

Adopted Budget - FY 2016-17





SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS FISCAL YEAR 2016-17 BUDGET

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La Puente
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South El Monte
LA County District 4

Baldwin Park
El Monte
La Verne
Rosemead
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LA County District 5

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

Claremont
Industry
Montebello
San Gabriel
Walnut

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May 19th, 2016

Governing Board Delegates and Alternates:

On behalf of the San Gabriel Valley Council of Governments (SGVCOG), it is my pleasure to present a balanced budget for Fiscal Year 2016-17. The budget provides detailed information about anticipated revenues and planned expenditures for the upcoming fiscal year, and demonstrates how available resources are allocated based on the Governing Board's Strategic Plan and objectives, which serve as the guiding principles. The budget was developed using a conservative approach to revenue forecasting and incorporates prudent expenditure adjustments to achieve a balanced operating budget.

Strategic Plan, Mission, Vision & Core Values

On April 21, 2016, the SGVCOG adopted the FY 16-17 update to its Strategic Plan. This update was developed through a comprehensive outreach process. The SGVCOG mission, vision and values, which were reaffirmed in October 2013 and were used as the basis for developed the key initiatives and near-term actions, are shown below.

Mission

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

Vision

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

Core Values & Guiding Principles

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

Table 1 summarizes the five key initiatives for FY 2016-17, including goals and key actions.

<p>Water Quality</p> <p>Goal: Assist cities in addressing stormwater MS-4 permit requirements, with an emphasis on securing long-term funding and identifying regional solutions.</p> <p>Key Actions:</p> <ul style="list-style-type: none"> • Educate elected officials, city staff and the public on MS-4 permit requirements. • Develop a policy position and advocate for regulatory and legislative solutions that assist cities in meeting requirements, including long-term funding, extended timing, and additional assistance and/or modifications to the permit. 	<p>Active Transportation</p> <p>Goal: Create a regional active transportation network that increases safety for bicyclists and pedestrians and enhances access to transit.</p> <p>Key Actions:</p> <ul style="list-style-type: none"> • Identify, assist in securing funding for, and identify an agency or agencies to implement projects that advance the COG’s active transportation priorities: Greenway Network; Complete Streets Network; and First-Mile Last-Mile Improvements. • Secure funding for and implement regional bike share program and education/encouragement programs. 	<p>Legislative & Regulatory Advocacy</p> <p>Goal: Advocate for San Gabriel Valley priorities and interests on the County-wide, State and Federal level.</p> <p>Key Actions:</p> <ul style="list-style-type: none"> • Form a Legislative Committee to track and comment on legislation related to key initiatives (i.e. stormwater, transportation, and homelessness)
<p>Homelessness</p> <p>Goal: Serve as a clearinghouse to member agencies for resources related to homelessness and advocate for resources to address homelessness in the San Gabriel Valley.</p> <p>Key Actions:</p> <ul style="list-style-type: none"> • Educate city staff and elected officials on issues related to homelessness. • Develop consensus on regional strategies to address homelessness and assist regional partners in identifying funding to implement these strategies. • Re-constitute Housing Committee to focus on Homelessness. 	<p>Large Capital Transportation Projects</p> <p>Goal: Ensure the timely implementation of regional priority transportation projects.</p> <p>Key Actions:</p> <ul style="list-style-type: none"> • Advocate for increased subregional discretion regarding Measure R2 funding. • Advocate on County-wide, Regional, State and Federal level for SGVCOG priority projects. • Identify options and strategies to ensure timely implementation of projects. 	

**Table 1.
FY 2016-17 Key Initiatives.**

FY 2015-16 Major Accomplishments

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

- Updated SGVCOG Strategic Plan and identified key initiatives for 16-17;
- Reached unanimous consensus on transportation priorities for potential County-wide sales tax measure for transportation;
- Submitted grant that resulted in cities being awarded \$44,600 through Metro’s pilot wayfinding signage grant program;
- Unanimously adopted active transportation priority areas;
- Submitted to applications under the Statewide Active Transportation Program totaling over \$15 million; and
- Developed educational presentation related to stormwater issues and hosted regional education workshops.

Proposed FY 2016-17 Budget

The SGVCOG estimated revenues for the Fiscal Year 2016-17 budget are \$1,084,172 proposed expenditures are \$1,070,674, resulting in a net balance of \$13,498. The narrative provides detailed explanations of the anticipated changes and budgeted figures.

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

Respectfully submitted,



Philip A. Hawkey
Executive Director

SGVCOG AND THE COMMUNITIES IT SERVES

The San Gabriel Valley Council of Governments (SGVCOG), is the largest and most diverse sub-regional council of governments in Los Angeles County. Founded in 1994, the SGVCOG is a joint powers authority comprised of 31 incorporated cities in the San Gabriel Valley, the three Supervisorial Districts representing the unincorporated areas, and one representative of the Valley's three water agencies. The SGVCOG serves nearly 2 million residents of Los Angeles County, benefits from the membership of all of the cities in the San Gabriel Valley, and is an association of local governments and agencies that voluntarily convene as a forum to address regional issues.

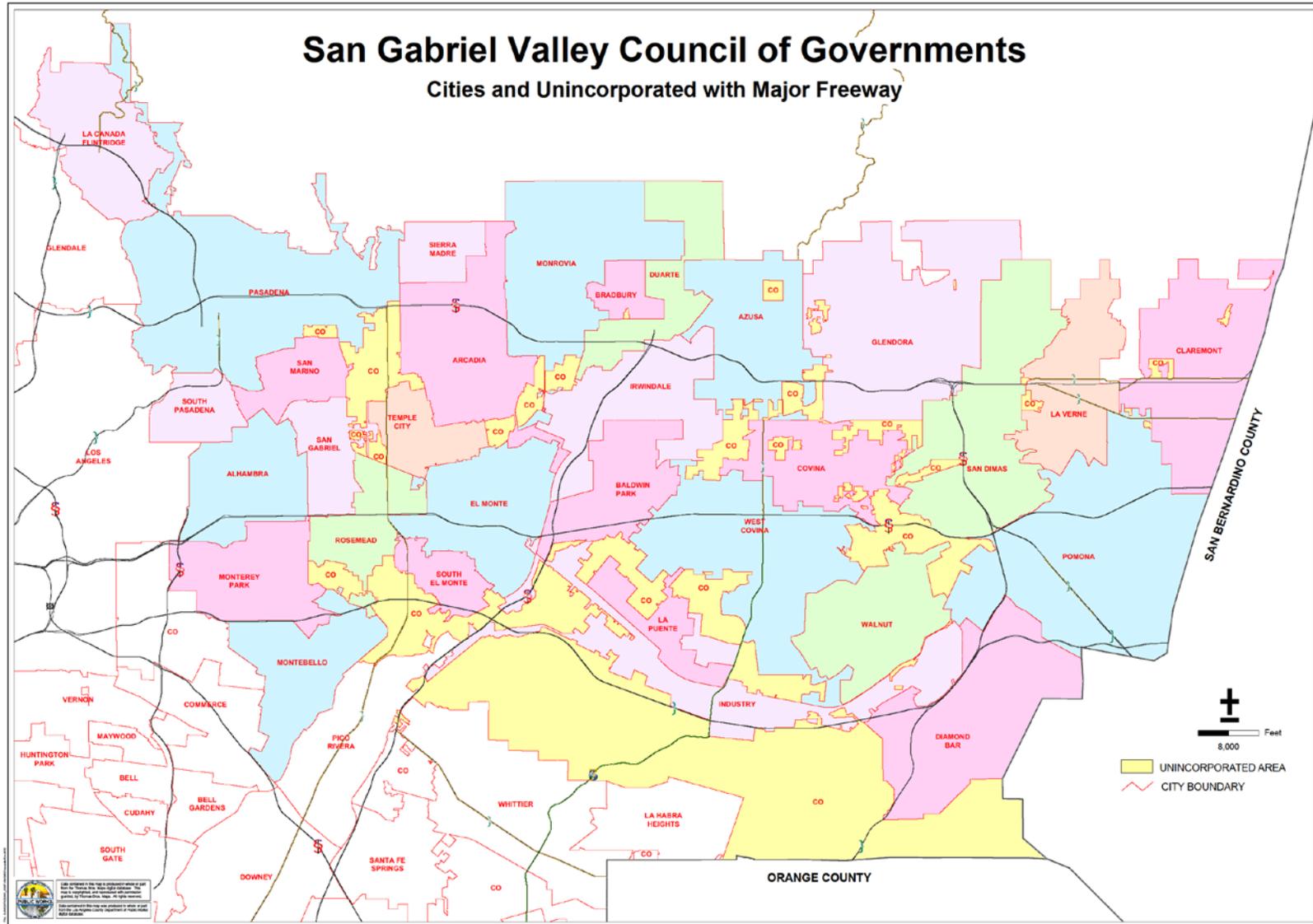
Since its formation over two decades ago, the SGVCOG has served as a unifying voice for the San Gabriel Valley. Today, the SGVCOG works collaboratively on projects of regional significance, forges consensus in addressing issues that impact the Valley's cities and unincorporated areas, and advocates for regional and member interests to improve the quality of life in the San Gabriel Valley. The SGVCOG was the “first of its kind” providing an innovative model to overcome regional hurdles that could only be adequately addressed by the 31 cities, unincorporated communities, and water districts working together to send a unified message.

The innovation demonstrated by the SGVCOG is best exemplified by the SGVCOG's establishment of the Alameda Corridor-East (ACE) Construction Authority in 1998. In an effort to mitigate the impacts of the significant increases in rail traffic over 70 miles of mainline railroad in the San Gabriel Valley while facilitating goods movement, the SGVCOG developed the ACE Project, which consists of multiple construction projects including center median and crossing arm improvements, traffic signalization, and grade separation projects along two 35-mile freight rail mainline routes from downtown Los Angeles through the San Gabriel Valley to San Bernardino County and then established the Alameda Corridor-East (ACE) Construction Authority as the administrative agency of the SGVCOG responsible for completing this Project. The SGVCOG and ACE Construction Authority have secured more than \$1 billion in federal, state and local funds for the ACE Project.

The SGVCOG is leading the way in its efforts to advance the sustainability of the region by reducing energy consumption, air pollution, greenhouse gas emissions and water use and protecting and preserving environment. The success achieved in the San Gabriel Valley cities is being leveraged to attract additional funding and the commitment of resources for continued advancement of these goals.

The SGVCOG's work over the past several years and the agenda going forward will continue to focus on collaboration; building consensus and serving as a unified voice to maximize resources, achieve sustainable solutions for transportation, housing, economic growth and the environment; and advocate for regional and member interests to improve the quality of life in the San Gabriel Valley.

MAP OF THE SAN GABRIEL VALLEY

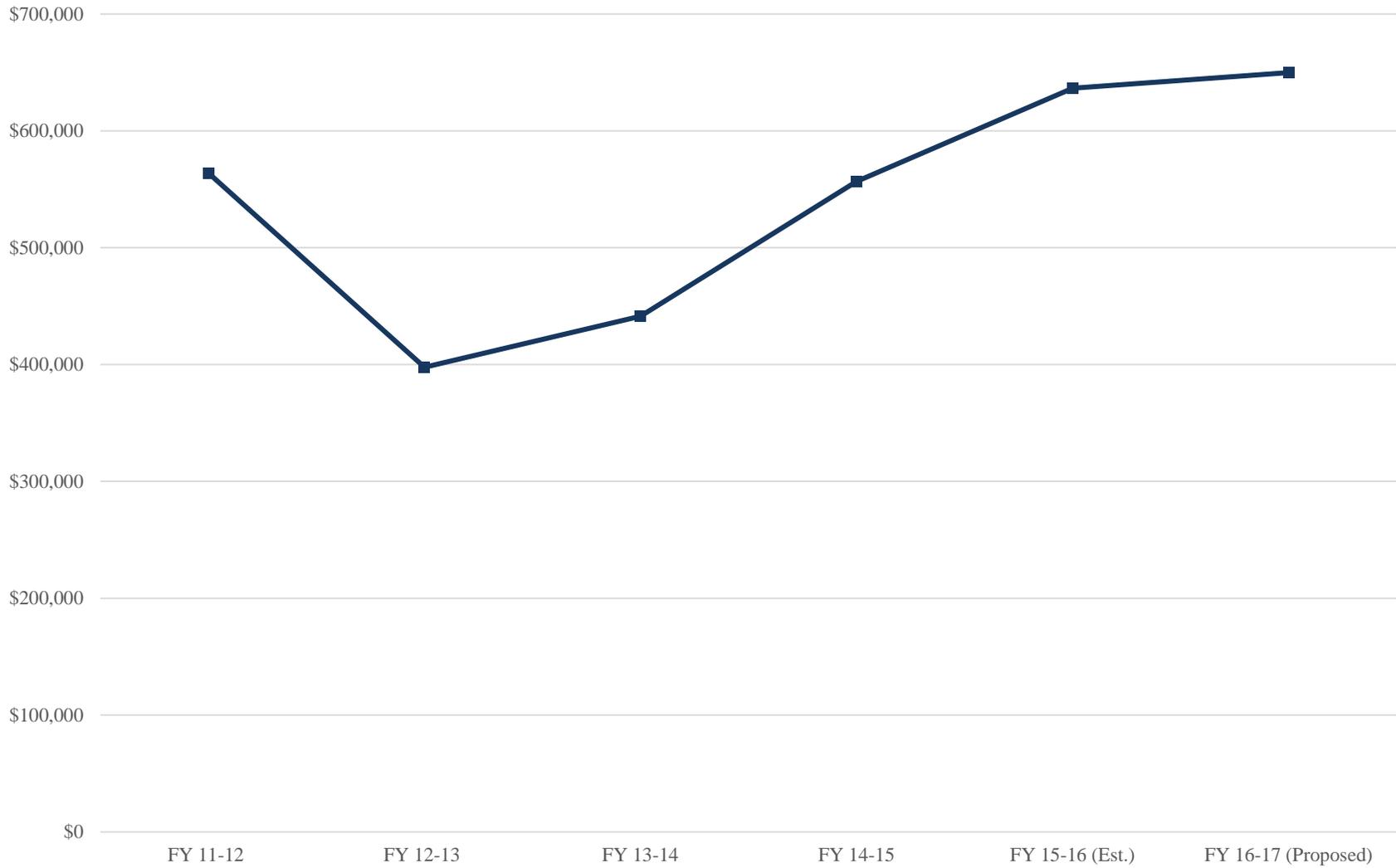


FY 2016-17 BUDGET
BUDGET OVERVIEW AND NET ASSETS

San Gabriel Valley Council of Governments	
Proposed Budget	
Fiscal Year 2016-17	
<u>Description</u>	<u>Amount</u>
Revenues:	
General Operating Income	\$ 758,909
Grants & Special Project Income	325,263
Total Revenue	1,104,172
Expenses:	
Ongoing Operational Contracts	83,000
Personnel	358,262
General & Administrative	160,322
Consultant Services	366,090
Direct Expenses	23,000
Direct Grant Expenses	80,000
Total Expenses	1,070,674
Estimated Year-End Balance	\$ 13,498

Estimated Fund Balance (7/1/2016):	\$636,418
Estimated Fund Balance (6/30/2017):	\$649,439

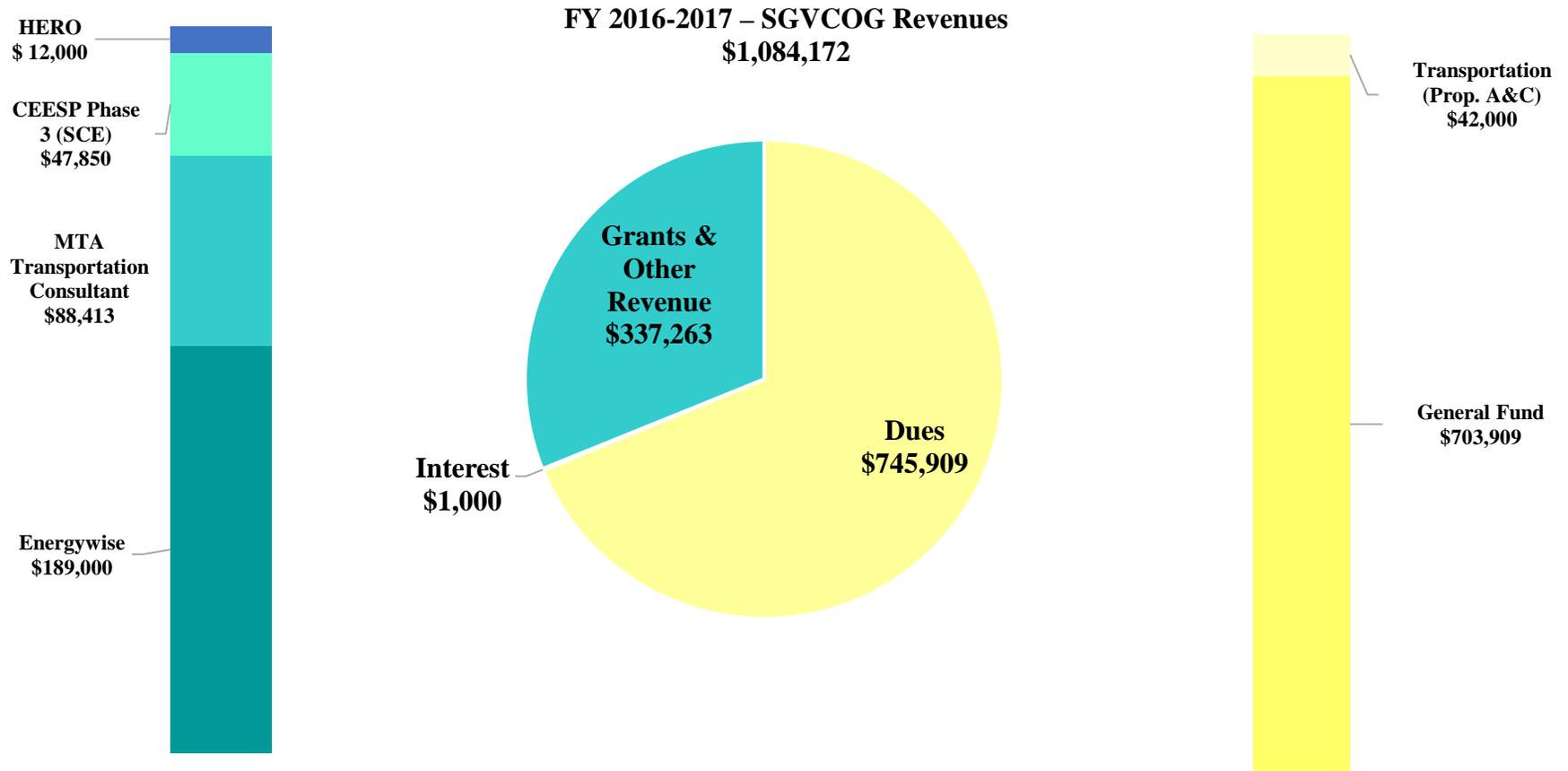
FY 2011-17 SGVCOG Net Assets¹



¹ Net assets for FY 2011-15 are based on the SGVCOG's audited financial statements. FY 12-13 includes an estimated claim settlement payment of \$150,000 and FY 13-14 includes the remaining actual balance of that claim (\$97,089). The full balance of the claim was paid in October 2014.

REVENUES

In FY 2016-17, SGVCOG revenues are projected at \$1,084,172. Dues revenue, which reflects direct contributions made by member agencies, is estimated at \$745,909, or 68% of total revenues. Of the dues revenue, \$703,909, or 94%, is projected to be paid with unrestricted, or general, funds, while \$42,000, or 6%, is anticipated to be paid by member agencies with transportation (Proposition A & C) funds. It is anticipated there will be \$1,000 in revenue from interest; and \$12,000 will be received from the HERO program. The remaining \$325,263, or 32%, of the SGVCOG revenues are received through grants and other restricted funding.



Dues Revenue - The revenue from dues is the primary source of income to support the SGVCOG's day-to-day staffing and operations. On March 19, 2015, the Governing Board approved a revised dues structure for members as follows:

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

At the same time, the Governing Board:

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

Per the dues policy, staff is proposing a 3.1% CPI adjustment to the member agencies dues and cap. This proposed increase is necessary to provide the appropriate staffing and technical resources to address the key initiatives identified in the SGVCOG Strategic Plan update. Additionally, the SGVCOG has a number of ongoing operational contracts for goods and services, including rent, legal services, and financial audit services, that include an annual CPI adjustment. Therefore, approval of the CPI adjustment to the member dues would prevent the development of a structural deficit.

Incorporating the proposed CPI increase, dues range from \$5,513 to \$32,167, with agencies paying an average of \$21,312; nine member agencies pay the maximum dues amount. Prior to the 2015 adjustment, the last adjustment in dues approved by the Board was in 2007. In 2009, the SGVCOG Governing Board adopted a policy that at least \$5,000 of each member agency's dues be paid using general, or unrestricted, funds. The remainder may be paid using restricted funds, but it is the member's responsibility to ensure that SGVCOG dues are an eligible use of these funds. This policy is intended to ensure the SGVCOG has adequate unrestricted funding to operate pursuant to the Governing Board's direction and the adopted Strategic Plan without allowing the source of funds to determine the organization's priorities.

Total member agency dues for FY 2016-17 are estimated to be \$745,909. For the purposes of comparison, staff has also compiled data on the incentive payments that cities have received as a result of participating in the San Gabriel Valley Energy Wise Partnership. During FY 2015-16, cities received \$204,683 in incentives.

FY 2016-17 Dues and 2015-16 Incentive Payments

Agency	2015 Population Dept. of Finance	Proposed FY 16-17 Dues	FY 15-16 SGVEWP Incentives (Est.)²
Alhambra	84,697	\$ 32,167.20	\$ 3,600.00
Arcadia	57,500	\$ 24,211.51	
Azusa	48,385	\$ 21,461.30	
Baldwin Park	76,715	\$ 30,574.35	
Bradbury	1,082	\$ 5,513.62	
Claremont	35,920	\$ 17,125.16	
Covina	48,619	\$ 21,280.17	\$ 73,373.00
Diamond Bar	56,400	\$ 23,850.91	
Duarte	21,668	\$ 12,360.12	
El Monte	115,064	\$ 32,167.20	
Glendora	51,290	\$ 22,133.67	
Industry	438	\$ 21,311.71	
Irwindale	1,466	\$ 5,640.97	
La Canada Flintridge	20,535	\$ 11,948.71	
La Puente	40,478	\$ 18,579.44	
La Verne	32,228	\$ 16,056.22	
Monrovia	37,162	\$ 17,495.99	\$ 48,000.00
Montebello	63,527	\$ 26,304.19	\$ 25,872.00
Monterey Park	61,777	\$ 25,630.82	\$ 857.00
Pasadena	140,879	\$ 32,167.20	
Pomona	151,713	\$ 32,167.20	\$ 28,158.00
Rosemead	54,762	\$ 23,306.21	
San Dimas	34,072	\$ 16,607.51	
San Gabriel	40,313	\$ 18,522.37	
San Marino	13,341	\$ 9,580.55	
Sierra Madre	11,094	\$ 8,828.00	
South El Monte	20,426	\$ 12,030.86	
South Pasadena	26,011	\$ 13,790.33	\$ 22,585.00
Temple City	36,134	\$ 17,122.85	\$ 2,238.00
Walnut	30,112	\$ 15,137.39	
West Covina	107,828	\$ 32,167.20	
LA County District 1	N/A	\$ 32,167.20	
LA County District 4	N/A	\$ 32,167.20	
LA County District 5	N/A	\$ 32,167.20	
SGV Water Agencies	N/A	\$ 32,167.20	
Total	1,501,898	\$ 745,909.72	\$ 204,683.00

² Only cities that are SCE customers are eligible for incentives through the San Gabriel Valley Energy Wise Partnership.

Historically, the SGVCOG has had relatively stable dues revenue. In FY 2011-12, there was a slight decrease due to new population estimates from the California Department of Finance that reflected data from the 2010 Census. In FY 2012-13, there was a decrease in dues resulting from two cities (Irwindale and Walnut) suspending their memberships. In FY 2014-15, all member agencies paid dues, with the exception of the City of Irwindale. In FY 2016-17, it is expected that all member agencies will pay.

Grants & Other Funding- One of the strategies identified in the SGVCOG's Strategic Plan was to expand and diversify the Agency's resources to support Governing Board adopted goals and service levels. Income from grants and other sources varies annually based on the number of active grants and has been used to leverage the SGVCOG's other resources and enable the organization to meet its objectives and serve the needs of member agencies.

In FY 2016-17, there is an estimated \$337,263 in revenue anticipated from four programs:

- ***San Gabriel Valley Energy Wise Partnership (\$189,000):*** At the January 2016 meeting, the Governing Board approved a contract extension to continue participating in this local government partnership program through December 2016. This program is funded by the CPUC. There are a number of specific objectives for the Partnership: 1) Assisting local governments in identifying and implementing energy-efficiency projects in their municipal facilities; 2) Providing training to city staff on energy efficiency issues; and 3) Educating and outreaching to the public on energy-efficiency and related programs and rebates. As the local government partner, the SGVCOG is primarily responsible for administrating and coordinating with utility staff in identifying energy-efficiency projects in city facilities and marketing and outreach for the Partnership. SGVCOG is fully reimbursed for all staff time spent managing this program.

The SGVCOG receives an annual budget allocation from SCE and SCG. In prior years, the combined budget was in excess of \$200,000. However, typically the SGVCOG does not use all of its budget allocation. Therefore, staff is recommending that only \$189,000 in estimated revenue be included in the proposed FY 2016-17 budget. This is based on anticipated labor costs and non-labor expenses.

- ***SCE CEESP Phase 3 Grant (\$47,850):*** At its August 2013, meeting, the Governing Board approved a contract with Southern California Edison (SCE) for work related to the California Long-Term Energy Efficiency Strategic Plan (CEESP) Phase 3 Grant. The scope of work includes three activities: 1) Developing a voluntary green building program for residential and non-residential property owners; 2) Assisting cities in implementing online permitting programs, which will incorporate an educational component related to energy-efficiency, and 3) Developing an energy efficiency Point-of-Permit program.

In total, the SGVCOG was awarded \$849,410 to complete the three tasks. Work on this grant began in Spring 2014, and staff is finalizing work on this project. All work is expected to be completed by December 2016.

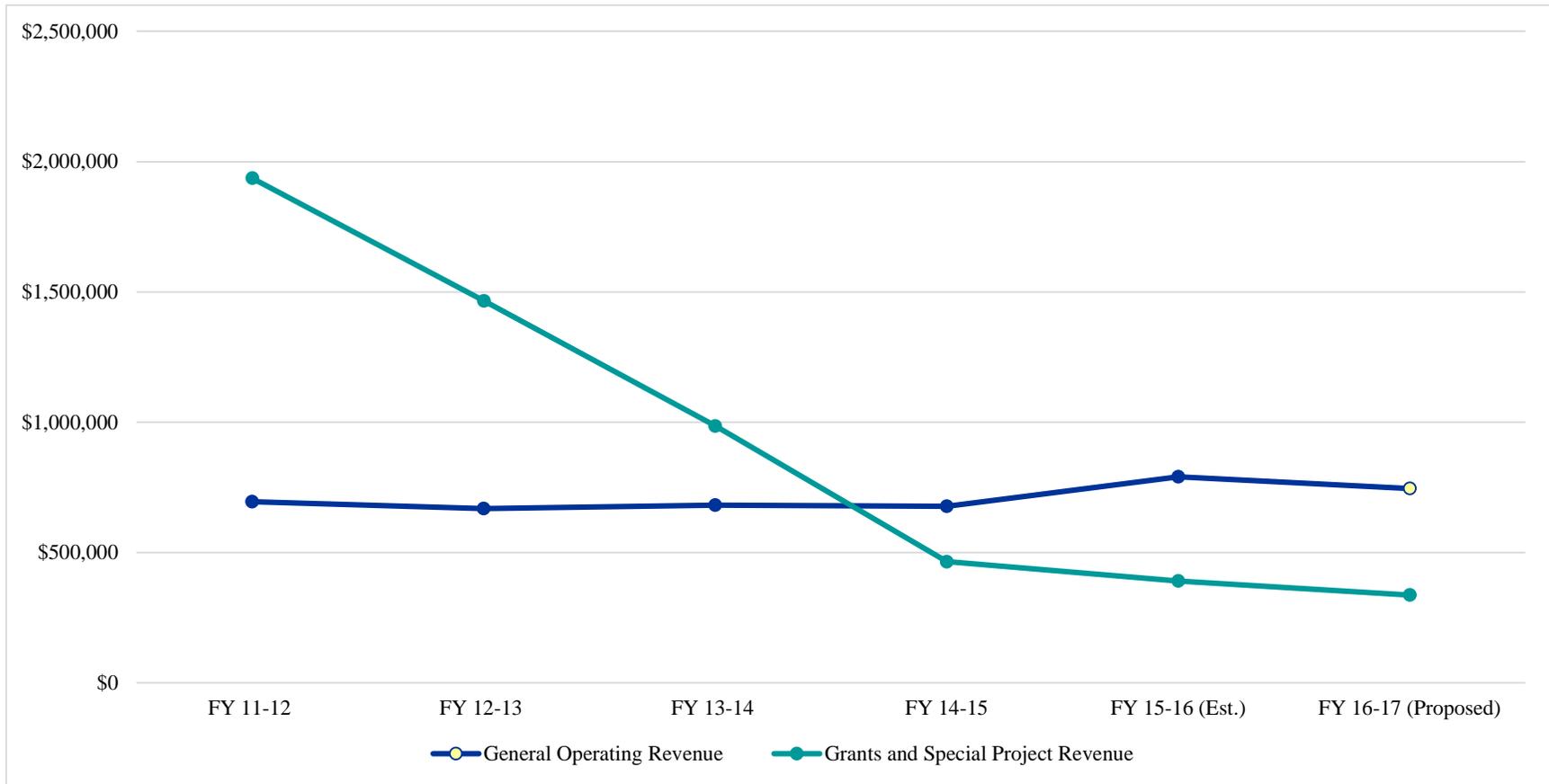
- ***MTA Transportation Consultant (\$88,413)***: The Los Angeles County Metropolitan Transportation Authority (MTA) Board of Directors includes one member appointed by the City Selection Committee to represent the San Gabriel Valley as the SGVCOG representative. John Fasana (Duarte) currently serves in this role. MTA recognizes the need for the SGVCOG representative to have staff support to perform the duties of a Board Member. Previously, the support services were provided by an MTA employee, and the salary and benefit costs related to the position were shared between the SGVCOG and MTA. Beginning in FY 2013-14, MTA has instead provided an annual allocation to the SGVCOG, which then be used to provide the support services either through the use of a consultant or by hiring an employee.

In August 2013, the SGVCOG approved an MOU with MTA. Under the terms of this MOU, the SGVCOG and Board Member are be responsible for selecting, employing/contracting with, compensating and overseeing the work of the individual responsible for providing the support services. MTA reimburses the SGVCOG in an amount not to exceed the contract costs, if using consultant services, or the salary and benefit costs, if using an employee, plus an administrative fee of 3% of the actual costs, which is intended to reimburse the SGVCOG for the additional work and responsibility related to the oversight of the function. Currently, the total reimbursement from MTA is for an amount not exceed \$85,838 annually. This amount is adjusted in an amount equal to any increases approved by the Board for MTA non-contract employee salary increases. Staff is estimating a 3% increase to the amount based on prior years' actions.³ The term of the MOU is from July 1, 2013 to June 30, 2017, unless earlier terminated by mutual written agreement.

- ***California HERO (\$12,000)***: In April 2013, the SGVCOG entered into a Memorandum of Understanding (MOU) with Western Riverside Council of Governments (WRCOG) to promote the California HERO program in the San Gabriel Valley. The California HERO program provides property owners with access to loans for the installation of energy-efficiency and renewable energy projects. Pursuant to the MOU, the SGVCOG serves as the point of contact for information and support for the program in our region and assists San Gabriel Valley cities in implementing the program. While contractors have the primary responsibility for marketing the program, SGVCOG staff provides information on California HERO at existing marketing and outreach events in participating cities. In exchange for this program support, WRCOG is obligated to pay Participant fees to the SGVCOG equal to 0.05% of the aggregate cost of the bonds issued to fund California HERO eligible projects within the subregion.

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

FY 2011-17 Total Revenue^{4,5,6,7}



⁴ In FY 2012-13, there was a decrease in dues resulting from two cities (Irwindale and Walnut) suspending their memberships. In FY 2014-15, all member agencies paid dues, with the exception of the City of Irwindale.

⁵ FY 2012-2013 includes \$75,000 in revenue related to a settlement with the SGVCOG’s former insurance agent involving the 2005 Caltrans audit and related legal expenses. The settlement was a reimbursement for costs previously paid by the SGVCOG.

⁶ Currently, the SCE share of the SGVEWP contract has an end date of December 31, 2016. However, SCE and SCG are in the process of obtaining formal approval to extend the existing SGVEWP Partnership as part of a 10 year rolling portfolio cycle. It is expected that the annual budget will remain unchanged during 2017. Therefore, the FY 2016-17 budget includes funding for a full calendar year for both programs.

⁷ FY 15-16 includes \$60,000 in revenue from the SGVCOG’s settlement with its insurance carrier.

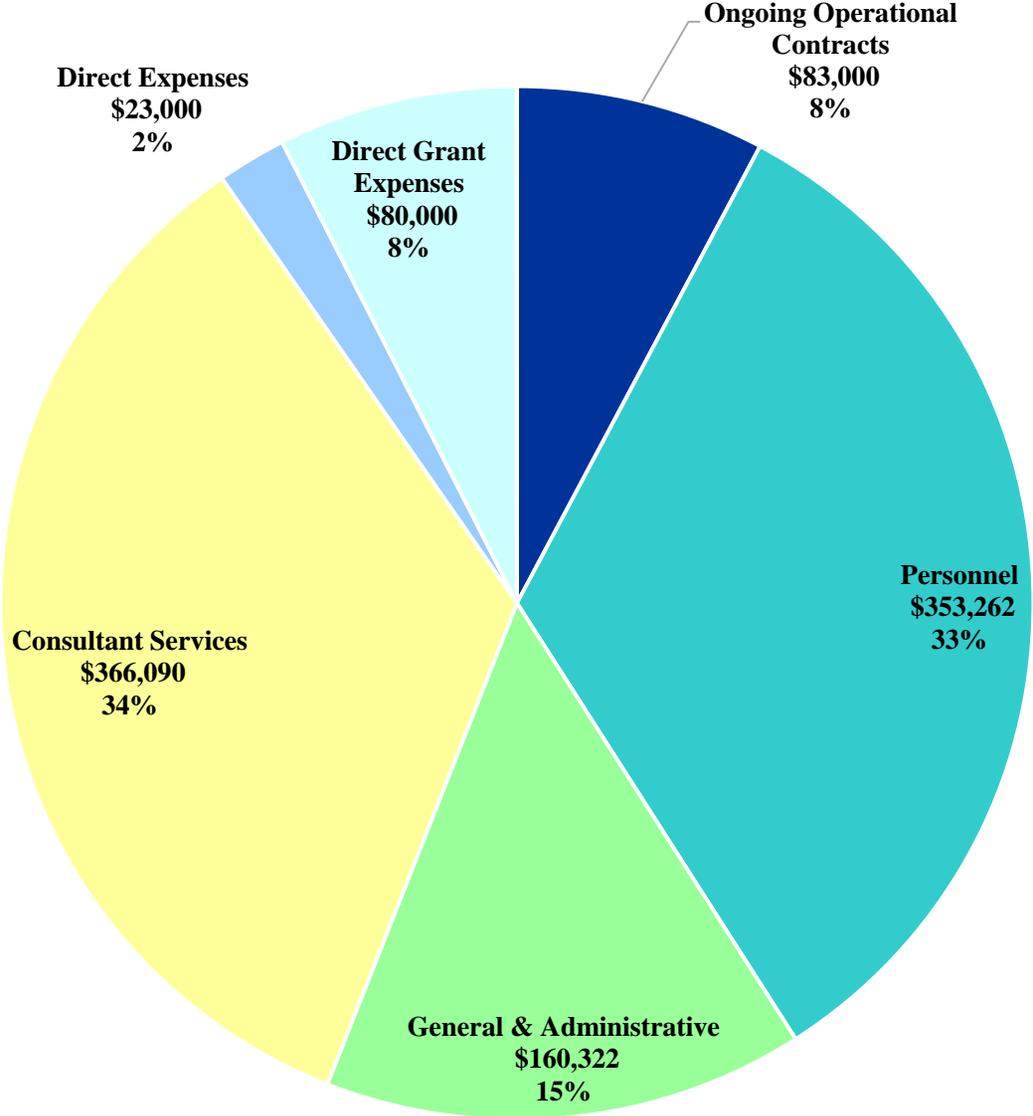
EXPENDITURES

During FY 2016-17, SGVCOG expenditures are projected to total \$1,070,674. This reflects a minor decrease of 3%, from FY 2015-16, which is largely associated with the completion of grant activities. Additionally, over the past four years, there has been a significant shift in costs. FY 2011-12 marks the last year that the SGVCOG utilized a Management Services Agreement (MSA) for both its Executive Director and staffing. Once the MSA was terminated in October 2012, those cost savings were used to fund in-house personnel, which is budgeted at \$358,262 for FY 2016-17, as well as a contract Executive Director. The three largest expenditure components are 1) Consultant Services, \$366,090 or 36%, 2) Personnel, \$358,262 or 32%, and 3) General & Administrative Costs, \$160,322 or 15%.

SGVCOG Expenses 2011-2017

Category	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15 (Est.)	FY 2015-16 (Est.)	FY 2016-17 (Proposed)
Ongoing Operational Contracts	\$ 162,130	\$ 69,044	\$ 108,886	\$ 90,253	\$ 79,000	\$ 83,000
Personnel	\$ -	\$ 126,766	\$ 417,429	\$ 353,459	\$ 340,499	\$ 358,262
General & Administrative	\$ 44,689	\$ 243,261	\$ 231,921	\$ 125,373	\$ 158,957	\$ 160,322
Consultant Services	\$ 469,939	\$ 531,185	\$ 93,354	\$ 248,477	\$ 390,293	\$ 366,090
Direct Expenses	\$ 19,117	\$ 33,719	\$ 15,192	\$ 16,350	\$ 23,000	\$ 23,000
Direct Grant Expenses	\$ 1,959,093	\$ 1,386,690	\$ 132,879	\$ 145,042	\$ 110,000	\$ 80,000
Total	\$ 2,654,968	\$ 2,390,665	\$ 999,661	\$ 979,254	\$ 1,101,699	\$ 1,070,674

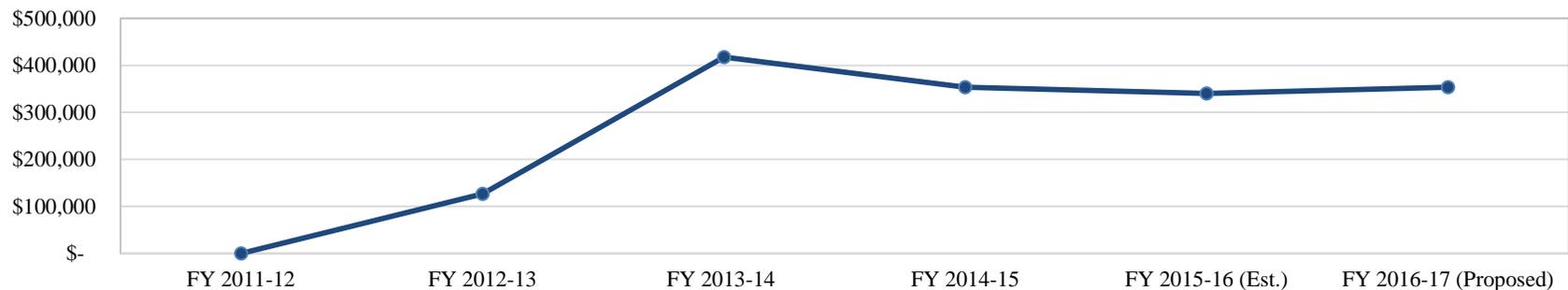
FY 2016-17 – SGVCOG Expenditures by Category
\$1,070,674



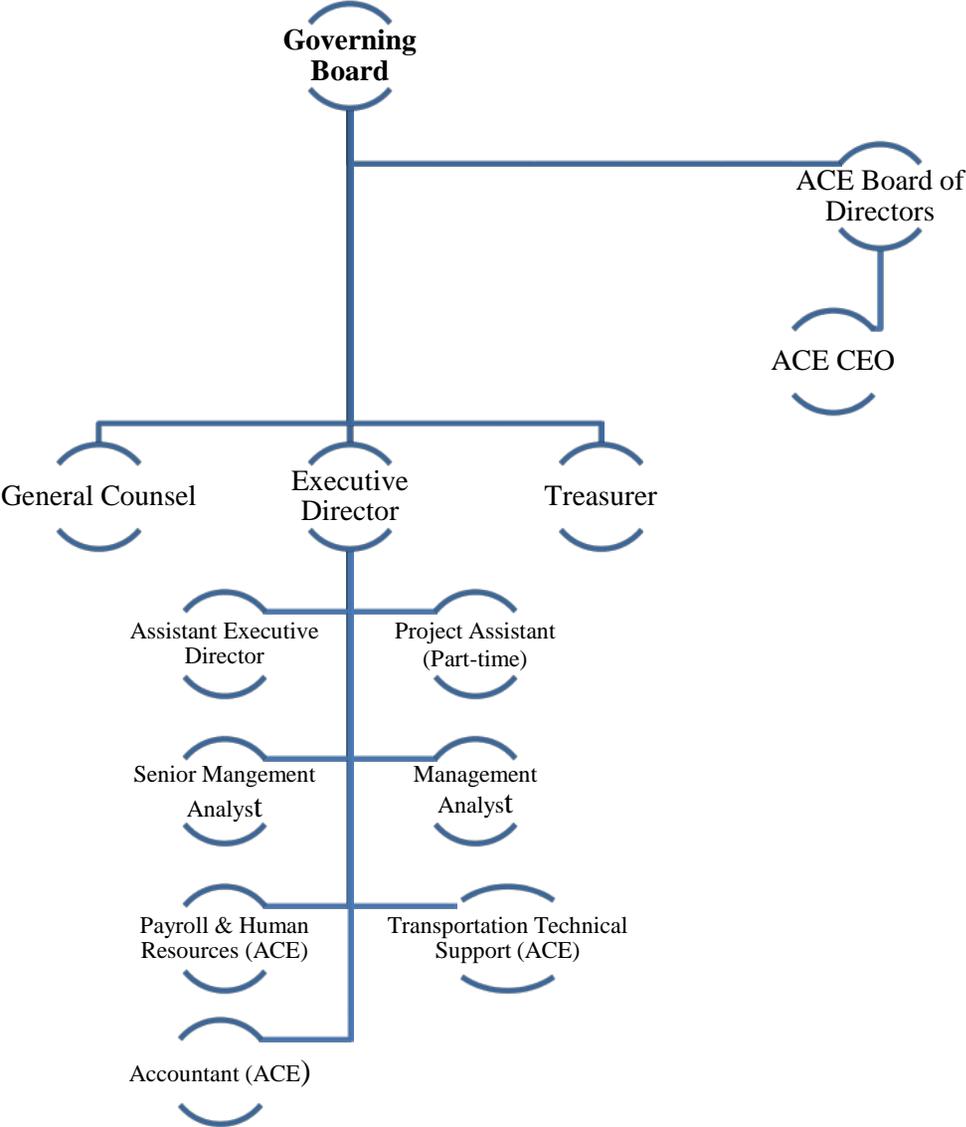
Personnel- These costs include the salary, benefit and retirement costs associated with the SGVCOG staff. The SGVCOG currently has four budgeted positions, including an Assistant Executive Director, one Senior Management Analyst, one Management Analyst and a part-time project assistant. Additionally, the SGVCOG offers a paid internship program, and those interns generally work on projects related to the San Gabriel Valley Energy Wise Partnership. Executive Director, legal services and accounting/treasurer services are provided pursuant to contracts. Additionally, various specialized services, such as strategic planning and human resources, are provided to the SGVCOG on an as-needed basis under contracts.

The SGVCOG provides standard benefits to staff, and all staff members participate in the California Public Employees' Retirement System (CalPERS). All new employees are under the “2% at 62” formula, and all employees pay the full employee CalPERS contribution. Additionally, the budget reflects the CalPERS unfunded liability. Of the \$358,262 in total personnel costs, \$75,719, or 21%, is offset by grants revenue. For those programs that do not have outside funding, including administrative work, legislative tracking and advocacy, homelessness and stormwater, general fund revenue is used to offset these costs. For FY 2016-17, staff is proposing adding \$5,000 to initiate a professional development and training program for staff in an effort to recruit and retain highly qualified staff.

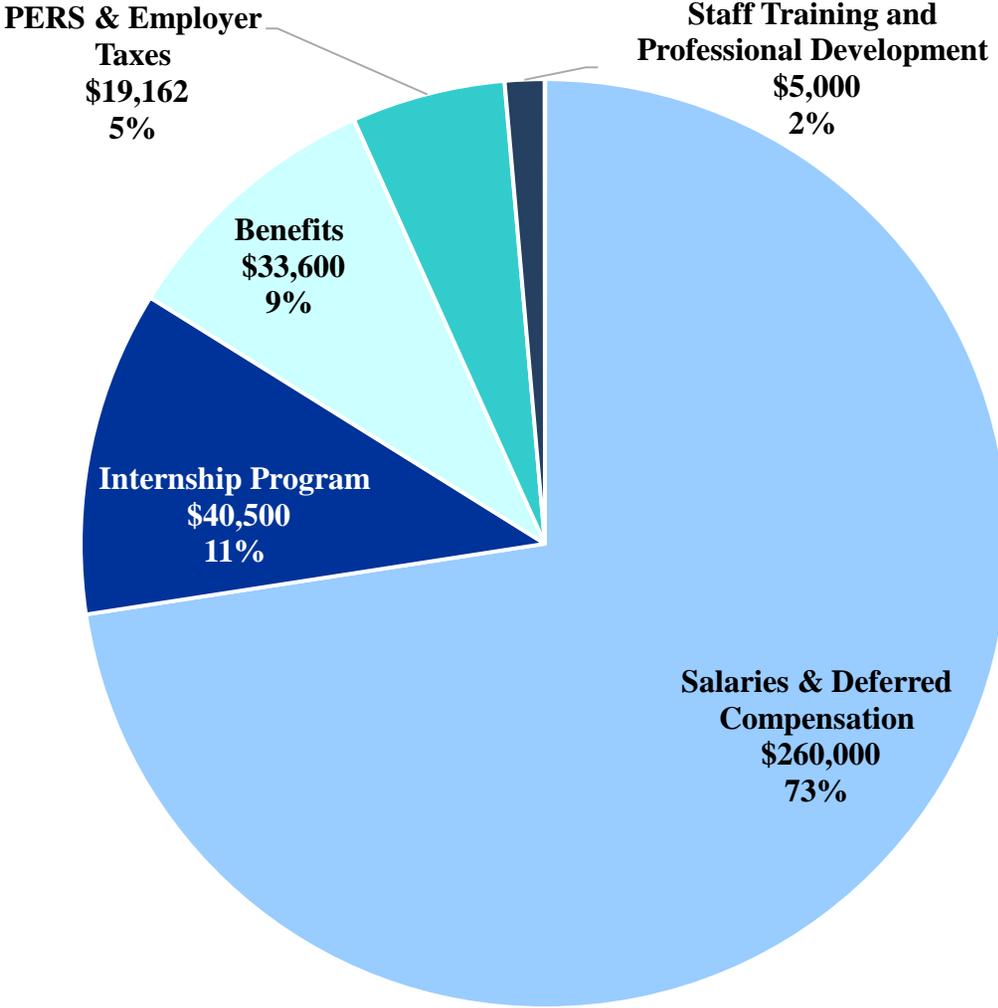
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16 (Est.)	FY 2016-17 (Proposed)
Salaries & Deferred Compensation		\$ 126,766	\$ 348,259	\$ 299,983	\$ 216,632	\$ 260,000
Internship Program			\$ -	\$ -	\$ 75,000	\$ 40,500
Benefits			\$ 31,738	\$ 27,797	\$ 29,712	\$ 33,600
PERS & Employer Taxes			\$ 37,432	\$ 25,679	\$ 19,105	\$ 19,162
Staff Training/ Professional Development						\$ 5,000
PERS Unfunded Liability				\$ 538		
Total	\$ -	\$ 126,766	\$ 417,429	\$ 353,997	\$ 340,449	\$ 358,262



SGVCOG Organization Chart



FY 2016-2017 – SGVCOG Personnel Expenditures
\$358,262

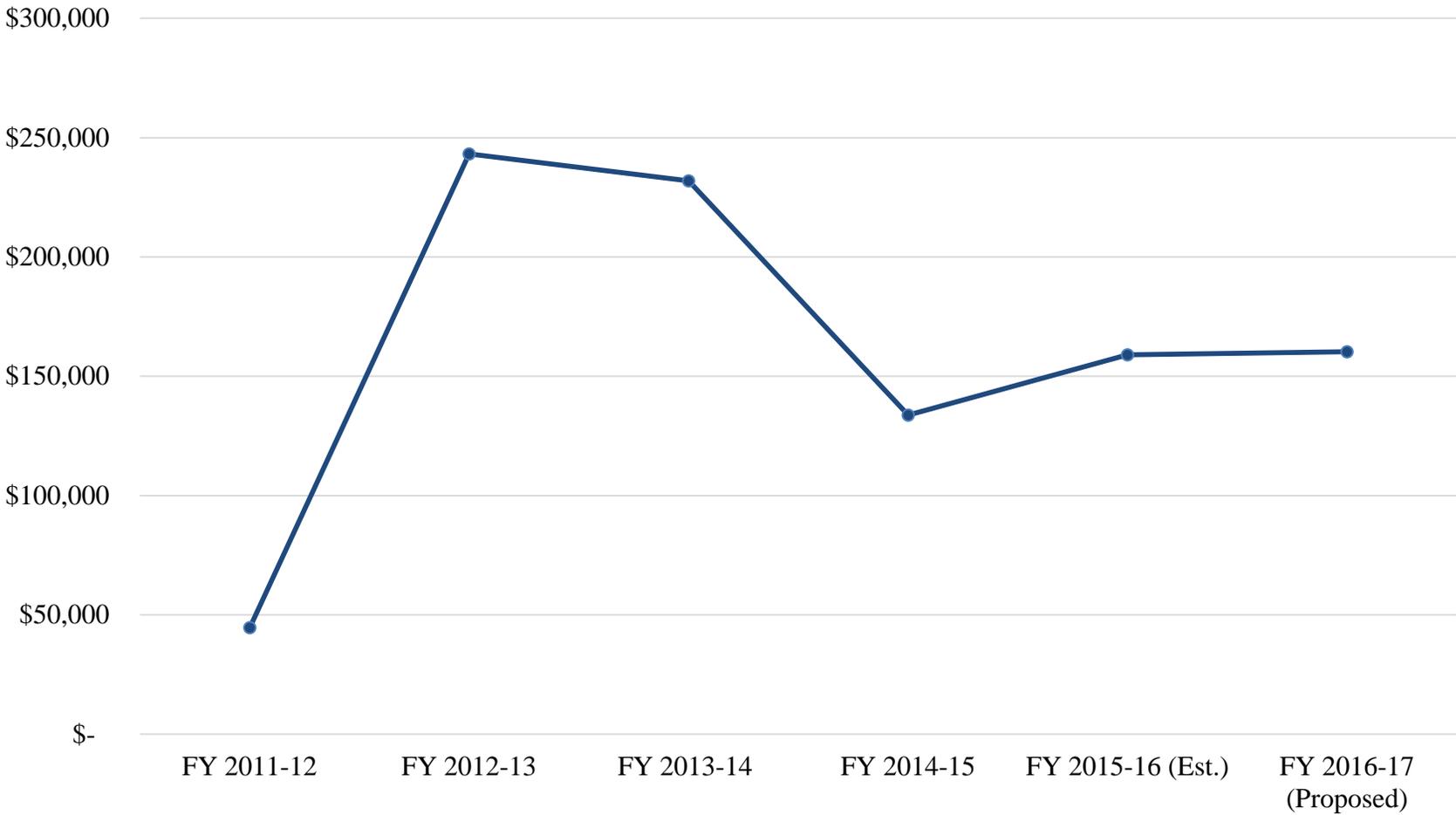


General & Administrative- These costs include facility costs (i.e. rent, storage, utilities, and office supplies), insurance/bonding, meetings and travel, and memberships. Prior to FY 2012-13, facility costs were included under the terms of the MSA with AAI. In FY 2012-13, the Governing Board authorized entering into a five-year lease with the facility where the SGVCOG’s offices are currently located in Alhambra. Currently, the SGVCOG only has one annual membership, with the Local Government Sustainable Energy Coalition (LGSEC), that provides support and advocacy for local governments on energy-efficiency and renewable energy projects. The three largest expenditures within this category are Rent & Parking (\$72,627 or 46%); Meetings & Travel (\$40,000 or 25%); and Equipment & Software Acquisition (\$10,000 or 6%). Based on the SGVCOG’s indirect costs allocation plan, a portion of the general and administrative costs are reimbursed through the SGVCOG’s grant programs. This reimbursement estimate is based on the staff labor associated with each of these programs. In FY 2016-17, it is estimated that \$75,719, or 47%, of the SGVCOG’s general and administrative costs will be reimbursed by these grant programs.

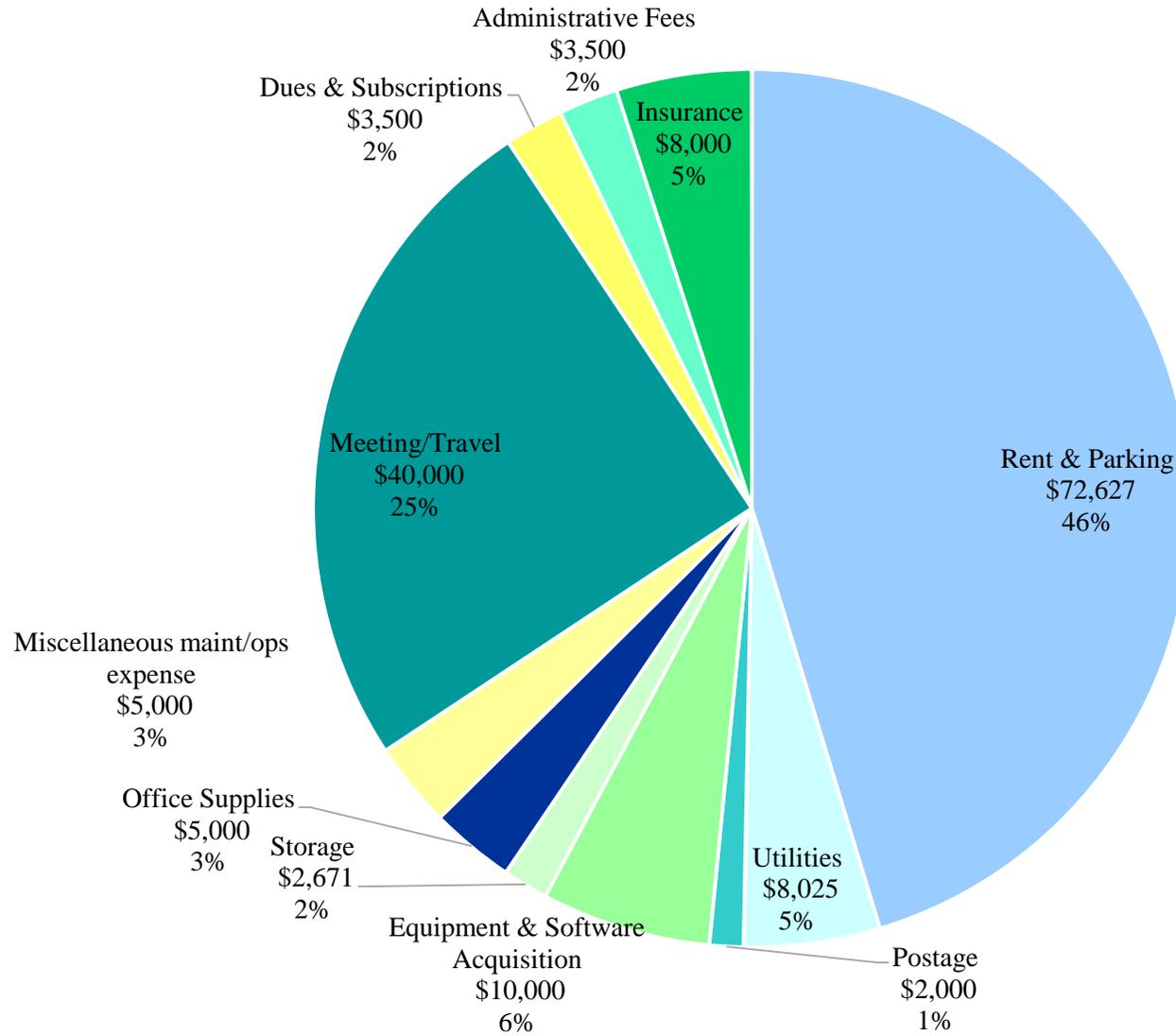
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16 (Est.)	FY 2016-17 (Proposed)
Rent & Parking		\$ 39,622	\$ 62,169	\$ 63,762	\$ 70,511	\$ 72,627
Utilities		\$ 3,060	\$ 5,097	\$ 5,106	\$ 7,350	\$ 8,025
Postage			\$ 1,718	\$ 1,292	\$ 2,000	\$ 2,000
Equipment & Software Acquisition	\$ 812	\$ 6,009	\$ 12,041	\$ 4,175	\$ 18,500	\$ 10,000
Storage			\$ 1,238	\$ 2,063	\$ 2,596	\$ 2,671
Office Supplies		\$ 3,152	\$ 4,646	\$ 5,455	\$ 4,500	\$ 5,000
Miscellaneous Expenses	\$ 7,349	\$ 5,678	\$ 1,517	\$ 10,402	\$ 3,500	\$ 5,000
Meeting/Travel	\$ 21,349	\$ 20,955	\$ 30,444	\$ 24,520	\$ 35,000	\$ 40,000
Dues & Subscriptions	\$ 10,345	\$ 10,055	\$ 1,239	\$ 2,903	\$ 3,500	\$ 3,500
Administrative Fees			\$ 2,287	\$ 2,929	\$ 3,500	\$ 3,500
Claim Expense		\$ 150,000	\$ 102,929			
Bad Debt ⁸				\$ 5,436		
Insurance	\$ 4,834	\$ 4,730	\$ 6,596	\$ 5,637	\$ 8,000	\$ 8,000
Total	\$ 44,689	\$ 243,261	\$ 231,921	\$ 133,680	\$ 158,957	\$ 160,322

⁸ “Bad debt” reflects writing off prior years’ dues from the City of Irwindale. Pursuant to a settlement agreement between the SGVCOG and Irwindale, Irwindale was only required to re-pay FY 2014-15 and FY 2015-16 to reinstate its membership.

FY 2011-2017 – SGVCOG General & Administrative Expenditures

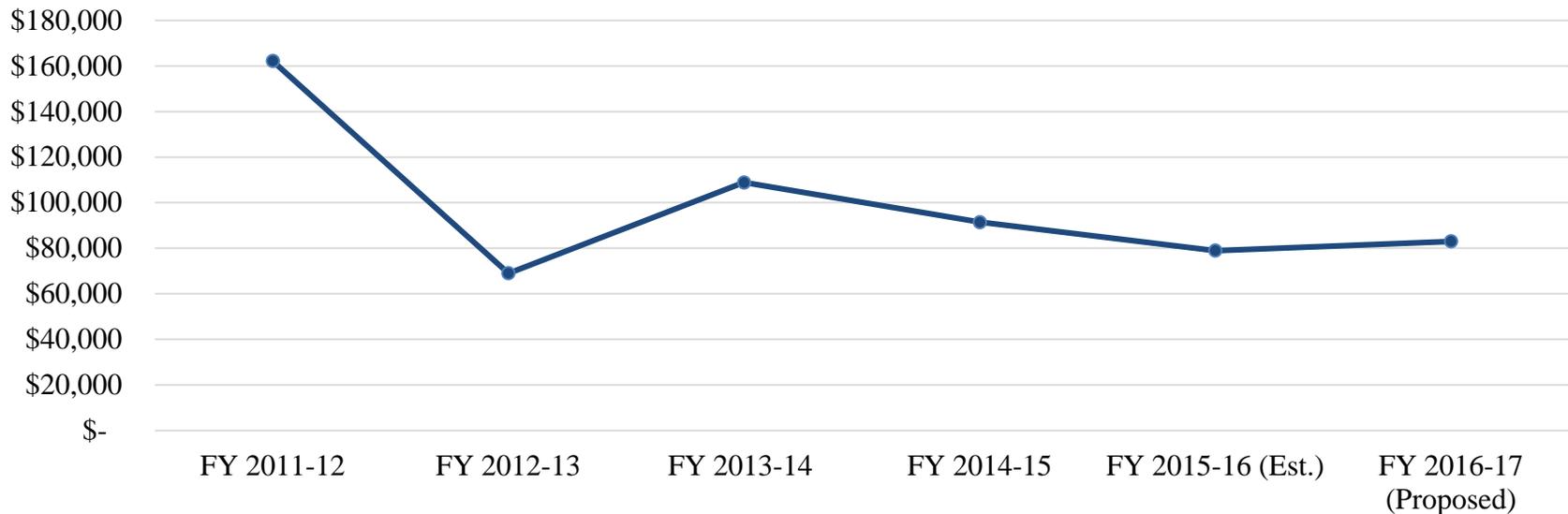


**FY 2016-17 – SGVCOG General & Administrative
Expenditures
\$160,322**



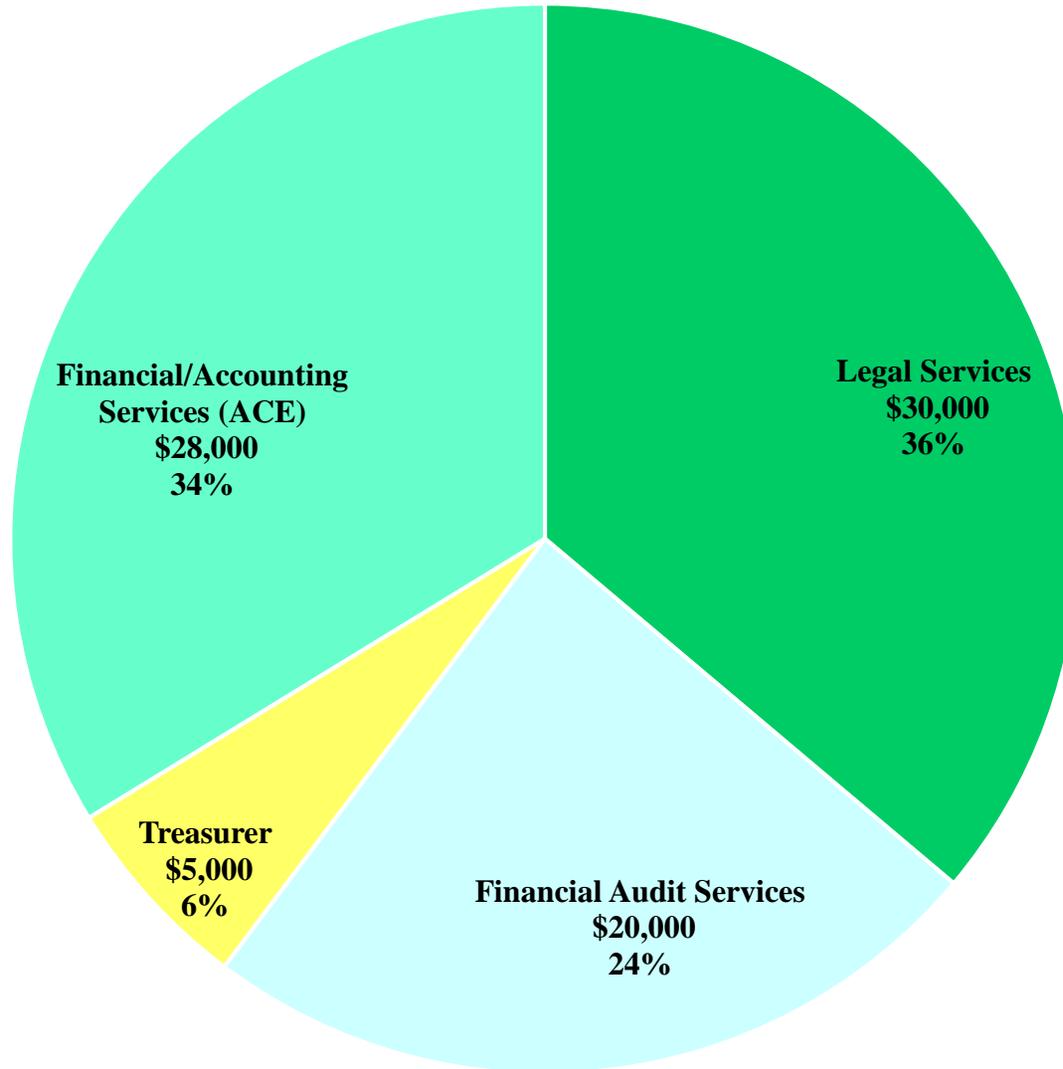
Ongoing Operational Contracts – This includes ongoing annual contracts for legal, accountant/financial, treasurer and auditor services. The SGVCOG’s legal contract provides for a monthly retainer, and the financial audit is conducted and paid for annually. In March 2014, the Governing Board approved a renewal of the contract with Jones & Mayer for General Counsel legal services for one year with four one-year options, with the same terms and conditions. In January 2016, the Governing Board approved a five year contract with Vasquez and Company for financial audit services.⁹ In February 2016, the Governing Board approved a Memorandum of Understanding with ACE to provide accountant/financial management services. At the same time, the Governing Board approved a two-year contract with Vicenti, Lloyd & Stutzman to provide treasurer services.

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16 (Est.)	FY 2016-17 (Proposed)
Legal Services	\$ 135,217	\$ 42,881	\$ 53,227	\$ 35,202	\$ 30,000	\$ 30,000
Financial Audit Services	\$ 14,913	\$ 13,663	\$ 15,000	\$ 20,000	\$ 20,000	\$ 20,000
Treasurer					\$ 5,000	\$ 5,000
Financial/Accounting Services	\$ 12,000	\$ 12,500	\$ 40,659	\$ 36,254	\$ 24,000	\$ 28,000
Total	\$ 162,130	\$ 69,044	\$108,886	\$ 91,456	\$ 79,000	\$ 83,000



⁹ The contract for financial audit services may be cancelled at any time by the SGVCOG with 30 days written notice.

**FY 2016-17 – SGVCOG Ongoing Operational
Contracts Expenditures
\$83,000**



Consultant Services- This reflects the costs related to services including Executive Director Services, MTA Board Support, transportation planning support, administrative support,¹⁰ media/public relations, and grant writing. For FY 2016-17, staff is proposing increased funding (\$50,000) for grant writing services to support the SGVCOG’s key initiatives. The three largest expenditures in this category are Interim Executive Director Services (\$156,000 or 45%); MTA Board Support (\$106,090 or 31%); and Grant Writing Services (\$50,000 or 14%).

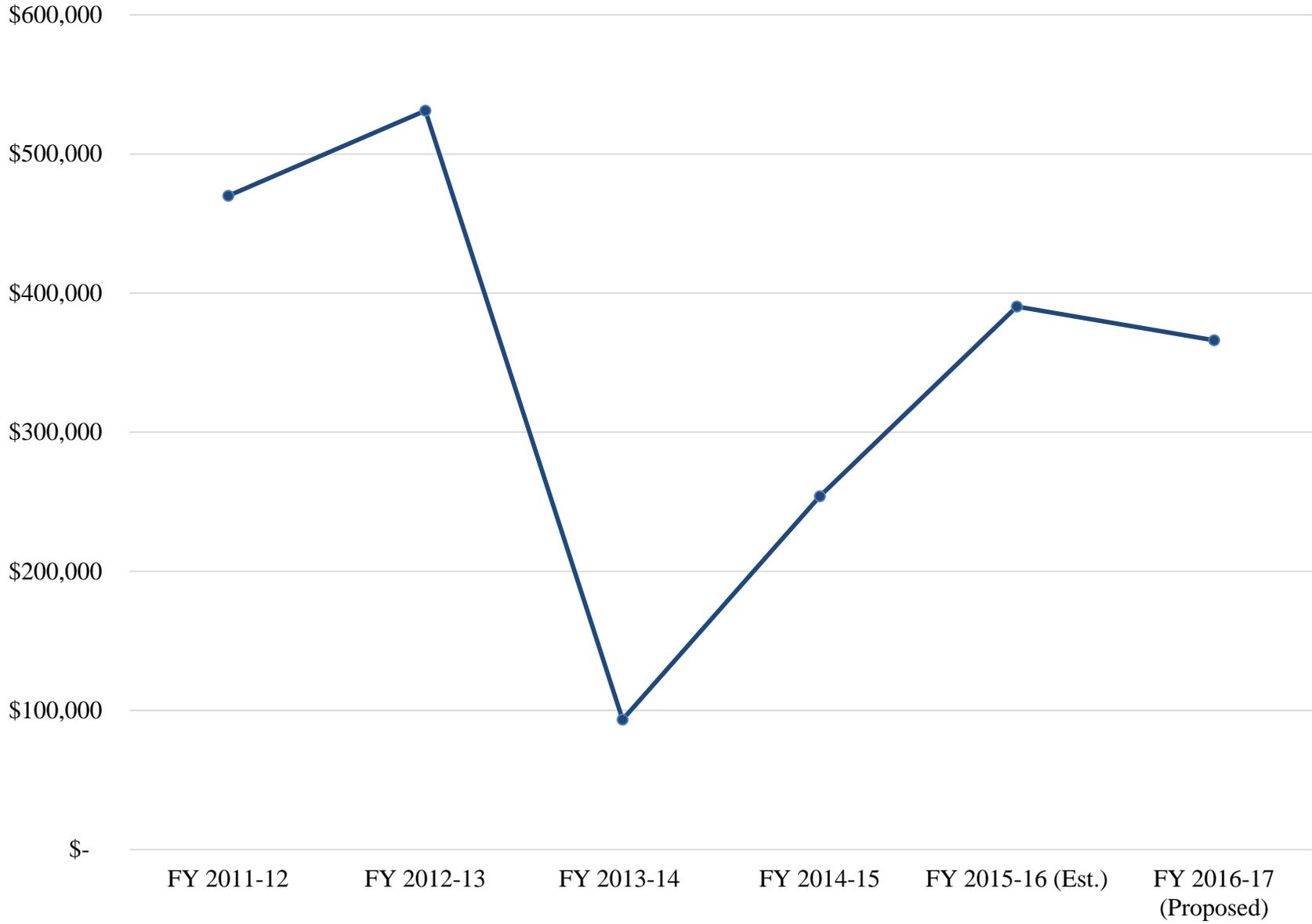
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16 (Est.)	FY 2016-17 (Proposed)
Management Services / Interim Executive Director Services	\$ 128,210	\$ 235,589	-	\$ 58,250	\$ 156,000	\$ 156,000
Transportation Consultant ¹¹	\$ 261,634	\$ 283,143	-	-	-	-
Air Quality Consultant	\$ 24,700	\$ 12,453	-	-	-	-
MTA Board Support	-	-	\$ 81,249	\$ 95,832	\$ 103,000	\$ 106,090
Strategic Plan	-	-	-	\$ 22,000	\$ 10,000	-
Transportation Technical Support (ACE)	\$ 35,446	-	-	\$ 6,543	\$ 50,000	\$ 30,000
Administrative Support (ACE)	-	-	-	-	-	\$ 20,000
Human Resources	-	-	\$ 7,238	-	-	-
Media/Public Relations	-	-	-	\$ 3,200	\$ 2,000	\$ 2,000
Information Technology	-	-	-	5,546	\$ 2,000	\$ 2,000
Annual Executive Director Evaluation	\$ 19,949	-	\$ 4,867	-	-	-
Temporary Staffing Services	-	-	-	\$ 55,652	\$ 27,293	-
Grant Writing Services ¹²	-	-	-	\$ 7,000	\$ 30,000	\$ 50,000
Stormwater Consultant	-	-	-	-	\$ 10,000	-
Total	\$ 469,939	\$ 531,185	\$ 93,354	\$ 254,023	\$ 390,293	\$ 366,090

¹⁰ Both transportation planning and administrative support services are provided by ACE via MOUs that were approved by the Governing Board in February 2015 and February 2016 respectively.

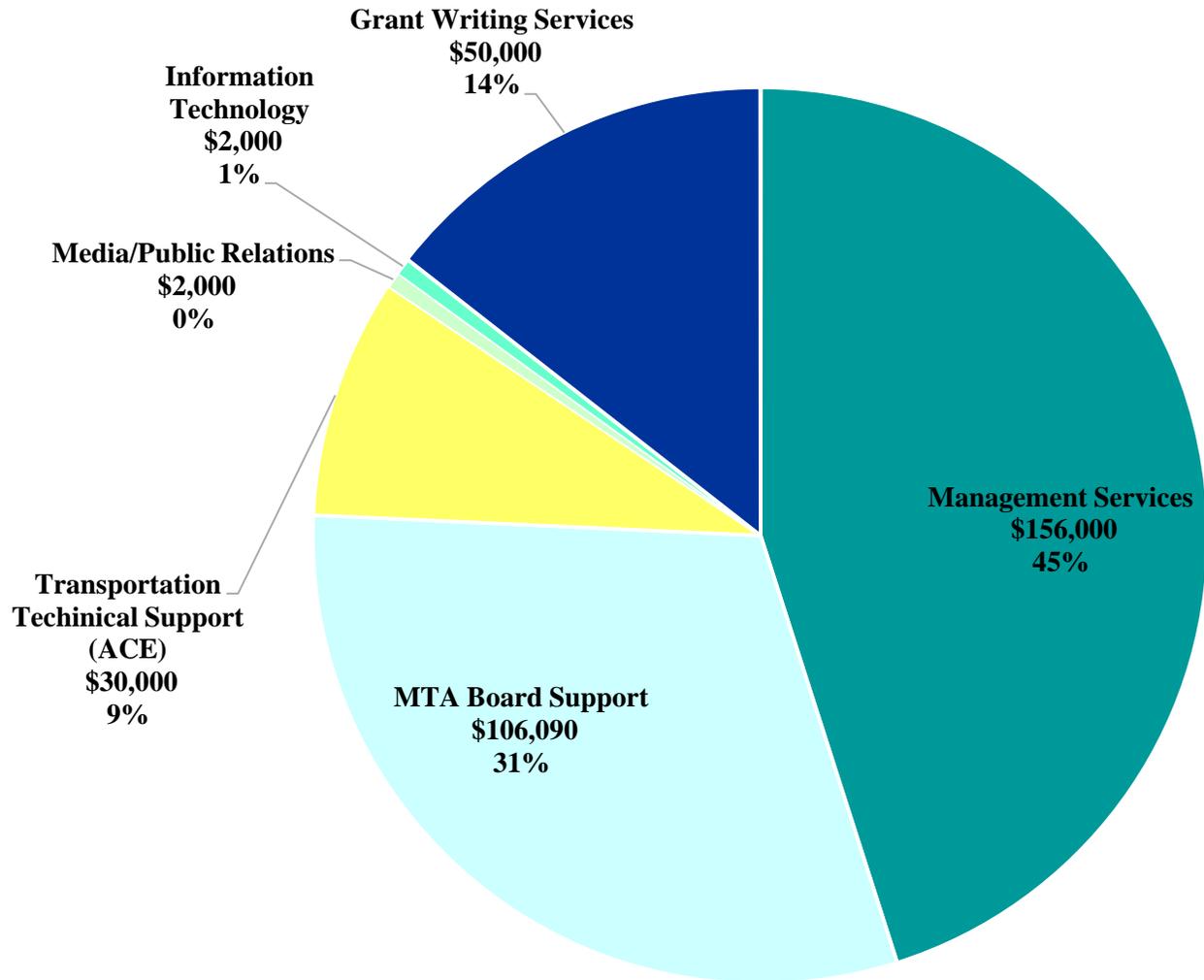
¹¹ In the FY 2009-12, only the MSA costs that were paid for by general fund revenue are reflected under “Management Services”. Labor charged to programs (i.e. Transportation and Air Quality) were included under those expense categories. In FY 2009-2013, Strategic Planning and Media/Public Relations service costs were also included under "Management Services". In FY 2012-13, the costs for the interim Executive Director are included under “Management Services.”

¹² In 2011-12, an organization and operations review was conducted in lieu of the regular annual Executive Director Evaluation, which resulted in higher costs.

FY 2011-17 – SGVCOG Consultant Services Expenditures

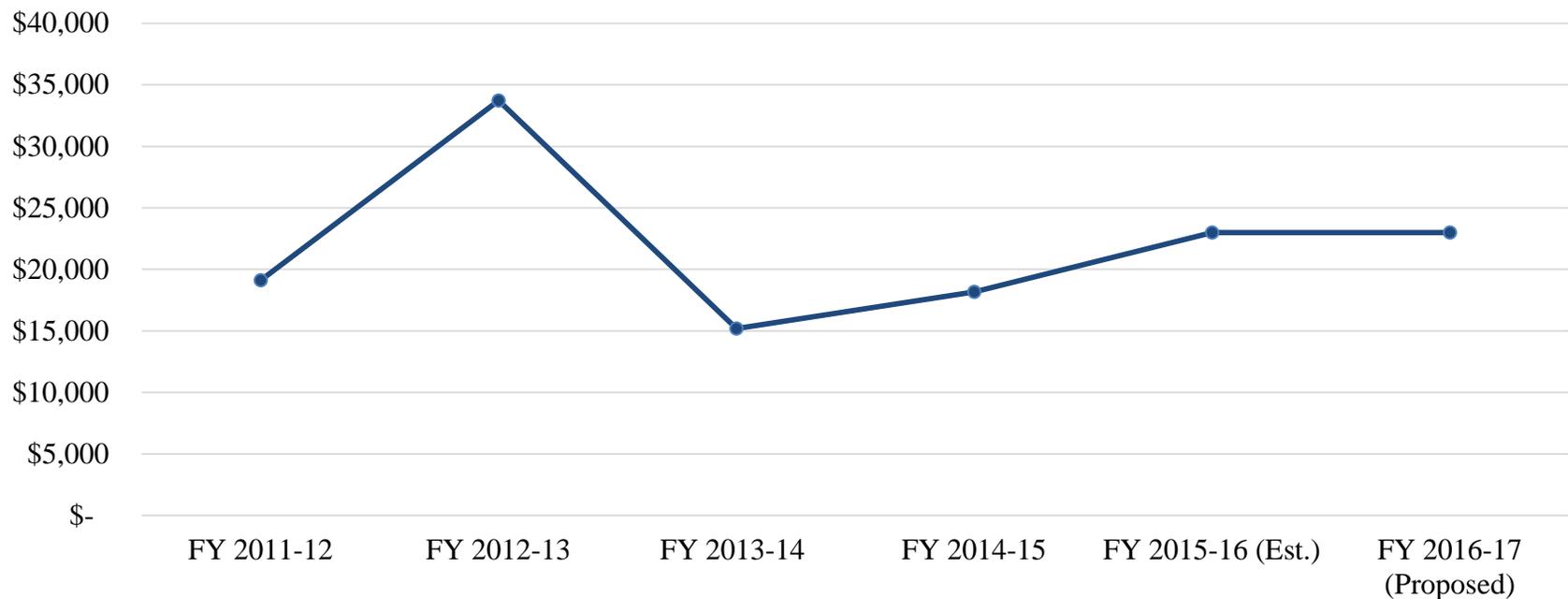


**FY 2016-17 – SGVCOG Consultant Services
Expenditures
\$386,090**

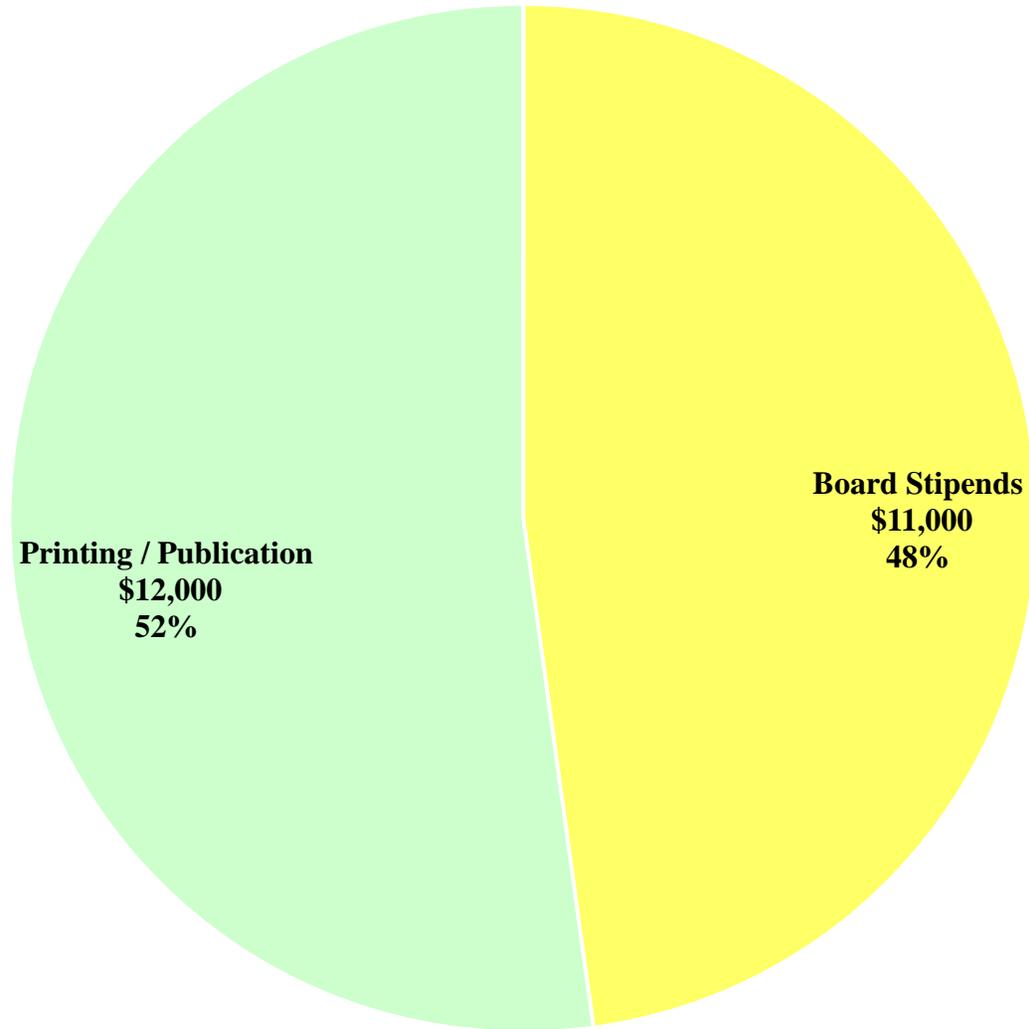


Direct Expenses- This category includes board stipends and printing/publication. Governing Board members are paid a stipend of \$50 per meeting. Stipend expenditures vary based on the number of meetings and attendance at these meetings. In FY 2011-12 and FY 2012-13, there were additional meetings and higher than average attendance, resulting in an increase in this expenditure. The SGVCOG has a lease arrangement to provide printing equipment. Large quantities and special order materials are generally outsourced. In May 2015, the Governing Board authorized a new five-year lease agreement for copier equipment and supplies.

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16 (Est.)	FY 2016-17 (Proposed)
Board Stipends & Taxes	\$ 12,950	\$ 14,600	\$ 8,550	\$ 10,800	\$ 11,000	\$ 11,000
Printing / Publication	\$ 6,167	\$ 19,119	\$ 7,347	\$ 7,377	\$ 12,000	\$ 12,000
Miscellaneous			(705)	-	-	-
Total	\$ 19,117	\$ 33,719	\$ 15,192	\$ 18,177	\$ 23,000	\$ 23,000

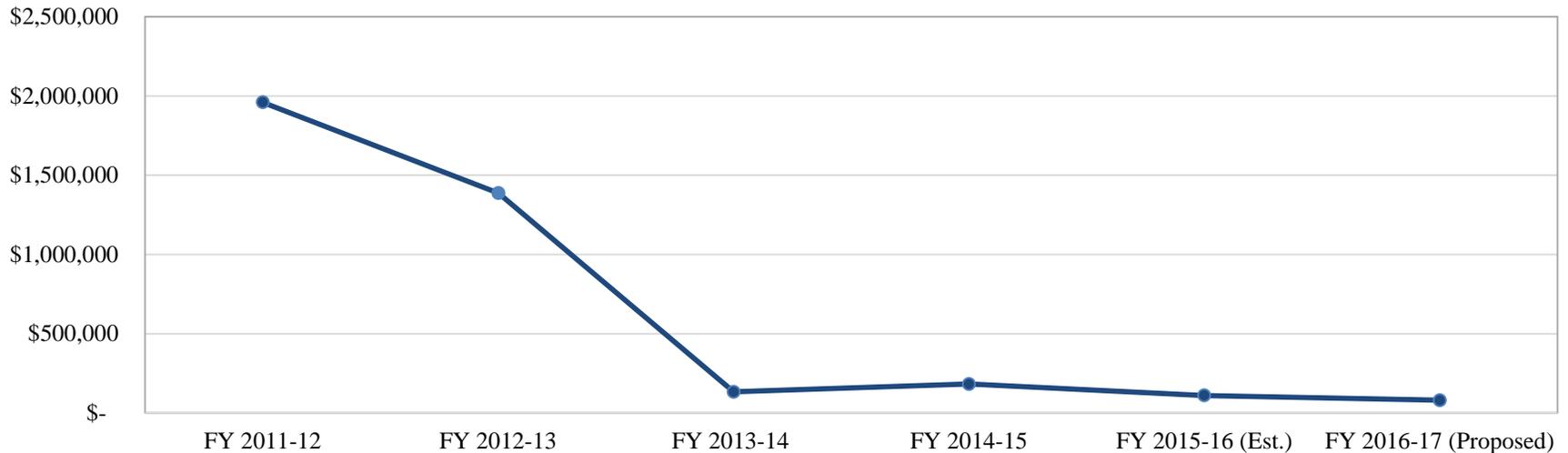


**FY 2016-17 – SGVCOG Direct Expenses
\$23,000**



Direct Grants & Special Projects Expenses- This expenditure category reflects direct program expenditures related to the SGVCOG’s grant funded projects. In FY 2016-17, the SGVCOG will have two active grant programs: San Gabriel Valley Energy Wise Partnership and CEESP Phase 3. These programs are described in further detail under “Revenues.” Note, in FY 11-12, labor charges paid to AAI under the MSA and related amendments, were included under program expenditures along with contracts for other third-party professional services and direct expenses.

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16 (Est.)	FY 2016-17 (Proposed)
Watershed Coordinator Program	\$ 51,953	-	-	-	-	-
SGVEWP Edison & Gas Expenses	\$ 151,545	\$ 40,797	\$ 29,035	\$ 71,433	\$ 40,000	\$ 40,000
SCE CEESP Expenses (including Phase 3)	\$ 1,438,800	\$ 1,223,245	\$ 103,844	\$ 111,589	\$ 70,000	\$ 40,000
CalRecycle	\$ 150,534	-	-	-	-	-
Water Quality Improvement	\$ 30,000	\$ 4,000	-	-	-	-
MS-4 NPDES	\$ 89,307	\$ 46,298	-	-	-	-
Energy Upgrade Expenses	\$ 46,954	\$ 72,350	-	-	-	-
Total	\$ 1,959,093	\$ 1,386,690	\$ 132,879	\$ 183,022	\$ 110,000	\$ 80,000



**FY 2016-17 – SGVCOG Grants & Special Project
Expenses
\$80,000**

