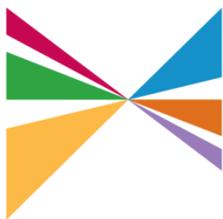


SOUTHERN CALIFORNIA



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Transportation

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Transportation Commission

MEETING OF THE

EXECUTIVE/ADMINISTRATION COMMITTEE

PLEASE NOTE TIME

Thursday, August 1, 2013

9:00 a.m. – 10:00 a.m.

**SCAG Main Office
818 W. 7th Street, 12th Floor
Board Room
Los Angeles, CA 90017
(213) 236-1800**

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Lillian Harris-Neal at (213) 236-1858 or via email harris-neal@scag.ca.gov

Agendas & Minutes for the Executive/Administration Committee are also available at: www.scag.ca.gov/committees/eac.htm

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. SCAG is also committed to helping people with limited proficiency in the English language access the agency's essential public information and services. You can request such assistance by calling (213) 236-1858. We require at least 72 hours (three days) notice to provide reasonable accommodations. We prefer more notice if possible. We will make every effort to arrange for assistance as soon as possible.

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Executive/Administration Committee
Members – August 2013

<u>Members</u>	<u>Representing</u>
Chair 1. Hon. Greg Pettis	<i>Cathedral City</i> District 2
Vice-Chair 2. Hon. Carl Morehouse	<i>San Buenaventura</i> District 47
2nd Vice-Chair 3. Hon. Cheryl Viegas-Walker	<i>El Centro</i> District 1
Imm. Past Pres. 4. Hon. Glen Becerra	<i>Simi Valley</i> District 46
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6. Hon. Bill Jahn	<i>Big Bear Lake</i> District
7. Hon. James Johnson	<i>Long Beach</i> District 30
8. Hon. Lisa Bartlett	<i>Dana Point</i> TCA
9. Hon. Keith Millhouse	<i>Moorpark</i> VCTC
10. Hon. Alan Wapner	<i>Ontario</i> SANBAG
11. Hon. Pam O'Connor	<i>Santa Monica</i> District 41
12. Hon. Kris Murray	<i>Anaheim</i> District 19
13. Hon. Andrew Masiel, Sr.	<i>Pechanga Band of Luiseño Indians</i> Tribal Government Representative
14. Mr. Randall Lewis	<i>Lewis Group of Companies</i> Ex-Officio
15. Hon. Bob Botts	<i>Banning</i> RCTC
16. Hon. Michele Martinez	<i>Santa Ana</i> District 16
17. Hon. Tom LaBonge	<i>Los Angeles</i> District 51
18. Hon. Gary Ovitt	San Bernardino County

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EXECUTIVE/ADMINISTRATION COMMITTEE

AGENDA

AUGUST 1, 2013

The Executive/Administration Committee may consider and act upon any of the items listed on the agenda regardless of whether they are listed as information or action items.

CALL TO ORDER & PLEDGE OF ALLEGIANCE

(Hon. Greg Pettis, Chair)

PUBLIC COMMENT PERIOD – Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Committee, must fill out and present a Public Comment Card to the Assistant prior to speaking. Comments will be limited to three (3) minutes per speaker provided that the Chair has the discretion to reduce this time limit based upon the number of speakers. The Chair may limit the total time for all public comments to twenty (20) minutes.

REVIEW AND PRIORITIZE AGENDA ITEMS

Page No.

EXECUTIVE DIRECTOR'S REPORT

(Hasan Ikhata, Executive Director)

- 'Buy America' Update

PRESIDENT'S REPORT

ACTION/DISCUSSION ITEMS

- | | | |
|--|-------------------|-----------|
| 1. <u>2013-2014 State Budget and Trailer Bill Summary</u>
<i>(Sharon A. Neely, Chief Deputy Executive Director)</i> | Attachment | 1 |
| 2. <u>AB 1290 (Pérez): Transportation Planning</u>
<i>(Sharon A. Neely, Chief Deputy Executive Director)</i> | Attachment | 9 |
| 3. <u>SB 731 (Steinberg): California Environmental Quality Act and Sustainable Communities Strategy</u>
<i>(Sharon A. Neely, Chief Deputy Executive Director)</i> | Attachment | 12 |
| 4. <u>Proposed Aviation Task Force in Support of the 2016-2040 RTP/SCS</u> | Attachment | 17 |

CONSENT CALENDAR

Approval Items

- | | | |
|---|-------------------|-----------|
| 5. <u>Minutes of the June 6, 2013 Meeting</u> | Attachment | 19 |
| 6. <u>SCAG Sponsorships</u> | Attachment | 24 |

EXECUTIVE/ADMINISTRATION COMMITTEE

AGENDA

AUGUST 1, 2013

Receive & File

Page No.

7. Purchase Orders \$5,000 but less than \$200,000; Contracts \$25,000 but less than \$200,000; Amendments \$5,000 but less than \$75,000; and Contracts Funded from the General Fund Attachment 26

CFO MONTHLY FINANCIAL REPORT

(Basil Panas, Chief Financial Officer)

Attachment 36

FUTURE AGENDA ITEM(S)

ANNOUNCEMENTS

ADJOURNMENT

The next meeting of the Executive/Administration Committee (EAC) is scheduled for Thursday, September 12, 2013, at the SCAG Los Angeles Office.

REPORT

DATE: August 1, 2013

TO: Executive/Administrative Committee (EAC)
Regional Council (RC)

FROM: Darin Chidsey; Acting Director Policy, Strategy and Public Affairs; (213) 236-1936; chidsey@scag.ca.gov

SUBJECT: 2013-2014 State Budget and Trailer Bill Summary

EXECUTIVE DIRECTOR'S APPROVAL



RECOMMENDED ACTION:

For Information Only; No Action Required.

EXECUTIVE SUMMARY:

This report summarizes the enacted 2013-2014 California State Budget Act (and trailer bills) that was provided to the Legislative/Communications & Membership Committee (LCMC) at its meeting on July 16, 2013. See below discussion and follow-up needed re budget trailer bill (AB 93). Portions of the report address the overall reduction of the state's accumulated debt; 2013-2014 general fund revenues and expenditures; 2013-2014 total state revenues and expenditures; the Transportation Agency 2013-2014 budget; 2013-2014 Environmental Protection provisions including a summary of the Cap-and-Trade borrowing/payback provision; and a summary of budgetary impacts arising from the dissolution of Redevelopment Agencies. Additionally, more detailed information concerning the enacted budget may be accessed at: <http://www.ebudget.ca.gov/home.php>.

BACKGROUND:

On June 27, 2013 Governor Jerry Brown signed the 2013-2014 State Budget Act (AB 110) which reduces the state's debt and, with a combination of spending cuts and new temporary revenues provided by the passage of Proposition 30, is projected to remain balanced for the foreseeable future.

The Budget changes the state's K-12 education finance system and, with the passage of Proposition 30, reinvests rather than cuts education funding, and also reinvests in the state's universities to increase the affordability of college. The Budget also implements a path for the expansion of coverage under federal health care reform, and makes targeted investments in dental care, mental health, and middle class scholarships, while maintaining structural fiscal balance into the future.

With respect to the state's debt, the Budget represents a multi-year plan that is balanced, maintains a \$1.1 billion reserve, and pays down the state's debt. The Budget dedicates billions to repay past budgetary borrowing and continues to pay down the debt into the future. The table below shows the state's debt will be reduced to less than \$27 billion this year and, under its projections, will be reduced to below \$5 billion by the end of 2016-17.

Budget Plan Would Reduce Wall of Debt to Less than \$5 Billion (Dollars in Billions)

	End of 2010-11	End of 2011-12	End of 2016-17
Deferred payments to schools & community colleges	\$10.4	\$6.4	\$0.0
Economic Recovery Bonds	\$7.1	\$5.2	\$0.0
Loans from Special Funds	\$5.1	\$4.6	\$0.5
Unpaid costs to local governments, schools and community colleges for state mandates	\$4.3	\$4.9	\$3.1
Underfunding of Proposition 98	\$3.0	\$2.4	\$0.0
Borrowing from local government (Proposition 1A)	\$1.9	\$ 0.0	\$0.0
Deferred Medi-Cal Costs	\$1.2	\$2.0	\$1.1
Deferral of state payroll costs from June to July	\$0.8	\$0.7	\$0.0
Deferred payments to CalPERS	\$0.5	\$0.4	\$0.0
Borrowing from transportation funds (Prop. 42)	\$0.4	\$0.3	\$0.0
Total	\$34.7	\$26.9	\$4.7

The table below shows the state General Fund balance with revenues and expenditures for the 2013-2014 state budget as compared to the prior year:

General Fund Budget Summary (Dollars in Millions)

	2012-13	2013-2014
Prior Year Balance	-\$1,658	\$872
Revenues and Transfers	\$98,195	\$97,098
Total Resources Available	\$96,537	\$97,970
Non-Proposition 98 Expenditures	\$55,211	\$57,226
Proposition 98 Expenditures	\$40,454	\$39,055
Total Expenditures	\$95,665	\$96,281
Fund Balance	\$872	\$1,689
Reserve for Liquidation of Encumbrances	\$618	\$618
Special Fund for Economic Uncertainties	\$254	\$1,071

The following two tables show, respectively, total expenditures by agency in the 2013-2014 state budget from all funds – general, special and bond funds; and total state revenues from all sources, taxes and fees, into the general and special funds:

2013-2014 Total Expenditures by Agency (Dollars in Millions)

	General Fund	Special Funds	Bond Funds	Totals
Legislative, Judicial, Executive	\$2,778	\$2,718	\$275	\$5,771
Business, Consumer Services & Housing	\$646	\$746	\$92	\$1,484
Transportation	\$206	\$8,179	\$5,109	\$13,494
Natural Resources	\$2,124	\$1,227	\$823	\$4,174
Environmental Protection	\$46	\$2,454	\$127	\$2,627
Health and Human Services	\$28,084	\$17,795	\$119	\$45,998
Corrections and Rehabilitation	\$8,911	\$2,254	\$3	\$11,168
K-12 Education	\$39,661	\$119	\$5	\$39,785
Higher Education	\$10,923	\$45	\$427	\$11,395
Labor and Workforce Development	\$299	\$564	-	\$863
Government Operations	\$742	\$225	\$14	\$981
General Government: Non-Agency Departments	\$523	\$1,586	\$3	\$2,112
Statewide Expenditures	\$917	\$2,234	-	\$3,151
Total	\$96,281	\$42,022	\$6,997	\$145,300

2013-2014 Revenue Sources (Total) (Dollars in Millions)

	General Fund	Special Funds	Total	Change from 2012-13
Personal Income Tax	\$60,827	\$1,131	\$61,958	-\$3,370
Sales and Use Tax	\$22,983	\$10,961	\$33,944	\$3,438
Corporation Tax	\$8,508	-	\$8,508	\$999
Highway Users Tax	-	\$6,157	\$6,157	\$564
Insurance Tax	\$2,200	\$832	\$3,032	\$533
Liquor Tax	\$332	-	\$332	\$7
Tobacco Taxes	\$89	\$749	\$838	-\$25
Motor Vehicle Taxes	\$23	\$5,887	\$5,910	\$115
Other	\$2,136	\$14,146	\$16,282	-\$2,287
Total	\$97,098	\$39,863	\$136,961	-\$26

Transportation

The reorganized California Transportation Agency includes the state Department of Transportation, the Department of Motor Vehicles, the California Highway Patrol, the Board of Pilot Commissioners, the Office of Traffic Safety, the High Speed Rail Authority, and the California Transportation Commission.

The Budget includes total funding of \$21 billion (\$83.4 million in General Fund and \$19.9 billion in Other Funds) for all programs overseen by this Agency. The following table reflects positions and expenditures for each department in this agency area. State funds reflect total General Fund, special funds, and selected bond funds. Total funds include state funds, federal funds, other non-governmental cost funds, and reimbursements.

Enacted 2013-2014 Budget (Dollars in Thousands)

Department	Positions	Total State Funds	Total All Funds
Transportation, Secy	58.0	\$2,530	\$101,532
California Transportation Commission	19.0	\$28,088	\$28,607
State Transit Assistance	-	\$871,689	871,689
Department of Transportation	19,576.5	6,374,968	12,785,368
High-Speed Rail Authority	150.7	2,288,194	3,247,268
Board of Pilot Commissioners	4.0	2,214	2,214
Office of Traffic Safety	-	-	-
Dept of the California Highway Patrol	11,052.5	1,869,319	1,978,449
Department of Motor Vehicles	8,209.3	974,081	998,026
General Obligation Bonds-Transportation	-	1,091,366	1,091,366
Totals, Positions and Expenditures	30,070.0	\$13,493,449	\$21,104,519

Department of Transportation (Caltrans)

Caltrans has over 19,500 employees and a budget of \$12.8 billion. Caltrans designs and oversees the construction of state highways, operates and maintains the highway system, funds three intercity passenger rail routes, and oversees funding for local mass transit projects. Approximately 50,000 road and highway lane miles and 12,910 state bridges are maintained, and 812 public-use and special-use airports and heliports are inspected. The largest sources of funding for transportation projects are excise taxes paid on fuel consumption, federal funds also derived from fuel taxes, and weight fees on trucks. Approximately 13 percent of the state transportation revenues are used to offset debt service costs, which are expected to be nearly \$1 billion in 2013-14.

The budget includes a significant adjustment to continue use of miscellaneous transportation revenue for transportation debt service. Specifically, a transfer of \$67 million in special fund revenues to partially offset General Fund transportation debt service costs. The State Highway Account generates a portion of its revenue from rental income and the sale of surplus property. The Budget continues the partial offset of transportation debt service costs with this revenue source on a permanent basis.

Environmental Protection

The California Environmental Protection Agency (CalEPA) works to restore, protect, and enhance environmental quality. CalEPA coordinates state environmental regulatory programs to ensure fair and consistent enforcement of environmental law. The Budget includes total funding of \$2.9 billion (\$42.2 million General Fund and \$2.8 billion other funds) for all programs included in this Agency. The following table reflects positions and expenditures for each department in this agency area. State funds reflect total General Fund, special funds, and selected bond funds. Total funds include state funds, federal funds, other non-governmental cost funds, and reimbursements.

**Enacted 2013-2014 Budget
(Dollars in Thousands)**

Department	Positions	Total State Funds	Total All Funds
Environmental Protection, Secy	68.0	\$12,220	\$18,549
Air Resources Board	1280.2	405,986	438,934
Department of Pesticide Regulation	387.8	79,040	81,647
State Water Resources Control Board	1510.4	484,372	676,252
Department of Toxic Substances Control	941.1	140,036	189,102
Resources Recycling and Recovery	694.6	1,484,892	1,486,594
Environmental Health Hazard Assessment	125.4	16,775	20,806
General Obligation Bonds-Environmental	-	4,139	4,139
Totals, Positions and Expenditures	5,007.5	\$2,627,460	\$2,916,023

Cap-and-Trade Program

The Budget includes a General Fund loan of up to \$500 million from the fund balance in the Greenhouse Gas Reduction Fund. The Fund receives proceeds from the auction or sale of allowances, pursuant to a market-based compliance mechanism established by the Air Resources Board (ARB) pursuant to the Global Warming Solutions Act (AB 32). The loan will provide additional time to develop programs to further the purposes of AB 32. This additional time will allow ARB to complete the statutorily required update of the AB 32 Scoping Plan due at the end of 2013. The updated Scoping Plan will provide information that will result in better investment decisions. As the amount of future auction proceeds is unknown, the loan is fiscally prudent during the initial stage of program implementation. The 2012-13 auctions resulted in proceeds of \$257.4 million. As more auctions are conducted, more data will become available to better estimate annual proceeds and improve the ability to make decisions for short and long-term investments.

Loaning these proceeds will not interfere with achieving objectives for greenhouse gas reductions because the loan will be repaid with interest immediately when needed to meet the needs of the Fund.

Redevelopment Agencies

ABx1 26 (Chapter 5, Statutes of 2011) eliminated the state’s redevelopment agencies (RDAs) and replaced them with locally organized successor agencies that are tasked with retiring the former RDAs’ outstanding debts and other legal obligations. The elimination of RDAs allows local governments to protect core public services by returning property tax money to the cities, counties, special districts, and K-14 schools.

In general, successor agencies are tasked with using the property tax revenue that the former RDAs would have received to retire the debts and other contractual obligations of the RDAs. These enforceable obligations include bonded debt issued by the RDAs, loans of money to third parties that the RDAs are legally required to repay, court judgments or settlements, and legally binding contracts or agreements between the RDAs and public agencies or private entities.

Every six months, successor agencies provide Recognized Obligation Payment Schedules (ROPS) to the Department of Finance which list all enforceable obligations of the former RDAs that are proposed to be paid with property taxes, bond revenues, and any other funding available to the former RDAs. Finance

reviews these ROPS to determine whether the listed obligations are truly enforceable under the law, and to prohibit payments that are not enforceable. This process is required to continue until all enforceable obligations of the former RDA have been retired.

Any property tax revenue remaining after payment of enforceable obligations is distributed to cities, counties, special districts, and K-14 schools located within the boundaries of the former RDAs pursuant to existing formulas.

As a result of the RDA dissolution process, the Budget anticipates that counties will receive \$1.4 billion in new general purpose revenues in 2012-13 and 2013-14 combined, with cities receiving \$1.1 billion and special districts \$500 million. On an ongoing basis, it is estimated that over \$675 million annually will be distributed to counties, cities, and special districts. This is a significant amount of unrestricted funding that can be used by local governments to fund police, fire, or other critical public services.

BUDGET TRAILER BILLS

In addition to the primary budget (AB 110), the Legislature passed a number of implementing pieces of legislation addressing various portions of the state budget. Of these, the following bills are germane to SCAG jurisdictional issues and are briefly summarized with their status noted:

AB 76: State Government – California Public Records Act (CPRA)

Makes various changes to state law to save the state money. Amends Government Code §6252.8 to make compliance with certain provisions of the CPRA related to the delivery of electronic data optional for local agencies, including the current requirement that within 10 days from receipt by the local agency of a request for a copy of records to provide to the person making the request verbal or written notice of the disclosure determination and the reasons for the determination. In lieu of the requirement, bill provisions encourage local agencies to follow these provisions as best practices, and requires any local agency to announce if it does not follow these best practices at its next regularly scheduled meeting and annually thereafter. Status: **Vetoed**

SB 71: State Government – California Public Records Act (CPRA)

This bill makes various statutory changes necessary to implement the general government-related provisions of the Budget Act of 2013. The provisions in this bill are identical to AB 76 except that it preserves existing law relating to California Public Records Act by removing amendments contained in AB 76 that would have made portions of the CPRA permissive. SB 71 provisions also preserve existing law relating to the Local Government Ethics Training Requirements by removing amendments contained in AB 76 that would have made portions of the compensation and reimbursement activities permissive for specified local agencies. Status: **Chaptered**

SB 73: Proposition 39 Implementation

Transfers \$28 million from the Job Creation Fund to the Education Subaccount, which is created in the State Energy Conservation Assistance Account. Appropriates the \$28 million in the Education Subaccount to the Energy Commission for the purpose of low-interest and no-interest revolving loans and loan loss reserves for eligible projects and technical assistance. All funds shall be available to local education agency or community college districts for energy efficiency projects.

Appropriates \$3 million from the Job Creation Fund to the California Workforce Investment Board to develop and implement a competitive grant program for eligible community-base and other training workforce organizations preparing disadvantaged youth or veterans for employment. Status: **Chaptered**

SB 85: Transportation

Makes changes regarding the accounting treatment of various transportation-related accounts; provides a mechanism for increased security for certain transportation bonds; extends the use of miscellaneous revenue for the payment of debt service of transportation bonds; and provides a process for the relocation of utilities pursuant to the constructions of the high-speed rail project. Specifically, the bill creates a class of transportation general obligation bonds known as designated bonds, which would be a portion of the transportation general obligation bonds issued pursuant to Proposition 1B of 2006. The bill would provide for transfer of a certain amount of weight fee revenue to the Transportation Debt Service Fund for the purpose of directly paying the debt service on the designated bonds, rather than providing for payment of the debt service indirectly through reimbursement of the General Fund. These weight fee revenues would be deposited in the newly created Transportation Bond Direct Payment Account in the Transportation Debt Service Fund and would be continuously appropriated for that purpose. To the extent the transferred weight fee revenues are insufficient to pay all the debt service on the designated bonds, the General Fund would remain responsible for the remaining debt service. The weight fee revenue to be used to pay debt service on the designated bonds would generally be the amount of weight fee revenue received by the Controller from the 15th day to the last day of each month. The remaining weight fee revenue would be used to pay the debt service on other transportation general obligation bonds.

This bill would provide that the state covenants with bondholders of designated bonds that it will not alter, amend, or restrict the statutory provisions in this bill that provide for the transfer of weight fees to the Transportation Debt Service Fund or the Transportation Bond Direct Payment Account, and that it will not reduce weight fees below a specified amount on and after the first date that designated bonds are issued. The bill would enact other related provisions. Status: **Chaptered**

AB 93: Enterprise Zone Elimination

Trailer bill to eliminate enterprise zones and implement the Governor's economic development proposal. Provisions of the bill would institute two new tax programs - a Sales and Use Tax (SUT) exemption for manufacturing and bio-tech equipment and similar purchases, and a hiring credit under the Personal Income Tax (PIT) and Corporation Tax (CT) for employment in specified geographic areas. Additionally, this bill would result in phasing-out and ending certain tax provisions related Enterprise Zones (EZs) and similar tax incentive areas, and ending the current New Jobs Credit tax incentive program. The bill also provides for allocating income tax credits through the Governor's Office of Business and Economic Development (GO-Biz) to assist in retaining existing and attracting new business activity in the state.

Regarding the SUT exemption, the bill allows for a new exemption from the state portion of the SUT, for manufacturing and bio-tech equipment, including research and development equipment. For those in current EZs and designated census tract boundaries, the credit would apply for 6.5 years; for those outside the boundaries, the credit would apply for 4.5 years. The SUT exemption includes a cap of \$200 million in aggregate purchases annually per business; provides an exemption at the time of purchase consistent with current Board of Equalization exemption process; contains no cap on the total amount of the credit; includes an operative date of July 1, 2014, and a sunset date of July 1, 2021; and includes provisions that if qualifying purchases are removed from the state, or used for unqualified activities,

REPORT

within one year of the purchase would be subject to a claw-back equal to the value of the SUT exemption.

Bill provisions also initiate a new hiring credit under the PIT and CT beginning July 1, 2014, to July 1, 2021 for additional hiring of employees in defined geographic areas of the state. These include credit percentages for all hiring credits at 35% per year for wages at 1.5 times minimum wage up to 3.5 times minimum wage. It makes credit available to full-time employees who perform 50% of their activities in designated areas and generally excludes retail, casinos, temp agencies, etc.; these provisions do not apply to small businesses. The bill makes the hiring credit available in EZs that existed as of 2011, in addition adds back Watsonville and Antelope Valley, and includes certain census tracts with low unemployment and high wealth; and makes the hiring credit available statewide in those census tracts with the highest unemployment and high poverty rates. The bill contains numerous other specifications regarding who can be hired and other provisions in order for the hiring credit to be allowed. Status: **Chaptered**

AB 93 Comments:

Numerous concerns were raised re AB 93 at the Greater Land Use and Economic Council (GLUE Council) on July 15th as well as at the Legislative/Communications & Membership Committee (LCMC) meeting on July 16, 2013.

Both Committee members noted what they believed was a flawed qualification process for the hiring tax credit program that will replace the current enterprise zones. While the new qualification process will utilize census tracts that have high unemployment and are impoverished, these areas are primarily residential and are not zoned for commercial or industrial use where businesses and jobs are actually located. In addition, the committee members noted that they did not see any problems with the current enterprise zone program, and in some cases, geographic areas that qualify currently under this program would fail to qualify under AB 93's new hiring tax credit program. Staff is preparing maps for the SCAG region showing the impacts of this change and expects to have them completed by the EAC/RC meeting for discussion.

SCAG staff was directed by the LCMC to work with legislators, GLUE Council, impacted cities on a potential legislative remedy either this year or early 2014.

ATTACHMENT:

None.

REPORT

DATE: August 1, 2013

TO: Executive/Administration Committee (EAC)
Regional Council (RC)

FROM: Sharon A. Neely, Chief Deputy Executive Director; (213)-236-1992; neely@scag.ca.gov

SUBJECT: AB 1290 (Pérez): Transportation Planning – Update



EXECUTIVE DIRECTOR APPROVAL:

RECOMMENDED ACTION:
For Information Only.

EXECUTIVE SUMMARY:

At its July 6, 2013 meeting, the Legislative/Communications & Membership Committee (LCMC) directed staff to continue working with Assembly Speaker John A. Pérez’s office to amend AB 1290 due to the unfunded mandates specified in the bill. This reflects the position recommended by the LCMC at its April meeting, where the LCMC recommended a ‘Work With Author’ position on AB 1290 by Speaker Pérez, a bill that would make significant changes to transportation planning processes including preparation of the Regional Transportation Plan (RTP)/Sustainable Communities Strategy (SCS), the Federal Transportation Improvement Program (FTIP), and various reporting requirements and other Metropolitan Planning Organization (MPO)/Regional Transportation Planning Agency (RTPA) responsibilities. Subsequently, working with partner MPOs statewide there were submitted amendments to the bill accepted by the Author and summarized below. Further potential amendments to address remaining issues of our partner transportation commissions are also summarized below.

STRATEGIC PLAN:

This item supports SCAG’s Strategic Plan, Goal 2: Obtain Regional Transportation Infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities; Objective b) Identify and support legislative initiatives.

BACKGROUND:

AB 1290, a bill introduced by Speaker John A. Pérez on February 22, 2013, amends existing law in several areas pertaining to transportation planning, including preparation of the RTP/SCS, various reporting requirements, and other FTIP and MPO/RTPA responsibilities. A summary of the bill as introduced was provided to the LCMC at its April 16, 2013, meeting whereupon the committee recommended a “Work With Author” position. A statewide group of MPOs of which SCAG participated submitted amendment language accepted by the author and amended into the bill on April 23, 2013.

In short summary, these amendments specify:

- In addition to expanding membership of the California Transportation Commission (CTC) as introduced, the amended bill would also require the Governor to make every effort to assure that expertise in the transportation community that has not traditionally been represented on the commission is reflected in future appointments to the commission, with a particular emphasis on stakeholders involved and engaged in, among other things, efforts to make California’s transportation system more sustainable.
- The amended bill requires that MPOs, by October 15, 2014, and every two years prepare and submit

REPORT

to the California Transportation Commission (CTC) reports describing progress in implementing their respective SCSs and in attaining greenhouse gas reductions. The bill as introduced made this reporting an *annual* requirement. In addition to reporting the progress made, the amended bill specifies the report must include any challenges the region is facing with respect to its ability to implement policies and projects that were set forth in its SCS. The CTC is authorized, after receiving the second round of reports (in 2016), to prepare guidelines to ensure consistency in future submitted reports.

- The amended bill requires the CTC to submit an annual report to the Legislature which would include a summary of the commission's and the Strategic Growth Council's (SGC) assessment of progress around the state toward state objectives of greenhouse gas emission reductions, from patterns of ongoing land development and transportation investments. The bill as introduced did not require the SGC assessment.
- The amended bill requires that the five-year regional transportation improvement program submitted by each transportation planning agency on a biennial basis shall, instead of identifying the relationship of each project proposed to the region's adopted sustainable communities' strategy as under the original bill provisions, would instead *include a discussion of how it relates to the region's sustainable communities' strategy*. (Emphasis Added).

COMMENTS

AB 1290 was passed at the Senate Transportation & Housing Committee by a 7-3 vote on July 9, 2013 and set for hearing in Appropriations August 12th.

The lobbyist for the Orange County Transportation Authority (OCTA) testified that it appreciates some of the latest amendments made to the bill but that it maintains an 'oppose unless amended' position. OCTA staff has indicated they will continue to work with author to address remaining issues in the bill, which include principally to add a provision to allow for a consulting role for the county transportation commissions in the SCAG region in the development of the reports required by the bill; and to remove the existing provision explicitly calling for land use analysis in the California Transportation Commission reporting. No other MPO/CTC or local agency testified at the hearing.

Registered on-record support and opposition to the bill include:

SUPPORT

Breathe California
California League of Conservation Voters
California WALKS
Catholic Charities Diocese of Stockton
Coalition for Clean Air
Coalition for Sustainable Transportation
National Parks Conservation Association
Natural Resources Defense Council
Rails-to-Trails Conservancy
Sacramento Housing Alliance
The Nature Conservancy
Transform
WALK San Diego

REPORT

OPPOSE

Orange County Transportation Authority (Oppose Unless Amended)

Additionally, the League of California Cities and the California State Association of Counties both maintain a 'WATCH' position on AB 1290.

CONCLUSION

The bill as amended addresses many of the initial concerns of staff, including in particular the provision requiring that the regional transportation improvement program identify the relationship of each project proposed to the regions adopted SCS, which has been stricken from the bill. This was by consensus of MPO stakeholder/partners among the most important provisions to amend. Additionally, the bill was amended with the removal of the annual reporting requirement to the CTC by MPOs concerning SCS progress towards achieving GHG reduction goals, and imposition of a biennial requirement instead. SCAG estimates the cost for this biannual report at approximately \$500,000 per reporting cycle. The bill was amended to clarify that the bi-annual report is not binding on future plans for funding decisions and shall not constitute an alternative under, or foundation for future California Environmental Quality Act (CEQA) analysis. The bill was amended to clarify the unique role of the county transportation commissions within the SCAG region in implementing the SCS targets.

The California Association of Councils of Governments (CALCOG) has met with the Speaker's staff to suggest the bill be amended to provide for a statewide reporting of this information rather than locally by MPOs, with funding provided by the state. Further, they discussed an amendment to make the reporting be consistent with the MPO SCS four-year update rather than bi-annual reporting. The benefit of this amendment would reduce the cost to SCAG by \$500,000. The Speaker's staff is considering these proposed amendments.

At its meeting on July 16, 2013, the LCMC concurred with the above suggested amendment options. After some discussion, the LCMC decided not to vote to change the adopted position ("Work with Author"), instead choosing to retain the option to reassess the agency's position on AB 1290 in the near future. AB 1290 is referred to the Senate Appropriations Committee with a hearing date set for August 12th. The deadline to move from the fiscal committee is August 26, 2013.

The LCMC discussed the option should the amendments not be introduced by the Author prior to the August 12th hearing, to have a special LCMC/EAC meeting prior to the hearing to consider revising SCAG's position on the bill (since this deadline is prior to the September RC meeting).

SCAG will keep the LCMC and the Regional Council informed of ongoing negotiations and developments related to the bill.

ATTACHMENT:

None.

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REPORT

DATE: August 1, 2013

TO: Executive/Administration Committee (EAC)
Regional Council (RC)

FROM: Sharon A. Neely, Chief Deputy Executive Director; (213)-236-1992; neely@scag.ca.gov

SUBJECT: SB 731 (Steinberg): California Environmental Quality Act and Sustainable Communities Strategy: Work With Author – Update

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:

For Information Only; No Action Required.

EXECUTIVE SUMMARY:

At its April 4, 2013 meeting, the Regional Council adopted a 'Work with Author' position on SB 731 and at that time an intent bill carried by leadership to modernize the California Environmental Quality Act (CEQA) law. The bill has since been amended numerous times to reflect the input of stakeholder groups statewide to implement the former intent language and, likely may be amended in the future to provide additional clarifications. The Legislative/Communications and Membership Committee (LCMC), at its July 16, 2013 meeting, reviewed the current bill and noted that ongoing stakeholder negotiations may produce amendatory language that will enhance modernization provisions. This report summarizes the present text of the legislation and the current actions taking place to further amend the bill and move it through the legislative process to passage. Staff will continue to monitor and advise the Board of any significant developments to the bill.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan, Goal 2: Obtain Regional Transportation Infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities; Objective b) Identify and Support legislative initiatives.

BACKGROUND:

The Regional Council has adopted as a high state legislative priority for the current state legislative session to work with the Legislative Leadership to seek CEQA modernization legislation. This goal to expedite project delivery and provide business certainty (at the same time ensuring environmental mitigation is met) is a result of work done by the SCAG team of independent Economic experts who documented the job benefits (more than 222,000 per year) and tax revenue benefits if transportation project delivery were accelerated five years from the current 17 year average (as documented by Caltrans). 'Business certainty' was a recurring factor in attracting additional business investment in California as well as avoiding additional cost due to risk for construction delay to bids on transportation projects. Please see <http://www.scag.ca.gov/economicsummit/presentations.htm> for more detail.

The existing CEQA law requires lead agencies with the principal responsibility for approving or implementing a proposed project to prepare in advance an environmental impact report (EIR) or a negative or mitigated negative declaration, unless the project is exempt from CEQA (CEQA includes both statutory and categorical exemptions in the CEQA guidelines). CEQA also exempts residential

housing projects that meet established criteria and provides for abbreviated review procedures for specified infill projects.

Existing law also requires metropolitan planning organizations (MPOs) to include a sustainable communities' strategy (SCS) in their regional transportation plans which identifies strategies to reduce carbon emissions, which may include CEQA exemption or abbreviated review for eligible residential projects. CEQA also authorizes judicial review of CEQA related actions taken by public agencies, following the agency's decision to carry out or approve the project. The law requires that challenges alleging improper determination that a project may have a significant effect on the environment, or alleging an EIR doesn't comply with CEQA must be filed in court within 30 days of filing of the notice of approval. Finally, CEQA law establishes that a record of proceeding includes, but is not limited to, all application materials, staff reports, transcripts or minutes of public proceedings, notices, and written correspondence prepared by or submitted to the public agency regarding the proposed project. There is an established procedure in statute for the preparation, certification, and lodging of the record of proceedings.

With respect to the above described provisions of existing CEQA law, SB 731 as amended would provide for the following:

- Requires the Governor's Office of Planning and Research (OPR), on or before July 1, 2014, to propose revisions to the CEQA Guidelines to establish thresholds of significance (to determine if an environmental effect justifies preparation of an EIR) for noise, transportation, and parking impacts of residential, mixed-use residential, or employment center projects within transit priority areas. It requires the thresholds to be based upon a project's proximity to a multi-modal transportation network, its overall transportation accessibility, and its proximity to a diversity of land uses.
- Defines "employment center project" as a project located on property zoned for commercial uses, with a floor area ratio of no less than 0.75, located within one-half mile of a major transit stop or high-quality transit corridor included in a regional transportation plan.
- Defines "transit priority area" as an area within one-half mile of a major transit stop that is either existing or planned, if the planned stop is scheduled to be completed with the 20-year planning horizon of a specified federal transportation plan.
- Provides that "aesthetic" impacts of projects shall not be considered significant impacts on the environment for purposes of CEQA, while also stating that the authority of a lead agency to consider aesthetic impacts pursuant to local design review ordinances or other discretionary powers is not affected.
- For purposes of the existing exemption for a residential development project that is consistent with a specific plan for which an EIR has been prepared, clarifies that "new information" which would invalidate the exemption does *not* include "argument, speculation, unsubstantiated opinion or narrative, evidence that is clearly inaccurate or erroneous, or evidence of social or economic impacts that do not contribute to, or are not caused by, physical impacts on the environment" (making the meaning of "new information" consistent with the existing meaning of "substantial evidence" in CEQA).
- Requires when a public agency finds that specific economic, legal, social, technological, or other considerations make infeasible the mitigation measures or alternatives identified in the EIR, and finds that specific overriding economic, legal, social, technological, or other benefits of the project outweigh the significant effects on the environment, that the agency's findings be published for review for at least 15 days prior to approval of the project, and provides specified procedures for publication and transmittal to specified parties.

REPORT

- Requires a lead agency to prepare and publish an annual report on a project's compliance with mitigation measures adopted pursuant to CEQA.
- Provides that the statute of limitations for bringing a CEQA lawsuit may be for up to four years by agreement of the parties (petitioner, public agency and real party in interest/applicant).
- For certain projects and upon a project applicant's request, authorizes a lead agency to prepare concurrently with the administrative process the record of proceedings that would be used in a judicial challenge to an agency's action or decision under CEQA. The bill specifies procedures for preparation and publication of the record and requires the project applicant to reimburse the lead agency for the costs incurred to prepare the record. This applies to projects determined to be of statewide, regional, or area-wide environmental significance; infill projects for which an EIR was certified for a city or county's planning level decision; a project implementing a sustainable communities strategy pursuant to SB 375; or any other project for which the lead agency consents to prepare the record of proceedings pursuant to the above requirements.
- Requires, when a court finds that a public agency has not complied with CEQA, that the court issue a peremptory writ of mandate specifying what action is necessary to comply. Requires the writ include only those mandates necessary to achieve compliance and only those project activities in noncompliance, and permits a writ to direct the agency to revise only those portions of a CEQA document found not to be in compliance, provided the non-compliant issues are severable from the remainder of the project.
- *Declares the intent of the Legislature to appropriate \$30 million to the Strategic Growth Council to provide competitive grants to local agencies for planning activities related to implementing SB 375.* (Emphasis added)

Discussion

This bill is offered by the Senate Pro Team as a measure to strengthen CEQA's protection of the state's environment and residents while modernizing the law to aid California's economic growth. The bill is the result of months of discussion and negotiation with key representatives from the business, environmental, and organized labor communities. These changes were key issues identified by a CEQA working group of experts brought together by Senator Steinberg this past fall. Taken together, according to the author they will help reduce litigation and delays from CEQA while protecting the legitimate uses of the statute.

Some critics of the bill believe that the bill stops short of giving needed business certainty. Others claim that projects near existing or planned transit stops are always "environmentally beneficial" is unsubstantiated. The bill labels a wide range of residential, mixed-use and commercial "employment center" projects as "environmentally beneficial" so long as the project may be located within one-half mile of a major transit stop, whether the stop is existing or is planned up to 20 years in the future. Opponents argue the specific relief offered by these projects is modest and vague. According to critics, bill provisions measuring noise, transportation and parking impacts against statewide thresholds rather than local standards and specifically barring aesthetic impacts seems to be based on the proposition that these projects will occur on infill sites in urban areas, which are already impacted by noise and traffic, and that aesthetic impacts are subjective and not an environmental impact. However, the application of these provisions is not limited to infill sites or urban areas, nor is it tied to compliance with an adopted Sustainable Communities Strategy. The type of residential or commercial projects that might be eligible is not defined, except that commercial projects must have a floor area ratio of least 0.75. Critics argue that are not adequate to support the conclusion that these projects should always be spared from consideration of local noise and transportation impacts, and suggest consideration of additional limits

REPORT

such as limiting to infill sites in urban areas, reducing the 20-year limit for planned transit stops, excluding parking impacts, and clarifying that aesthetic impacts do not include impacts on historical or cultural resources.

SB 731 passed the Senate (39-0) on 5/30/13, and is double referred in the Assembly to the Natural Resources Committee and the Local Government Committee. The bill was heard in Assembly Natural Resources Committee on July 1 and passed by 6-1 vote. SCAG's lobbyist was on hand at the hearing as part of the growing group of stakeholders in favor of CEQA modernization and the ongoing process and discussions that continue on this bill, and represented to the committee that SCAG looks forward to continuing to work with the Pro Tem and all parties on further amendments. Senator Steinberg indicated that during the upcoming summer recess he will be convening a meeting of stakeholders to discuss possible amendments. The bill will be next heard in the Assembly Local Government Committee; hearing is not yet scheduled.

This bill is presently supported by:

- California Association of Realtors
- California Chamber of Commerce
- California League of Conservation Voters
- California Manufacturers and Technology Association
- Silicon Valley Leadership Group
- City of Sacramento
- Civil Justice Association of California

Registered opposition to the bill includes:

- California Preservation Foundation
- Napa Design Partners
- Pasadena Heritage
- Public Works Coalition (unless amended):
 - Association of California Healthcare Districts
 - Association of California School Administrators
 - California Association of Sanitation Agencies
 - California Association of School Business Officials
 - California Special Districts Association
 - California State Association of Counties
 - California State University
 - Coalition for Adequate School Housing
 - Los Angeles Unified School District
 - Small School Districts' Association
 - Rural County Representatives of California
 - Three Valleys Municipal Water District
 - Urban Counties Caucus

The League of California Cities maintains a 'Watch' position and the California State Association of Counties has taken an 'Oppose Unless Amended' position on this bill.

REPORT

SCAG's Global Land-Use Economic (GLUE) Council addressed developments related to this bill at its July 15 meeting held at SCAG's offices. The GLUE Council noted on-going efforts of the statewide CEQA working group that SCAG participates in to work towards further amendments to SB 731 to make more significant CEQA process efficiencies than currently exist in the bill. Among these include provisions to create new categories of priority projects within a Sustainable Communities' Strategies (SCS) subject to an expedited review process, as well as changes to the CEQA related to entities' standing to initiate litigation to conform to the National Environmental Quality Act (NEPA) thresholds to sue, to end the practice of filing questionable litigation permissible under CEQA law that would not be permitted under the federal statute. The CEQA working group is presently circulating a letter and suggested amendment principles for consideration by the bill's author.

Additionally, the LCMC reviewed the legislation and the recommendations of the GLUE Council and advised staff to forward a letter to the author to confirm the Regional Council's prior direction indicating SCAG's desire to work with author to modernize the CEQA law and, in addition to the policy suggestions provided by the CEQA working group, to remove current provisions that would increase reporting requirements of a lead agency like SCAG, which are in addition to current CEQA requirements and which are presently unfunded in the bill. These provisions move in the opposite direction of the Regional Council's adopted legislative priority to modernize the CEQA compliance process by reducing delay and expense to an already very long and expensive process.

Staff will continue to keep the LCMC advised of ongoing negotiations, including any forthcoming amendment language, should it be offered during legislative recess or during session. Copies of SCAG's letter and the CEQA Working Group's letter will be transmitted in the Board Information Packet.

ATTACHMENT:

None

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REPORT

DATE: August 1, 2013

TO: Executive/Administrative Committee (EAC)
Regional Council (RC)

FROM: Transportation Committee (TC)

SUBJECT: Proposed Aviation Task Force in Support of the 2016-2040 RTP/SCS

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:

Discuss and approve the creation of an Aviation Task Force in support of the 2016-2040 RTP/SCS as recommended by the Transportation Committee.

EXECUTIVE SUMMARY:

On June 6, 2013, the Transportation Committee passed a motion to recommend that the Regional Council form an Aviation Task Force subject to additional discussion regarding budget, scope, and other related matters. The Aviation Task Force would report to the Transportation Committee and provide policy guidance to staff on the Aviation Element of the 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS).

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan, Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a) Create and facilitate a collaborative and cooperative environment to produce forward thinking regional Plans.

BACKGROUND:

The SCAG Region is the busiest aviation system in the country with eight commercial service airports that combined serve nearly 160 destinations, over 1,100 daily departures and 150,000 daily seats. This region is served by eight (8)—six air carrier airports including Los Angeles International (LAX), Bob Hope, Long Beach, John Wayne, Ontario International and Palm Springs airports, and two (2) commuter airports—Oxnard and Imperial airports. In addition, the region has four (4) new/emerging airports that desire commercial air service: San Bernardino International; March Inland Port; Palmdale Regional; and Southern California Logistics airports. Although the region enjoys a relatively large number of established commercial airports, they are highly constrained.

The adopted 2012-2035 RTP/SCS forecast that nearly 146 million annual passengers (MAP) and 5.61 million tons of air cargo would use SCAG airports in 2035.

The Aviation Task Force would provide policy direction to staff in the preparation of the aviation demand forecast and Aviation Ground Access Elements of the 2016-2040 RTP/SCS. As the aviation work kicks off for this RTP cycle, there are numerous policy issues that could potentially impact the growth and decentralization of the regional aviation system. These include, but are not limited to legally enforceable capacity constraints, airport governance and management, ground transportation options and ridership assumptions, California High Speed Rail, airline volatility and land use controls near airports.

REPORT

Staff suggests that the Aviation Task Force will be comprised of members of the Regional Council and Transportation Committees, with representation from jurisdictions in the SCAG region with a commercial service airport. Non-voting advisory members would include a representative from the Aviation Technical Advisory Committee and a representative from the San Diego County Regional Airport Authority. The Aviation Task Force would meet at least six (6) times during the course of two (2) years to provide policy direction and ultimately recommend the Preferred Aviation Scenario to the Transportation Committee for the 2016-2040 RTP/SCS.

Proposed next steps, subject to Regional Council approval of the recommended action, are to direct staff to develop an Aviation Task Force Workplan. This Workplan would include information regarding the new Task Force's purpose, structure, membership composition, meetings, deliverables and timeline. The Aviation Task Force Workplan would be submitted for review and approval by the Transportation Committee and Regional Council.

FISCAL IMPACT:

Staff time for the Aviation Task Force is fully funded in FY 13-14. The General Fund budget would be adjusted to account for the Task Force member stipends and related expenses.

ATTACHMENT:

None.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
EXECUTIVE/ADMINISTRATION COMMITTEE (EAC)

June 6, 2013

MINUTES

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE EXECUTIVE/ADMINISTRATION COMMITTEE. A RECORDING OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.

The Executive/Administration Committee (EAC) held its meeting at the SCAG Offices, in Los Angeles, California. The meeting was called to order by Hon. Greg Pettis, Chair, Cathedral City, District 2, at 9:00 a.m. There was a quorum.

Members Present

Hon. Greg Pettis, Cathedral City, President	District 2
Hon. Lisa Bartlett, Dana Point	TCA
Hon. Glen Becerra, Simi Valley, Imm. Past President	District 46
Hon. Bob Botts, Banning	RCTC
Hon. Bill Jahn, Big Bear Lake	District 11
Hon. James Johnson, Long Beach	District 30
Hon. Tom LaBonge, Los Angeles	District 51
Hon. Andrew Masiel, Sr.	Pechanga Band of Luiseno Indians
Hon. Michele Martinez, Santa Ana	District 16
Hon. Carl Morehouse, 1 st Vice President	District 47
Hon. Pam O'Connor, Santa Monica	District 41
Hon. Gary Ovitt	San Bernardino County
Hon. Cheryl Viegas-Walker, El Centro, 2 nd Vice-President	District 1
Hon. Alan Wapner, Ontario	SANBAG

Members Not Present

Hon. Margaret Finlay, Duarte	District 35
Mr. Randall Lewis, Ex-Officio	Lewis Group of Companies
Hon. Keith Millhouse, Moorpark	VCTC
Hon. Kris Murray, Anaheim	District 19

CALL TO ORDER & PLEDGE OF ALLEGIANCE

Hon. Greg Pettis, Chair, called the meeting to order at 9:00 a.m.

PUBLIC COMMENT PERIOD

There were no public comments.

REVIEW AND PRIORITIZE AGENDA ITEMS

There was no reprioritization of the agenda.

EXECUTIVE DIRECTOR'S REPORT

Mr. Hasan Ikhata, Executive Director, provided an overview of his testimony given before the U.S. House Transportation and Infrastructure (T&I) Committee Panel on 21st Century Freight Transportation. He noted the goods movement and funding issues facing Southern California and commented on Southern California's importance to the national economy as America's leading port gateway. Full details were provided in the June 2013 Federal and State Legislative Update report distributed at the EAC meeting. Mr. Ikhata's testimony, along with other witness testimony, is available at <http://transportation.house.gov/hearing/how-southern-california-freight-transportation-challenges-impact-nation>.

Mr. Ikhata commented on the issues associated with implementing the new Buy America requirements under MAP-21. SCAG staff is leading the effort in organizing a discussion with Caltrans, partner agencies and other business partners to help resolve this important issue. Staff will provide an update to the Regional Council on further developments.

Mr. Ikhata announced that staff has begun the process of reviewing and evaluating the Regional Council Districts in accordance with SCAG Bylaws. In August, a District Evaluations Subcommittee will be appointed to oversee the process and provide recommendations to the Regional Council.

PRESIDENT'S REPORT

Hon. Greg Pettis, Chair, welcomed the new EAC members and invited all members to attend a President's luncheon to be held on June 17, 2013 at the Desert Willow Golf Resort in Palm Desert, CA. He asked the EAC members to contact staff to RSVP .

Hon. Cheryl Viegas-Walker, 2nd Vice-Chair, commented on the success of SCAG's 2013 General Assembly. She noted that the GA Host Committee plan to meet to discuss the surveys received from the sponsors. Mr. Ikhata thanked Hon. Viegas-Walker and the GA Host Committee for their valuable efforts toward the successful conference.

Hon. Greg Pettis also noted several meetings throughout the Inland Empire region. Invitations have been sent to a variety of local officials.

Hon. Greg Pettis announced the new membership team for the upcoming Regional Housing Needs Assessment (RHNA) Subcommittee session. The first meeting is scheduled to begin in August, 2013.

ACTION ITEMS

1. Changes to Executive Director Employment Agreement

Joseph Silvey, General Counsel, requested the EAC to approve the Fiscal Year 2013-14 Work Plan for the Executive Director and for the EAC to recommend to the Regional Council (RC) that legal counsel prepare an Amended and Restated Employment Agreement for the Executive Director. Full details were outlined in the staff report and are included in the agenda packet.

A motion was made (LaBonge) for the EAC to recommend to the RC that legal counsel prepare an Amended and Restated Employment for the Executive Director and approve the Fiscal Year 2013-14 Work Plan for the Executive Director. Motion was seconded (Morehouse) and UNANIMOUSLY APPROVED.

CONSENT CALENDAR

Approval Items

2. Minutes of the April 4, 2013 Meeting
3. Minutes of the May 1, 2013 Meeting
4. Contracts \$200,000 or Greater: Contract No. 13-037-C1, Information Technology Technical Project Resources
5. Contracts \$200,000 or Greater: Contract No. 13-039-C1 and 13-039-C2, Base Year Model Development and Validation in support of the 2016 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS)

Receive & File

6. Purchase Orders \$5,000 but less than \$200,000; Contracts \$25,000 but less than \$200,000; and Amendments \$5,000 but less than \$75,000

A motion was made (Jahn) to approve the Consent Calendar, including the receive and file item and to modify the EAC minutes of May 1, 2013 to add details of Government Code Section 54957.6 as referenced in the Closed Session of the minutes. Motion was seconded (Bartlett) and UNANIMOUSLY APPROVED.

INFORMATION ITEMS

7. **AB 574 (Lowenthal): California Global Warming Solutions Act of 2006: Greenhouse Gas Reduction Fund: sustainable communities strategies**

Hasan Ikhata, Executive Director, reported on the current status of AB 574 and its potential impact on the cap-and-trade revenue allocations, should it not pass. As noted in the agenda packet, AB 574 was held in Appropriations Committee Suspense File on May 24, 2013. Staff will continue to apprise the EAC of key developments.

8. **June 2013 State and Federal Legislative Update**

Sharon Neely, Chief Deputy Executive Director, referred to the June 2013 Federal and State Legislative Update report, which contained a summary of key bills and a legislative matrix. She also commented on the status of the “May Revise” Governor’s Budget. Regarding AB 574, it was noted that the budget conference committee will reconvene to discuss and resolve the different allocation structures. Staff will transmit an update to the EAC when a recommendation is made.

CFO MONTHLY FINANCIAL REPORT

Basil Panas, CFO, provided highlights of the CFO Monthly Financial Report.

FUTURE AGENDA ITEM

Councilman LaBonge asked to include a future agenda item regarding regional water issues.

ANNOUNCEMENTS

Chair Pettis announced that Hon. Keith Millhouse was recovering from a major injury and is in the hospital. The SCAG family extended their best wishes for a speedy recovery.

He also announced that the Regional Council will be dark in July, resuming on Thursday, August 1, 2013.

ADJOURNMENT

The meeting adjourned at 9:40 a.m. The next regular meeting of the Executive/Administration Committee will be held on Thursday, August 1, 2013 at the SCAG Los Angeles office.

Approved by:

Lillian Harris-Neal
Clerk of the Board

EXECUTIVE/ADMINISTRATION COMMITTEE ATTENDANCE REPORT

Member (including Ex-Officio) LastName, FirstName	Representing	X = County Represented						JUNE	JULY	AUG	SEPT.	OCT.	NOV.
		IC	LA	OC	RC	SB	VC						
Pettis, Gregory, Chair	Cathedral City				X			X					
Bartlett, Lisa	Dana Point			X				X					
Becerra, Glen, Imm. Past President	Simi Valley						X	X					
Botts, Bob	Banning, RCTC				X			X					
Finlay, Margaret	Duarte		X										
Jahn, Bill	Big Bear Lake					X		X					
Johnson, James	Long Beach		X					X					
LaBonge, Tom	Los Angeles		X					X					
Lewis, Randall, Ex Officio	Lewis Op. Corp.					X							
Masiel, Andrew, Sr.	Pechanga Band of Luiseno Indians				X			X					
Martinez, Michele	Santa Ana			X				X					
Millhouse, Keith	VCTC						X						
Morehouse, Carl, 1st VP	San Buenaventura						X	X					
Murray, Kris	Anaheim			X									
O'Connor, Pam	Santa Monica		X					X					
Ovitt, Gary	San Bernardino County					X		X					
Walker-Viegas, Cheryl, 2nd VP	El Centro	X						X					
Wapner, Alan	Ontario					X		X					
	Totals	1	4	3	3	4	3						

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REPORT

DATE: August 1, 2013

TO: Executive/Administration Committee (EAC)
Regional Council (RC)

FROM: Darin Chidsey; Acting Director, Strategy, Policy & Public Affairs; (213) 236-1836;
chidsey@scag.ca.gov

SUBJECT: SCAG Sponsorships *Horacio Hernandez*

RECOMMENDED ACTION:

Approve.

EXECUTIVE SUMMARY:

The Legislative/Communications & Membership Committee at its meeting on July 16, 2103 recommended approval up to \$15,000 in sponsorships for: 1) UCLA Lewis Center and Institution of Transportation Studies Transportation Land-Use Environment Connection Symposium, October 20-22, 2013, \$10,000; and 2) 2013 Coro Southern California Executive Fellows Program, \$5,000.

STRATEGIC PLAN:

This item supports SCAG’s Strategic Plan: Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; and Goal 2: Obtain Regional Transportation infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities.

BACKGROUND:

1. UCLA Lewis Center and Institute of Transportation Studies Transportation Land-Use Environment Connection Symposium (October 20-22, 2013) \$10,000

Each year, the UCLA Lewis Center and Institute of Transportation Studies Program holds a symposium dealing with regional and public policy issues. This year’s symposium will take place on October 20-22, 2013 at the UCLA Lake Arrowhead Conference Center and will include panels and other forums for dialogue among public officials, private industry leaders, and audience members to explore the implications of recent and foreseeable future technological innovations for transportation, land use, and environmental policy and planning.

SCAG has been a sustaining co-sponsor of this program, which enables SCAG to maintain membership on the 2013-2014 Arrowhead Steering Committee and directly help plan and evaluate the event, including suggesting topics and speakers and nominating experts to attend the symposium consistent with SCAG goals. The sponsorship also provides the following:

- One (1) complimentary registration;
- Three (3) registrations at 50% off;
- 12 nominations for conference attendance;
- Exclusive display of promotional materials during afternoon reception or dinner;
- Highlighted recognition on main conference website with logo on landing page;
- Highlighted recognition as Platinum sponsor from the podium as meal or reception sponsor;

- Shared display of promotional materials at the registration table;
- Share recognition in conference materials;
- Opportunity to network with speakers, faculty, and prominent public officials.

SCAG staff is recommending again a Platinum Level sponsorship in the amount of \$10,000. SCAG Board members and Executive staff will attend the meeting.

2. **2013 Coro Southern California's Executive Fellows Program (\$5,000)**

A \$5,000 sponsorship of the 2013 Coro Southern California's Executive Fellows Program includes one (1) participant in a part-time leadership program from September 2013 through June 2014. SCAG President Greg Pettis and Regional Councilmember Margaret Finlay recently participated in this program. The program activities during the year include the following:

- A presentation on state or city budget issues by key policy leaders
- Interpersonal leadership skill development
- An exploration of water challenges in Southern California via site visits
- A panel discussion on public employee pension reform
- Interviews with policy advocates and legislators
- Joint exercises with Coro's Public Affairs Fellows (full-time, post-graduate students)
- A one-day study of a community (corporate, neighborhood, or institutional)

FISCAL IMPACT:

Up to \$15,000. These funds are included in the approved FY 13-14 budget.

ATTACHMENT:

None.

REPORT

DATE: August 1, 2013

TO: Executive/Administration Committee (EAC)
Regional Council (RC)

FROM: Basil Panas, Chief Financial Officer, (213) 236-1817, panas@scag.ca.gov

SUBJECT: Purchase Orders \$5,000 but less than \$200,000; Contracts \$25,000 but less than \$200,000; Amendments \$5,000 but less than \$75,000; and Contracts funded from the General Fund.

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:
For Information Only - No Action Required.

STRATEGIC PLAN:
This item supports SCAG'S Strategic Plan Goal 3: Enhance the Agency's Long Term Financial Stability and Fiscal Management.

BACKGROUND:

SCAG executed the following Contracts between \$25,000 and \$200,000

<u>Consultant/Contract #</u>	<u>Contract's Purpose</u>	<u>Contract Amount</u>
1. Multiregional Policy Analysis, LLC (13-029A-C1)	The consultant shall provide advanced research on the relationship between transit ridership and socio-economic/land use around transit stations.	\$43,645
2. Multiregional Policy Analysis, LLC (13-031-C4)	The consultant shall analyze population aging and its impact on the workforce, economy, transportation, air quality, as well as public transportation finance. SCAG will use this analysis to assist urban and regional planning agencies with enhancing their planning and modeling capability in dealing with population aging and related issues.	\$37,195
3. Lynn Jacobs (13-041-SG1)	The consultant shall provide housing and redevelopment analysis including reviewing the revised Draft Cap-and-Trade Auction Proceeds Investment Plan, and recommending actions SCAG could consider taking to maximize these scarce resource funds that are distributed to the SCAG region and its members.	\$20,000

This item is funded out of the General Fund and SCAG's procurement manual requires that it be reported as an information item to the Regional Council even though it is less than the normal \$25,000 reporting threshold.

REPORT

SCAG executed the following Purchase Orders (PO's) between \$5,000 and \$200,000

<u>Vendor</u>	<u>PO Purpose</u>	<u>PO Amount</u>
CDW Government, Inc.	Meraki Software & HP Laptops	\$48,175
Digital Map Products	Parcel Boundary Data for 6 SCAG Counties	\$43,000
Cision US Inc.	Media Monitoring Services	\$42,378
AgreeYa Solutions, Inc.	Web Content Editing	\$34,000
Regional Economic Models, Inc.	PI+ & TranSight Software Maintenance	\$33,875
ESRI	ArcGIS Software Maintenance & Support	\$31,992
RadGov, Inc.	Information Technology Consulting Services	\$25,000
PC Law Group	Legal Services	\$24,950
Microsoft Corporation	Dynamics GP Software Support	\$24,676
Diltex, Inc.	Printers	\$22,894
Walls & Associates	Nation Establishment Time Series (NETS) Data (for Modeling Analysis)	\$18,750
California Economic Forecast	Data Update & Calibration	\$18,500
CDW Government, Inc.	Adobe Connect Meeting Host Software	\$18,406
DI Technology Group Inc.	Fujiitsu Document Scanners	\$13,544
CompuCom Systems, Inc.	SharePoint Software & Maintenance	\$13,126
CDW Government, Inc.	VEEAM & VMware Software Maint. & Support	\$11,258
Allied Digital Services, LLC	XenApp Readiness Software	\$10,600
UCLA School of Public Affairs/Lewis	Sponsorship- Arrowhead Symposium 2012	\$10,000
CDW Government, Inc.	Overland NEO & REO Software Maintenance	\$8,780
Citilabs, Inc.	Cube Base/Voyager/Land Software Maintenance	\$8,190
Minnesota IMPLAN Group, Inc.	Economic Data	\$7,345
GreenInfo Network	Open Space Data	\$6,500

SCAG executed the Amendment between \$5,000 and \$74,999

<u>Consultant/Contract #</u>	<u>Amendment's Purpose</u>	<u>Amendment Amount</u>
LSA Associates, Inc. (13-009-C1)	Provide additional traffic counts and enhance study methodology to provide more detailed analysis.	\$24,362

FISCAL IMPACT:

Funding is available in the FY 2012-13 and 2013-14 budgets.

ATTACHMENT:

Contract and Amendment Summaries

CONSULTANT CONTRACT 13-029A-C1

Recommended Consultant:	Multiregional Policy Analysis, LLC				
Background & Scope of Work:	<p>SCAG develops and enhances diverse demographic, economic projection, and allocation models to properly and readily support the region's various plans, programs, and major projects. The objective of this project is to obtain advanced research and programming support. Through this project, SCAG intends to enhance its analytical and modeling capability as well as its forecasting accuracy.</p> <p>The consultant shall provide advanced research on the relationship between transit ridership and socio-economic/land use around transit stations. They will review literature on the built environment (specifically land use) and travel mode choice. Additionally, the consultant shall conduct an analysis of changes in transit ridership, and discuss the planning and policy implications of those changes.</p>				
Project's Benefits & Key Deliverables:	<p>The project's benefits and key deliverables include, but are not limited to:</p> <ul style="list-style-type: none">• Enhancing SCAG's current Large Area Secondary Variables Allocation Model (LASVAM);• Empirical research on the residential location pattern of the elderly population; and• Analysis of transit-oriented communities along their residents' socioeconomic characteristics and transit ridership.				
Strategic Plan:	<p>This item supports SCAG's Strategic Plan Goal 4: Develop, Maintain and Promote state the Utilization of State of the Art Models, Information Systems and Communication technologies; Objective a: Develop and maintain planning models that support regional planning.</p>				
Contract Amount:	<table border="0" style="width: 100%;"><tr><td style="width: 60%;">Total not-to-exceed</td><td style="text-align: right;">\$43,645</td></tr><tr><td>Multiregional Policy Analysis (prime consultant)</td><td style="text-align: right;">\$43,645</td></tr></table> <p>Note: Multiregional Policy Analysis originally proposed \$50,750, but staff negotiated the price down to \$43,645 without reducing the scope of work.</p>	Total not-to-exceed	\$43,645	Multiregional Policy Analysis (prime consultant)	\$43,645
Total not-to-exceed	\$43,645				
Multiregional Policy Analysis (prime consultant)	\$43,645				
Contract Period:	June 7, 2013 through June 30, 2013				
Project Number:	13-055.SCG0133.05 \$43,645 Funding sources: Consolidated Planning Grant – FTA and TDA				
Request-for-Proposal (RFP):	<p>SCAG staff notified 1,921 firms of the release of RFP 13-029A-C1. Staff also advertised the RFP in the American Planning Association's website and the Urban Transportation Monitor, and posted it on SCAG's bid management system. A total of 62 firms downloaded the RFP. SCAG received the following two (2) proposals in response to the solicitation:</p> <table border="0" style="width: 100%;"><tr><td style="width: 60%;">Multiregional Policy Analysis (no subconsultants)</td><td style="text-align: right;">\$50,750</td></tr><tr><td>DB Consulting (no subconsultants)</td><td style="text-align: right;">\$30,450</td></tr></table>	Multiregional Policy Analysis (no subconsultants)	\$50,750	DB Consulting (no subconsultants)	\$30,450
Multiregional Policy Analysis (no subconsultants)	\$50,750				
DB Consulting (no subconsultants)	\$30,450				

Selection Process: The Proposal Review Committee (PRC) evaluated each proposal in accordance with the criteria set forth in the RFP and conducted the selection process in a manner consistent with all applicable federal and state contracting regulations. After evaluating the proposals, the PRC did not conduct interviews because the proposals contained sufficient information to base a contract award.

The PRC consisted of the following individuals:

Simon Choi, Chief of Research and Forecasting, SCAG

Hsi Hwa Hu, Transportation Modeler, SCAG

Ying Zhou, Regional Planning Specialist, SCAG

Basis for Selection: The PRC recommended Multiregional Policy Analysis for the contract award because the consultant:

- Quoted the lowest most realistic price to perform the full scope of work. Although the price proposed was not the lowest, it was in the range of what the PRC determined it would take to meet the required deliverables, and the selected consultant provided the best overall value to SCAG. The lower priced firm did not demonstrate the familiarity and breadth of experience as did the selected consultant. Specifically, in the advanced analysis and model development of Task 3, and developing and using a recommended LASVAM, which is designed to produce a set of secondary variables at the county level, and is used as a control for developing the small area secondary variables;
- Demonstrated the best understanding to perform advanced research (Tasks 4 and 5) on residential locations, older populations and on the relationship between transit ridership and socio-economic/land use around transit stations; and
- Was able to respond with specific sets of actions that they would take to complete the deliverables detailed in the scope of work. Specifically, they recommended a detailed technical and analytical approach for Tasks 3, 4, and 5 while the other proposer provided a basic and unclear description in their technical approaches.

CONSULTANT CONTRACT 13-031-C4

Recommended Consultant:	Multiregional Policy Analysis, LLC								
Background & Scope of Work:	<p>SCAG develops and enhances diverse demographic, economic projection and allocation models to properly and readily support the region's various plans, programs, and major projects. The objective of this project is to develop research briefs on population aging. SCAG also intends to use this research to assist urban and regional planning agencies with enhancing their planning and modeling capability in dealing with population aging and related issues. The scope of work requested consultants to propose on up to six (6) tasks.</p> <p>The consultant shall provide reviews on literature for population aging, aging workforce/economy, transportation/air quality, and public/transportation finance. The consultant shall also summarize the literature on aging, land use, travel behavior, and the transport sector Green House Gas Emissions (GHG) in a way that will be accessible to a policy-oriented audience and useful in the context of California's policy framework.</p>								
Project's Benefits & Key Deliverables:	<p>The project's benefits and key deliverables include, but are not limited to:</p> <ul style="list-style-type: none">• Researching briefs on the selected topic areas (e.g., housing, transportation, air quality, public finance, and land use) in the context of population aging and regional impacts;• Identification of data sources for future studies and planning discussion;• Summary of the past research on the proposed topic areas; and• Enhancement of planning and modeling capabilities to deal with population aging and related issues.								
Strategic Plan:	This item supports SCAG's Strategic Plan Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and Facilitate a Collaborative and Cooperative Environment to Produce Forward Thinking Regional Plans.								
Contract Amount:	<table border="0" style="width: 100%;"><tr><td style="width: 50%;">Total not-to-exceed</td><td style="text-align: right;">\$37,195</td></tr><tr><td>Multiregional Policy Analysis, LLC (prime consultant) Tasks 3.3 - 3.6</td><td></td></tr><tr><td>Maroon Society's (prime consultant) Task 3.2 only</td><td style="text-align: right;">\$5,040</td></tr><tr><td colspan="2">Note: staff elected not to award Task 3.1 because it was no longer required.</td></tr></table> <p>Also note: Multiregional Policy Analysis, LLC originally proposed \$52,000 for all Tasks, but staff negotiated the price down to \$37,195 without reducing the scope of work for Tasks 3.3 - 3.6.</p>	Total not-to-exceed	\$37,195	Multiregional Policy Analysis, LLC (prime consultant) Tasks 3.3 - 3.6		Maroon Society's (prime consultant) Task 3.2 only	\$5,040	Note: staff elected not to award Task 3.1 because it was no longer required.	
Total not-to-exceed	\$37,195								
Multiregional Policy Analysis, LLC (prime consultant) Tasks 3.3 - 3.6									
Maroon Society's (prime consultant) Task 3.2 only	\$5,040								
Note: staff elected not to award Task 3.1 because it was no longer required.									
Contract Period:	June 4, 2013 through June 30, 2013								
Project Number:	13-055.SCG0133.05 \$37,195 Funding sources: Consolidated Planning Grant – FTA and TDA								

Request-for-Proposal (RFP): SCAG staff notified 806 firms of the release of RFP 13-031. Staff also advertised the RFP in the American Planning Association’s website and the Urban Transportation Monitor, and posted it on SCAG’s bid management system. A total of 51 firms downloaded the RFP. SCAG received the following four (4) proposals in response to the solicitation:

Multiregional Policy Analysis, LLC (no subconsultants)	\$52,000
Maroon Society (no subconsultants)	\$29,952
Marlon G. Boarnet (no subconsultants)	\$9,000
DB Consulting (no subconsultants)	\$31,200

Selection Process: The Proposal Review Committee (PRC) evaluated each proposal in accordance with the criteria set forth in the RFP, and conducted the selection process in a manner consistent with all applicable federal and state contracting regulations. After evaluating the proposals, the PRC did not conduct interviews because the proposals contained sufficient information to base a contract award.

The PRC consisted of the following individuals:
Simon Choi, Chief of Research and Forecasting, SCAG
Hsi Hwa Hu, Transportation Modeler, SCAG
Ying Zhou, Regional Planning Specialist, SCAG

Basis for Selection: The PRC recommended Multiregional Policy Analysis for the contract award because the consultant:

- Demonstrated the best understanding of the project through past research experience, and the ability to integrate knowledge and familiarity into developing the research briefs on the proposed topic areas;
- Demonstrated the most extensive experience with projects of similar size and scope. For example, they were the prime consultant on a contract, Measuring Environmental Impact of Greenhouse Gas Emission for California for the National Center for Metropolitan Transportation Research (METTRANS); and
- Assembled a team composed of scholarly qualified professionals to conduct the literature review on aging and regional impacts. The team members are reputable and nationally recognized in the research field.

The PRC determined that SCAG could capitalize on the extensive experience and qualifications of the four (4) firms that submitted proposals and obtain a better work product by splitting the contract award between the four (4) firms. However, two (2) of the firms were unable to meet SCAG’s required insurance provisions. Therefore, the PRC determined to split the contract award between Multiregional Policy Analysis and Maroon Society as it was in SCAG’s best interest. The PRC also determined that Multiregional Policy Analysis’ experience and qualifications were best suited for Task 3-6, Housing/Living Choices, Transportation/Air Quality, Public/ Transportation Finance, and Land Use and Climate Change while Maroon Society’s experience and qualifications were best suited for RFP Task 2, Public Health/Health Care (Maroon Society’s separate contract is \$5,040 which is below the \$25,000 threshold).

CONSULTANT CONTRACT 13-041-SG1

**Recommended
Consultant:**

Lynn L. Jacobs

**Background &
Scope of Work:**

Over the past four (4) years, SCAG’s Regional Council unanimously adopted, the most collaborative, bottom-up regional planning process in the region's history to develop a California Air Resources Board (ARB) approved 2012-2035 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS) to best accommodate Southern California’s residents. Since the accomplishment of the 2012-2035 RTP/SCS will be truly meaningful only if the RTP/SCS is fully implemented, SCAG has moved forward a number of programs and initiatives to facilitate implementation of the RTP/SCS with partner agencies and stakeholders.

As part of these efforts, SCAG has participated in the development of state and regional programs related to funding and implementing projects that meet the goals and policies set forth in the RTP/SCS. These include reviewing and commenting on California’s Draft Cap-and-Trade Auction Proceeds Investment Plan, assessing project-level transit-oriented development to further refine best practices to maximize use by member agencies and stakeholders, and seeking innovative and sustainable ways to move forward with redevelopment projects as a result of dissolution of the state’s Redevelopment Agencies (RDAs). Each of these efforts further supports the interests of SCAG members and stakeholders but would further benefit from specific outside expertise.

SCAG's Executive Management will consult with Lynn L. Jacobs to perform the required housing and redevelopment analysis based on her extensive experience as the former Director of the California Department of Housing and Community Development (HCD).

**Project’s Benefits
& Key Deliverables:**

The project’s benefits and key deliverables include, but are not limited to reports assessing:

- The Draft Cap and Trade Auction Proceeds Investment Plan, and what actions SCAG could consider taking to maximize funds being distributed to the SCAG region and its members;
- SCAG’s project-level Transit-Oriented Development (TOD) analyses;
- SCS implementation strategies in relationship to affordable housing, and recommendations on potential funding opportunities for affordable housing focused projects; and
- Actions that local member agencies may consider to move forward with redevelopment projects, including asset management, as a result of the dissolution of RDAs in California.

Strategic Plan:

This item supports SCAG’s Strategic Plan Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and Facilitate a Collaborative and Cooperative Environment to Produce Forward Thinking Regional Plans.

Contract Amount:

Total not-to-exceed

\$20,000

Lynn L. Jacobs (no subconsultants)

Contract Period: June 5, 2013 through December 31, 2013

Project Number: 800-0160.01 \$20,000
Funding source: General Fund

Request for Proposal (RFP): Not Applicable

Selection Process: Not Applicable

Basis for Selection: SCAG's Executive Management will consult with Lynn L. Jacobs to perform the required work scope based on her extensive experience as the former Director of the HCD. While serving as HCD Director, Ms. Jacobs was responsible for administering the state's housing finance, rehabilitation, and community development programs; oversight of the state's housing policy, planning and code-setting processes, and regulating manufactured housing and mobile home parks.

The contract award is in accordance with the Regional Council Policy Manual, Article VIII, Section 1.2 (updated September 2009, pg. 26), and the SCAG Procurement Manual (sections 3.3. and 3.4) which authorizes the Executive Director or his designee (the Chief Financial Officer) to approve a consultant contract without competition, if the contract is less than \$200,000 and funded out of the General Fund. Additionally, because this contract is paid out of the General Fund, SCAG's Procurement Manual requires staff to report it as an information item to the Regional Council even though it is under the normal \$25,000 reporting threshold.

CONTRACT 13-009-C1 AMENDMENT 1

Consultant: LSA Associates, Inc.

Background & Scope of Work: On November 29, 2012, SCAG awarded Contract No. 13-009-C1 to LSA Associates, Inc. to create a Year 2012 traffic count database needed to develop SCAG’s Regional Travel Demand Model. SCAG will utilize the count database to compare against traffic volumes currently forecasted under the 2012 Travel Demand Model to demonstrate the accuracy of the Model’s forecasts.

The purpose of this Amendment is to make the following project changes:

- To provide video-based counts within the study area.
- Increase the total contract amount by \$24,362, (from to \$175,588 to \$199,652) due to: 1) Conduction of 59 additional traffic counts to support the development of a warehouse component to the Heavy-Duty Truck Model and, 2) Modification of freeway truck counts from using the radar methodology to a video methodology. Video methodology is more accurate in heavier-congested traffic conditions.

Project’s Benefits & Key Deliverables: The project’s benefits and key deliverables include, but are not limited to:

- The Consultant will gather current traffic counts at SCAG’s screenline locations and on freeways/highways coming into the SCAG Region;
- The traffic counts are needed for the Year 2012 Model Validation and to support the development of a new warehouse component of the Heavy-Duty Truck Model; and
- The traffic counts will also be shared with member agencies to support their modeling and planning programs.

Strategic Plan: This item supports Goal 4 of the Agency’s Strategic Plan – “Develop, Maintain and Promote the Utilization of State of the Art Models, Information Systems and Communication Technologies”, Objective 2 – “Develop, maintain and enhance data and information to support planning and decision making in a timely and effective manner.”

Amendment	Amendment 1	\$24,362
Amount:	Original contract value	<u>\$175,290</u>
	Total contract value is not-to-exceed	\$199,652

This amendment does not exceed \$75,000 or 30% of the contract’s original value. Therefore, in accordance with the SCAG Procurement Manual Section 1.4.5, version 10, it does not require the Regional Council’s approval.

Contract Period: November 15, 2012 through December 30, 2013

Project Number: 14-070.SCGC00130.11 \$200,000
Funding sources: Consolidated Planning Grant – FHWA and FTA

**Basis for the
Amendment:**

LSA is currently conducting the Screenline Count Project under contract with SCAG and is expected to complete most of the traffic counts by May 30, 2013.

Staff requires this Amendment to enable the Consultant to gather additional freeway truck counts within the study area. The additional arterial counts will support the development of a new warehouse component to the Heavy-Duty Truck Model. LSA experienced unanticipated technical and permitting difficulties performing the radar-based methodology to gather truck counts on congested urban freeways covered under the study area. The additional cost relates to transitioning from a radar-base methodology to an accurate but costlier video count collection methodology.

REPORT

DATE: August 1, 2013

TO: Executive/Administration Committee (EAC)
Regional Council (RC)

FROM: Basil Panas, Chief Financial Officer, (213) 236-1817, panas@scag.ca.gov

SUBJECT: CFO Monthly Report

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:
For Information Only-No Action Required.

STRATEGIC PLAN:
This item supports SCAG's Strategic Plan Goal, 3: Enhance the Agency's Long Term Financial Stability and Fiscal Management.

ACCOUNTING
In June 2013, the Contracts and Accounting staff tested a new encumbrance system from Paramount Technologies to streamline the process of encumbering funds at the time that purchase requisitions are prepared. The system went live at the beginning of the new fiscal year.

RISK MANAGEMENT
SCAG staff attended the June Executive Committee meeting at CalJPIA (JPIA) and was pleased to report that the JPIA is renewing its liability coverage at a rate 20% below current levels due to improved loss experience. Workers' compensation is being renewed with a 3.6% increase due to adverse loss experience.

At the JPIA's Annual Board of Directors meeting in July, SCAG was presented with an award. SCAG won the 2013 Risk Management Award for Workers' Compensation. The JPIA made the award for SCAG's excellent claims record and its progress in completing its Loss Control Action Plan.

MEMBERSHIP
Thirty-five (35) cities have paid their FY 14 Membership Dues. This totals to \$240,145.00 in dues or 13% of the total Membership Assessment.

BUDGET & GRANTS (B&G):
On June 28, 2013, FTA/FHWA informed SCAG of the approval of SCAG's FY 2013-14 Overall Work Program (OWP).

B&G staff, in collaboration with the Planning Departments, prepared the FY 2012-13 4th Quarter Progress report and submitted it to Caltrans by the July 30, 2013 deadline. In addition, B&G has begun to gather all year-end, FY 2012-13 products for submittal to Caltrans.

On an ongoing basis, opportunities for grant funds are reviewed and analyzed, and technical assistance is provided to program staff on various discretionary grant projects and 3rd party legal agreements.

REPORT

CONTRACTS:

In June 2013, the Contracts Department issued five (5) Request for Proposal (RFP); awarded nine (9) contracts; issued fourteen (14) contract amendments; and issued 63 Purchase Orders to support ongoing business and enterprise operations. Staff also administered 64 consultant contracts. Staff initiated yearly close out of consultant contracts that ended June 30, 2013.

Contracts staff continued to negotiate better pricing and reduced costs for services. During the month of June 2013, over \$71,564 in budget savings was realized, thus bringing the current fiscal year cumulative budget savings total to approximately \$452,252.

ATTACHMENT:

July 2013 CFO Monthly Status Report



SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

Office of the Chief Financial Officer

Monthly Status Report

JUNE 2013



**SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS**

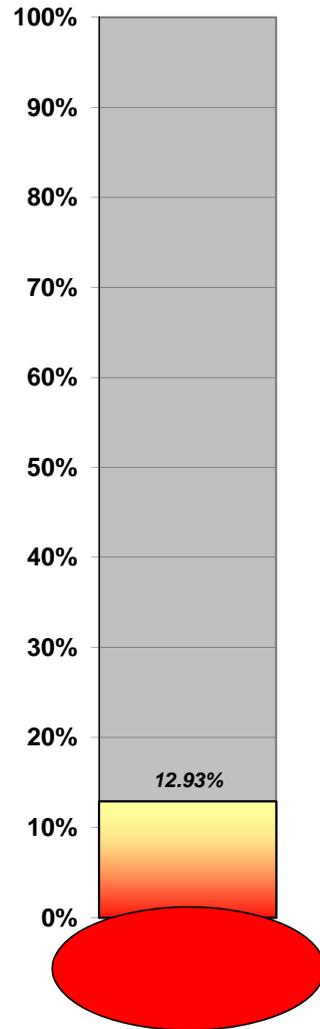
OVERVIEW

As of July 8, 2013, 35 cities have renewed their membership, leaving 146 yet to renew. There are four (4) cities in the SCAG region who are still being recruited for membership.

SUMMARY

FY14 Membership Dues	<u><u>\$1,857,847.00</u></u>
Total Collected	<u><u>\$240,145.00</u></u>
Percentage Collected	<u><u>12.93%</u></u>

**FY14 Membership
Dues Collected**

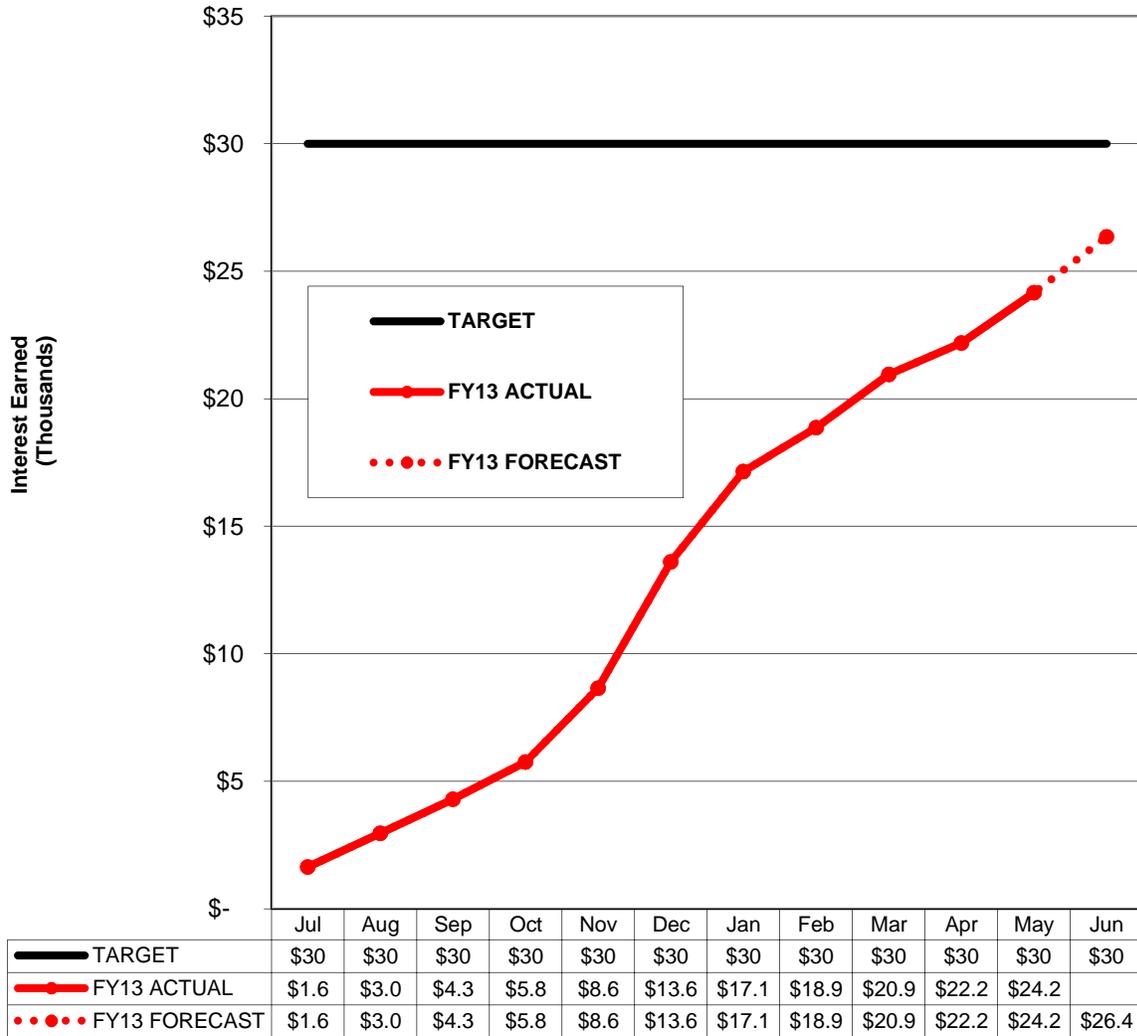


Office of the CFO
Interest Earnings Variance



**SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS**

INTEREST EARNINGS VARIANCE



OVERVIEW

Actual interest income is plotted against the target amount. The amount earned through May was \$24,156. The LA County Pool earned 0.61% in May.

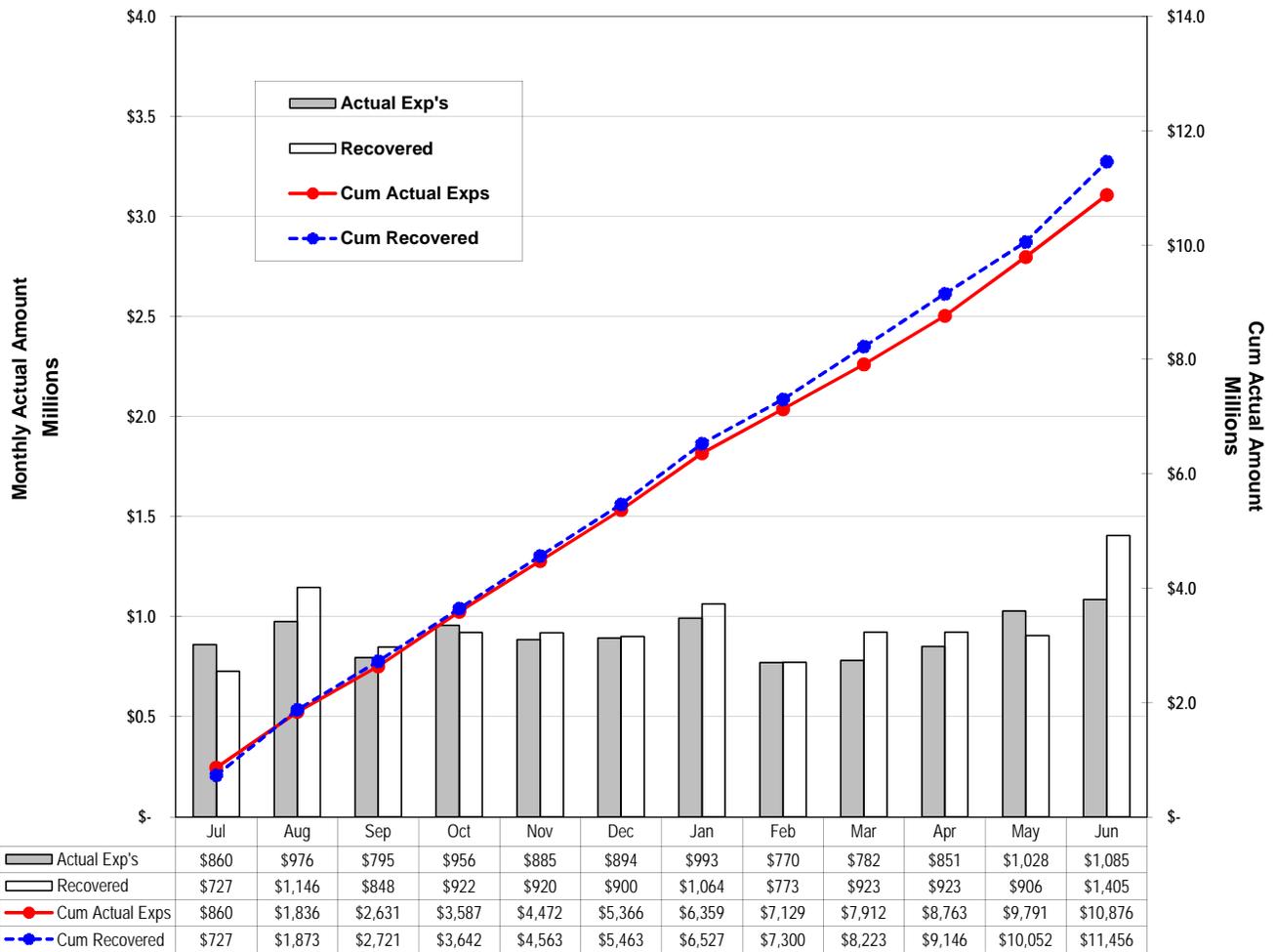
SUMMARY

The amount projected for FY13 is \$26,352 which is \$3,648 less than the revised target.



**SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS**

FY13 INDIRECT COST & RECOVERY

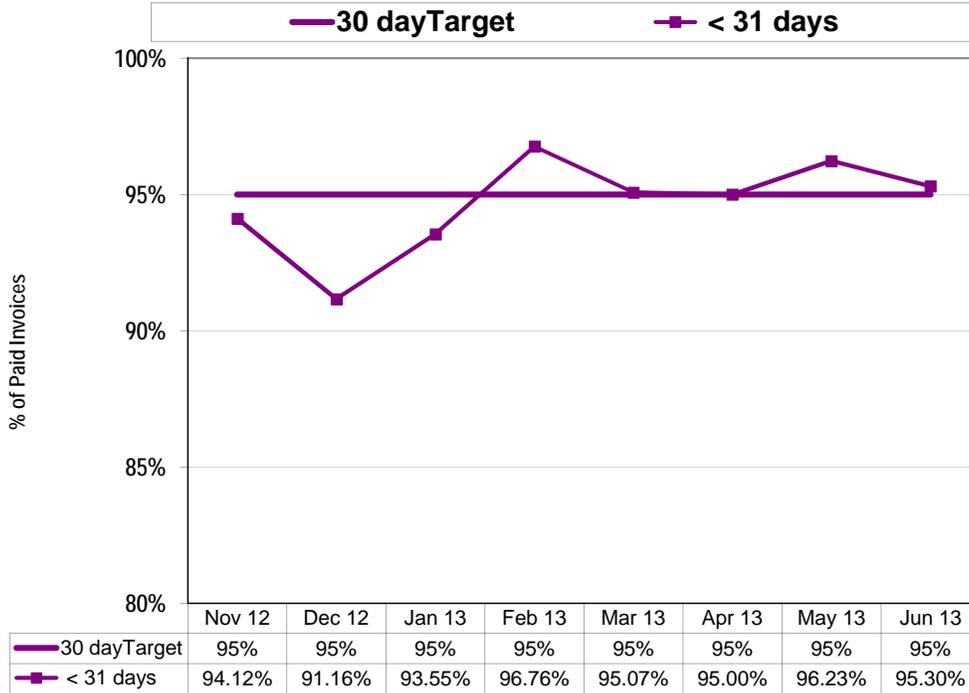


Office of the CFO
Invoice Aging



SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

INVOICE AGING



OVERVIEW

The percent of total invoices paid within 30 days. The target is to pay 95% of all invoices within 30 days. This goal was met.

SUMMARY

95.30% of June 2013's payments were made within 30 days of invoice receipt.

At month-end, 28 invoices remained unpaid less than 30 days.

Actual

OVERVIEW

The percent of total invoices paid within 60 and 90 days. The target is to pay 98% of invoices within 60 days and 100% within 90 days.

SUMMARY

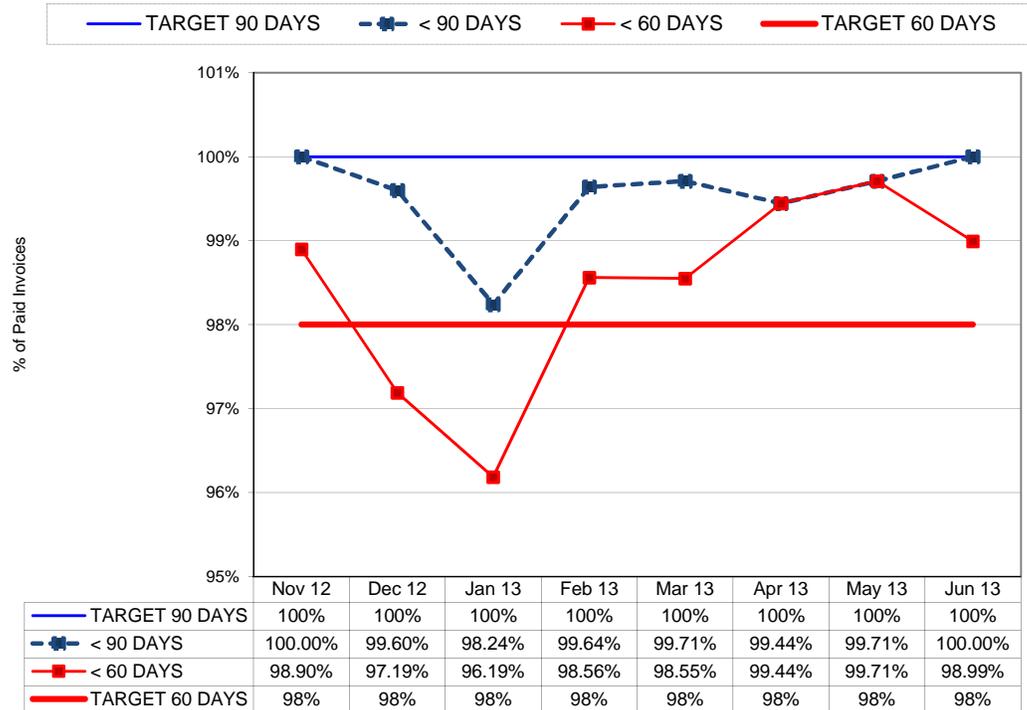
These goals were met during this period.

98.99% of June 2013's payments were within 60 days of invoice receipt and 100.00% within 90 days. Invoices unpaid 30-60 days totaled 21; 60-90 days: 6; >90 days: 1.



SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

INVOICE AGING



Office of the CFO
Consolidated Balance Sheet

	5/31/2013	6/30/2013	Incr (decr) to equity	COMMENTS
Cash at Bank of the West	\$ 2,843,052	\$ 2,510,472		
LA County Investment Pool	\$ 3,336,979	\$ 3,426,754		
Cash & Investments	\$ 6,180,031	\$ 5,937,226	\$ (242,805)	There is a lag between SCAG's billings and their collection.
Accounts Receivable	\$ 4,802,489	\$ 6,306,879	\$ 1,504,390	Reflects year-end increase in SCAG's billings.
Fixed Assets - Net Book Value	\$ 310,534	\$ 310,534	\$ -	No change.
Total Assets	\$ 11,293,054	\$ 12,554,639	\$ 1,261,585	
Accounts Payable	\$ (122,243)	\$ (533,991)	\$ (411,749)	Reflects year-end increase in invoices payable.
Employee-related Liabilities	\$ (466,683)	\$ (1,175,385)	\$ (708,702)	Year-end accrual of salaries.
Other Current Assets	\$ (107,050)	\$ (353,192)	\$ (246,143)	IC over-recovery increased by \$319K.
Deferred Revenue	\$ (473,370)	\$ (687,220)	\$ (213,850)	Shows receipt of \$214K of FY14 dues that came in before June 30, 2013.
Total Liabilities and Deferred Revenue	\$ (1,169,346)	\$ (2,749,789)	\$ (1,580,443)	
Fund Balance	\$ 10,123,708	\$ 9,804,850	\$ (318,858)	
WORKING CAPITAL				
	5/31/2013	6/30/2013	Incr (decr) to working capital	
Cash	\$ 6,180,031	\$ 5,937,226	\$ (242,805)	
Accounts Receivable	\$ 4,802,489	\$ 6,306,879	\$ 1,504,390	
Accounts Payable	\$ (122,243)	\$ (533,991)	\$ (411,749)	
Employee-related Liabilities	\$ (466,683)	\$ (1,175,385)	\$ (708,702)	
Working Capital	\$ 10,393,594	\$ 10,534,729	\$ 141,135	

Office of the CFO
Fiscal Year-To-Date Expenditure Report Through June 30, 2013



COMPREHENSIVE BUDGET

		Adopted Budget	Amended Budget	Expenditures	Commitments	Budget Balance	% Budget Spent
1	Staff & Allocated Fringe Benefits	412,794	459,981	259,317		200,664	56.4%
2	51001 Allocated Indirect Costs	405,201	438,256	253,197		185,059	57.8%
3	54300 SCAG Consultants	336,000	164,826	76,543	6,960	81,323	46.4%
4	54340 Legal costs	100,000	190,000	88,658	101,342	-	46.7%
5	54350 Professional Services	15,000	9,691	2,974	4,800	1,917	30.7%
6	55441 Payroll, bank fees	7,500	18,064	18,064		0	100.0%
7	55460 Materials & Equipment < \$5K	-	1,188	224		964	18.8%
8	55600 SCAG Memberships	93,000	127,825	127,825		0	100.0%
9	55620 Res/Materials Subscriptions	3,330	992	150	445	397	15.1%
10	55730 Capital Outlay	665,382	686,524	-		686,524	0.0%
11	55830 Conference - Registration	-	1,920	1,920		0	100.0%
12	55910 RC/Committee Meetings	8,237	15,237	13,647	0	1,590	89.6%
13	55914 RC General Assembly	330,000	378,378	378,379	0	0	100.0%
14	55916 Economic Summit		30,000	29,960		40	99.9%
15	55917 Labor Summit		3,593	3,593	0	0	100.0%
16	55920 Other Meeting Expense	51,400	63,918	63,435	483	0	99.2%
17	55930 Miscellaneous other	206,140	38,515	36,895	0	1,621	95.8%
18	55940 Stipend - RC Meetings	175,000	200,600	200,600	0	0	100.0%
19	55972 Rapid Pay Fees	975	975	-		975	0.0%
20	56100 Printing	6,000	9,000	8,612	0	388	95.7%
21	58100 Travel - outside SCAG region	25,000	32,098	32,098	0	0	100.0%
22	58101 Travel - local	17,100	27,820	27,820	0	0	100.0%
23	58110 Mileage - local	15,000	7,332	5,341	0	1,991	72.8%
24	58150 Staff Lodging Expense	3,400	8,710	7,258		1,452	83.3%
25	58800 RC Sponsorships	69,650	80,000	80,000	0	0	100.0%
26	Total General Fund	2,946,109	2,995,443	1,716,507	114,030	1,164,906	57.3%
27				-			
28	Staff & Fringe Benefits	12,566,821	12,589,261	11,473,996		1,115,265	91.1%
29	51001 Allocated Indirect Costs	12,335,615	12,357,642	11,203,210		1,154,432	90.7%
30	54300 SCAG Consultants	14,634,378	17,631,421	7,313,633	8,715,510	1,602,278	41.5%
31	54350 Professional Services	550,000	648,185	232,714	147,078	268,393	35.9%
32	55210 Software Support	90,000	178,922	178,922	0	0	100.0%
33	55220 Hardware Support	100,000	50,000	26,268	4,255	19,478	52.5%
34	55280 Third Party Contribution	2,834,820	3,102,915	1,889,991	0	1,212,924	60.9%
35	55620 Resource Materials - subscrib	450,000	425,416	128,624	83,817	212,975	30.2%
36	55810 Public Notices	8,000	8,000	-		8,000	0.0%
37	55830 Conference - Registration	13,000	13,000	1,665	10,000	1,335	12.8%
38	55920 Other Meeting Expense	20,000	4,403	4,403		0	100.0%
39	55930 Miscellaneous - other	-	125,415	89,680	20,144	15,591	71.5%
40	56100 Printing	18,500	32,582	32,582	0	0	100.0%
41	58100 Travel	110,350	124,305	88,492		35,813	71.2%
42	Total OWP	43,731,484	47,291,467	32,664,179	8,980,804	5,646,483	69.1%
43				-			
44	Comprehensive Budget	46,677,593	50,286,910	34,380,686	9,094,834	6,811,389	68.4%

Office of the CFO

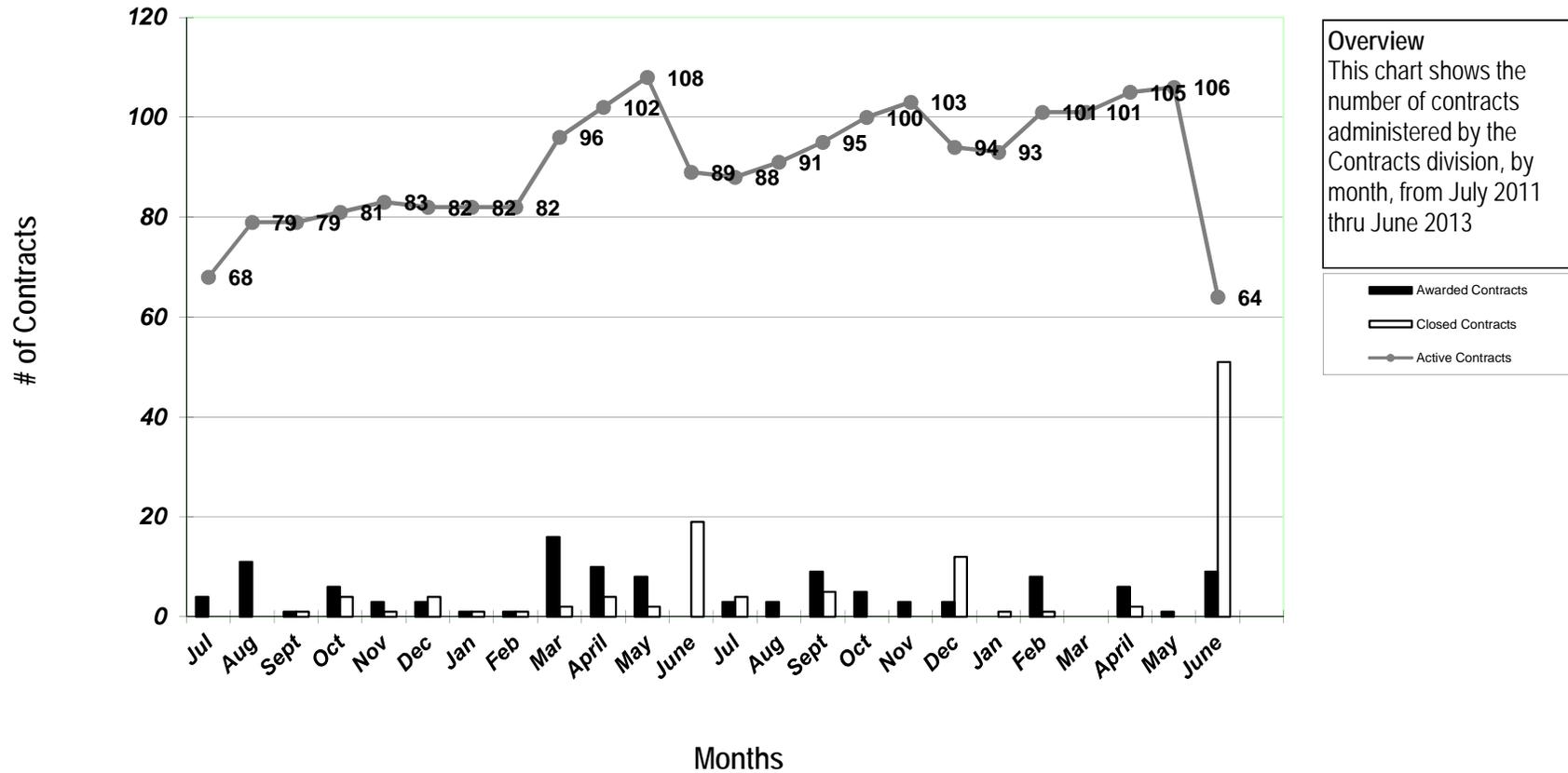
Fiscal Year-To-Date Expenditure Report Through June 30, 2013



INDIRECT COST EXPENDITURES

			Adopted Budget	Amended Budget	Expenditures	Commitments	Budget Balance	% Budget Spent
1	50010	Regular Staff	4,277,611	4,249,007	3,723,409		525,598	87.6%
2	50013	Regular OT	-	5,005	5,005		0	100.0%
3	50014	Interns, Temps, Annuit	-	15,340	15,340		0	100.0%
4	51000	Allocated Fringe Benefits	2,924,747	2,906,433	2,605,051		301,382	89.6%
5	54300	SCAG Consultants	351,671	262,786	69,554	165,809	27,422	26.5%
6	54340	Legal	275,000	267,773	18,071	85,040	164,662	6.7%
7	54350	Prof Svcs	766,338	1,146,290	1,021,882	124,408	0	89.1%
8	55210	Software Support	419,603	569,713	436,503	112,461	20,749	76.6%
9	55220	Hardware Supp	129,030	141,072	118,494	22,578	0	84.0%
10	55230	Computer Maintenance		1,000	500		500	50.0%
11	55240	Repair & Maint Non-IT	19,684	26,646	20,219	6,426	0	75.9%
12	55400	Office Rent 818 Offices	1,536,000	1,528,000	1,470,762		57,238	96.3%
13	55410	Office Rent Satellite	222,000	221,121	155,046	17,571	48,503	70.1%
14	55420	Equip Leases	115,000	163,735	112,362	31,955	19,418	68.6%
15	55430	Equip Repairs & Maint	45,244	43,340	9,728	18,424	15,189	22.4%
16	55440	Insurance	175,299	175,299	175,236	0	63	100.0%
17	55441	Payroll / Bank Fees	15,000	15,000	5,737		9,264	38.2%
18	55460	Mater & Equip < \$5,000	180,000	136,751	82,841	13,867	40,043	60.6%
19	55510	Office Supplies	141,200	143,250	91,543	51,707	0	63.9%
20	55520	Graphic Supplies	50,000	48,466	3,252	870	44,343	6.7%
21	55530	Telephone	165,500	173,016	173,016	0	0	100.0%
22	55540	Postage	20,000	20,000	10,013	200	9,787	50.1%
23	55550	Delivery Services	8,900	10,500	7,367	3,133	0	70.2%
24	55600	SCAG Memberships	60,000	96	96		0	100.0%
25	55610	Prof Memberships	7,610	7,514	740	75	6,699	9.8%
26	55620	Res Mats/Subscrip	57,855	45,353	33,633	2,328	9,392	74.2%
27	55700	Deprec - Furn & Fixt	45,137	45,137	38,929		6,208	86.2%
28	55710	Deprec - Computer Equipment	77,723	77,723	68,460		9,263	88.1%
29	55720	Amortiz - Leasehold Improvement	7,402	7,402	6,525		877	88.1%
30	55800	Recruitment Notices	7,000	9,857	9,857	0	0	100.0%
31	55801	Recruitment - other	30,000	27,143	24,878	2,265	0	91.7%
32	55810	Public Notices	5,000	11,227	-	320	10,907	0.0%
33	55820	Training	160,000	152,803	144,221	8,582	0	94.4%
34	55830	Conference/workshops	29,850	29,143	654		28,489	2.2%
35	55920	Other Mtg Exp	51,200	60,348	11,830		48,518	19.6%
36	55930	Miscellaneous - other	13,526	39,165	35,038	4,127	0	89.5%
37	55950	Temp Help	58,500	50,713	31,401	19,313	0	61.9%
38	56100	Printing	91,500	90,000	39,720	11,377	38,903	44.1%
39	58100	Travel - Outside	102,614	90,075	45,799		44,276	50.8%
40	58101	Travel - Local	9,186	15,489	7,491		7,998	48.4%
41	58110	Mileage - Local	38,404	55,170	40,468		14,702	73.4%
42	58150	Staff lodging Expense	5,334	2,967	127		2,840	4.3%
43	58200	Travel - registration	3,000	550	532		19	
44	58450	Fleet Vehicle	8,200	9,600	4,907	4,693	0	51.1%
45		Total Indirect Cost	12,706,868	13,097,018	10,876,238	707,529	1,513,252	83.0%

SCAG Contracts (Year to Date)



Summary

The chart shows that the Contract Division is managing 64 active consultant contracts. Twenty of these contracts are fixed price, 16 are Cost Plus Fixed Fee contracts, and the remaining 28 are Time and Materials (T&M) contracts (includes Labor Hour and Retainer contracts). The Contracts Division anticipates issuing approximately forty (45) contracts during FY 2013-14. Note, due to the nature of SCAG's work, the majority of SCAG contracts have a one year term and end on June 30th each year.

Office of the CFO
Staffing Report as of July 1, 2013

GROUPS	Authorized Positions	Filled Positions	Vacant Positions
Executive	5	4	1
Legal	2	2	0
Strategy, Policy & Public Affairs	19	18	1
Administration	42	40	2
Planning & Programs	65	59	6
Total	133	123	10

OTHER POSITIONS

GROUPS	Limited Term Positions	Temp Positions	Agency Temps
Executive	0	0	0
Legal	0	0	0
Strategy, Policy & Public Affairs	0	2	0
Administration	1	1	0
Planning & Programs	1	1	0
Total	2	4	0