

**GATEWAY CITIES COUNCIL OF GOVERNMENTS  
JOINT MEETING OF THE BOARD OF DIRECTORS and  
EXECUTIVE COMMITTEE**

*Wednesday, January 6, 2010*

*5:30 p. m. Buffet*

*6:00 p. m. Meeting*

**Gateway Cities Council of Governments**

**16401 Paramount Boulevard**

**Paramount, California**

**AGENDA**

**STAFF REPORTS AND OTHER WRITTEN DOCUMENTS ARE AVAILABLE IN THE GATEWAY CITIES COUNCIL OF GOVERNMENTS OFFICES, 16401 PARAMOUNT BOULEVARD, PARAMOUNT, CALIFORNIA. ANY PERSON HAVING QUESTIONS CONCERNING ANY AGENDA ITEM MAY CALL THE COG STAFF AT (562) 663-6850.**

**FOR YOUR INFORMATION:** The Board of Directors will hear from the public on any item on the agenda or an item of interest that is not on the agenda. The Board of Directors cannot take action on any item not scheduled on the agenda. These items may be referred for administrative action or scheduled on a future agenda. Comments are to be limited to three minutes for each speaker, unless extended by the Board of Directors, and each speaker will only have one opportunity to speak on any one topic. You have the opportunity to address the Board of Directors at the following times:

- A. **AGENDA ITEM:** at this time the Board of Directors considers the agenda item OR during Public Comments, and
- B. **NON-AGENDA ITEMS:** during Public Comments, comments will be received for a maximum 20-minute period; any additional requests will be heard following the completion of the Board of Directors agenda; and
- C. **PUBLIC HEARINGS:** at the time for public hearings.

**Please keep your comments brief and complete a speaker card for the President.**

- I. CALL TO ORDER**
- II. ROLL CALL – BY SELF INTRODUCTIONS**
- III. PLEDGE OF ALLEGIANCE**
- IV. AMENDMENTS TO THE AGENDA** - This is the time and place to change the order of the agenda, delete or add any agenda item(s).
- V. PUBLIC COMMENTS** - Three minutes for each speaker.

**VI. MATTERS FROM STAFF**

**VII. CONSENT CALENDAR:** All items under the Consent Calendar may be enacted by one motion. Any item may be removed from the Consent Calendar and acted upon separately by the Board of Directors.

- A. Approval of Minutes – Minutes of the Board of Directors Meeting of December 2, 2009, is presented for approval. Approval receives and files the minutes of December 2<sup>nd</sup>, Board of Directors meeting.
- B. Approval of Warrant Register - Request for Approval of Warrant Register Dated January 6, 2010
- C. November 2009 Local Agency Investment Fund Statement
- D. Status Report from Lobbyist - Edington, Peel & Associates

CONSENT CALENDAR ACTION:  
A MOTION TO APPROVE THE RECOMMENDATIONS FOR CONSENT CALENDAR ITEMS A THROUGH D.

**VIII. REPORTS**

- A. I-710 Zero Emission Vehicles Presentation by CALSTART

**15 Min**

SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF AND RECEIVE AND FILE

- B. Sustainable Communities Strategy (SCS) Pursuant to SB 375
  - 1. Presentation by Hasan Ikhata, Executive Director, SCAG
  - 2. Discussion Regarding the Issue of Possible Unfunded Mandate Under SB 375
  - 3. Decision on Delegation from SCAG for Developing a Sustainable Communities Strategy (SCS) for the Gateway Cities Sub-region

**15 Min**

SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

- C. Report from City Managers Steering Committee Regarding Pension Reform

**5 Min**

SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

- D. Update on Prior COG Board Action on High Speed Rail Authority Memorandum of Understanding

**5 Min**

SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

**IX. REPORTS FROM COMMITTEES**

A. Report from the Conservancy Committee – No Report

**3 Min** SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

B. Report from the I-710 EIR/EIS Project Committee – Oral Report

**3 Min** SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

C. Report from the SR-91/I-605/I-405 Corridor Cities Committee – Oral Report

**3 Min** SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

D. Report from the Transportation Committee – Oral Report

**3 Min** SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

**X. REPORTS – COMMITTEES/ AGENCIES – ALL COMMITTEE / AGENCY REPORTS ARE LIMITED TO 3 MINUTES UNLESS ADDITIONAL TIME IS GRANTED BY THE BOARD PRESIDENT**

A. Matters from The I-5 Consortium Cities Joint Powers Authority – Oral Report

**3 Min** SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

B. Matters from the League of California Cities – Oral Report

1. State Ballot Measure - Local Taxpayer, Public Safety, and Transportation Protection Act of 2010

**3 Min** SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

C. Matters from Southern California Association of Governments (SCAG) – Oral Report

**3 Min** SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

D. Matters from the Orangeline Development Authority – Oral Report

**3 Min** SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

E. Matters from the South Coast Air Quality Management District (AQMD) – Oral Report

**3 Min** SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

F. Matters from the Metro Gateway Cities Service Sector – Oral Report

**3 Min** SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

G. Conservation Corps Report – Oral Report

**3 Min** SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

H. Matters from the Coalition for America’s Gateways & Trade Corridors – Oral Report

**3 Min** SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

**XI. MATTERS FROM THE BOARD OF DIRECTORS**

**XII. MATTERS FROM THE PRESIDENT**

1. SCAG Policy Committees

**XIII. ADJOURNMENT**

NOTICE: New items will not be considered after 9:00 p.m. unless the Board of Directors votes to extend the time limit. Any items on the agenda that are not completed will be forwarded to the next regular Board of Directors meeting scheduled for Wednesday, February 3, 2010, 6:00 PM.

IN COMPLIANCE WITH THE AMERICAN WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE COG OFFICE AT (562) 663-6850. NOTIFICATION 48 HOURS PRIOR TO THE MEETING WILL ENABLE THE COUNCIL OF GOVERNMENTS TO MAKE REASONABLE ARRANGEMENT TO ENSURE ACCESSIBILITY TO THIS MEETING.

**VII. CONSENT CALENDAR**  
**Item A**  
**Approval of Minutes**

**MINUTES OF THE MEETING  
OF THE JOINT MEETING OF THE  
BOARD OF DIRECTORS OF THE  
GATEWAY CITIES COUNCIL OF GOVERNMENTS  
AND THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS  
Gateway Cities Council of Governments  
16401 Paramount Boulevard  
Paramount, California  
December 2, 2009**

President Stefenhagen called the meeting to order at 6:05 p.m.

**PRESENT:** President Gordon Stefenhagen, City of Norwalk  
Second Vice President Raymond Dunton, City of Bellflower  
Immediate Past President Anne M. Bayer, City of Downey  
Member Larry R. Nelson, City of Artesia  
Member Sergio Infanzon, City of Bell Gardens  
Member Bruce Barrows, City of Cerritos  
Member Joe Aguilar, City of Commerce  
Member Lillie Dobson, City of Compton  
Member Josue Barrios, City of Cudahy  
Member Elba Guerrero, City of Huntington Park  
Member Stan Carroll, City of La Habra Heights  
Member Pete Dames, City of La Mirada  
Member Patrick O'Donnell, City of Long Beach  
Member Felipe Aguirre, City of Maywood  
Member Kathy Salazar, City of Montebello  
Member Bob Archuleta, City of Pico Rivera  
Member Betty Putnam, City of Santa Fe Springs  
Member Greg Nordbak, City of Whittier  
Member Erica Jacquez-Santos, Office of Supervisor Gloria Molina  
Member Vincent Harris, Office of Supervisor Mark Ridley-Thomas

**ABSENT:** First Vice President Gil Hurtado, City of South Gate  
Member Bob Kennedy, City of Avalon  
Member George Mirabal, City of Bell  
Member Victor Farfan, City of Hawaiian Gardens  
Member Diane DuBois, City of Lakewood  
Member from the City of Long Beach  
Member Maria Teresa Santillan, City of Lynwood  
Member Gene Daniels, City of Paramount  
Member Edward H. J. Wilson, City of Signal Hill  
Member William Davis, City of Vernon  
Member Curt Pederson, Office of Supervisor Don Knabe  
Member Richard Steinke, Ex Officio Member, Port of Long Beach

ALSO PRESENT: Commerce City Administrator Jorge Rifa; Santa Fe Springs City Manager Fred Latham; La Mirada Director of Public Works Steve Forster; Lakewood Acting Director of Community Development Sonia Southwell; Long Beach Government Affairs Manager Tom Modica; MTA Deputy Executive Officer Ernest Morales; Metro Gateway Cities Planning Manager Mike Sieckert; Kristine Guerrero, Public Affairs Manager, League of California Cities; Frank Osgood, Author, Region Aroused; GCCOG Executive Director Richard Powers; GCCOG General Counsel Richard D. Jones; GCCOG Deputy Executive Director Jack Joseph; GCCOG Transportation Deputy Karen Heit; GCCOG Director of Regional Planning Nancy Pfeffer; GCCOG Consultant Engineer Jerry Wood.

Roll was taken through self-introductions.

Member Barrows led the Pledge of Allegiance.

There were no amendments to the agenda.

There were no public comments.

President Stefenhagen made a presentation to Jack Joseph, Deputy Executive Director, recognizing him for ten years of service to the COG.

There were no matters from staff.

It was moved by Member Salazar, seconded by Member Santos, to approve the consent calendar as presented. The motion was approved unanimously.

Santa Fe Springs City Manager Fred Latham presented an update on the status of the Memorandum of Understanding between the California High Speed Rail Authority and the Gateway Cities COG for coordination and technical analysis for the proposed high speed rail corridor through the Gateway Cities and into Orange County. He said that there were still some outstanding fiscal management issues that needed to be addressed, but that he was confident that they could be resolved in relatively short order. He recommended approval of the MOU conditioned on the acceptance by the COG Executive Director and the study's Administrative Committee of subsequent actions to assure fiscal responsibility.

Member Barrows asked whether it would be better for the Board to continue this item until the fiscal arrangements have all been worked out. Mr. Latham responded that it was his opinion that the Board should act this evening so that time is not lost in initiating the study.

It was moved by Member Nelson, seconded by Member Guerrero, to approve the Memorandum of Understanding contingent upon the Executive Director's acceptance, in consultation with the Administrative Committee established by the MOU, of actions taken by other agencies regarding the fiscal matters. The motion was approved unanimously.

President Stefenhagen announced that COG Director of Regional Planning Nancy Pfeffer

was available to make presentations on SB 375 to any city councils that would like to have one.

The Executive Director said that the decision that the Board will be asked to make regarding whether the COG will accept delegation from SCAG of the responsibility for implementing the requirements of SB 375 in the subregion. He said that decision will be made at the Board's meeting of January 6, 2010. He announced that there will be a special meeting of the COG's city managers and planning directors on December 17 to hear SCAG Executive Director Hasan Ikhata talk about how delegation would work.

Member Carroll expressed concern about the liability that the COG would assume if it accepts delegation and asked that Mr. Ikhata be asked to address the Board regarding liability before the Board acts.

Member Nelson asked the General Counsel to comment on this issue.

The General Counsel said that there are two big issues to be considered, namely the balancing of the interest of maintaining local control versus the assumption of potential liability. He said the ongoing process has created the ability to find common ground with SCAG.

Member Nelson asked what the message is that we should say to SCAG. The Executive Director responded that the City Managers Steering Committee's position is that they don't have enough information yet. He said the managers are waiting for the December 17 meeting with the SCAG Executive Director. He said that we do know that RHNA responsibility does not come with the SB 375 delegation.

President Stefenhagen asked whether this is an unfunded mandate. The General Counsel responded that it could be seen as such if the COG takes delegation. However, there is currently no proposal at the state level to make funding available. The Executive Director said that the COG will need to make a serious investment in data collection if it takes delegation.

It was moved by Member Nelson, seconded by Member Salazar, to receive and file the report. The motion was approved unanimously.

Tom Modica, City of Long Beach Manager of Government Affairs, presented a report on the State Department of Water Resources approval of the Gateway Cities Integrated Water Management Authority. He said that this is significant news for the Gateway Cities COG. He reviewed the decision made in 2006 for the subregion to pursue creation of a Gateway Cities planning agency for Integrated Water Management (IRWM). He said the Gateway Cities region had been the only one denied recognition by the State. He cited the successful appeal of the State's initial denial and said that recognition makes the region eligible to apply for upwards of \$40 million in bond funding. It was moved by Member O'Donnell, seconded by Member Dobson, to receive and file the report. The motion was approved unanimously.



There was no report from the Conservancy Committee.

Jerry Wood presented a report from the I-710 EIR/EIS Project Committee. He said there had been several meetings with the local advisory committees regarding the refined geometric plans. He said a multitude of environmental studies will be undertaken over the next several months.

Jerry Wood presented a report from the SR-91/I-605/I-405 Corridor Cities Committee. He said staff would be meeting with Doug Failing, MTA Director of Highway Programs, on how to move some of the "hot spots" projects forward.

It was moved by Second Vice President Dunton, seconded by Member Salazar, to receive and file the reports from the I-710 EIR/EIS Project Committee and the SR-91/I-605/I-405 Corridor Cities Committee. The motion was approved unanimously.

There was no report from the Transportation Committee.

There was no report from the I-5 JPA.

Kristine Guerrero presented a report from the League of California Cities. She referred the Board to the League newsletter outlining the League-supported revenue protection measure which will be on the November 2010 ballot. She said that measures proposed by California Forward and Repair California may also appear on the ballot. Member Barrows said that the COG may wish to oppose measures being advocated by California Forward and Repair California.

There was no report from the California Contract Cities Association. Member Nelson suggested that the placeholder agenda item for the California Contract Cities Association be removed from future agendas because representatives from Contract Cities have not been attending the Board meetings.

There was no report from SCAG.

The Transportation Deputy presented a report from the Orangeline Development Authority. She said the big item for the Authority is a \$500,000 grant from the Federal Railroad Administration to help complete alternatives analysis of the segment from Palmdale to Union Station. She said the Authority hopes to make a consultant selection next week for the cross county study with OCTA.

There was no report from the South Coast Air Quality Management District.

Mike Sieckert presented a report from the Metro Gateway Cities Service Sector. He announced that the opening eastern extension of the Metro Gold Line took place on November 16. He said that Metro will be making some very minor service changes on December 13. Member Salazar asked what the ridership is on the Metro Gold Line

extension. Mr. Sieckert responded that the ridership currently is low, at about 13,000, but it is expected to pick up.

There was no report from the Long Beach Conservation Corps.

There was no report from the Coalition for America's Gateways and Trade Corridors.

It was moved by Member O'Donnell, seconded by Member Nelson, to receive and file all of the committee/agency reports. The motion was approved unanimously.

There were no matters from the Board of Directors.

President Stefenhagen wished happy holidays to the Board members and said that it would be a challenging year ahead in 2010.

**Adjournment:** It was the consensus of the Board to adjourn the meeting at 6:40 p.m.

Respectfully submitted,

Richard Powers, Secretary

**VII. CONSENT CALENDAR**  
**ITEM B**  
**Approval of Warrant Register**

**VII. CONSENT CALENDAR  
ITEM C**

**November 2009 Local Agency Investment  
Fund Statement**

**Local Agency Investment Fund**  
**P.O. Box 942809**  
**Sacramento, CA 94209-0001**  
**(916) 653-3001**

[www.treasurer.ca.gov/pmia-laif](http://www.treasurer.ca.gov/pmia-laif)

December 30, 2009

[PMIA Average Monthly Yields](#)

**Account Number:**

GATEWAY CITIES COUNCIL OF	▲
TREASURER	
16401 PARAMOUNT BOULEVA	▼
◀	▶

**Transactions**

[Tran Type Definitions](#)

November 2009 Statement

**Account Summary**

Total Deposit:	<input type="text" value="0.00"/>	Beginning Balance:	<input type="text" value="1,868,080.07"/>
Total Withdrawal:	<input type="text" value="0.00"/>	Ending Balance:	<input type="text" value="1,868,080.07"/>

**VII. CONSENT CALENDAR  
ITEM D**

**Status Report from Lobbyist - Edington,  
Peel & Associates**

**Monthly Report by Jim Dykstra to Gateway Cities COG**  
**December 21, 2009**

I and the firm Edington, Peel & Associates provided a range of services in support of the Gateway Cities Council of Governments. These included participation in a number of meetings, telephonic, email and fax exchanges and other communications.

\*I continued to coordinate closely with Gateway Cities COG staff regarding efforts on behalf of the Gateway Cities COG's priorities and interests in the 111<sup>th</sup> Congress. I also continued to coordinate with the staff of the I-5 Joint Powers Authority on the I-5 widening initiative, the COG's number one priority.

\*My efforts continued to focus on follow up with the Gateway Cities COG's elected Representatives in the House of Representatives regarding the Transportation Reauthorization Act. I continued to keep the Gateway Cities COG informed of the status of the Transportation Reauthorization Act. As I reported, a temporary two month extension of the existing authorization has been approved as part of the Fiscal Year 2010 defense appropriations act while Congress looks at providing a longer extension to complete its work on the reauthorization measure. The measure was passed by the House Wednesday and the Senate Saturday and has been sent to the President for his signature. As I have been reporting, committee leaders are looking for a way to provide adequate funding and complete a full six-year authorization bill early in 2010.

\*I have participated on Gateway Cities' behalf in conference calls and email exchanges with the Coalition for America's Gateways and Trade Corridors regarding the surface transportation reauthorization bill. In addition, I provided to COG staff information I received regarding the bill and efforts to include provisions of interest to the COG and other CAGTC members. I have also provided advice and guidance regarding materials sent by CAGTC staff to its members requesting support or response.

\*I have continued discussions and email exchanges with staff of Members of Congress representing Gateway Cities members, as well as other key congressional staff, regarding legislative priorities for the Gateway Cities COG.

\*As part of my responsibilities, I closely monitor legislation, as well as seminars, hearings, meetings and publications of key interest to legislators and senior executive branch officials for articles and information pertinent to the project and of possible interest and importance to member cities of the Gateway Cities COG. I attend Senate and House committee hearings, follow Senate and House floor proceedings, and track legislative initiatives pertinent to Gateway Cities COG interests and priorities.

## **VIII. REPORTS**

### **ITEM A**

# **I-710 Zero Emission Vehicles Presentation by CALSTART**



**TO:** Board of Directors

**FROM:** Richard Powers, Executive Director

**SUBJECT:** I-710 Zero Emission Vehicles Presentation by CALSTART

**Background**

Over the last few years, the COG Board of Directors has had numerous presentations on technologies to move freight and containers in the proposed I-710 Freight Corridor using zero emission transportation methods. After an extensive review and analysis, the freight corridor is currently proceeding with the assumption for an option for the freight corridor that will be based on zero emission trucks (with another option to convert to a fixed guideway system such as mag-lev in the future). The industry status with these types of vehicles is an issue about their future viability. A presentation on this evolving technology and industry will be made by CALSTART. CALSTART is a nonprofit organization that works with businesses and the public sector to develop and implement clean, efficient transportation solutions. CALSTART acts as a catalyst to bring together people, technologies and resources to bridge the gap between development and commercialization. They are on the “leading edge” of the developments of zero emission vehicles and trucks and will present a briefing on this evolving technology and industry.

**Recommended Action**

Receive and file report.

## **VIII. REPORTS**

### **ITEM B**

#### **Sustainable Communities Strategy (SCS) Pursuant to SB 375**

- 1. Presentation by Hasan Ikhrata, Executive Director, SCAG**
- 2. Discussion Regarding the Issue of Possible Unfunded Mandates Under SB 375**
- 3. Decision on Delegation from SCAG for Developing a Sustainable Communities Strategy (SCS) for the Gateway Cities Sub-region**

**TO:** Board of Directors

**FROM:** City Managers Steering Committee

**SUBJECT:** Decision on Delegation from SCAG for Developing a Sustainable Communities Strategy (SCS) for the Gateway Cities Sub-region

### **Background**

SB 375 requires metropolitan planning organizations (MPOs such as SCAG) to develop a Sustainable Community Strategy (SCS) that will become part of the Regional Transportation Plan (RTP). The legislation permits subregions of SCAG to accept delegation to undertake development of the SCS for their own subregion. In response to this, the Board of Directors contracted with Willdan Energy Solutions to prepare a policy report to assist the COG and the member cities in making a determination as to whether to accept delegation. This report has been distributed to the COG's member cities, and is included in your agenda packet.

On December 17, a special meeting of the City Managers Steering Committee was held to which all of the subregion's city managers and planning directors were invited. The purpose of the meeting was to review the issues behind SB 375 and the SCS, hear the GCCOG's perspective, meet with SCAG officials, and review the legal issues with the GCCOG's General Counsel. The issues of the assumption of liability and the cost of preparing a subregional SCS were also discussed. Twenty cities participated in the meeting. Cities that could not attend were contacted later by email.

At the end of the meeting a voice vote was called on recommendations from the city managers on two issues: 1) whether the city managers would recommend that the COG accept delegation from SCAG and fund and prepare the SCS; and 2) if delegation is recommended, what funding formula should be used.

### **Summary of City Manager Recommendations**

The consensus recommendation of the city managers was that the COG accept delegation from SCAG for preparing the subregion SCS. The managers understood that acceptance of delegation carried with it potential liability in the event of a lawsuit challenging the SCS; however, they felt that it was outweighed by the benefits of local control over the development of the plan.

The best estimate on the COG's costs in preparing the SCS is \$750,000; however the costs could go higher. Leadership at both SCAG and MTA have indicated that they will work with the GCCOG so that tasks are not duplicated in order to control costs. This is especially critical in the reviewing and working with the modeling.

COG staff is exploring ways to use existing funding for special studies to pay for much of the SCS costs. These would include the Air Quality Action Plan and the ITS Planning Study. In addition, staff is exploring the possible use of Measure R funds available in the SR-91/I-605/I-405 study.

However, in an abundance of caution, the city managers recommended that a funding formula which assumes that the member cities will bear all of the costs be recommended. Three options were considered: 1) allocating the costs evenly among all of the cities; 2) allocating each \$250,000 increment of costs on the basis of population; and 3) using a minimum base amount of \$5,000 per city for each increment of \$250,000 and allocating the remaining balance based on population. It was the consensus of the managers to recommend that the Board adopt the third option.

Subsequent to the city managers' meeting, County planning staff has indicated to COG staff that the County would support the COG taking delegation and having the County contribute its share of the costs based on the formula recommended by the city managers. Participation by the County would reduce the contribution levels of the cities. The attached chart shows how the costs would be allocated to the cities and the County under the formula recommended by the city managers.

### **Recommended Action**

The City Managers Steering Committee recommends that the Board: 1) approve the acceptance of delegation from SCAG of the responsibility for preparing a subregional Sustainable Communities Strategy (SCS); and 2) approve the funding formula recommended by the City Managers Steering Committee. The Board's approval would be contingent on ratification by the legislative bodies (City Council or Board of Supervisors) of a majority of the COG member agencies.

**SB 375 Assessment Based on Flat Rate and Per Capita Assessment  
 (Rate per \$250,000 in Costs)**

	Flat Rate	2009 Pop.	Pct of Total	Population Basis	Total
ARTESIA	\$ 5,000.00	17,551	0.83%	\$ 959.70	\$ 5,959.70
AVALON	5,000.00	3,540	0.17%	193.57	5,193.57
BELL	5,000.00	38,759	1.84%	2,119.37	7,119.37
BELL GARDENS	5,000.00	46,786	2.22%	2,558.29	7,558.29
BELLFLOWER	5,000.00	77,194	3.67%	4,221.02	9,221.02
CERRITOS	5,000.00	54,855	2.61%	2,999.51	7,999.51
COMMERCE	5,000.00	13,550	0.64%	740.92	5,740.92
COMPTON	5,000.00	99,431	4.73%	5,436.96	10,436.96
CUDAHY	5,000.00	25,880	1.23%	1,415.14	6,415.14
DOWNEY	5,000.00	113,469	5.40%	6,204.57	11,204.57
HAWAIIAN GARDENS	5,000.00	15,885	0.76%	868.60	5,868.60
HUNTINGTON PARK	5,000.00	64,617	3.07%	3,533.30	8,533.30
LA HABRA HEIGHTS	5,000.00	6,151	0.29%	336.34	5,336.34
LA MIRADA	5,000.00	49,939	2.37%	2,730.70	7,730.70
LAKEWOOD	5,000.00	83,508	3.97%	4,566.28	9,566.28
LONG BEACH	5,000.00	492,682	23.43%	26,940.20	31,940.20
LYNWOOD	5,000.00	73,174	3.48%	4,001.21	9,001.21
MAYWOOD	5,000.00	29,984	1.43%	1,639.55	6,639.55
NORWALK	5,000.00	109,567	5.21%	5,991.20	10,991.20
PARAMOUNT	5,000.00	57,874	2.75%	3,164.59	8,164.59
PICO RIVERA	5,000.00	66,899	3.18%	3,658.09	8,658.09
SANTA FE SPRINGS	5,000.00	17,784	0.85%	972.44	5,972.44
SIGNAL HILL	5,000.00	11,430	0.54%	625.00	5,625.00
SOUTH GATE	5,000.00	102,770	4.89%	5,619.54	10,619.54
VERNON	5,000.00	95	0.00%	5.19	5,005.19
WHITTIER	5,000.00	86,788	4.13%	4,745.63	9,745.63
COUNTY OF LOS ANGELES	5,000.00	342,956	16.31%	18,753.08	23,753.08
<b>TOTAL</b>	<b>\$ 135,000.00</b>	<b>2,103,118</b>	<b>100.00%</b>	<b>\$ 115,000.00</b>	<b>\$ 250,000.00</b>

**VIII. REPORTS**  
**ITEM C**

**Report From City Managers Steering  
Committee Regarding Pension Reform**

**TO:** Board of Directors

**FROM:** City Managers Steering Committee

**SUBJECT:** Report from City Managers Steering Committee Regarding Pension Reform

**Background**

The sustainability of California's public employee pension systems has become a significant point of concern in recent times. It is likely that at least one ballot initiative addressing the subject will be decided in the November 2010 election. Several groups around the state have been examining the issue and making recommendations for reform.

In November, the City Managers Steering Committee received a report from a committee made up of city managers from the Gateway Cities and Orange County sub-regions which advocated a series of basic principles to be addressed in pension reform proposals. After receiving the report, the consensus of the City Managers Steering Committee was to take the item to the Board of Directors for information purposes because it is such a large issue affecting California cities. The Steering Committee's request is that the Board to authorize distribution of the Pension Reform Principles to the COG member agencies.

**Recommended Action**

Receive and file the report and authorize staff to distribute the attached Pension Reform Principles to the COG member agencies.

**GATEWAY CITIES COG CITY MANAGERS  
AND ORANGE COUNTY CITY MANAGERS**

**PENSION REFORM PRINCIPLES**

The following are the basic principles to be addressed in pension reform proposals:

**A. Suitability**

A fair pension for public employees is an essential consideration. Many financial planners and actuaries suggest that a replacement formula of plus or minus 75% of salary is what is needed to provide a reasonable retirement for public employees. Financial Planners take into account lower expenses in retirement and public workers saving for their own retirement e.g. contribution to a 457 Plan rather than relying on PERS for a 100% replacement of pre-retirement income.

**B. Sustainability**

The most critical aspect of a revised pension system for California public employees is a system that is sustainable, or affordable by the public entity and the employee. In reviewing much of the current data available for public employee pension systems, it appears that a three-part formula is still workable. However; the multiplier, with the below retirement ages, will need to be between 2.0% and 2.5% for Public Safety employees and 1.5% and 2.0% for Miscellaneous employees rather than 3.0% and 2.7% respectively, used in some PERS formulas today.

**C. Current PERS System or Equivalent**

Many positives exist for the current public retirement systems in California. Consequently, many of the basic parameters of those systems should remain in place in converting to a new, more sustainable system. Participation in a retirement system, other than a defined benefits plan, will continue to be a matter of local decision making.

**D. Two Tiers**

A revised public pension system should apply to new hires only, as current employees have contractual protected rights.

**E. Employee Pays**

A critical aspect of any revision to the retirement system should involve a mandatory employee contribution at a fixed percentage of base pay. Included in a final proposal, the range should be from 3 to 10% for public safety and miscellaneous employees. This ensures that the employee has a vested interest in the system and will work cooperatively with government management and elected officials to maintain the financial integrity of the retirement system.



**F. Retirement Age**

The retirement age will need to be increased, more in line with the Social Security retirement age for Miscellaneous employees and 55 to 60 years old for Safety employees.

**G. Early Retirement**

The new formula should allow for early retirement at a discounted rate similar to Social Security.

**H. Social Security**

A public pension system that offers a Social Security benefit should integrate that benefit when determining the total pension benefit and cost of the system.

**I. Highest Year Salary**

To provide continuity, reduce job-hopping, and reduce cost, a formula using the “three highest years” to determine final salary for calculating the retirement benefit makes the system more sustainable.

**J. Specialty Pay**

The highest three years for calculating final compensation shall only include base salaries. Add-ons for specialty pay such as holiday pay, advanced education allowance, certificate pay, longevity pay, additional employer paid member contributions, severance pay, overtime pay, bonus pay, accrued leave, etc. shall not be included in base pay.

**K. Actuarially Determined Benefits**

Agencies must strive to fully fund each plan based on sound, consistent actuarial assumptions. Passing the cost to future generations will eventually lead to insolvency.

**L. Constitutional Amendment**

True pension reform will not be accomplished without a constitutional amendment, as agencies will continue to use the pension system as a recruitment tool for attracting new employees and a settlement solution to difficult employee negotiations.

Other proposals such as the League’s “Framework for Public Pension Reform” are more comprehensive. Nevertheless, the above principles can serve as a foundation for evaluating changes to current public pension systems.

## **VIII. REPORTS**

### **ITEM D**

# **Update on Prior COG Board Action on High Speed Rail Authority Memorandum of Understanding**

**TO:** Board of Directors

**FROM:** Richard Powers, Executive Director

**SUBJECT:** Update on Prior COG Board Action on High Speed Rail Authority  
Memorandum of Understanding

**Background**

At your meeting of December 2, the Board voted to approve a Memorandum of Understanding with the California High Speed Rail Authority for coordination and technical analysis on the segment of the proposed high speed rail corridor through the Gateway Cities and into Orange County. The Board's approval of the MOU was contingent upon the Executive Director's acceptance, in consultation with the Administrative Committee of City Managers established by the MOU, of actions taken by other agencies regarding the fiscal matters.

Since the Board meeting, COG staff, city managers, MTA staff, and the COG General Counsel have had a series of discussions with the High Speed Rail Authority regarding these fiscal matters. At tonight's meeting staff and the COG General Counsel will provide an update as to the status of these discussions.

**Recommended Action**

A motion to hear report, possible action, and/or give direction to staff.

