members:

- John Fasana, Councilmember, City of Duarte, Chair
- Gene Murabito, former Mayor of Glendora and SGVCOG President
- Terry Tornek, Mayor, City of Pasadena
- Victoria Martinez, Vice Mayor, City of El Monte
- Jack Hadjinian, Councilmember, City of Montebello
- Cynthia Sternquist, Mayor, City of Temple City and SGVCOG President
- Cruz Baca, Councilmember, City of Baldwin Park
- Sam Pedroza, Councilmember, City of Claremont
- Linda Lowry, City Manager, City of Pomona
- David Liu, Public Works Director, City of Diamond Bar
- Javier Hernandez, Transportation Deputy, LA County District #1
- Dave Perry, Transportation Deputy, LA County District #5

Phil Hawkey, Executive Director of SGVCOG and Mark Christoffels, CEO of ACE, were advisory to the Ad Hoc Committee. SGVCOG staff Marisa Creter, Eric Wolf and Christian Cruz also assisted the work of the Ad Hoc Committee.

The ACE/ Large Capital Projects Ad Hoc Committee was tasked with assessing the future of the SGVCOG and whether it should be primarily a planning agency or should it also have the internal capacity to implement and build large capital projects. A key issue concerned the future of ACE and whether it should dissolve upon completion of its mission or be restructured as a division of the SGVCOG that would be responsible for the construction of large capital projects in the San Gabriel Valley.

Two alternative future roles considered were as follows:

1. The SGVCOG should focus on being a planning agency that concentrates on assessing the needs of the San Gabriel Valley, developing proposals and plans that address those needs, pursuing grants and funding sources to pay for programs and capital projects, including transportation and capital improvements, and collaborating with appropriate agencies to construct the large capital improvements;

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OR

2. The SGVCOG should expand its organizational capacity from strictly a policy and planning agency, to become a construction agency as well. In addition to planning for transportation and large capital projects, the SGVCOG might take responsibility for managing the implementation of, and even constructing, these projects. These projects might include new highway construction, bridges, freeway interchanges, and bicycle paths, as well as non-transportation projects (e.g. storm water facilities). The Committee considered several variations of each alternative.

In the early months of the Ad Hoc Committee work, the committee discussed four case studies (SR-57/SR-60 Interchange, Greenway Network, SR-71 Completion, and I-605 Hot Spots) as a means of considering the role the SGVCOG and the ACE could play in construction planning and management. Considerable attention was paid to the issues of liability and risk management involved with construction. The experience of ACE demonstrated that prudent management with comprehensive insurance can protect the organization. The legal structure of the Joint Powers Authority makes it a stand-alone legal entity for which the member cities of the JPA are protected from legal liability.

The issue of CalPERS liability for the ACE organization was studied by the Ad Hoc Committee, especially in recognition that ACE may terminate when its mission is completed in 6 years. A review of audit reports concluded that more than adequate funds have been set aside at ACE to adequately cover its CalPERS obligations.

The committee also reviewed other Council of Government structures in California and determined that there are a wide variety of different COG organizational and governance models, with each organized to meet specific regional needs, as well as funding and partnership opportunities.

### **CONTEXT: OPPORTUNITIES AND CHALLENGES:**

#### Measure M funding

With the passage of Measure M, the L.A County transportation tax measure, San Gabriel Valley transportation projects and programs identified and prioritized by SGVCOG will receive more than \$2 billion in local sales tax funds over the coming decades, in addition to the \$1 billion that is allocated for the completion of the Foothill Gold Line.

Significant Measure M funding will be passed through eight programs established by the SGVCOG expressly for San Gabriel Valley projects:

- (1) Active Transportation (\$231 million)
- (2) Bus System Improvement (\$55 million)
- (3) First/Last Mile and Complete Streets (\$198 million)
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## REPORT

Over the course of the ad hoc committee's work, it became apparent that whatever organizational form emerges from the effort, it must include added capacity for the SGVCOG to manage the Measure M funding assigned to the San Gabriel Valley and to secure matching funds, as needed to complete project budgets. Thus, the recommendation to create a position of Transportation Planner/Program Manager was approved by the Governing Board in February 2017, with the expectation that the position will be funded from Measure M funds.

### Partner Agencies

Representatives from the Ad Hoc Committee met with key staff from L.A. Metro, including CEO Phil Washington. During that meeting, Metro staff referenced the Measure M Program Management Plan (PMP) that was presented to the Metro Board in October 2016. Metro indicated that the SGVCOG's proposal to take a more active role in planning, programming, and constructing projects and programs was consistent with the PMP, and Metro was supportive of subregional efforts that would facilitate projects being completed on-time and within budget.

A separate meeting was held with lead staff at Caltrans Region 7 on January 31, 2017 to identify possible roles for SGVCOG regarding constructing Caltrans transportation projects. The Caltrans leadership expressed their support for the expanded role of the SGVCOG, through a restructured ACE, that would do major capital projects throughout the San Gabriel Valley. Caltrans encouraged the development of a MOU between Caltrans and SGVCOG that would facilitate ACE and Caltrans working together on planning, designing and building improvements to state highways and related facilities.

### **GUIDING PRINCIPLES:**

The Ad Hoc Committee gave time to establish some overriding principles that should guide any future actions of the SGVCOG in addressing the needs of the San Gabriel Valley. Guiding Principles were created and approved by the Ad Hoc Committee, against which the committee's recommended future SGVCOG structure was evaluated.

The Ad Hoc Committee developed Guiding Principles intended to define the core elements of the organizational structure and operating requirements of any new agency or division within the SGVCOG that would take on planning, programming, and construction projects. The following guiding principles were approved by the Committee:

#### *Threshold Criteria & Member Benefit*

- SGVCOG action will result in a measurable benefit to the region and member cities and/or non-action will result in a measurable disadvantage or loss to the San Gabriel Valley region.
- Collaborative relationships with impacted communities, LA Metro, Caltrans, LA County and/or other entities are explored before SGVCOG acts to plan or implement a program or project.
- Majority support from SGVCOG members is secured before a major program or project is undertaken.

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### *Liability & Risk*

- Structures are in place, including proper insurance and indemnification, to ensure there is no financial exposure or increased legal liability to member cities as a result of SGVCOG taking action.
- Prior to a project getting underway, agreements have been defined for long term ownership and maintenance of the completed project. by a responsible entity.

### *Financial Impact*

- SGVCOG may pursue funding for planning activities that may, or may not, result in programs or capital projects, but could fund staff costs.
- SGVCOG will not proceed to implement a program or project without securing all funding sources necessary to complete each distinct phase of a project.
- Member agencies may volunteer to fund a program, project, or study through an assessment in which only the participating members benefit from the work.
- SGVCOG may secure short term financing to fund start-up costs or accelerate a program or project with approval of a majority of SGVCOG members.

### *Legal Authority & Project Oversight*

- Action will conform to SGVCOG's existing legal authority. If it does not, all legal risks and changes to authority will be identified before taking action.
- Project oversight may be performed by a new organization (such as a separate JPA) created by SGVCOG that could plan, program, or implement projects in the San Gabriel Valley, and the SGVCOG might enter into agreements with this organization for the completion of those programs or projects.

## **EXECUTIVE COMMITTEE MODIFICATION OF AD HOC COMMITTEE RECOMMENDATIONS:**

The key recommendations of the Executive Committee, as modifications of the recommendations of the Ad Hoc Committee are:

1. **Keep ACE: (Executive Committee Approves):** The Ad Hoc Committee recognizes the success of ACE over the past 18 years in planning, funding and constructing over \$1.6 billion in grade separation improvements. With the passage of Measure M, and the availability of new state transportation funds, there will be resources for many projects in the San Gabriel Valley. If the SGVCOG can demonstrate the capacity to plan as well as to implement projects, the San Gabriel Valley will be able to accelerate the construction of projects that are important to our region.
2. **Expand ACE's jurisdiction so it can undertake projects throughout the SGV: (Executive Committee Approves):** Any new project would require the approval of the majority of the Governing Board (currently there are 35 members of SGVCOG). The process for determining projects will be:
  - A potential program of projects will be developed through a collaborative planning process that will include a SGVCOG Technical Advisory Committee, LA County, Caltrans, and Metro, and other cities or agencies that might be affected by a project. This program of projects will be reviewed by the SGVCOG's Transportation Committee and submitted to the Governing Board for approval.

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- The Governing Board shall have the sole authority to consider, approve, and assign funding to future projects to be undertaken by ACE, and the ACE Board shall not have the authority to act on a project until the project is assigned to them by the Governing Board. SGVCOG staff will have the authority to spend time and money to plan projects in anticipation of presentation to the Governing Board for approval.
3. **Modify the existing ACE Board: (Executive Committee Approves, except the name will be ACE Committee).** The new ACE Committee would include one representative from each of five districts in the SGV (the same districts as used by the City Manager TAC), the president of the SGVCOG and one county supervisor. Existing Board members will continue on the ACE Board as long as ACE projects are under construction in their cities.

The structure of the new ACE Committee will be as follows:

- The ACE Committee shall include one member from each of the five districts as used by the City Manager Steering Committee as follows:
    - Northeast: Azusa, Claremont, Glendora, La Verne, San Dimas
    - Southeast: Covina, Diamond Bar, Industry, La Puente, Pomona, Walnut
    - Central: Baldwin Park, El Monte, Rosemead, South El Monte, Irwindale, West Covina
    - Southwest: Alhambra, Montebello, Monterey Park, San Gabriel, South Pasadena, Temple City
    - Northwest: Arcadia, Bradbury, Duarte, La Canada Flintridge, Monrovia, Pasadena, San Marino, Sierra Madre
  - The members shall be appointed by the Governing Board through a nomination process and serve for two years. Members may be re-appointed for up to three terms.
  - The ACE Committee shall also include the SGVCOG Governing Board President or a designee, and a County Supervisor who represents all or a portion of the San Gabriel Valley (i.e. District 1, 4 or 5)
  - Current ACE Board members will remain as voting members of the ACE Committee until the ACE projects within their respective cities have been completed.
  - With the exception of the County Supervisor, ACE Committee appointees must be current SGVCOG delegates.
4. **The new ACE Committee will have similar responsibilities as the previous ACE Board:** The ACE Committee will be designated the authority to approve of contracts, change orders, and eminent domain. ~~(Delete: “and compensation for ACE employees.”)~~ The other change from their current authority is that that inter-agency agreements will be approved by the Governing Board.
5. **The new ACE Committee will communicate with the Executive Committee while reporting (delete: “report”) to the Governing Board:** As is current practice, the ACE Committee would report regularly to the SGVCOG Governing Board and communicate its activities to the Executive Committee.
6. ~~(Delete the entire following paragraph: “ACE construction management will be maintained as a separate management unit: ACE would operate under the authority of a Chief Executive Officer, who would report to the ACE Board. The ACE organization~~

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will include only the project related ACE staff, under the Chief Executive Officer, with the non-project related ACE employees being transferred under the COG.”)

New Paragraph: **The COG and ACE will be combined into one organization with one Executive Director, and ACE will be a SGVCOG division reporting to the Executive Director.**

7. (Delete the entire following paragraph: **“Transfer the all non-project staff (i.e. administrative staff) of ACE to become SGVCOG staff:** All current ACE staff that is not directly involved with project management will transfer to be employees of the COG and report to the COG Executive Director. This includes the employees who work in human resources, finance, purchasing, records management, information technology, marketing and government relations, totaling about two-thirds of the employees of ACE, out of a total of 24 employees. Since the ACE compensation plan is structured differently than the COG compensation plan, extensive work will need to be done to integrate the two organizations. The remaining ACE employees who are directly involved in project management will continue as employees of ACE, reporting to the Chief Executive Officer of ACE. The employees of ACE that are transferred to become COG employees will continue to provides support services to ACE through a MOU whereby ACE will pay COG for the services provides for the administrative, financial, IT, HR, purchasing support of ACE.”) (Add New paragraph: **All ACE staff become SGVCOG employees, reporting to the SGVCOG Executive Director.**
  
8. (Delete the entire following paragraph: **Review the organizational structure and responsibilities in 18 months:** After operating for 18 months with a split administration of COG and ACE, the Governing Board will review the organizational structure and determine if ACE and COG should be combined into one organization with a single Executive Director.) New paragraph: **The Governing Board should approve the merger of COG and ACE into one organization, with full implementation of staff integration to occur no later than July 1, 2018.**

### **ORGANIZATIONAL STRUCTURE:**

The recommended organizational structure, (Delete: “split administration between ACE and COG”), is shown on Attachment A as the **Executive Committee Recommended Option**.

(Delete the following sentence: “The alternative structure that might be considered by the Governing Board at the end of 18 months is shown on Attachment B as Future Option.”)

### **TIMETABLE:**

- **July 20, 2017:** Governing Board approval of the agenda report describing the restructuring of COG/ACE and other recommendations in the report.
- **March 1, 2018:** Approval of JPA amendments by at least 50% plus one of the legislative bodies of the members, followed by approval amendments to the SGVCOG bylaws by the

## REPORT

Governing Board, which requires 50% plus one approval of the total membership of the COG (35 members).

- **July 1, 2018:** New ACE **Committee** takes effect as defined in the approved report with the structure and responsibilities as described in the amended JPA and bylaws.
- **July 1, 2018:** **All** ACE administrative staff are fully transitioned to become SGVCOG employees.
- **December 2018:** Governing Board approval of initial list of projects that may be undertaken by ACE in the San Gabriel Valley.
- **(Delete the following sentence: “January 1, 2020: Governing Board reviews organizational structure and decides whether to combine ACE and COG into one organization under the Executive Director.”)**

**IMPLEMENTATION:**

The process to implement the recommendations included in this report will involve several steps, including:

- **Joint Powers Authority (JPA) amendment: Amendments to the JPA** requires approval of 50% plus one of the legislative bodies of the total membership of the SGVCOG. Currently there are 35 members of the SGVCOG. Necessary changes to the JPA include the following:
  - Section 4(b) (common powers), subsection (15) will need to be amended with respect to borrowing and incurring indebtedness/issuing bonds, as this power is restricted solely to fund the ACE project.
  - Section 27 of the JPA deals with the ACE Board structure and authority, as well as the authority of ACE to hire employees, enter into contracts, purchase property, utilize eminent domain and other powers. Language will need to be added that expands the jurisdiction of ACE to serve the entire San Gabriel Valley.

Amendments to the JPA will be required **(Delete: “in the first phase of implementation of this report”)** to modify the structure and jurisdiction of the ACE Committee. **(Delete the following sentence: “A subsequent amendment to the JPA will be required to fully integrate the ACE/COG organizations.”)**

- **By-Laws Amendments:** require a vote of 50% plus one of the total voting membership of the SGVCOG Governing Board. Necessary changes to the SGVCOG bylaws include the following:
  - Article IV, regarding the Executive Director, will need to be amended, when appropriate, to clarify Article IV B which indicates that the Executive Director shall supervise employees, “except for those employees and consultants working for the ACE Construction Authority”.
  - The Finance Committee (Article VI C) will require revision as it refers to the selection of auditor with ACE assistance.
  - Article IX, dealing with ACE, will need to be revised to conform to the new structure approved by the Board. This involves scope of responsibility, powers, make-up of the Board, meeting and voting process, and the role of the Chief Executive Officer in managing the work of ACE and the employees.
  - Article IX, dealing with ACE, will need to be amended to reflect that the SGVCOG Governing Board will have the authority to approve inter-agency agreements.

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Amendments to the By-Laws will be required (~~“in the first phase of implementation of this report, and additional amendments will be needed to the By-Laws”~~) to fully implement (~~“subsequent”~~) integration of ACE/COG organizations.

- **Budget Amendments and MOUs:** require approval of the Governing Board. Budget amendments will be needed to reflect the transfer of costs from ACE to COG. (~~“ACE project revenues and costs will continue to be separately accounted for, but within the overall accounting system of the SGVCOG.”~~ (~~“Delete the following: “when non-construction employees of ACE are transferred to be employees of the COG. Other operating costs will need to be adjusted to reflect the expanded operation of the COG. New MOUs will need to be developed between COG and ACE, since under the new structure the administrative and finance employees will be employed by COG but most of their work will be done to support ACE.”~~”)
- **Staff integration of ACE** (~~“administrative”~~) **staff to become COG employees:** (~~“this includes the transition of nearly two-thirds of ACE employees to become COG employees.”~~) It will require careful attention to address the anxiety of employees in dealing with relationship and cultural changes. Since the ACE compensation plan and work schedule is structured differently than the COG compensation plan and work schedule, extensive work will need to be done to blend the two organizations into a shared culture. (~~“If a second phase of organizational change is implemented between ACE and COG after 18 months, then a subsequent change management support program will also be needed.”~~)
- **Development of short and long range programs and projects:** With the approval of the SGVCOG Governing Board to expand the jurisdiction of ACE to serve the San Gabriel Valley, it will be appropriate for the ACE (~~“and COG”~~) staff to develop a list of construction projects that might be undertaken by ACE. This list of potential projects would be reviewed by the ACE **Committee** and submitted to the Governing Board for approval. In addition, each individual construction project, along with its funding plan, will be presented to the Governing Board for approval prior to proceeding with construction. Undertaking work to do preliminary construction concepts, and securing financing sources, is considered part of the operating responsibilities of (~~“COG”~~) and ACE.
- **Project/Program agreements with LA Metro and Caltrans:** requires approval of the SGVCOG Governing Board. These agreements will define the ongoing working relationships between SGVCOG/ACE and LA Metro and Caltrans. Additional individual agreements will be developed for specific projects that are done in collaboration with LA Metro, Caltrans, as well as any local government or agency that might be involved with a project.

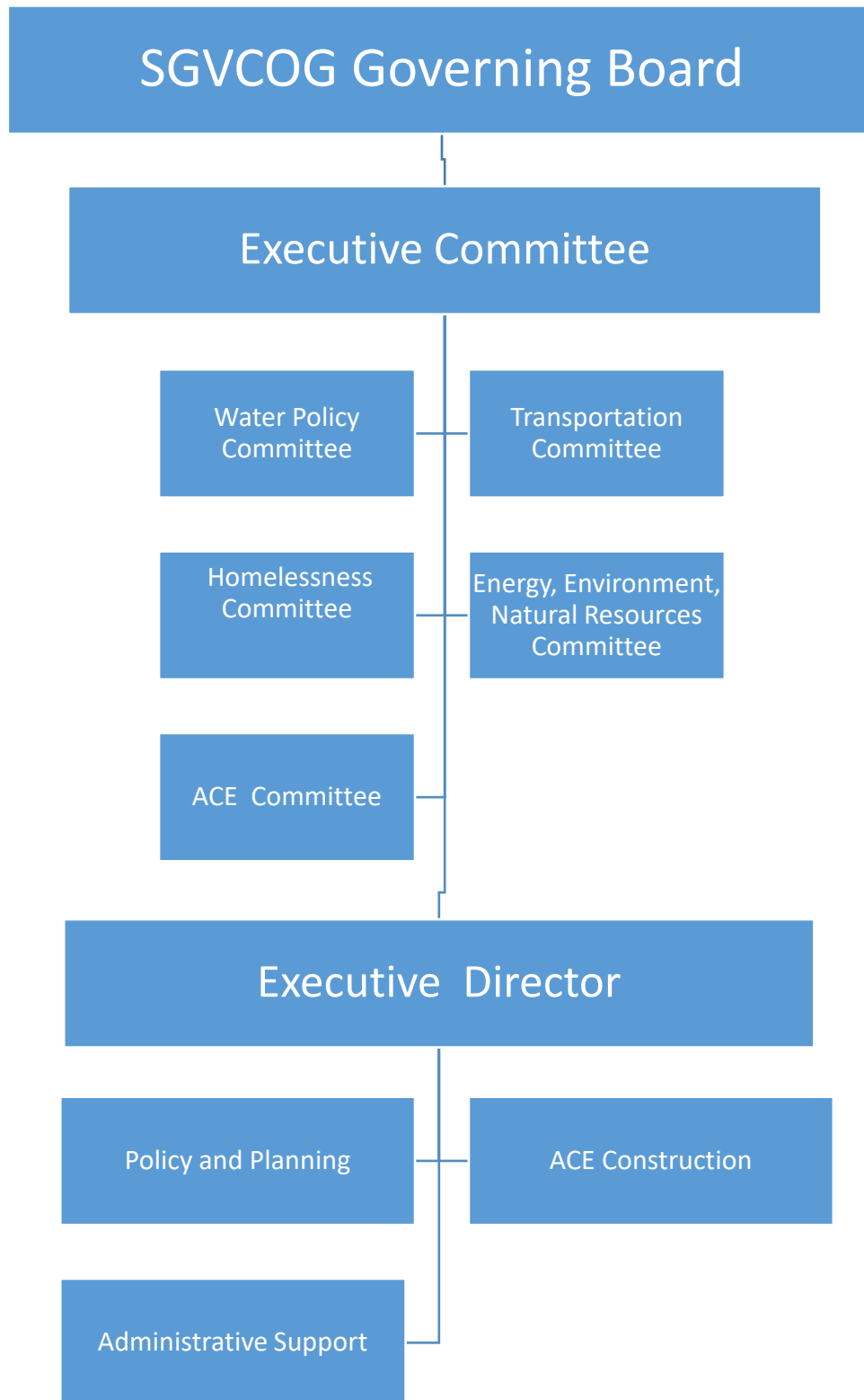
**CONCLUSION:**

This report is being presented with the (~~“endorsement”~~) **recommendation** of the (~~“Ad Hoc ACE/Large Capital Projects”~~) **Executive** Committee and presented for information and discussion at the June 15 Governing Board meeting. A decision and vote on these recommendations, or as they may be modified, will be made at the Governing Board meeting on July 20, 2017.

**REPORT**

To the extent that the action taken by the Governing Board on July 20 requires changes in the Joint Powers Authority (JPA) and the By-Laws, it is anticipated that the new language will be submitted to the Governing Board at its meeting on September 21. The effective date of many of the changes in this report approved by the Governing Board will not take effect until the JPA and By-Laws are changed.

- John Fasana, Councilmember, City of Duarte Chair
- Gene Murabito, former Mayor of Glendora and President SGVCOG
- Terry Tornek, Mayor, City of Pasadena
- Victoria Martinez, Vice Mayor, City of El Monte
- Jack Hadjinian, Councilmember, City of Montebello
- Cynthia Sternquist, Mayor, City of Temple City and President SGVCOG
- Sam Pedroza, Councilmember, City of Claremont
- Cruz Baca, Councilmember, City of Baldwin Park
- Linda Lowry, City Manager, City of Pomona
- David Liu, Public Works Director, City of Diamond Bar
- Javier Hernandez, Transportation Deputy, LA County District #1
- Dave Perry, Transportation Deputy, LA County District #5



## **Report of the Ad Hoc ACE/ Large Capital Projects Committee**

### **EXECUTIVE SUMMARY:**

The Ad Hoc ACE/Large Capital Projects Committee was appointed in June 2016 by SGVCOG President Gene Murabito to study the relationship between SGVCOG and ACE (Alameda Corridor-East Construction Authority) and to explore combining the COG and ACE into one organization that could both plan and implement capital projects. The Ad Hoc Committee undertook the following activities:

- Studied the history of the SGVCOG and ACE;
- Evaluated the issues of risks and liability involved with construction;
- Examined the liabilities of PERS for both ACE and SGVCOG;
- Explored four case studies of major projects that might benefit from a more active role by the SGVCOG in construction;
- Compared how other COGs operate; and
- Developed guiding principles to identify core issues that should influence any decision about the future of the SGVCOG.

With the passage of Measure M in November 2016, the San Gabriel Valley region is now guaranteed to receive over \$2 billion in funding over the next 40 years, including hundreds of millions of dollars for transportation programs to be administered through the SGVCOG. In addition, the Foothill Gold Line will receive over \$1 billion to complete the Gold Line to Claremont. It is important to note that the Measure M funds are intended to be leveraged in securing matching state, federal or other funds. These matching funds will be needed to complete most, if not all, of the SGVCOG's priority projects.

In its interim report issued in January 2017, the Ad Hoc Committee recommended to the Governing Board that the SGVCOG expand its organizational capacity by creating a transportation planning division and hire a transportation planner/program manager to coordinate the implementation of Measure M transportation programs in the San Gabriel Valley. The Ad Hoc Committee also recommended that the SGVCOG develop a plan for integrating ACE as an integral part of the COG to allow for the potential of the newly configured ACE to construct capital projects throughout the San Gabriel Valley as may be specifically approved by the Governing Board. The Ad Hoc Committee was directed by the Governing Board to further study the integration of SGVCOG and ACE and to report back to the Governing Board within six months.

At its meeting on August 7, 2017, the Ad Hoc Committee approved the following final recommendations:

1. Keep ACE.
2. Expand ACE's jurisdiction so it can undertake projects throughout the SGV, with the requirement that the Governing Board must approve each project undertaken by ACE with a majority vote of the total membership of SGVCOG.
3. Modify the existing ACE Board to include one representative from each of five districts in the SGV (the same districts as used by City Manager TAC), the President of the COG and one county supervisor. Existing ACE Board members will continue serving on the ACE Board as long as ACE projects are under construction in their cities.
4. The new ACE Board will have similar responsibilities as the previous ACE Board for approval of contracts, change orders, eminent domain, compensation for ACE employees. The sole change in authority would be that under the new structure, inter-agency

agreements, which are currently approved by the ACE Board, would be approved by the SGVCOG Governing Board.

5. The new ACE Board will report to the Governing Board, with communication to the Executive Committee.
6. ACE will be maintained as a separate management unit under the authority of a Chief Executive Officer (CEO), who would report to the ACE Board.
7. Review the organizational structure and responsibilities in 18 months

### **BACKGROUND:**

ACE was created by the SGVCOG in 1998 as a subsidiary of the SGVCOG, with a narrow mission to address the traffic congestion caused by the expansion of freight rail traffic from the Ports of Los Angeles and Long Beach. For the past 18 years, ACE has had great success in securing more than \$1.6 billion in funding to construct grade separations to facilitate freight railroad movement through the southern portion of the San Gabriel Valley.

The mission of the ACE project is approaching completion in the next few years, and the SGVCOG must determine next steps. The expertise and excellent reputation of the ACE organization presents an opportunity to address an expanded and new scope of projects, but there are inherent risks and costs with this type of new endeavor.

In addition, with the passage of Measure M in Los Angeles County in November 2016, the SGVCOG will be responsible for guiding the allocation and implementation of over \$2 billion in capital projects and programs. The SGVCOG will either need to expand its capacity to handle these funds, or allow Metro to manage the funds in a manner guided by the advice of the SGVCOG.

As part of its Strategic Planning process in early 2016, the SGVCOG Governing Board identified the need to conduct an assessment about the future of ACE and the role of the SGVCOG in planning, funding, and constructing large capital projects. As a result, SGVCOG President Gene Murabito, formed an ad hoc committee with the purpose of studying and fully exploring these issues.

#### *Existing Structure*

ACE is a subsidiary unit of the SGVCOG, operating under the Joint Powers Authority (JPA) that created the SGVCOG. However, ACE operates as a quasi-independent agency reporting to the ACE Board of Directors. ACE has a separate Chief Executive Officer, who reports to the ACE Board, and all ACE employees report to the Chief Executive Officer. As specified in the SGVCOG JPA and bylaws, the SGVCOG Governing Board is responsible for approving ACE's scope of projects and annual budget but all other functions are delegated to the ACE Board of Directors, including approving contracts, property acquisition, hiring of staff, and setting compensation of ACE employees. The ACE Board of Directors is comprised of the following members (all of which have, or did have, at least one ACE project within their jurisdiction):

- LA County
- El Monte
- Industry
- Montebello
- Pomona
- San Gabriel

Additionally, the SGVCOG President or his/her designee serves on the Board as a voting member.

The SGVCOG also has a memorandum of understanding (MOU) with ACE to have ACE staff provide technical assistance related to transportation planning. Under this MOU, the CEO of ACE is compensated by SGVCOG to periodically perform the functions of the Transportation Director for the SGVCOG. This role was most active in the development of the mobility matrix, as well in the communications with Metro and Caltrans on behalf of the SGVCOG. This work by the CEO of ACE as the Transportation Director of SGVCOG entails only a few hours a month and compensation from the SGVCOG is paid to ACE, which offsets the compensation that the CEO receives from ACE.

Two additional MOUs were approved by the SGVCOG Governing Board in early 2016 to allow ACE staff to provide administrative/HR, IT and financial management support services. ACE is fully reimbursed for these labor costs.

### **COMMITTEE PURPOSE, MEMBERS, AND PROCESS:**

The Ad Hoc Committee was comprised of the following members:

- John Fasana, Councilmember, City of Duarte, Chair
- Gene Murabito, former Mayor of Glendora and SGVCOG President
- Terry Tornek, Mayor, City of Pasadena
- Victoria Martinez, Vice Mayor, City of El Monte
- Jack Hadjinian, Councilmember, City of Montebello
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- Cruz Baca, Councilmember, City of Baldwin Park
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- Linda Lowry, City Manager, City of Pomona
- David Liu, Public Works Director, City of Diamond Bar
- Javier Hernandez, Transportation Deputy, LA County District #1
- Dave Perry, Transportation Deputy, LA County District #5

Phil Hawkey, Executive Director of SGVCOG and Mark Christoffels, CEO of ACE, were advisory to the Ad Hoc Committee. SGVCOG staff Marisa Creter, Eric Wolf and Christian Cruz also assisted the work of the Ad Hoc Committee.

The ACE/ Large Capital Projects Ad Hoc Committee was tasked with assessing the future of the SGVCOG and whether it should be primarily a planning agency or should it also have the internal capacity to implement and build large capital projects. A key issue concerned the future of ACE and whether it should dissolve upon completion of its mission or be restructured as a division of the SGVCOG that would be responsible for the construction of large capital projects in the San Gabriel Valley.

Two alternative future roles considered were as follows:

1. The SGVCOG should focus on being a planning agency that concentrates on assessing the needs of the San Gabriel Valley, developing proposals and plans that address those needs, pursuing grants and funding sources to pay for programs and capital projects, including transportation and capital improvements, and collaborating with appropriate agencies to construct the large capital improvements;

OR

2. The SGVCOG should expand its organizational capacity from strictly a policy and planning agency, to become a construction agency as well. In addition to planning for transportation and large capital projects, the SGVCOG might take responsibility for managing the implementation of, and even constructing, these projects. These projects might include new highway construction, bridges, freeway interchanges, and bicycle paths, as well as non-transportation projects (e.g. stormwater facilities). The Committee considered several variations of each alternative.

In the early months of the Ad Hoc Committee work, the committee discussed four case studies (SR-57/SR-60 Interchange, Greenway Network, SR-71 Completion, and I-605 Hot Spots) as a means of considering the role the SGVCOG and the ACE could play in construction planning and management. Considerable attention was paid to the issues of liability and risk management involved with construction. The experience of ACE demonstrated that prudent management with comprehensive insurance can protect the organization. The legal structure of the Joint Powers Authority makes it a stand-alone legal entity for which the member cities of the JPA are protected from legal liability.

The issue of CalPERS liability for the ACE organization was studied by the Ad Hoc Committee, especially in recognition that ACE may terminate when its mission is completed in 6 years. A review of audit reports concluded that more than adequate funds have been set aside at ACE to adequately cover its CalPERS obligations.

The committee also reviewed other Council of Government structures in California and determined that there are a wide variety of different COG organizational and governance models, with each organized to meet specific regional needs, as well as funding and partnership opportunities.

### **CONTEXT: OPPORTUNITIES AND CHALLENGES:**

#### Measure M funding

With the passage of Measure M, the L.A County transportation tax measure, San Gabriel Valley transportation projects and programs identified and prioritized by SGVCOG will receive more than \$2 billion in local sales tax funds over the coming decades, in addition to the \$1 billion that is allocated for the completion of the Foothill Gold Line.

Significant Measure M funding will be passed through eight programs established by the SGVCOG expressly for San Gabriel Valley projects:

- (1) Active Transportation (\$231 million)
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Over the course of the ad hoc committee's work, it became apparent that whatever organizational form emerges from the effort, it must include added capacity for the SGVCOG to manage the

Measure M funding assigned to the San Gabriel Valley and to secure matching funds, as needed to complete project budgets. Thus, the recommendation to create a position of Transportation Planner/Program Manager was approved by the Governing Board in February 2017, with the expectation that the position will be funded from Measure M funds.

### Partner Agencies

Representatives from the Ad Hoc Committee met with key staff from L.A. Metro, including CEO Phil Washington. During that meeting, Metro staff referenced the Measure M Program Management Plan (PMP) that was presented to the Metro Board in October 2016. Metro indicated that the SGVCOG's proposal to take a more active role in planning, programming, and constructing projects and programs was consistent with the PMP, and Metro was supportive of subregional efforts that would facilitate projects being completed on-time and within budget.

A separate meeting was held with lead staff at Caltrans Region 7 on January 31, 2017, to identify possible roles for SGVCOG regarding constructing Caltrans transportation projects. The Caltrans leadership expressed their support for the expanded role of the SGVCOG, through a restructured ACE, that would do major capital projects throughout the San Gabriel Valley. Caltrans encouraged the development of a MOU between Caltrans and SGVCOG that would facilitate ACE and Caltrans working together on planning, designing and building improvements to state highways and related facilities.

### **GUIDING PRINCIPLES:**

The Ad Hoc Committee gave time to establish some overriding principles that should guide any future actions of the SGVCOG in addressing the needs of the San Gabriel Valley. Guiding Principles were created and approved by the Ad Hoc Committee, against which the committee's recommended future SGVCOG structure was evaluated.

The Ad Hoc Committee developed Guiding Principles intended to define the core elements of the organizational structure and operating requirements of any new agency or division within the SGVCOG that would take on planning, programming, and construction projects. The following guiding principles were approved by the Committee:

#### *Threshold Criteria & Member Benefit*

- SGVCOG action will result in a measurable benefit to the region and member cities and/or non-action will result in a measurable disadvantage or loss to the San Gabriel Valley region.
- Collaborative relationships with impacted communities, LA Metro, Caltrans, LA County and/or other entities are explored before SGVCOG acts to plan or implement a program or project.
- Majority support from SGVCOG members is secured before a major program or project is undertaken.

#### *Liability & Risk*

- Structures are in place, including proper insurance and indemnification, to ensure there is no financial exposure or increased legal liability to member cities as a result of SGVCOG taking action.
- Prior to a project getting underway, agreements have been defined for long term ownership and maintenance of the completed project. by a responsible entity.

*Financial Impact*

- SGVCOG may pursue funding for planning activities that may, or may not, result in programs or capital projects, but could fund staff costs.
- SGVCOG will not proceed to implement a program or project without securing all funding sources necessary to complete each distinct phase of a project.
- Member agencies may volunteer to fund a program, project, or study through an assessment in which only the participating members benefit from the work.
- SGVCOG may secure short term financing to fund start-up costs or accelerate a program or project with approval of a majority of SGVCOG members.

*Legal Authority & Project Oversight*

- Action will conform to SGVCOG's existing legal authority. If it does not, all legal risks and changes to authority will be identified before taking action.
- Project oversight may be performed by a new organization (such as a separate JPA) created by SGVCOG that could plan, program, or implement projects in the San Gabriel Valley, and the SGVCOG might enter into agreements with this organization for the completion of those programs or projects.

**AD HOC COMMITTEE RECOMMENDATIONS:**

The key recommendations of the Ad Hoc Committee are:

1. **Keep ACE:** The Ad Hoc Committee recognizes the success of ACE over the past 18 years in planning, funding and constructing over \$1.6 billion in grade separation improvements. With the passage of Measure M, and the availability of new state transportation funds, there will be resources for many projects in the San Gabriel Valley. If the SGVCOG can demonstrate the capacity to plan as well as to implement projects, the San Gabriel Valley will be able to accelerate the construction of projects that are important to our region.
2. **Expand ACE's jurisdiction so it can undertake projects throughout the SGV:** Any new project would require the approval of the majority of the Governing Board (currently there are 35 members of SGVCOG). The process for determining projects will be:
  - A potential program of projects will be developed through a collaborative planning process that will include a SGVCOG Technical Advisory Committee, LA County, Caltrans, and Metro, and other cities or agencies that might be affected by a project. This program of projects will be reviewed by the SGVCOG's Transportation Committee and submitted to the Governing Board for approval.
  - The Governing Board shall have the sole authority to consider, approve, and assign funding to future projects to be undertaken by ACE, and the ACE Board shall not have the authority to act on a project until the project is assigned to them by the Governing Board. SGVCOG staff will have the authority to spend time and money to plan projects in anticipation of presentation to the Governing Board for approval.
3. **Modify the existing ACE Board:** The new ACE Board would include one representative from each of five districts in the SGV (the same districts as used by the City Manager TAC), the president of the SGVCOG and one county supervisor. Existing Board members will continue on the ACE Board as long as ACE grade separation projects are under construction in their cities.

The structure of the new ACE Board will be as follows:

- The ACE Board shall include one member from each of the five districts as used by the City Manager Steering Committee as follows:
    - Northeast: Azusa, Claremont, Glendora, La Verne, San Dimas
    - Southeast: Covina, Diamond Bar, Industry, La Puente, Pomona, Walnut
    - Central: Baldwin Park, El Monte, Rosemead, South El Monte, Irwindale, West Covina
    - Southwest: Alhambra, Montebello, Monterey Park, San Gabriel, South Pasadena, Temple City
    - Northwest: Arcadia, Bradbury, Duarte, La Canada Flintridge, Monrovia, Pasadena, San Marino, Sierra Madre
  - The members shall be appointed by the Governing Board through a nomination process and serve for two years. Members may be re-appointed for up to three terms.
  - The ACE Board shall also include the SGVCOG Governing Board President or a designee, and a County Supervisor who represents all or a portion of the San Gabriel Valley (i.e. District 1, 4 or 5)
  - Current ACE Board members will remain as voting members of the ACE Board until the ACE grade separation projects within their respective cities have been completed.
  - With the exception of the County Supervisor, ACE Board appointees must be current SGVCOG delegates.
4. **The new ACE Board will have similar responsibilities as the previous ACE Board:** The ACE Board will be delegated the authority to approve of contracts, change orders, eminent domain, and compensation for ACE employees. Inter-agency agreements will be approved by the Governing Board.
  5. **The new ACE Board will report to the Governing Board:** As is current practice, the ACE Board would report regularly to the SGVCOG Governing Board and communicate its activities to the Executive Committee.
  6. **ACE construction management will be maintained as a separate management unit:** ACE would operate under the authority of a Chief Executive Officer, who would report to the ACE Board.
  7. **Review the organizational structure and responsibilities in 18 months:** After operating for 18 months with a split administration of COG and ACE, the Governing Board will review the organizational structure and determine if ACE and COG should be combined into one organization with a single Executive Director.

### **ORGANIZATIONAL STRUCTURE:**

The recommended organizational structure, with the split administration between ACE and COG, is shown on Attachment A as the Recommended Option. The alternative structure that might be considered by the Governing Board at the end of 18 months is shown on Attachment B as Future Option.

### **TIMETABLE:**

- **August 17, 2017:** Governing Board approval of the agenda report describing the restructuring of COG/ACE and other recommendations in the report.

- **March 1, 2018:** Approval of JPA amendments by at least 50% plus one of the legislative bodies of the members, followed by approval amendments to the SGVCOG bylaws by the Governing Board, which requires 50% plus one approval of the total membership of the COG (35 members).
- **July 1, 2018:** New ACE Board takes effect as defined in the approved report with the structure and responsibilities as described in the amended JPA and bylaws.
- **July 1, 2018:** ACE administrative staff are fully transitioned to become SGVCOG employees.
- **December 2018:** Governing Board approval of initial list of projects that may be undertaken by ACE in the San Gabriel Valley.
- **January 1, 2020:** Governing Board reviews organizational structure and decides whether to combine ACE and COG into one organization under the Executive Director.

### **IMPLEMENTATION:**

The process to implement the recommendations included in this report will involve several steps, including:

- **Joint Powers Authority (JPA) amendment.** Amendments to the JPA requires approval of 50% plus one of the legislative bodies of the total membership of the SGVCOG. Currently there are 35 members of the SGVCOG. Necessary changes to the JPA include the following:
  - Section 4(b) (common powers), subsection (15) will need to be amended with respect to borrowing and incurring indebtedness/issuing bonds, as this power is restricted solely to fund the ACE project.
  - Section 27 of the JPA deals with the ACE Board structure and authority, enter into contracts, purchase property, utilize eminent domain and other powers. Language will need to be added that expands the jurisdiction of ACE to serve the entire San Gabriel Valley.

Amendments to the JPA will be required in the first phase of implementation of this report to modify the structure and jurisdiction of the ACE Board. A subsequent amendment to the JPA will be required to fully integrate the ACE/COG organizations.

- **By-Laws Amendments.** Amending the bylaws requires a vote of 50% plus one of the total voting membership of the SGVCOG Governing Board. Necessary changes to the SGVCOG bylaws include the following:
  - Article IX, dealing with ACE, will need to be revised to conform to the new structure approved by the Board. This involves scope of responsibility, powers, make-up of the Board, and meeting and voting process.
  - Article IX, dealing with ACE, will need to be amended to reflect that the SGVCOG Governing Board will have the authority to approve inter-agency agreements.

Amendments to the By-Laws will be required in the first phase of implementation of this report, and additional amendments will be needed to the By-Laws to fully implement a subsequent full integration of ACE/COG organizations.

- **Development of short and long range programs and projects.** With the approval of the SGVCOG Governing Board to expand the jurisdiction of ACE to serve the San Gabriel Valley, it will be appropriate for the ACE staff to develop a list of construction projects that might be undertaken by ACE. This list of potential projects would be reviewed by the ACE Board and submitted to the Governing Board for approval. In addition, each individual construction project, along with its funding plan, will be presented to the

Governing Board for approval prior to proceeding with construction. Undertaking work to do preliminary construction concepts, and securing financing sources, is considered part of the operating responsibilities of ACE. Attachment C is a flow chart which summarizes the proposed process.

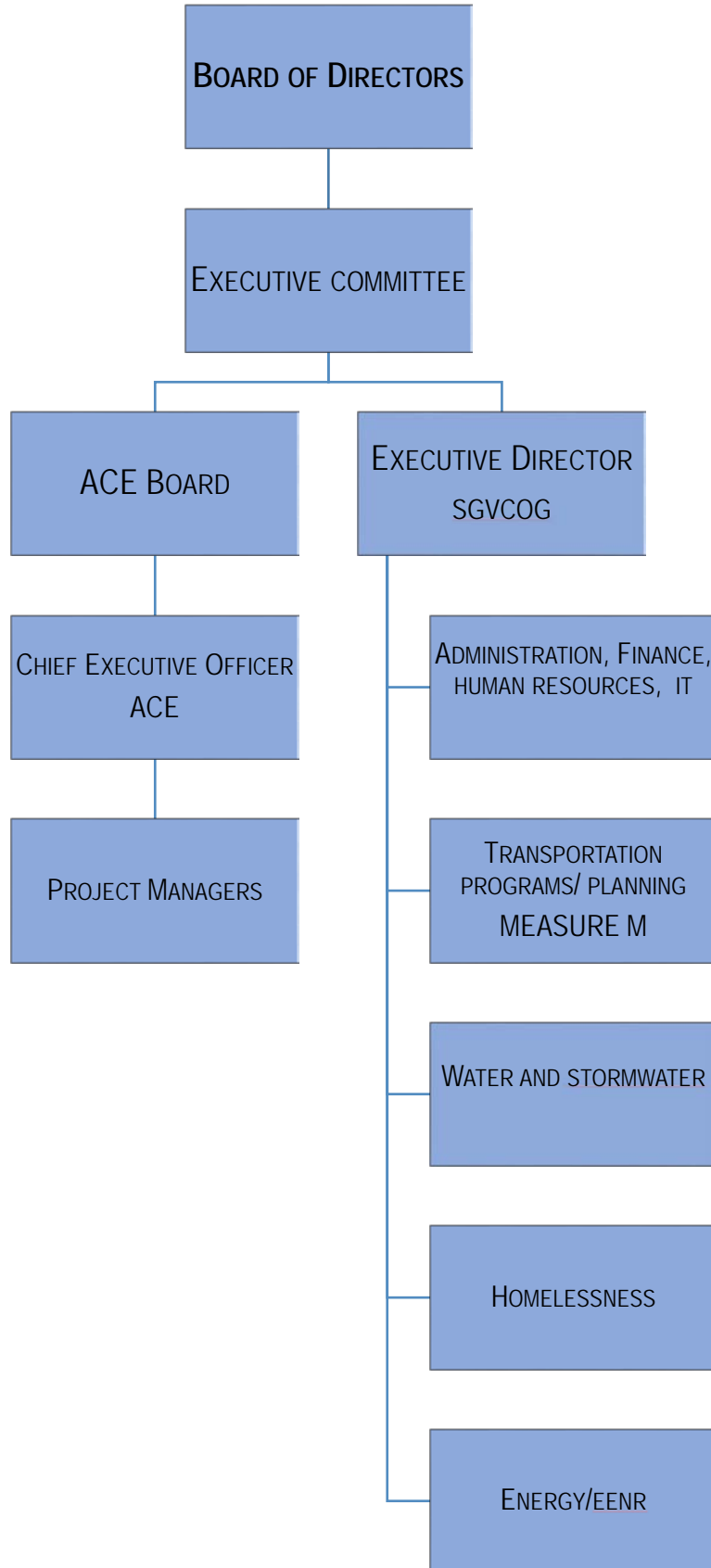
- **Project/Program agreements with LA Metro and Caltrans.** Interagency agreements require the approval of the SGVCOG Governing Board. These agreements will define the ongoing working relationships between SGVCOG/ACE and LA Metro and Caltrans. Additional individual agreements will be developed for specific projects that are done in collaboration with LA Metro, Caltrans, as well as any local government or agency that might be involved with a project.

### **CONCLUSION:**

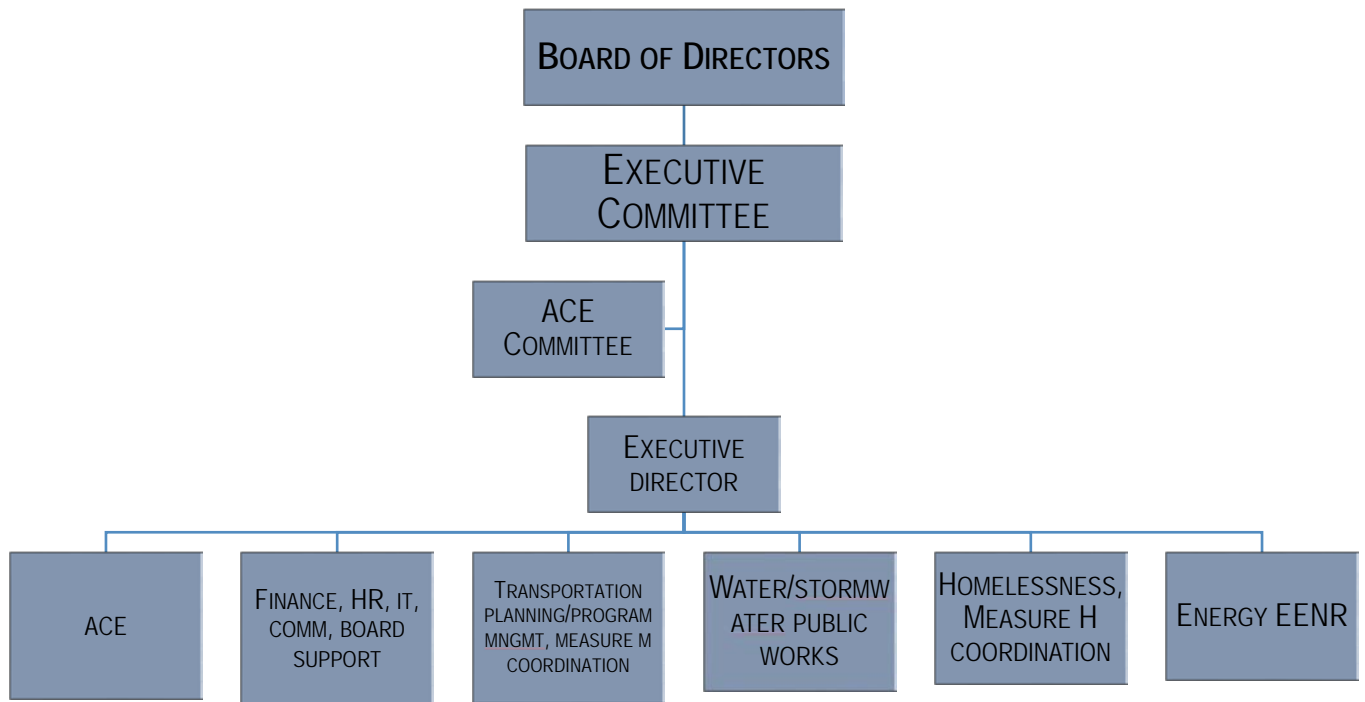
This report is being presented with the endorsement of the Ad Hoc ACE/Large Capital Projects Committee.

- John Fasana, Councilmember, City of Duarte Chair
- Gene Murabito, former Mayor of Glendora and President SGVCOG
- Terry Tornek, Mayor, City of Pasadena
- Victoria Martinez, Vice Mayor, City of El Monte
- Jack Hadjinian, Councilmember, City of Montebello
- Cynthia Sternquist, Mayor, City of Temple City and President SGVCOG
- Sam Pedroza, Councilmember, City of Claremont
- Cruz Baca, Councilmember, City of Baldwin Park
- Linda Lowry, City Manager, City of Pomona
- David Liu, Public Works Director, City of Diamond Bar
- Javier Hernandez, Transportation Deputy, LA County District #1
- Dave Perry, Transportation Deputy, LA County District #5

Recommended by Ad Hoc Committee



Future Option





# REPORT

DATE: June 15, 2017

TO: Governing Board Members

FROM: Dominic Lazzaretto, Vice Chair SGVCOG City Managers' Steering Committee

RE: **ACE/COG MERGER RECOMMENDATION FROM CITY MANAGERS' STEERING COMMITTEE**

On June 7, 2017, the SGVCOG City Managers Steering Committee (Steering Committee) met to review the proposed ACE/COG merger process. Specifically, the Steering Committee reviewed the proposed report and recommendation from the ACE/Large Capital Projects Ad Hoc Committee (Ad Hoc Committee), which outlines a method for integrating ACE into the COG to allow for the organization to construct capital projects throughout the entire San Gabriel Valley.

After much thoughtful deliberation, the Steering Committee voted to endorse the Ad Hoc Committee's report along with the modification proposed by the Executive Committee, which recommended the immediate implementation of the COG/ACE merger. Of note, the Steering Committee felt that:

- ACE has a proven track record of successfully delivering large scale capital projects efficiently.
- ACE's reputation enables it to rapidly obtain significant grant funding from State and Federal agencies that would most likely be inaccessible to individual cities.
- The entire COG region would benefit from the economies of scale and flexibility provided by an expanded ACE without compromising local control over projects.
- Combining the structures of the two organizations would simplify the relationship and reduce overhead costs.
- The immediate COG/ACE merger will allow the COG to be out in front of planning to implement Measure M projects and programs. This is especially important as Measure M sales tax dollars will start to be allocated as soon as July 2017.
- Combining the structures in a single step will reduce confusion for the staff members, the Board, and the public. It also minimizes disruption and should help in attracting and retaining leadership for the organization.

The Steering Committee directed that a representative of the group appear before the June 15 Governing Board meeting to speak in support of this plan. As the presiding officer for the Steering Committee at its last meeting, I will be presenting this information to you and available to answer any questions you may have.

Thank you for your consideration of this very important topic.





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Anthony Tang  
Cathay Bank

June 13, 2017

The Honorable Cynthia Sternquist, President  
San Gabriel Valley Council of Governments  
1000 S. Fremont Ave.  
Unit 42 – Bldg. A-10N, Suite 10-210  
Alhambra, CA 91803

**RE: Proposed merger of the Alameda Corridor East Construction Authority with the San Gabriel Valley Council of Governments**

Dear Mayor Sternquist and members of the Governing Board,

On behalf of the San Gabriel Valley Economic Partnership, I wish to express our strong support for the reconfiguration of the Alameda Corridor East Construction Authority (ACE) as a permanent transportation planning and construction management division within the San Gabriel Valley Council of Governments (COG). The Partnership agrees with and endorses the alternative proposal of the June 5<sup>th</sup> COG Executive Committee to merge ACE into the COG with one Executive Director overseeing all employees and programs, with full implementation of the merger to occur no later than July 1<sup>st</sup>, 2018.

The business community views the ambitious, large-scale building program initiated by the passage of Measure M very differently from municipal governments. Businesses are naturally interested in the opportunities available in the construction of major transportation projects - to either provide materials and services towards their completion or to situate themselves to benefit from improved conveyance systems.

The San Gabriel Valley has an extraordinary advantage over the other regions in Los Angeles County because no other COG can match ACE's technical expertise, vast experience, and longstanding relationships with key players in the construction and goods movement industries. ACE has a long history of handling thorny, multi-jurisdictional issues well and has an established reputation for finishing projects on time and on budget. Moreover, ACE as the transportation division of the COG, charged with planning and overseeing the list of regional Measure M projects (with significant leeway from Metro), would be a familiar, experienced one-stop shop for businesses looking to bid, construct and complete these projects. As with any complicated endeavor, large-scale multi-jurisdictional projects invariably run into unforeseen challenges, cost overruns and other problems. An experienced project management staff, with a strong working relationship with general contractors and sub-contractors, as well as with city staff, can be invaluable in keeping projects on schedule and under budget. ACE, operating as the

transportation planning and management division of the COG, would make it far more likely that more projects in the region will be completed expeditiously and, most critically, on budget.

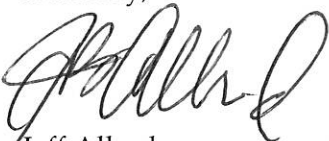
The need to quickly incorporate ACE into the COG is largely due to ACE's unique expertise in finding matching funds from state and federal governments. ACE was started with federal funding and has become extremely adept at leveraging available county, state, and federal dollars towards the completion of its grade separations. This unique skill will be critical in expediting projects for the region. With the other COGs in L.A. County generally lacking transportation staff and construction management expertise, rapidly incorporating ACE into the COG and directing staff towards obtaining additional dollars for Measure M projects gives the San Gabriel Valley a leg-up on its local competition. If the region can obtain additional dollars, Metro will likely move our projects up the queue, improving transportation and mobility for San Gabriel Valley residents much sooner.

Expeditious project delivery would be a major boost for the San Gabriel Valley economy. Rapid completion of the 57/60 confluence reconfiguration and the SR-71 thru Pomona, for example, would unsnarl what has been one of the worst freight-traffic bottlenecks in all of Southern California. Major companies in City of Industry could move more freight on those two freeways without the current delays, increasing the volume of goods movement while reducing congestion and air emissions. If goods can be moved through and out of the San Gabriel Valley more expeditiously, it could attract companies to locate here, providing new jobs to the region.

Concerns have been raised about merging ACE and the COG under one Executive Director and that ACE's incorporation would marginalize the committee work done by the COG on other issues of regional concern, such as stormwater and homelessness. While there are serious organizational issues to be ironed out, the Partnership believes that the COG can best utilize ACE's unique expertise and advantages through timely action. Maintaining ACE as a quasi-separate agency for the next few years, with the hazy vision to eventually evolve into a regional transportation management entity will be less effective in achieving the goals laid out by the COG to immediately increase its capacity to manage Measure M funding. Moreover, an extended delay risks the loss of critically important ACE personnel whose very expertise the COG is relying upon to advance its delivery capacity. Postponing the merger also cedes the initial advantage the region would have in attaining additional state and federal funding through ACE staff.

The long-term funding of Measure M holds the prospect of rapidly improving transportation infrastructure throughout the San Gabriel Valley. The San Gabriel Valley business community believes that our region can best take advantage of Measure M by having ACE swiftly fused as a division of the COG. For these reasons, we encourage members of the Governing Board to accept the alternative proposal of the COG Executive Committee to proceed with the timely merger with ACE.

Sincerely,



Jeff Allred  
President & CEO