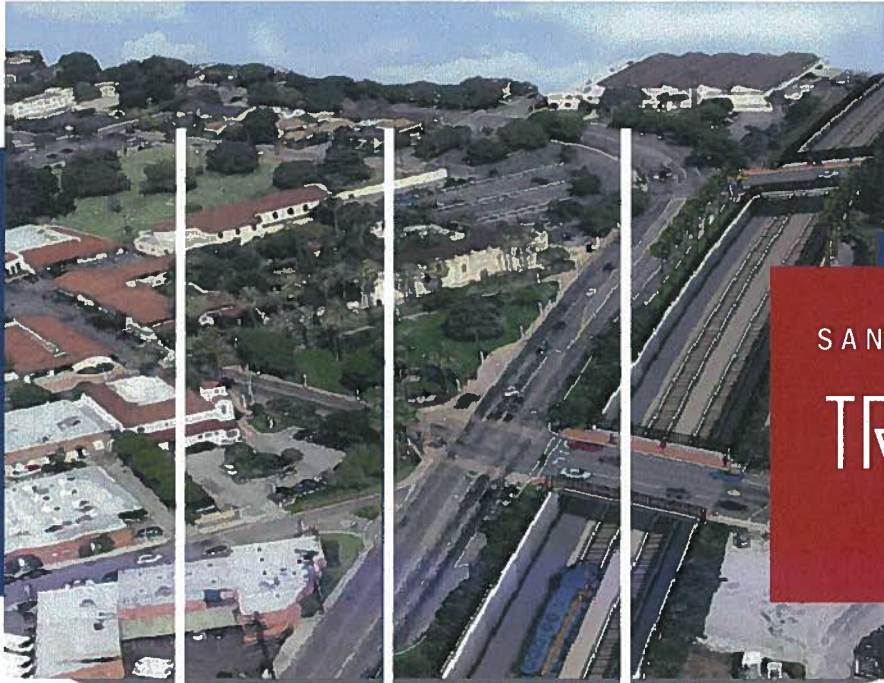




ACE CONSTRUCTION AUTHORITY FY 2014 APPROVED BUDGET



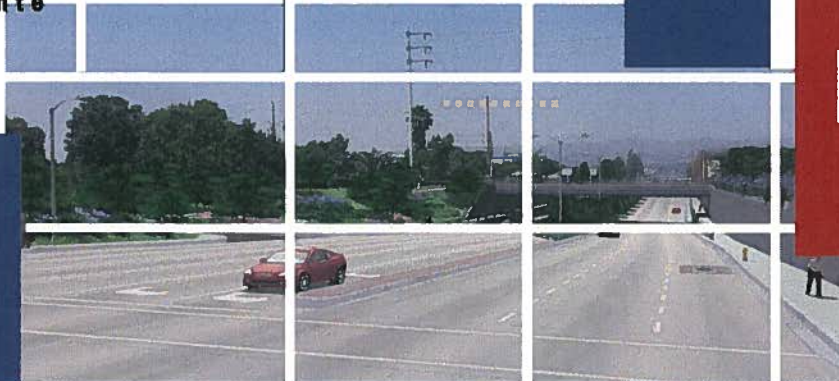
SAN GABRIEL
TRENCH



BALDWIN AVE.
PROJECT



City of El Monte



NOGALES ST.
PROJECT

City of
Industry
LA County

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Exhibit II FY 2014 Approved Budget with Type of Expenditure

Exhibit IIA FY 2014 Direct Cost Budgets by Project

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ACE Construction Authority Funding Commitments

Project Cost Estimates

ACE Construction Authority Organizational Chart

Terms and Definitions

ORGANIZATION

Board of Directors

Councilwoman Norma Macias
City of El Monte
Chair

Councilman Jack Hadjinian
City of Montebello
Vice Chair

Vice Mayor Juli Costanzo
City of San Gabriel

Councilwoman Barbara Messina
City of Alhambra

Supervisor Gloria Molina
LA County Board of Supervisors

Councilman Freddie Rodriguez
City of Pomona

Mayor Pro Tem Tim Spohn
City of Industry

Mayor Paul Eaton
Ex-Officio City of Montclair

Mark Christoffels
Chief Executive Officer

San Gabriel Valley Council of Governments

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BUDGET MESSAGE

The Alameda Corridor-East Construction Authority is in the most intensive period of construction we have yet experienced with three projects totaling \$366 million in progress.

The ACE Board of Directors and the San Gabriel Valley Council of Governments adopted a modification to the overall scope of the grade separation project which will bring the total to 22 locations. Beyond the San Gabriel Trench, the Baldwin Avenue and Nogales Street grade separations now underway, eight more grade separations are envisioned. Five of them are in the design process, two of which (Fairway Drive and Puente Avenue) will be ready to go out to bid during the coming fiscal year.

Completing all 22 grade separations will require additional funding. ACE has been successful in securing previously unanticipated funding and will continue to pursue all options for the funding needed to complete the overall ACE Project.



Mark Christoffels
Chief Executive Officer

ACE CONSTRUCTION AUTHORITY 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 25 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 we 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.

ACE CONSTRUCTION AUTHORITY 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)



ACE CONSTRUCTION AUTHORITY FY 2013 FUNDING STATUS

The current cost estimate for all completed or active projects is \$1.462 billion. A detailed listing of the completed and currently active projects as well as approved future projects is shown in the appendix under Project Cost Estimates. An additional \$22.8 million in city or railroad requested and funded property enhancements bring the total projected expenditures to \$1.484 billion. Shown below is the total amount of funding that has been committed to the ACE program since its inception. Matching these funding commitments of \$1.499 billion against the projected expenditures of \$1.484 billion shows that the ACE program currently has \$15 million in funding currently not allocated to projects. As shown in the Project Cost Estimates in the appendix, the three non active projects (Greenwood Avenue in Montebello, Fairway Drive in Industry/Walnut, and Turnbull Canyon in Industry) are estimated at \$250 million which means the ACE program will require an additional \$235 million to be completed.

Funding Source	(\$ millions) Committed /Estimate
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	305.6
State Prop 1B Grade Separation Funds	25.6
MTA Funds (17% Match)	259.9
MTA Call for Project Funds	28.8
MTA Measure R Funds	400.0
City/County/MWD Funds	11.8
Railroad Contribution	31.9
City/Railroad Betterments	22.8
Total ACE Project Funding	\$ 1,499.0
Projected Expenditure **	1,484.0
Balance	\$ 15.0

** For completed and active projects. Does not include non-active projects.

ACE CONSTRUCTION AUTHORITY FY 2013 BUDGET STATUS

The Board of Directors adopted the Fiscal Year 2013 budget in June 2012 and it was revised in January 2013 to reflect a slower rate of construction progress.

Exhibit I in the appendix compares the FY 2013 Budget to the estimated actual expenses as of June 30, 2013.

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 2013 rate was approved by Caltrans and includes adjustments for over or under spending in prior years. ACE anticipates indirect expenses for FY 2013 will be \$3.617 million, about 2% under budget.

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 2013 ACE will collect all of the indirect costs.

ACE CONSTRUCTION AUTHORITY FY 2013 BUDGET STATUS

Overall, direct expenses will be under budget by \$10.978 million, or 20%. The most significant projected direct cost under runs will occur in right of way acquisition (ROW) for the San Gabriel Trench where we budgeted for acquisition of the UPRR property required under our agreement which won't happen until early FY 2014 and construction expense on all three active projects which was based on earlier mobilization than experienced on Baldwin and Nogales and a slower billing rate on the San Gabriel Trench. An under run is also expected in utility relocation for the Nogales project where approval of utility agreements has been delayed.

ACE CONSTRUCTION AUTHORITY STATUS OF FY 2013 GOALS

Last fiscal year's budget set forth a number of goals for FY 2013. The following is the anticipated status of each goal as of June 30, 2013:

Project Implementation	
Project/Goal	Progress
Nogales Street – Construction 20% complete	Construction will be 5% complete; contractor got late start due to utility relocation and right of way considerations
Baldwin Avenue – Construction 25% complete	Construction will be 19% complete
San Gabriel Trench – Construction 15% complete	Construction will be 14% complete
Puente Avenue – Design 95% complete; property acquisition underway	Design will be 100% complete; land acquisition active
Fairway Drive – Design 95% complete; property acquisition underway	Design will be 95% complete; land acquisition active

Funding/Financial/Administration	
Goal	Progress
Seek additional project funding	Federal reauthorization passed; new freight program not funded Sought TIGER grant Expect additional Prop 1B & Measure R funding
Timely completion of financial and single audits	Accomplished
Maintain 95% of note proceeds invested	Range 70-90%

ACE CONSTRUCTION AUTHORITY STATUS OF FY 2013 GOALS

Maintain at least 90% of funds invested	Accomplished
Set up commercial paper and grant proceeds account	Expect to shift financing to MTA loan
Pass first peer review audit	Accomplished
Complete 24 project audits	Completed 16; one auditor on family leave

Outreach

Goal	Progress
Groundbreaking for new construction project	Conducted three groundbreakings (San Gabriel Trench, Baldwin Ave and Nogales Street)
Focus business community and school safety outreach on new construction projects	Community meetings held on Puente Ave; plan to hold Fairway meeting by Summer
Continue to distribute quarterly e-newsletter	Accomplished
Assume DBE and labor compliance responsibilities in-house	Accomplished
Initiate Small Business (SBE) program on Baldwin Project	SBE program included on Baldwin construction (10%), Puente and Fairway construction management contracts (11%) and Hamilton and Fullerton property acquisition contracts (8%)

ACE CONSTRUCTION AUTHORITY FY 2014 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 2014 (July 1, 2013 through June 30, 2014) was developed in two parts: anticipated project related direct expenses and general indirect expense.

The approved FY 2014 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 both 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 2014. 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 2014.

The FY 2014 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.

ACE CONSTRUCTION AUTHORITY APPROVED FY 2014 BUDGET

The approved FY 2014 budget is presented in Exhibit II. Exhibit II A provides a breakdown of all approved 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 2013 to the approved budget for FY 2014.

The pace of active projects is the major factor in the annual budget projection. For FY 2014 we have made the following assumptions about the projects having the biggest impact on our spending estimates:

Baldwin Avenue – Construction 60% complete by June 2014.

Nogales Street – Construction 35% complete by June 2014.

San Gabriel Trench – Construction 25% complete by June 2014.

Puente Avenue – Award a construction contract and initiate construction by June 2014.

Fairway Drive – Award a construction contract and initiate construction by June 2014.

Durfee Avenue – Design 50% complete, initiated property acquisition by June 2014.

Fullerton Road – Design 65% complete, initiated property acquisition by June 2014.

Hamilton Drive – Design 65% complete, initiated property acquisition by June 2014.

Indirects

Personnel – Salary & Wages/Fringe Benefits – The FY 2014 budget includes 24 full time positions and two part time positions as authorized and shown on the organizational chart in the Appendix. Staff is not proposing any additions to staff 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. Due to significant changes in position classifications and work assignments that have occurred in the organization over the past decade, the approved FY 2014 budget includes funding to update the 2002 classification and compensation study. Upon completion the findings will be presented to the Board along with any recommended changes to classifications or salary ranges/compensation.

The following addresses significant line item changes (more than 10% and \$10,000) approved for FY 2014 compared to the FY 2013 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, as described above.

Program Management (-\$270,000/75% decrease) – This reduction reflects a shift in charging project support activities (primarily outreach) from indirect to direct costs. With our increased project activities, overall program management costs (mostly consisting of outreach and property acquisition support) have slightly increased when both indirect and direct expenses are combined.

Insurance (\$26,000/33% increase) – This reflects an increase due to the previous budget not capturing all required insurance coverages which were carried in the previous year.

ACE CONSTRUCTION AUTHORITY APPROVED FY 2014 BUDGET

Office Operations (\$11,000/30% increase) – This reflects expected increases in office supplies and postage/delivery services as a result of significantly increased design and construction activities.

Directs

Personnel – Salary & Wages/Fringe Benefits (+\$146,000/12% increase) – This increase is a reflection of costs now being charged directly to projects in lieu of overhead.

Program Management (+\$1,600,000/63% increase) – Some of this increase is a shift from indirect to direct charging. A much greater factor is the gearing up of environmental and right of way acquisition support for the three projects in design (Durfee, Hamilton and Fullerton).

Legal (-\$850,000/78% decrease) – This reflects significantly reduced legal expenses expected on our most active land acquisitions (Puente and Fairway) compared to recent experience on two projects with substantial land acquisition legal costs (Baldwin and Nogales).

Design (-\$1,971,000/21% decrease) – This decrease is based on a winding down of design on Puente and Fairway offset by a ramping up on Durfee, Hamilton and Fullerton.

Right of Way Acquisition (+\$15,037,000/82% increase) – The major components of this increased cost are UPRR acquisitions on the San Gabriel Trench, and right of way for the Puente and Fairway projects.

ACE CONSTRUCTION AUTHORITY APPROVED FY 2014 BUDGET

Utility Relocation (+12,985,000/309,000% increase) – This increase is due to anticipated major utility relocation activities at the Nogales, Fairway and Puente projects.

Construction Management (+\$388,000/390% increase) – This increase reflects full scale construction activities on the Baldwin, Nogales and San Gabriel Trench projects.

Railroad (+\$1,596,000/196% increase) – Increased UPRR activity is expected on all three active construction projects.

Construction (+\$55,345,000/727% increase) – The relatively limited construction activity now going on in San Gabriel will increase substantially as the fiber and utility relocations make way for trench construction. The construction at Baldwin and Nogales will be fully ramped up after a slow start in FY 2013.

UPRR Invoice Review (+\$26,000) – ACE previously contracted for this specialty service when construction was under way. However no contractor was performing this service until very late in FY 2013; we now have a third party reviewer on board.

Third Party Review (+\$220,000/19% increase) – This reflects cost for review of the newer design projects and an increased costs for the Puente and Nogales projects.

ACE CONSTRUCTION AUTHORITY FY 2014 PROJECT FINANCING

The San Gabriel Valley Council of Governments (SGVCOG) has authorized the issuance of up to \$100 million in tax-exempt Grant Anticipation Notes (GANs) backed by a letter of credit. This program has been in place since 2001. There is currently \$20 million in borrowed funds outstanding. It is anticipated that in late FY 2013 or early FY 2014 the GANs financing will be retired and replaced by a working capital loan of up to \$45 million from the Los Angeles County Metropolitan Transportation Authority. Any net proceeds from working capital are 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 will 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.

ACE CONSTRUCTION AUTHORITY APPROVED FY 2014 GOALS

Staff proposes to accomplish the following by June 30, 2014 (unless otherwise noted):

Project Implementation

- Nogales Street: Construction 35% complete;
- Baldwin Avenue: Construction 60% complete;
- San Gabriel Trench: Construction 25% complete;
- Fairway Drive: Award construction contract;
- Puente Avenue: Award construction contract;
- Durfee Avenue: Design 50% complete, land acquisition underway;
- Fullerton Road: Design 65% complete, land acquisition underway;
- Hamilton Drive: Design 65% complete, land acquisition underway.

Funding / Financial Administration

- Process and complete the required actions under the SGVCOG-ACE separation agreement.
- Apply for and receive additional State Prop 1 B bond funds;
- Ensure ACE's interests are represented in Federal National Freight Program;
- Timely completion of "clean" financial and single audits
- Maintain at least 50% of borrowed funds invested
- Complete 16 professional services contract audits
- Revise our Procurement Manual

Outreach

- Conduct environmental, community and school outreach effort for three projects in construction and five in design;
- Continue to distribute quarterly e-newsletter
- Redesign ACE website

ACE CONSTRUCTION AUTHORITY BUDGET AMENDMENTS AND REVISIONS

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

**ACE CONSTRUCTION AUTHORITY FY 2014 BUDGET
BOARD APPROVAL & REVIEW**

The approved budget was presented to the ACE Board and to the public for consideration at the June 3, 2013 ACE Board Special meeting. The approved budget was subsequently submitted to and approved by the San Gabriel Valley Council of Governments at their June 20, 2013 meeting.

APPENDIX

Exhibit I
FY 2013 Budget vs. Estimated Actual
(\$ in thousands)

Expenditures	Year End Estimate	FY 2013 Budget	Under/ (Over)
Indirect			
Personnel			
Salaries and Wages	\$ 1,738	\$ 1,788	\$ 50
Fringe Benefits	558	603	45
Board/Employee Expense			
Auto/Travel	31	25	(6)
Training/Memberships	25	27	2
Board Expense	21	20	(1)
Professional Services			
Auditing/Accounting	42	37	(5)
Legal-Agency Support	48	48	-
Program Management	361	366	5
State/Federal Advisory Services	266	260	(6)
Risk Management	65	67	2
Insurance	106	80	(26)
Equipment Expense	115	123	8
Office Expense	221	221	-
Office Operations	37	34	(3)
Other	7	11	5
Total Indirect	<u>3,641</u>	<u>3,710</u>	<u>70</u>
Direct			
Salaries and Wages	902	946	44
Fringe Benefits	348	365	17
Auto Allowance Allocated to Projects	24	25	1
Program Management	2,532	2,360	(172)
Legal	1,089	1,285	196
Design	9,565	9,264	(301)
ROW Acquisition	18,392	25,548	7,156
Utility Relocation	420	1,362	942
Construction Mgt	1,126	893	(233)
Railroad	814	528	(286)
Construction	7,610	11,233	3,623
UPRR Invoice Review	1	-	(1)
Third Party Review	186	168	(18)
Utilities (Site)	3	7	4
Advertising	24	30	6
Total Direct	<u>43,036</u>	<u>54,014</u>	<u>10,978</u>
Total Expenditures	<u>\$ 46,677</u>	<u>\$ 57,724</u>	<u>\$ 11,048</u>

Exhibit II
FY 2014 Approved Budget with Type of Expenditure
(\$ in thousands)

Expenditures	FY 2014 Approved
Indirect	
Personnel	
Salaries and Wages	\$ 1,862
Fringe Benefits	580
Board/ Employee Expense	
Auto/Travel	31
Training/Memberships	25
Board Expense	21
Professional Services	
Auditing/Accounting	40
Legal-Agency Support	70
Program Management	91
State/Federal Advisory Services	261
Risk Management	65
Insurance	106
Equipment Expense	123
Office Expense	223
Office Operations	48
Other	7
Total Indirect	3,553
Direct	
Salaries and Wages	1,005
Fringe Benefits	403
Auto Allowance Allocated to Projects	28
Program Management	4,490
Legal	239
Design	7,594
ROW Acquisition	33,429
Utility Relocation	13,405
Construction Mgt	5,514
Railroad	2,410
Construction	62,955
UPRR Invoice Review	27
Third Party Review	407
Utilities (Site)	6
Advertising	24
Total Direct	131,936
Total Expenditures	\$ 135,489

Exhibit II A
FY 2014 Direct Cost Budgets by Project
(\$ in thousands)

Expenditures	FY 2014			Puente	Fairway	Nogales			
	Proposed	Baldwin	SG Trench	Avenue	Drive	Hamilton	Fullerton	Durfee	(LA)
Direct									
Salaries and Wages	\$ 1,005	\$ 101	\$ 200	\$ 130	\$ 129	\$ 109	\$ 104	\$ 104	\$ 129
Fringe Benefits	403	41	80	52	52	44	42	42	52
Auto Allowance Allocated to Projects	28	2	6	4	4	3	3	3	3
Program Management	4,490	237	357	614	670	524	747	910	431
Legal	239	-	5	17	155	4	5	4	49
Design	7,594	255	300	450	656	2,620	2,058	1,105	150
ROW Acquisition	33,429	1,000	6,499	7,300	14,000	1,000	3,000	-	630
Utility Relocation	13,405	105	-	1,500	4,000	-	100	-	7,700
Construction Mgt	5,514	1,400	2,644	120	150	-	-	-	1,200
Railroad	2,410	400	500	270	20	100	50	70	1,000
Construction	62,955	11,105	36,350	500	-	-	-	-	15,000
UPRR Invoice Review	27	5	10	5	-	5	-	2	-
Third Party Review	407	60	25	100	18	34	20	54	96
Utilities (Site)	6	-	-	-	-	-	-	-	6
Advertising	24	-	-	10	10	2	-	2	-
Total Direct	\$ 131,936	\$ 14,711	\$ 46,975	\$ 11,072	\$ 19,864	\$ 4,445	\$ 6,127	\$ 2,295	\$ 26,446

Exhibit III
FY 2014 Approved Budget with Type of Expenditure
(\$ in thousands)

Expenditures	FY 2014 Approved
Revenues	
Federal	\$ 10,498
State	63,782
Local	<u>61,209</u>
Total Revenue	<u>135,489</u>
 Operating Expenditures	
Direct	
Design	8,148
ROW Acquisition	50,826
Construction	65,137
Construction Mgt	<u>7,824</u>
Total Direct	<u>131,936</u>
 Indirect	
Personnel	2,442
Board/Employee Expense	77
Professional Services	527
Insurance	106
Equipment Expense	123
Office Expense	223
Office Operations	48
Other	<u>7</u>
Total Indirect	<u>3,553</u>
Total Operating Expenditures	<u>135,489</u>
 Excess of Revenue over Expenditures before Financing	 -
 Financing Income	
Investment Revenue	130
Interest and Related Expense	<u>272</u>
Net Financing Income/Expense	<u>(141)</u>
Excess of Revenues over Expenditures	(141)
 Fund Balance Beginning of Period	 <u>\$ 7,116</u>
Fund Balance End of Period **	<u><u>\$ 6,975</u></u>

** 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 2013 Estimated Actuals vs. FY 2014 Approved
(\$ in thousands)

Expenditures	FY 2013 Estimate	FY 2014 Approved	Incr/ Decr
Indirect			
Personnel			
Salaries and Wages	\$ 458	\$ 1,862	\$ 1,404
Fringe Benefits	123	580	457
Board/ Employee Expense			
Auto/Travel	19	31	12
Training/Memberships	10	25	15
Board Expense	21	21	-
Professional Services			
Auditing/Accounting	3	40	37
Legal-Agency Support	48	70	22
Program Management	52	91	39
State/Federal Advisory Services	266	261	(5)
Risk Management	65	65	-
Insurance	106	106	-
Equipment Expense	13	123	110
Office Expense	221	223	2
Office Operations	21	48	27
Other	7	7	-
Total Indirect	<u>1,433</u>	<u>3,553</u>	<u>2,120</u>
Direct			
Salaries and Wages	902	1,005	103
Fringe Benefits	348	403	55
Auto Allowance Allocated to Projects	24	28	4
Program Management	2,532	4,490	1,958
Legal	1,089	239	(850)
Design	9,565	7,594	(1,971)
ROW Acquisition	18,392	33,429	15,037
Utility Relocation	420	13,405	12,985
Construction Mgt	1,126	5,514	4,388
Railroad	814	2,410	1,596
Construction	7,610	62,955	55,345
UPRR Invoice Review	1	27	26
Third Party Review	186	407	221
Utilities (Site)	3	6	3
Advertising	24	24	-
Total Direct	<u>43,036</u>	<u>131,936</u>	<u>88,900</u>
Total Expenditures	<u>\$ 44,469</u>	<u>\$ 135,489</u>	<u>\$ 91,020</u>

ACE Construction Authority 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
Total Federal Funds	\$233.346
State	-
1998 State ITIP Discretionary Funds (FY 2000- 2004)	39.000
State Transportation Congestion Relief Program Funds	130.300
Section 190 PUC Funds	10.000
Prop. 1B Trade Corridor Improvement Funds	305.576
Prop. 1B Highway-Rail Crossing Safety Account	25.600
Total State Funds	\$510.476
MTA	-
MTA 17% Local Match Commitment	259.890
MTA Call for Projects Funding (2007)	28.849
MTA Measure R*	400.000
Total MTA Funds	\$688.739
Other	-
City/County Funds	\$34.581
Railroad contribution to active projects	\$31.921
Total	-
Funds Committed	\$1,499.063

Project Cost Estimates

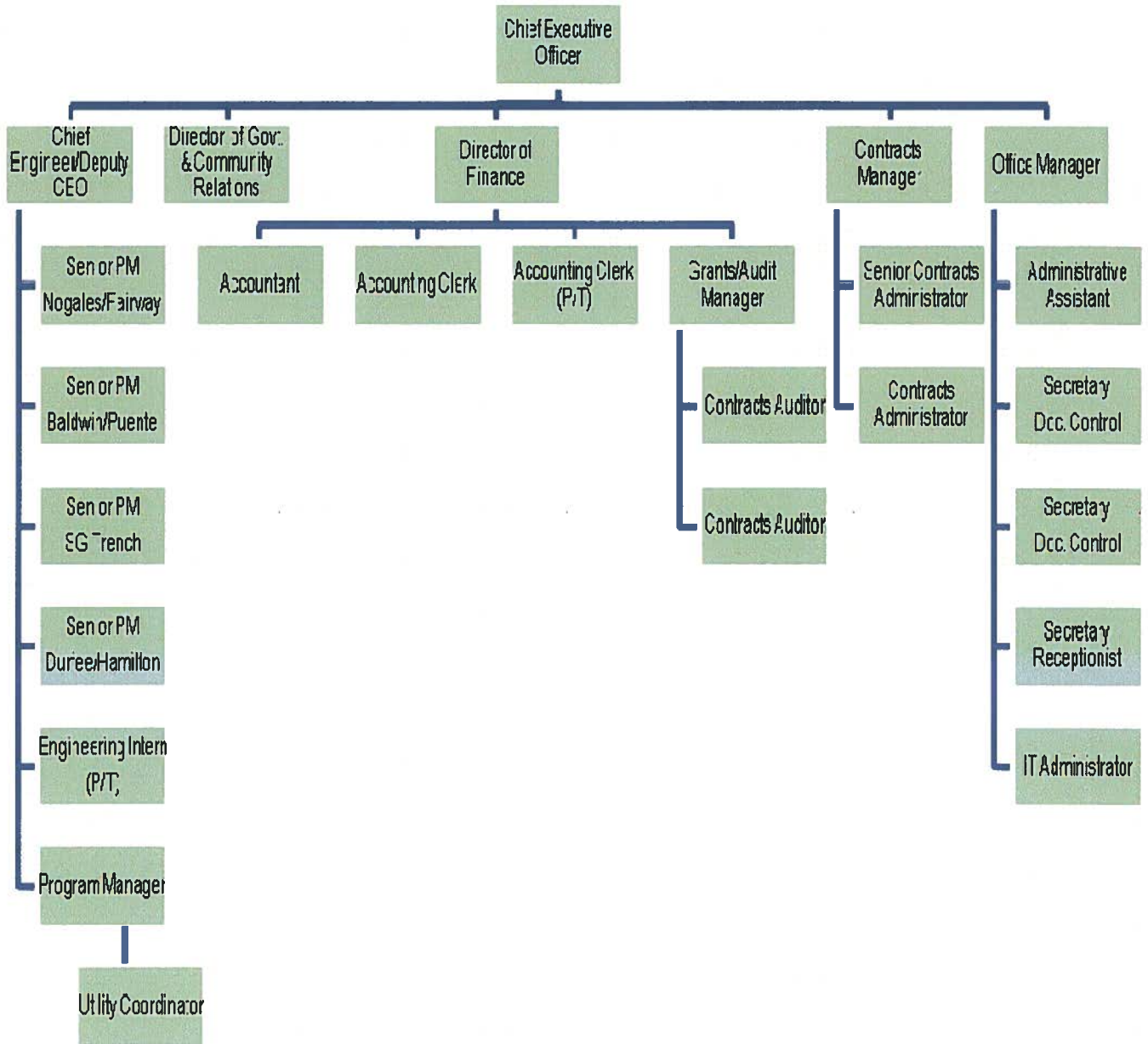
(\$ in millions)

Projects Underway / Completed	Cost
GRADE CROSSING SAFETY IMPROVEMENTS:	
39 Crossings Corridor Safety Upgrade	\$27.8
GRADE SEPARATIONS:	
Nogales St. (Alh) (Industry/West Covina)	\$49.7
East End Ave./Reservoir St. (Pomona)	\$79.0
Ramona Blvd. (El Monte)	\$51.3
Temple Ave. and Temple Ave. 4 th Track (Pomona)	\$92.1
Brea Canyon Rd. (LA) (Industry/Diamond Bar)	\$67.4
Sunset Ave./Orange Ave. (Industry)	\$87.4
Baldwin Ave. (El Monte)	\$76.1
Nogales St. (LA) (Industry/LA County)	\$111.1
San Gabriel Trench (Ramona St., Mission Rd., Del Mar Ave., San Gabriel Blvd.) (San Gabriel)	\$336.5
Fullerton Rd. (LA) (Industry/LA County)	\$143.2
Hamilton Blvd. (Alh/LA) (Pomona)	\$76.3
Fairway Dr. (LA) (Industry/LA County)	\$106.1
Puente Ave. (Alh) (Industry/LA County)	\$84.6
Durfee Ave. (LA) (Pico Rivera)	\$73.6
TOTAL	\$1,462.2

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

*Future projects include 3.6% escalation per year

ACE CONSTRUCTION AUTHORITY FY 2014 ORGANIZATIONAL CHART



TERMS AND DEFINITIONS

Indirect Expenses

Personnel

Salaries and Wages	Salaries for employees and temporary help (charged both as indirect and direct expenses).
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Fringe Benefits	Paid benefits such as health insurance, life insurance and pension.
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Board/Employee Expenses

Auto/Travel	Employee travel for business purposes. Includes registration fees and local mileage reimbursement or auto allowance.
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Training/Memberships	Authority and professional memberships; ongoing professional training.
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Board Related Expenses	Per diem and Board travel.
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Professional Services

Auditing/Accounting	Financial auditing and accounting services.
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Legal - Agency Support	General counsel, construction legal and any other legal services not directly chargeable to specific construction projects.
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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
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TERMS AND DEFINITIONS

	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.
Insurance	Annual insurance premiums
Equipment Expense	Purchase/lease and maintenance of office equipment such as copiers, fax machines and computers.
Office Expense	Rent on ACE office space, including maintenance and miscellaneous expense.
Office Operations	Office supplies, postage, printing/copying and telephones.
Other	General advertising, subscriptions, payroll service fees, etc.

Direct Expenses

Program Management	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.
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TERMS AND DEFINITIONS

Legal	Legal expenses which can be directly charged to specific projects for land acquisition activities.
Design	Preparation of project plans, specifications and estimates and support during construction.
Right of Way Acquisition	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.
