

# **SGVCOG 2011-2012 Budget**

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## I. EXECUTIVE SUMMARY

As shown in Table 1, the San Gabriel Valley Council of Governments' (SGVCOG) estimated revenues for FY 2011-12 will be \$3,516,176 while ongoing operating expenses are estimated to be \$3,497,869. Together, this is expected to result in a surplus of \$18,307, or approximately 3% of next year's anticipated general operating income. This surplus represents the SGVCOG's continuing progress towards our goal of having reserves equal to one year's membership dues. Exhibit 1 provides a full matrix of revenues and expenses.

As shown in Figure 1, the reserves at the end of FY 2010-11 are estimated at \$554,119 and are expected to increase to \$572,426 by the end of FY 2011-12. This is over 84% of the way towards achieving the SGVCOG's goal of having reserves equal to one year of member dues income. This represents a dramatic improvement in the financial position that the SGVCOG faced five years ago, when there was a negative fund balance of -\$13,000.

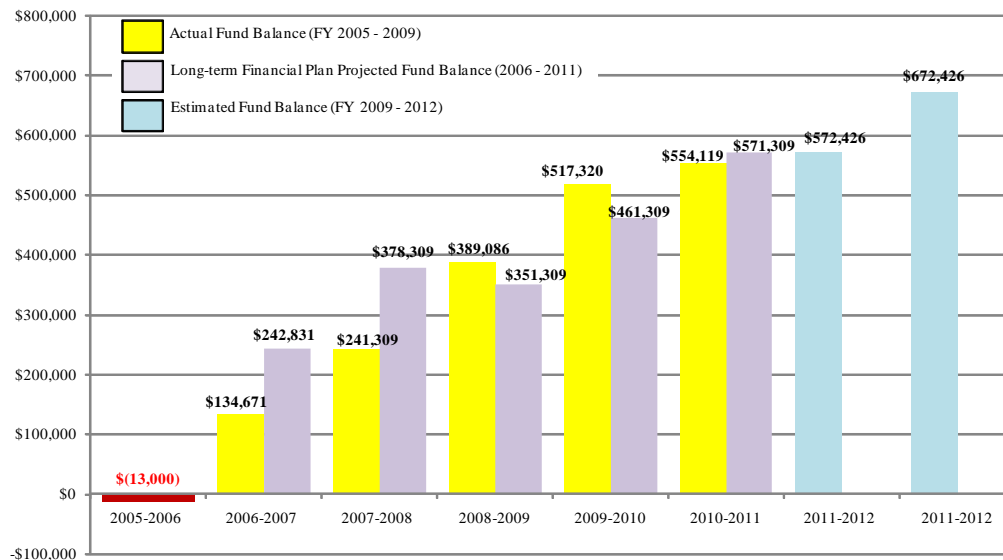


Figure 1  
SGVCOG Reserves 2005-2012

Budget Item	Adopted Budget FY 2010-11	Estimated Actual FY 2010-11	Recommended FY 2011-12
<b>General Operating Income</b>			
Member Dues	\$719,800	\$719,540	\$701,211
Interest	\$1,000	\$1,000	\$1,000
<b>Total General Operating Income</b>	<b>\$720,800</b>	<b>\$720,540</b>	<b>\$702,211</b>
<b>Grants &amp; Special Project Income</b>			
SCE Local Government Partnership	\$126,343	\$96,343	\$178,965
Watershed Coordinator Grant	\$68,000	\$68,000	\$34,000
CalRecycle Grant	\$167,023	\$106,500	\$186,000
SCE CEESP Grant	\$1,650,433	\$130,000	\$2,360,000
Energy Upgrade California		\$8,000	\$55,000
<b>Total Grants &amp; Special Project Income</b>	<b>\$2,011,799</b>	<b>\$408,843</b>	<b>\$2,813,965</b>
<b>Total Income</b>	<b>\$2,732,599</b>	<b>\$1,129,383</b>	<b>\$3,516,176</b>
<b>General Operating Expenses</b>			
<u>Ongoing Management and Operational Contracts</u>			
Management Services Contract (MSC)	\$422,154	\$422,154	\$422,154
MTA Board Support	\$50,000	\$50,000	\$50,000
Legal Services	\$25,600	\$50,000	\$41,214
Financial Audit Services	\$13,000	\$13,000	\$15,000
Bookkeeping / Accounting	\$12,000	\$12,000	\$12,500
<u>Consultant Services</u>			
Federal Advisory Services	\$25,000	\$0	\$50,000
Strategic Planning	\$16,000	\$12,000	\$16,000
Media/Public Relations	\$10,000	\$2,000	\$10,000
Annual Evaluation	\$4,500	\$3,930	\$4,500
<u>Special Events and Advocacy Travel</u>			
Annual Federal Advocacy Delegation	\$17,000	\$17,000	\$17,000
Annual State Advocacy Delegation	\$5,000	\$5,000	\$5,000
Local Receptions	\$5,000	\$5,000	\$5,000
Governing Board and Committee Meetings	\$7,500	\$7,500	\$7,500
<u>Direct Expenses</u>			
Board Stipends	\$11,000	\$11,000	\$11,000
Insurance	\$6,000	\$6,000	\$6,000
Printing / Publication	\$20,000	\$12,000	\$20,000
Miscellaneous	\$20,000	\$10,000	\$20,000
<b>Total Operating Expenditures</b>	<b>\$669,754</b>	<b>\$638,584</b>	<b>\$712,869</b>
<b>Grants &amp; Special Projects Expenses</b>			
<u>Grants &amp; Special Projects Staff</u>			
MSC - Amendment #1	\$105,000	\$105,000	\$105,000
MSC - Amendment #2	\$55,428	\$30,000	\$200,000
MSC - Amendment #3		\$8,000	\$55,000
Grants & Policy Committee Support	\$45,000	\$45,000	\$25,000
<u>Consultant Services and Other Direct Grant Expenses</u>			
Miscellaneous Grant Expenses	\$10,000	\$8,000	\$10,000
Information Technology	\$5,000	\$5,000	\$5,000
Watershed Coordinator Grant	\$60,000	\$60,000	\$30,000
SCE Local Government Partnership Expenses	\$10,000	\$10,000	\$20,000
CalRecycle Grant Expenses	\$143,372	\$83,000	\$175,000
SCE CEESP Expenses	\$1,593,645	\$100,000	\$2,160,000
<b>Total Grant &amp; Special Project Expenses</b>	<b>\$2,027,445</b>	<b>\$454,000</b>	<b>\$2,785,000</b>
<b>Total Expenditures</b>	<b>\$2,697,199</b>	<b>\$1,092,584</b>	<b>\$3,497,869</b>
<b>Surplus</b>	<b>\$35,400</b>	<b>\$36,799</b>	<b>\$18,307</b>

Table 1  
Recommended SGVCOG FY 2011-12 Budget

## SGVCOG FY 2011-12 General Operating and Grants Revenue / Expenses Matrix

			Member Dues		Other	Grants Income					Balance
			General Fund	A&C / Other Restricted Funds	Interest	SGVEWP	Watershed Coordinator	CalRecycle Grant	SCECEESP Grant	Energy Upgrade California	
			\$ 275,000	\$ 426,211	\$ 1,000	\$ 178,965	\$ 34,000	\$ 186,000	\$ 2,360,000	\$ 55,000	
General Operating Expenses	Ongoing Management and Operational Contracts										
	Management Services Contract (MSC)	\$422,154	\$ 18,978	\$ 354,211		\$ 48,965					\$0
	MTA Board Support	\$50,000		\$ 50,000							\$0
	Legal Services	\$41,214	\$ 41,214								\$0
	Financial Audit Services	\$15,000	\$ 6,000	\$ 9,000							\$0
	Bookkeeping / Accounting	\$12,500	\$ 8,500	\$ 4,000							\$0
	Consultant Services										
	Federal Advisory Services	\$50,000	\$ 50,000								\$0
	Strategic Planning	\$16,000	\$ 12,000	\$ 4,000							\$0
	Media/Public Relations	\$10,000	\$ 10,000								\$0
	Annual Evaluation	\$4,500	\$ 4,500								\$0
	Special Events and Advocacy Travel										
	Annual Federal Advocacy Delegation	\$17,000	\$ 17,000								\$0
	Annual State Advocacy Delegation	\$5,000	\$ 5,000								\$0
	Local Receptions	\$5,000	\$ 5,000								\$0
	Governing Board and Committee Meetings	\$7,500	\$ 7,500								\$0
	Direct Expenses										\$0
	Board Stipends	\$11,000	\$ 11,000								
	Insurance	\$6,000	\$ 6,000								\$0
	Printing / Publication	\$20,000	\$ 20,000								\$0
	Miscellaneous	\$20,000	\$ 20,000								\$0
Grants & Special Project Expenses	Grants & Special Projects Staff										
	MSC - Amendment #1	\$105,000				\$ 90,000	\$ 4,000	\$ 11,000			\$0
	MSC - Amendment #2	\$200,000							\$ 200,000		\$0
	MSC - Amendment #3	\$55,000								\$ 55,000	
	Grants & Policy Committee Support	\$25,000		\$ 5,000		\$ 20,000					\$0
	Consultant Services and Other Direct Grant Expenses										
	Miscellaneous Grant Expenses	\$10,000	\$ 10,000								\$0
	Information Technology	\$5,000	\$ 5,000								\$0
	Watershed Coordinator Grant	\$30,000					\$ 30,000				\$0
	SCE Local Government Partnership Expenses	\$20,000				\$ 20,000					\$0
	CalRecycle Grant Expenses	\$175,000						\$ 175,000			\$0
	SCE CEESP Expenses	\$2,160,000							\$ 2,160,000		\$0
	Balance		\$17,308	\$0	\$1,000	\$0	\$0	\$0	\$0	\$0	\$18,308

### ***FY 2011-12 Grant Funding***

Included in the estimated income for this next year is an increase in revenue attributable to multiple grant sources including:

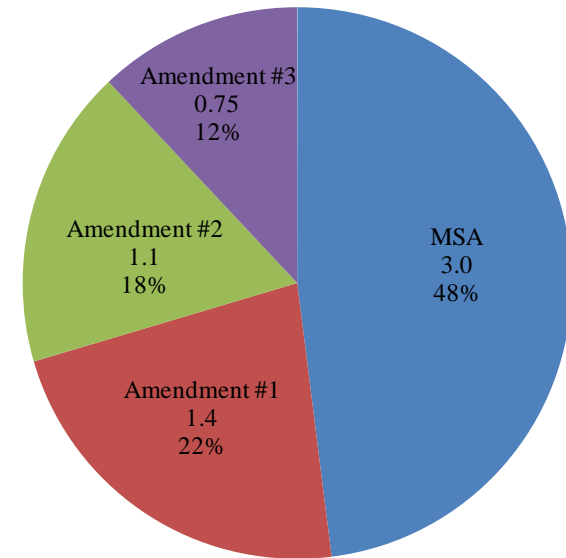
- ***CalRecycle Product Stewardship Grant Program (\$186,000):*** This grant program funds the implementation of a retail take-back program for batteries and compact fluorescent lamps (CFLs). The SGVCOG is administering this program and anticipates receiving \$11,000 in FY 2011-2012 for labor costs associated with this work. The remaining funds (\$175,000) will be paid out to a consultant team, led by the California Product Stewardship Council (CPSC).
- ***Southern California Edison (SCE) Local Government Partnership (\$178,965):*** This grant funds the San Gabriel Valley Energy Wise Partnership (SGVEWP) and has a number of specific objectives including: assisting local governments in implementing energy-efficiency projects, providing training to city staff on energy efficiency issues and educating and outreaching to the public to increase knowledge of energy-efficiency. During FY 2011-12, the SGVCOG anticipates receiving \$178,965 for administration, implementation and expenses associated with specific workplan elements of this program.
- ***California Department of Conservation Watershed Coordinator Program (\$34,000):*** This grant provides a staff position to implement watershed goals established in the comprehensive Rio Hondo Watershed and Greater Los Angeles County Integrated Regional Watershed Management Plans. Of the grant funds anticipated for next year, the majority (\$30,000) will fund salary and benefits for the staff person, which works out of the Rivers and Mountains Conservancy offices. The SGVCOG receives \$4,000 (15%) for administering and managing this program.
- ***SCE California Long-Term Energy-Efficiency Strategic Plan (CEESP) Grant (\$2,360,000):*** This is a new grant program anticipated to begin in the second quarter of FY 2011-12. This program will provide funding for two activities: 1) developing customized energy-efficiency chapters for cities' existing or planned climate action plans or greenhouse gas (GHG) emissions inventories and 2) training and funding for city staff to upload cities' municipal facility energy usage data onto a county-wide energy management and tracking program. Both of these efforts will assist cities in complying with AB 32 and other mandates regarding energy-efficiency and climate change. The SGVCOG is administering this program and anticipates receiving \$200,000 in FY 2011-2012 for labor costs associated with this work. The remaining funds (\$2,160,000) will be used for reimbursements to cities for staff time spent on the project, data and software fees, consultant services for the climate action planning task, and reimbursement to the County of Los Angeles for costs associated with the energy management program.
- ***Energy Upgrade California (\$55,000):*** This grant provides part-time staffing to implement marketing and outreach activities associated with the Energy Upgrade California program. This work is being funded by the County of Los Angeles through a grant from the CEC and DOE. "Energy Upgrade California" is a partnership of the California Energy Commission (CEC), the California Public Utilities Commission (CPUC), investor-owned and municipal utilities, Councils of Governments, local governments, and other stakeholders. The goal of this program is to create a new market for residential and commercial investment grade retrofits.

## Staffing

Due to the increased workload associated with staffing and managing grants, the SGVCOG continues to expand its staffing. For FY 2011-2012, it is anticipated that there will be a total of 6.25 Full-Time Equivalent (FTE) positions. This is more than double the size of the SGVCOG staff just three years ago. As shown in Table 2, and graphically in Figure 2, more than half of the SGVCOG positions (3.25 FTE) are assigned to work on grant-related work.

	Staff Positions	FTE
MSA	Executive Director	1
	Office Manager	1
	Staff IV	1
	<i>FTE</i>	3
Amendment #1	Staff II	1
	Staff III	0.4
	<i>FTE</i>	1.4
Amendment #2	Staff V	1
	Staff III	0.1
	<i>FTE</i>	1.1
Amendment #3	Staff I	0.6
	Staff III	0.15
	<i>FTE</i>	0.75
<b>Total FTE</b>		6.25

**Table 2**  
**Summary of SGVCOG Staff Allocation**



**Figure 2**  
**Overview of SGVCOG Staffing**

## ***II. FY 2010-11 GOALS, OBJECTIVES, AND ACHIEVEMENTS***

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Beginning four years ago and in response to recommendations from the City Managers' TAC, the SGVCOG engaged in a formal strategic planning process. An outside consultant was hired to facilitate a Strategic Planning Retreat, the first of which was held in 2006. Since that time, we have held seven additional strategic workshops in six month intervals. This process has had numerous benefits including:

- Developing consensus among SGVCOG member agencies regarding the long and short-term goals of the organization
- Identifying a specific timeline in order to achieve long-term goals
- Creating accountability to ensure that all objectives are achieved

More broadly, this exercise has helped our stakeholders establish a clear vision for the Agency and has heightened our sense of accountability within the SGVCOG. Below are highlights of the SGVCOG's major accomplishments this past year. This is by no means an exhaustive list and is only meant to serve as a snapshot. See the Appendix for a full explanation of all activities listed below.

### **Transportation**

- ✓ **Corridor Planning:** The SGVCOG continues to move forward working with various member agencies to develop inter-jurisdictional corridor plans. These efforts are important to enhance mobility and plan for future growth. Currently, planning efforts are underway along Arrow Highway, Rosemead Boulevard, and Valley Boulevard.
- ✓ **Congestion Mitigation Fee Pilot Study:** In January 2008, Metro proposed a Congestion Mitigation Fee (CMF) program that would levy charges on all development projects in order to fund regional transportation projects. In order to address our cities concerns, the SGVCOG has partnered with Metro on a pilot study to model the impact of a fee based system. This past year, the SGVCOG facilitated meetings between Metro and the 31 San Gabriel Valley cities and three Supervisorial Districts on this project, and, Metro has compiled a list of potential projects to be funded with this fee from all SGV cities. In May, Metro released the results of the nexus analysis, which verified the congestion reduction benefits of the proposed projects and estimated a cost per trip associated with implementing the projects.
- ✓ **California High Speed Rail Project:** This year, the SGVCOG Governing Board formed a High Speed Rail Working Group intended to closely monitor the work of the California High Speed Rail Authority (CHSRA), specifically as it sought to take action to limit the potential routes and station locations in the San Gabriel Valley. This working group met several times during Winter 2011, and helped develop the SGVCOG's official response letter that was submitted to the CHSRA in February 2011.

### **Environment**

- ✓ **Water Resources Working Group:** This working group, comprised of city elected officials and staff, has sought to coordinate local efforts on issues related to water supply, quality, clean up, and conservation. In particular, the working group has monitored and provided feedback to the County of Los Angeles regarding a proposed ballot initiative that would provide ongoing funding to enhance water quality and reduce pollution in stormwater and urban runoff. The working group has also been collecting and disseminating information on regional water-related projects in order to advocate and promote coordination on a regional level

- ✓ **Partnership with the County of Los Angeles on Energy Upgrade California:** SGVCOG is assisting the County with implementation of this new statewide energy efficiency rebate and incentive program for single-family homes by providing coordination, staffing resources and technical assistance to cities to help promote the program. Through this program, residents can qualify for financial rebates and incentives of up to \$4,500 and secure significant monthly energy savings by implementing upgrades to their homes.
- ✓ **Product Stewardship:** Through a grant from CalRecycle, the COG has launched 34 household battery collection sites across the San Gabriel Valley where residents can return used batteries for proper recycling. The purpose of this effort is to increase proper disposal of this hazardous material by making recycling convenient to the consumer and involving the retailer community in the end-of-life management of these products. Additionally, the COG is providing policy technical assistance to local governments to raise awareness of the “product stewardship” approach. Product Stewardship seeks to transition from government-managed and financed product end-of-life (EOL) systems to producer-managed and financed EOL systems for products banned from trash under the universal waste disposal ban.
- ✓ **Climate Action Planning and Regional Energy Management Assistance:** This year, the SGVCOG began work on the SCE CEESP grant program. This program will provide funding for two activities: 1) developing customized energy-efficiency chapters for cities’ existing or planned climate action plans or greenhouse gas (GHG) emissions inventories and 2) training and funding for city staff to upload cities’ municipal facility energy usage data onto a county-wide energy management and tracking program. Both of these efforts will assist cities in complying with AB 32 and other mandates regarding energy-efficiency and climate change.

### **Housing, Community Development, and Homelessness**

- ✓ **Committee Restructuring:** With the passage of AB 32 and SB 375, housing issues are increasingly becoming interrelated to transportation, air quality, and development regulations. In light of this new reality, the Governing Board voted to expand the title and scope of the committee to include economic and community development issues. This change would better facilitate the committee’s participation in efforts such as corridor planning, business development, and SB 375, among other issues.
- ✓ **San Gabriel Valley Housing and Homeless Coordinating Council:** This entity was formed in summer 2010 as a recommendation from the COG Regional Homeless Services Strategy. The mission of this region-wide, community-based network is to serve as a unifying voice to maximize resources and build capacity to prevent and end homelessness in the San Gabriel Valley. The Executive Director has engaged a wide array of stakeholders including government, non-profit, community-based, and business entities to develop support for expanding housing and homeless services in the region that meet the identified need.
- ✓ **Affordable Housing:** SGVCOG has developed a pipeline of affordable housing projects planned in the San Gabriel Valley in order to identify opportunities to provide technical assistance and to assist with implementation of the COG’s adopted Regional Homeless Services Strategy.

### III. FY 2011-12 GENERAL OPERATING INCOME

Table 3 provides a summary of current and anticipated general operating revenue for FY 2011-12. General operating income is derived from local sources: member dues and interest. All agencies in the San Gabriel Valley are current on the member dues. The total anticipated general operating income for FY 2011-12 is \$702,211.

Budget Item	Adopted Budget FY 2010-11	Estimated Actual FY 2010-11	Recommended FY 2011-12
<b>General Operating Income</b>			
Member Dues	\$719,800	\$719,540	\$701,211
Interest	\$1,000	\$1,000	\$1,000
<b>Total General Operating Income</b>	<b>\$720,800</b>	<b>\$720,540</b>	<b>\$702,211</b>

**Table 3**  
**SGVCOG Revenue Summary**

This represents only 20% of the SGVCOG's anticipated revenue for the coming year. The remainder is expected to come from grants, which is discussed in the subsequent chapter of this budget.

#### **Dues (\$701,211)**

The revenue from dues is the primary source of income to support SGVCOG's day-to-day operations and services as outlined in the Management Services Agreement (MSA). This money is also used to support our efforts in seeking other categorical funds. Membership and dues monies should provide sufficient working capital to ensure stability, but must be leveraged in achieving other specific program and desired outcomes (i.e. watershed management, San Gabriel Valley Energy Wise Partnership, Leadership 21, etc.).

#### **Methodology**

In 2007, the Governing Board revised and approved a simplified dues structure as follows:

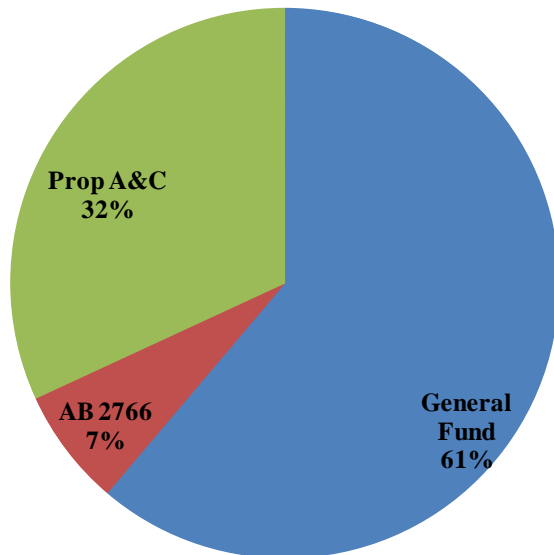
$$\text{\$5,000 flat fee} + \text{\$.30 per capita} = \text{Member Dues}$$

There is a \$30,000 cap on member agencies dues. Exhibit 2 provides a listing of the projected member agency dues per jurisdiction. Furthermore, the Governing Board approved a recommendation by the City Managers' Steering Committee that the Governing Board would annually review the need for an adjustment of dues proportionate to increases in the Consumer Price Index (CPI). For the third consecutive year, no increase in dues is being recommended.



### ***Source of Dues***

Under this revised dues structure, the only required source of funding for dues was that a minimum of \$5,000 be paid using cities' General Fund money. The remaining amount of member dues (\$.30 per capita) can be paid using any eligible<sup>1</sup> source of funds. Despite this flexibility, historically, member agencies have paid dues from a combination of only the three following sources:



**Figure 3**  
**SGVCOG Membership Dues and Revenue**

**General Fund** – Each member agency pays a minimum contribution of \$5,000 of general fund monies to support the general administrative activities of the SGVCOG. As shown in Figure 3, the SGVCOG's operating monies derived from this revenue source now account for 61% of the SGVCOG's dues income.

**Propositions A & C** – Propositions A & C are ½¢ sales tax measures passed by Los Angeles County voters in 1980 and 1986 respectively. The funds are restricted to supporting transportation improvements in the County and its cities. In the San Gabriel Valley, many member cities pay 15¢ per capita from the receipt of their City's Proposition A & C funds to support our regional transportation activities. As shown in Figure 3, this revenue source provides 32% of our dues income.

**AB 2766** – AB 2766 is a tax levied by the State on car registrations and subvented to cities and other public agencies. The tax for Mobile Source Emission Reduction is intended to raise revenues to support planning and projects that reduce emissions in the South Coast Air Basin. In the San Gabriel Valley, several member cities pay 15¢ per capita from AB 2766 monies to support SGVCOG programs relating to air quality and transportation. As shown in Figure 3, monies from this revenue source represent 7% of the SGVCOG's dues income. As the South Coast Air Quality Management District (SCAQMD) receives additional mandates from the California State Air Resources Board (ARB) to demonstrate calculable emissions reductions, they are developing more stringent requirements for how cities may use these funds. This has been problematic for cities as they struggle to comply with these new requirements. Therefore, last year, the Governing Board, with concurrence from the City Managers' Steering Committee, took action to recommend that cities no longer utilize AB 2766 funds in the payment of dues.

<sup>1</sup> It is the responsibility of member agencies to determine any restriction on funding sources when determining eligibility.

# Projected SGVCOG Member Agency Dues FY 2011-12<sup>2</sup>

	2011 Population Dept. of Finance	Actual 2010-11 Dues	Estimated 2011-12 Dues
Alhambra	83,450	\$ 30,000	\$ 30,000
Arcadia	56,548	\$ 22,016	\$ 21,964
Azusa	46,399	\$ 19,762	\$ 18,920
Baldwin Park	75,664	\$ 29,481	\$ 27,699
Bradbury	1,059	\$ 5,289	\$ 5,318
Claremont	35,053	\$ 16,282	\$ 15,516
Covina	47,931	\$ 19,887	\$ 19,379
Diamond Bar	55,766	\$ 23,306	\$ 21,730
Duarte	21,380	\$ 11,937	\$ 11,414
El Monte	113,785	\$ 30,000	\$ 30,000
Glendora	50,260	\$ 20,849	\$ 20,078
Industry	451	\$ 20,558	\$ 20,035
Irwindale	1,426	\$ 20,558	\$ 20,035
La Canada Flintridge	20,301	\$ 11,378	\$ 11,090
La Puente	39,930	\$ 18,007	\$ 16,979
La Verne	31,153	\$ 15,215	\$ 14,346
Monrovia	36,686	\$ 16,995	\$ 16,006
Montebello	62,792	\$ 24,734	\$ 23,838
Monterey Park	60,435	\$ 24,508	\$ 23,131
Pasadena	138,915	\$ 30,000	\$ 30,000
Pomona	149,243	\$ 30,000	\$ 30,000
Rosemead	54,034	\$ 22,327	\$ 21,210
San Dimas	33,465	\$ 16,084	\$ 15,040
San Gabriel	39,839	\$ 17,895	\$ 16,952
San Marino	13,185	\$ 9,025	\$ 8,956
Sierra Madre	10,948	\$ 8,330	\$ 8,284
South El Monte	20,174	\$ 11,788	\$ 11,052
South Pasadena	25,692	\$ 12,764	\$ 12,708
Temple City	35,673	\$ 15,768	\$ 15,702
Walnut	29,439	\$ 14,798	\$ 13,832
West Covina	106,400	\$ 30,000	\$ 30,000
LA County District 1	N/A	\$ 30,000	\$ 30,000
LA County District 4	N/A	\$ 30,000	\$ 30,000
LA County District 5	N/A	\$ 30,000	\$ 30,000
SGV Water Agencies	N/A	\$ 30,000	\$ 30,000
<b>TOTALS</b>	<b>1,497,476</b>	<b>\$719,540</b>	<b>\$701,211</b>

<sup>2</sup> The FY 2011-12 population figures include the newly released Department of Finance projections, which were based off of data from the 2010 Census.

#### IV. FY 2011-12 GRANTS AND SPECIAL PROJECTS INCOME

A summary of grants and special projects income is shown in Table 4. One of the strategies identified in the SGVCOG's Strategic Plan was to expand and diversify our income opportunities by pursuing grant funding. In the coming year, the SGVCOG's grant funded projects will come from the following sources:

- ***CalRecycle Product Stewardship Grant Program (\$186,000):*** This grant program, which began in November 2009, funds the implementation of a retail take-back program for batteries and compact fluorescent lamps (CFLs) to reduce the concentration of hazardous materials in the waste stream. The SGVCOG is administering this program and anticipates receiving \$11,000 in FY 2011-12 for labor costs associated with this work. The remaining funds (\$175,000) will be paid out to a consultant team, lead by the California Product Stewardship Council (CPSC), that will implement the workplan.

Budget Item	Adopted Budget FY 2010-11	Estimated Actual FY 2010-11	Recommended FY 2011-12
<b>Grants &amp; Special Project Income</b>			
CalRecycle Grant	\$167,023	\$106,500	\$186,000
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SCE CEESP Grant	\$1,650,433	\$130,000	\$2,360,000
Energy Upgrade California		\$8,000	\$55,000
<b>Total Grants &amp; Special Project Income</b>	<b>\$2,011,799</b>	<b>\$408,843</b>	<b>\$2,813,965</b>

Table 4  
Anticipated Grants Income for FY 2011-12

- ***SCE Local Government Partnership (\$178,965):*** Since 2009, the SGVCOG has been in local government partnership with Southern California Edison (SCE) to increase energy-efficiency through the San Gabriel Valley. This effort, known as the San Gabriel Valley Energy Wise Partnership (SGVEWP), is funded by the California Public Utilities Commissions (CPUC) and has a number of specific objectives including: 1) assisting local governments in identifying and implementing energy-efficiency projects in their municipal facilities; 2) providing training to city staff on energy efficiency issues and initiatives including Title 24, AB 811, AB 32 and Demand Response; and 3) educating and outreaching to the public to increase knowledge of energy-efficiency in their homes and business and provide information on SCE's residential programs and rebates. While a third party implementer and qualified technical consultants are utilized to manage and implement specific energy-efficiency retrofit projects, the SGVCOG, as the local government partner, is primarily responsible for administration, marketing and outreach for the Partnership. During FY 2011-12, the SGVCOG anticipates receiving \$178,965. Of this, approximately \$20,000 will cover direct expenses for events, including speaker fees, room charges, food, and marketing materials. The remaining \$158,965 will be received by the SGVCOG as reimbursement for labor costs associated with this program.
- ***California Department of Conservation Watershed Coordinator Program (\$34,000):*** This grant, which initially began in 2008, is intended to provide a staff position to implement watershed goals established in the comprehensive Rio Hondo

Watershed and Greater Los Angeles County Integrated Regional Watershed Management Plans. In December 2008, due to the State budget crisis, the SGVCOG received a stop-work notification for this grant. However, with the positive sale of bonds in Spring 2009, the SGVCOG was given a notice to proceed in July 2009. A new individual was hired to fill this position, and works out of the Rivers and Mountains Conservancy (RMC) offices. Of the grant funds anticipated for next year, the majority (\$30,000) will fund salary and benefits for this position. The SGVCOG will receive the remainder (\$4,000) for administering and managing this program.

- ***SCE California Long-Term Energy-Efficiency Strategic Plan (CEESP) Grant (\$2,360,000):*** This is a new grant program anticipated to begin in FY 2011-12. This funding will provide funding for 27 of the SGVCOG's member cities that are SCE customers.<sup>3</sup> This program will provide funding for two activities described below:
  - 1) Energy Efficiency Portion of Climate Action Plans/Energy Action Plans (\$1,600,000) – Participating cities will have the opportunity to complete inventories of energy usage both for municipal facilities and community-wide. This will help cities save money, and demonstrate their leadership in becoming more energy efficient. Building off of the inventories, cities can then develop and adopt an energy efficiency (EE) chapter of their climate action plan (CAP) or develop a standalone energy action plan. This activity will help cities develop a road map for decreasing energy usage, increasing financial savings, and implementing AB 32 requirements. Of the total funding for this activity, approximately 4% will be kept by the SGVCOG to administer and manage this program, 15% will be returned to the cities as a reimbursement for staff time spent on this effort, and the remaining 81% will be paid to the consulting firm, selected through a competitive bidding process, that will develop the inventories and energy-efficiency chapters of climate action plans. These expenses are further explained in Chapter 5 of this budget.
  - 2) Procurement and Implementation Strategy for City Facility Energy Management System (\$760,000) – The County of Los Angeles has purchased an unlimited license for an online Enterprise Energy Management Information System (EEMIS), whereby for a fee, cities can opt in to track and monitor energy usage in their facilities. This will allow cities to strategize cost-effective measures that significantly impact building efficiency. Under this proposal, cities will be able to procure this program through the County at a significantly reduced cost and develop an implementation strategy for ongoing management. Of the total funding for this activity, approximately 3% will be kept by the SGVCOG to administer and manage this program, 54% will be returned to the cities as a reimbursement for staff time spent on this effort, and the remaining 43% will be used to cover other expenses including a share of the software license fee and purchasing of energy data.

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<sup>3</sup> The Cities of Pasadena and Azusa operate their own municipal utilities, the County of Los Angeles submitted a separate application (which was also funded), and the City of Industry opted not to participate in the SGVCOG's submittal. After the grant was awarded and approved, the City of Walnut indicated that it was not participating in the grant at this time.

- **Energy Upgrade California (\$55,000):** Since 2008, SGVCOG staff has been working with staff from the County of Los Angeles on the launch of a Property Assessed Clean Energy (PACE) program in the County. The purpose of this program is to allow willing property owners to enter into contractual assessments to finance the installation of distributed renewable generation, as well as energy efficiency improvements, that are permanently fixed to the property owner's residential, commercial, industrial, or other real property. These financing arrangements would allow property owners to finance renewable generation and energy efficiency improvements through low-interest loans that would be repaid as an item on the property owner's property tax bill.

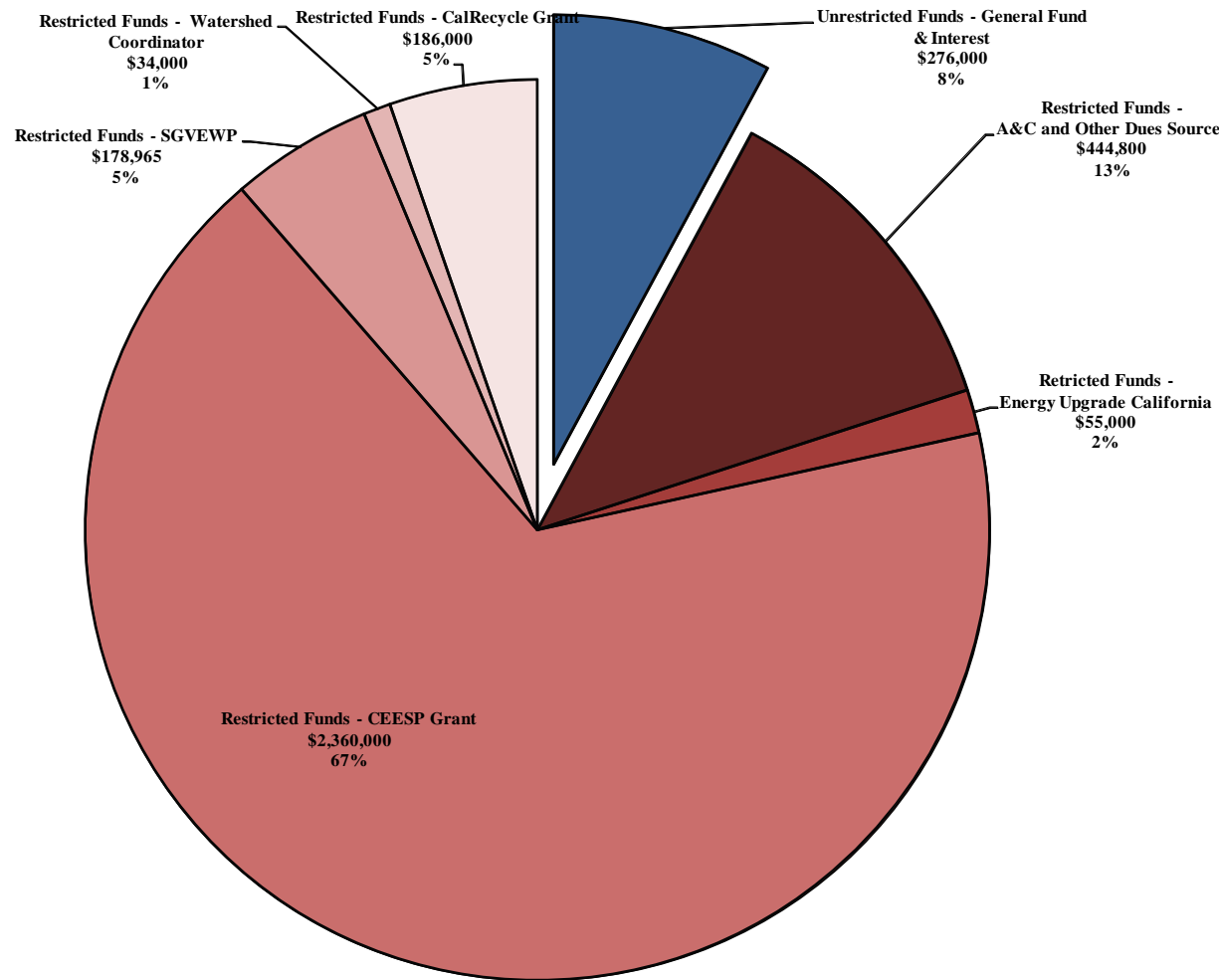
While the PACE program is currently on hold due to direction from the Federal Housing Finance Agency (FHFA) to Fannie Mae and Freddie Mac, the County of Los Angeles, as well as numerous agencies statewide, has worked on the development of "Energy Upgrade California." This initiative was created to serve as the umbrella for a package of programs, including marketing, outreach, rebates, and financing (including PACE, when available), that are intended to encourage people to undertake energy-efficiency retrofit and renewable energy projects. In order to support the marketing and rebates that are envisioned as part of Energy Upgrade California, the County applied for and was awarded funding under both the California Energy Commission (CEC) State Energy Program (SEP) and the U.S. Department of Energy (DOE) BetterBuildings program.

At its October 21, 2009 meeting, SGVCOG took a position of support for both of the County's applications and submitted letters of support for the programs. The County was subsequently awarded the grant. Because of the complexity of managing these programs County-wide, Los Angeles County approached each of the participating councils of governments (San Gabriel, South Bay and Westside Cities) to provide assistance with administration of both of these grant programs in each respective subregion as well as, more generally, to support the Energy Upgrade California effort.

At the October 2010 Governing Board meeting, the SGVCOG authorized the Executive Director to negotiate and execute Memorandums of Understanding (MOU) with LA County to implement this grant funded program in San Gabriel Valley. Included in this MOU is funding for the SGVCOG in the amount of \$125,000 for work associated with the grants, for work to be completed over three fiscal years (FY 2011 – 2013).

While the increase in grant revenue has had a positive impact on our organization both from a fiscal and programmatic perspective, it has presented challenges related to the overall increase in restricted funds. As shown Figure 4, below, 92% of the SGVCOG's anticipated revenue for FY 2011-12 will come from restricted sources. Typically, these funds can only be used for the payment of activities directly related to the management and implementation of the specific grant programs. This growth in restricted income and programs represents a significant challenge to the Agency. In addition to the added staffing resources required to undertake and complete the work, the added focus must be integrated with the Agency's existing and ongoing programs and services and there is a risk of mission displacement. Finally, many of the SGVCOG's ongoing operating expenses, including legal fees, auditing services,

board stipends, and special events, must be paid using unrestricted fund sources. For this reason, member dues, particularly the portion that comes from unrestricted sources, continue to be important for the ongoing operations of the SGVCOG.



**Figure 4.**  
**Sources of SGVCOG Revenue for FY 2011-2012 (Restricted and Unrestricted)**

## V. FY 2011-12 GENERAL OPERATING EXPENSES

As shown in Table 5, the SGVCOG's general operating expenses are anticipated to be \$712,869 for FY 2011-12. The majority of these expenses (\$540,869 or 76%) are associated with five ongoing contracts the SGVCOG has to support its management and ongoing operations, and the delivery of its programs and services. Additionally, the SGVCOG has four consultant contracts for specific activities, such strategic planning and annual evaluation, which account for \$80,500 (11%) in expenses. The remaining \$91,500 (13%) accounts for costs associated with direct expenses, such as printing costs, travel and board stipends.

### Management Services Agreement (\$422,154)

#### Background

One of the founding principles of the SGVCOG was that there would be no public employees in this newly created agency. In keeping with that directive, in 1994, the Agency entered into a management services agreement (MSA) with Ken Spiker & Associates (KSA) to provide all services related to the organization and operation of the new fledgling organization.

In 1996, the SGVCOG Board hired an executive recruiting firm to conduct a national search which resulted in the unanimous selection of Arroyo Associates, Inc (AAI). The initial contract was for a two-year period (1996-98). At its conclusion, a committee composed of Board Delegates and City managers conducted an evaluation, and the Governing Board approved unanimously a new three-year contract with AAI. In 2001, 2004 and 2008, the contract with AAI was rebid and renewed, by unanimous consent of the Governing Board, for five-year periods.

Budget Item	Adopted Budget FY 2010-11	Estimated Actual FY 2010-11	Recommended FY 2011-12
<b>General Operating Expenses</b>			
<u>Ongoing Management and Operational Contracts</u>			
Management Services Contract (MSC)	\$422,154	\$422,154	\$422,154
MTA Board Support	\$50,000	\$50,000	\$50,000
Legal Services	\$25,600	\$50,000	\$41,214
Financial Audit Services	\$13,000	\$13,000	\$15,000
Bookkeeping / Accounting	\$12,000	\$12,000	\$12,500
<u>Consultant Services</u>			
Federal Advisory Services	\$25,000	\$0	\$50,000
Strategic Planning	\$16,000	\$12,000	\$16,000
Media/Public Relations	\$10,000	\$2,000	\$10,000
Annual Evaluation	\$4,500	\$3,930	\$4,500
<u>Special Events and Advocacy Travel</u>			
Annual Federal Advocacy Delegation	\$17,000	\$17,000	\$17,000
Annual State Advocacy Delegation	\$5,000	\$5,000	\$5,000
Local Receptions	\$5,000	\$5,000	\$5,000
Governing Board and Committee Meetings	\$7,500	\$7,500	\$7,500
<u>Direct Expenses</u>			
Board Stipends	\$11,000	\$11,000	\$11,000
Insurance	\$6,000	\$6,000	\$6,000
Printing / Publication	\$20,000	\$12,000	\$20,000
Miscellaneous	\$20,000	\$10,000	\$20,000
<b>Total Operating Expenditures</b>	<b>\$669,754</b>	<b>\$638,584</b>	<b>\$712,869</b>

**Table 5**  
**SGVCOG General Operating Expenditures**

### ***Scope of Work***

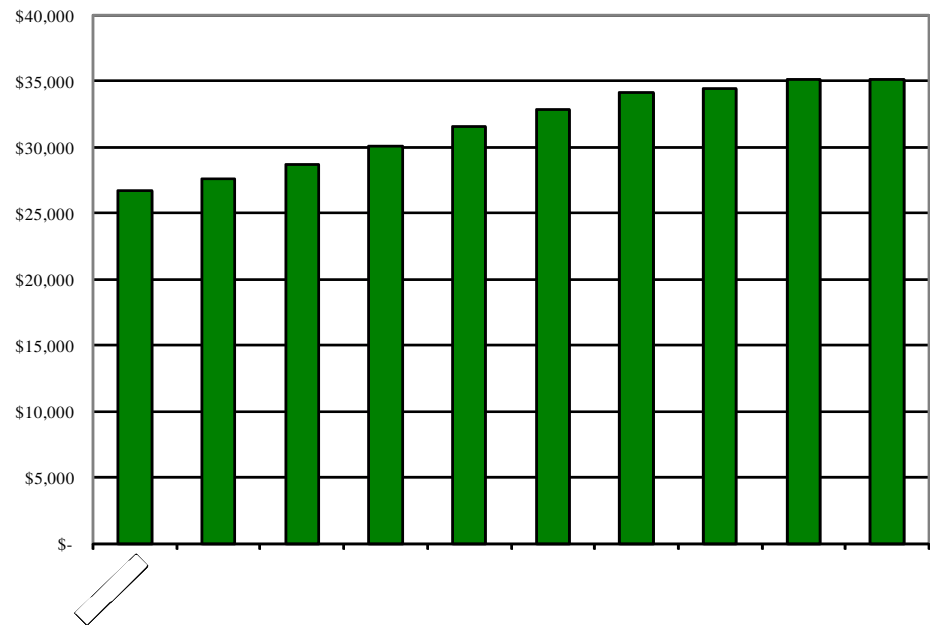
As set forth in the MSA, AAI is responsible for the day-to-day management of SGVCOG. The firm provides all ongoing staff support to the Agency's Governing Board, its legislative staff meeting and its committees, including the three standing committees (Transportation, Housing, and Energy, EENR) and three technical advisory committees (City Managers', Planning and Public Works). There are also three working groups which report to the EENR Committee: Energy, Solid Waste, and Water Resources. SGVCOG committee meeting attendance typically ranges from 10-40 people per meeting. In addition to the SGVCOG work, AAI also provides all staff support for SCAG Regional Council members and policy committee members.

As defined in the scope of the SGVCOG's management services agreement, this contractual arrangement is intended to be a turnkey operation. AAI arranges for all SGVCOG meetings, including coordinating and scheduling all participants, and ordering and delivery of food including cleanup after every event. AAI also prepares and distributes all meeting agendas, minutes and Board actions; conducts all staff analysis for the Board and all committees; prepares all grant applications and staff reports; prepares, copies and distributes all correspondence and mailings; oversees and manages all contracts and projects; prepares the budget, oversees and reconciles the Agency's investments, checking accounts; makes all deposits and issues all payments to Governing Board members and contractors. AAI also provides all infrastructure related to the administration and operation of the SGVCOG, including office space, supplies, furniture, computer equipment, utilities and all ancillary services necessary to run the day-to-day operations of the SGVCOG.

In addition to providing staff support for the ongoing and regularly scheduled meetings, AAI staff responds to all public inquiries, supplies all materials in response to all requests for information, and represents the SGVCOG at all public events deemed of importance to the Governing Board.

### ***Expenditures***

The current five-year contract provides for annual cost of living adjustment based on changes in the consumer price index. That adjustment is effective July 1 of each fiscal year. As shown in Figure 5, the management services contract has increased 35% over the last ten-year period. This increase is below the changes in the consumer price

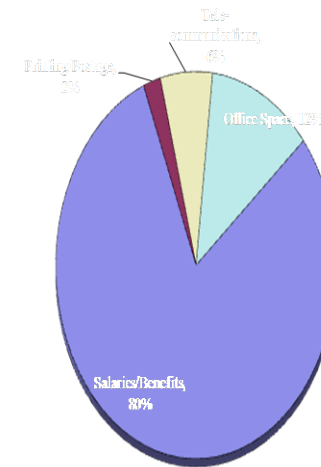


**Figure 5**  
**Monthly Management Service Fee 2001-2011**



index for that same time period.

As shown in Figure 6, \$337,723 or 80% of the monthly management services fees paid to AAI supports the payment of salaries and benefits (retirement, vacation, sick leave, medical, auto etc.) related to the three full time staff members assigned to complete all of the required work identified in the above scope of work. It is important to note the salaries and benefits paid by AAI to its employees are significantly below those paid by the SGVCOG's ACE project as well as our member and partner agencies including MTA and SCAG for comparable positions and personnel. Despite these lower salaries and as shown in Table 7, the MSA does not cover the full cost of three FTE when salaries, benefits, and overhead costs are taken into account.



**Figure 6**  
**AAI Allocation of Management Services Contract Expenses**

It is important to note that the staffing level (5,640 man hours or 3 FTEs) allocated under the SGVCOG's management services contract with AAI continues to be substantially below that found in other comparable organizations in Southern California. This benchmark is particularly significant given the fact that the SGVCOG is the second largest agency in the benchmark survey and has the most extensive committee structure and member participation involvement of any peer organization in our region. Despite the limited budget and staffing levels, SGVCOG is consistently judged by its peers as being one of the most successful agencies of its kind in the State and enjoys a national reputation for excellence.

Staff Position	Fully Burdened Hourly Rate	Hours	Total
Executive Director	\$ 156.00	1880	\$ 293,280
Office Manager	\$ 78.00	1880	\$ 146,640
Staff	\$ 78.00	1880	\$ 146,640
<b>Actual Total Cost</b>			<b>\$ 586,560</b>
MSA 2010-2011 Total Payments (Estimated)			\$ 422,154
Non-Reimbursed AAI Costs (Actual Cost - MSA Payment)			<b>\$ 164,406</b>

**Table 7**  
**Actual AAI Costs vs. MSA Payments**

## MTA Board Support (\$50,000)

### Background

When the MTA was formed in the early 1990's the 13 board members had staff assigned to assist them in their respective job duties and responsibilities. In some instances those assigned staff members were MTA, LA County, or LA City employees. In the case of the four representatives from the other 87 LA County cities, they were required to provide needed staffing by relying on MTA or their own City staff. This was viewed as a handicap for the four city representatives who did not have the benefit of full-time

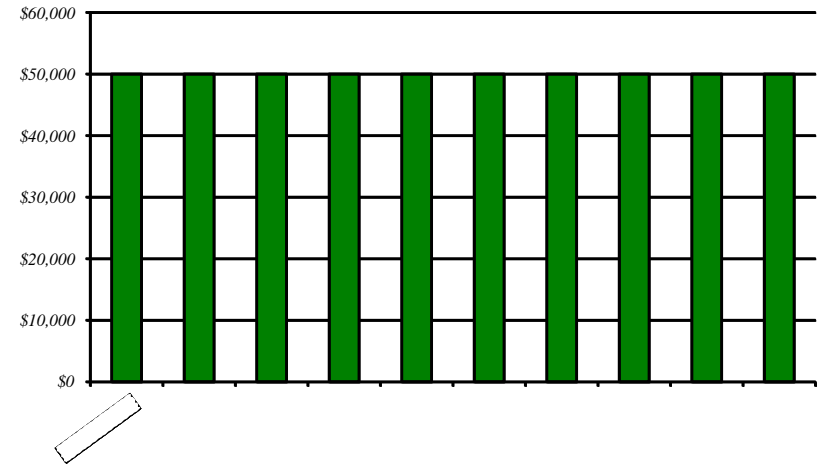
dedicated and independent staff to assist them in their oversight duties of this agency. In 1997, after much discussion the SGVCOG Governing Board authorized the execution of a contract with MTA to pay 50% of the salary of an MTA staff member.

### ***Scope of Work***

This staff member is assigned to provide staff assistance to John Fasana, the San Gabriel Valley MTA Board representative in the performance of those duties. In addition, the position is intended to provide 50% of their staff time to supporting the SGVCOG and its various transportation-planning initiatives here in the Valley.

### ***Expenditure***

The contract amount for this staff position is \$4,166.67 per month or \$50,000 annually and is matched by an equal amount from MTA. As shown in Figure 7, the SGVCOG's cost for this support service has remained unchanged for the last ten years.



**Figure 7**  
**MTA Board Support**

### **Legal Services (\$41,214)**

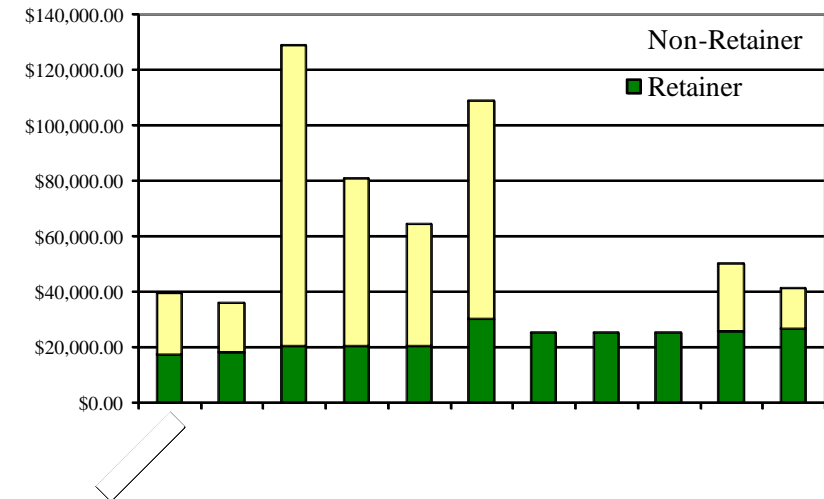
#### ***Background***

In 2009, the SGVCOG underwent a public bidding process for legal services and the firm of Jones & Mayer was selected. A new five-year contract was entered into that provides for an annual CPI adjustment.

### ***Scope of Work***

#### ***Retainer Services***

The scope of the legal services covered under the retainer include: attending the Governing Board meeting each month it is held; reviewing Governing Board and Executive Committee minutes and agendas; reviewing contracts entered into between the SGVCOG and funding agencies; and responding to inquiries from staff as needed on relevant issues. AAI staff completes all other written work associated with the Governing Board and committees, including writing resolutions.



**Figure 8**  
**Legal Services**

### *Non-retainer Services*

In the event non-retainer legal services (i.e. services outside the scope of the above mentioned retainer legal services) are required to support a Board approved activity, the SGVCOG is billed on a time and materials basis. Unless there is a specific source of funds (i.e. special assessments) to pay for these services, the costs incurred for these legal services are paid out of the Agency's reserves. Figure 8 provides an overview of the SGVCOG's retainer and non-retainer costs from 1999 to present.

### *Expenditure*

The SGVCOG's retainer agreement provides for \$26,214 annually, or \$6,554 per quarter. Additionally, it is recommended that \$15,000 be budgeted for non-retainer services, included work related to grants, special projects and contracts.

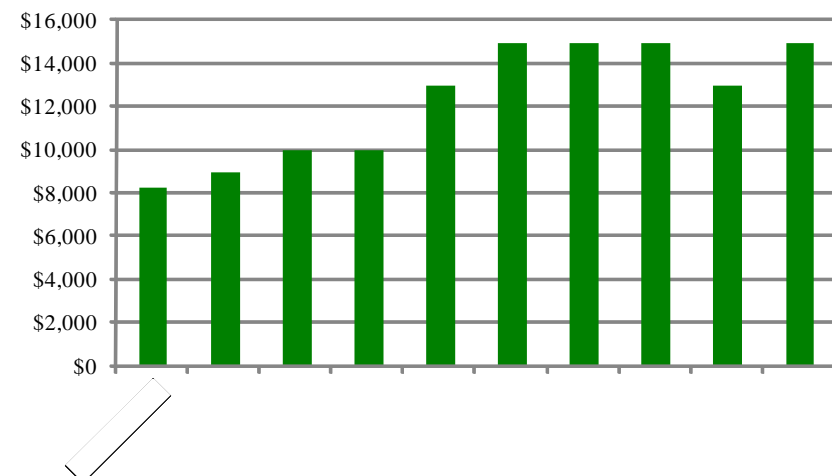
### **Financial Audit Services (\$15,000)**

#### *Background*

As set forth in the by-laws, the SGVCOG is required to have an independent financial audit conducted by a certified public accounting firm every fiscal year. This audit is in addition to the financial and compliance audits that are conducted of the SGVCOG by MTA, SCAG and AQMD pertaining to the use of their subvented funds. Since its founding in 1994, the SGVCOG has received a clean and unqualified opinion from every audit conducted by the above-mentioned agencies of the SGVCOG's operations. In 2004 the SGVCOG underwent a public competitive procurement for financial audit services. At that time, a five year contract was awarded to Lopez and Company. As last year was the final year of this five-year contract, the SGVCOG underwent another public competitive process for financial audit services. In February 2009, the Governing Board authorized negotiation of a five-year contract with the firm of Vasquez & Company.

#### *Scope of Work*

This firm is responsible for conducting an annual audit of the SGVCOG to ensure the Agency's compliance with adopted rules and regulations for financial reporting.



**Figure 9**  
**Auditing Services**

### ***Expenditure***

A fee of \$15,000 is budgeted for SGVCOG's annual independent financial audit. As shown in Figure 9 the cost of the SGVCOG's audit fees has had relatively constant increases to account for cost-of living increase and the additional work associated with increases in the scope of our Agency's operations and the audit requirements for public agencies.

### **Accounting Services (\$12,500)**

#### ***Background***

In 2007, SGVCOG's Independent Financial Auditor's Management Letter recommended that the SGVCOG hire a bookkeeper to provide the needed accounting expertise and more importantly, the staffing, required to maintain needed checks and balances with respect to SGVCOG's internal accounting and controls and meet the expanded financial reporting requirements for all government agencies. Last year, the Governing Board approved changes to the bylaws that identified this position as the treasurer/auditor for the SGVCOG, a position which is required under State law for all joint powers authorities. Last year, the SGVCOG's original accountant retired. A job advertisement was issued, and the Board hired a new independent contractor to provide these services.

#### ***Scope of Work***

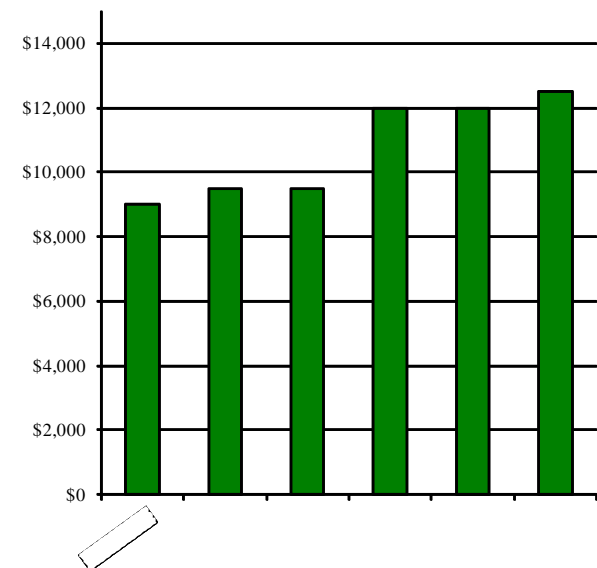
The treasurer/auditor position reports directly to the Governing Board and is responsible for maintaining the Agency's records accounting and preparing all reports related thereto.

### ***Expenditure***

As shown in Figure 10, the recommended budget for 2011-12 is \$12,500.

### **Federal Advisory Services (\$50,000)**

In FY 2009-10, the Governing Board approved the hiring of a firm to provide federal advisory services in Washington D.C. This firm would assist the SGVCOG in identifying and securing funding for our identified projects related environmental, transportation and housing issues. However, action on this contract was delayed due to the need to re-solicit for qualified firms after it was determined that the firm recommended by the Proposal Review Committee had a potential conflict with the



**Figure 10**  
**Accounting Services**

other municipalities that it recommended. Prior to entering into a contract with a firm, an updated RFP will be released and the Governing Board will review the specific scope of work as well as the recommended firm's qualifications and experience.

### **Strategic Planning Workshops (\$16,000)**

#### ***Background***

Four years ago, the SGVCOG Governing Board approved a multi-year commitment to implement a Strategic Planning Process. This process helped develop consensus among SGVCOG member agencies regarding the long and short-term goals of the organization, identifying a specific timeline in order to achieve long-term goals, and creating accountability to ensure that all objectives are achieved.

#### ***Scope of Work***

The process includes the hiring of a consultant/facilitator and the application of a structured methodology to illicit input and dialogue from the Agency's stakeholders with regards to their desired objectives, outcomes, and timeframes. The approach requires that a workshop be held every 6 months to review the progress being made on the adopted goals and objectives and make revisions where appropriate.

#### ***Expenditure***

The total costs for FY 2011-12 are \$16,000, which provides for two strategic planning sessions that occur at six month intervals.

### **Media / Public Relations (\$10,000)**

#### ***Background***

This program was first included in the budget three years ago in response to recommendations by the Governing Board during the annual evaluation process as well as objectives identified in the SGVCOG's strategic plan. This addition was deemed necessary as this Agency continues to expand its membership and scope and sphere of issues. Simultaneously, the number of inquiries for information is increasing daily as the Agency grows in importance and its various projects and services touch more organizations and people's lives.

#### ***Expenditure***

This budget item covers all expenses associated with the SGVCOG's media and public relations efforts including the Agency's website design and maintenance and development of marketing and information materials, including videos, press releases and newsletters.

## **Annual Evaluation (\$4,500)**

### ***Background***

The SGVCOG's bylaws stipulate that there will be an annual evaluation of the Executive Director and his staff. This provision is intended to compliment the SGVCOG's strategic planning process, which began that same year. It was also intended to provide the Executive Director and his firm with feedback on annual basis as a supplement to the evaluation that occurs every five years prior to the renewal of the management services contract.

### ***Scope of Work***

This process includes the hiring of a consultant/facilitator to conduct the evaluation. The consultant utilizes a written evaluation instrument in order to survey the SGVCOG's member agencies. These results are then analyzed and synopsized for presentation to the Governing Board.

### ***Expenditure***

The budget provides for the full cost of the consultant contract in an amount not to exceed \$4,500.

## **Special Events and Advocacy Travel (\$34,500)**

### ***Background***

One of the objectives identified in the SGVCOG Strategic Plan is to work with the Valley's representatives in Washington D.C. and Sacramento to ensure our region's fair share of resources. In to strengthen the working relationships between our Governing Board and these legislatures, the SGVCOG organizes several legislative receptions throughout the year. Additionally, the SGVCOG pays for the officers to participate in annual advocacy trips to Sacramento and Washington D.C.

### ***Expenditure***

Special events and legislative receptions are jointly sponsored with other agencies (Foothill Transit, ACE, etc.) and represent approximately \$13,000 of the budgeted amount. Typically, the SGVCOG co-hosts three such events annually: one in Washington D.C., one in Sacramento, and one locally. An additional \$14,000 is budgeted for travel costs to allow the four officers to participate in advocacy trips to Washington D.C. and Sacramento. The remaining \$7,500 is for food and other miscellaneous expenses for the Governing Board and other SGVCOG meetings held throughout the year.

## **Board Stipends (\$11,000)**

### ***Background***

During 2001-2002, the SGVCOG Board was having challenges meeting its quorum requirements needed to conduct its business. As an incentive, the Governing Board decided to implement a stipend of \$50 per Governing Board Meeting.

### ***Expenditure***

Based on past attendance records and on 10 meetings during the year, \$11,000 has been budgeted to cover these reimbursements, as illustrated in Figure 11. In 2008, under staff's recommendation, the SGVCOG implemented a quarterly payment of these stipends.

## **Insurance (\$6,000)**

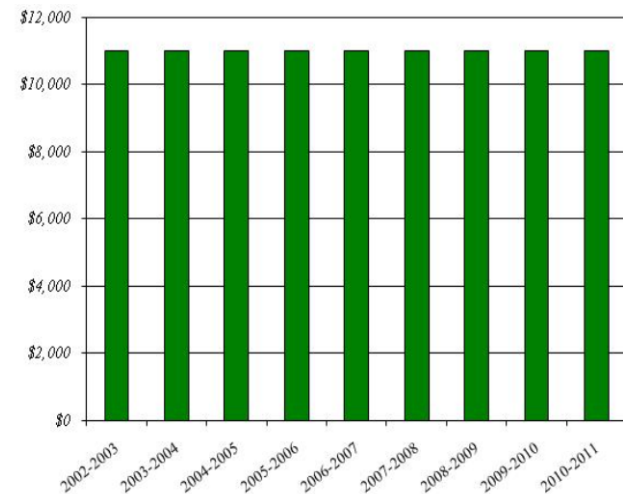
As a joint powers agency, the SGVCOG is required to secure error and omission insurance to cover its operations. The premium for this policy is \$6,000 annually. AAI is also required as part of its MSA to secure insurance coverage for its employees and its overall operations.

## **Printing and Publication (\$20,000)**

In July 2010, the SGVCOG entered into a new contract with CBE for copier leasing and supply services. It is anticipated that the costs, which include both a monthly rental fee and a per-copy cost, will remain under \$20,000.

## **Miscellaneous (\$20,000)**

This expenditure covers all miscellaneous costs that occur throughout the year including travel, conference registration, special meetings, and special mailings.



**Figure 11**  
**Governing Board Stipends**

## VI. FY 2011-12 GRANTS AND SPECIAL PROJECT EXPENSES

As discussed in Chapter 4, there will be significant activity associated with grant and special projects for FY 2011-12. As shown in Table 8, the total anticipated expenditures for these programs is \$2,785,000, or 80% of the SGVCOG's total expenses. The majority (\$2,400,000 or 86%) of these grant expenses are for either consultant services or other direct expenses. Remaining costs (\$385,000 or 14%) are associated with SGVCOG staff labor hours spent managing or implementing the grants. Below is a detailed description of the expenditures associated with the grants and special projects staff as well as the other grant expenses.

Budget Item	Adopted Budget FY 2010-11	Estimated Actual FY 2010-11	Recommended FY 2011-12
<b>Grants &amp; Special Projects Expenses</b>			
<u>Grants &amp; Special Projects Staff</u>			
MSC - Amendment #1	\$105,000	\$105,000	\$105,000
MSC - Amendment #2	\$55,428	\$30,000	\$200,000
MSC - Amendment #3		\$8,000	\$55,000
Grants & Policy Committee Support	\$45,000	\$45,000	\$25,000
<u>Consultant Services and Other Direct Grant Expenses</u>			
Miscellaneous Grant Expenses	\$10,000	\$8,000	\$10,000
Information Technology	\$5,000	\$5,000	\$5,000
SCE Local Government Partnership Expenses	\$10,000	\$10,000	\$20,000
CalRecycle Grant Expenses	\$143,372	\$83,000	\$175,000
Watershed Coordinator Grant	\$60,000	\$60,000	\$30,000
SCE CEESP Expenses	\$1,593,645	\$100,000	\$2,160,000
<b>Total Grant &amp; Special Project Expenses</b>	<b>\$2,027,445</b>	<b>\$454,000</b>	<b>\$2,785,000</b>

### MSA – Amendment #1 (\$105,000)

#### Background

As discussed previously, SGVCOG staff has been actively engaged in submitting numerous grant applications and completing special projects that have independent funding sources. This was identified as a strategy in the SGVCOG's long-term financial plan. This past year, SGVCOG staff has been involved in administration and management of the following projects:

1. Watershed Coordinator Program (*funded by California Department of Conservation*)
2. SCE Local Government Partnership Program (SGVEWP) (*funded by the California Public Utilities Commission*)
3. CalRecycle Product Stewardship Grant (*funded by the California Department of Resources Recycling and Recovery*)

In the coming year, work will continue on all three programs.

#### Scope of Work

This staff person is responsible for overseeing all work completed by consultants associated with SGVCOG grant programs, with a particular focus on the SGVEWP.

Table 8  
SGVCOG Grants and Special Project Expenses

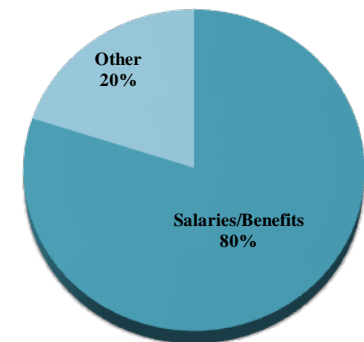


Figure 12  
Allocation of MSC Amendment #1  
Expenses



This staff person will also be responsible for three EENR Working Groups (Solid Waste, Energy and Water Resources).

### ***Expenditure***

The total expenditure for this is \$105,000. As shown in Figure 12, 80% of this covers salaries and benefits and the remainder will cover all other associated supplies and materials associated with this position. This contract amendment is based upon workload and available grants and other non-dues funding.

### **MSA – Amendment #2 (\$200,000)**

#### ***Background***

In order maintain transparency and ensure that costs are controlled as new grants are added, this year the SGVCOG’s budget has been revised to clearly reflect the source of funds used to pay various expenses and segregate ongoing operating expenses from grants expenses. In May 2010, the Governing Board approved Amendment #2 to the MSA. The purpose of this amendment was to provide staffing and management for the CEESP grant program, which is discussed in detail above.

#### ***Scope of Work & Expenditure***

The recommended expenditure for this contract amendment, \$200,000, is an estimate. This funding will be used to hire at least one full-time staff member that will assist with the grant programs on an as needed basis.

### **MSA – Amendment #3 (\$55,000)**

#### ***Background***

In March, with approval from the SGVCOG Governing Board, staff began work on activities associated with Energy Upgrade California. This work is being funded by the County of Los Angeles through a grant from the CEC and DOE. “Energy Upgrade California” is a partnership of the California Energy Commission (CEC), the California Public Utilities Commission (CPUC), investor-owned and municipal utilities, Councils of Governments, local governments, and other stakeholders. The goal of this program is to create a new market for residential and commercial investment grade retrofits. The program was developed utilizing over \$200 million in statewide funding.

### ***Scope of Work & Expenditure***

The structure of Amendment #3 is similar to Amendment #2. All monthly charges which are on a reimbursement basis from CEC and DOE and reflect the level of effort required to complete the assigned tasks multiplied by the fully burdened hourly rate of the staff member working on the assigned grant activity. Primary work activities associated with this grant includes:

- ✓ Participating in monthly County-wide Program Advisory Committee Meetings
- ✓ Coordinating and assisting cities in developing tailored marketing plans
- ✓ Serving as a point of contact between city staff and County staff and EU consultants
- ✓ Hosting informational booths at community events
- ✓ Organizing residential educational workshops
- ✓ Conducting presentations for City Councils and Commissions
- ✓ Conducting outreach to specific non-profit organizations
- ✓ Providing sample materials and language for city publications
- ✓ Grant reporting and tracking

It is anticipated that expenditures on this effort will be approximately \$55,000 for FY 2011-2012. This will provide funding for part-time staff to manage this grant and provide necessary staffing at events.

### **Grants & Policy Committee Support (\$25,000)**

#### ***Background***

Over the past three years, the SGVCOG's internship program has provided administrative support for the SGVCOG's numerous standing, ad hoc and technical advisory committees. In addition, they have assisted with submittal of grant applications.

#### ***Scope of Work***

The SGVCOG anticipates hiring one intern on a part-time basis. This individual will assist with committee staffing and grant-related activities.

#### ***Expenditure***

The total funding for this has been budgeted at \$25,000.

### **Miscellaneous Grant Expenses (\$10,000)**

As the SGVCOG becomes more involved in applying for and administering grants, there are a number of associated expenses that often cannot be charged to these grants, but are necessary to perform the work. These costs including publishing request for proposals in newspapers and journals, legal fees associated with reviewing and developing contracts, and grants research forum memberships.

### **Information Technology (\$5,000)**

This item includes computer hardware and software costs for all non-AAI staff performing grants and special projects work. Depending on the restriction of the grants, these costs are usually reimbursable.

### **SCE Local Government Partnership Expenses (\$20,000)**

#### ***Background***

As discussed previously, the SGVCOG is responsible for all marketing, outreach and education events related to the San Gabriel Valley Energy Wise Partnership. These activities include: website management, brochures, ribbon-cutting ceremonies and press conferences, trainings and workshops, community outreach events, and luncheons.

#### ***Expenditure***

These expenses, which are estimated at \$20,000 for the coming year, will be reimbursed by the SGVEWP program and will pay for the costs of all events, speakers, and marketing materials.

### **CalRecycle Grant Expenses (\$175,000)**

#### ***Background***

As discussed previously, this grant program, which began in November 2009, funds the implementation of a retail take-back program for batteries and CFLs to reduce the concentration of hazardous materials in the waste stream. The SGVCOG has partnered with the California Product Stewardship Council to implement this workplan.

#### ***Expenditure***

These expenses will be used to pay for CPSC staff time spent implementing this grant program, as well as for their subcontractors, which are responsible for specific elements of the workplan. Additionally, this cost covers all direct expenses associated with the grant, including the printing of educational and promotional materials.

## **Watershed Grant Expenses (\$30,000)**

### ***Background***

As discussed previously, this grant, which initially began in 2008, is intended to provide a staff position to implement watershed goals established in the comprehensive Rio Hondo Watershed and Greater Los Angeles County Integrated Regional Watershed Management Plans. In December 2008, due to the State budget crisis, the SGVCOG received a stop-work notification for this grant. However, with the positive sale of bonds in Spring 2009, the SGVCOG was given a notice to proceed in July 2009. Currently, two employees of the Watershed Conservation Authority both work part-time on this program, equaling 1 FTE. These individuals work out of the RMC offices in Azusa.

### ***Expenditure***

These expenses will be used to pay for 1 FTE to serve as the Watershed Coordinator for the San Gabriel and Rio Hondo Watersheds. The total expenditure is \$30,000 which includes both salary and benefits.

## **SCE CEESP Grant (\$2,160,000)**

As discussed previously, this is a new grant program anticipated to begin in the second quarter of FY 2011-12. This program will provide funding for two distinct activities:

### 1) Energy Efficiency Portion of Climate Action Plans/Energy Action Plans

#### ***Background***

Participating cities will have the opportunity to complete inventories of energy usage both in for municipal facilities and community-wide. This will help cities save money, and demonstrate their leadership in becoming more energy efficient. Building off of the inventories, cities can then develop and adopt an energy efficiency (EE) chapter of their climate action plan (CAP) or develop a standalone energy action plan. This activity will help cities develop a road map for decreasing energy usage, increasing financial savings, and implementing AB 32 requirements.

#### ***Expenditure***

Over the three year grant program, the total expenses, aside from SGVCOG staffing, for this work element will be \$3,001,544. Of that \$2,472,064, or 82%, will be used to fund consultants that will develop each of the 27 participating cities' EE CAPs. These consultants will be selected through a competitive bidding process and with the input of the cities. The remaining \$529,480, or

18%, of expenses, will be paid out to cities as reimbursement for their staff labor spent on this effort. It is estimated that in FY 2011-12, the total expenditures for this work element will be \$1,660,000.

2) Procurement and Implementation Strategy for City Facility Energy Management System

***Background***

The County of Los Angeles has purchased an unlimited license for an online Enterprise Energy Management Information System (EEMIS), whereby for a fee, cities can opt in to track and monitor energy usage in their facilities. This will allow cities to strategize cost-effective measures that significantly impact building efficiency. Under this proposal, cities will be able to procure this program through the County at a significantly reduced cost and develop an implementation strategy for ongoing management.

***Expenditure***

Over the three year grant program, the total expenditure, aside from SGVCOG staffing, for this work element will be \$1,468,500. Of that \$749,680, or 51%, will be used to fund software costs, costs associated with accessing necessary energy usage data, and costs to the County for incorporating the cities' data. The remaining \$567,840, or 49%, of expenses, will be paid out to cities as reimbursement for their staff labor spent on this effort. It is estimated that in FY 2011-12, the total expenditures for this work element will be \$500,000.