

Agenda Report

March 21, 2005

TO: CITY COUNCIL

FROM: CITY MANAGER

SUBJECT: CITY OF PASADENA RELATIONSHIP WITH THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

RECOMMENDATION

This report is for information only.

BACKGROUND

The following is an overview of the role of the San Gabriel Valley Council of Governments (COG) and how the COG assists or affects the City of Pasadena's municipal functions. This information is provided in response to the City Council's request to review the City's relationship with the COG.

The mission statement of the COG is: "To ensure our Valley's fair share of scarce Federal, State and Local resources by fostering consensus among cities in the San Gabriel Valley regarding policies and programs that address issues relating to land use, air quality, transportation, solid waste and other matters deemed essential to our cities".

Toward this end, the COG helps identify issues of common interest to its 31 member cities through its committees and provides an additional level of advocacy – depending on the degree of consensus reached. This is the primary benefit to Pasadena by being a COG member.

Below, staff has outlined the direct impacts of COG involvement and the potential impact on various municipal services and functions if the City were not a member.

Transportation

Department of Transportation staff regularly attends and actively participates in the following COG committees:

- Transportation Committee
- Public Works Officials Technical Advisory Committee
- Gold Line Phase II Technical Advisory Committee

The COG has been effective at successfully lobbying for state and federal funding for regional transportation projects such as Alameda Corridor East. The COG has also consistently been an advocate for the inclusion and prioritization of Valley transportation projects in Regional Transportation Plans produced by the Southern California Association of Governments (SCAG) and the Metropolitan Transportation Authority (MTA).

An example of the effectiveness of the COG's leadership was the formation of the San Gabriel Valley Transit Zone Interim Joint Power Authority. Under the COG's leadership, the cities examined the feasibility of forming a transit zone. While the zone did not prove viable, the pressure from the process resulted in the MTA examining how it delivers service and allows for local government input. The MTA implemented the Sector program with governing councils. Our COG representative, Vice Mayor Sid Tyler, was active in both the transit zone activities and now sits on the governing council for the sector.

Housing and Land Use

In addition to its emphasis on funding for transportation in the San Gabriel Valley, the COG provides a forum for cooperation among Valley cities on land use and housing issues. In April 2002, the COG organized and hosted Housing Summit 2002, so Valley leaders might discuss housing issues that affect their communities. To provide greater control and understanding in the 1998-2005 Regional Housing Needs Assessment, the COG accepted delegation from SCAG of responsibility for the Regional Housing Needs Assessment (RHNA) numbers in the Valley. With insight gained in that process, the COG contracted for development of a Housing Strategic Plan.

The future of growth in the San Gabriel Valley affects all thirty-one cities in the sub-region. The COG held a Growth Visioning Summit in March 2004, which allowed commissioners, council members, and other residents to consider how future growth in the Valley might be distributed.

The COG has also been involved in designing model smart growth projects in the Valley cities, mapping Valley land use, understanding the Valley's economic structure, and identifying brownfield and development sites, among other land use projects. Pasadena staff has participated in all of the projects described here.

SCAG relies on the sub-regional bodies, such as the COG, for analysis and comment on projections of future growth. The COG has given special attention to the concerns of its cities and contracted for consultant assistance in commenting on those projections. For the last RHNA, the COG accepted delegated responsibility for working with the cities to agree on RHNA totals, as noted above. Several years ago, Pasadena requested that SCAG include projections for Pasadena with the projections for the COG, rather than with the Arroyo Verdugo Sub-region, where they had previously been for a brief period.

Engineering

The Department of Public Works is currently a member of the Public Works Officers Technical Advisory Committee that meets monthly in Monrovia. It is a good venue to meet and discuss Public Works issues in the San Gabriel Valley with other City Engineers and Public Works Directors.

Pasadena City Engineer, Dan Rix, currently represents the COG on the MTA's Technical Advisory Committee. These meetings are valuable to staff because of the contacts made and the exchange of information that occurs.

Integrated Waste

The City of Pasadena's Solid Waste staff participates in the San Gabriel Valley Council of Governments Solid Waste Committee. Staff also regularly attends the Los Angeles County Solid Waste Management Committee and participates as a member of its Public Education Information Subcommittee.

The main difference for the City of Pasadena between the two task forces is that, with the COG, jurisdictions are participatory members with voting rights. The Los Angeles County Integrated Waste Management Task Force is comprised of appointees representing: industry, the Sanitation Districts, South Coast Air Quality Management District, Los Angeles County, the City of Los Angeles, the City of Long Beach, the League of California Cities, and environmental organizations. The Task Force is staffed by Los Angeles County Public Works employees. There is an opportunity for public input at the end of each meeting, but you must be an appointed member to be part of the dialogue and vote. The Los Angeles County Task Force and the COG usually agree on the same course of action. Staff's perception is that the City's voice is not as critical to the Los

Angeles County Task Force, although letters and resolutions from individual cities are encouraged to be sent to the Legislature on critical issues. Councilmember Paul Little raised a number of questions. Staff has addressed each with information available. If more details are needed, staff needs some clarification from the Committee.

Rivers and Mountains Conservancy

The San Gabriel Rivers and Mountains Conservancy is a state agency created through the strong advocacy of the COG in 1999. The mission of this agency is to preserve urban open space and habitat in order to provide for low impact recreation and education uses, wildlife and habitat restoration and watershed improvements within its jurisdiction. The City received funding in the amount of \$331,544 through their first grant cycle for implementation of the Washington Park Master Plan. The COG has two appointees on this board of 13 members to represent the cities of the region. If not a member of the COG, the City would be represented on this board by the single member from the County Board of Supervisors. This could substantially reduce Pasadena's opportunities for future funding.

In addition, Councilmember Paul Little requested some specific information be included. This is summarized below.

Financial Information and Information on Process Used for Hiring Executive Staff

The City of Pasadena's annual dues for COG membership are \$30,000. Attached is a copy of the 2004-2005 budget as presented to the Governing Board. A total budget of \$447,948 was recommended with two consulting contracts paid from this amount.

Arroyo Associates, Inc.	\$344,448 – Annual Retainer
Burke, Williams & Sorensen	\$ 20,000

Arroyo Associates, Inc. is the firm that is responsible for day-to-day management of the COG, staffs the Board Policy Committees, Technical Committees and oversees events such as the Growth Visioning. Arroyo Associates, Inc. has a five-year contract that was signed on July 1, 2004. It can be terminated by either party with 180 days notice. Burke, Williams & Sorensen serves as legal counsel.

The contract with Arroyo Associates, Inc. and the report from the evaluation committee to the Board, and the minutes from when it was approved, are attached.

COG Advocacy and Coordination with Pasadena's Advocates

Staff spoke with both Carolyn Chaney and David Jones, who both attested to minimal contact with COG representatives. Pasadena has never sent our federal or state platforms to the COG or requested their assistance.

Federal and State Agencies

A request was made to contact federal agencies. Staff was unclear which agencies to contact. Additional details on agencies and projects would assist in getting to the correct information.

COG Positions

Rose Bowl NFL – The COG agendized this item and discussed the possibility of taking a position on the best site for Southern California NFL team but ultimately, did not take any action.

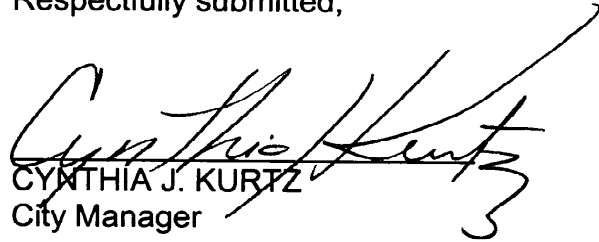
Problem Alcohol Outlets – Staff had not previously requested COG's involvement in this initiative, but working with Vice Mayor Sid Tyler, who represents Pasadena on the COG Board of Directors, staff will request their assistance.

Traffic Congestion in Pasadena – The COG has been of assistance with improving bus service within the San Gabriel Valley and was a strong supporter of Phase I of the Blue Line. Both of these projects assisted the region in traffic congestion. Staff has not requested support on local initiatives to manage traffic, but could request the role of the Public Works Officers Technical Advisory Committee be expanded so cities were also sharing information on traffic management plans.

LA IMPACT – LA Impact includes all cities within Los Angeles County. Its governing board is made up of Los Angeles City Police Chiefs who hire a director. There is also a small number of Police Chiefs from through out the County who serve on the Executive Board. Staff does not believe there is a role for the COG within this structure.

Also for City Council's information, attached are the February Monthly Progress Report, 2004-2005 Workplan, and a presentation on the COG provided by Vice Mayor Sid Tyler.

Respectfully submitted,



CYNTHIA J. KURTZ
City Manager

Attachments:

- A. 2004-2005 Proposed Budget
- B. Information Related to Hiring Arroyo Associates and Contract
- C. February Monthly Progress Report
- D. 2004-2005 Workplan
- E. COG Presentation



San Gabriel Valley Council of Governments

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DATE: May 2004

TO: Governing Board Members and Alternates

FROM: Nicholas T. Conway
Executive Director

RE: **SGVCOG 2004-2005 Proposed Budget**

Transmitted herewith is the San Gabriel Valley Council of Governments' (SGVCOG) proposed work program for the fiscal year 2004-2005. This document outlines the accomplishments of this last year, the proposed objectives for the coming year, and the allocation of resources to achieve those desired outcomes. It is important to note, that for the seventh consecutive year, the proposed work program does not anticipate an increase in the structure of the current dues.

Mission

SGVCOG Mission Statement: "To ensure the San Gabriel Valley's 'fair share' of scarce Federal, State and Local resources by fostering consensus among cities in the San Gabriel Valley regarding policies and programs that address issues relating to land use, air quality, transportation, solid waste and other matters deemed essential to our cities."

2003-2004 Achievements

During this last year, several major objectives were achieved in support of SGVCOG's adopted goals.

Goal #1 – Represent the San Gabriel Valley in Legislative Issues

- ✓ Established monthly legislative luncheon meetings with the State and Federal legislative staff for the San Gabriel Valley caucuses. We have hosted up to 20 people at a time at the regularly scheduled meetings. These meetings have proven to be very beneficial for both our representatives and the COG with respect to streamlining communication and priorities on items of mutual interest.
 - ✓ Wrote and sent correspondence in support of State Senate and State Assembly bills that would benefit the San Gabriel Valley bills, including AB 712 (Liu) to get the Foothill cities represented on the Gold Line Foothill Extension and SB 493 (Cedillo) in support of reforming brownfield regulations.
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- ✓ Analyzed state regulations and bills that affected Solid Waste and Environmental regulations. The Solid Waste Technical Advisory Committee actively watches the development of regulations from the California Air Resources Board and the California Integrated Waste Management Task Force and recommends appropriate correspondence through the Governing Board.
- ✓ Analyzed various regulations and proposals as to their affect on local funding. Throughout the year, letters were written to our State legislators and Governor Schwarzenegger identifying the financial impact of their actions on SGV cities. In addition, we analyzed the impact of the Los Angeles County Sheriff's proposed half-cent sales tax and its impact on San Gabriel Valley cities. Based on our analysis that was presented at a countywide meeting, subsequent changes were made that attempted to improve the equity of the proposed allocation of funds.
- ✓ Developed partnerships with the major unincorporated areas of the San Gabriel Valley by adding them as ex-officio members of the Governing Board. Members of the Altadena Town Council, Hacienda Heights Improvement Association, and Rowland Heights Community Coordinating Council are regular participants at Governing Board Meetings. With input from these large unincorporated areas, we hope to be able to better represent the needs of the whole San Gabriel Valley. An invitation has been extended to one other town council, Monrovia, Arcadia and Duarte Council, to participate in the SGVCOG.

Goal #2 – Support transit and congestion relief programs for the San Gabriel Valley

Gold Line Foothill Extension

- ✓ Celebrated the Metro Gold Line opening from the Union Station in Los Angeles to the Sierra Madre Villa in East Pasadena. The project was built on time and under budget, the first light rail to be constructed in Los Angeles in that manner.
- ✓ Developed and established a Joint Powers Authority between the Foothill cities and the San Bernardino Associated Governments (SANBAG) to move forward on the next phase of the Metro Gold Line out to Montclair in San Bernardino.
- ✓ Advocated and secured \$6.9 Million of Federal funding for the Gold Line Foothill Extension. Analyzed New Start Transit funds appropriated to the State of California and advocated for more equitable distribution of those funds to the State's largest urbanized area, Los Angeles County.
- ✓ Worked with the Foothill Extension cities, the current Pasadena Blue Line Construction Authority, and Metro on a memorandum of understanding to administer the construction of the Metro Gold Line Foothill Extension.

TEA-21

- ✓ Worked with the Valley's federal legislative caucus members so that they are fully aware of the Metro Gold Line Foothill Extension and the Alameda Corridor East rail projects need for federal transportation funds. We continue to work and wait for Congress' budget proposal to fund the transportation program. The previous bill, TEA-21, has been extended until July and we are hopeful passage of the new transportation bill will allow our projects to be federally funded.
- ✓ Worked for our fair share of State and Federal funds for San Gabriel Valley transportation projects. Our analysis shows that Los Angeles County is not receiving its fair share of scarce Federal New Start Rail funds in comparison to the Bay Area and San Diego.

Alameda Corridor East

- ✓ Assisted ACE in securing Federal funding to support the continued improvements of constructing below-grade rail crossings for faster and safer freight movement throughout the region. Congress approved a \$3.2 million earmark for FY 2004, bringing federal funding commitment to \$149 million.

Goal #3 – Develop a Growth Vision for the San Gabriel Valley

- ✓ Hosted the San Gabriel Valley Summit on Growth for the Mayors/City Councilmembers, Planning Commissioners, and other key decision makers within the San Gabriel Valley. This event, attended by more than 150 people, was successful in bringing the issues of population, jobs, and housing growth to the forefront. It was co-sponsored by several public and private agencies. Many expressed interest in continuing discussions and plan to address these changes within our respective cities. Follow up to this event is expected to be a part of our work plan for 2004-2005.
- ✓ Participated in development of the Southern California Association of Government (SCAG) 2004 Regional Transportation Plan (RTP). We hosted SCAG presentations at the Governing Board meeting and several of the Technical Advisory Committees. We submitted a response to the Draft 2004 RTP and participated in several discussions with various SCAG committees to address our concerns for the San Gabriel Valley.
- ✓ Participated in SCAG's Growth Visioning process. SCAG consultants worked with several people within the region to come up with a "consensus" for the Southern California region to look at connections between transportation and land use, in particular, jobs and housing growth.

Goal #4 – Work on Environmental Issues

- ✓ Worked on developing a plan for the Rio Hondo Watershed. SGVCOG received a Proposition 13 grant from the State Water Resources Control Board for \$200,000 to study the Rio Hondo Watershed. We brought together various stakeholders for the Rio Hondo, which runs through the western part of the San Gabriel Valley. The study

will be completed at the end of the current fiscal year and we hope to start implementing some of the recommendations from the Watershed Study. Some of the recommendations will be in cleaning up the watershed from pollutants, develop recreational spaces and connections to the Rio Hondo in the parks, and educating the public about the watershed.

- ✓ Worked on developing a brownfield inventory for the San Gabriel Valley. We prepared a \$250,000 grant application and received funds from a Proposition 40 grant from the Rivers and Mountains Conservancy to inventory all of the brownfield properties in the San Gabriel Valley. This is an important project because of the lack of undeveloped space within the San Gabriel Valley. The inventory will be used by the public agencies and developers for clean up and reuse of the properties that are currently vacant and abandoned.

Goal #5 – Build a Business Community Partnership

- ✓ Partnered with the San Gabriel Valley Economic Partnership on several initiatives: the San Gabriel Valley Summit on Growth, the Brownfield Inventory, and lobbying trips to Sacramento and Washington, DC.

General Operating Income

San Gabriel Valley Council of Governments’ annual income is derived primarily from three sources: (1) dues from member agencies which support our general fund; (2) special programmatic funds from SCAG, (3) the Metro Gold Line Foothill Extension (the SGVCOG is currently providing interim administration). Other funds may come from state grants or through other public and private agencies for special projects. As shown in Figure 1, we estimate that the SGVCOG’s revenue will increase once again this next year.

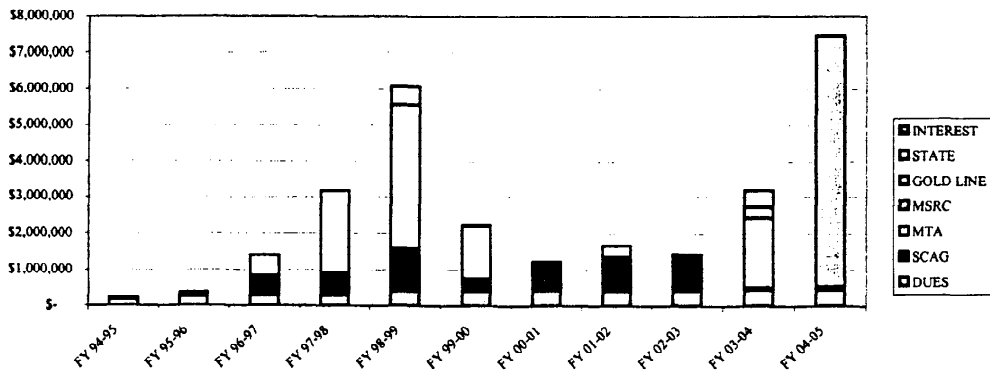


Figure 1
Operating Income per Fiscal Year

General Fund

DUES (\$448,962) = 15% from General Funds

As shown in Exhibit 1, there is an estimated \$2,900 increase in dues income. This is attributed to the population adjustment made by the State Department of Finance. The revenue from memberships and dues is the primary source of income to support SGVCOG's day-to-day operations and services. Also, this money is used to support our efforts in writing grants, providing in-kind match and seeking other categorical funds. Membership and dues monies should provide sufficient working capital to ensure stability, but must be leveraged in achieving other specific program desired outcomes, i.e. Growth Visioning, Housing studies, etc. The dues are adjusted yearly according to the California State Department of Finance population estimates. We estimate that the increase of revenue from dues is a 0.6% increase from the last Fiscal Year.

Proposition A & C – Each member city currently pays 12¢ per capita from the receipt of their City's Proposition A & C funds to support our regional transportation activities. As shown in Figure 2, this revenue source provides 42.5 percent of our general operating income.

AB2766 – Each member city currently pays 12¢ from AB2766 monies to support SGVCOG programs relating to air quality and transportation. As shown in Figure 2, monies from this revenue source represents 42.5 percent of general operating income.

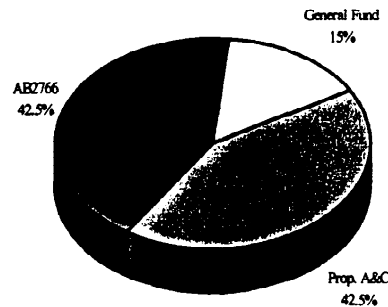


Figure 2
Percentage of Dues from Sources

City General Fund – Each member City pays a minimum contribution of \$1,500, which increases based on per ten thousand in population up to a maximum of \$3,000, to support the general administrative activities of the SGVCOG. Reliance on General Funds has decreased proportionally in the budget. As shown in Figure 2, the SGVCOG's operating monies derived from this revenue source now account for 15 percent of the SGVCOG's overall operating income.

INTEREST INCOME (\$6,000)

All SGVCOG funds are invested according to adopted policy in the Local Agency Investment Fund (LAIF). Due to low interest rates, the current investment returns are expected to yield approximately \$6,000 for this next fiscal year which is approximately 50% less than our interest income in prior years. The interest income on the principal derived from these funds has been used by the Board to support various activities, priorities and issues that may arise during the course of the year.

Exhibit 1
Proposed Dues for 2004-2005

City	2004 Dept. of Finance	Prop A&C \$.12/Capita	AB 2766 \$.12/Capita	General Fund	2003-2004 Dues	Proposed Dues
ALHAMBRA	89,700	\$ 10,764	\$ 10,764	\$ 2,700	\$ 24,036	\$ 24,228
ARCADIA	55,900	\$ 6,708	\$ 6,708	\$ 2,250	\$ 15,570	\$ 15,666
AZUSA	48,150	\$ 5,778	\$ 5,778	\$ 2,100	\$ 13,416	\$ 13,656
BALDWIN PARK	80,300	\$ 9,636	\$ 9,636	\$ 2,700	\$ 21,654	\$ 21,972
BRADBURY	940	\$ 113	\$ 113	\$ 1,500	\$ 1,721	\$ 1,726
CLAREMONT	36,350	\$ 4,362	\$ 4,362	\$ 1,950	\$ 10,614	\$ 10,674
COVINA	49,100	\$ 5,892	\$ 5,892	\$ 2,100	\$ 13,788	\$ 13,884
DIAMOND BAR	59,500	\$ 7,140	\$ 7,140	\$ 2,250	\$ 16,410	\$ 16,530
DUARTE	22,600	\$ 2,712	\$ 2,712	\$ 1,800	\$ 7,176	\$ 7,224
EL MONTE	123,500	\$ 14,820	\$ 14,820	\$ 3,000	\$ 30,000	\$ 30,000
GLENDORA	52,000	\$ 6,240	\$ 6,240	\$ 2,250	\$ 14,460	\$ 14,730
INDUSTRY	800	\$ 96	\$ 96	\$ 1,500	\$ 14,794	\$ 14,794
IRVINDALE	1,490	\$ 179	\$ 179	\$ 1,500	\$ 14,794	\$ 14,794
LA CANADA FLINTRIDGE	21,400	\$ 2,568	\$ 2,568	\$ 1,800	\$ 6,888	\$ 6,936
LA PUENTE	43,050	\$ 5,166	\$ 5,166	\$ 2,100	\$ 12,336	\$ 12,432
LA VERNE	33,250	\$ 3,990	\$ 3,990	\$ 1,950	\$ 9,846	\$ 9,930
MONROVIA	38,800	\$ 4,656	\$ 4,656	\$ 1,950	\$ 11,178	\$ 11,262
MONTEBELLO	65,200	\$ 7,824	\$ 7,824	\$ 2,400	\$ 17,928	\$ 18,048
MONTEREY PARK	63,900	\$ 7,668	\$ 7,668	\$ 2,400	\$ 17,616	\$ 17,736
PASADENA	144,000	\$ 17,280	\$ 17,280	\$ 3,000	\$ 30,000	\$ 30,000
POMONA	158,400	\$ 19,008	\$ 19,008	\$ 3,000	\$ 30,000	\$ 30,000
ROSEMEAD	56,700	\$ 6,804	\$ 6,804	\$ 2,250	\$ 15,714	\$ 15,858
SAN DIMAS	36,750	\$ 4,410	\$ 4,410	\$ 1,950	\$ 10,698	\$ 10,770
SAN GABRIEL	41,900	\$ 5,028	\$ 5,028	\$ 2,100	\$ 11,922	\$ 12,156
SAN MARINO	13,600	\$ 1,632	\$ 1,632	\$ 1,650	\$ 4,878	\$ 4,914
SIERRA MADRE	11,050	\$ 1,326	\$ 1,326	\$ 1,650	\$ 4,278	\$ 4,302
SOUTH EL MONTE	22,100	\$ 2,652	\$ 2,652	\$ 1,800	\$ 7,218	\$ 7,104
SOUTH PASADENA	25,500	\$ 3,060	\$ 3,060	\$ 1,800	\$ 7,860	\$ 7,920
TEMPLE CITY	35,300	\$ 4,236	\$ 4,236	\$ 1,950	\$ 10,278	\$ 10,422
WALNUT	31,700	\$ 3,804	\$ 3,804	\$ 1,950	\$ 9,486	\$ 9,558
WEST COVINA	111,400	\$ 13,368	\$ 13,368	\$ 3,000	\$ 29,520	\$ 29,736
TOTALS	1,574,330	\$ 188,920	\$ 188,920	\$ 66,300	\$ 446,077	\$ 448,962

Categorical (Program Specific) Funds

In addition to income from dues and membership, which supports our core programs, SGVCOG anticipates receiving income from the Southern California Association of Governments (SCAG), and the Metro Gold Line Foothill Extension. These funds are all earmarked to support specific projects and activities that have been funded as a result of an application or request submitted by the SGVCOG.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (\$111,296)

Each subregion executes an Overall Work Program (OWP) that is adopted by SCAG. As shown in Figure 3, SGVCOG has budgeted \$111,296 to support SCAG OWP funds and required in-kind match for FY 2004-2005. The funds provided by SCAG support important transportation planning initiatives in the Valley, namely the Metro Gold Line Foothill Extension and the Growth Visioning Project. All of the revenue received from SCAG is intended to cover direct costs incurred in providing specific agreed upon products. For example, the Gold Line funds are allocated to support the planning efforts for developing Transit Oriented Developments around the proposed Gold Line stations. The Growth Visioning funds are allocated to support continuing the ideas set forth at the San Gabriel Valley Summit on Growth. As a condition of receiving these funds, SGVCOG is required to provide a 13 percent match for in-kind services. The SGVCOG's adopted policy for providing matching funds is to use in-kind services spent in working on the various projects provided by staff from our member cities. For example, the hourly rate established for SGVCOG's Planning Director members is \$85/hour. The time spent by Planning Directors and other City staff on various committee assignments related to a project is then multiplied by the hourly rate and submitted as documentation for our matching requirement. These hours and costs are supplemented where needed by staff from Arroyo Associates, which is the SGVCOG's staffing resources.

FY 2004-2005 PROJECTS	Federal Amount	In-Kind Match	2004-2005 Funds
Gold Line Foothill Extension	\$ 10,000	\$ 1,296	\$ 100,000
Growth Visioning	\$ 88,530	\$ 11,470	\$ 11,296
TOTAL	\$ 98,530	\$ 12,766	\$ 111,296

Figure 3
2004-2005 SCAG OWP Budget

METRO GOLD LINE FOOTHILL EXTENSION (\$6,900,000)

The Metro Gold Line Foothill Extension has formed its own Joint Powers Authority to include the cities along the Foothill and the San Bernardino Associated Governments (SANBAG). The SGVCOG is providing the interim administrative and budgeting services. We expect \$6.9 million in Federal funding that will be used to support the various planning efforts related to the Metro Gold Line Foothill Extension. The funds are transferred to the Construction Authority to support agreed upon activities.

General Fund Operating Expenditures

As shown in Figure 4, the SGVCOG has four management contracts to support its ongoing operations, programs and services. These management services contracts are paid from the funds collected from member dues and are allocated to support activities.

ARROYO ASSOCIATES, INC. (AAI)

AAI is responsible for the day-to-day management of SGVCOG. The firm provides staff support to the Governing Board and all committees including the following: Gold Line Foothill Extension Construction Authority, Transportation Committee, Planning Directors Technical Advisory Committee, Public Works/Engineering Technical Advisory Committee, the Solid Waste Technical Advisory Committee, and legislative lunches. Staff represents SGVCOG at SCAG and Four Corners meetings. Staff also provides support for any other Project Advisory Committees (PAC). This past year, it included PACs such as a Growth Visioning PAC, a Rio Hondo Watershed PAC, and a Brownfield Inventory PAC.

As defined in the scope of the management services agreement, AAI prepares and distributes meeting minutes and Board actions, conducts analysis, prepares all grant applications and staff reports; prepares, copies and distributes all correspondence and mailings, oversees and manages all contracts and projects and provides all infrastructure related to the administration and

	Budget 2003-2004	Proposed 2004-2005
Arroyo Associates, Inc.	\$ 331,000	\$ 344,448
MTA	\$ 50,000	\$ 50,000
Burke Williams & Sorsensen	\$ 20,000	\$ 20,000
Accounting Services	\$ 10,000	\$ 10,000
Board Stipends	\$ 13,500	\$ 13,500
Miscellaneous (Media, Newsletter, Web, etc.)	\$ 10,000	\$ 10,000
	\$ 434,500	\$ 447,948

Figure 4
General Expenses

operation of the SGVCOG including office space, furniture, computer equipment, utilities and all ancillary services necessary to run the day-to-day operations of the SGVCOG. This year, SGVCOG's contract with Arroyo Associates, Inc. was rebid and is anticipated to be renewed. The contract provides for an annual Consumer Price Index (CPI) adjustment in fees.

BURKE, WILLIAMS AND SORENSEN (BWS)

BWS provides legal assistance to the Board in policy deliberations. A retainer agreement has been executed for \$5,000 per quarter or \$20,000 annually for the SGVCOG's legal services.

AUDITING SERVICES

A certified public accounting firm conducts our annual audit to ensure compliance with adopted rules and regulations. An annual fee of \$10,000 is paid for that audit.

METROPOLITAN TRANSPORTATION AUTHORITY (MTA)

In 1997, the Governing Board authorized execution of a contract with MTA to pay 50 percent of the staff costs involved in providing assistance to John Fasana, San Gabriel Valley MTA Board

representative. The contract amount is \$4,166.67 per month or \$50,000 annually and is intended to be matched by an equal amount from MTA for this staff position.

BOARD STIPENDS

As approved in 2002, Board members are paid \$50 per Governing Board Meeting. Based on 10 meetings during the year, \$13,500 has been budgeted to cover these reimbursements.

2004-2005 Proposed Objectives

There are several of important objectives to be achieved by our respective committees during the coming year. We will continue participating in interregional activities in pursuit of the interests of San Gabriel Valley cities. We will continue to advocate for the San Gabriel Valley cities, seeking to be represented fairly in legislative issues as they become current. However, there are several items of interest, due to their overarching importance, that need to be achieved and warrant identification and elaboration. These are listed below

Proposed Goal #1 - San Gabriel Valley Leadership in the 21st Century

The San Gabriel Valley is fortunate to have many fine elected officials who seek leadership opportunities in a variety of organizations. However, due to the advent of term limits and the stress and strains of serving in public office, we are witnessing a constant turnover of our elected leaders. If we are able to maintain our knowledge and experience as an organization, we need to commit resources in training to develop the next generation of elected and civic leaders here in the San Gabriel Valley. A number of foundations provide funding to organizations to put together a development program for future community business and political leaders. We hope to develop a program in conjunction with the San Gabriel Valley Economic Partnership and get it funded during this next year.

First Quarter: Identify a source of funding

Fourth Quarter: Graduate first class

Proposed Goal #2 - Growth Vision Implementation

The San Gabriel Valley Summit on Growth, which occurred on March 20, 2004, was a successful event that brought together the San Gabriel Valley leaders to talk about what our region could look like in the year 2030. Discussion occurred regarding the population, housing, and jobs that are expected to grow in this region mostly due to the expansion of our children's families. We also discussed opportunities to plan for the needs and locations of new developments, utilizing the opportunities that we have in regards to developing Transit Oriented Developments and optimizing our Transportation Corridors. We will begin to develop an implementation strategy on planning principals that were agreed upon at the Summit on Growth so that we can best plan for a bright future in the San Gabriel Valley. This may involve a series of workshops and conferences on a sub area basis within the Valley to gather interested parties together.

First Quarter: Develop funding for sub area workshops/conferences

Second Quarter: Conduct workshops and conferences on a sub area basis
Fourth Quarter: Develop working groups for implementation strategies

Proposed Goal #3 - Supporting the Metro Gold Line Foothill Extension

During this past Fiscal Year, we launched the Gold Line Foothill Extension JPA. Environmental assessments will need to be approved and funding will need to be secured for this \$1.3 billion project to move forward. We hope to secure \$6.9 million for this fiscal year. We will also need to take a look at the neighborhoods around the stations while sharing ideas and efforts for redevelopment and planning Transit Oriented Developments for our region.

First – Fourth Quarters: Resolve governance issues relating to the Gold Line Foothill Extension and secure Federal funding to commence construction.

Proposed Goal #4 - Funding and Project Implementation of the Alameda Corridor East (ACE)

ACE continues to be an important project for the San Gabriel Valley. While the designs for a few grade separations have already been completed and two are under construction. The next phase has been put on hold due to the State's budget crisis. We will continue to support ACE projects in gaining access to \$5 Million for this next Fiscal Year on the local, state, and federal levels.

First - Fourth Quarters: Continue supporting construction projects and seek funding for proposed projects.

Proposed Goal #5 - Implementing the Strategic Housing Plan

During this Fiscal Year, the Solimar Group completed a Strategic Housing Plan for the San Gabriel Valley. We hope to begin work to implement the Strategic Housing Plan in order to increase the supply of affordable housing in the Valley.

First Quarter: Review and discuss Strategic Housing Plan

Second - Fourth Quarters: Develop region wide guidelines

Proposed Goal #6 - Developing a Brownfield Inventory Website

By the end of this Fiscal Year, we will have nearly finished a Rivers and Mountains Conservancy funded Brownfield Inventory. This study will provide us with a better idea of the amount of space available in the San Gabriel Valley for the clean up and reuse of brownfields. As a region that is nearly built out, this inventory will help identify parcels that can be reused for development. Along with the San Gabriel Valley Economic Partnership, we hope to launch a website that can be used by developers and community leaders that would identify such parcels.

First Quarter: Completion and reporting of the Brownfield Inventory

Second Quarter: Seek sponsorship for website

Third Quarter: Provide website and inventory to the San Gabriel Valley Economic Partnership

Proposed Goal #7 - Develop and Launch a San Gabriel Valley Website

A new San Gabriel Valley website will serve as a “gateway” to San Gabriel Valley information. Such a website will serve those interested in the San Gabriel Valley by directing them to better information. This website will be developed in conjunction with the San Gabriel Valley Economic Partnership.

First Quarter: Plan and develop website

Second Quarter: Launch website

These are just a few of the issues that are likely to present themselves during the next fiscal year. They will be supplemented by those specific objects identified by the respective committees as they become organized.

On behalf of the staff, I appreciate the support and direction provided by the Governing Board during this last year. We look forward to the continuing our organization’s record of success in this coming year.

Sincerely,

Nicholas T. Conway



**CITY MANAGER'S OFFICE
MEMORANDUM**

To: SGVCOG Governing Board

From: Tamara S. Gates, City Manager, Sierra Madre
SGVCOG City Manager's Committee Chair

Date: April 22, 2004

Re: Recommendation to Approve Arroyo Associates, Inc. Proposal for the
Professional Management Services of the SGVCOG

Recommendation

The City Manager's Technical Advisory Committee recommends that the Governing Board authorize the San Gabriel Valley Council of Governments (SGVCOG) president to enter into a five (5) year agreement with Arroyo Associates, Inc. for professional management services in the amount of \$344,448.

Analysis

The current contract with Arroyo Associates expires June 30, 2004. It is the responsibility of the City Manager's Technical Advisory Committee to send out request for proposals (RFP) for the management services, analyze the proposals received, and make a recommendation to the Governing Board. The committee members who participated in the process with me included Bill Kelly, City Manager, Arcadia and Glenn Southard, City Manager, Claremont.

The Committee sent out the RFP to four consulting firms. One proposal was received from Arroyo Associates in response to the request. The Committee thoroughly analyzed the proposal and met with Nicholas Conway, President, to discuss it in detail. The Committee believes that Arroyo Associates has done an excellent job of providing management services to the SGVCOG over the years. After completing the analysis and discussion, the City Manager's Technical Advisory Committee recommends that the Governing Board enter into a five (5) year agreement with Arroyo Associates, Inc. to provide professional management services to the SGVCOG. Attachment A is a sample agreement.

Financial Review

The annual cost of this contract is \$344,448 per year. The sample agreement (attached) provides for an annual increase in the fee based upon the Consumer Price Index. The cost of this agreement has been factored into the proposal budget for FY 2004-2005.

Historically, cost of the contract has increased modestly as compared to the increase in goals and accomplishments. The following is a summary of the changes in the cost of the contract and staffing provided by Arroyo Associates over the last several years.

	Arroyo Associates	% Change	FTE Requirement
FY 2001-2002	\$311,940		2.5
FY 2002-2003	\$320,676	2.72%	2.5
FY 2003-2004	\$330,937	3.10%	2.5
FY 2004-2005 (Proposed)	\$344,448	3.92%	3.0

Recommendation

The City Manager's Technical Advisory Committee recommends that the Governing Board authorize the San Gabriel Valley Council of Governments (SGVCOG) president to enter into a five (5) year agreement (attached) with Arroyo Associates, Inc. for professional management services for the SGVCOG in the amount of \$344,448.

Attachment A: Sample Contract

MANAGEMENT SERVICES AGREEMENT

THIS AGREEMENT is entered into by and between the SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS, a joint powers authority, (hereinafter "SGVCOG") and Arroyo Seco Associates, Inc. (hereinafter "FIRM") and shall be dated as of July 1, 2004. In consideration of mutual covenants and agreements set forth herein the parties agree as follow:

SECTION 1. RECITALS. This Agreement is made and entered into with respect to the following facts:

A. SGVCOG desires to retain FIRM to conduct the day-to-day administration, management and operation of SGVCOG; and

B. It is the desire of the parties hereto to formalize their relationship by means of this Agreement pertaining to the performance of such services; and

C. FIRM has agreed to provide such services, in the time, manner and for the compensation, as hereinafter set forth; and

D. The Governing Board of SGVCOG has heretofore determined that the public interest, convenience and necessity require the execution of this Agreement.

SECTION 2. SERVICES TO BE PROVIDED.

A. FIRM shall assist SGVCOG's president (the "President") and/or SGVCOG's Governing Board (the "Governing Board") in developing SGVCOG policy. At the direction of the President, FIRM staff will work with the SGVCOG Committees in developing a mission statement, work program, budget and staffing proposals.

B. FIRM will assist with technical activities and projects undertaken by SGVCOG relating to transportation, air quality, planning, management and other activities designated by the President and/or the Governing Board.

C. FIRM will perform planning, coordination and other related activities as directed by the President and/or the Governing Board.

D. FIRM shall manage all SGVCOG financial matters, including the collection of dues, the payment of bills, the preparation of monthly financial statements, the investment of funds (in one or more designated financial institutions), and the preparation and maintenance of all records relating thereto. FIRM shall prepare administrative policies for approval by the Governing Board that will establish procedures and protocols for the management of SGVCOG's fiscal affairs, including, without limitation, the appointment of individuals authorized to deposit and disburse funds on behalf of SGVCOG.

E. FIRM shall assist the President and the Governing Board in complying with all local, state and federal laws, including, without limitation, the preparation and filing of documents required by the Political Reform Act, the California Environmental Quality Act, and SGVCOG's Conflict of Interest Code, among other laws and regulations.

F. FIRM shall prepare and distribute preliminary meeting notices, meeting notices, agendas, agenda summaries and action minutes of the Governing Board and SGVCOG Committee meetings, as directed by the President and/or chairpersons of committees established by the President and/or the Governing Board.

G. FIRM shall staff monthly Governing Board and SGVCOG Committee meetings and meetings of other ad hoc committees as required by the President.

H. FIRM shall prepare and distribute meeting schedules, rosters, correspondence, etc. as directed by the President.

I. **Accounting and Banking**

(1) FIRM shall be available to consult with the SGVCOG Treasurer/Auditor regarding SGVCOG's financial matters

(2) Pursuant to the administrative policies described in paragraph D of this Section 2, SGVCOG has authorized the Executive Director designated in Section 3 of this Agreement to sign SGVCOG checks, to withdraw SGVCOG funds, and to transact all related banking functions.

(3) FIRM shall conduct all bookkeeping functions in accordance with local, state and federal laws and regulations, and in a manner acceptable to the President and/or the Governing Board.

(4) FIRM shall administer SGVCOG investments in accordance with the policy adopted by the Governing Board as required by law.

(5) FIRM shall assist the certified public accountants appointed by the Governing Board to conduct any required and/or desired audits, annual reports, and other financial recordkeeping.

(6) FIRM shall assist the SGVCOG Treasurer/Auditor, the President, the Finance Committee, and/or the members of the Governing Board in conducting periodic reviews of FIRM's financial recordkeeping.

(7) SGVCOG agrees to defend, and hold harmless from, and indemnify FIRM against any liability directly or indirectly related to late payment or non-payment of any fees owed by SGVCOG unless said late payment or non-payment of fees is attributable to the acts or omissions of FIRM.

(8) SGVCOG also agrees to defend, hold harmless from, and indemnify FIRM against any liability directly or indirectly resulting from a claim against any individual city of SGVCOG, unless said liability is attributable to acts or omissions of FIRM.

J. **Liaison with other Organizations.** FIRM shall continue to maintain working relationships with the respective staffs of the: League of California Cities; California Contract Cities Association; Independent Cities Association; Southern California Association of

Governments ("SCAG"); and the SCAG subregions. FIRM shall maintain and enhance these relationships by, among other things, adhering to a steady routine of professional contacts, support for mutually beneficial efforts and social interactions.

K. Legislative Advocacy

(1) FIRM shall advocate legislation on behalf of SGVCOG as directed by the President and/or the Governing Board. FIRM's activities shall include, without limitation, the drafting and transmittal of correspondence to all appropriate offices and agencies of local, state and federal government. The President and/or the Governing Board may require FIRM to arrange for testimony by member city elected officials before legislative and/or administrative bodies. In addition, the President and/or Governing Board may require FIRM to coordinate meetings between members of the Governing Board and other government officials.

(2) FIRM shall travel to Sacramento, Washington, DC, or other locations to advocate on behalf of SGVCOG as directed by the SGVCOG Governing Board or, in case of urgent circumstances, at the direction of the SGVCOG President.

(3) FIRM shall not be responsible for advocating and/or monitoring any issues that affect individual member cities as opposed to SGVCOG's interests as a collective entity.

L. Communication with President and other Officers. FIRM shall be available for consultation with President and/or Officers and Representatives of the Governing Board. FIRM shall advise the President and SGVCOG Officers with regard to pertinent issues. FIRM shall meet regularly with the President and SGVCOG Committee chairs to coordinate SGVCOG activities.

M. Address, Telephone and Stationery. During the Term of this Agreement, FIRM shall maintain a SGVCOG office at 3452 East Foothill Blvd., Suite 810, Pasadena, California 91107 or at such other address as FIRM may designate in writing and to the SGVCOG by and through the President at the President's business address. FIRM shall maintain a separate telephone number and telephone line exclusively dedicated to SGVCOG's business. FIRM shall use SGVCOG stationery in the course of conducting all SGVCOG business. Said SGVCOG stationery shall be approved by the President.

N. Maintenance of Records, Surplus, Equipment and Supplies. FIRM shall maintain all SGVCOG records, with the exception of certain financial and investment record, designated by the President and/or the Governing Board, at FIRM's offices and shall make such records available for inspection by the President and/or members of the Governing Board during normal office hours, upon reasonable notice or as required by law.

SECTION 3. DESIGNATION OF EXECUTIVE DIRECTOR. Nicholas T. Conway shall be the lead individual for the services described in Section 2 and shall be responsible for assuring that the services required are promptly and properly provided. Nicholas T. Conway shall be designated as the Executive Director of SGVCOG. Other FIRM and contract staff assigned to provide services pursuant to this Agreement shall serve at the discretion of FIRM.

FIRM, exclusively, shall be responsible for the management and supervision of FIRM's employees.

SECTION 4. PAPER SUPPLIES, POSTAGE, TELEPHONE COSTS, TRAVEL AND CLERICAL ASSISTANCE. FIRM will provide all paper, supplies, postage, telephone services (including fax), local travel, clerical assistance, and other necessary supplies and services and the costs and fees for such shall be deemed to be included in the fees set forth in Section 6, paragraph A of this Agreement. SGVCOG shall not reimburse FIRM for additional expenditures except as specifically authorized herein or by the Governing Board.

SECTION 5. EQUIPMENT, UTILITIES, AND FACILITIES. FIRM will provide equipment, utilities, and facilities and the costs and fees for such shall be deemed to be included in the fees set forth in Section 6, paragraph A of this Agreement. SGVCOG shall not reimburse FIRM for additional expenditures, except as specifically authorized herein or by the Governing Board.

SECTION 6. FEE FOR SERVICE.

A. **Basic Retainer Services.** SGVCOG shall pay FIRM, for management and technical services related to the operation of SGVCOG, \$28,704 payable on the first day of each month beginning July 1, 2004 and ending June 30, 2009. Monthly compensation shall be adjusted on each anniversary date of this Agreement to reflect any increase in the Consumer Price Indices for all Urban Consumers – Los Angeles CMSA, for the preceding twelve (12) months.

B. **Non-Retainer Services.** In addition to the fees noted in paragraph A above, SGVCOG shall pay FIRM the actual amount of reasonable fees and costs for any services and expenses performed or incurred by FIRM for work FIRM performs in undertaking activities paid for by other entities to SGVCOG and authorized by SGVCOG. In no event, shall the fees and costs paid to FIRM exceed the fees and costs paid by any other entity to SGVCOG.

C. **Other Costs.** SGVCOG shall not pay or reimburse FIRM for fixtures unless such expenditures are specifically approved by the Governing Board. SGVCOG shall reimburse FIRM for trophies, plaques, resolutions, nametags, dinners, luncheons, banquets, speakers, speakers' expenses, out of area travel for SGVCOG activities, Governing Board Representative compensation and expenses, legal and consultant fees, and/or SGVCOG membership fees.

D. **Payment for Costs and Services.** FIRM shall submit brief written explanations and receipts/invoices to SGVCOG accounting for all services provided and costs incurred pursuant to Section 6, paragraphs B and C of this Agreement. For costs, such explanations shall identify the expenses and the reason the expenses were incurred. For services, such explanations shall clearly set forth by date the type of work performed, the time spent on the task and the person performing the task. Payment to FIRM shall be made by SGVCOG upon receipt of the explanations and receipts/invoices, except for those specific items which are contested or questioned and returned by SGVCOG, with written explanation, within ten (10) days of receipt of the materials by SGVCOG. FIRM shall provide to SGVCOG a written

response to any explanation contested or questioned and further, upon request of SGVCOG, provide it with any and all documents related to the service or costs. No charge shall be made for time expended in providing this information to the SGVCOG.

SECTION 7. TERM. The term of this Agreement shall commence on July 1, 2004, and shall terminate on June 30, 2009, unless terminated by either party hereto pursuant to the terms of this Agreement. SGVCOG may terminate this Agreement at any time, however, it will endeavor to give FIRM one hundred eighty (180) days notice prior to termination. FIRM may terminate this Agreement on the giving of one hundred eighty (180) days written notice to the SGVCOG of such termination. If either party terminates this Agreement prior to the expiration of the Term, SGVCOG shall pay any amount then due FIRM, pursuant to this Agreement, on a pro rata basis, unless said amount is disputed by SGVCOG. If it is mutually agreeable to the FIRM and SGVCOG, the term of the agreement may be extended in increments of one year, not to exceed a total contact period of five years.

SECTION 8. NOTICES. Notices required pursuant to this Agreement shall be given by personal service upon the party to be notified, or by delivery of same to the custody of the United States Postal Service, or its lawful successor, postage prepared and addressed as follows:

SGVCOG: Michael Miller, President
San Gabriel Valley Council of Governments
3452 East Foothill Boulevard, Suite 810
Pasadena, CA 91107

FIRM: Nicholas T. Conway, President
Arroyo Seco Associates, Inc.
3452 East Foothill Blvd., Suite 810
Pasadena, CA 91107

Service of a notice by personal service shall be deemed to have been given as of the date of such personal service. Notices given by deposit with the United States Postal Service shall be deemed to have been given two (2) consecutive business days following the deposit of the same in custody of said Postal Service. Either party may, from time to time, by written notice to other, designate a different address which shall be substituted for the one above specified.

SECTION 9. INDEMNIFICATION. FIRM agrees to defend, hold harmless from, and indemnify SGVCOG, members of the Governing Board, SGVCOG's agents, successors and assigns against any and all liability and/or blame for damages by reason of any injury to person or persons, including, without limitation, FIRM employees or property of any kind whatsoever and to whomsoever belonging, and from any cause or causes whatsoever arising from the performance by FIRM employees of FIRM's obligations pursuant to this Agreement; provided however, that FIRM shall not be liable to the SGVCOG for any injury to persons or property which may result solely or primarily from the gross negligence or willful misconduct of SGVCOG Governing Board members, SGVCOG Officers, or employees.

SECTION 10. INSURANCE. Not in derogation of the provisions of Paragraph 9 hereof, FIRM does hereby agree to take out and maintain in full force and effect during the Term of this Agreement the following insurance coverage:

- A. Such insurance coverage as is required pursuant to the Workers' Compensation Laws of the State of California; and
- B. An automobile liability policy with coverage of not less than \$300,000.

SECTION 11. CONTRACT RESTRICTIONS.

A. Unless FIRM is fulfilling obligations required by Section 2 of this Agreement, FIRM shall not be responsible for actions and/or the omission of required actions by SGVCOG, including, but not limited to: (1) any state and/or federal tax obligations (2) any requirements of the Information Practices Act of 1977 and/or the Political Reform Act, including the failure of any Governing Board Representative, Alternate Governing Board Representative, or Committee member to file an entering office statement, annual statement or leaving office statement required by the Conflict of Interest Code; (3) any failure to file appropriate documents with the state and/or federal government regarding SGVCOG's status; and (4) any failure to file *lobbying information reports*.

B. FIRM shall not be responsible for advising Governing Board Representatives regarding the aforementioned legal matters and other legal matters not specifically set forth herein.

C. SGVCOG shall not require FIRM to undertake activities and/or responsibilities unrelated to SGVCOG.

D. SGVCOG shall designate certain city management personnel, city attorneys, finance officers, etc. to provide technical assistance when SGVCOG is addressing issues that demand specific expertise.

E. FIRM covenants that it presently has no interest and shall not acquire any interest, direct or indirect which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. FIRM further covenants that in the performance of this Agreement no person having any such interest shall be employed by FIRM.

F. FIRM shall take no action, nor undertake any activity or activities, during the Term or any extension thereof, that conflicts with the mission and interests of SGVCOG and/or members of the Governing Board. Notwithstanding any provision to the contrary contained herein, SGVCOG may terminate this Agreement if, in the Governing Board's sole and absolute discretion, the Governing Board determines that FIRM has undertaken any activity or activities that violate this provision. Further, FIRM shall comply with all Federal and State conflict of interest laws, regulations and policies and any applicable provisions in the Conflict of Interest policy of SCAG.

G. In order to reduce such conflicts and to prevent FIRM's participation in activities that are detrimental to the interests of SGVCOG, the Governing Board, in its sole and absolute discretion, shall approve all future clients, projects or contracts for service sought by FIRM and/or Nicholas T. Conway.

H. FIRM shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances regulations and rules in effect during the term of this AGREEMENT including, that certain Proposition A, enacted by the voters of the County of Los Angeles on November 4, 1990 ("Proposition A"), to the extent that FIRM is compensated through this Agreement with funds subject to the restrictions of Proposition A, that certain Proposition C, enacted by the voters of Los Angeles County on November 6, 1990 ("Proposition C") and that certain AB 2766, 1990 Stats., ch. 1705 (codified primarily at Health and Safety Code Section 44220 et seq.) ("AB2766"), FIRM shall comply with the applicable requirements of Proposition A, Proposition C and AB 2766, including any implementing regulations and guidelines, regarding the use of such funds. Neither SGVCOG, nor any elected or appointed boards, officers, officials, employees or agents of SGVCOG, shall be liable, at law or in equity, as a result of any failure of FIRM to comply with this section 11, paragraph G.

I. FIRM represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the services required under this Agreement in a thorough, competent and professional manner. FIRM shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. In meeting its obligations under this Agreement, FIRM shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of FIRM under this Agreement.

SECTION 12. GENERAL PROVISIONS

A. FIRM shall not assign this Agreement, or any of the rights, duties or obligations hereunder. It is understood and acknowledged by the parties that FIRM is uniquely qualified to perform the services provided for in this Agreement. FIRM may not subcontract any service outlined in this Agreement to another firm, individual, or vendor without prior approval by the Governing Board. Notwithstanding this provision, SGVCOG specifically authorized FIRM to contract with member cities and employees of member cities to perform portions of the work outlined in this Agreement. Further, small vendor contracts for such services as printing, copying, graphics, and other similar services/activities shall not require approval by the Governing Board.

B. FIRM is and shall at all times remain as to the SGVCOG a wholly independent contractor. Neither the SGVCOG nor any of its officers, employees, servants or agents shall have control over the conduct of FIRM or any of FIRM's officers, employees or agents. FIRM shall not at any time or in any manner represent that it or any of its officers, employees or agents are in any manner employees of the SGVCOG or of SCAG.

C. In the performance of the Agreement, FIRM shall not engage in discrimination in employment or contracting of persons because of the age, race, color, sex, national origin or ancestry or religion of such persons except as required by federal, state or local law.

D. Nothing contained in this Agreement shall be deemed, construed or *represented by the SGVCOG or FIRM to any third person to create the relationship of principal*

or agent, or of a partnership, or of a joint venture, or of any other association of any kind or nature between the SGVCOG and/or SCAG and FIRM.

E. This Agreement constitutes the entire agreement of the parties concerning the subject matter hereof and all prior agreements or understandings, oral or written, are hereby merged herein. This Agreement shall not be amended in any way except by writing expressly purporting to be such an amendment, signed and acknowledged by both of the parties hereto.

F. Should interpretation of this Agreement, or any portion hereof, be necessary, it is deemed that this Agreement was prepared by the parties jointly and equally, and shall not be interpreted against either party on the ground that the party prepared the Agreement or caused it to be prepared.

G. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any such waiver constitute a continuing or subsequent waiver of the same provision. No waiver shall be binding, unless executed in writing by the party making the waiver.

H. The parties shall attempt to resolve disagreements through negotiation and/or mediation between the President and/or his/her designated representative(s) and the Executive Director and/or his designated representative(s). Any such negotiation or mediation, including the results thereof, shall be reported to the Governing Board.


I. Should any litigation arise relating to the enforcement and/or interpretation of this Agreement or any part thereof, the prevailing party shall be entitled to reasonable attorney's fees.

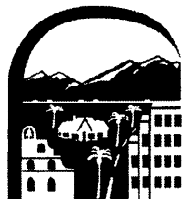
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their representatives as follows:

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

By 
Michael Miller, President

ARROYO SECO ASSOCIATES, INC.

By 
Nicholas T. Conway, President

See page 3

San Gabriel Valley Council of Governments

3871 East Colorado Blvd., Suite 101, Pasadena, California 91107-3970 Phone: (626) 564-9702 FAX: (626) 564-1116 E-Mail SGV@sgvcog.org

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS GOVERNING BOARD MEETING MINUTES

May 27, 2004

Vice President Robert Huff called the meeting of the Governing Board of the San Gabriel Valley Council of Governments (SGVCOG) to order in Cooper Auditorium, City of Hope, 1500 E. Duarte Road, Duarte on Thursday, May 27, 2004 at 6:05 p.m.

I. Roll was noted as follows:

Governing Board Members

Arcadia	Gary Kovacic
Azusa	Dick Stanford
Baldwin Park	Manuel Lozano
Bradbury	Beatrice La Pisto Kirtley
Claremont	Llewellyn Miller, Peter Yao*
Diamond Bar	Bob Huff, Carol Herrera*
Duarte	John Fasana
El Monte	Ernest Gutierrez
Glendora	Mike Conway
Industry	Jack Phillips
Irwindale	Rosemary Ramirez
Monrovia	Rob Hammond
Monterey Park	Sharon Martinez
Pasadena	Sid Tyler
Pomona	George Hunter
Rosemead	Margaret Clark
San Dimas	Denis Bertone
San Gabriel	Harry Baldwin
Sierra Madre	Bart Doyle
South Pasadena	Odom Stamps
Temple City	Peter Zovak
Walnut	Katy Rzonca
West Covina	Michael Miller

*Alternate

Ex Officio

Altadena Town Council	Michele Zack
Hacienda Hgts. Improvement Assn	Mike Hughes

Staff

Andrew Pasmant	West Covina
Nicholas T. Conway	Executive Director
Sharon Neely	ACE Construction Authority
Mary Lou Echternach	Transportation Consultant
Lee Dolley	Burke, Williams and Sorensen

Absent

Alhambra
Covina
La Canada Flintridge
La Puente
La Verne
Montebello
San Marino
South El Monte

Grace Eng	SGVCOG
Guests	
Tamara Gates	Sierra Madre
Natalia Porche	SCAQMD
Jennifer Quan	League of California Cities
Forrest Beanum	Cerrell Associates

II. Public Comment - None

III. Changes to Agenda

Bob Huff explained that after distributing the agenda for the meeting staff had determined that the term for the SGVCOG’s representative’s to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy had expired and action was needed to appoint someone to fill the position. Since the item was not included in the agenda, the Board must vote to add it to the agenda as a subsequent need item. A motion was made to add to the agenda for the meeting the appointment of the SGVCOG’s representative to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy. (M/S/C: Baldwin/Stanford; Unanimous) (See VI.J)

Harry Baldwin explained that after distributing the agenda, staff had determined that it might be difficult to obtain a quorum for the regular June meeting. Since meetings are not normally held in July and August, action is necessary to give SGVCOG Board Officers the ability to take action on the part of the SGVCOG in the event that emergency or time critical issues arise during the summer months. Since this item was not included in the agenda, the Board must vote to add it to the agenda as a subsequent need item. A motion was made to add to the agenda consideration of the delegation of power to the SGVCOG Board Officers to act on behalf of the SGVCOG on emergency or time critical matters during the summer. (M/S/C: Baldwin/Fasana; Unanimous) (See VI.K)

IV. Consent Items

A motion was made to receive and file the Consent Items. (M/S/C: Hammond/Fasana; Unanimous)

V. Monthly Financial Report

Mike Miller reviewed the financial report. A motion was made to receive and file the financial statements. (M/S/C: Gutierrez/Fasana; Unanimous)

VI. Action Items

A. SGVCOG Bylaw Amendment

A motion was made to amend the SGVCOG Bylaws as follow:

1. Article V, Section A of the Bylaws of the San Gabriel Valley Council of Governments be amended to read: “A Secretary of the Council shall be elected annually at the same time and in the same manner as the President and Vice President of the Council. The Executive Director shall be the Assistant Secretary to the Council. The Secretary shall cause a record to be kept of all proceedings and perform the usual duties of such office.” (M/S/C: Fasana/Bertone; Unanimous)

B. Election of Officers – FY 2004-2005

A motion was made to elect the following Board officers for the SGVCOG:
 President – Michael Miller, West Covina

Vice President – Carol Herrera, Diamond Bar
Treasurer – Sidney Tyler, Pasadena
Secretary – David Spence, La Canada Flintridge
(M/S/C: Fasana/Bertone; Unanimous)

C. SGVCOG Management Services Contract



Tamara Gates reviewed the selection process for the SGVCOG’s Management Contract. A motion was made to authorize the San Gabriel Valley Council of Governments’ President negotiate and execute on behalf of the SGVCOG a five (5) year agreement with Arroyo Associates, Inc. for professional management services with an estimated cost of \$344,448.00 per year. (M/S/C: M. Miller/L. Miller; Unanimous)

D. Brownfield Inventory and Assessment Project Management

Upon recommendation of General Counsel, a motion was made to adopt a resolution authorizing fees to be paid to Arroyo Associates, Inc. for non retainer services in connection with the Brownfield Inventory and Assessment Project. (M/C: M. Miller/Tyler; Unanimous)

E. SGVCOG/ACE Financial Auditor Selection

After a review of the selection process by Sid Tyler, a motion was made to authorize the Executive Director to continue the selection process and thereafter negotiate and execute a contract with the selected firm to serve as the financial auditors for the San Gabriel Valley Council of Governments and the Alameda Corridor East Project for 2004-2009. (M. Miller/Joffe; Unanimous)

F. SGVCOG 2004-2005 Proposed Budget

The Executive Director reviewed the proposed SGVCOG 2004-2005 budget and work plan. A motion was made to approve the SGVCOG 2004-2005 proposed budget and work plan as presented in packet. (M/S/C: Baldwin/Fasana; Unanimous)

G. SCAG Continuing Cooperative Agreement

Tamara Gates described the background and status of negotiations concerning the proposed agreement between SGVCOG and SCAG for OWP work. A motion was made to authorize the President to execute a Continuing Cooperative Agreement between SGVCOG and SCAG for FY 2004-2005 after the negotiations, which are being conducted with SCAG by Tamara Gates, with support of legal counsel, are concluded. (M/S/C: Fasana/Gutierrez; Unanimous)

H. State Funds for Water Quality Authority

A motion was made to support San Gabriel Basin Water Quality Authority correcting policies and requesting Prop 50 funds. (M/S/C: Baldwin/Fasana; Unanimous)

I. June Meeting Location

A motion was made to have the June meeting at the Garvey Center in Rosemead on June 17, 2004. (Baldwin/Fasana; Unanimous)

J. SGVCOG Representative to San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy Appointment

A motion was made to reappoint Margaret Clark, Rosemead, to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy Board. (M/S/C: Stanford/Baldwin; Unanimous)

K. Authorize SGVCOG Board Officers to take action on Emergency Items

A motion was made to authorize the Officers to take any such actions as may be necessary to conduct the normal or emergency business of the SGVCOG until the next Governing Board meeting in September. (M/S/C: Baldwin/Fasana; Unanimous)

VII. Liaison Reports

A. Rivers and Mountains Conservancy

Margaret Clark's report indicated that the conservancy is still granting project money.

B. AQMD

Bea LaPisto Kirtley's update explained new legislation that would prevent regulations on private fleets, but they would still enforce changes on public agencies. She also described the monetary credit for exchange of gas powered lawn mowers with electric powered mowers.

VIII. Executive Director - None

IX. President's Report

A. Introduction Robert Stone, City of Hope

Mr. Stone welcomed the Board and invited them to return for a tour of the facility.

SGVCOG consultant, Tom Jenkins introduced Judy, his wife, who had been treated successfully at the City of Hope.

B. Report on Sacramento Dinner

Bob Huff reported on the Sacramento dinner stating it was one of the most successful events to date.

X. Committee Reports

A. ACE Construction Authority Report

Bob Huff noted the FY '05 ACE budget and work plan was approved by the ACE Board and included in the agenda package for information.

B. Gold Line, Phase II JPA

Dick Stanford updated the Board on Gold Line Phase II actions and activities taken earlier that day. He noted that he had enjoyed his tenure as Chair of the JPA over the past year and was happy to turn over the gavel to Rob Hammond, who will be incoming Chair. He noted that Cliff Hamlow was elected Vice Chair and Llewellyn Miller was elected Treasurer. Other members expressed their appreciation of Dick's leadership efforts as Chair over the last year.

C. Transportation Committee

John Fasana reviewed his report, service sectors, and MTA potential changes to reduce costs.

- D. Solid Waste – No Report.
- E. City Manager’s Committee – No Report
- F. Planning Director’s Committee – No Report
- G. Public Works/Engineering Committee – No Report

XI. Announcements

Llewellyn Miller stated he had just completed Leadership Southern California by CORO Foundation and he had information if anyone was interested in the program.

Michele Zack revealed a new book on the history of Altadena.

XI. Adjourn

Meeting was adjourned at 6:58 PM.