

SOUTHERN CALIFORNIA



**ASSOCIATION of
GOVERNMENTS**

Main Office

818 West Seventh Street
12th Floor
Los Angeles, California
90017-3435

t (213) 236-1800
f (213) 236-1825

www.scag.ca.gov

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Community, Economic and
Human Development
Margaret Finlay, Duarte
Energy & Environment
James Johnson, Long Beach
Transportation
Keith Millhouse, Ventura County
Transportation Commission

**No. 555
MEETING OF THE**

REGIONAL COUNCIL

***Thursday, January 2, 2014
12:15 p.m. – 2:00 p.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 at harris-neal@scag.ca.gov. In addition, regular meetings of the Regional Council may be viewed live or on-demand at <http://www.scag.ca.gov/NewsAndMedia/Pages/SCAGTV.aspx>

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<http://www.scag.ca.gov/committees/Pages/default.aspx>

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Regional Council
Members – January 2014

	<u>Members</u>		<u>Representing</u>
President	1. Hon. Greg Pettis	<i>Cathedral City</i>	District 2
1st Vice-President	2. Hon. Carl Morehouse	<i>San Buenaventura</i>	District 47
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	6. Hon. Michael Antonovich		Los Angeles County
	7. Hon. Mark Ridley-Thomas		Los Angeles County
	8. Hon. R. Shawn Nelson		Orange County
	9. Hon. Gary Ovitt		San Bernardino County
	10. Hon. Jeff Stone		Riverside County
	11. Hon. Linda Parks		Ventura County
	12. Hon. Matthew Harper		OCTA
	13. Hon. Adam Rush	<i>Eastvale</i>	RCTC
	14. Hon. Alan Wapner	<i>Ontario</i>	SANBAG
	15. Hon. Keith Millhouse	<i>Moorpark</i>	VCTC
	16. Hon. Jim Hyatt	<i>Calimesa</i>	District 3
	17. Hon. Jeff DeGrandpre	<i>Eastvale</i>	District 4
	18. Hon. Ronald Roberts	<i>Temecula</i>	District 5
	19. Hon. Jon Harrison	<i>Redlands</i>	District 6
	20. Hon. Larry McCallon	<i>Highland</i>	District 7
	21. Hon. Deborah Robertson	<i>Rialto</i>	District 8
	22. Hon. Paul Eaton	<i>Montclair</i>	District 9
	23. Hon. Ed Graham	<i>Chino Hills</i>	District 10
	24. Hon. Bill Jahn	<i>Big Bear Lake</i>	District 11
	25. Hon. Mike Munzing	<i>Aliso Viejo</i>	District 12
	26. Hon. Kathryn McCullough	<i>Lake Forest</i>	District 13
	27. Hon. Steven Choi	<i>Irvine</i>	District 14
	28. Hon. Leslie Daigle	<i>Newport Beach</i>	District 15
	29. Hon. Michele Martinez	<i>Santa Ana</i>	District 16
	30. Hon. John Nielsen	<i>Tustin</i>	District 17
	31. Hon. Leroy Mills	<i>Cypress</i>	District 18



Regional Council
Members – January 2014

<u>Members</u>		<u>Representing</u>
32. Hon. Kris Murray	<i>Anaheim</i>	District 19
33. Hon. Tri Ta	<i>Westminster</i>	District 20
34. Hon. Art Brown	<i>Buena Park</i>	District 21
35. Hon. Brett Murdock	<i>Brea</i>	District 22
36. Hon. Bruce Barrows	<i>Cerritos</i>	District 23
37. Hon. Gene Daniels	<i>Paramount</i>	District 24
38. Hon. Mario Guerra	<i>Downey</i>	District 25
39. VACANT		District 26
40. VACANT		District 27
41. Hon. Dan Medina	<i>Gardena</i>	District 28
42. Hon. Steven Neal	<i>Long Beach</i>	District 29
43. Hon. James Johnson	<i>Long Beach</i>	District 30
44. Hon. Roy Francis	<i>La Habra Heights</i>	District 31
45. Hon. Margaret Clark	<i>Rosemead</i>	District 32
46. Hon. Gene Murabito	<i>Glendora</i>	District 33
47. Hon. Barbara Messina	<i>Alhambra</i>	District 34
48. Hon. Margaret E. Finlay	<i>Duarte</i>	District 35
49. Hon. Donald Voss	<i>La Cañada/Flintridge</i>	District 36
50. Hon. Carol Herrera	<i>Diamond Bar</i>	District 37
51. Hon. Paula Lantz	<i>Pomona</i>	District 38
52. Hon. James Gazeley	<i>Lomita</i>	District 39
53. Hon. Judy Mitchell	<i>Rolling Hills Estates</i>	District 40
54. Hon. Pam O'Connor	<i>Santa Monica</i>	District 41
55. Hon. Jess Talamantes	<i>Burbank</i>	District 42
56. Hon. Steven Hofbauer	<i>Palmdale</i>	District 43
57. Hon. Mark Rutherford	<i>Westlake Village</i>	District 44
58. Hon. Carmen Ramirez	<i>Oxnard</i>	District 45
59. Hon. Gilbert Cedillo	<i>Los Angeles</i>	District 48
60. Hon. Paul Krekorian	<i>Los Angeles</i>	District 49
61. Hon. Bob Blumenfield	<i>Los Angeles</i>	District 50
62. Hon. Tom LaBonge	<i>Los Angeles</i>	District 51

Regional Council

Members – January 2014

<u>Members</u>		<u>Representing</u>
63. Hon. Paul Koretz	<i>Los Angeles</i>	District 52
64. Hon. Nury Martinez	<i>Los Angeles</i>	District 53
65. Hon. Felipe Fuentes	<i>Los Angeles</i>	District 54
66. Hon. Bernard C. Parks	<i>Los Angeles</i>	District 55
67. Hon. Curren D. Price, Jr.	<i>Los Angeles</i>	District 56
68. Hon. Herb J. Wesson, Jr.	<i>Los Angeles</i>	District 57
69. Hon. Mike Bonin	<i>Los Angeles</i>	District 58
70. Hon. Mitchell Englander	<i>Los Angeles</i>	District 59
71. Hon. Mitch O'Farrell	<i>Los Angeles</i>	District 60
72. Hon. José Huizar	<i>Los Angeles</i>	District 61
73. Hon. Joe Buscaino	<i>Los Angeles</i>	District 62
74. Hon. Karen Spiegel	<i>Corona</i>	District 63
75. Hon. Jim Katapodis	<i>Huntington Beach</i>	District 64
76. Hon. Ryan McEachron	<i>Victorville</i>	District 65
77. Hon. Lupe Ramos Watson	<i>Indio</i>	District 66
78. Hon. Marsha McLean	<i>Santa Clarita</i>	District 67
79. Hon. Andrew Masiel, Sr.	<i>Pechanga Band of Luiseño Indians</i>	Tribal Government Representative
80. Hon. Lisa Bartlett	<i>Dana Point</i>	TCA
81. Mr. Randall Lewis	<i>Lewis Group of Companies</i>	(Ex-Officio)
82. Hon. Eric Garcetti	<i>Los Angeles</i>	(At-Large)

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REGIONAL COUNCIL AGENDA JANUARY 2, 2014

The Regional Council 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, President)

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 Council, 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. The President has the discretion to reduce the time limit based upon the number of speakers. The President may limit the total time for all public comments to twenty (20) minutes.

REVIEW AND PRIORITIZE AGENDA ITEMS

EXECUTIVE DIRECTOR'S REPORT

(Hasan Ikhata, Executive Director)

- 4th Annual Southern California Economic Recovery & Job Creation Summit – Update
- FTA/FHWA Federal Certification Review of SCAG's Transportation Planning Procedures
- State/Federal Freight Activities Update

PRESIDENT'S REPORT

- New Members
- Appointment of Bylaws and Resolutions Committee
- Appointment of Nominating Committee
- Appointment of Host Committee
- Appointment of General Assembly Reception Committee
- New Committee Appointments
- Air Resources Board (ARB) – Update
- Business Update

COMMITTEE REPORTS/ACTION ITEMS

Page No.

Audit Committee Report

(Hon. Cheryl Viegas-Walker, Chair)

1. FY 2012-13 External Financial Audit

Attachment

1

REGIONAL COUNCIL AGENDA JANUARY 2, 2014

Audit Committee Report - continued

Page No.

- | | | |
|---|------------|---|
| 2. <u>Actuarial Report as of June 30, 2013, for Other Post Employment Benefits (OPEB)</u> | Attachment | 2 |
|---|------------|---|

Community, Economic and Human Development (CEHD) Committee Report (Hon. Margaret E. Finlay, Chair)

- | | | |
|---|------------|----|
| 3. <u>2016-2040 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) Plan Update: Subregional Sustainable Communities Strategy Framework and Guidelines</u>
(Huasha Liu, Director, Land Use & Environmental Planning) | Attachment | 25 |
|---|------------|----|

Recommended Action: Adopt the proposed Subregional Sustainable Communities Strategy Framework and Guidelines.

- | | | |
|--|------------|----|
| 4. <u>Proposed Regional Housing Needs Assessment (RHNA) and Housing Element Reform Subcommittee Charter</u>
(Huasha Liu, Director, Land Use & Environmental Planning) | Attachment | 45 |
|--|------------|----|

Recommended Action: Approve the RHNA and Housing Element Reform Subcommittee Charter.

Executive/Administration Committee (EAC) Report (Hon. Greg Pettis, Chair)

Transportation Committee (TC) Report (Hon. Keith Millhouse, Chair)

Energy and Environment Committee (EEC) (Hon. James A. Johnson, Chair)

Legislative/Communications and Membership Committee (LCMC) (Hon. Pam O'Connor, Chair)

CONSENT CALENDAR

Approval Items

- | | | |
|---|------------|----|
| 5. <u>Minutes of the November 7, 2013 Meeting</u> | Attachment | 48 |
| 6. <u>SCAG Sponsorship & Memberships</u> | Attachment | 56 |
| 7. <u>Contract Amendment that increases the Contract's value over \$200,000: Contract No. 11-052-C1, Audit Services</u> | Attachment | 59 |

REGIONAL COUNCIL AGENDA JANUARY 2, 2014

<u>Receive & File</u>		<u>Page No.</u>
8. <u>2014 Regional Council and Policy Committees Meeting Schedule</u>	Attachment	61
9. <u>January 2014 State and Federal Legislative Update</u>	To be distributed under separate cover	
10. <u>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</u>	Attachment	62
11. <u>CFO Monthly Report</u>	Attachment	68
12. <u>Selection of SCAG Region Designated Recipients for FTA's Section 5310 Program</u>	Attachment	79

FUTURE AGENDA ITEM/S

ADJOURNMENT

The next meeting of the Regional Council is scheduled for Thursday, February 6, 2014, at the SCAG Los Angeles Office.

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REPORT

DATE: January 2, 2014
TO: Regional Council
FROM: Basil Panas, Chief Financial Officer, 213-236-1817, panas@scag.ca.gov
SUBJECT: FY 2012-13 External Financial Audit

EXECUTIVE DIRECTORS APPROVAL: 

RECOMMENDED ACTION:
For Information Only – No Action Required.

EXECUTIVE SUMMARY:
SCAG's external independent auditor will be present to answer questions about the FY 2012-13 audit.

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

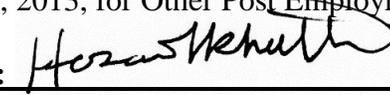
BACKGROUND:
SCAG's external independent auditors, Vasquez and Co., LLP, have completed their audit of SCAG's FY 2012-13 financial statements. Copies of the audit reports were distributed electronically in December and are available at: <http://www.scag.ca.gov/about/Pages/Financial%20Reports.aspx>. Representatives from the audit firm are present to answer any questions.

FISCAL IMPACT:
None.

ATTACHMENT:
None

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DATE: January 2, 2014
TO: Regional Council (RC)
FROM: Hon. Cheryl Viegas-Walker, Chair, Audit Committee
SUBJECT: Actuarial Report as of June 30, 2013, for Other Post Employment Benefits (OPEB)

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:
For Information Only – No Action Required.

EXECUTIVE SUMMARY:
SCAG's outside independent actuary, Marilyn Jones of Nyhart Epler, will present the actuarial report prepared as of June 30, 2013, for SCAG's Other Post-Employment Benefits (OPEB).

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

BACKGROUND:
SCAG is required by the California Employers' Retirement Benefit Trust (CERBT), of which SCAG is a member, to obtain a biennial actuarial study of its OPEB. The previous study was performed as of June 30, 2011 by John Bartel of Bartel & Associates, LLC.

FISCAL IMPACT:
The Actuarial Required Contribution for FY 2014/2015 will be \$902,369 and for FY 2015/2016 it will be \$929,440.

ATTACHMENT:
Summary of actuarial report as of June 30, 2013

DRAFT

October 31, 2013

PRIVATE

Mr. Basil Panas
Chief Financial Officer
SCAG
818 West Seventh St., 12th Floor
Los Angeles, CA 90017

Re: GASB Actuarial Valuation

Dear Mr. Panas:

We are presenting our report of the June 30, 2013 actuarial valuation conducted on behalf of Southern California Association of Governments (SCAG) for its retiree health program.

The purpose of the valuation is to measure SCAG's liability for retiree health benefits and to determine SCAG's accounting requirements under the Government Accounting Standard Board Statements No. 43 & 45 (GASB 43 & 45) in regard to unfunded liabilities for retiree health benefits. The objective of GASB 45 is to improve the information in the financial reports of government entities regarding their post-employment benefits (OPEB) including retiree health benefits. The objective of GASB 43 is to establish uniform reporting for funded OPEB Plans.

Nyhart Epler is the San Diego office of the Nyhart Company, an employee owned actuarial, benefits and compensation consulting firm specializing in group health and retiree health and qualified pension plan valuations. We have set forth the results of our study in this report.

We have enjoyed working on this assignment and are available to answer any questions.

Sincerely,
NYHART EPLER

Marilyn K Jones, ASA, MAAA, EA, FCA
Consulting Actuary

MKJ:rl
Enclosure

As required by U.S. Treasury Regulations governing tax practice, IRS Circular 230 Tax Advice Disclaimer, you are hereby advised that any written tax advice contained herein was not written or intended to be used (and cannot be used) by any taxpayer for the purpose of avoiding penalties that may be imposed under the U.S. Internal Revenue Code.



Southern California Association of Governments

Actuarial Valuation Retiree Health Program As of June 30, 2013

October 2013

Prepared By:
Nyhart Epler
450 B Street, Suite 750
San Diego, CA 92101-8002
(619) 239-0831
www.nyhart.com

Indianapolis · Chicago · Kansas City · Atlanta · St. Louis · San Diego

An Alliance Benefit Group Licensee

DRAFT

**Southern California Association of Governments
Actuarial Valuation
Retiree Health Program
As of June 30, 2013**

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SECTION I. EXECUTIVE SUMMARY

Background

Southern California Association of Governments (SCAG) selected Nyhart Epler to perform an updated actuarial valuation of its retiree health program as of June 30, 2013. The purpose of the actuarial valuation is to measure SCAG's liability for retiree health benefits and to estimate SCAG's accounting requirements for other post-employment benefits (OPEB) under Governmental Accounting Standards Board Statements No. 43 & 45 (GASB 43 and GASB 45). GASB 45 requires accrual accounting for the expensing of OPEB. The expense is generally accrued over the working career of employees, rather than on a pay-as-you-go basis. GASB 43 requires additional financial disclosure requirements for funded OPEB Plans.

SCAG currently provides retiree health benefits through the CalPERS Health Program to approximately 126 active and 101 retired employees. SCAG provides a contribution equal to a monthly dollar maximum (currently \$550) to eligible retirees. Eligibility for this contribution requires that an employee retire from SCAG and PERS on or after age 50 with at least 5 years of PERS credited service. The monthly maximum has not increased since it was implemented in 2002. Future increases in the monthly dollar maximum are at the discretion of SCAG. In future years, if the CalPERS minimum required contribution exceeds the \$550 contribution, the minimum required contribution will be provided to eligible retirees. The retiree can elect coverage for their eligible dependents and pay the additional costs. Section IV of the report details the plan provisions that were included in the valuation and the current premium costs for coverage.

Results of the Retiree Health Valuation

The amount of the actuarial liability for SCAG's retiree health benefits program as of June 30, 2013, the measurement date, is \$10,068,229. This amount represents the present value of all contributions projected to be paid by SCAG for current and future retirees. If SCAG were to place this amount in a fund earning interest at the rate of 7.0% per year, and all other actuarial assumptions were exactly met, the fund would have exactly enough to pay all expected benefits. This includes benefits for the current retirees as well as the current active employees expected to retire in the future. The valuation does not consider employees not yet hired as of the valuation date.

If the amount of the actuarial liability is apportioned into past service, current service and future service components; the past service component (actuarial accrued liability) is \$8,326,403, the current service component (normal cost or current year accrual) is \$223,922 and the future service component (not yet accrued liability) is \$1,517,904.

Changes from Prior Valuation

The valuation reflects census and healthcare cost information. There were no plan changes since the prior valuation. There were several assumption changes as noted in Section VI including increases to the initial medical trend rates applicable to future healthcare costs and changes to the spousal election to reflect recent experience. A reconciliation of the approximate change in the liability from the prior valuation is provided in the following table.

June 30, 2011 Valuation @ 7.0%	\$ 9.77 Million
Increases due to passage of time	0.28 Million
Increase due to net experience gain	0.02 Million
Increase due to new entrants	0.32 Million
Decrease due to change in Medical Trend Rates	(0.14) Million
Decrease due to Spousal Election decrease from 80% to 50%	(0.18) Million
June 30, 2013 Valuation @ 7.0%	\$ 10.07 Million

Annual Required Contribution

SCAG's annual required contribution (accrual expense) for the 2014/2015 fiscal year is \$902,369 or 7.9% of pay. The annual required contribution is comprised of the present value of benefits accruing in the current fiscal year (normal cost with interest) plus a 13-year amortization (on a level-percentage-of-pay basis) of the unfunded actuarial accrued liability. Thus, it represents a means to expense the plan's liabilities in an orderly manner. The change in the net OPEB obligation/(asset) at the end of the 2014/2015 fiscal year will reflect any actual contributions made by SCAG during the period for retiree health benefits including any pre-funding amounts.

Funding

SCAG's funding policy is to fund 100% of the annual required contribution as determined under GASB 45 through the California Employers' Retiree Benefit Trust (CERBT). The market value of assets in CERBT as of June 30, 2013 is \$2,329,525. The actuarial value of assets at June 30, 2013 is \$2,253,854. The actuarial value of asset method phases gains and losses in over four years subject to a 20% corridor around the market value of assets. The unfunded actuarial accrued liability at June 30, 2013 is \$6,072,549. The funded ratio is 27% on an actuarial value of assets basis and 28% on a market value of asset basis.

The CERBT provides participating employers with the choice of three investment allocation strategies. The expected rate of return of assets is dependent on the funding strategy of a participating employer and which investment allocation strategy is selected. For employers fully funding their annual required contribution, strategy 1 has a CERBT published median yield of 7.61%, strategy 2 has a published median yield of 7.06% and strategy 3 has a published median yield of 6.39%. The valuation was performed using a 7.0% discount rate assuming SCAG remains in strategy 1 for the 2014/2015 and 2015/2016 fiscal years and assumes an additional margin for adverse deviation of 0.61% applied to the CERBT stated median discount rate.

Actuarial Basis

The actuarial valuation is based on the assumptions and methods outlined in Section VI of the report. To the extent that a single or a combination of assumptions is not met the future liability may fluctuate significantly from its current measurement. As an example, the healthcare cost increase anticipates that the rate of increase in medical cost will be at moderate levels and decline over several years. Increases higher than assumed would bring larger liabilities and expensing requirements. A 1% increase in the healthcare trend rate for each future year would increase the annual required contribution by 2%. The impact is mitigated since SCAG has a fixed dollar contribution that is assumed to increase unrelated to healthcare trends in the future. If SCAG were to keep the fixed contribution amount at \$550 for all future years the annual required contribution would decrease by 7%.

Another key assumption used in the valuation is the discount (interest) rate which is based on the expected rate of return of plan assets. The valuation is based on a discount rate of 7.0%. A 0.5% decrease in the discount rate would increase the annual required contribution by 5%. A 0.5% increase in the discount rate would decrease the annual required contribution by 5%.

GASB 45 requires that implicit rate subsidies be considered in the valuation of medical costs. An implicit rate subsidy occurs when the rates for retirees are the same as for active employees. Since pre-Medicare retirees are typically much older than active employees, their actual medical costs are almost always higher than for active employees. It is our understanding that SCAG participates in a community-rated health plan (CalPERS Health Plan) and is exempt from valuing the implicit rate subsidy. A proposed Actuarial Standard of Practice would require all actuarial valuations to include the implicit rate subsidy in the valuation of health benefits. If adopted, this could lead GASB to eliminate the exemption from including the implicit rate subsidy in community-rated plans for future valuations. Inclusion of the implicit rate subsidy would result in significantly higher liabilities and expense requirements for SCAG.

The valuation is based on the census, plan and rate information provided by SCAG. To the extent that the data provided lacks clarity in interpretation or is missing relevant information, this can result in liabilities different than those presented in the report. Often missing or unclear information is not identified until future valuations.

SECTION II. FINANCIAL RESULTS

A. Valuation Results @ June 30, 2013

The table below presents the employer liabilities associated with SCAG's retiree health benefits program determined in accordance with GASB 43 & 45. The actuarial liability (AL) is the present value of all SCAG's contributions projected to be paid under the program. The actuarial accrued liability (AAL) reflects the amount attributable to the past service of current employees and retirees. The normal cost reflects the accrual attributable for the current period.

1. Actuarial Liability (AL)	
Actives	\$ 4,206,227
Retirees	<u>5,862,002</u>
Total AL	\$10,068,229
2. Actuarial Accrued Liability (AAL)	
Actives	\$ 2,464,401
Retirees	<u>5,862,002</u>
Total AAL	\$ 8,326,403
3. Normal Cost	\$ 223,922
No. of Active Employees	126
Average Age	36.2
Average Past Service	9.3
No. of Retired Employees	101
Average Age	68.8
Average Retirement Age	57.9

B. Reconciliation of Market Value of Plan Assets

The reconciliation of Plan Assets for the last two calendar years is presented below:

	Fiscal Year Ending			
	<u>6/30/2010</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>
1. Beginning Market Value of Assets	\$ 485,112	\$ 909,884	\$1,471,727	\$1,746,386
2. Contribution	355,003	312,575	264,035	370,718
3. Fund Earnings (gross)	70,492	250,811	12,496	215,564
4. Benefit Payments	0	0	0	0
5. Administrative Expenses	<u>(723)</u>	<u>(1,543)</u>	<u>(1,872)</u>	<u>(3,143)</u>
6. Ending Market Value of Assets	\$ 909,884	\$1,471,727	\$1,746,386	\$2,329,525
7. Estimated Rate of Return	11%	24%	1%	11%

C. Development of Actuarial Value of Assets

The actuarial value of assets is based on the expected market value appreciation. The actual market appreciation or depreciation, both realized and unrealized, is phased in over four years as the expected growth is phased out. The table below presents the development of the actuarial value of assets.

	<u>6/30/2010</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>	
1 Market value of assets					\$2,329,525
2 Actual gross rate of return	10.64%	23.54%	0.78%	11.17%	
3 Expected rate of return	7.75%	7.75%	7.00%	7.00%	
4 Actual fund earnings	\$70,492	\$250,811	\$12,496	\$215,564	549,363
5 Expected fund earnings	51,325	82,568	112,197	135,112	381,202
6 Gain(loss) [(4) - (5)]	19,167	168,243	(99,701)	80,452	
7 Percent of gain/(loss) recognized 6/30/2013	80%	60%	40%	20%	
8 Recognized gain/(loss) [(6) x (7)]	15,334	100,946	(39,880)	16,090	92,490
9. Blended value of assets at 6/30/2013 [(1) - (4) + (5) + (8)]					\$2,253,854
10. Percent increase/(decrease) of (9) over (1)					(3.25%)
11. Actuarial value of assets, not more than 120% nor less than 80% of market value					\$2,253,854

D. Development of Unfunded Actuarial Accrued Liability

The table below presents the development of the unfunded actuarial accrued liability. The unfunded actuarial accrued liability (UAAL) is the excess of the actuarial accrued liability (AAL) over the actuarial value of eligible plan assets.

1. Actuarial Accrued Liability (AAL)	\$8,326,403
2. Actuarial Value of Assets	(2,253,854)
3. Unfunded AAL (UAAL)	\$6,072,549

E. Amortization of Unfunded Actuarial Accrued Liability

The amortization of the UAAL component of the annual contribution (ARC) is being amortized over a period of 13 years on a level-percentage of pay basis. Under the level-percentage of pay method, the amortization payment is scheduled to increase in future years by assumed payroll increase.

1. Unfunded AAL (UAAL)	\$6,072,549
2. Amortization Factor	9.40021
3. Amortization of UAAL	\$ 646,001

F. Annual Required Contribution (ARC)

The table below presents the development of the annual required contribution (ARC) under GASB 45 for the fiscal year ending June 30, 2014 and estimated for the fiscal year ending June 30, 2015.

	<u>FY2014/2015</u>	<u>FY2015/2016</u>
1. Normal Cost at End of Fiscal Year	\$ 256,368	\$ 264,059
2. Amortization of UAAL	<u>646,001</u>	<u>665,381</u>
3. Annual Required Contribution	\$ 902,369	\$ 929,440
4. Estimated Benefit Eligible Payroll	\$11,441,000	\$11,784,000
5. Normal Cost as % of Pay	2.24%	2.24%
6. Amortization of UAAL as % of Pay	<u>5.65%</u>	<u>5.65%</u>

7. ARC as % of Pay 7.89% 7.89%

G. Required Supplementary Information (Funding Progress @June 30, 2013)

The table below presents a sample disclosure of the funding progress as of the beginning of the fiscal year.

1. Actuarial Accrued Liability (AAL)	\$8,326,403
2. Actuarial Value of Assets (AVA)	<u>(2,253,854)</u>
3. Unfunded Actuarial Accrued Liability (UAAL)	\$ 6,072,549
4. Funded Ratio	27%
5. Current Payroll	\$11,108,000
6. UAAL as Percentage of Covered Payroll	55%

H. Sensitivity Analysis:

The impact of a 0.5% decrease or increase in the discount (interest) rate and the impact of assuming no increase in SCAG's monthly maximum contribution on the actuarial liability, actuarial accrued liability, unfunded actuarial accrued liability and the annual required contribution is provided below:

	Dollar (\$) Increase/ <u>(Decrease)</u>	Percentage (%) Increase/ <u>(Decrease)</u>
<i>0.5% Decrease in Discount Rate</i>		
- Actuarial Liability	\$ 665,505	7%
- Actuarial Accrued Liability	\$ 437,652	5%
- Unfunded Actuarial Accrued Liability	\$ 437,652	7%
- Annual Required Contribution	\$ 44,640	5%
<i>0.5% Increase in Discount Rate</i>		
- Actuarial Liability	(\$ 599,258)	(6%)
- Actuarial Accrued Liability	(\$ 402,817)	(5%)
- Unfunded Actuarial Accrued Liability	(\$ 402,817)	(7%)
- Annual Required Contribution	(\$ 41,325)	(5%)
<i>No Increase in SCAG's monthly maximum contribution</i>		
- Actuarial Liability	(\$ 594,782)	(6%)
- Actuarial Accrued Liability	(\$ 427,171)	(5%)
- Unfunded Actuarial Accrued Liability	(\$ 427,171)	(7%)
- Annual Required Contribution	(\$ 67,045)	(7%)

SECTION III. PROJECTED CASH FLOWS

The valuation process includes the projection of the expected benefits and/or contributions to be paid by SCAG under its retiree health benefits program. This expected cash flow takes into account the likelihood of each employee reaching age for eligibility to retire and receive health benefits. The projection is performed by applying the turnover assumption to each active employee for the period between the valuation date and the expected retirement date. Once the employees reach their retirement date, a certain percent are assumed to enter the retiree group each year. Employees already over the latest assumed retirement age as of the valuation date are assumed to retire immediately or at first eligibility, if later. The per capita cost as of the valuation date is projected to increase at the applicable healthcare trend rates both before and after the employee's assumed retirement. The projected per capita costs are multiplied by the number of expected future retirees in a given future year to arrive at the cash flow for that year. Also, a certain number of retirees will leave the group each year due to expected deaths and this group will cease to be included in the cash flow from that point forward. Because this is a closed-group valuation, the number of retirees dying each year will eventually exceed the number of new retirees, and the size of the cash flow will begin to decrease and eventually go to zero.

The expected employer cash flows for selected future years are provided in the following table:

Projected Employer Cash Flows – All Benefit Eligible

<u>Fiscal Year</u>	<u>Future Retirees</u>	<u>Retired Employees</u>	<u>Total</u>
2013/14	\$ 34,276	\$ 485,006	\$ 519,282
2014/15	\$ 61,562	\$ 482,715	\$ 544,277
2015/16	\$ 87,374	\$ 482,691	\$ 570,065
2016/17	\$ 113,924	\$ 485,007	\$ 598,931
2017/18	\$ 139,817	\$ 480,314	\$ 620,131
2018/19	\$ 167,349	\$ 483,860	\$ 651,209
2019/20	\$ 195,489	\$ 488,063	\$ 683,552
2020/21	\$ 222,604	\$ 491,199	\$ 713,803
2021/22	\$ 251,258	\$ 491,540	\$ 742,798
2022/23	\$ 277,256	\$ 493,315	\$ 770,571
2023/24	\$ 305,287	\$ 494,560	\$ 799,847
2024/25	\$ 333,893	\$ 493,613	\$ 827,506
2025/26	\$ 365,398	\$ 490,668	\$ 856,066
2026/27	\$ 391,263	\$ 481,758	\$ 873,021
2027/28	\$ 414,297	\$ 470,437	\$ 884,734
2028/29	\$ 435,574	\$ 457,433	\$ 893,007
2029/30	\$ 455,536	\$ 441,184	\$ 896,720
2030/31	\$ 473,094	\$ 423,828	\$ 896,922
2031/32	\$ 489,584	\$ 405,434	\$ 895,018
2032/33	\$ 504,244	\$ 386,027	\$ 890,271
2033/34	\$ 517,109	\$ 365,809	\$ 882,918
2034/35	\$ 528,346	\$ 344,777	\$ 873,123
2035/36	\$ 538,092	\$ 323,183	\$ 861,275
2036/37	\$ 545,495	\$ 301,205	\$ 846,700
2037/38	\$ 551,450	\$ 279,023	\$ 830,473
2038/39	\$ 556,080	\$ 256,853	\$ 812,933
2039/40	\$ 558,771	\$ 235,015	\$ 793,786
2040/41	\$ 558,687	\$ 213,655	\$ 772,342
2045/46	\$ 526,364	\$ 120,377	\$ 646,741
2050/51	\$ 449,753	\$ 57,592	\$ 507,345
2055/56	\$ 350,305	\$ 23,451	\$ 373,756
2060/61	\$ 252,414	\$ 8,775	\$ 261,189
2065/66	\$ 191,917	\$ 3,887	\$ 195,804
2070/71	\$ 130,264	\$ 1,408	\$ 131,672
2075/76	\$ 72,623	\$ 251	\$ 72,874
2080/81	\$ 28,847	\$ 0	\$ 28,847
2085/86	\$ 6,694	\$ 0	\$ 6,694
2090/91	\$ 613	\$ 0	\$ 613
2095/96	\$ 0	\$ 0	\$ 0

All Years

\$21,244,001

\$13,191,958

\$34,435,959

SECTION IV. BENEFIT PLAN PROVISIONS

This study analyzes the postretirement health benefit plans provided by the SCAG. SCAG provides eligible retirees and their dependents continuation of medical (including prescription drug benefits) coverage. SCAG's financial obligation is as follows:

SCAG provides a fixed dollar amount contribution equal to a maximum of \$550 per month per each eligible retiree. The maximum of \$550 per month is applicable to all family coverage categories and has not been increased since 2002. Any future increases would be at the discretion of SCAG.

In future years, the SCAG contribution may be subject to the CalPERS minimum required employer contribution (\$115 per month in 2013, \$119 per month in 2014 and subject to annual adjustments to reflect Medical Portion of CPI).

Eligibility for the SCAG contribution requires retirement and receipt of pension income under CalPERS while receiving coverage under the CalPERS Health Program. Covered employees who terminate employment with SCAG prior to meeting CalPERS eligibility for retirement (attainment of at least age 50 and at least 5 years of CalPERS credited service) are not eligible for continuation of medical coverage except as provided under COBRA. An eligible retiree can elect to contribute to the cost of continuing spouse and other eligible dependent coverage at retirement. Surviving spouses are eligible for the SCAG contribution upon the death of the retiree.

Premium Rates

SCAG participates in the CalPERS Health Program, a community-rated program for its medical coverage. The following tables summarize the 2013 and 2014 monthly premiums for the primary medical plans in which the retirees are enrolled. In 2014, the CalPERS Health Program will be offering 6 new HMOs plan that could be elected by eligible retirees.

2013 Other So. Cal. Region (unless noted)	Kaiser	BS HMO	BS NVP HMO	PERS Care	PERS Choice	PERS Choice OOS
Retiree Only	\$558.95	\$643.93	\$550.03	\$992.61	\$611.30	\$754.21
Retiree Plus Spouse	\$1,117.90	\$1,287.86	\$1,100.06	\$1,985.22	\$1,222.60	\$1,508.42
Retiree Only- Medicare	\$288.37	\$261.32	\$261.32	\$370.43	\$325.74	\$325.74
Retiree Plus Spouse – Medicare	\$576.74	\$522.64	\$522.64	\$740.86	\$651.48	\$651.48

Continuing Plans 2014 Other So. Cal. Region (unless noted)	Kaiser	BS HMO	BS NVP HMO	PERS Care	PERS Choice	PERS Choice OOS
Retiree Only	\$602.79	\$543.21	\$457.17	\$638.22	\$612.25	\$706.40
Retiree Plus Spouse	\$1,205.58	\$1,086.42	\$914.34	\$1,276.44	\$1,224.50	\$1,412.80
Retiree Only- Medicare	\$294.97	\$298.21	\$298.21	\$327.36	\$307.23	\$307.23
Retiree Plus Spouse – Medicare	\$388.65	\$596.42	\$596.42	\$654.72	\$614.46	\$614.46

New Plans 2014 Other So. Cal. Region (unless noted)	Sharp HMO	UHC HMO	Anthem HMO Select	Anthem HMO Traditional	Health Net Salud	Health Net Smart Care
Retiree Only	\$538.59	\$521.01	\$536.99	\$592.20	\$489.82	\$568.51
Retiree Plus Spouse	\$1,077.18	\$1,042.02	\$1,073.98	\$1,184.40	\$979.64	\$1,137.02
Retiree Only- Medicare	\$306.51	\$193.33	\$341.12	\$341.12	\$261.24	\$261.24
Retiree Plus Spouse – Medicare	\$613.02	\$386.66	\$682.24	\$682.24	\$522.48	\$522.48

00S = Out-of-State

SECTION V. VALUATION DATA

The valuation was based on the census furnished to us by SCAG. The following tables display the age distribution for retirees and the age/service distribution for active employees as of the Measurement Date.

Age Distribution of Eligible Retired Participants & Beneficiaries

	Covered	Waived	Total
<50	1	0	1
50-54	4	0	4
55-59	5	1	6
60-64	19	2	21
65-69	27	3	30
70-74	16	3	19
75-79	10	0	10
80+	<u>7</u>	<u>3</u>	<u>10</u>
Total:	89	12	101
Average Age:	68.4	71.3	68.8
Average Retirement Age:	57.8	58.5	57.9

Age/Service Distribution of All Active Employees

Age	Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40-44	
20-24	0									0
25-29	7									7
30-34	12	4	1							17
35-39	11	5	2							18
40-44	5	6	5	1						17
45-49	6	8	4	1	1					20
50-54	6	4	2	4		3	1			20
55-59	0	3	2	0	2	1	0	2		10
60-64	1	4	1	2	1	1	2	0		12
65-69	0	2	0	1	1	0	0	0		4
70+	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>						
Total:	48	37	17	9	5	5	3	2	0	126
Average Age:			36.2							
Average Service:			9.3							
Estimated Payroll:		\$11,108,000								

SECTION VI. ACTUARIAL ASSUMPTIONS AND METHODS

The liabilities set forth in this report are based on the actuarial assumptions described in this section.

- Fiscal Year: July 1st to June 30th
- Measurement Date: June 30, 2013
- Fiscal Years Covered: FY2014/2015 and FY2015/2016 (Lagged a year from measurement date)
- Discount Rate: 7.0% per annum. This discount rate assumes SCAG continues to fully fund for its retiree health benefits through the CERBT under Investment Strategy 1 with a 0.61% additional margin for adverse deviation applied to the CERBT stated median discount rate
- Sensitivity analysis showing a 0.5% increase or decrease in the discount rate is also provided.
- Inflation: 2.8% per annum
[The prior valuation assumed 3.0%]
- Salary Increases: 3.0% per annum, in aggregate. For cost method purposes the merit increases from the CalPERS pension plan will be use
[The prior valuation assumed 3.25%, in aggregate]
- Pre-retirement Turnover: According to the termination rates under the CalPERS pension plan. Sample rates for Miscellaneous employees are as follows:

Service	Entry Age			
	20	30	40	50
0	17.42%	16.06%	14.68%	13.32%
5	8.68%	7.11%	5.54%	0.97%
10	6.68%	5.07%	0.71%	0.38%
15	5.03%	3.47%	0.23%	0.04%
20	3.70%	0.21%	0.05%	0.01%
25	2.29%	0.05%	0.01%	0.01%
30	0.05%	0.01%	0.01%	0.01%

Pre-retirement Mortality: According to the pre-retirement mortality rates under the CalPERS pension plan projected fully generational with Scale AA. Sample deaths per 1,000 employees applicable to Miscellaneous employees are as follows:

Age	Males	Females
25	0.5	0.3
30	0.5	0.4
35	0.7	0.5
40	0.9	0.7
45	1.2	0.9
50	1.8	1.3
55	2.6	1.8

60	4.0	2.7
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Post-retirement Mortality: According to the post-retirement mortality rates under the CalPERS pension plan projected fully generational with Scale AA. Sample deaths per 1,000 employees applicable to non-disabled retirees are as follows:

Age	Males	Females
55	4.7	2.4
60	7.2	4.3
65	10.7	7.8
70	16.8	12.4
75	30.8	20.7
80	52.7	37.5
85	97.8	70.1
90	167.5	124.0

Retirement Rates: According to the retirement rates under the CalPERS pension plan updated to reflect the most recent experience study. The percentage refers to the probability that an active employee who has reached the stated age will retire within the following year. Sample retirement rates for Miscellaneous employees under the 2% at 55 formula are as follows:

Age	Service at Retirement				
	15	20	25	30	35
50	2.4%	2.9%	3.3%	3.9%	4.4%
51	2.0%	2.4%	2.7%	3.3%	3.7%
52	2.2%	2.7%	3.0%	3.6%	4.0%
53	2.7%	3.2%	3.7%	4.3%	4.9%
54	4.1%	4.9%	5.6%	6.7%	7.6%
55	7.8%	9.4%	10.7%	12.7%	14.3%
56	6.9%	8.3%	9.5%	11.3%	12.7%
57	7.4%	9.0%	10.2%	12.2%	13.7%
58	8.0%	9.7%	11.0%	13.1%	14.8%
59	9.2%	11.1%	12.7%	15.1%	16.9%
60	11.2%	13.4%	15.3%	18.2%	20.5%
61	13.7%	16.5%	18.8%	22.4%	25.2%
62	19.7%	23.7%	27.0%	32.2%	36.2%
63	19.9%	23.9%	27.3%	32.5%	36.6%
64	18.0%	21.6%	24.7%	29.4%	33.0%
65	26.9%	32.3%	36.9%	43.9%	49.4%
66	20.8%	25.0%	28.5%	34.0%	38.2%
67	20.6%	24.7%	28.2%	33.6%	37.8%
68	18.2%	21.9%	25.0%	29.7%	33.4%
69	17.9%	21.5%	24.6%	29.3%	32.9%
70	21.4%	25.7%	29.3%	34.9%	39.3%
71	14.5%	17.5%	20.0%	23.8%	26.7%
72	16.0%	19.2%	22.0%	26.1%	29.4%
73	12.9%	15.5%	17.7%	21.1%	23.7%
74	10.0%	12.0%	13.7%	16.3%	18.3%
75	100.0%	100.0%	100.0%	100.0%	100.0%

Participation Rates: 100% of active employees meeting eligibility requirements are assumed to elect retiree health coverage at retirement. Current retirees are assumed to continue current plan and coverage category except 20% of non-Medicare eligible retirees currently waiving coverage are assumed to elect coverage at Medicare eligibility age.

Spouse Coverage: 50% of future retirees are assumed to elect coverage for their spouse. Female spouses are assumed to be 3 years younger than male spouses. Spouse coverage and spouse age for current retirees is based on actual coverage and actual spouse age.

[The prior valuation assumed future retirees spouse coverage would be based on current coverage as an active employee and 80% for those waiving coverage]

Dependent Coverage: Not explicitly valued.

Medicare Eligibility: 100% unless identified on data as not Medicare eligible.

[The prior valuation made an assumption that 75% of pre-1986 hires and 95% of pre-Medicare retirees are Medicare eligible.]

Claim Cost Development: The valuation was based on the medical premiums paid by SCAG for insurance coverage. SCAG participates in the CalPERS Health Plan, a community rated plan. The valuation assumes SCAG is exempt from the valuation of any medical plan rate subsidy.

Medical Trend Rates: Medical costs are adjusted in future years by the following trends:

Year	PPO	HMO
2015	7.5%	7.0%
2016	7.0%	6.5%
2017	6.5%	6.0%
2018	6.0%	5.5%
2019	5.5%	5.0%
2020+	5.0%	5.0%

Minimum Contribution: The CalPERS minimum required employer contribution is assumed to increase 4% per year.

Maximum Contribution: No increase through 2015 and 2% every 3 years, thereafter.

Sensitivity analysis will be provided showing no increase.

Actuarial Cost Method: The actuarial cost method used to determine the allocation of the retiree health actuarial liability to the past (accrued), current and future periods is the Entry Age Normal (EAN) cost method. The EAN cost method is a projected benefit cost method which means the “cost” is based on the projected benefit expected to be paid at retirement.

The EAN normal cost equals the level annual amount of contribution from the employee’s date of hire (entry date) to their retirement date that is sufficient to fund the projected benefit. For plans unrelated to pay, the normal cost is calculated to remain level in dollars; for pay-related plans the normal cost is calculated to remain level as a percentage of pay. SCAG has elected to determine the EAN normal cost as a level percentage of pay. The EAN actuarial accrued liability equals the present value of all future benefits for retired and current employees and their beneficiaries less the portion expected to be funded by future normal costs.

All employees eligible as of the measurement date in accordance with the provisions of the Plan listed in the data provided by SCAG were included in the valuation.

Actuarial Value of Assets: Asset gains and losses recognized over 5 years subject to a corridor equal to a minimum of 80% and a maximum of 120% of the market value of plan assets.

Amortization of UAAL: The unfunded actuarial accrued liability is being amortized over an initial 20 years using the level-percentage-of-pay method on a closed-basis. The remaining amortization period is assumed to be 13 years. Gain/losses have been amortized over 15 years. A fresh start approach over 13 years will be applied for the current valuation.

CalPERS Pension Plan The rates used are from the CalPERS 1997-2007 Experience Study.

SECTION VII. ACTUARIAL CERTIFICATION

The results set forth in this report are based on the actuarial valuation of the retiree health benefits program of SCAG as of June 30, 2013.

The valuation was performed in accordance with generally accepted actuarial principles and practices and in accordance with GASB Statements No. 43 & 45. We relied on census data for active employees and retirees provided to us by SCAG. We also made use of plan information, premium information, and enrollment information provided to us by SCAG.

The assumptions used in performing the valuation, as summarized in this report, and the results based thereupon, represent our best estimate of anticipated experience and actuarial cost of the retiree health benefits program.

I am a member of the American Academy of Actuaries and believe I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Certified by:

Marilyn K. Jones, ASA, EA, MAAA, FCA
Consulting Actuary

Date: _____

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DATE: January 2, 2014

TO: Regional Council (RC)

FROM: Hon. Margaret Finlay, Chair, Community, Economic and Human Development Committee (CEHD)

SUBJECT: 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy (2016 RTP/SCS) Plan Update: Subregional Sustainable Communities Strategy Framework and Guidelines

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:

Adopt the Proposed Subregional Sustainable Communities Strategy Framework and Guidelines.

EXECUTIVE SUMMARY:

In accordance with state law, all subregions in the Southern California Association of Governments (SCAG) region have the option to work with the County Transportation Commissions (CTCs) and submit their own subregional Sustainable Communities Strategy (SCS). As part of the development of the adopted 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (2012 RTP/SCS), the policies and terms for accepting and incorporating subregional SCS documents into the regional plan were laid out in "Framework and Guidelines," required in statute and adopted by the Regional Council in 2009. The approved guidelines can be accessed at: http://rtpscs.scag.ca.gov/Documents/scs/SB375_FrameworkGuidelines040110.pdf

For the 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy (2016 RTP/SCS) plan update, staff has updated the Framework and Guidelines regarding subregional delegation. The proposed Framework and Guidelines (attached) are based upon the clarifying "Principles for Subregional Delegation" ("Principles") document that was reviewed and recommended for RC approval by CEHD on September 12, 2013, and approved by the Regional Council on October 3, 2013. The proposed Subregional Sustainable Communities Strategy Framework and Guidelines was reviewed and recommended for adoption by the CEHD Committee at their November meeting.

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 4: Develop, Maintain and Promote the Utilization of State of the Art Models, Information Systems and Communication Technologies.

BACKGROUND:

State law codifying SB 375 directs SCAG Regional Council to adopt a SCS by specified deadlines to meet State adopted greenhouse gas emission reduction targets by 2020 and 2035. SB 375 also provides the option for a SCAG sub-region to prepare and submit to SCAG a subregional SCS for the 2016

REPORT

RTP/SCS plan update (Note: there are 15 subregions within the SCAG region. In the last SCS plan development, two of the 15 subregions chose to take delegation). The statute further directs SCAG to prepare a Framework and Guidelines document to delineate parameters for preparation of subregional SCSs and their integration into the regional approved SCS.

The Framework and Guidelines for the 2016 RTP/SCS Plan Update are based on the approved Framework and Guidelines for the 2012 RTP/SCS Plan. The document as presented here provides updates and revisions based on the Principles reviewed by CEHD on September 12, 2013 and approved by the Regional Council on October 3, 2013, along with other comments received, notably through the Technical Working Group meeting held September 16, 2013. Subsequently, the CEHD Committee adopted the Framework and Guidelines at its November 7, 2013 meeting and due to prior information, action items, discussions, and substantial member and stakeholder input, there was minimal dialogue at this meeting.

The steps and schedule for amending the Framework and Guidelines are as follows:

1. Discussion of these Principles in preliminary draft form with Technical Working Group (August 15, 2013)
2. CEHD recommended approval of Principles (September 12, 2013)
3. Open session for Technical Working Group members to review the recommended final Principles and draft updated Framework and Guidelines (week of September 16, 2013)
4. Review and Comment by CEO Sustainability Working Group (September 24, 2013)
5. Regional Council approval of Principles, and Draft Framework and Guidelines presented to CEHD for information (October 3, 2013)
6. Draft Framework and Guidelines presented to CEHD for action (November 7, 2013)
7. Draft Framework and Guidelines presented to Regional Council for action (January 2, 2014)
8. Deadline for subregions to communicate intent to prepare a subregional SCS (February 28, 2014)

FISCAL IMPACT:

Funding is included in SCAG's FY 2013-14 Overall Work Program (OWP) Budget. Staff's work for the current fiscal year is included in FY 2013-14 OWP 065.SCG02663.02.

ATTACHMENT:

Proposed Subregional Sustainable Communities Strategy Framework and Guidelines

Southern California Association of Governments (SCAG)
*Revised for use in developing 2016-2040 Regional Transportation Plan/Sustainable
Communities Strategy (2016 RTP/SCS)*

SUB-REGIONAL SUSTAINABLE COMMUNITIES STRATEGY
FRAMEWORK AND GUIDELINES

I. INTRODUCTION

Codified in 2009, California's Sustainable Communities and Climate Protection Act (referred to as "SB 375"), calls for the integration of transportation, land use, and housing planning, and also establishes the reduction of greenhouse gas (GHG) emissions as part of the regional planning process. SCAG, working with the individual County Transportation Commissions (CTCs) and the sub-regions within the SCAG region, is responsible for complying with SB 375 in the Southern California region. The success in this endeavor is dependent on the collaboration of SCAG with a range of public and private partners throughout the region.

Briefly summarized here, SB 375 requires SCAG as the Metropolitan Planning Organization (MPO) to:

- Submit to the State every four years, a Sustainable Communities Strategy (SCS) as part of the Regional Transportation Plan (RTP). The SCS will meet a State-determined regional GHG emission reduction target, if it is feasible to do so.
- Prepare an Alternative Planning Strategy (APS) that is not part of the RTP if the SCS is unable to meet the regional GHG emission reduction target.
- Integrate SCAG planning processes, in particular assuring that the Regional Housing Needs Assessment (RHNA) is consistent with the SCS, at the jurisdictional level.
- Specific to SCAG only, allow for sub-regional SCS/APS development.
- Develop a public participation process involving all required stakeholders.

Unique to the SCAG region, SB 375 provides that "a sub-regional council of governments and the county transportation commission may work together to propose the sustainable communities strategy and an alternative planning strategy . . . for that sub-regional area." Govt. Code §65080(b)(2)(D). In addition, SB 375 provides that SCAG "may adopt a framework for a sub-regional SCS or a sub-regional APS to address the intraregional land use, transportation, economic, air quality, and climate policy relationships." *Id.*

Finally, SB 375 requires SCAG to "develop overall guidelines, create public participation plans, ensure coordination, resolve conflicts, make sure that the overall plan complies with applicable legal requirements, and adopt the plan for the region." *Id.* Note that the Framework and Guidelines may be administratively amended subject to changes in applicable federal and/or state planning laws, regulations, and guidance.

The intent of this Framework and Guidelines for Sub-regional Sustainable Communities Strategy (also referred to herein as the “Framework and Guidelines” or the “Sub-regional Framework and Guidelines”) is to offer the SCAG region’s sub-regional agencies the highest degree of autonomy, flexibility and responsibility in developing a program and set of implementation strategies for their sub-regional areas while still achieving the goals of the regional SCS. This will enable the sub-regional strategies to reflect the issues, concerns, and future vision of the region’s collective jurisdictions with the input of the fullest range of stakeholders. This Framework and Guidelines establishes standards for the sub-regions’ work in preparing and submitting sub-regional strategies, while also laying out SCAG’s role in facilitating and supporting the sub-regional effort with data, tools, and other assistance.

The Framework and Guidelines are intended to facilitate the specific sub-regional option to develop the SCS (and optional APS) as described in SB 375. SCAG supports the fullest possible participation and will work closely with all the sub-regions equally within the SCAG region (regardless if the sub-region accepts sub-regional SCS delegation or not) to develop the regional SCS.

II. ELIGIBILITY AND PARTICIPATION

The option to develop a sub-regional SCS (and APS if they choose) is available to any sub-regions recognized by SCAG, regardless of whether the organization is formally established as a “sub-regional council of governments.”

CTCs play an important and necessary role in the development of a sub-regional SCS. Any sub-region that chooses to develop a sub-regional strategy will need to work closely with the respective CTC in its sub-regional area in order to identify and integrate transportation projects and policies. Beyond working with CTCs, SCAG encourages partnership efforts in the development of sub-regional strategies, including partnerships between and among sub-regions.

For the 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy (2016 RTP/SCS) cycle, sub-regional agencies should indicate to SCAG, in writing by February 28, 2014, if they intend to exercise their option to develop their own sub-regional SCS (see the Schedule for Development of the 2016 RTP/SCS attached here as Exhibit 1.)

Sub-regions that choose to develop an SCS for their area shall do so in a manner consistent with the most current version of this Framework and Guidelines. The sub-region’s decision to prepare the sub-regional SCS for their area must be communicated through formal action of the sub-regional agency’s governing board or the agency’s designee. Subsequent to receipt of any sub-region’s decision to develop and adopt an SCS, SCAG and the sub-region will develop a Memorandum of Understanding (MOU). The final executed version of the MOU shall be consistent with the Framework and Guidelines, and may be amended during the process, if necessary.

III. FRAMEWORK

The Framework portion of this document covers regional objectives and policy considerations, and provides general direction to the sub-regions in preparing a sub-regional SCS (and APS if necessary).

A. SCAG's goals for complying with SB 375 include:

- Update the 2016 RTP/SCS with an emphasis on documenting the region's progress in implementing the strategies and actions described in the 2012-2035 SCS.
- Achieve the regional GHG emission reduction targets for 2020 and 2035 for cars and light trucks through an SCS.
- Fully integrate SCAG's planning processes for transportation, growth, intergovernmental review, land use, housing, and the environment.
- Seek areas of cooperation that go beyond the procedural statutory requirements, but that also result in regional plans and strategies that achieve co-benefits.
- Build trust by providing an interactive, participatory and collaborative process for all stakeholders. Provide, in particular, for the robust participation of local jurisdictions, sub-regions and CTCs in the development of the SCAG regional SCS and implementation of the sub-regional provisions of the law.
- Assure that the SCS adopted by SCAG and submitted to California Air Resources Board (ARB) is a reflection of the region's collective growth strategy and vision for the future.
- Demonstrate continued reasonable progress in implementing the 2012-2035 RTP/SCS.
- Develop strategies that incorporate and are respectful of local and sub-regional priorities, plans, and projects.

B. Flexibility, Targets and Adoption

Sub-regions may develop an appropriate strategy to address the region's greenhouse gas reduction goals and the intent of SB 375. Sub-regions may employ any combination of land use policy change, transportation policy, and transportation investment, within the specific parameters described in the Guidelines.

SCAG will not issue sub-regional GHG or any other sub-regional performance targets.

Growth distribution and land use data for the 2016 RTP/SCS, including incorporated sub-regional SCSs, will be adopted at the jurisdictional level by the SCAG Regional Council.

C. Outreach Effort and Principles

In preparing a sub-regional SCS, sub-regions are required to conduct an open and participatory process that allows for stakeholder input. A more detailed discussion on outreach effort and principles can be found in Section IV.A.(3).

D. Communication and Coordination

Sub-regions developing their own SCS are strongly encouraged to maintain regular communication with SCAG staff, the respective CTC, their jurisdictions and other stakeholders, and other sub-regions if necessary, to review issues as they arise and to assure close coordination. Mechanisms for ongoing communication should be established in the early phases of strategy development.

E. Planning Concepts

SCAG, its sub-regions, and member cities have established a successful track record on a range of land use and transportation planning approaches up through and including the development of the 2012-2035 RTP/SCS. The sub-regional SCS should consider the 2012-2035 RTP/SCS and build off of its policies and concepts, including emphases on compact development, developing transit-oriented, mixed use, and walkable, bike-able communities, concentration on destinations/attractions and vehicle technology in concert with land use, provide for a mix of housing and jobs, and providing for a mix of housing and jobs, among others. These are further discussed in Section IV.A.(1).

IV. GUIDELINES

These Guidelines describe specific parameters for the sub-regional SCS/APS effort under SB 375, including process, deliverables, data, documentation, and timelines. As described above, the Guidelines are created to ensure that the region can successfully incorporate strategies developed by the sub-regions into the regional SCS, and that the region can comply with its own requirements under SB 375. Failure to proceed in a manner consistent with the Guidelines could result in SCAG not accepting a sub-region's submitted strategy.

A. SUB-REGIONAL ROLES AND RESPONSIBILITIES

(1) Sub-regional Sustainable Communities Strategy

Sub-regions that choose to exercise their optional role under SB 375 will develop and adopt a sub-regional Sustainable Communities Strategy. That strategy must contain all of the required elements, and follow all procedures, as described in SB 375 and outlined below:

- (i) identify the general location of uses, residential densities, and building intensities within the sub-region;
- (ii) identify areas within the sub-region sufficient to house all the population of the sub-region, including all economic segments of the population, over the course of the planning period of the RTP taking into account net migration into the region, population growth, household formation and employment growth;
- (iii) identify areas within the sub-region sufficient to house an eight-year projection of the regional housing need for the sub-region pursuant to Section 65584;

- (iv) identify a transportation network to service the transportation needs of the sub-region;
 - (v) gather and consider the best practically available scientific information regarding resource areas and farmland in the sub-region as defined in subdivisions (a) and (b) of Section 65080.01;
 - (vi) consider the state housing goals specified in Sections 65580 and 65581;
 - (vii) set forth a forecasted development pattern for the sub-region, which, when integrated with the transportation network, and other transportation measures and policies, will reduce the greenhouse gas emissions from automobiles and light trucks to achieve, if there is a feasible way to do so, the greenhouse gas emission reduction targets approved by the ARB; and
 - (viii) allow the RTP to comply with Section 176 of the federal Clean Air Act (42 U.S.C. Sec. 7506).
- [Government Code §65080(b)(2)(B).]

In preparing the sub-regional SCS, the sub-region should consider feasible strategies, including local land use policies, transportation infrastructure investment (e.g., transportation projects), and other transportation policies such as Transportation Demand Management (TDM) strategies (which includes pricing), and Transportation System Management (TSM) strategies. Sub-regions need not constrain land use strategies considered for the SCS to current General Plans. In other words, the adopted strategy need not be fully consistent with local General Plans currently in place. If the land use assumptions included in the final sub-regional SCS depart from General Plans, it is recommended that sub-regions include a finding as part of their adoption action (e.g., adopting resolution) that concludes that the land uses are feasible and may be implemented. Technological measures may be included if they can be demonstrated to exceed measures captured in other state and federal requirements (e.g., AB 32).

Sub-regions are encouraged, but not required, to develop a range of scenarios integrating transportation, growth, land use, housing, and environmental planning. Should a sub-region choose to develop alternative scenarios, they should be considered and evaluated using comparative performance information. If scenarios are prepared, sub-regions may choose to work with SCAG for further guidance. Tools that can allow for a process similar to that used at the regional level will be provided.

The regional RTP/SCS, of which the SCS is a component, is required to be internally consistent. Therefore, for transportation investments included in a sub-regional SCS to be valid, they must also be included in the corresponding RTP/SCS. Further, such projects need to be scheduled in the FTIP for construction completion by the target years (2020 and 2035) in order to demonstrate any benefits as part of the SCS. As such, sub-regions will need to collaborate with the respective CTC in their area to coordinate the sub-regional SCS with future transportation investments.

SCAG will accept and incorporate the sub-regional SCS, unless (a) it does not comply with SB 375, (b) it does not comply with federal law, or (c) it does not comply with SCAG's Sub-regional Framework and Guidelines. SCAG may adjust sub-regionally

submitted growth distribution and land use data at the sub-jurisdictional level if the compiled regional SCS does not meet GHG targets or other performance objectives specified by the Regional Council. More information on this contingency is included below in Section IV.C.(4) “Incorporation/Modification.”

The regional SCS, including incorporated sub-regional SCSs, are subject to a standard public review process and review and adoption by the SCAG Regional Council.

(2) Sub-regional Alternative Planning Strategy

At this time, SCAG will not prepare a regional APS for the 2016 Plan update. SCAG does not anticipate that a sub-regional APS scenario will be appropriate for the 2016 Plan update. Nevertheless, SB 375 provides sub-regions the option to further develop an APS, according to the procedures and requirements described in SB 375.

If a sub-region decides to prepare an APS, they must prepare a Sustainable Communities Strategy first, in accordance with SB 375. A sub-regional APS is not “in lieu of” a sub-regional SCS, but in addition to the sub-regional SCS.

Sub-regions are encouraged to focus their efforts on feasible measures that can be included in an SCS. Any timing or submission requirements for a sub-regional APS will be determined based on further discussions. In the event that a sub-region chooses to prepare an APS, the content of a sub-regional APS should be consistent with state requirements (See Government Code §65080(b)(2)(H)), as follows:

- (i) Shall identify the principal impediments to achieving the sub-regional SCS.
- (ii) May include an alternative development pattern for the sub-region pursuant to subparagraphs (B) to (F), inclusive.
- (iii) Shall describe how the alternative planning strategy would contribute to the regional greenhouse gas emission reduction target, and why the development pattern, measures, and policies in the alternative planning strategy are the most practicable choices for the sub-region.
- (iv) An alternative development pattern set forth in the APS shall comply with Part 450 of Title 23 of, and Part 93 of Title 40 of, the Code of Federal Regulations, except to the extent that compliance will prevent achievement of the regional greenhouse gas emission reduction targets approved by the ARB.
- (v) For purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), an APS shall not constitute a land use plan, policy, or regulation, and the inconsistency of a project with an alternative planning strategy shall not be a consideration in determining whether a project may have an environmental effect.

(3) Sub-Regional SCS Outreach

SCAG will fulfill all of the statutory outreach requirements under SB 375 for the regional SCS/APS, which will include outreach regarding any sub-regional SCS/APS. SCAG’s

adopted Public Participation Plan incorporates the outreach requirements of SB 375, integrated with the outreach process for 2016 RTP/SCS development. See Section C(2) below for more information on SCAG's regional outreach plan.

In preparing a sub-regional SCS, sub-regions are strongly encouraged to design and adopt their own outreach processes that mirror the requirements imposed on the region under SB 375. Sub-regional outreach processes should reinforce the regional goal of full and open participation, and engagement of the broadest possible range of stakeholders.

Sub-regions that elect to prepare their own SCS are encouraged to present their sub-regional SCS, in coordination with SCAG, at all meetings, workshops and hearings held by SCAG in their respective counties. Additionally, the sub-regions are encouraged to either provide SCAG with their mailing lists so that public notices and outreach materials may also be posted and sent out by SCAG; or coordinate with SCAG to distribute notices and outreach materials to the sub-regions' stakeholders. Additional outreach may be performed by sub-regions.

(4) Sub-regional SCS Approval

The governing board of the sub-regional agency shall approve the sub-regional SCS prior to submission to SCAG. SCAG recommends there be a resolution from the governing board of the sub-region with a finding that the land use strategies included in the sub-regional SCS are feasible and based upon consultation with the local jurisdictions in the respective sub-region. Sub-regions should consult with their legal counsel as to compliance with the California Environmental Quality Act (CEQA). In SCAG's view, the sub-regional SCS is not a "project" for the purposes of CEQA; rather, the RTP which will include the regional SCS is the actual "project" which will be reviewed for environmental impacts pursuant to CEQA. As such, the regional SCS, which will include the sub-regional SCSs, will undergo a thorough CEQA review. Nevertheless, sub-regions approving sub-regional SCSs should consider issuing a notice of exemption under CEQA to notify the public of their "no project" determination and/or to invoke the "common sense" exemption pursuant to CEQA Guidelines § 15061(b)(3).

In accordance with SB 375, sub-regions are strongly encouraged to work in partnership with the CTC in their area. SCAG can facilitate these arrangements if needed.

(5) Data Standards

Sub-regions and jurisdictions are strongly encouraged, but will not be required, to use the Scenario Planning Model (SPM) tool for developing and evaluating the sub-regional SCSs and to submit sub-regional SCSs in SPM, or other compatible, GIS-based, format. This will enable SCAG to better integrate sub-regional submissions with the regional SCS and will allow sub-regions to prepare alternative scenarios if they so choose. SCAG will provide the SPM tool, and necessary training, free of charge for sub-regions and jurisdictions. See Section IV.C.(11) "Tools" below for more information on SPM.

Growth distribution and land use data for the 2016 RTP/SCS, including incorporated sub-regional SCSs, will be adopted at the jurisdictional level.

SCAG will distribute data to sub-regions and local jurisdiction via the region-wide local input process for 2016 RTP/SCS development. More information on data and the local input process can be found below in Section IV.C.(10) and in the attached Appendix A.

(6) Documentation

Sub-regions are expected to maintain full and complete records related to the development of the sub-regional SCS, and to use the most recent local general plans and other locally approved planning documents.

(7) Implementation Monitoring

Delegated sub-regions for the 2016 Plan will be required to provide progress reporting on the implementation of policies included in their sub-regional SCS. SCAG will, likewise, monitor implementation of the regional SCS. This information will assist SCAG in preparing future plan updates, and is consistent with SCAG's intended approach for developing the 2016 RTP/SCS, which will emphasize progress reporting, monitoring and updating. The intent is for SCAG to ensure that progress and success for our sub-regions and local jurisdictions are documented and recognized.

To monitor implementation sub-regions should track subsequent actions on policies and strategies included in the sub-regional SCS. Monitoring should be focused on policy actions taken (e.g., General Plan updates) or subsequent planning work performed.

While sub-regions have substantial discretion within the overall goal of ascertaining progress of adopted plan policies and strategies, SCAG is in the process of developing a scope of work for regional monitoring which can be used as guidance for sub-regional monitoring. This may involve, for example, a survey of local jurisdictions on their general plan updates reflecting SCS policies. SCAG will lead the effort for any data-intensive exercise and technical analysis, with assistance from sub-regions and local jurisdictions.

Further guidance on implementation monitoring including required format and timing will be developed through further discussion and documented in MOUs with delegated sub-regions.

(8) Timing

An overview schedule of the major milestones of the sub-regional process and its relationship to the regional 2016 RTP/SCS is attached here as Appendix B and may be further delineated or adjusted in MOUs with delegated sub-regions.

(9) Relationship to Regional Housing Needs Assessment and Housing Element

This section is not applicable to the 2016 RTP/SCS process, as the RHNA will next be updated in 2020.

Although SB 375 calls for an integrated process, sub-regions are not automatically required to take on RHNA delegation as described in state law if they prepare an SCS/APS. However, SCAG encourages sub-regions to undertake both processes due to their inherent connections.

SB 375 requires that the RHNA allocated housing units be consistent with the development pattern included in the SCS. See Government Code §65584.04(i). Population and housing demand must also be proportional to employment growth. At the same time, in addition to the requirement that the RHNA be consistent with the development pattern in the SCS, the SCS must also identify areas that are sufficient to house the regional population by income group through the RTP/SCS planning period, and must identify areas to accommodate the region's housing need for the next local Housing Element eight year planning period update. The requirements of the statute are being further interpreted through the RTP/SCS guidelines process. Staff intends to monitor and participate in the guidelines process, inform stakeholders regarding various materials on these issues, and amend, if necessary, these Framework and Guidelines, pending its adoption.

The option to develop a sub-regional SCS is separate from the option for sub-regions to adopt a RHNA distribution, and subject to separate statutory requirements. Nevertheless, sub-regions that develop and adopt a sub-regional SCS should be aware that the SCS will form the basis for the allocation of housing need as part of the RHNA process. Further, SCS development requires integration of elements of the RHNA process, including assuring that areas are identified to accommodate the year need for housing, and that housing not be constrained by certain types of local growth controls as described in state law.

SCAG will provide further guidance for sub-regions and a separate process description for the RHNA during RTP/SCS cycles in which it applies.

B. COUNTY TRANSPORTATION COMMISSIONS' ROLES AND RESPONSIBILITIES

Sub-regions that develop a sub-regional SCS will need to work closely with the CTCs in their area in order to coordinate and integrate transportation projects and policies as part of the sub-regional SCS. As discussed above (under "Sub-regional Sustainable Communities Strategy"), any transportation projects identified in the sub-regional SCS must also be included in the associated RTP/SCS in order to be considered as a feasible strategy. SCAG can help to facilitate communication between sub-regions and CTCs.

C. SCAG ROLES AND RESPONSIBILITIES

SCAG's roles in supporting the sub-regional SCS development process are as follows:

(1) Preparing and adopting the Framework and Guidelines

SCAG will update and have the SCAG Regional Council adopt these Framework and Guidelines each RTP/SCS cycle in order to assure regional consistency and the region's compliance with law.

(2) Public Participation Plan

SCAG will assist the sub-regions by developing, adopting and implementing a Public Participation Plan and outreach process with stakeholders. This process includes consultation with congestion management agencies, transportation agencies, and transportation commissions; and SCAG will hold public workshops and hearings. SCAG will also conduct informational meetings in each county within the region for local elected officials (members of the board of supervisors and city councils), to present the draft SCS (and APS if necessary) and solicit and consider input and recommendations.

(3) Methodology

As required by SB 375, SCAG will adopt and regularly update a methodology for measuring greenhouse gas emission reductions associated with the strategy.

(4) Incorporation/Modification

SCAG will accept and incorporate the sub-regional SCS, unless (a) it does not comply with SB 375 (Government Code Section 65080 et seq.), (b) it does not comply with federal law, or (c) it does not comply with SCAG's Sub-regional Framework and Guidelines.

Further, SCAG may develop and incorporate growth and land use assumptions for delegated sub-regions that differ from or go beyond what is submitted by delegated sub-regions. For incorporation in the regional RTP/SCS, SCAG may adjust sub-regionally submitted growth distribution and land use data at the sub-jurisdictional level for a number of reasons including complying with statutory requirements, ensuring meeting a regional GHG target or other regional performance objectives specified by the SCAG Regional Council. Performance considerations other than the GHG targets that may prompt adjustments to sub-regional land uses would be specified prior to regional public workshops and included in the regional scenario options discussed at public workshops (mid-2015) as required under SB 375. Any necessary modifications of sub-regionally-submitted growth distribution and land use data for the RTP/SCS will be made at the sub-jurisdictional level. Growth distribution and land use data for 2016 sub-regional SCS submittals will be held constant at the jurisdictional level.

The intent of this provision is to maintain flexibility in assembling the regional SCS if such flexibility is needed to meet federal or State requirements. Any adjustment to sub-regionally submitted growth distribution and land use data will be an iterative process, in close collaboration with the sub-region and affected jurisdictions. SCAG staff will also work closely with sub-regions prior to the finalization and submittal of the sub-regional SCS to address potential adjustments.

The development of a sub-regional SCS does not exempt the sub-region from other regional GHG emission reduction strategies not directly related to land use included in the regional SCS. An example from the adopted 2012-2035 RTP/SCS is regional TDM. All regional measures needed to meet the regional target will be subject to adoption by the SCAG Regional Council.

SCAG will develop a MOU with each sub-region to define a process and timeline whereby sub-regions would submit a draft sub-regional SCS to SCAG for review and comments, so that any inconsistencies may be identified and resolved early in the process.

(5) Modeling

SCAG currently uses a Trip-Based Regional Transportation Demand Model and ARB's EMFAC model for emissions purposes. SCAG is also in the process of developing an Activity Based Model for use in 2016 RTP/SCS development and evaluation.

SCAG will compile and disseminate performance information on the preliminary regional SCS and its components in order to facilitate regional dialogue.

(6) Regional Performance Measures.

As discussed above (Section IV.C.(4)), SCAG may make adjustments to sub-regionally submitted land use data in order to meet the GHG targets or to achieve other performance objectives. The process for finalizing formal Performance Measures will inform any potential adjustments. Below is a general description of the process for developing and finalizing formal Performance Measures.

SCAG is in the process of compiling two complete lists of performance measures and monitoring: one is to be used in evaluating regional-level scenarios for the 2016 RTP/SCS. The other is for monitoring the implementation of the 2012-2035 RTP/SCS. The monitoring of implementation may include, for example, tracking the joint work program activities between SCAG and CTCs, local general plan updates, and housing element compliance. Building on the foundation of the performance measures developed for the 2012-2035 RTP/SCS, the 2016 RTP/SCS will include any additional MAP-21 performance measures scheduled for adoption in April 2015 by the U.S. Department of Transportation as well as other updates adopted by the Regional Council. Most update related activities for the 2016 RTP/SCS performance measures are expected to take place between January 2014 and May 2015. This will be addressed through discussions with

the SCAG Technical Working Group and stakeholders, and the SCAG Policy Committees.

(7) Adoption/Submission to State

After the incorporation of sub-regional strategies, the Regional Council will finalize and adopt the 2016 RTP/SCS. SCAG will submit the SCS, including all sub-regional SCSs to ARB for review as required in SB 375.

(8) Conflict Resolution

SCAG must develop a process for resolving conflicts, as required by SB 375. As noted above, SCAG will accept the sub-regional SCS unless it is inconsistent with SB 375, federal law, or the Sub-regional Framework and Guidelines. In the event that growth and land use assumptions in a sub-regional SCS must be modified, the process will be collaborative, iterative and in close coordination among SCAG, sub-regions and their respective jurisdictions and CTCs. SCAG may establish a conflict resolution process as part of the MOU between SCAG and the sub-region.

(9) Funding

Funding for sub-regional activities is not available at this time. Any specific parameters for future funding are speculative. SCAG does not anticipate providing a share of available resources to sub-regions if funding were to become available. While there are no requirements associated with potential future funding at this time, it is advisable for sub-regions to track and record their expenses and activities associated with these efforts.

(10) Data

SCAG will distribute data to sub-regions and local jurisdiction via the region-wide local input process for 2016 RTP/SCS development. Information on data and the local input process can be found in the attached Appendix A.

(11) Tools

SCAG is developing a SPM tool for sub-regions and local jurisdictions to analyze land use impact. SCAG anticipates that this tool will be available for use in May 2014. The use of this tool is not mandatory and is at the discretion of the sub-region. SPM is a web-based tool that can be used to analyze, visualize and calculate the impact of land use changes on greenhouse gas emissions, auto ownership, mode use, vehicle miles of travel (VMT), and other metrics in real time. Users will be able to estimate transportation and emissions impacts by modifying land use designations within their community. SPM can be used by sub-regions in a technical setting for developing and evaluating alternative scenarios and in outreach settings for visualizing and communicating planning options and potential outcomes. SPM can also be used to collect, organize and transmit data.

Other planning tools that SCAG maintains or has access to (e.g., CaLOTS application) will, likewise, be made available to sub-regions for the sub-regional SCS development effort. SCAG will consider providing guidance and training on additional tools based on further discussions with sub-regional partners.

(12) Resources and technical assistance

SCAG will assist the sub-regions by making available technical tools for scenario development as described above. SCAG staff can participate in sub-regional workshops, meetings, and other processes at the request of the sub-region, and pending funding and availability. SCAG's legal staff will be available to assist with questions related to SB 375 or SCAG's implementation of SB 375. Further, SCAG will prepare materials for its own process in developing the regional SCS, and will make these materials available to sub-regions.

D. MILESTONES/SCHEDULE

- Deadline for sub-regions to communicate intent to prepare a sub-regional SCS – February 28, 2014
- CARB issues Final Regional Targets – TBD
- Sub-regional SCS development – through early 2015
- Release Draft 2016 RTP/SCS for public review – Fall 2015
- Regional Council adopts 2016 RTP/SCS – Spring 2016

For more detail on the process schedule and milestones, refer to the attached Appendix B. If other milestones are needed, they will be incorporated into the MOU between SCAG and the Sub-region.

APPENDIX A DATA REQUIREMENTS AND LOCAL INPUT PROCESS FOR SUB-REGIONAL SUSTAINABLE COMMUNITIES STRATEGIES

2016 RTP/SCS Development and the Local Input Process

Overview

Additional planning considerations will be addressed in the development of 2016 RTP/SCS, including issues flowing from the state, national and regional levels. Planning activities with complementary goals through all levels of government, include the following:

- The California Air Resources Board (ARB) Scoping Plan, Vision Framework and State of California's efforts to accelerate the introduction of zero emission vehicles (ZEV), as spelled out in the Governor's Executive Order B-16-2012; (<http://www.gov.ca.gov/news.php?id=17472>), and the associated Zero Emission Vehicle Action Plan ([http://opr.ca.gov/docs/Governor's Office ZEV Action Plan \(02-13\).pdf](http://opr.ca.gov/docs/Governor's_Office_ZEV_Action_Plan_(02-13).pdf)).
- Air Quality Management Plans for the 2008 Ozone National Ambient Air Quality Standards. Pursuant to the federal Clean Air Act, state implementation plans for each 2008 8-hour ozone nonattainment area must be submitted to US EPA by July 2016. The SCAG region contains seven such nonattainment areas: Coachella Valley, Imperial County, Morongo Area of Indian Country, Pechanga Area of Indian Country, South Coast Air Basin, Ventura County, and Western Mojave Desert Air Basin;
- The Air Resources Board's potential consideration of revised Greenhouse Gas (GHG) emission reduction targets applicable to the SCS. SB 375 gives ARB the authority to review and update regional greenhouse gas reduction targets every 4 years. The next ARB review of regional targets will occur in 2014. Under SB 375, ARB has authority to establish regional targets for 2020 and 2035 only. Based on AB 32 and state Executive Orders, California's planning efforts need to look beyond 2020 towards 2050 climate goals. SCAG's 2016 RTP/SCS will have a planning horizon of 2040, and each subsequent RTP update will further extend the planning horizon. ARB would expect, at a minimum that the 2016 RTP/SCS will maintain the 2035 level of greenhouse gas reductions through 2040 and beyond;
- The state transportation plan and freight plan;
- New requirements for RTPs included in the federal transportation reauthorization (MAP-21) Of note, MAP-21 includes substantial new processes for developing performance measures.

Also note that State law requires a coordinated Regional Housing Needs Assessment (RHNA) and Housing Element update cycle every eight years, or with *every other* RTP/SCS update. Given that the fifth cycle RHNA process was completed in conjunction with the 2012-2035 RTP/SCS, there will be no RHNA/Housing Element update with the 2016 plan.

SCAG and its partners have been diligently fulfilling the promise of the 2012-2035 RTP/SCS by focusing on implementation actions, including:

- Forming six subcommittees to closely examine issues of interest from the 2012-2035 plan, who ultimately recommended next steps that were approved by the Regional Council in May 2013;
- Launching a new comprehensive Sustainability Program, building on our on-going successful Compass Blueprint program to provide planning resources for member local agencies;
- Forming a standing Sustainability Working Group comprised of the six County Transportation Commissions in the SCAG region;
- Developing a formal joint work program between SCAG and the Los Angeles County Metropolitan Transportation Authority, while also exploring similar partnerships with other county transportation commissions;
- Developing legislative priorities that implement key components of the 2012-2035 plan, including innovative transportation finance, Cap and Trade implementation, and California Environmental Quality Act (CEQA) modernization.

Local Input Process

Based on the 2016 RTP/SCS Preliminary Draft Schedule and Milestones, the local input and review process will commence in October 2013 and conclude in September 2014. SCAG will seek Regional Council adoption of jurisdictional level population, households and employment for the years 2020, 2035 and 2040, which is the same as the adoption policy for the 2012-2035 RTP/SCS cycle.

Types of Variables

Variables are categorized into socio-economic variables and land use variables. The socioeconomic variables include population, households, housing units, and employment. The land use variables include land uses, residential densities, building intensities, etc., as described in SB 375. Sub-regions may use various typologies to capture land uses and can consult with SCAG for further guidance.

Geographical Levels

SCAG will be adopting the data at the jurisdictional level, but will make available Transportation Analysis Zone (TAZ) level data to jurisdictions and sub-regions. As part of the SPM development, SCAG is currently working on a new zone system, "SPMZ". Sub-regions' use of SPM is not required but SCAG will work with sub-regions to facilitate data development at the SPMZ level if so desired.

Base Year and Forecast Years

The socio-economic and land use variables will be required for the base year of 2012, and the target/plan horizon years of 2020, 2035 and 2040.

SCAG staff will develop the following socioeconomic and land use datasets through a bottom-up local input and review process as required by the 2016 RTP/SCS and Programmatic Environmental Impact Report (PEIR) for the 2016 RTP/SCS:

- Geographic datasets that establish existing conditions, including information on local general plan land use, zoning, existing land use, jurisdictional boundary, sphere of influence, farmland, flood areas, endangered species, transit priority areas, open space conservation plans, etc. (March 2013 – September 13th, 2013);
- Base year (2012) population, employment, household figures for all city and TAZs;
- Revised growth forecasts of population, employment, and households for the 2016 RTP/SCS at the jurisdictional and TAZ level for 2020, 2035, and 2040 will be sent out for review and input by local jurisdictions.
- Scenario planning exercise with SPM. This will involve voluntary alternative local jurisdiction land use scenarios, as well as sub-regional and regional level scenario planning exercises. These may include additional funding assumptions, Transportation Demand Management (TDM), Transportation System Management (TSM), active transportation measures, technology and other related strategies. All of these activities will serve as foundation to form the policy forecasts that will be derived from this local input process, if applicable; and
- Development of PEIR alternatives.

The datasets and land use scenarios, will be developed in four stages:

Stage 1 – Preliminary Land Use Data Collection and Review (March 2013 – September 13, 2013)

SCAG staff will have compiled and processed preliminary land use data from local jurisdictions and submitted these datasets for review and comment

Starting in March 2013, SCAG staff contacted each local jurisdiction in the region and requested general plan land use and zoning data. This data was integrated into SCAG's land use database and was published along with other geographic data such as existing land use, open space, farmland, and other resource data into an individual *draft* Map Book for each city and county in the region. Note this information was sent on August 9, 2013 to each jurisdiction's planning director and city manager for their review. To review your jurisdiction's map book from SCAG, please access the following link: [ftp://scag-data:\\$cag424@data.scag.ca.gov/Data_Map_Book](ftp://scag-data:$cag424@data.scag.ca.gov/Data_Map_Book). SCAG is requesting input on these datasets in order to ensure the accuracy of this land use data, which will then be carried over into the general plan-based growth forecasts for 2020, 2035, and 2040. Data workshops and/or one-on-one meetings with local jurisdictions were provided on an as-needed basis, and were conducted in August and September of 2013 to collect revisions, answer questions, and provide assistance as needed. SCAG is anticipating receiving verification of accuracy on each jurisdiction's general plan land use, zoning data, and existing land use at the parcel level.

Stage 2 – Review of Base Year 2012 Socioeconomic Data and Future Years Growth Forecast (October 2013- May 2014)

Staff will send a package with existing 2012 base year socioeconomic data and preliminary growth projections for the years 2020, 2035 and 2040. This data will be provided both at the jurisdictional and TAZ levels. An overview of the sample data package including base year figures and projected growth will be presented to SCAG's

policy committees and Technical Working Group (TWG). Also, this material will also be presented at sub-regional meetings throughout the region in October and November of 2013. It is important to note that these are not the formal public workshops required in SB 375. Staff will also follow up with one-on-one meetings, upon request, to collect data changes, answer questions, and provide individual assistance. SCAG's Regional Council will approve population, households and employment forecasts for the years 2020, 2035 and 2040 at the jurisdictional level. This is the same practice that was established for the previous RTP/SCS cycle. Jurisdictions may submit sub-jurisdictional level input at their option. However, sub-jurisdictional information will only be included as advisory in SCAG's adopted RTP/SCS. SCAG is starting a new open space database program for this planning cycle that will coordinate existing local, state, and federal open space conservation efforts. This will include review, comment and confirmation of Open Space data (maps/data), and a survey on local open space plans, policies and approaches. The deadline for providing input on this portion of the local input process will be May 2014.

Stage 3 – Detailed Land Use Scenario Exercises (May 2014 –September 2014)

Note: This section applies to non-delegated sub-regions. During the May 2014 – September 2014 period delegated sub-regions will be developing sub-regional SCSs according to their own process. Delegated sub-regions may use this section as guidance for designing their own process and SCAG may provide other assistance as needed.

SCAG will assist local jurisdictions to develop detailed land use scenarios by place types (density, intensity, and uses). An important part of the RTP/SCS development process is establishing a framework for CEQA streamlining under SB 375. For example, this can involve delineating uses, densities, and intensities such that subsequent development projects can be found consistent with the SCS. SCAG invites local jurisdictions to provide input to the RTP/SCS growth and land use assumptions (scenario plan) for this purpose if desired, with the clear understanding that land use data should be developed in a voluntary, bottom up process, based on interest and participation at the option of each jurisdiction. The deadline for providing input on this portion of the local input process will be September 2014.

Further, to facilitate Stages 3 and 4, to enhance the quality and consistency of data review and exchange between SCAG and jurisdictions and to provide jurisdictions with a tool to perform scenario exercises, SCAG is developing the UrbanFootprint Model (SPM). SPM will be available by May 2014; it will provide a common platform allowing easy access to SCAG's datasets allowing local jurisdictions to provide input on open space data electronically. While it is voluntary, we strongly encourage that jurisdictions utilize the SPM for data review and to provide input. Attachment E contains a description of SCAG's SPM.

APPENDIX B SCHEDULE AND MILESTONES FOR FOR SUB-REGIONAL SUSTAINABLE COMMUNITIES STRATEGIES

SCS

The key milestones and related schedule for the Regional SCS are as follows:

- CARB issues Final Regional Targets – TBD
- Regional SCS Workshops – mid-2015
- Release Draft 2016 RTP/Regional SCS for public review – Fall 2015
- Regional Council adopts 2016 RTP/SCS – Spring 2016

Sub-regional SCS

The key milestones and related schedule required as part of the development of the Sub-regional SCS are as follows:

1. Deadline for sub-regions to communicate intent to prepare a sub-regional SCS – February 28, 2014
2. Draft Sub-regional Dataset/Delivery to SCAG – May 2014
3. Final Sub-regional Dataset/Delivery to SCAG and CTC preliminary input on all planning projects – September 2014
4. Status report on Preliminary Sub-regional SCS – September 2014
5. Preliminary SCS / for purposes of preparing PEIR project description (intended to be narrative only project description that describes intended strategies or strategy options that are likely to be incorporated into the final Sub-regional SCS) – January 2015
6. Status report on Draft Sub-regional SCS – January 2015
7. Draft Sub-regional SCS (containing all components described above) to be incorporated into draft Regional SCS – February 2015
8. Iterative process, if necessary to meet target – January through March 2015
9. Status report on final Sub-regional SCS – February 2015
10. Final Sub-regional SCS for incorporation into Regional SCS – March 2015
11. CTC final input on planned projects from the CTCs – March 2015
12. Regional SCS adoption – April 2016

DATE: January 2, 2014

TO: Regional Council (RC)

FROM: Hon. Margaret Finlay, Chair, Community, Economic and Human Development (CEHD) Committee

SUBJECT: Proposed Regional Housing Needs Assessment (RHNA) and Housing Element Reform Subcommittee Charter

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:

Approve the RHNA and Housing Element Reform Subcommittee Charter as recommended by the CEHD Committee.

EXECUTIVE SUMMARY:

The attached proposed "RHNA and Housing Element Reform Subcommittee Charter" (Charter) was developed to describe the RHNA and Housing Element Reform Subcommittee's (Subcommittee) purpose and responsibilities. The Subcommittee serves a significant role as it will review and recommend possible changes to the RHNA and housing element processes. The Subcommittee reviewed and approved the proposed Charter at its first meeting on October 23, 2013, and the CEHD Committee reviewed and recommended approval of the proposed Charter on November 7, 2013.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan Goal #3 (Optimize Organizations Efficiency and Cultivate an Engaged Workforce), Objective c (Define the roles and responsibilities at all levels of the organization).

BACKGROUND:

The attached proposed Charter has been developed to describe the RHNA and Housing Element Reform Subcommittee's purpose and responsibilities. The Subcommittee will be reviewing and possible recommending changes to the agency policies and procedures related to the RHNA process. The Subcommittee may also provide recommendations regarding proposals related to changes to State administrative policies and state law regarding RHNA and the Housing Element process. The Subcommittee and CEHD Committee have both reviewed the proposed Charter and recommended its approval by the Regional Council.

FISCAL IMPACT:

Expenditures related to staff and legal support for the RHNA and Housing Element Reform Subcommittee along with additional related direct costs (i.e., stipends, meals, mileage and parking) will be drawn from the General Fund reserves until the FY 13-14 General Fund Budget is amended accordingly.

ATTACHMENT:

Proposed RHNA and Housing Element Reform Subcommittee Charter

RHNA AND HOUSING ELEMENT REFORM SUBCOMMITTEE CHARTER

Purpose of the Subcommittee

The purpose of the RHNA and Housing Element Reform Subcommittee (“Subcommittee”) is to review and provide guidance to address issues that were raised during the 5th Cycle RHNA process that may lead to suggested changes of the state law as well as to the policies and/or processes of the Southern California Association of Governments (SCAG) and the California State Department of Housing and Community Development (HCD) regarding the Regional Housing Needs Assessment (RHNA) and Housing Element updates. The decisions and actions of the Subcommittee, will serve as recommendations to SCAG’s Community, Economic and Human Development (CEHD) Committee, who thereafter, will make the final recommendations to the Regional Council.

Authority

Established by the Regional Council on March 7, 2013, the RHNA & Housing Element Subcommittee shall serve as a subcommittee of the CEHD Committee. The RHNA and Housing Element Reform Subcommittee shall be dissolved as of the date in which the final recommendations by CEHD regarding the decisions of the Subcommittee are reviewed and approved by the SCAG Regional Council.

Composition

The RHNA and Housing Element Reform Subcommittee will consist of twelve (12) members of either the Regional Council or the SCAG Policy Committees who collectively represent the six (6) counties of the SCAG region. Each county shall have a primary member and an alternate member to serve on the Subcommittee. The SCAG President will appoint the members of the Subcommittee and will select one of the members to serve as the Chair of the Subcommittee. It should be noted that the appointments to the Subcommittee were made by the SCAG President on June 6, 2013.

Meetings and Voting

A meeting quorum shall be established when there is attendance by at least one representative (either a primary member or an alternate member) from each of the six (6) counties.

All Subcommittee members are expected to attend each meeting, to the extent feasible. Subcommittee members may attend meetings by teleconference or video-conference. All meetings of the RHNA and Housing Element Reform Subcommittee are subject to the Brown Act. The Chair of the Subcommittee shall preside over all meetings and may select another Subcommittee member to serve as the Vice-Chair in the Chair’s absence. The Subcommittee will invite SCAG staff or others to attend meetings and provide pertinent information, as necessary. Meeting agendas will be prepared and provided in advance to Subcommittee members, along with appropriate briefing materials and reports, in accordance with the Brown

Act. Minutes of each meeting will be prepared. The Attendance Policy as set forth in the Regional Council Policy Manual shall apply to the meetings of the Subcommittee.

For purposes of voting, each county shall be entitled to one (1) vote to be cast by either the primary member or alternate member representing the respective county; provided, however, that the Chair of the Subcommittee does not vote except to break a tie vote.

Responsibilities

The responsibilities of RHNA and Housing Element Reform Subcommittee include reviewing and providing written recommendations to the CEHD Committee for suggested changes to issues pertaining to RHNA and the Housing Element processes, including but not limited to the following subjects:

- Translation of AB 2158 factors into housing need;
- Low and very low income household default densities;
- Land use density for mixed use projects;
- Definition of affordable units;
- Excluding growth on Tribal (Sovereign Nation) land from jurisdiction RHNA allocation;
- Use of Council of Government's growth forecast vs. Department of Finance projections with a 3% margin; and
- Lack of funding for building affordable units.

As part of the written recommendations by the Subcommittee, the issues shall be prioritized and separated to address proposed administrative and legislative changes.

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NO. 554
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL COUNCIL
MINUTES OF THE MEETING
THURSDAY, NOVEMBER 7, 2013

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE REGIONAL COUNCIL. A VIDEO RECORDING OF THE ACTUAL MEETING IS AVAILABLE ON THE SCAG WEBSITE AT: <http://www.scag.ca.gov/NewsAndMedia/Pages/SCAGTV.aspx>

The Regional Council (RC) of the Southern California Association of Governments (SCAG) held its meeting at the SCAG Los Angeles Office. There was a quorum.

Members Present

Hon. Greg Pettis, President	<i>Cathedral City</i>	District 2
Hon. Carl Morehouse, 1 st Vice President	<i>San Buenaventura</i>	District 47
Hon. Cheryl Viegas-Walker, 2 nd Vice President	<i>El Centro</i>	District 1
Hon. Glen Becerra, Immediate Past President	<i>Simi Valley</i>	District 46
Hon. Jack Terrazas		Imperial County
Hon. Linda Parks		Ventura County
Hon. Keith Millhouse	<i>Moorpark</i>	VCTC
Hon. Adam Rush	<i>Eastvale</i>	RCTC
Hon. Jim Hyatt	<i>Calimesa</i>	District 3
Hon. Jeff DeGrandpre	<i>Eastvale</i>	District 4
Hon. Ronald Roberts	<i>Temecula</i>	District 5
Hon. Deborah Robertson	<i>Rialto</i>	District 8
Hon. Ed Graham	<i>Chino Hills</i>	District 10
Hon. Bill Jahn	<i>Big Bear Lake</i>	District 11
Hon. Mike Munzing	<i>Aliso Viejo</i>	District 12
Hon. Steven Choi	<i>Irvine</i>	District 14
Hon. Leslie Daigle	<i>Newport Beach</i>	District 15
Hon. Michele Martinez	<i>Santa Ana</i>	District 16
Hon. Leroy Mills	<i>Cypress</i>	District 18
Hon. Art Brown	<i>Buena Park</i>	District 21
Hon. Brett Murdock	<i>Brea</i>	District 22
Hon. Bruce Barrows	<i>Cerritos</i>	District 23
Hon. Gene Daniels	<i>Paramount</i>	District 24
Hon. Mario Guerra	<i>Downey</i>	District 25
Hon. Jim Morton	<i>Lynwood</i>	District 26
Hon. Dan Medina	<i>Gardena</i>	District 28
Hon. James Johnson	<i>Long Beach</i>	District 30
Hon. Roy Francis	<i>La Habra Heights</i>	District 31
Hon. Margaret Clark	<i>Rosemead</i>	District 32
Hon. Gene Murabito	<i>Glendora</i>	District 33
Hon. Barbara Messina	<i>Alhambra</i>	District 34
Hon. Margaret E. Finlay	<i>Duarte</i>	District 35

Members Present – continued

Hon. Donald Voss	<i>La Cañada/Flintridge</i>	District 36
Hon. Carol Herrera	<i>Diamond Bar</i>	District 37
Hon. Paula Lantz	<i>Pomona</i>	District 38
Hon. James Gazeley	<i>Lomita</i>	District 39
Hon. Judy Mitchell	<i>Rolling Hills Estates</i>	District 40
Hon. Pam O’Connor	<i>Santa Monica</i>	District 41
Hon. Jess Talamantes	<i>Burbank</i>	District 42
Hon. Steven Hofbauer	<i>Palmdale</i>	District 43
Hon. Mark Rutherford	<i>Westlake Village</i>	District 44
Hon. Mitch O’Farrell	<i>Los Angeles</i>	District 60
Hon. Matthew Harper	<i>Huntington Beach</i>	District 64
Hon. Marsha McLean	<i>Santa Clarita</i>	District 67

Members Not Present

Hon. Michael D. Antonovich		Los Angeles County
Hon. Mark Ridley-Thomas		Los Angeles County
Hon. Shawn Nelson		Orange County
Hon. Jeff Stone		Riverside County
Hon. Gary Ovitt		San Bernardino County
Hon. Alan Wapner	<i>Ontario</i>	SANBAG
Hon. Jon Harrison	<i>Redlands</i>	District 6
Hon. Larry McCallon	<i>Highland</i>	District 7
Hon. Paul Eaton	<i>Montclair</i>	District 9
Hon. Kathryn McCullough	<i>Lake Forest</i>	District 13
Hon. John Nielsen	<i>Tustin</i>	District 17
Hon. Kris Murray	<i>Anaheim</i>	District 19
Hon. Tri Ta	<i>Westminster</i>	District 20
Hon. Steven Neal	<i>Long Beach</i>	District 29
Hon. Carmen Ramirez	<i>Oxnard</i>	District 45
Hon. Gilbert Cedillo	<i>Los Angeles</i>	District 48
Hon. Paul Krekorian	<i>Los Angeles</i>	District 49
Hon. Bob Blumenfield	<i>Los Angeles</i>	District 50
Hon. Tom LaBonge	<i>Los Angeles</i>	District 51
Hon. Paul Koretz	<i>Los Angeles</i>	District 52
Hon. Nury Martinez	<i>Los Angeles</i>	District 53
Hon. Felipe Fuentes	<i>Los Angeles</i>	District 54
Hon. Bernard C. Parks	<i>Los Angeles</i>	District 55
Hon. Curren D. Price, Jr.	<i>Los Angeles</i>	District 56
Hon. Herb Wesson, Jr.	<i>Los Angeles</i>	District 57
Hon. Mike Bonin	<i>Los Angeles</i>	District 58
Hon. Mitchell Englander	<i>Los Angeles</i>	District 59
Hon. José Huizar	<i>Los Angeles</i>	District 61
Hon. Joe Buscaino	<i>Los Angeles</i>	District 62
Hon. Karen Spiegel	<i>Corona</i>	District 63
Hon. Ryan McEachron	<i>Victorville</i>	District 65
Hon. Lupe Ramos Watson	<i>Indio</i>	District 66

Members Not Present - continued

Hon. Andrew Masiel, Sr.	<i>Pechanga Band of Luiseño</i>	Tribal Government Rep.
Hon. Lisa Bartlett	<i>Dana Point</i>	TCA
Hon. Eric Garcetti	<i>Los Angeles</i>	(At-Large)

Staff Present

Hasan Ikhata, Executive Director
 Sharon A. Neely, Chief Deputy Executive Director
 Joe Silvey, General Counsel
 Joann Africa, Chief Counsel
 Basil Panas, Chief Financial Officer
 Debbie Dillon, Deputy Executive Director of Administration
 Huasha Liu, Director of Land Use & Environmental Planning
 Darin Chidsey, Acting Director of Strategy, Policy and Public Affairs
 Lillian Harris-Neal, Clerk of the Board
 Tess Rey-Chaput, Office of Regional Council Support

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

President Greg Pettis called the meeting to order at 12:15 p.m. Hon. Mario Guerra, Downey, District 25, led the Pledge of Allegiance.

PUBLIC COMMENT PERIOD

President Pettis announced that there was one (1) Public Comment relating to Agenda Item No. 2, from Hon. Jesse Avila, City of San Fernando, who asked to speak when this item is addressed.

REVIEW AND PRIORITIZE AGENDA ITEMS

President Pettis announced that Agenda Item No. 5, relating to the “University Partnership & Workforce Development,” will be deferred until the January 2, 2014 Regional Council meeting.

EXECUTIVE DIRECTOR’S REPORT

Hasan Ikhata, Executive Director, reported that the 73 grant applicants under the Sustainability Call-for-Proposals have been notified and applications will be funded. Based on currently identified and available funding, he stated that SCAG is proceeding to obligate \$5.39 million worth of projects, representing the top 44 ranked proposals while actively seeking additional federal, state, and other funding in order to proceed with the remaining Phase 3 projects.

Mr. Ikhata also reported that SCAG has updated its website which will be launched at midnight on November 7, 2013. He thanked the efforts of those who assisted in the development of the new website.

Mr. Ikhata also reported that the House Transportation and Infrastructure Committee Panel on the 21st Century Freight Transportation released its final report and recommendations to improve the efficiency of goods movement and strengthen the nation’s economy. Mr. Ikhata stated that this is the panel where he provided testimony in San Bernardino. He noted that their recommendations were consistent with Board-

adopted freight legislative goals and thanked Sharon A. Neely, Chief Deputy Executive Director, for her efforts.

Mr. Ikhata provided an update on SCAG's comment letter regarding the proposed policy guidance from FTA/FHWA relating to transit representation on SCAG's Regional Council. Mr. Ikhata stated that he will report back as soon as FTA issues its final guidance.

Mr. Ikhata reported that there were recent media articles circulating regarding the proposed Vehicle Miles Traveled (VMT) user fee in the adopted 2012 RTP/SCS. He stated that these articles, copies included in the RC Board Information Packet, led to several interviews and discussions on necessitating a sustainable dedicated source of funding to maintain the transportation system in a state of good repair. He noted that the State of Oregon is participating in the mileage fee concept and road user fee pilot program and that a final report is forthcoming.

He also reported that he attended the MPO Executive Directors' meeting in Sacramento to meet with Secretary of Transportation Brian Kelly and Senator President Pro Tem Darrell Steinberg to discuss partnership with the state on the implementation of the Sustainable Communities Strategy.

PRESIDENT'S REPORT

President Pettis announced the departure of Hon. Jim Morton, City of Lynwood, representing RC District 26, and Hon. Robert "Bob" Botts, City of Banning, representing RCTC. President Pettis presented them with a Plaque of Appreciation and invited them to the 2014 Regional Conference and General Assembly for a formal recognition.

President Pettis noted the Los Angeles/Orange County Jobs and Labor Summit update is in the Monthly President's Report.

President Pettis announced that several Regional Councilmembers will be visiting the Calexico/Mexicali Port of Entry, on November 8, 2013, to observe the goods movement to and from the border. He thanked 2nd Vice President Cheryl Viegas-Walker for organizing the tour.

Lastly, President Pettis announced that there will be no Regional Council meeting in December and invited the elected officials, city managers, and community/economic development directors to the upcoming 4th Annual Economic Summit scheduled for December 5, 2013, at the Omni Hotel, Downtown Los Angeles.

New Regional Councilmember

Hon. Adam Rush, Eastvale, representing RCTC

Appointment to the Community, Economic, and Human Development (CEHD) Committee

Hon. Ray Torres, representing Torres Martinez Band of Cahuilla Indians

Appointment to the Energy and Environment Committee (EEC)

Hon. Geneva Mojado, representing Soboba Band of Luiseño Indians

Appointments to the Transportation Committee (TC)

Hon. Catalina Chacon, representing Pechanga Band of Luiseño Indians

Hon. Adam Rush, Eastvale, representing RCTC

Appointment to the Legislative/Communications and Memberships Committee (LCMC)

Hon. Adam Rush, Eastvale, representing RCTC

Appointment to the Executive/Administration Committee (EAC)

Hon. Deborah Robertson, Rialto, District 8

California Air Resources Board (ARB) Update

As an ARB Board Member, representing the South Coast Air Quality Management District (SCAQMD), Councilmember Judy Mitchell, Rolling Hills Estates, District 40, reported that at the recent ARB Board meeting, there were discussions relating to the Draft 2013 AB 32 Scoping Plan Update with consideration for approval in the spring of 2014; implementation of the Truck and Bus Regulation by January 2014; cap-and-trade; and 'Advanced Clean Cars Program.' Lastly, she reported that there was a minor modification to the zero-emission vehicle regulation.

Business Update

In the absence of Randall Lewis, Lewis Group of Companies, President Pettis announced that the Global Land Use and Economic (GLUE) Council meeting is scheduled for November 11, 2013 to discuss the upcoming 4th Annual Economic Summit.

Presidents' Council Update

President Pettis reported that the Presidents' Council met on October 31, 2013 with discussions relating to: the District Evaluation process (Agenda Item No. 2); support for the ex-officio member appointment to SCAG Policy Committees (Agenda Item No. 8); and recommendations relating to the SCAG Bylaws.

COMMITTEE REPORTS/ACTION ITEMS**Executive/Administration Committee (EAC)****1. Waiver of Fiscal Year (FY) 2012-13 and 2013-14 Membership Dues for the City of San Bernardino**

A motion was made (Millhouse) to waive the City of San Bernardino's FY 2012-13 and 2013-14 membership dues amounting to \$36,399. Motion was SECONDED (Morehouse) and UNANIMOUSLY APPROVED.

2. Regional Council District Evaluation Process and Recommendations

As Vice Chair of the District Evaluation Subcommittee, Councilmember Leroy Mills, Cypress, District 18, reported that the Subcommittee concluded its review and recommended the following: 1) the approval of the proposed changes by the Western Riverside Council of Governments (WRCOG) which would result in the addition of two (2) additional RC Districts; and 2) maintain the current composition of RC District No. 67 which is comprised of the cities of Santa Clarita and San Fernando; and not approve the proposal by the City of Santa Clarita to be its own single-city RC District.

Hon. Jesse Avila, Councilman from the City of San Fernando, commented that the City of San Fernando is in support of the recommendations by the District Evaluation Subcommittee.

Councilmember Marsha McLean, Santa Clarita, District 67, commented that the City of Santa Clarita should be its own single-city RC District on the basis of its growing population and its geographic community of interest. She requested that the Regional Council look into the matter in the future for further review and examination.

A motion was made (McLean) to: 1) approve the District Evaluation Subcommittee recommendations regarding the proposed changes by WRCOG and; 2) continue to examine and review the proposal by the City of Santa Clarita to be its own single-city RC District within the time period of two (2) years. Motion was SECONDED (Hofbauer).

Discussion ensued and questions/comments were made by Regional Council members regarding how the Subcommittee explored other options and review of placing San Fernando in another RC District; the frequency of the evaluation of RC Districts per the SCAG Bylaws; necessity for collaboration of cities within the RC Districts; and identifying the challenges and limitations of working within the districts (Finlay, Morehouse, Robertson, Hofbauer, Talamantes, Clark, Becerra, and Millhouse).

A SUBSTITUTE MOTION was made (Mills) to approve the recommendations by the District Evaluation Subcommittee. Motion was SECONDED (Morehouse) and approved by a MAJORITY VOTE with four (4) IN OPPOSITION (McLean, Clark, Herrera, L. Parks).

3. 2013 Update to the SCAG Strategic Plan

President Pettis thanked the Strategic Plan Committee, chaired by Sup. Gary Ovitt, for their efforts.

A motion was made (O'Connor) to approve the changes to the 2009 SCAG Strategic Plan to be incorporated into the SCAG Regional Council Policy Manual. Motion was SECONDED (Rutherford) and UNANIMOUSLY APPROVED.

4. Amendment 2 of the Fiscal Year (FY) 2013-14 Overall Work Program (OWP)

A motion was made (Pettis) to adopt Resolution No. 13-554-1 approving Amendment 2 to the FY 2013-14 OWP and authorizing the Executive Director to submit the necessary administrative documentation to the California Department of Transportation (Caltrans). Motion was SECONDED (Mills) and UNANIMOUSLY APPROVED.

5. University Partnership & Workforce Development

President Pettis announced that this item will be deferred until the January 2, 2014 Regional Council meeting.

6. SCAG Classification Salary Range Adjustments

Hasan Ikhata, Executive Director, introduced the item and reported on the Executive/Administration Committee (EAC) recommendations.

Debbie Dillon, Deputy Executive Director of Administration, responded to questions relating to the twelve (12) RC-approved comparison agencies; when the last time ranges were adjusted; background related to the salary survey methodology and results; benchmark results; and how the total costs of adjustments, if approved, are included within the FY 13-14 budget.

Questions/comments were made by Regional Council members regarding the surveyed agencies; cities who have had to layoff or place employees on furlough; the percentage of the salary range adjustments; suggestion to present the item to the Regional Council on a regular basis; the 75% benchmark against the marketplace; and consideration to compare jobs with that of the private sectors (Rutherford, Lantz, Clark, Choi, Mitchell, Viegas-Walker, Messina, DeGrandpre, Finlay; Munzing; Graham; and L. Parks).

A motion was made (Pettis) to approve the salary range adjustments for SCAG classifications pursuant to the SCAG Strategic Plan, Regional Council-adopted Compensation Philosophy, CalPERS requirements and SCAG Bylaws. Motion was SECONDED (Finlay) and approved by a MAJORITY VOTE with seven (7) IN OPPOSITION (Harper, Lantz, Choi, Munzing, Clark, Johnson, and Francis).

7. SCAG's Compliance with SB 751 (Yee): Meetings – Publication of Actions Taken

There were no discussions on this item.

Transportation Committee (TC) Report

As Chair of the TC, Councilmember Keith Millhouse, Moorpark, VCTC, reported that California High-Speed Rail Authority (CHSRA) provided a presentation and update at the TC meeting.

Community, Economic and Human Development (CEHD) Committee Report

As Chair of the CEHD Committee, Councilmember Margaret E. Finlay, Duarte, District 35, reported that the committee will be recommending for approval of the Regional Housing Needs Assessment (RHNA) Housing Element Reform Subcommittee Charter at the January 2, 2014 Regional Council meeting.

Energy and Environment Committee (EEC)

8. Approval of Ex-officio Member Appointment to EEC

As Chair of the EEC, Councilmember James Johnson, Long Beach, District 30, stated that with the support of the Presidents Council, the EEC recommended that the Regional Council approve the ex-officio member appointment to the EEC.

A motion was made (Johnson) that the Regional Council approve the appointment of Steve Schuyler as an Ex-Officio Member of EEC for a one (1) year term with the option for the current SCAG President to renew the appointment. Motion was SECONDED (Harper) and UNANIMOUSLY APPROVED.

Legislative/Communications and Membership Committee (LCMC)

As Chair of the LCMC, Councilmember Pam O'Connor, Santa Monica, District 41, noted that Agenda Item No. 14, related to the "November 2013 State and Federal Legislative Update," has been distributed. She reported that the House Transportation & Infrastructure Committee's Panel on 21st Century Freight Transportation released its final report and bi-partisan recommendations to improve efficiency on goods movement.

CONSENT CALENDAR

President Pettis noted that the Conflict-of-Interest Declaration Form, related to Agenda Item No. 11, has been distributed for RC members who may be restricted from participating on matters involving contracts or amendments that require RC approval.

Approval Items

9. Minutes of the October 3, 2013 Meeting
10. Amendment to the Minutes of the June 6, 2013 Regional Council Meeting
11. Contracts \$200,000 or Greater: Contract No. 13-038-C1 and C2, Enterprise Records Management Program Consulting

A motion was made (Jahn) to approve Agenda Item Nos. 9 through 11. Motion was SECONDED (O'Connor) and UNANIMOUSLY APPROVED.

Receive & File

12. 2013 Regional Council and Policy Committees Meeting Schedule
13. 2014 Regional Council and Policy Committees Meeting Schedule
14. November 2013 State and Federal Legislative Update
15. CFO Monthly Report
16. SCAG Comments on Proposed Federal Policy Guidance on Metropolitan Planning Organization (MPO) Representation of Transit Providers
17. 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
18. Panel Discussion Regarding Climate Change
19. Plan First Update - Discussion Draft for Public Review and Comment

Agenda Item Nos. 12 through 19 were received and filed.

ANNOUNCEMENT/S

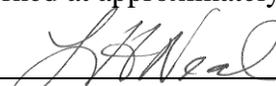
President Pettis announced that the 4th Annual Economic Recovery and Job Creation Summit is scheduled for December 5, 2013, at the Omni Hotel, Downtown Los Angeles.

FUTURE AGENDA ITEM/S

None.

ADJOURNMENT

There being no further business, the Regional Council meeting adjourned at approximately 1:35 p.m.



Lillian Harris-Neal, Clerk of the Board

DATE: December 5, 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 Sponsorship & Memberships

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:

Approve.

EXECUTIVE SUMMARY:

The Legislative/Communications & Membership Committee (LCMC) met on November 19, 2013, and recommended approval of a \$10,000 sponsorship for the University of Southern California Sol Price School of Public Policy – Executive Education (EXED) Program; and \$53,147 for FY 2013-2014 memberships for: 1) California Association of Councils of Governments – CALCOG (\$26,647); 2) Coalition for America's Gateways and Trade Corridors – CAGTC (\$6,500); and 3) Southern California Leadership Council and the Center of Economic Development (\$20,000).

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:

Sponsorship

1. University of Southern California Sol Price School of Public Policy – Executive Education (EXED) Program – (\$10,000)

The Executive Education (EXED) Forum for Policy at the University of Southern California (USC) Sol Price School of Public Policy (Price) offers a broad base of specialized non-degree certificate programs for local and global leaders. The EXED Forum is a suite of programs targeting public sector and other senior, mid-level, and emerging leaders, and is designed to deepen their understanding of substantive policy issues, augment their ability to leverage and increase existing public sector capacity, and foster leadership – all with the purpose of improving public and nonprofit administration and solving public problems. The Forum achieves this by bringing together world-renowned faculty of USC Price, experienced practitioners and a dynamic curriculum to teach and reach across boundaries.

The EXED Forum offers two programs: 1) Local Leaders Program, and 2) Global Leaders Program. The Local Leaders Program is designed for local elected officials and offers a focused curriculum in ethics,

governance, leadership and public policy to promote and enhance commitment to public value and to reach across sectors. The target audiences for this program are mayors, council members, supervisors, and special district board members. The next Local Leaders Program is scheduled for spring, February 20-22, 2014 at the USC Davidson Conference Center.

SCAG has been a supporter of the USC Price EXED Forum for the 2011-2012 and 2012-2013 programs and is listed on their website as a Strategic/Sponsoring Partner. Several SCAG cities have participated in the Local Leaders Program, including SCAG President Greg Pettis, past SCAG Presidents Larry McCallon and Pam O'Connor, Regional Council member Alan Wapner, and Policy Committee member Ray Musser. SCAG staff is recommending a sponsorship in the amount of \$10,000.

Annual Memberships

SCAG's participation and leadership in several organizations are central to the success of SCAG's core responsibilities and funds have been included in the approved FY 2013-2014 budget. They are consistent with SCAG work priorities for FY 2013-2014 as approved by the Regional Council.

1. California Association of Councils of Governments (CALCOG) – (\$26,647)

Established in 1977, the California Association of Council of Governments (CALCOG) is a statewide association representing 36 regional planning agencies working to assist each member in developing capacity to serve its members' needs for regional coordination and policy development. CALCOG's members serve as a forum for local governments to prepare regional plans, set regional transportation policy, strengthen the effectiveness of local government, and develop and maintain regional databases.

CALCOG works with and through its members to:

- Review plans, and policies on subjects agreed upon by members;
- Coordinate policy development as appropriate to the League of California Cities, the California State Association of Counties, the National Association of Regional Councils, and the Association of Metropolitan Planning Organizations;
- Promote more effective planning at the regional level;
- Conduct statewide workshops and conferences which provide members with an ideal opportunity to discuss key issues and learn from recognized experts in various fields;
- Provide an informational clearinghouse on issues of concern to the regions and state.

The FY 2013-2014 annual dues are \$26,647. Past President Pam O'Connor serves on their Executive Committee and Hasan Ikhrata serves on the Executive Director Committee.

2. Coalition for America's Gateways and Trade Corridors (CAGTC) – (\$6,500)

SCAG is a founding member of this organization as part of the Regional Council high-priority goal to seek a federal freight funding partnership. The Coalition for America's Gateways and Trade Corridors (CAGTC) works with and through its members to raise public recognition and Congressional awareness of U.S. freight needs to promote sufficient funding in federal legislation for trade corridors, gateways, intermodal connectors and freight facilities. CAGTC is comprised of over sixty representative organizations, including state DOTs, MPOs, ports, engineering firms, and freight corridors who work to improve national freight policy. All of the Southern California freight

stakeholders are members of CAGTC. As a CAGTC member, SCAG will have the opportunity to participate in helping shape national freight policy and legislation with the organization. SCAG Chief Deputy Executive Director Sharon Neely currently serves as Chairman of the CAGTC Board of Directors. Regional Council Board Officers regularly travel to Washington, DC to attend their meetings and conferences. The annual dues are \$6,500.

3. Southern California Leadership Council and the Center of Economic Development – (\$20,000)

Established in 2005, The Southern California Leadership Council is comprised of business and community leaders from throughout the 7 counties of Southern California, including four former California Governors. The Leadership Council funds, prioritizes, and approves the work of the Center of Economic Development (CED); which is a regional program of the Los Angeles County Economic Development Corporation (LAEDC). As a program of the LAEDC, the CED benefits from related work of the LAEDC's acclaimed business assistance, economic research and consulting programs. The Center's work is funded, prioritized and approved by the Leadership Council to shape and solve public policy issues such as business vitality, resources (energy, water and environment), and transportation (goods and people) that are critical to SCAG and the region's economic vitality and quality of life. SCAG Executive Director, Hasan Ikhata, attends Southern California Leadership Council meetings and regularly invites SCAG Board officers to participate. The annual dues are \$20,000.

FISCAL IMPACT:

\$63,147 for sponsorships and memberships are included in the approved FY 13-14 General Fund budget.

ATTACHMENT:

None

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DATE: January 2, 2014

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

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

SUBJECT: Contract Amendment that increases the Contract's value over \$200,000:
Contract No. 11-052-C1, Audit Services

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:

Approve Amendment 5 to Contract No. 11-052-C1, with Vasquez & Company, LLP, in an amount not-to-exceed \$16,546, to cover additional work by the auditors.

EXECUTIVE SUMMARY:

SCAG awarded Contract 11-052-C1 in the amount of \$186,813 to Vasquez & Company, LLP to perform the required annual financial audits for three fiscal years (FY 2010-11, FY 2011-12 and FY 2012-13). Three (3) administrative amendments were made that did not change the contract value. Amendment 4 increased the contract value by \$12,998 to cover the cost of the audit of the Information Technology Department requested by the Audit Committee. The purpose of this amendment amounting to \$16,546 is to provide additional funding for time spent preparing the Comprehensive Annual Financial Report for FY 2012-13. This work has been performed by SCAG staff in the past however staffing constraints required the Auditors to perform this task. The aggregate value of the amended contract will exceed \$200,000 and therefore, in accordance with the SCAG Procurement Manual (dated 02/14/13) Section 8.3, it requires the Regional Council's approval.

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. Goal 3: Enhance the Agency's Long Term Financial Stability and Fiscal Management; Objective a: Maximize available resources and funds to the fullest extent possible.

BACKGROUND:

Staff recommends amending the following contract:

<u>Consultant/Contract #</u>	<u>Contract Purpose</u>	<u>Contract Amount</u>
Vasquez & Company, LLP (11-052-C1)	The consultant shall provide expanded audit work in support of the annual financial statement audits, to attest the benefits of effectiveness and efficiency of SCAG's internal controls.	\$16,546

FISCAL IMPACT:

Funding is available in the FY 2013-14 budget.

ATTACHMENT:

Consultant Contract No. 11-052-C1

CONTRACT 11-052-C1 AMENDMENT 5

Consultant: Vasquez & Company, LLP

Background & Scope of Work: Vasquez & Company, LLP recently completed the annual financial audit for the fiscal year ending on June 30, 2013. This was the third and final year of the contract which was awarded in the amount of \$186,813. The purpose of this Amendment is to increase the total contract amount by \$16,546 to accommodate the estimated cost of additional work performed by the auditors to prepare the Comprehensive Annual Financial Report for FY 2012-13. This contract had previously been increased by \$12,998 to cover the cost of the audit procedures that were performed on the Information Technology function in year two of the contract, as requested by the Audit Committee. The combination of these amendments has caused the total contract value to exceed \$200,000 thereby requiring RC approval.

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

- Providing greater value to SCAG by identifying opportunities to improve the financial control environment;
- Improving the organization's efficiency and effectiveness; and
- Provide Regional Council additional assurance on the financial conditions of the organization.

Strategic Plan: This item supports 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. Goal 3: Enhance the Agency's Long Term Financial Stability and Fiscal Management; Objective a: Maximize available resources and funds to the fullest extent possible.

Amendment Amount:	Amendment 5 (administrative, no change to contract value)	\$16,546
	Amendment 4 (administrative, no change to contract value)	\$12,998
	Amendment 3 (administrative, no change to contract value)	\$0
	Amendment 2 (administrative, no change to contract value)	\$0
	Amendment 1 (administrative, no change to contract value)	\$0
	Original contract value	<u>\$186,813</u>
	Total contract value is not-to-exceed	<u>\$216,357</u>

The aggregate value of the amended contract will exceed \$200,000 and therefore, in accordance with the SCAG Procurement Manual (dated 02/14/13) Section 8.3, it requires the Regional Council's approval.

Contract Period: June 20, 2011 through June 20, 2014

Project Number: 14-0810.0120.08 \$216,357
Funding sources: Indirect Cost Fund

Basis for the Amendment: This amendment supports the overall public control and accountability. By independently reviewing and reporting on programs, functions, activities and organizations, auditors can provide the public, elected officials with a fair, objective and reliable assessment of SCAG's performance. Staff requires additional funding for the opportunity for independent review.

SOUTHERN CALIFORNIA



ASSOCIATION of GOVERNMENTS

Main Office

818 West Seventh Street
 12th Floor
 Los Angeles, California
 90017-3435

 t (213) 236-1800
 f (213) 236-1825

 www.scag.ca.gov

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 Margaret Finlay, Duarte

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 James Johnson, Long Beach

 Transportation
 Keith Millhouse, Ventura County Transportation Commission

2014 MEETING SCHEDULE

REGIONAL COUNCIL AND POLICY COMMITTEES

All Regular Meetings are scheduled on the <u>1st Thursday of each month</u> except for September*	
Executive/Administration Committee (EAC)	9:00 AM – 10:00 AM
Community, Economic and Human Development Committee (CEHD)	10:00 AM – 12:00 PM
Energy and Environment Committee (EEC)	10:00 AM – 12:00 PM
Transportation Committee (TC)	10:00 AM – 12:00 PM
Regional Council (RC)	12:15 PM – 2:00 PM

January 2, 2014

February 6, 2014

March 6, 2014

April 3, 2014

May 1 – 2, 2014

(SCAG 2014 Regional Conference & General Assembly)

June 5, 2014

DARK IN JULY

August 7, 2014

September 11, 2014*

(Note: League of California Cities Annual Conference in Los Angeles, Sept. 3 – 5)

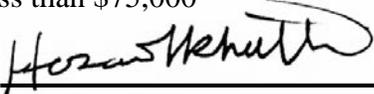
October 2, 2014

November 6, 2014

December 4, 2014

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DATE: January 2, 2014
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;
and Amendments \$5,000 but less than \$75,000

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 Purchase Orders (PO's) between \$5,000 and \$200,000

<u>Vendor</u>	<u>PO Purpose</u>	<u>PO Amount</u>
Xerox Corporation	FY14 Printing Expenses	\$10,000
Hilton Orange County/Costa Mesa	Payment for 2013 Labor Summit Venue	\$7,001
Thomson West	Westlaw Legal Library Subscription	\$6,728
Latitude Geographics	Training	\$6,000
American Public Transpo. Assoc.	Membership	\$5,148
ParkMe, Inc.	Parking Data	\$5,000
Computer Forensics International	Consulting Services	\$5,000

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

<u>Consultant/Contract #</u>	<u>Contract's Purpose</u>	<u>Contract Amount</u>
Science Applications International Corporation (SAIC, 13-028-C1)	The consultant shall provide consultant services to create a Regional Habitat Conservation Assessment Methodology and Database. The Regional Habitat Conservation Assessment Methodology and Database will inform the development of the 2016 RTP/SCS with a focus on the mitigation approaches required under MAP 21.	\$119,969

REPORT

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

Consultant/Contract #

System Metrics Group, Inc.
(13-023-C1)

Amendment's Purpose

The consultant shall assist with developing the next steps for key financial plan strategies identified in the 2012 RTP/SCS, with particular emphasis on coordinating with key business group representation. In consultation with SCAG, the consultant will identify key transportation funding elements to be explored.

Amendment

Amount

\$74,875

FISCAL IMPACT:

Funding is available in the FY 2013-14 budget.

ATTACHMENT:

Contract Summaries

CONSULTANT CONTRACT 13-028-C1

**Recommended
Consultant:**

Science Applications International Corporation (SAIC)

**Background &
Scope of Work:**

The consultant shall provide consultant services to create a Regional Habitat Conservation Assessment Methodology and Database that will form the development of the 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy (2016 RTP/SCS) with a focus on the mitigation approaches required under MAP 21.

Habitat conservation assessments have been conducted by county and subregional entities within the SCAG region. The methodology will be used by SCAG staff to categorize areas for potential conservation and provide recommendations for input into SCAG's scenario planning model.

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

1. The Comprehensive Integrated Database will:

- Update and maintain a comprehensive integrated database on regional habitat-related resources.
- Provide a Data Sources Inventory recommended for current and future transportation planning efforts.
- Assist in identifying a Stakeholder and Scientific Expert Inventory to engage in future stages of the regional habitat conservation efforts.

This deliverable will support local governments in the development of voluntary comprehensive local regional habitat conservation strategies; document progress in implementing the 2012- RTP/SCS; and inform scenario planning for the 2016 RTP/SCS.

2. The Conservation Assessment Methodology Report will:

- Incorporate of the California Wildlife Habitat Relationships (CWHR).
- Incorporate the CWHR and IBIS into the Vegetation Database.
- Crosswalk CWHR to IBIS and Existing Data Layers.
- Conduct CHAP Workshop. This workshop will be conducted to clarify decision rules for assessing conservation opportunities.
- Develop the CHAP valuation data layer.
- Outline the recommended methodology for the conservation assessment of natural resources in the SCAG region and will describe the methodology using CHAP to assess the value of conservation lands.

This deliverable will document progress in implementing the 2012-RTP/SCS; inform scenario planning for 2016 RTP/SCS; facilitate best practices in the SCAG region; allow County Transportation Commissions (CTCs) to consider the development of various mitigation strategies for transportation impacts to biological resources and conserving natural lands, building upon existing efforts such as Measure M in Orange County; and support local governments in the development of voluntary comprehensive local regional habitat conservation strategies.

* It is important to note that prioritization methodology, not actual prioritization will be the product of this report; prioritization will be at the discretion of the local jurisdictions.

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** **\$119,969**
SAIC (prime consultant) \$73,081
Northwest Habitat Institute (subconsultant) \$46,888

Note: SAIC originally proposed \$146,470, but staff negotiated the price down to \$119,969 without reducing the scope of work.

Contract Period: September 25, 2013 through June 30, 2014

Project Number: 225-SCG02659
Funding sources: Consolidated Planning Grant – TDA

Request-for-Proposal (RFP): SCAG staff notified 2,311 firms of the release of RFP 13-028-C1. Staff posted it on SCAG's bid management system. A total of 95 firms downloaded the RFP. SCAG received the following three (3) proposals in response to the solicitation:

SAIC (1 subconsultant)	\$119,969
ICF (3 subconsultants)	\$99,944
PCR Services (no subconsultants)	\$109,898

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 interviewed all three (3) offerors.

The PRC consisted of the following individuals:

Christine Fernandez, Regional Planner, SCAG
Christopher Tzeng, Regional Planner, SCAG
Pamela Lee, Regional Planner, SCAG
Grieg Asher, Regional Planner, SCAG
Fernando Castro, Associate Transportation Planner, Caltrans District 7

Basis for Selection: The PRC recommended SAIC for the contract award because the consultant:

- Demonstrated the best understanding of the proposed scope of work and the key elements involved. SAIC provided a thoughtful, insightful, and highly detailed workflow and methodology;
- Demonstrated the most comprehensive technical approach and project benefits compared to the lower cost proposers;
- Provided a highly specialized project team with extensive experience in projects of similar size and scope; and,
- Proposed a unique and cutting edge methodology called the Combined Habitat Assessment Plan (CHAP) which was lacking in the other proposals.

Although the price SAIC proposed was not the lowest, it was in the range of what the PRC determined it would take to meet the required deliverables, and SAIC provided the best overall value to SCAG for the previously stated reasons.

CONSULTANT CONTRACT 13-023-C1 AMENDMENT NO. 2

Consultant: System Metrics Group, Inc.

Background & Scope of Work: In April 2013, SCAG awarded Contract No. 13-032-C1 to System Metrics Group to provide technical support with key implementation initiatives for the 2012-2035 Regional Transportation Plan/Sustainable Communities Strategies (RTP/SCS), including project management support services and facilitation of the technical groundwork necessary for the development of the 2016 RTP/SCS (referred to as Project Component 1: 2012-2035 RTP/SCS Implementation, and Technical Support for the 2016-2040 RTP/SCS).

The consultant is also providing project management assistance to coordinate multiple consultant activities specific to conducting the value pricing project categories identified in the grant award—namely, cordon/area pricing and regional express lane system pre-implementation activities (referred to as Project Component 2: Project Management Assistance and Technical Support for Coordinating SCAG’s Regional Value Pricing Pre-Implementation Initiatives and related RTP strategies).

This amendment will enable the consultant to assist with developing the next steps for key financial plan strategies identified in the 2012 RTP/SCS, with particular emphasis on coordinating with key business group representation. In consultation with SCAG, the consultant will identify key transportation funding elements to be explored.

Project’s Benefits & Key Deliverables: Project primary benefit entails development of critical milestones and documentation of the region’s progress in implementing the 2012-2035 RTP/SCS. The key deliverables will include but are not limited to, the identification of potential challenges with implementing key initiatives, new opportunity areas, recommended action steps, and potential implications for the 2016-2040 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.

Amendment Amount:	Amendment No. 2	\$74,875
	Amendment No. 1 (administrative - no change to contract’s value)	\$0
	Original Contract Value	<u>\$1,839,422</u>
	Total contract value is not-to-exceed	<u>\$1,914,297</u>

The amendment does not exceed \$75,000 or 30% of the contract’s original value. Therefore, in accordance with the SCAG Procurement Manual (dated 02/14/13) Section 8.3, it does not require the Regional Council’s approval.

Contract Period: April 23, 2013 through June 30, 2016

Project Numbers:	010.SCG00170.07	\$250,000	(FY 2012 - 13 and FY 2013- 14)
	010.SCG02106.02	\$400,000	(FY 2012 - 13 and FY 2013 - 14)
	015.SCG00159.02	\$74,875	(FY 2012 - 13)
	015.SCG00159.03	\$200,000	(FY 2012 - 13 and FY 2013 - 14)
	015.SCG00159.04	\$500,000	(FY 2012 - 13 and FY 2013 - 14)

Remaining balance will be programmed in FY 2014 - 15 and FY 2015 - 16 budget.

Funding sources: Consolidated Planning Grant – FHWA and TDA

Basis for the Amendment:

This additional work is needed given developments at the regional, state, and national levels related to user based mileage fees and other potential innovative financing mechanisms. Options for new transportation funding tools and mechanisms were major components of the 2012-2035 RTP/SCS. The transportation funding dialogue has continued to evolve since adoption of the 2012 RTP/SCS in 2012, driving the need to further engage current and emerging leaders to elicit their feedback and potentially gain their support regarding the plan for the future of transportation funding in Southern California.

REPORT

DATE: January 2, 2014

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.

MEMBERSHIP DUES

SCAG's collection of the FY14 dues is on schedule. As of November 20, 2013, SCAG has received 98% of the dues assessment representing 97% of membership. Staff is working with one (1) county and six (6) cities to reach 100% membership for the SCAG region.

AUDITS

SCAG's outside independent auditors, Vasquez and Co., LLP, presented their draft audit report to the Audit Committee on December 4, 2013. The auditors had no findings or recommendations for improvement. The RC will receive the final audit report at its meeting today. The Audit Committee also received the latest actuarial report (prepared by Nyhart Epler) on SCAG's Other Postemployment Benefits program (retiree medical benefit). The report was favorable in that SCAG's Unamortized Actuarial Accrued Liability has fallen from \$6.6 million to \$6.1 million at June 30, 2013. The investments in the irrevocable trust have earned \$480,000 from inception through June 30, 2013.

BUDGET & GRANTS (B&G):

Amendment 2 to the FY 2013-14 Overall Work Program (OWP) was submitted to Caltrans on November 7, 2013. Approval of Amendment 2 is expected by January 2014.

B&G staff has begun the preparation of the FY 2014-15 Draft Comprehensive Budget and Overall Work Program (OWP).

CONTRACTS:

In October 2013, the Contracts Department issued one (1) Request for Proposal (RFP); awarded two (2) contracts; issued four (4) contract amendments; and issued 42 Purchase Orders to support ongoing business and enterprise operations. Staff also administered 60 consultant contracts.

ATTACHMENT:

December CFO Monthly Status Report



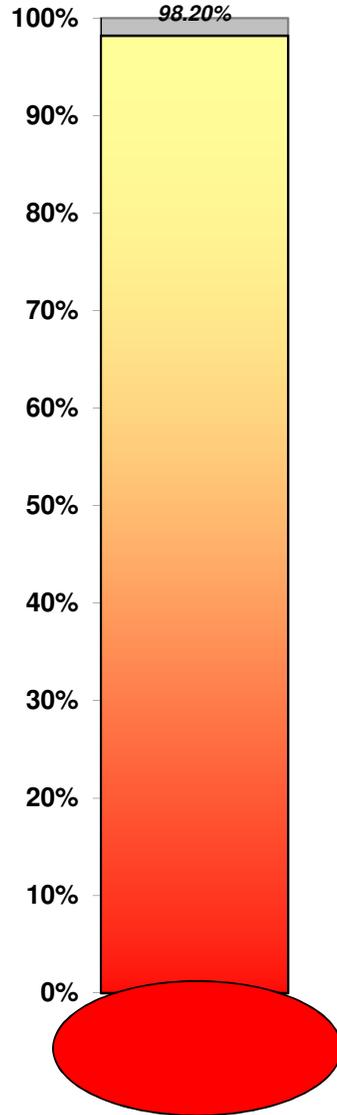
SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

Office of the Chief Financial Officer

Monthly Status Report

OCTOBER 2013

FY14 Membership Dues Collected

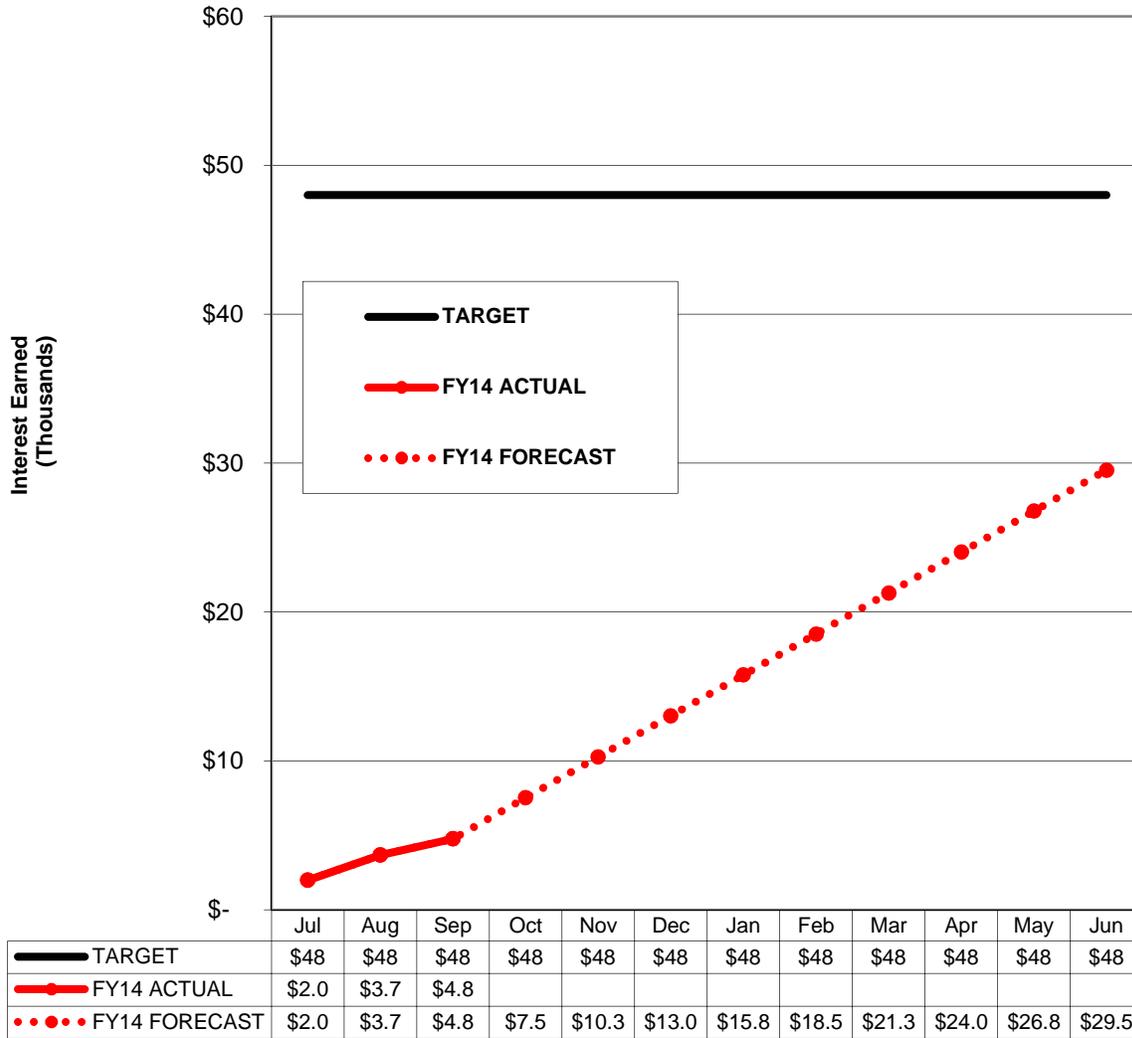


FY14 Membership Dues	<u><u>\$ 1,857,847.00</u></u>
Total Collected	<u><u>\$ 1,824,375.00</u></u>
Percentage Collected	<u><u>98.20%</u></u>

Office of the CFO
Interest Earnings Variance



INTEREST EARNINGS VARIANCE



OVERVIEW

Actual interest income is plotted against the target amount. The amount earned through September was \$4,774. The LA County Pool earned 0.70% in September.

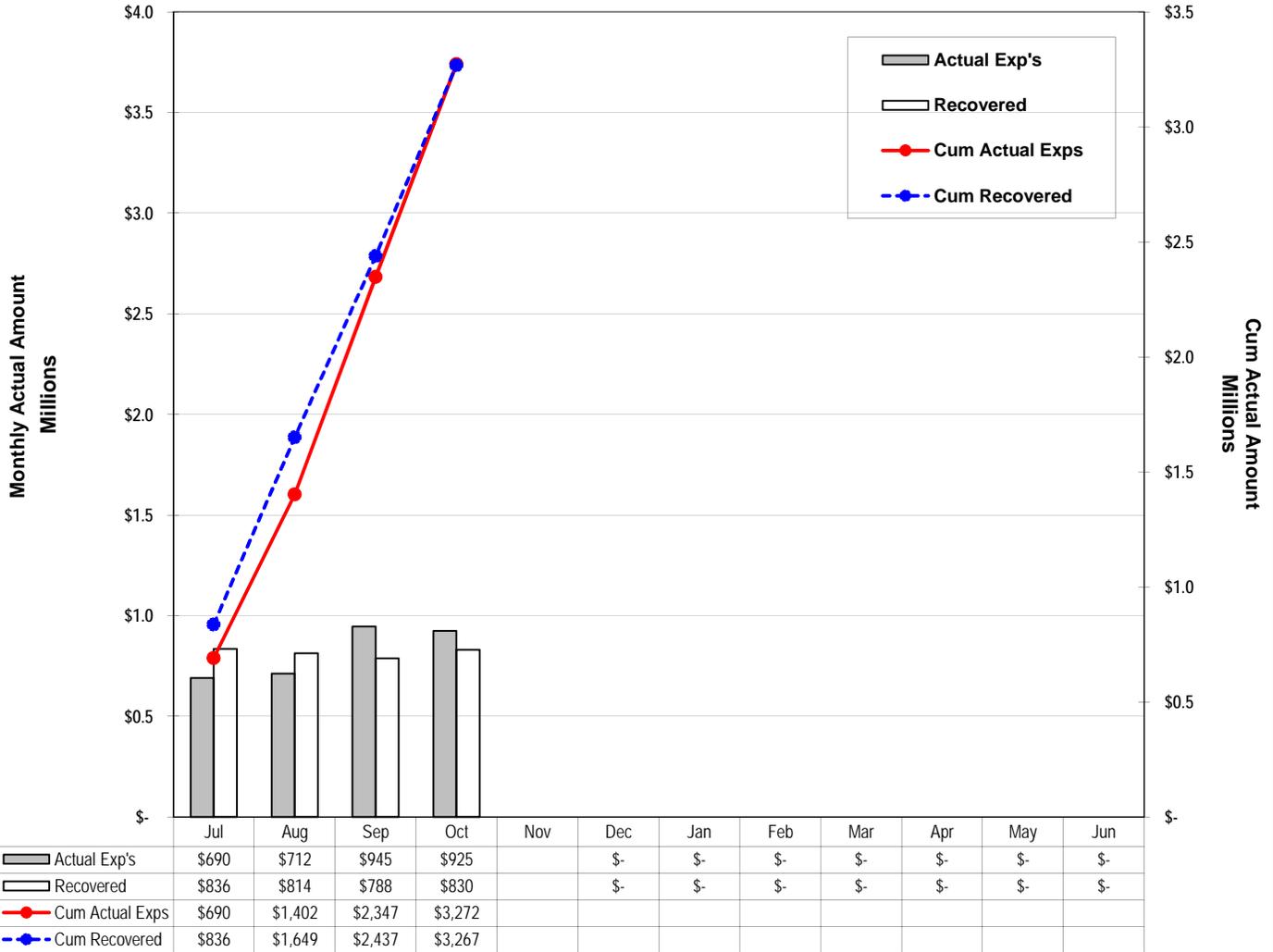
SUMMARY

The amount projected for FY14 is \$29,524, which is \$18,476 less than the target.



SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

FY14 INDIRECT COST & RECOVERY



OVERVIEW

A comparison of Indirect Cost (IC), incurred by SCAG vs. IC recovered from SCAG's grants.

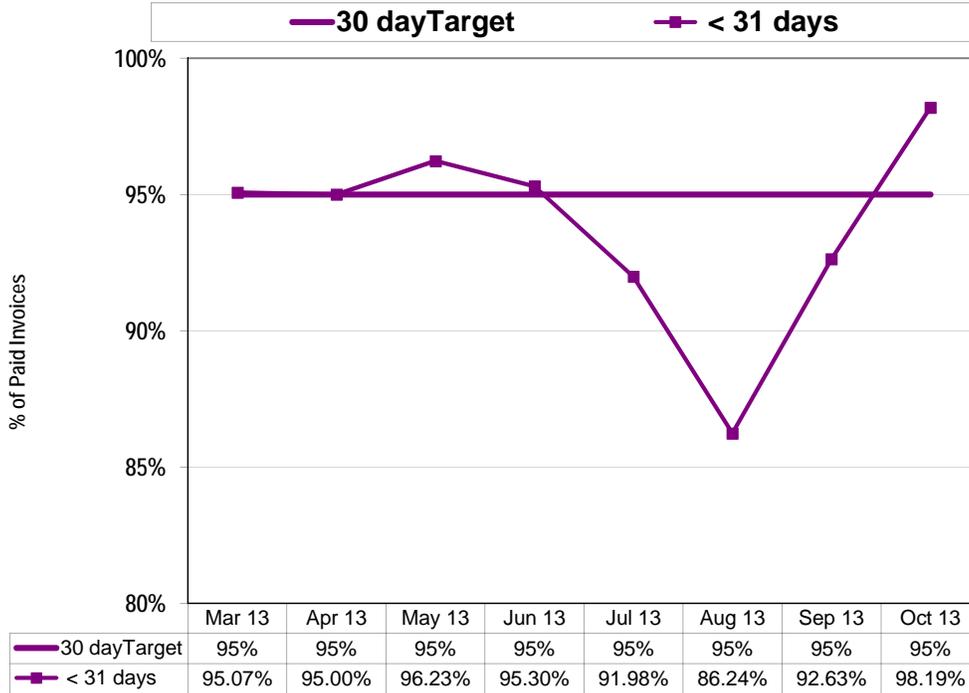
SUMMARY

Through October 2013, SCAG was under-recovered by \$4,459.

Office of the CFO
Invoice Aging



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

98.19% of October 2013's payments were made within 30 days of invoice receipt.
At month-end, 13 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.

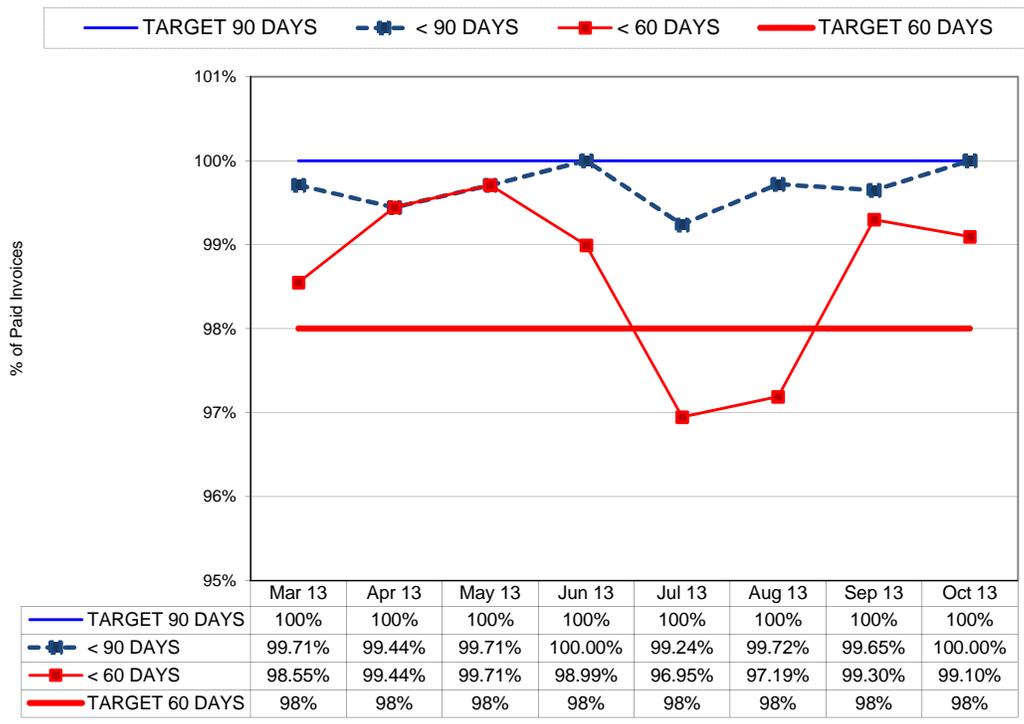
SUMMARY

These goals were met during this period.

99.10% of October 2013's payments were within 60 days of invoice receipt and 100.00% within 90 days. Invoices unpaid 30-60 days totaled 5; 60-90 days: 3; >90 days: 0.



INVOICE AGING



Office of the CFO
Consolidated Balance Sheet

	9/30/2013	10/31/2013	Incr (decr) to equity	COMMENTS
Cash at Bank of the West	\$ 3,836,904	\$ 5,328,057		
LA County Investment Pool	\$ 6,574,558	\$ 6,756,022		
Cash & Investments	\$ 10,411,463	\$ 12,084,079	\$ 1,672,616	Reflects payment received from FHWA.
Accounts Receivable	\$ 5,951,686	\$ 4,215,641	\$ (1,736,045)	A payment was received from FHWA
Fixed Assets - Net Book Value	\$ 687,279	\$ 687,279	\$ -	
Total Assets	\$ 17,050,427	\$ 16,986,998	\$ (63,428)	
Accounts Payable	\$ (408,371)	\$ (135,784)	\$ 272,587	Invoice payment goals were met in October so payables were reduced
Employee-related Liabilities	\$ (297,188)	\$ (438,360)	\$ (141,171)	October had one week more in unpaid wages than September
Other Current Assets	\$ (725,875)	\$ (649,576)	\$ 76,299	IC over-recovery was reduced by \$85K
Deferred Revenue	\$ (615,853)	\$ (628,657)	\$ (12,804)	Minimal change
Total Liabilities and Deferred Revenue	\$ (2,047,287)	\$ (1,852,376)	\$ 194,911	
Fund Balance	\$ 15,003,139	\$ 15,134,622	\$ 131,483	
WORKING CAPITAL				
	9/30/2013	10/31/2013	Incr (decr) to working capital	
Cash	\$ 10,411,463	\$ 12,084,079	\$ 1,672,616	
Accounts Receivable	\$ 5,951,686	\$ 4,215,641	\$ (1,736,045)	
Accounts Payable	\$ (408,371)	\$ (135,784)	\$ 272,587	
Employee-related Liabilities	\$ (297,188)	\$ (438,360)	\$ (141,171)	
Working Capital	\$ 15,657,589	\$ 15,725,576	\$ 67,988	

Office of the CFO
Fiscal Year-To-Date Expenditure Report Through October 31, 2013



**SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS**

COMPREHENSIVE BUDGET

		Adopted Budget	Amended Budget	Expenditures	Commitments	Budget Balance	% Budget Spent
1	Staff & Allocated Fringe Benefits	149,472	289,791	96,808		192,983	33.4%
2	51001 Allocated Indirect Costs	130,526	248,691	84,416		164,275	33.9%
3	54300 SCAG Consultants	324,000	332,000	26,124	219,755	86,122	7.9%
4	54340 Legal costs	25,000	141,500	8,730	16,270	116,500	6.2%
5	54350 Professional Services	120,000	3,500	3,500	0	0	100.0%
6	55441 Payroll, bank fees	13,000	13,000	1,204		11,796	9.3%
7	55510 Office Supplies		15,000	5,929	9,071	0	39.5%
8	55600 SCAG Memberships	135,300	115,300	3,076		112,224	2.7%
9	55610 Professional Membership		20,000	5,683	784	13,533	28.4%
10	55730 Capital Outlay	677,106	677,106	-		677,106	0.0%
11	55860 Scholarships		14,000	12,000		2,000	85.7%
12	55910 RC/Committee Meetings	50,000	8,462	-	3,353	5,109	0.0%
13	55914 RC General Assembly	330,000	330,000	15,000	263,602	51,398	4.5%
16	55916 Economic Summit	-	35,000	5,000	30,000	0	14.3%
17	55917 Labor Summit	-	6,538	6,538		0	100.0%
18	55920 Other Meeting Expense	90,000	97,000	18,801	41,220	36,979	19.4%
19	55930 Miscellaneous other	319,374	17,455	3,757	13,699	0	21.5%
20	55940 Stipend - RC Meetings	180,000	180,000	46,540	0	133,460	25.9%
21	55972 Rapid Pay Fees	975	975	-		975	0.0%
22	56100 Printing	6,000	6,000	898		5,102	15.0%
23	58100 Travel - outside SCAG region	37,200	36,835	3,435	0	33,400	9.3%
24	58101 Travel - local	21,100	20,900	4,384	0	16,516	21.0%
25	58110 Mileage - local	14,000	14,000	3,850	0	10,149	27.5%
26	58150 Staff Lodging Expense	3,500	3,500	-		3,500	0.0%
27	58800 RC Sponsorships	66,400	66,400	13,750		52,650	20.7%
28	Total General Fund	2,692,953	2,692,953	369,422	597,753	1,725,778	13.7%
29				-			
30	Staff & Fringe Benefits	12,164,400	12,188,642	3,650,235		8,538,407	29.9%
31	51001 Allocated Indirect Costs	10,622,486	10,642,854	3,183,005		7,459,849	29.9%
32	54300 SCAG Consultants	11,818,643	11,454,513	603,015	10,080,012	771,486	5.3%
33	54350 Professional Services	889,000	889,000	81,779	382,695	424,526	9.2%
34	55210 Software Support	188,059	188,059	142,867	3,889	41,303	76.0%
35	55220 Hardware Support	120,000	120,000	146	18,780	101,074	0.1%
36	55280 Third Party Contribution	3,170,438	3,148,996	-	126,397	3,022,599	0.0%
37	55520 Graphic Supplies	30,000	30,000	1,465		28,535	4.9%
38	55620 Resource Materials - subscrib	205,000	205,000	40,061	28,098	136,841	19.5%
39	55810 Public Notices	28,000	28,000	-		28,000	0.0%
40	55830 Conference - Registration	10,500	10,500	656	2,725	7,119	6.2%
41	55920 Other Meeting Expense	96,000	96,000	1,479		94,521	1.5%
42	55930 Miscellaneous - other	135,953	129,416	-	13,354	116,062	0.0%
43	56100 Printing	105,000	105,000	-	0	105,000	0.0%
44	58100 Travel	170,700	172,152	21,242		150,910	12.3%
45	Total OWP	39,754,179	39,408,132	7,725,950	10,655,951	21,026,231	19.6%
46				-			
47	Comprehensive Budget	42,447,132	42,101,085	8,095,372	11,253,704	22,752,009	19.2%

Office of the CFO
Fiscal Year-To-Date Expenditure Report Through October 31, 2013

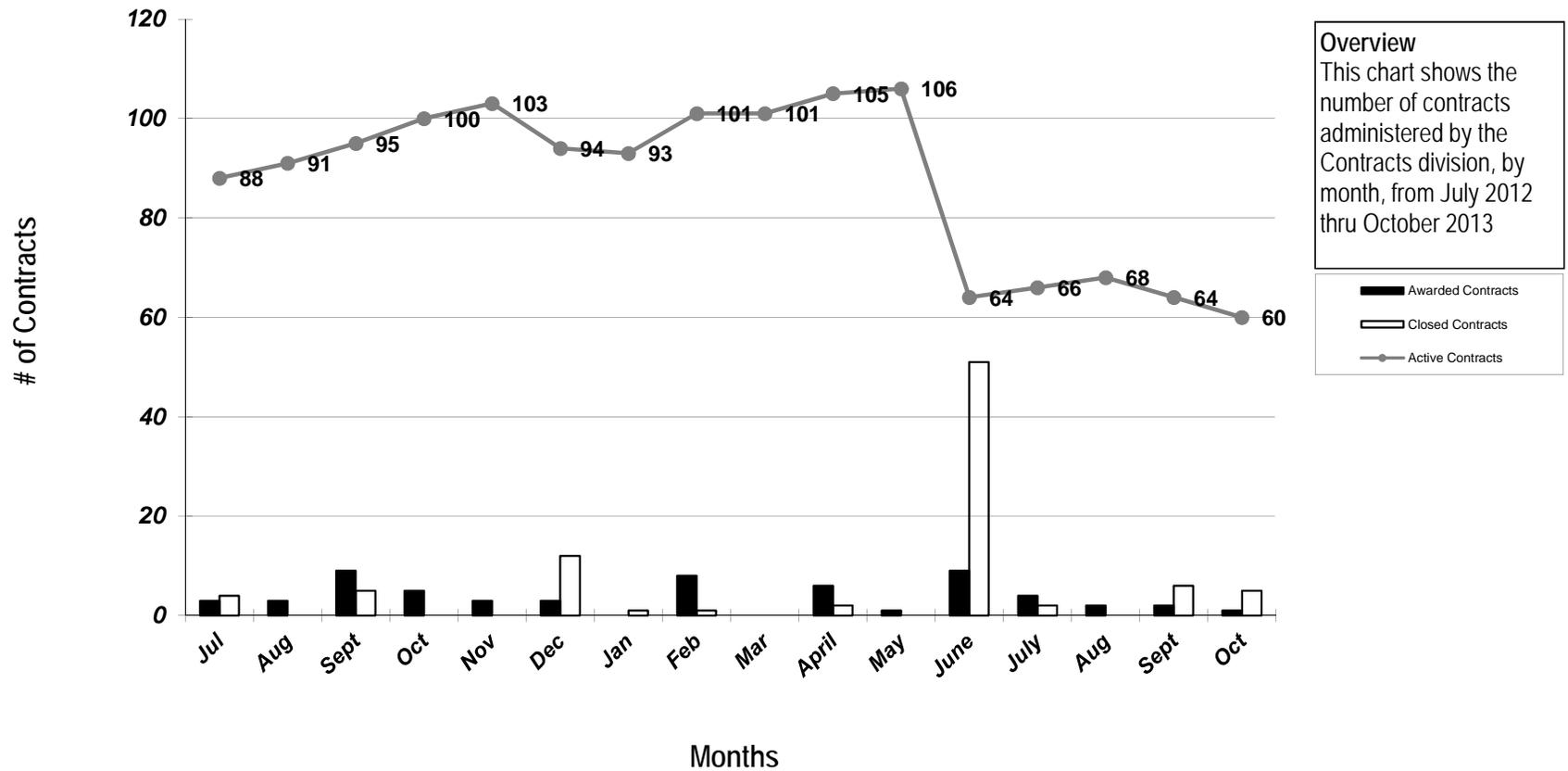


INDIRECT COST EXPENDITURES

			Adopted Budget	Amended Budget	Expenditures	Commitments	Budget Balance	% Budget Spent
1	50010	Regular Staff	3,435,840	3,434,357	1,101,162		2,333,195	32.1%
2	50013	Regular OT	-	1,483	1,483		0	100.0%
3	50014	Interns, Temps, Annuit	20,000	20,000	8,648		11,352	43.2%
4	51000	Allocated Fringe Benefits	2,407,072	2,407,072	751,938		1,655,134	31.2%
5	54300	SCAG Consultants	117,271	114,136	8,166	105,971	0	7.2%
6	54340	Legal	150,000	150,000	4,892	126,303	18,805	3.3%
7	54350	Prof Svcs	1,498,594	1,498,594	131,884	1,082,472	284,237	8.8%
8	55210	Software Support	343,305	332,585	252,861	79,724	0	76.0%
9	55220	Hardware Supp	98,512	98,512	27,736	29,190	41,586	28.2%
10	55230	Computer Maintenance		7,660	7,660	0	0	100.0%
11	55240	Repair & Maint Non-IT	20,000	20,000	12,340	7,660	0	61.7%
12	55270	Software Purchases	-	3,060	3,060		0	100.0%
13	55400	Office Rent 818 Offices	1,582,877	1,582,877	636,579	946,273	25	40.2%
14	55410	Office Rent Satellite	220,328	220,328	67,616	152,712	0	30.7%
15	55420	Equip Leases	117,979	117,979	23,778	89,150	5,051	20.2%
16	55430	Equip Repairs & Maint	35,000	35,000	8,122	26,878	0	23.2%
17	55440	Insurance *	(126,622)	(126,622)	56,958	1,216	(70,880)	-45.0%
18	55441	Payroll / Bank Fees	10,000	10,000	2,495		7,505	25.0%
19	55460	Mater & Equip < \$5,000	93,600	93,600	4,671	17,754	71,175	5.0%
20	55510	Office Supplies	130,000	126,610	26,618	99,993	0	21.0%
21	55520	Graphic Supplies	-	1,465	-	870	595	0.0%
22	55530	Telephone	184,800	184,800	56,431	128,369	0	30.5%
23	55540	Postage	20,000	20,000	-	200	19,800	0.0%
24	55550	Delivery Services	8,500	8,500	1,094	7,406	0	12.9%
25	55600	SCAG Memberships	-	6,525	3,525		3,000	54.0%
26	55610	Prof Memberships	1,850	1,850	180	75	1,595	9.7%
27	55620	Res Mats/Subscrip	36,200	36,200	16,321	10,652	9,228	45.1%
28	55700	Deprec - Furn & Fixt	43,700	43,700	-		43,700	0.0%
29	55710	Deprec - Computer Equipment	95,000	95,000	-		95,000	0.0%
30	55720	Amortiz - Leasehold Improvements	5,300	5,300	-		5,300	0.0%
31	55800	Recruitment Notices	10,000	10,000	6,222	3,778	0	62.2%
32	55801	Recruitment - other	22,000	22,000	10,257	11,743	0	46.6%
33	55810	Public Notices	25,000	23,535	-	320	23,215	0.0%
34	55820	Training	65,000	65,000	27,456	37,544	0	42.2%
35	55830	Conference/workshops	25,850	25,850	1,230		24,620	4.8%
36	55920	Other Mtg Exp	1,200	1,200	294		906	24.5%
37	55930	Miscellaneous - other	13,500	13,500	515	12,985	0	3.8%
38	55950	Temp Help	23,500	23,500	784	22,716	0	3.3%
39	56100	Printing	7,500	7,500	741	6,760	0	9.9%
40	58100	Travel - Outside	91,850	91,850	558		91,292	0.6%
41	58101	Travel - Local	9,950	9,950	1,726		8,224	17.3%
42	58110	Mileage - Local	40,375	40,375	5,636		34,739	14.0%
43	58150	Staff lodging Expense	3,000	3,000	-		3,000	0.0%
44	58450	Fleet Vehicle	6,500	6,500	243	6,257	0	3.7%
45		Total Indirect Cost	10,894,331	10,894,331	3,271,880	3,014,970	4,607,481	30.0%

* Negative budget reflects the refund that SCAG earned from CalJPIA. The refund itself was booked in FY13 in the Accounting records

SCAG Contracts (Year to Date)



Overview
 This chart shows the number of contracts administered by the Contracts division, by month, from July 2012 thru October 2013

Awarded Contracts
 Closed Contracts
 Active Contracts



Summary

The chart shows that the Contract Division is managing 60 active consultant contracts. Sixteen of these are Cost Plus Fixed Fee contracts, 13 are fixed price contracts, and the remaining 31 are Time and Materials (T&M) contracts. The Contracts Department anticipates issuing approximately 70 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 November 1, 2013

GROUPS	Authorized Positions	Filled Positions	Vacant Positions
Executive	5	4	1
Legal	2	2	0
Strategy, Policy & Public Affairs	20	19	1
Administration	41	39	2
Planning & Programs	65	59	6
Total	133	123	10

OTHER POSITIONS

GROUPS	Limited Term Positions	Temp Positions	Agency Temps
Executive	0	1	0
Legal	0	0	0
Strategy, Policy & Public Affairs	0	3	0
Administration	2	2	0
Planning & Programs	0	11	0
Total	2	17	0

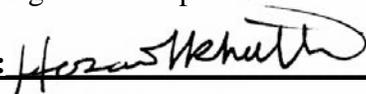
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DATE: January 2, 2014

TO: Transportation Committee (TC)
Regional Council (RC)

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

SUBJECT: Selection of SCAG Region Designated Recipients for FTA's Sec. 5310 Program

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:
For Information Only – No Action Required.

EXECUTIVE SUMMARY:

The Federal transportation bill, Moving Ahead for Progress in the 21st Century (MAP-21), requires the designation of a recipient for the urbanized area funds under the Federal Transit Administration (FTA) Section 5310, Enhanced Mobility of Seniors and Individuals with Disabilities grant program. This designation shall be made by the governor in consultation with responsible local officials and publicly owned operators of public transportation. SCAG has engaged in extensive consultations with the State Department of Transportation (Caltrans) and the SCAG-area County Transportation Commissions and arrived at the designations noted on the attached SCAG letter to Caltrans dated December 10, 2013. The designations were transmitted to Caltrans by the deadline.

BACKGROUND:

Under the terms of MAP-21, the recipient charged with administering the Section 5310 Program in urbanized areas over 200,000 in population must be officially designated after a process of consultation prior to grant award. The MPO, State, or another public agency may be a preferred choice based on local circumstances. The designation of a recipient shall be made by the Governor in consultation with responsible local officials and publicly owned operators of public transportation, as required in sections 5303 and 5304. Funds cannot be awarded until this designation is on file with the FTA Regional office.

Designated recipients are responsible for administering the program. Responsibilities include: notifying eligible local entities of funding availability; developing project selection processes; determining project eligibility; developing the program of projects; and ensuring that all sub-recipients comply with Federal requirements.

Caltrans had requested that each MPO provide its recommended designations for its respective urbanized areas (UZA) by early December 2013. As can be seen from the attached SCAG letter, the LA – Long Beach – Anaheim UZA will have more than one designated recipients (specifically Metro and Caltrans). This is permissible under FTA regulations while it has been discouraged by Caltrans who would have preferred a more streamlined approach.

The attached to recipients are an update to prior Regional Council compliance notification.

STRATEGIC PLAN:

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

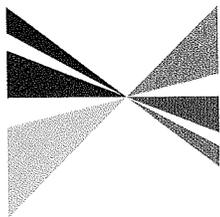
REPORT

FISCAL IMPACT:

The staff time to support this process was budgeted in the General Fund (800-0160.04).

ATTACHMENT:

SCAG letter to Caltrans re Designated Recipients – Federal Transit Administration Section 5310 Program
(with attachment)



ASSOCIATION of GOVERNMENTS

December 10, 2013

Main Office

818 West Seventh Street
12th Floor
Los Angeles, California
90017-3435

t (213) 236-1800

f (213) 236-1825

www.scag.ca.gov

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 - Energy & Environment
James Johnson, Long Beach
 - Transportation
Keith Millhouse, Ventura County Transportation Commission

Mr. Brian C. Travis
Senior Transportation Planner
California Department of Transportation
Division of Mass Transportation, MS 39
P.O. Box 942874
Sacramento, CA 94274-0001

RE: Designated Recipients - Federal Transit Administration (FTA) Section 5310 Program

Dear Mr. Travis:

On behalf of the Southern California Association of Governments (SCAG), I am responding to the letter dated November 21, 2013, from Jane E. Perez, Chief, Division of Mass Transportation, California Department of Transportation (Caltrans). The letter from Ms. Perez requested that SCAG indicate with a formal letter our agency's intention for the assignment of Designated Recipient(s) within our region for the FTA Enhanced Mobility of Seniors and Individuals with Disabilities Program (Section 5310 Program).

The Moving Ahead for Progress in the 21st Century Act (MAP- 21) established the Section 5310 Program to serve the special needs of transit-dependent populations beyond traditional public transportation services through grants to non-profit and local government agencies. The program provides apportionments to ten (10) large urbanized areas in the SCAG region. Furthermore, MAP-21 requires that for each large urbanized area, the Governor of each State must identify the Designated Recipient(s) to administer the Section 5310 Program, in consultation with responsible local officials and publicly owned operators of public transportation. Based on FTA Interim Guidance (October 16, 2012), FTA will not award any Section 5310 Program funds until it receives the Governor's designation letter.

During the last few months, SCAG has consulted with Caltrans, the County Transportation Commissions (CTCs) and other local agencies serving large urbanized areas in the SCAG region, regarding the Section 5310 Program. As a result of our consultation, we reached a consensus regarding the two (2) options presented by Caltrans. Please find attached the preferred option(s) selected for each of the large urbanized areas (UZAs) in our region.

As described in the attachment, the Los Angeles County Metropolitan Transportation Authority (Metro) and Ventura County Transportation Commission (VCTC) both prefer Option #2 (MPO or eligible large UZA agency take over administration for their respective large UZAs). Our understanding is that this option would allow Metro to serve as the Designated Recipient for the large UZAs and portion of Los Angeles-Long Beach-Anaheim UZA (LA-Anaheim UZA) within Los Angeles County, and for VCTC to serve as the Designated Recipient for large UZAs within Ventura County.

Letter Re: Designated Recipients, FTA Section 5310 Program
SCAG Region
December 10, 2013
Page 2

All other areas have selected Option #3 (Administrative Hybrid-Partnership between MPOs and Caltrans), with Caltrans serving as the Designated Recipient for the remaining UZAs (and portions of the LA-Anaheim UZA located within Orange and San Bernardino Counties). Multiple Designated Recipients may be designated for a single UZA, as allowed under MAP-21 and FTA Proposed Circular C 9070.1G

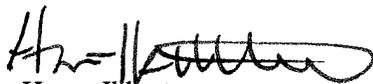
This flexibility is important for the LA-Anaheim UZA, given its large size across three counties. For UZAs which cross county lines, SCAG intends to provide Caltrans with the apportionment split information.

It is our understanding that for local agencies which have selected Option #3, Caltrans will permit up to 5% of available administrative costs to be shared with CTCs for developing coordinated plans and other eligible administrative activities. We further understand that under this option, Caltrans will submit to FTA all eligible project applications received from SCAG (and selected by the CTCs). Caltrans indicated in previous correspondence (November 6, 2013) to SCAG that it intends to limit the total amount of funds requested by any one applicant to \$600,000 per application (cap). However, the November 21st letter and White Paper did not mention such a cap. SCAG requests clarification on this point and that Caltrans consider not imposing a cap on grant awards.

SCAG staff intends to inform members of our governing board, the Regional Council, and its Transportation Committee about the status of this matter at their upcoming monthly meetings in January 2014. We look forward to continuing to work with Caltrans on the successful implementation of the Section 5310 Program.

For any further information or questions, please contact me or Basil Panas, SCAG Chief Financial Officer, at (213) 236-1817.

Sincerely,



Hasan Ikhrata
Executive Director

Attachment: Preferred Option Selections

cc: Jane E. Perez, Chief, Division of Mass Transportation, Caltrans
Ted Matley, FTA Region 9
Jonathan Klein, FTA Region 9
Arthur T. Leahy, Metro Chief Executive Officer
Darrell Johnson, OCTA Chief Executive Officer
Raymond Wolfe, SANBAG Executive Director
Anne Mayer, RCTC Executive Director
Darren Kettle, VCTC Executive Director

Preferred Option Selections

			SELECTION	
UZA	UZA No.	Counties/CTC	Option	Designated Recipient
Indio--Cathedral City, CA UZA	63670	County of Riverside: RCTC	Option 3	Caltrans

			SELECTION	
UZA	UZA No.	Counties/CTC	Option	Designated Recipient
Lancaster--Palmdale, CA UZA	60000	County of Los Angeles: Metro	Option 2	Metro

			SELECTION	
UZA	UZA No.	Counties/CTC	Option	Designated Recipient
Los Angeles--Long Beach--Anaheim, CA UZA	60020	County of Los Angeles: Metro	Option 2	Metro
		County of Orange: OCTA	Option 3	Caltrans
		County of San Bernardino: SANBAG	Option 3	Caltrans

			SELECTION	
UZA	UZA No.	Counties/CTC	Option	Designated Recipient
Mission Viejo--Lake Forest--San Clemente, CA UZA	60680	County of Orange: OCTA	Option 3	Caltrans

			SELECTION	
UZA	UZA No.	Counties/CTC	Option	Designated Recipient
Oxnard, CA UZA	60860	County of Ventura: VCTC	Option 2	Ventura County Transportation Commission (VCTC)

			SELECTION	
UZA	UZA No.	Counties/CTC	Option	Designated Recipient
Riverside--San Bernardino, CA UZA	60420	County of Riverside: RCTC	Option 3	Caltrans
		County of San Bernardino: SANBAG	Option 3	Caltrans

			SELECTION	
UZA	UZA No.	Counties/CTC	Option	Designated Recipient
Santa Clarita, CA UZA	61770	County of Los Angeles: Metro	Option 2	Metro

			SELECTION	
UZA	UZA No.	Counties/CTC	Option	Designated Recipient
Murrieta--Temecula--Menifee, CA UZA	61320	County of Riverside: RCTC	Option 3	Caltrans

			SELECTION	
UZA	UZA No.	Counties/CTC	Option	Designated Recipient
Thousand Oaks, CA UZA	61320	County of Ventura: VCTC	Option 2	VCTC

			SELECTION	
UZA	UZA No.	Counties/CTC	Option	Designated Recipient
Victorville--Hesperia, CA UZA	62660	County of San Bernardino: SANBAG	Option 3	Caltrans