



# ACE CONSTRUCTION AUTHORITY FY 2015 APPROVED BUDGET



SAN GABRIEL  
TRENCH

City of San Gabriel

BALDWIN AVE.  
PROJECT



City of El Monte

NOGALES ST.  
PROJECT



City of Industry

## Table of Contents

ORGANIZATION .....	4
Board of Directors .....	4
BUDGET MESSAGE.....	5
BACKGROUND .....	6
PROJECT STATUS .....	7
Railroad Crossing Safety Improvements .....	7
Grade Separations.....	7
FY 2014 FUNDING STATUS.....	8
FY 2014 BUDGET STATUS .....	10
FY 2014 PROJECT GOALS.....	11
Project Implementation .....	11
Funding/Financial Administration .....	12
Outreach .....	12
2015 BUDGET DEVELOPMENT .....	13
2015 PROPOSED BUDGET .....	14
Indirects.....	15
Directs .....	16
PROJECT FINANCING .....	18
FY 2015 PROJECT GOALS.....	20
Project Implementation .....	20
Funding/Financial Administration.....	20
Outreach .....	20
BUDGET REVIEW AND APPROVAL.....	21
APPENDICES.....	22
Project Funding Commitments .....	28

Project Cost Estimates.....29  
Organizational Chart .....30  
Terms & Definitions.....31

---

---

**ORGANIZATION**

---

---

**Board of Directors**

**Councilwoman Norma Macias**  
City of El Monte  
Chair

**Councilman Jack Hadjinian**  
City of Montebello  
Vice Chair

**Councilwoman Juli Costanzo**  
City of San Gabriel

**Councilwoman Barbara Messina**  
City of Alhambra

**Supervisor Gloria Molina**  
LA County Board of Supervisors

**Mayor Elliott Rothman**  
City of Pomona

**Mayor Tim Spohn**  
City of Industry

**Mayor Paul Eaton**  
Ex-Officio City of Montclair

**Mark Christoffels**  
Chief Executive Officer

---

**San Gabriel Valley  
Council of Governments**

1000 S Fremont Ave.  
Unit 42 Suite 10210  
Alhambra, CA 91803

Andrea M. Miller  
Executive Director

Phone: (626) 457-1800

Fax: (626) 457-1285

Web site: [www.sgvkog.org](http://www.sgvkog.org)

---

**Office**

---

4900 Rivergrade Road  
Suite A120  
Irwindale, CA 91706

Phone: (626) 962-9292

Fax: (626) 962-9393

Web site: [www.theaceproject.org](http://www.theaceproject.org)

---

## BUDGET MESSAGE

---

The Alameda Corridor-East Construction Authority continues to be in the most intensive period of construction in its history with the San Gabriel Trench, Baldwin Avenue and Nogales Street Projects underway. In addition to the heavy construction projects underway, design and right of way efforts have put Puente Avenue and Fairway Drive projects in the queue to begin construction during the upcoming fiscal year.

Designs are also underway for the Durfee Avenue in Pico Rivera and Fullerton Road in Industry. These projects are expected to begin construction during Fiscal Year 2016. Meanwhile we also continue discussions to identify a viable project in Pomona and in Montebello. Once these projects are identified they will require adoption by the ACE Board of Directors and the San Gabriel Valley Council of Governments. Completing all of the projects will require additional funding and we will continue to aggressively pursue all funding opportunities as they become available.

While each project has had its unique challenges and we anticipate more to come, I am confident we have the team in place to continue to move projects forward as smoothly and efficiently as possible. This budget will outline some of the milestones over the past year which took many individual successes to reach them. We have a tremendous sense of pride of where we are as an agency and look forward to a very busy but exciting 2015.



---

Mark Christoffels  
Chief Executive Officer

---

## **BACKGROUND**

---

The planning for the ACE Project, done in the late 1990s, was based on increases in train traffic through the San Gabriel Valley from the then current level of approximately 55 trains per day, to approximately 160 by 2020. Until the recession and its effect on international trade activity through the San Pedro Bay ports, growth in train traffic was tracking close to estimates. The significant drop off that occurred over the last few years has experienced an on-and-off recovery. Forecasting long term train traffic growth is difficult until the new growth patterns can be reliably predicted. There is little doubt, however, that growth will return.

The ACE Project includes safety improvements at 39 grade crossings located throughout the San Gabriel Valley and 22 grade crossing eliminations. ACE has implemented safety improvements, completed six grade separations and initiated construction on six more locations. The original project estimate from 1998 was updated to take into account inflation over the last 15 years, higher than anticipated right-of-way requirements, and increased railroad and utility relocation costs. In late 2007 ACE increased the project cost estimate from \$910 million to \$1.404 billion (without an allowance for escalation over time), which remained fairly consistent until the remaining project scope was restudied in 2010-11. Subsequently, in 2013, the scope of the adopted grade separation program was amended by changing some project locations and adding two additional grade separations. The change in adopted projects and expanded scope results in an estimated total anticipated cost of the completed ACE program of approximately \$1.712 billion.

## PROJECT STATUS

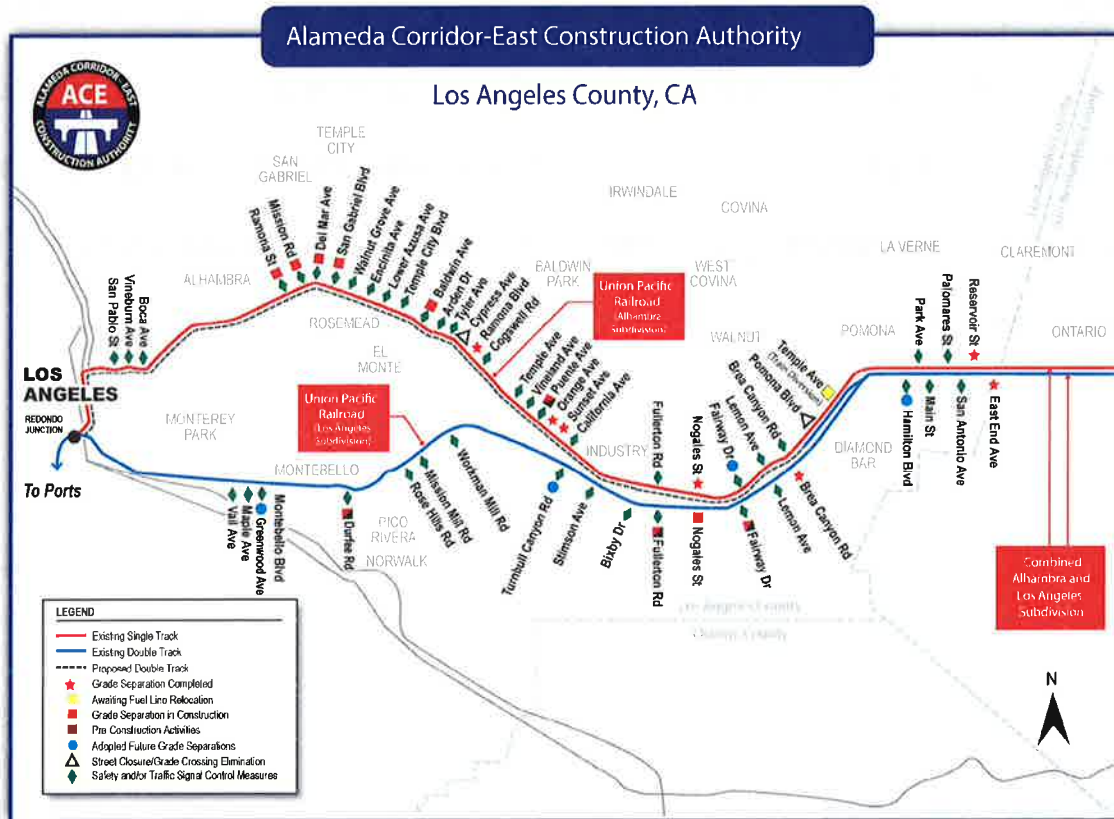
The following is a summary of the status of the active project components:

### **Railroad Crossing Safety Improvements**

- 39 Crossings - Completed in 2004

### **Grade Separations**

- Six grade separations completed (Nogales St./Alh, Reservoir St., East End Ave., Ramona Blvd., Brea Canyon Rd., and Sunset Ave.);
- One grade separation awaiting completion of UPRR work (Temple Ave.);
- Three grade separations in construction (San Gabriel Trench, Baldwin and Nogales);
- Five grade separations are in design and/or land acquisition (Fairway, Puente, Durfee, Fullerton and Hamilton)



**Alameda Corridor-East Project Area**

---

## FY 2014 FUNDING STATUS

---

The current cost estimate for all completed or active projects is \$1.546 billion. A detailed listing of the completed and currently active projects as well as proposed future projects is shown in the appendix under Project Cost Estimates. Shown on the page following is the total amount of funding that has been committed to the ACE program since its inception. Matching these funding commitments of \$1.620 billion against the projected expenditures of \$1.546 billion plus \$11.9 million in start up costs shows that the ACE program currently has \$62.4 million in funding available for the remaining projects in the adopted ACE program that have not been initiated. As shown the Project Cost Estimates in the appendix, the three non-active projects (Greenwood Avenue in Montebello, Fairway Drive in Industry/Walnut and Turnbull Canyon Road in Industry) are estimated at \$250 million to be completed. This figure is anticipated to increase to \$285.5 million based on a potential substitution of Greenwood Avenue for Montebello Blvd., and the requirement by the Union Pacific Railroad that Fairway and Lemon be done concurrently.



<b><u>Funding Source</u></b>	<b><u>Committed/Estimate</u></b> <b><u>(in \$ millions)</u></b>
Federal TEA-Demonstration Earmark	\$132.6
Federal SAFETEA-LU Demonstration Earmark	67.3
Federal Appropriations	33.4
State ITIP and PUC funds	49.0
State General Funds (AB 2928)	130.3
State Prop 1B Trade Corridor Funds	420.5
State Prop 1B Grade Separation Funds	25.6
MTA Funds (17% Match)	259.9
MTA Call for Projects Funds	28.8
MTA Measure R Funds	400.0
City/County/MWD Funds	11.8
Railroad Contribution	31.9
City/Railroad/Betterments/Property Sales	<u>29.4</u>
Total ACE Project Funding	<u>\$1,620.7</u>
Projected Expenditure*	<u>1,558.3</u>
<b>Balance</b>	<b><u>\$62.4</u></b>

\*For completed and active projects. Includes all project allocations and \$11.9 million in agency start up costs. Does not include non-active projects.

---

## FY 2014 BUDGET STATUS

---

The Board of Directors adopted the Fiscal Year 2014 budget in June 2013.

Exhibit I in the appendix compares the FY 2014 Budget to the estimated actual expenses as of June 30, 2014.

As in the past, ACE's annual budget is broken down into two categories – indirect project expense and direct project expense.

### Indirect Project Expense

Indirect expenses (such as salaries, rent, office supplies, etc.) that cannot easily be charged to specific project activities are billed to grants based on an annual indirect rate plan approved by Caltrans. The FY 2014 rate was approved by Caltrans and includes adjustments for over or under spending in prior years. ACE anticipates indirect expenses for FY 2014 will be \$669,000 under budget (approximately 18%).

### Direct Project Expense

Direct expenses are those that can be readily associated with specific projects such as staff or program management time, engineering or construction management contracts, property acquisition, construction, and miscellaneous support costs. As a general rule, annual budget overruns in direct annual costs are a positive sign of faster than assumed progress, if total project costs aren't increasing. Conversely, annual budget underruns generally mean slower progress and can result, depending on where the under run occurs, in under collection of indirect costs until a later date. For FY 2014 ACE will collect all of the indirect costs.

Overall, direct expenses will be under budget by \$11.376 million, or 8%. The most significant projected direct cost under runs will occur in construction and utility relocations. Utility work progressed at a slower pace than anticipated and this in turn caused related construction activity to be delay. Despite these delays general construction progress continued and as noted below all of the completion goals related to construction were either met or exceeded.

---

**FY 2014 PROJECT GOALS**

---

Last fiscal year’s budget set forth a number of goals for FY 2014. The following is the anticipated status of each goal as of June 30, 2014:

**Project Implementation**

<b>Project</b>	<b>Goal</b>	<b>Status</b>
Nogales St.	Construction 35% complete	Construction is 35% complete
San Gabriel Trench	Construction 25% complete	Construction is 30% complete
Baldwin Ave.	Construction 60% complete	Construction is 65% complete
Fairway Drive	Award construction contract	Ongoing. UPRR review delayed project. Award to occur in October
Puente Ave.	Award construction contract	Anticipated June award
Durfee Ave.	50% design; ROW underway	Design is 35% complete
Fullerton Rd.	65% design; ROW underway	Design is 65% complete
Hamilton Dr.	65% design; ROW underway	Ongoing. In discussions with City/UPRR for alternative location

## **Funding/Financial Administration**

<b>Goal</b>	<b>Status</b>
Process & complete actions for SGVCOG/ACE Separation	Not completed. Delayed response from CalPERS regarding employees' retirement benefits. Both agencies working cooperatively reviewing alternative options.
Apply for & receive additional Prop 1 B funds	Complete. Received \$120 million in funding
Ensure ACE interest represented in National Freight Program	Complete
Timely completion of clean financial & single audit	Complete
Maintain at least 50% of borrowed funds invested	Complete
Complete 16 professional services contract audits	20 contract audits were completed
Revise procurement manual	Complete

## **Outreach**

<b>Goal</b>	<b>Status</b>
Conduct environmental, community & school outreach for three projects in construction & five in design	Complete
Continue distribution of quarterly e-newsletter	Complete
Redesign ACE website	80% complete and is anticipated to be unveiled and live by August

---

## **2015 BUDGET DEVELOPMENT**

---

ACE has developed and implemented budgeting, accounting and project control systems that meet generally accepted accounting standards with the goal of delivering a project that accomplishes its intended purposes as expeditiously and cost effectively as possible. The budget for FY 2015 (July 1, 2014 through June 30, 2015) was developed in two parts: anticipated project related direct expenses and general indirect expenses.

The proposed FY 2015 direct expense budget assumed three projects in construction, two projects completing design and land acquisition and entering into construction, and three projects in design and land acquisition. For the construction projects (San Gabriel Trench, Baldwin and Nogales) staff used the approved construction schedules to determine the rate of construction and determine the anticipated contractor expenditures. For Fairway and Puente staff included in the project budget the current estimated cost of land acquisition and a few months of construction activity. Finally, for the three new projects currently in design and beginning land acquisition, staff accounted for the final design costs and estimated the cost of land acquisition. It should be noted that the pace and cost of land acquisition is the most speculative part of the budget estimates and may change if cost settlements require court action.

The indirect budget is developed by line item, based on past experience and changed levels of effort anticipated in FY 2015. The ratio of all indirect costs to direct labor and fringe benefit cost is used to calculate the Indirect Cost Allocation Plan (ICAP) that is submitted to Caltrans for approval, and becomes the basis for billing indirect costs in FY 2015.

The FY 2015 budget does not request Board approval for new contracts amendments to existing contracts. Each contract authorization will be brought to the Board for necessary action.

---

## **2015 PROPOSED BUDGET**

---

The proposed FY 2015 budget is presented in Exhibit II. Exhibit II A provides a breakdown of all proposed direct expenditures by project. Exhibit III estimates overall revenues, expenses and income from our cash flow financing. Exhibit IV compares the estimated actual for FY 2014 to the approved budget for FY 2015.

The pace of active projects is the major factor in the annual budget projection. For FY 2015 we have made the following assumptions about the projects having the biggest impact on our spending estimates:

- Baldwin Avenue (El Monte) – Construction 100% complete.
- Nogales Street (Industry/LA County) – Construction 65% complete.
- San Gabriel Trench (San Gabriel) – Construction 45% complete.
- Puente Avenue (Industry) – Construction 20% complete.
- Fairway Drive (Industry/LA County) – Construction 10% complete.
- Durfee Avenue (Pico Rivera) – Design 65% complete.
- Fullerton Road (Industry) – Design 100% complete
- Hamilton Drive (Pomona) – Design 40% complete.

## **Indirects**

Personnel – Salary & Wages/Fringe Benefits – The FY 2015 budget includes 24 full time positions and one part time position as authorized and shown on the organizational chart in the Appendix. Staff is not proposing any additions to staff at this time, however, as reflected on the organizational chart, due to the current practice of using on-line services to issue payments and the requirement to audit these transactions, the Audit function will be moved from under the Director of Finance and report directly to the Chief Executive Officer. Staff is also proposing not to fill two vacant positions at this time. The budget does provide for a 3% merit pool to be allocated based on performance evaluations. There is no CPI or fixed percentage salary adjustments included in the budget. However, as a result of a soon to be finalized classification and compensation study there were several positions recommended for reclassification and/or adjustments. These will be done upon receipt of the final draft of the study but will not reflect significant changes.

The following addresses significant line item changes (more than 10% and \$10,000) proposed for FY 2015 compared to the FY 2014 estimated actual. Changes in the construction related line items (utility relocation, construction management, railroad and construction) are a result of our most current projection of construction progress.

Program Management (-\$16,000/45% decrease) – This reduction reflects a shift in charging project support activities from indirect to direct costs.

Insurance (\$44,000/42% increase) – This reflects an anticipated increase in premiums for general liability, ACE Board coverage, and property coverage due to an increase in ACE's property holdings required for the five projects currently in construction.

Office Operations (\$9,000/12% increase) – This reflects expected increases in office supplies and postage/delivery services as a result of significantly increased design and construction activities.

## **Directs**

Program Management (+\$1,452,000/53% increase) –This increase is due to the required additional support for public outreach and environmental monitoring as two more projects start construction. In addition, this reflects an increased level of support for right of way acquisition activities needed for the projects going into final design and preparing to be bid out.

Legal (+\$198,000/23% increase) – This reflects the legal support that will be required as ACE completes the land acquisitions on Puente and Fairway as well as pursuing the land acquisitions needed for Durfee and Fullerton.

Design (+\$3,046,000/53% increase) – This increase is based on the ramping up on the final design for Durfee, and Fullerton projects, and continuing to resolve the Hamilton project

Right of Way Acquisition (+\$7,808,000/18% increase) – This reflects the anticipated costs based on making final payments related to right of way for the Puente and Fairway projects, as well initial acquisition costs associated with the Durfee and Fullerton projects

Construction Management (+\$2,688,000/52% increase) – This increase reflects continued full scale construction activities on the Baldwin, Nogales and San Gabriel Trench projects, as well as the addition of construction activities on Puente and Fairway projects.

Railroad (+\$4,226,000/157% increase) – Increased UPRR activity is expected on all five active construction projects.



Construction (+\$35,791,000/75% increase) – This increase reflects continued full scale construction activities on the Baldwin, Nogales and San Gabriel Trench projects, as well as the addition of construction activities on Puente and Fairway projects.

---

## PROJECT FINANCING

---

In 2001 the San Gabriel Valley Council of Governments (SGVCOG) authorized the issuance of up to \$100 million in tax-exempt Grant Anticipation Notes (GANs) backed by a letter of credit. Over time this program suffered the overall affects of the economical downfall. In 2012 the ACE Board approved the retirement of the GAN program and staff successfully sought an agreement with the Los Angeles County Metropolitan Transportation Authority (Metro) for a working capital loan of up to \$45 million which was fully executed in 2013 allowing for the full retirement of the GANs. Going forward any net proceeds from this new working capital from Metro will be invested in accordance with the SGVCOG Investment Policy for ACE funds.

Because the ACE Construction Authority continues to have no meaningful sources of revenue other than grants and contributions from funding agencies, ACE staff continues to make every effort to ensure that all other expenditures are reimbursable by federal, state or local grants. Staff is making every effort it can to operate in this stringent financial environment, but the Board needs to be aware of the practical difficulties of recovering every expense. We use this Budget submittal to annually advise the Board of the cumulative exposure for unreimbursed costs the Authority is incurring. As of this date, we have incurred the following unreimbursed or unreimbursable expenses, dating back to the beginning of the ACE Construction Authority:

FY 1998	\$71,185	Expenses incurred by SGVCOG prior to 6/30/98 not reimbursed by MTA
FY 2000	11,298	Net interest cost of loan from City of Industry
FY 2001	2,738	Net interest cost of loan from City of Industry
FY 2006	<u>105,529</u>	Payment to SGVCOG for claimed unreimbursed expenses
	\$190,750	Estimated total – project-life-to-date

Based on experience to date, we expect the cumulative surpluses from railroad contributions will be sufficient to pay for our cumulative unreimbursed expense.

---

## **FY 2015 PROJECT GOALS**

---

Staff proposes to accomplish the following by June 30, 2015 (unless otherwise noted):

### **Project Implementation**

- Nogales Street: Construction 65% complete;
- Baldwin Avenue: Construction 100% complete;
- San Gabriel Trench: Construction 45% complete;
- Fairway Drive: Construction 10% complete ;
- Puente Avenue: Construction 20% complete;
- Durfee Avenue: Design 65% complete;
- Fullerton Road: Design 100% complete;
- Hamilton Drive: Design 40% complete.

### **Funding/Financial Administration**

- Ensure ACE's interests are represented in Federal National Freight Program;
- Timely completion of "clean" financial and single audits
- Maintain at least 25% of borrowed funds invested
- Complete 16 professional services contract audits
- Complete 5 quality control/quality assurance audits

### **Outreach**

- Conduct environmental, community and school outreach effort for five projects in construction and three in design;
- Conduct one groundbreaking ceremony and one ribbon cutting ceremony;
- Complete the ACE website update.

Staff will continue to provide the Board with project status and budget updates on a quarterly basis. A mid-year review of the upcoming fiscal year will be done in January

and proposed revisions, if any, will be submitted for ACE and San Gabriel Valley Council of Governments Boards for approval at that time.

---

### **BUDGET REVIEW AND APPROVAL**

---

The proposed budget will be presented to the ACE Board and to the public for consideration at the June 2 ACE Board Special meeting. Any changes will be incorporated into the approved budget and submitted to the San Gabriel Valley Council of Governments for consideration at their next meeting.

---

## **APPENDICES**

---

- Exhibit I - FY 2014 Budget vs Estimated Actuals
- Exhibit II - FY 2015 Proposed Budget w Type of Expenditures
- Exhibit IIA - FY 2015 Direct Cost Budgets by Project
- Exhibit III - FY 2015 Proposed Budget w Type of Expenditures
- Exhibit IV - Comparison FY 2014 Estimated Actuals vs FY 2015 Proposed Budget

**Exhibit I**  
**FY 2014 Budget vs. Estimated Actual**  
(\$ in thousands)

<b>Expenditures</b>	<b>Year End Estimate</b>	<b>FY 2014 Budget</b>	<b>Under/ (Over)</b>
<b>Indirect</b>			
<b>Personnel</b>			
Salaries and Wages	\$ 1,355	\$ 1,862	\$ 507
Fringe Benefits	462	580	118
<b>Board/ Employee Expense</b>			
Auto/Travel	31	31	-
Training/Memberships	25	25	-
Board Expense	21	21	-
<b>Professional Services</b>			
Auditing/Accounting	40	40	-
Legal-Agency Support	70	70	-
Program Management	36	91	55
State/Federal Advisory Services	261	261	-
Risk Management	65	65	-
<b>Insurance</b>	106	106	-
<b>Equipment Expense</b>	101	123	22
<b>Office Expense</b>	231	223	(8)
<b>Office Operations</b>	70	48	(22)
<b>Other</b>	10	7	(3)
<b>Total Indirect</b>	<u>2,884</u>	<u>3,553</u>	<u>669</u>
<b>Direct</b>			
Salaries and Wages	\$ 1,289	\$ 1,005	(284)
Fringe Benefits	517	403	(114)
Auto Allowance Allocated to Projects	23	28	5
Program Management	2,729	4,490	1,761
Legal	827	239	(588)
Design	5,918	7,594	1,676
ROW Acquisition	43,379	33,429	(9,950)
Utility Relocation	9,910	13,405	3,495
Construction Mgt	5,132	5,514	382
Railroad	2,694	2,410	(284)
Construction	47,385	62,955	15,570
UPRR Invoice Review	49	27	(22)
Third Party Review	859	407	(452)
Utilities (Site)	3	6	3
Advertising	-	24	24
<b>Total Direct</b>	<u>120,714</u>	<u>131,936</u>	<u>11,222</u>
<b>Total Expenditures</b>	<u>\$ 123,598</u>	<u>\$ 135,489</u>	<u>\$ 11,891</u>

**Exhibit II**  
**FY 2015 Proposed Budget with Type of Expenditure**  
**(\$ in thousands)**

<b>Expenditures</b>	<b>FY 2015 Proposed</b>
<b>Indirect</b>	
<b>Personnel</b>	
Salaries and Wages	\$ 1,435
Fringe Benefits	459
<b>Board/ Employee Expense</b>	
Auto/Travel	32
Training/Memberships	30
Board Expense	21
<b>Professional Services</b>	
Auditing/Accounting	45
Legal-Agency Support	40
Program Management	20
State/Federal Advisory Services	252
Risk Management	65
<b>Insurance</b>	150
<b>Equipment Expense</b>	91
<b>Office Expense</b>	237
<b>Office Operations</b>	79
<b>Other</b>	11
<b>Total Indirect</b>	2,967
<b>Direct</b>	
Salaries and Wages	\$ 1,297
Fringe Benefits	525
Auto Allowance Allocated to Projects	25
Program Management	4,181
Legal	1,102
Design	8,835
ROW Acquisition	51,187
Utility Relocation	7,700
Construction Mgt	7,210
Railroad	6,720
Construction	80,776
UPRR Invoice Review	18
Third Party Review	899
Utilities (Site)	28
Advertising	38
<b>Total Direct</b>	170,541
<b>Total Expenditures</b>	\$ 173,508



**Exhibit II A**  
**FY 2015 Direct Cost Budgets by Project**  
(\$ in thousands)

<u>Expenditures</u>	FY 2015		Temple	SG Trench	Puente	Fairway	Hamilton	Fullerton	Durfee	Nogales
	Proposed	Baldwin			Avenue	Drive				(LA)
<b>Direct</b>										
Salaries and Wages	\$ 1,297	\$ 118	\$ -	\$ 247	\$ 195	\$ 157	\$ 97	\$ 150	\$ 158	\$ 174
Fringe Benefits	525	48	-	100	79	63	39	61	64	70
Auto Allowance Allocated to Projects	25	2	-	8	2	3	2	4	2	2
Program Management	4,181	220	-	500	621	612	156	787	821	464
Legal	1,102	15	15	10	130	283	5	300	229	115
Design	8,835	-	30	300	335	200	1,200	4,300	2,350	120
ROW Acquisition	51,187	-	1,200	-	4,000	10,987	-	19,000	14,000	2,000
Utility Relocation	7,700	100	-	-	2,600	1,750	-	2,500	-	750
Construction Mgt	7,210	1,500	150	3,000	900	410	-	-	50	1,200
Railroad	6,720	990	500	3,000	1,040	100	30	50	50	960
Construction	80,776	9,651	1,000	37,125	9,000	2,000	-	-	-	22,000
UPRR Invoice Review	18	-	-	1	8	-	2	-	2	5
Third Party Review	899	25	-	203	36	70	50	250	85	180
Utilities (Site)	28	2	-	-	-	20	-	-	-	6
Advertising	38	-	5	-	20	10	1	-	2	-
<b>Total Direct</b>	<b>\$ 170,541</b>	<b>\$ 12,671</b>	<b>\$ 2,900</b>	<b>\$ 44,495</b>	<b>\$ 18,966</b>	<b>\$ 16,665</b>	<b>\$ 1,583</b>	<b>\$ 27,403</b>	<b>\$ 17,812</b>	<b>\$ 28,047</b>

**Exhibit III**  
**FY 2015 Proposed Budget with Type of Expenditure**  
**(\$ in thousands)**

<b>Expenditures</b>	<b>FY 2015 Proposed</b>
<b>Revenues</b>	
Federal	\$ 23,301
State	80,707
Local	69,500
<b>Total Revenue</b>	<b>173,508</b>
 <b>Operating Expenditures</b>	
<b>Direct</b>	
Design	9,270
ROW Acquisition	62,292
Construction	87,453
Construction Mgt	11,223
Betterment	303
<b>Total Direct</b>	<b>170,541</b>
 <b>Indirect</b>	
Personnel	1,894
Board/Employee Expense	83
Professional Services	422
Insurance	150
Equipment Expense	91
Office Expense	237
Office Operations	79
Other	11
<b>Total Indirect</b>	<b>2,967</b>
<b>Total Operating Expenditures</b>	<b>173,508</b>
 <b>Excess of Revenue over Expenditures before Financing</b>	
	-
 <b>Financing Income</b>	
Investment Revenue	381
Interest and Related Expense	(333)
<b>Net Financing Income/Expense</b>	<b>48</b>
<b>Excess of Revenues over Expenditures</b>	<b>48</b>
 <b>Fund Balance Beginning of Period</b>	
	\$ 6,801
<b>Fund Balance End of Period **</b>	<b>\$ 6,849</b>

\*\* A portion of the fund balance has been assigned to finance any contingency that may arrive as a result of separating from the SGVCOG and forming a new JPA.

**Exhibit IV**  
**Comparison - FY 2014 Estimated Actuals vs. FY 2015 Proposed**  
**(\$ in thousands)**

<b>Expenditures</b>	<b>FY 2014 Estimate</b>	<b>FY 2015 Proposed</b>	<b>Incr/ Decr</b>
<b>Indirect</b>			
<b>Personnel</b>			
Salaries and Wages	\$ 1,355	\$ 1,435	\$ 80
Fringe Benefits	462	459	(3)
<b>Board/Employee Expense</b>			
Auto/Travel	31	32	1
Training/Memberships	25	30	5
Board Expense	21	21	-
<b>Professional Services</b>			
Auditing/Accounting	40	45	5
Legal-Agency Support	70	40	(30)
Program Management	36	20	(16)
State/Federal Advisory Services	261	252	(9)
Risk Management	65	65	-
<b>Insurance</b>	106	150	44
<b>Equipment Expense</b>	101	91	(10)
<b>Office Expense</b>	231	237	6
<b>Office Operations</b>	70	79	9
<b>Other</b>	10	11	1
<b>Total Indirect</b>	<u>2,884</u>	<u>2,967</u>	<u>83</u>
<b>Direct</b>			
Salaries and Wages	1,289	1,297	8
Fringe Benefits	517	525	8
Auto Allowance Allocated to Projects	23	25	2
Program Management	2,729	4,181	1,452
Legal	827	1,102	275
Design	5,918	8,835	2,917
ROW Acquisition	43,379	51,187	7,808
Utility Relocation	9,910	7,700	(2,210)
Construction Mgt	5,132	7,210	2,078
Railroad	2,694	6,720	4,026
Construction	47,385	80,776	33,391
UPRR Invoice Review	49	18	(31)
Third Party Review	859	899	40
Utilities (Site)	3	28	25
Advertising	-	38	38
<b>Total Direct</b>	<u>120,714</u>	<u>170,541</u>	<u>49,827</u>
<b>Total Expenditures</b>	<u>\$ 123,598</u>	<u>\$ 173,508</u>	<u>\$ 49,910</u>

## Project Funding Commitments

Federal	(\$ in millions)
Federal TEA-21 Highway Demonstration Earmark (FY 1999-2003)	132.561
Federal SAFETEA-LU (FY 2005-2009)	67.346
FY 2000 FHWA Discretionary Sec. 1118(c) Trade Corridor Funds	1.240
FY 2001 FHWA Highway Fund Transportation Appropriation	1.497
FY 2001 FHWA Discretionary Sec. 1118(c) Trade Corridor Funds	2.397
FY 2002 FHWA Highway Fund Transportation Appropriation	3.884
FY 2003 FHWA Highway Fund Transportation Appropriation	1.485
FY 2004 FHWA Highway Fund Transportation Appropriation	1.881
FY 2006 FHWA Highway Fund Transportation Appropriation	4.158
FY 2009 Surface Transportation Program	0.570
FY 2009 FRA Grade Crossing Program	2.544
FY 2010 Surface Transportation Program	0.500
Intermodal Surface Transportation Efficiency Act Funds	6.936
Congestion Mitigation and Air Quality Improvement Funds	6.347
<b>Total Federal Funds</b>	<b>\$233.346</b>
<b>State</b>	
1998 State ITIP Discretionary Funds (FY 2000- 2004)	39.982
State Transportation Congestion Relief Program Funds	130.300
Section 190 PUC Funds	10.000
Prop. 1B Trade Corridor Improvement Funds	420.497
Prop. 1B Highway-Rail Crossing Safety Account	25.600
<b>Total State Funds</b>	<b>\$625.379</b>
<b>MTA</b>	
MTA 17% Local Match Commitment	259.891
MTA Call for Projects Funding (2007)	28.849
MTA Measure R*	400.000
<b>Total MTA Funds</b>	<b>\$688.740</b>
<b>Other</b>	
City/County Funds	\$11.807
Railroad contribution to active projects	\$31.921
Betterments	\$26.274
Proceeds from excess property sales	\$3.224
<b>Total</b>	<b>\$1,620.686</b>
<b>Funds Committed</b>	<b>\$1,620.686</b>

---

**Project Cost Estimates**

---

**(\$ in millions)**

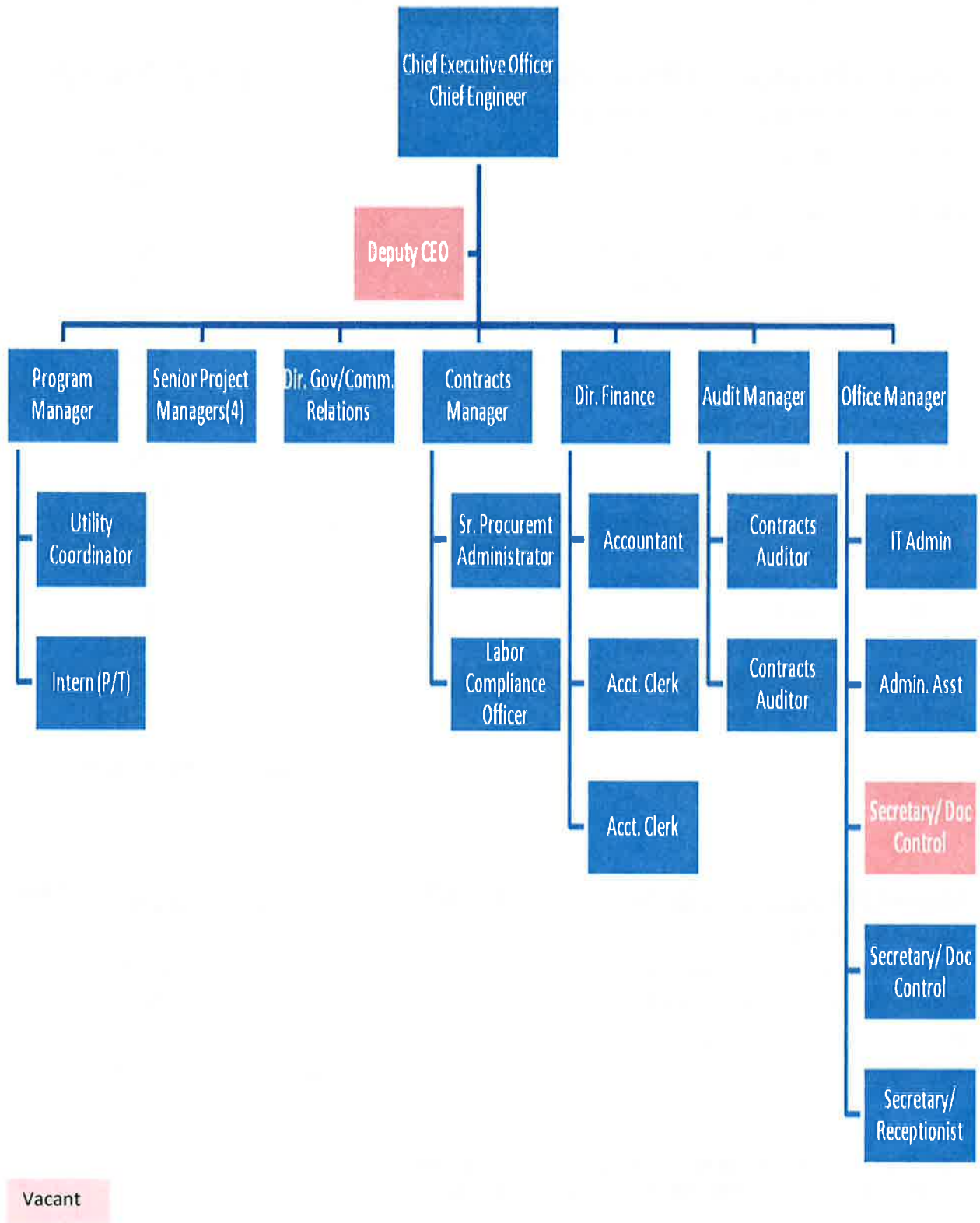
<b>Projects Underway / Completed</b>	<b>Cost</b>
<b>GRADE CROSSING SAFETY IMPROVEMENTS:</b>	
39 Crossings Corridor Safety Upgrade	\$27.8
IRRIS	\$6.4
<b>GRADE SEPARATIONS:</b>	
Nogales St. (Alh) (Industry/West Covina)	\$49.8
East End Ave./Reservoir St. (Pomona)	\$79.0
Ramona Blvd. (El Monte)	\$53.1
Temple Ave. and Temple Ave. 4 <sup>th</sup> Track (Pomona)	\$92.1
Brea Canyon Rd. (LA) (Industry/Diamond Bar)	\$73.9
Sunset Ave./Orange Ave. (Industry)	\$93.8
Baldwin Ave. (El Monte)	\$76.1
Nogales St. (LA) (Industry/LA County)	\$117.3
San Gabriel Trench (Ramona St., Mission Rd., Del Mar Ave., San Gabriel Blvd.) (San Gabriel)	\$336.9
Fullerton Rd. (LA) (Industry/LA County)	\$142.9
Hamilton Blvd. (Alh/LA) (Pomona)	\$76.3
Fairway Dr. (LA) (Industry/LA County)	\$143.0
Puente Ave. (Alh) (Industry/LA County)	\$99.6
Durfee Ave. (LA) (Pico Rivera)	\$78.4
<b>TOTAL</b>	<b>\$1,546.4*</b>

<b>Adopted Future Projects**</b>	<b>Cost</b>
<b>GRADE SEPARATIONS:</b>	
Greenwood Ave. (LA) (Montebello)	\$69.6
Fairway Dr. (Alh) (Industry/Walnut)	\$84.4
Turnbull Canyon Rd. (Industry/LA County)	\$96.0
<b>TOTAL</b>	<b>\$250.0</b>

\*Excludes \$11.9 million for start up/misc. agency costs

\*\*Future projects include 3.6% escalation per year

## Organizational Chart



---

---

## Terms & Definitions

---

### Indirect Expenses

---

#### Personnel

---

Salaries and Wages	Salaries for employees and temporary help (charged both as indirect and direct expenses).
--------------------	---

---

Fringe Benefits	Paid benefits such as health insurance, life insurance and pension.
-----------------	---

---

#### Board/Employee Expenses

---

Auto/Travel	Employee travel for business purposes. Includes registration fees and local mileage reimbursement or auto allowance.
-------------	--

---

Training/Memberships	Authority and professional memberships; ongoing professional training.
----------------------	--

---

Board Related Expenses	Per diem and Board travel.
------------------------	----------------------------

---

#### Professional Services

---

Auditing/Accounting	Financial auditing and accounting services.
---------------------	---

---

Legal - Agency Support	General counsel, construction legal and any other legal services not directly chargeable to specific construction projects.
------------------------	---

---

Program Management	Contracted project administration support which cannot be charged to specific projects. Consists primarily of special studies, community relations, and those activities of our support
--------------------	---

---

	contractors which address general agency needs.
State/Federal Advisory Services	State & Federal legislation research, monitoring and funding application services.
Risk Management	Administrative fee for analyzing insurance requirements, reviewing ACE and contractor policies and obtaining insurance.
<b>Insurance</b>	Annual insurance premiums
<b>Equipment Expense</b>	Purchase/lease and maintenance of office equipment such as copiers, fax machines and computers.
<b>Office Expense</b>	Rent on ACE office space, including maintenance and miscellaneous expense.
<b>Office Operations</b>	Office supplies, postage, printing/copying and telephones.
<b>Other</b>	General advertising, subscriptions, payroll service fees, etc.
<b>Direct Expenses</b>	
<b>Betterments</b>	City funded work that City desires to have ACE construct concurrently with project (e.g. street modifications, beautifications)
<b>Program Management</b>	The portion of overall program management expenses which can be directly charged to projects; consists



	primarily of design and utility relocation support, land acquisition related services and office support.
<b>Legal</b>	Legal expenses which can be directly charged to specific projects for land acquisition activities.
<b>Design</b>	Preparation of project plans, specifications and estimates and support during construction.
<b>Right of Way Acquisition</b>	Property acquisition costs, closing costs, appraisals, surveys, miscellaneous acquisition support costs.
Utility Relocation	Costs of relocating utilities, including design.
Construction Management	Field oversight of construction.
Railroad	Railroad (UPRR and Metrolink) charges to projects for project support, design, procurement and construction.
Construction	Payment to construction contractors.
Third Party Review	Payment to outside agencies (e.g., UPRR, Cities, LA County) for their costs to review and approve project designs and submittals.
UPRR Invoice Review	Use of an outside contractor to review UPRR billings for errors, mischarges, questionable costs, etc.
Advertising	Cost of advertising construction contracts.
Utilities (Site)	Cost of utilities service to construction sites.

