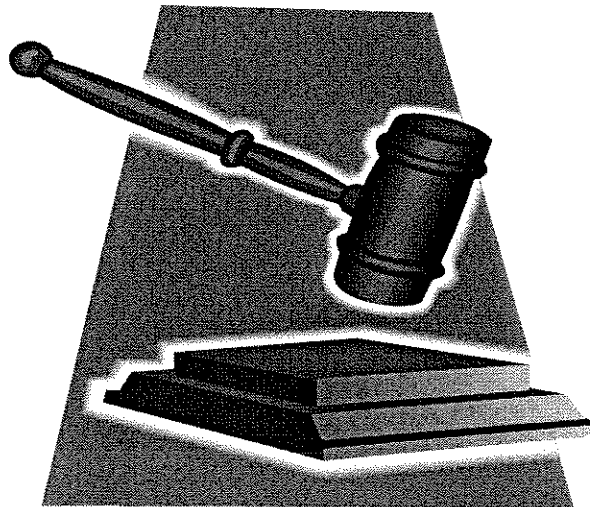


ADMINISTRATIVE
CONSENT ITEMS
AGENDA ITEMS
V A.—D.

COG POLICY BOARD





2035 Tulare Street, Suite 201
Fresno, California 93721

Telephone: (559) 233-4148 • Fax: (559) 233-9645
Website Address: www.fresnocog.org

COUNCIL OF FRESNO COUNTY GOVERNMENTS EXECUTIVE MINUTES

Date: Thursday, January 24, 2008

Time: 7:00 p.m.

Place: Council of Fresno County Governments
2035 Tulare St., Suite 201, Fresno, CA

Members Present: Mayor Trinidad M. Rodriguez, City of Kerman, Chair
Mayor Pro Tem Dennis Lujan, City of Selma
Mayor Bob Whalen, City of Clovis
Mayor Trish Hill, City of Coalinga
Councilmember Rico Aguayo, City of Fowler
Councilmember Cynthia Sterling, City of Fresno
Mayor Ramon Dominguez, City of Huron
Mayor Robert Silva, City of Mendota
Mayor Victor Lopez, City of Orange Cove
Mayor Armando Lopez, City of Parlier
Mayor Amarpreet Dhaliwal, City of San Joaquin
Mayor Mike Montelongo, City of Sanger
Supervisor Henry Perea, County of Fresno

Sharri Ehlert, Caltrans
Kevin Briggs, Legal Counsel
Barbara Goodwin, Executive Director

Quorum: At the start of the meeting there were 13 members present representing 95.34% of the population and there was a quorum. (Clovis, Coalinga, Fowler, Fresno, Kerman, Huron, Mendota, Orange Cove, Parlier, San Joaquin, Sanger, Selma and Fresno County)

Fresno COG Sitting As the Transportation Policy Committee

I. PRESENTATIONS

A. Public Presentations

This portion of the meeting is reserved for persons wishing to address the COG on items within its jurisdiction but not on this agenda. **Note: Prior to action by the COG on any item on this agenda, the public may comment on that item. Unscheduled comments may be limited to 3 minutes.**

B. Introduction of New Board Members

- Supervisor Henry Perea, County of Fresno

Supervisor Henry Perea was welcomed to the COG Board as the County of Fresno's new Chairman to the Board of Supervisors.

C. Presentation of Plaques

- Supervisor Bob Waterston, County of Fresno

Supervisor Bob Waterston was presented with a plaque recognizing his service on the COG Board during the past year.

Member Agencies: The cities of Clovis, Coalinga, Firebaugh, Fowler, Fresno, Huron, Kerman, Kingsburg, Mendota, Orange Cove, Parlier, Reedley, San Joaquin, Sanger, Selma & Fresno County

D. Introduction of Vanessa Wiseman, Field Representative, Governor Schwarzenegger

Steve Samuelian, State Lobbyist introduced Vanessa Wiseman, Field Representative with the Governor's Office. She wanted Board members to know that the Governor's local office is available to answer questions and concerns.

II. TRANSPORTATION CONSENT ITEMS

All items on the consent agenda are considered to be routine and non-controversial by COG staff and will be approved by one motion if no member of the Board or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the consent agenda and will be considered in the listed sequence with an opportunity for any member of the public to address the Board concerning the item before action is taken.

A. FY 2007-08 Transportation Funding Claim – City of Orange Cove, Resolution 2008-01	Yes	Approve
B. Delivery of Projects in FY 2006-07 and Projected Delivery in FY 2008-09	Yes	Information
C. FY 2007-08 Annual Listing of Projects	Yes	Information
D. FY 2007-08 & 2008-09 Highway Safety Improvement Program (HSIP) Call for Projects	No	Information
E. Caltrans Transportation Funding Publication	No	Information
F. Application Submittals for the Caltrans Transportation Planning Grant Programs, Resolution 2008-02	Yes	Approve
G. Tranny Awards – Call for Nominations	Yes	Information
H. 511 Status Report	No	Information
I. Rail Update	No	Information

For a complete summary of these items, please see the January 24, 2008 annotated agenda.

On Item B., Barbara Goodwin, Executive Director congratulated staff and members for successfully securing \$2.3 million in federal distribution money in FY 2006-07.

On Item H. – 511 Status Report, attention was called to a handout and that the item will be brought back in February for further update and approval.

After an expressed opportunity for public comment, a motion was made by Mayor Pro Tem Lujan (Selma) and seconded by Mayor Silva (Mendota) to approve the Consent Items as presented. A vote was called for and the motion carried.

III. TRANSPORTATION ACTION / DISCUSSION ITEMS

A. PUBLIC HEARING: Fresno County Coordinated Human Services Transportation Plan, Resolution 2008-03

Todd Sobrado reported on this item. Consistent with federal legislative guidance, Fresno COG and Fresno Area Express staff has completed the development of the Fresno County Coordinated Human Services Transportation Plan. The draft Fresno County Coordinated Human Services Transportation Plan was released for 45-day public review on Wednesday, November 7, 2007.

The Fresno County Coordinated Human Services Transportation Plan identifies resources currently in use for public transit, surveys needs and expectation of users, and identifies strategies to close gaps in perceived service levels. It will be used in part to prioritize projects eligible for federal funding using money set aside to close the gaps in public transit service levels. The Fresno County Coordinated Human Services Transportation Plan was developed in close cooperation with public transit and human services providers and other stakeholders.

The draft Fresno County Coordinated Human Services Transportation Plan was previously distributed to Fresno COG Committees in November 2007 agenda packets. We have not received any comments on the document.

Chairman Rodriguez (Kerman) opened the hearing for public testimony. There being none, he closed the hearing. A motion was made by Mayor Montelongo (Sanger) and seconded by Mayor Silva (Mendota) to approve the Fresno County Coordinated Human Services Transportation Plan, by adoption of Resolution 2008-03. A vote was called for and the motion carried.

B. 2008 Regional Transportation Improvement Program Submittal, Resolution 2008-04

Tony Boren (COG) reported on this item. Consistent with guidance from the California Transportation Commission, Fresno COG in its role as the Regional Transportation Planning Agency for Fresno County, is responsible for developing a Regional Transportation Improvement Program (RTIP) which identifies a region's proposed use of State Transportation Improvement Program (STIP) funding.

The STIP is developed biennially (every two years and covers a five year programming period with two new years of programming capacity added each cycle. The STIP consists of two broad programs, the regional program funded by 75% of new STIP funding and the interregional program funded from 25% of new STIP funding. This year COG is developing its RTIP for the 2008 STIP cycle covering the fiscal years 2008-09 through 2012-13.

Through a process known as the STIP Fund Estimate, the California Transportation Commission establishes programming targets for every region in California. The 2008 STIP programming target established for the Fresno County region is \$44.77 million

Given that the State Route 180 East – (Temperance to Academy) project is shelf ready for construction, Fresno COG, Fresno County Transportation Authority and Caltrans staff are in agreement that this project would be the next logical project to utilize available STIP funding and therefore recommend that \$32.8 million of the \$44.77 million available to the Fresno County region in the 2008 STIP be used to construct State Route 180 East (Temperance Avenue to Academy Avenue). This project represents the next easterly segment of the long planned State Route 180 corridor. The \$32.8 million will be combined with \$31.0 million of "old" Measure "C" funding that has been carried over by Fresno County Transportation Authority to fully fund the remaining \$63.8 million cost of the project. This project is six miles in length and consists of a four-lane expressway on six lane right-of-way. The funding will be requested in FY 2008/09 although there is no certainty that the funding will be made available to us in the year we request.

A second component of the 2008 RTIP Submittal is the request for \$6.94 million to fund the SR 180 East (Clovis-Temperance) freeway landscaping project. Our Measure "C" program has historically programmed landscaping projects separately from construction, therefore funding the landscaping portion of the SR 180 (Clovis-Temperance) project (programmed for roadway construction in FY07/08) is consistent with previous practice.

In addition to providing funding for construction of capital projects, the STIP also provides regions funding for Transportation Enhancement projects and Planning, Programming & Monitoring activities. Those amounts are identified below:

Fresno COG Proposed 2008 RTIP Submittal

Project	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
SR 180-Temperance to Academy-(Construction)	\$32.8 mil. (Const.)				
SR 180-Clovis to Temperance-(Landscaping)				\$6.94 mil.(Landscaping	
Transportation Enhancements Reserve				\$2,717,000	
Planning, Programming & Monitoring		\$100,000	\$100,000	\$316,000	\$316,000

The effort to extend State Route 180 from the national parks to west of Fresno is part of a larger effort to create and maintain necessary economic transportation linkages for the San Joaquin Valley. This will have a positive and vital benefit for Fresno County cities and communities that

depend on a well-linked transportation system. Completion of the State Route 180 corridor project provides segments of a long sought after and much needed east-west route that provides connectivity to the only Interstate facility in Fresno County, I-5. Direct benefits of the projects include providing a direct connection to Kings Canyon and Sequoia National Parks and other recreational opportunities in eastern Fresno County, enhancing the movement of farm-to-market shipping opportunities for the region, improving safety conditions and traffic flows across the San Joaquin Valley and providing connections to our major interregional roads, specifically Interstate 5, State Route 99, and State Route 41. In addition, the SR 180 projects will enhance connectivity for the cities of Sanger, Reedley, Clovis and Fresno, and small communities across the Westside to Interstate 5.

After an expressed opportunity for public comment, a motion was made by Mayor Pro Tem Lujan (Selma) and seconded by Mayor Montelongo (Sanger) to approve the proposed 2008 RTIP submittal by adoption of Resolution 2008-04. A vote was called for and the motion carried.

C. Greenhouse Gas Update

Jason Paukovits (COG) reported on this item. On November 29, 2007, Fresno COG staff held a workshop to discuss proposals from the Attorney General to reduce greenhouse gases. The workshop was attended by Fresno COG member agencies, other San Joaquin Valley Metropolitan Planning Organizations, Caltrans, environmental groups, and the building industry. Staff provided a summary of the meeting and discussed proposed measures for adoption by the Fresno COG Policy Board.

This was an information/discussion item and required no further action from the Board.

D. Request from Mendota for Measure "C" Funding – 1987-2007 Program

Les Beshears reported on this item. In September 2006 the Fresno COG Policy Board entered into an agreement with the Fresno County Transportation Authority to encumber \$26,123,000 in Federal Demonstration funds on SR 180 West Phase II from Brawley to Hughes/West. As part of that agreement the Authority agreed to provide up to \$21 million in funding from the pre-existing Measure "C" program to construct a future segment of State Route 180 West that would provide direct connectivity to Interstate 5. The specific alignment for this project is being developed by Caltrans through a Route Adoption study which is currently underway. The remaining funding was identified to be used to fund transportation improvements in the communities of Mendota and Firebaugh. Specifically, \$1 - \$4 million was identified for Mendota Improvements (SR 180 Bass Ave and 2nd Street Pedestrian Overcrossing), and not to exceed \$2 million for Firebaugh Improvements to SR 33. The remaining \$15.5 million is to be used on constructing the State Route 180 connection to I-5. The overall funding strategy and the projects have been agreed to in concept by the State Route 180 subcommittee as well as TTC, PAC and the Policy Board.

The projects have been amended into the 1987-2007 Measure "C" Expenditure Plan that was recently adopted by the Board and the Authority. Mendota is now requesting the Policy Board to authorize them to enter into a cooperative agreement with the Transportation Authority to implement their project. Due to the fact that the cost estimates for the original project envisioned by Mendota exceeded the available funding, Mendota proposed and the subcommittees supported utilizing the funds for the installation of signalization at two separate locations: SR 33 / Bass Ave. and SR 33/Belmont Ave. The scope of work will consist of: reconstruction and widening of the north leg of the intersection in order to provide for left turn deceleration and storage, widening of the south leg of the intersection to provide for future left turn deceleration and storage, earthwork, installation of a traffic control signal, interconnection with the railroad crossing signal to provide for pre-emption and engineering services.

After an expressed opportunity for public comment, a motion was made by Mayor Lopez (Orange Cove) and seconded by Mayor Pro Tem Lujan (Selma) to authorize Mendota to enter into a cooperative agreement with the Transportation Authority for up to \$4 million for improvements to SR 33/Bass Ave. intersection and SR 33/Belmont Ave. intersection. A vote was called for and the motion carried.

E. Measure "C" Extension Update

Development of Strategic Implementation Plan

Tony Boren reported on this item. Over the last several months COG staff in conjunction with a variety of Measure "C" Steering Subcommittees have been meeting in an effort to develop implementation policies and guidelines for the various programs identified in the Measure 'C' Expenditure Plan. That effort has now been completed for a majority of the Measure "C" programs (listed below) and the time has come to release the draft Guidelines/Policies for these programs for a 45 day public review and comment period prior to formal Policy Board adoption at their February 28, 2008 meeting. The complete package of draft Guidelines/Policies were included as attachments.

Regional Public Transit Program

- Phase II -- Public Transportation Infrastructure Study Subprogram
- ADA/Seniors/Paratransit Subprogram
- Farmworker/Car Vanpools Subprogram
- New Technology Reserve Subprogram

Alternative Transportation Program

- Rail Consolidation Subprogram

Environmental Enhancement Program

- Transit Oriented Infrastructure for In-Fill Subprogram

Once the Guidelines/Policies for each of these programs are adopted in February 2008 that will leave only the Regional Transportation Program, School Bus Replacement Program and the Transit Oriented Development Guidelines/Policies remaining to be completed. Development of the Regional Transportation Program component is well underway with a target date of late spring, 2008 for adoption. FCTA staff is in the process of developing the School Bus Replacement Program with input from the California Highway Patrol, with finalization of the guidelines/policies tentatively scheduled for February or March 2008. Development of the Transit Oriented Infrastructure guidelines is dependent upon completion of the Public Transportation Infrastructure Study which is anticipated to take eighteen months to two years to complete.

After an expressed opportunity for public comment, a motion was made by Mayor Pro Tem Lujan (Selma) and seconded by Mayor Hill (Coalinga) to concur with the initiation of the 45 day public review and comment period on Measure "C" Programs. A vote was called for and the motion carried.

F. Measure C Extension Local Agency Fund Expenditure Reports

Brenda Lauchner (COG) reported on this item. The 2006 Measure C Extension Expenditure Plan states that: "The cities and the County of Fresno each provide to the Citizen Oversight Committee, on an annual basis for a specific time period prescribed, and in a timely fashion at least two weeks prior to the meeting of the Citizen Oversight Committee, a specific report on the local jurisdiction's planned budget for Measure C fund expenditures and financial report on the use of those funds. The precise format of the report may be based on similar report formats for other jurisdictional monitoring, but must be separate from the comprehensive agency budgets and

general and enterprise fund financial reports of the cities and the County of Fresno, and will be prescribed by the Citizen Oversight Committee.”

With this policy guidance in mind, a subcommittee of the Citizen Oversight Committee met with Fresno COG and FCTA staff to develop a reporting form as per the Measure C requirement. The form was emailed to PAC members in December. At the January TTC meeting COG staff received a request from County staff to include an explanation of the reason for the reporting form and the difference between it and other FCTA Claim Forms on the January PAC Agenda. A copy of the reporting forms were included in your agenda packet. [LAUCHNER]

This was an information/discussion item and required no further action from the Board.

G. Caltrans Monthly Report

Sharri Ehlert (Caltrans) staff provided an update on Caltrans activities as follows:

- The Governor's appropriations in 2008-09 for transportation totaling \$14 billion as follows:
 - \$4.2 billion for State operations]
 - \$3 billion for local assistance--\$1 billion from Prop. 1B;
 - \$6.6 billion for capital outlay--\$2 billion from Proposition 1B
- Highway Railroad Crossing Safety Guidelines will be adopted in February by the CTC—nominations for projects are due in April
- ITIP – State's share of the funds
 - \$166 million annually in ITIP – \$3.7 billion in projects programmed through the ITIP
- SR180 east – Clovis to Temperance contract awarded and scheduled to start in March – Bids came in at \$17 million under engineer's estimate
- SR 41 Auxiliary lane, Friant to Herndon, 60% complete, completion due in June
- SR 43 at Conejo—Traffic Signal Installation—should be completed by the end of February

This was an information/discussion item and required no further action from the Board.

H. Fresno COG Financial Participation in a Short-Haul Intermodal Rail Facilities Study in the San Joaquin Valley

Tom Webster (COG) reported on this item. The San Joaquin Valley COG Directors have agreed to fund an intermodal rail facilities study in support of the San Joaquin Valley Regional Goods Movement Plan. The purpose of the study is to estimate the change in truck vehicle miles of travel that would be expected as a result of operating short haul rail freight service between the Port of Oakland and several intermodal terminals located in the San Joaquin Valley.

Given the air quality challenges facing the San Joaquin Valley and the potential benefits that a short-haul rail network could potentially provide in terms of goods movement and air quality benefits, Cambridge Systematics, currently under contract for development of the San Joaquin Valley Truck Model, will adapt the truck model to accommodate the diversion analysis. Included in your agenda packet was the scope of work for the Short Haul Intermodal Rail Facility Study.

Fresno COG's financial participation is anticipated to range from \$13,800 to \$23,000 depending on the number of Valley COGs that participate. [BITNER]

After an expressed opportunity for public comment, a motion was made by Councilmember Aguayo (Fowler) and seconded by Mayor Lopez (Orange Cove) to approve financial participation in the project in the amount not to exceed \$25,000 and authorization to amend the contract with Cambridge Systematics, adding \$50,000 for the Short Haul Study. A vote was called for and the motion carried.

Fresno COG Sitting As the Council of Fresno County Governments

IV. REAFFIRM ALL ACTIONS TAKEN WHILE SITTING AS THE TRANSPORTATION POLICY COMMITTEE

A motion was made by Mayor Pro Tem Lujan (Selma) and seconded by Mayor Lopez (Orange Cove) to reaffirm all actions taken while sitting as the Transportation Policy Committee. A vote was called for and the motion carried.

V. ADMINISTRATIVE CONSENT ITEMS

All items on the consent agenda are considered to be routine and non-controversial by COG staff and will be approved by one motion if no member of the Board or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the consent agenda and will be considered in the listed sequence with an opportunity for any member of the public to address the Board concerning the item before action is taken.

- | | |
|---|-------------|
| A. Executive Minutes of November 29, 2007 | Approve |
| B. Authorization to Rent a Safe Deposit Box, Resolution 2008-05 | Approve |
| C. FY 2007-08 First Quarter Progress Report | Accept |
| D. Monthly Legislative Update | Information |
| E. Legislative Platform for the San Joaquin Valley Regional Planning Agencies | Accept |

For a summary of these items, please see the January 24, 2008 Annotated Agenda.

After an expressed opportunity for public comment, a motion was made by Mayor Lopez (Orange Cove) and seconded by Supervisor Perea (Fresno County) to approve the administrative consent item as presented. A vote was called for and the motion carried.

VI. ADMINISTRATIVE ACTION/DISCUSSION ITEMS

A. Fresno COG's Draft 2008 Legislative Platform

Jennifer Dansby (COG) summarized the draft document. Over the past few months the Policy Board's Ad-Hoc Legislative Subcommittee have met at the direction of the Policy Board to develop the Council of Fresno County Government's Draft 2008 Legislative Platform which was included in your agenda package. The platform outlines the current legislative priorities of Fresno COG that will provide guidance to staff and our lobbying partners when advocating for improvements in legislation and policy during the coming year. To ensure that the document stays current, Staff, TTC and PAC recommend the Policy Board revisit the Legislative Platform at a minimum, on an annual basis, or as needed.

Supervisor Perea (Fresno County) would like to see a stronger emphasis on water quality and availability as it relates to both the eastside and the westside in Fresno County. Mayor Hill (Coalinga) also would like to see an emphasis related to water banking. These changes will be incorporated into the document. Other changes may also be added as issues arise.

After an expressed opportunity for public comment, a motion was made by Councilmember Aguayo (Fowler) and seconded by Mayor Montelongo (Sanger) to adopt the Council of Fresno County Government's Draft 2008 Legislative Platform. A vote was called for and the motion carried.

B. Status Report on Sacramento Lobbying Activities—Steve Samuelian, California Consulting LLC at the Board on 1-24-08

Steve Samuelian, California Consulting staff provided an update on lobbying activities in Sacramento during the month of January. A copy of that report is available on the COG website. In brief, the summary included the following points:

- Conference call to brief local government officials on elements of the Governor's budget on January 10, 2008
- Briefing conference call on January 10, 2008 regarding the Transportation/Housing elements of the Governor's budget.
- Work with the Valley state legislative delegation regarding the water storage issue
- Conference call in December regarding Senator Lowenthal's SB 974 (container fee bill); more conference calls and stakeholder meetings are planned as the bill details evolve.
- Continued work with Assemblywoman Parra regarding AB 27 to extend the Partnership for the San Joaquin Valley.

This was an information item and required no further action from the Board.

C. Farmland Conservation Model Program Update

On Tuesday December 11, 2007, Fresno COG and key stakeholders held the Model Farmland Conservation Program (MFCP) Advisory Committee kick-off meeting at the Fresno COG offices. Nineteen individuals that know firsthand the agricultural issues impacting Fresno County were selected from the public and private sector. This group will meet every six to eight weeks and provide the MFCP Steering Committee with input on information created as part of the project development process. It is also hoped that that members of this group will serve to spread the word about the MFCP to the public when the Steering Committee starts the public outreach phase of this project. The December meeting lasted for two and a half hours and the MFCP Steering Committee received a lot of very good feedback from members. The next meeting for the advisory committee is being planned for the end of January.

The Farmland Conservation Model Program Steering Committee had previously been looking for a person to represent metropolitan interests on the Advisory Committee. Requests for the names of candidates to fill this role had previously been made to the Fresno COG Policy Board. Keith Bergthold of the City Of Fresno has been kind enough to fill the role of representing metropolitan interests on the Farmland Conservation Model Program Advisory Committee.

The next major milestone for the Model Farmland Conservation Program was on January 16 and 17, 2008 in Fresno and Parlier. On these dates the Steering Committee held public outreach meetings to the community to inform, as well as solicit feedback on work completed to date.

This was an information item and required no further action from the Board.

D. San Joaquin Valley Blueprint – Great Valley Center Contract Element

Barbara Steck (COG) reported on this item. The San Joaquin Valley Blueprint Program, in its second year, is being prepared cooperatively through agreements among the eight valley Councils of Governments and an agreement with the Great Valley Center (GVC). The Program is being funded from grants from Caltrans and the San Joaquin Valley Air Pollution Control District with matching funds from each of the COGs. The Merced County Association of Governments administers these agreements.

At the November 2, 2007 meeting of the San Joaquin Valley Policy Council, the Council approved a budget and work program proposal from the Great Valley Center in the amount of \$325,000 that equates to the \$250,000 from the Blueprint Grant from Caltrans plus \$75,000 from the SJVAPCD. The first \$125,000 has already been deducted from each of the COG's budgets. The second \$125,000 is to be apportioned on a per capita basis among the eight valley COGS. Fresno COG's share is \$29,423. The Great Valley Center plays an important role in the Blueprint Program and is recognized in the State and the San Joaquin Valley for its leadership.

Staff concurs with the action of the Policy Council and recommends that Fresno COG allocate funding for the GVC proposal consistent with the action of the San Joaquin Valley Policy Council.

After an expressed opportunity for public comment, a motion was made by Councilmember Aguayo (Fowler) and seconded by Mayor Montelongo (Sanger) to approve allocation of \$29,423 from the Blueprint Program Element of the Fresno COG Work Program and Budget to the Great Valley Center. A vote was called for and the motion carried.

E. San Joaquin Valley Blueprint – Monthly Update & Contract Award

Barbara Steck (COG) reported that during the past two months we have been providing updates on the Blueprint planning process to all our member agencies at their city council and board meetings. On many occasions staff has been accompanied by Blueprint Regional Advisory Committee (BRAC) and Fowler City Councilmember, Rico Aguayo. Kirk Hunter, Chairman of the Blueprint Roundtable has also participated. Our presentation provided segue to City of Fresno Assistant Development Director Keith Bergthold's presentation of the Metro Rural Loop (which is one of several alternative growth scenarios that will be analyzed for the Blueprint). Our visits were intended to inform and engage our members and the community in this unique planning process because the choices we make today will have an enormous impact on our children and our grandchildren.

In the upcoming months we will be refining and testing the six alternative growth scenarios that are included in your packet in order to understand their impacts on traffic congestion and air quality. These preliminary scenarios were developed by the Blueprint technical committee and accepted by the Blueprint Roundtable. We hope to take this information to the public for their feedback in April. As we move forward in our analysis of options, we need an involved citizenry and electorate. Please join us at the monthly Blueprint Roundtable meetings on the 4th Wednesday from 9:30 – 11:30 AM in the Sequoia Conference Room at COG. Our website www.fresnocog.org has information on all aspects of the Blueprint. Or contact Barbara Steck at 559-233-4148 or by email at bjsteck@fresnocog.org.

As we move into Phase III alternatives analysis of the Blueprint planning activities, we recognize the need to ramp up our public outreach activities. To that end, we have circulated a Request for Bids to local advertising and marketing firms. The tasks include:

1. Blueprint "branding"
The selected firm will work with staff to develop a recognizable symbol for use on Blueprint outreach products. The current Blueprint logo is included on the cover letter of this proposal. However, the selected firm will work with staff to identify appropriate uses of the logo, and develop an enhanced message.
2. Printed Materials
The selected firm will work with staff to develop the text and graphics needed for brochures, electronic mailers, website content and other purposes as indicated.
3. PowerPoint Presentation

Community leaders, elected officials and COG staff members will need materials to conduct a speaker's bureau for presentations to elected bodies, businesses and community organizations regarding the Blueprint Scenarios. Working with COG staff, the selected firm will develop a compelling and succinct power point presentation to explain the scenarios and their possible effects on our quality of life.

4. Develop Media Materials

The selected firm will develop media materials for all purchased and leveraged media.

5. Develop Advertising Budget

The selected firm will develop a recommended strategy for multi-media advertising and outreach that includes strategies for leveraging our limited resources. Proposed budget will not exceed \$100,000 for all completed tasks associated with this request for bid and purchased printing and media advertising.

This request for bids was on a very short turn around, with bids due on January 15th. A committee of six judges reviewed the proposals and interviewed four prospective bidders on Thursday, January 24th. The judges unanimously recommended Jeffery Scott Advertising (JSA) to be hired. They also suggested that JSA consider entering into a subcontracting agreement with The Rios Company for strategies covering outreach to rural and multicultural communities. JSA is willing to follow up on this request.

After an expressed opportunity for public comment, a motion was made by Mayor Silva (Mendota) and seconded by Mayor Lopez (Parlier) to authorize the Executive Director to enter into a contract with Jeffery Scott Advertising the preferred advertising or marketing firm to conduct tasks identified in the Request for Bids dated December 21, 2007. The advertising budget, which includes all tasks, printing and purchased media advertising associated with this activity, is not to exceed \$100,000. A vote was called for and the motion carried.

F. 2008 Washington, D.C. "One Voice" Update

Barbara Steck (COG) reported on this item. At its meeting in November, the COG Policy Board approved the list of regional projects submitted by the One Voice project selection committee. In addition, the Board advanced another project from the initial list so that the Fresno County Gang Prevention Initiative is now included in the priorities. The list which was included in the agenda package includes nine projects asking for earmarks from various appropriations bills totaling \$17,150,000. The list also contains three policy priorities that do not include monetary requests. The Board noted that the number one regional transportation project was State Route 180 East – Temperance to Academy and the number one social services project was Fresno County Gang Prevention Initiative.

Thus far we have 36 One Voice delegates from a broad cross section of the community registered for the February 2008 trip. We will hold a briefing session on two separate occasions in late January in order to distribute trip materials and provide project briefings to the delegates.

To date, our One Voice efforts have secured over \$13 million in earmarks for Fresno County projects. But the fruits of One Voice are greater than just funding. The relationships we have and will continue to develop back in Washington and among our One Voice delegation are an invaluable benefit of this undertaking.

This was an information/discussion item and required no further action from the Board.

G. 2008 Sacramento "One Voice" and Valley "One Voice" Efforts

Jennifer Dansby (COG) reported that it is time to kick-off the 2008 Sacramento "One Voice" advocacy effort. This will be the third consecutive year that the Fresno COG will lead a delegation of elected officials, city managers, agency staff, and community leaders to Sacramento to advocate for State support for regional priorities.

The 2008 Sacramento "One Voice" will provide another opportunity for our local delegation and our State Assembly and Senate members as well as key staff from State agencies to meet and discuss a number of regional priorities (selected in advance) that will require State support to come to fruition. The **five priorities for the past 2007 Sacramento "One Voice"** were:

1. Support for the San Joaquin Valley's regional share of Proposition 1B (Transportation Bond of 2006) funding.
2. Support for the Reliable Water Supply Bond Act –SB 59 (this is now a 2-year bill).
3. Support for increased state funding of High Speed Rail.
4. Valley Blueprint Project Update.
5. Support for AB 27 (Parra), which calls for the continued existence of the California Partnership for the San Joaquin Valley (this is now a 2-year bill).

The dates for the Sacramento trip are Monday, March 10th and Tuesday, March 11th, which is approximately three weeks after the Federal "One Voice" contingency returns to Fresno.

Staff held a meeting of the Policy Board's Ad Hoc Sacramento "One Voice" Subcommittee to discuss the upcoming trip at 6:00 pm on January 24th, prior to the Policy Board meeting. An agenda has been emailed to the PAC and Policy Board members and included in the meeting packages. Besides the agenda, there was a preliminary list of Sacramento advocacy issues, recommended by our state lobbyist, Steve Samuelian, and based on issues we have outlined in our Draft Fresno COG Legislative Platform (to be presented to the TTC, PAC and Board this month for adoption). This list is to be used as a base for discussion at the Sacramento "One Voice" subcommittee meeting mentioned above. We have asked the PAC to rank them by priority and to provide comments and/or suggestions for additional issues that are in need of advocacy at the state level.

In recent developments, a Valley "One Voice" effort is underway and scheduled for Wednesday, March 12th in Sacramento to introduce the San Joaquin Valley Regional Policy Council to our Valley legislative representatives in Sacramento. Supervisor Judy Case and Councilmember Rico Aguayo represent Fresno County on the Regional Policy Council, Councilmember Henry T. Perea is an alternate.

If you would like more information about the 2008 Fresno COG Sacramento "One Voice" or Valley "One Voice" efforts please contact Jennifer Dansby by phone: (559) 233-4148 or email: jenniferd@fresnocog.org.

After an expressed opportunity for public comment, a motion was made by Mayor Lopez (Orange Cove) and seconded by Councilmember Aguayo (Fowler) to approve the recommended list of Sacramento "One Voice" advocacy issues. A vote was called for and the motion carried.

H. Fiber Optic Connection to City of Fresno Traffic Operation Center

Tom Webster (COG) reported on this item. In 2005, Fresno COG assisted the City of Fresno in funding and launching its Traffic Operation Center (TOC) Project. As part of the original agreement between Fresno COG and the City of Fresno, it was decided that Fresno COG would serve as an alternate-location facility to provide system backup and redundancy in case of technical difficulties.

As part of ongoing project development, the City of Fresno has finalized a bid with a telecommunications contractor to bring the required Fiber Optic Cable (FOC) from the City of Fresno into the Fresno COG IT server room. Fresno COG's share of the cost is \$25,000 of which 100% of the funding has already been approved by the COG Board and has been set aside specifically for this project. Scott Mozier and Brian Jones (Fresno City Traffic Engineering staff) have offered to make a presentation to the Board regarding this project.

This was an information/discussion item and required no further action from the Board.

I. Appointment to the San Joaquin Valley Housing Trust Board of Directors

Clark Thompson (COG) reported on this item. The formation of a San Joaquin Valley Housing Trust is proposed by the California Partnership for the San Joaquin Valley's Strategic Action Proposal. The Housing Trust is envisioned to be the Partnership's and the Regional Blueprint's principle arm for promoting housing in the Valley that is both affordable to the Valley's workforce and is developed in such a way as to meet the land use goals of the Partnership and Blueprint. In November, information was provided to the PAC and Board on the formation of a San Joaquin Valley Housing Trust, including the composition of the Housing Trust Board of Directors. The Partnership Board anticipates the roster of the Housing Trust Board of Directors and the Housing Trust bylaws will be presented to the Partnership Board at its February meeting.

The Housing Trust Board of Directors, in addition to representatives from several Partnership Working Groups includes nonprofit developers of affordable housing, housing advocates, and others, includes one representative each from the eight San Joaquin Valley Councils of Government (enclosure). The alternate to each COG representative is recommended to be the Executive Director of the agency or her/his designee. Rollie Smith, Field Office Director of the U.S. Department of Housing and Urban Development and Coordinator of the San Joaquin Valley Interagency Taskforce, was present to give a brief presentation on the Housing Trust and to answer questions. The Board was asked to select a member of the Fresno COG Policy Board to represent Fresno County on the San Joaquin Valley Housing Trust Board of Directors.

Both Cynthia Sterling (Fresno) and Councilmember Aguayo (Fowler) were nominated. Councilmember Aguayo (Fowler) declined and made a motion to appoint Councilmember Sterling (Fresno). The motion was seconded by Mayor Dhaliwal (San Joaquin). A vote was called for and the motion carried.

An additional motion was made by Mayor Whalen (Clovis) to nominate Nathan Magsig (Clovis) as an alternate. Mayor Dhaliwal (San Joaquin) seconded the nomination. A vote was called for and the motion passed.

J. Technical Revisions to Table 19 of the 2007 Regional Housing Needs Allocation Plan

Clark Thompson (COG) reported on this item. The Fresno COG approved the 2007 Fresno County Regional Housing Needs Allocation (RHNA) Plan on November 29, 2007. Government Code Section 65584.01 states that within 60 days of adoption by the council of governments, the State Department of Housing and Community Development (HCD) shall determine whether or not the final allocation plan is consistent with the existing and projected housing need for the region. The department may revise the determination of the council of governments if necessary to obtain this consistency.

HCD has reviewed the 2007 Fresno County RHNA and notes that the housing need figure determined for Fresno County of 52,142 units has been fully allocated to the jurisdictions within the County. HCD further notes, however, that the total County allocations by income group are not consistent with the figures provided by HCD, as they must be pursuant to statute. Total County

allocations by staff are somewhat lower than HCD allocations within the very-low and low income categories and somewhat higher within the moderate and above-moderate income categories. Consequently, staff must make minor adjustments to the income group calculations for each jurisdiction, which can additionally affect very slightly the total allocation for each jurisdiction (from 5 additional units to 14 fewer units). The enclosure for this item indicates the minor adjustments that must be made to Table 19 of the 2007 RHNA.

Although, as noted above, HCD has the authority to revise the final allocations, staff would rather be up-front and honest with our member agencies and avoid any future confusion. At this point it is not clear to staff how the total County allocations by income category in the final RHNA Plan came to vary from the HCD allocations, except that during the negotiation of revisions staff was focused on maintaining the total allocation figure of 52,142 units and lost sight of the shifts occurring in the income group allocations.

After an expressed opportunity for public comment, a motion was made by Mayor Montelongo (Sanger) and seconded by Mayor Lopez (Orange Cove) to approve the technical revisions to Table 19 of the 2007 RHNA. A vote was called for and the motion carried.

Fresno COG Sitting As the Abandoned Vehicle Abatement Authority

VII. ABANDONED VEHICLE ABATEMENT –FY 2007-08 FIRST QUARTER REPORT

Clark Thompson (COG) reported on this item. As stated in the 2003 Fresno County Abandoned Vehicle Abatement Service Authority Plan, the Fresno COG, as administrator of the AVA Program, shall submit a quarterly status report to the Fresno County Abandoned Vehicle Abatement Service Authority. The Service Authority has directed the quarterly status report first be presented to the Policy Advisory Committee for review and recommendation. Status reports are submitted quarterly to ensure proper distribution of funding to the member agencies. This status report contains the following information:

- The gross amount of money received by the Authority from the Abandoned Vehicle Trust Fund during the quarter.
- An itemized statement of the Abandoned Vehicle Trust Fund monies expended by the Authority during the quarter.
- An accounting of money expended for major purchases, if any.
- An accounting of unexpended revenues from the Abandoned Vehicle Trust Fund.
- An accounting of the total number of vehicles and parts thereof abated by the Authority during the quarter.

The enclosures for this item indicate level of activity and the distribution of funding to the member agencies. For the first quarter of FY 2007-08, a total of \$188,115.94 in current AVA revenues was available for distribution to member agencies and to the Fresno COG for program administration. During the quarter, member agencies expended \$205,868.35 conducting AVA activities and the Fresno COG claimed \$2,375.00 for program administration. A total of 1,332 vehicles were abated this quarter, compared to 1,019 vehicles abated during the same quarter of the previous fiscal year, a substantial increase in vehicle abatements.

After an expressed opportunity for public comment, a motion was made by Mayor Lopez (Orange Cove) and seconded by Mayor Hill (Coalinga) to accept the report as presented. A vote was called for and the motion carried.

Fresno COG Sitting As the Council of Fresno County Governments

VIII. OTHER BUSINESS

A. Items from Staff

1. San Joaquin Valley Regional Transportation Planning Agencies Fall/Winter Conference, 1-31-08 thru 2-1-08 in Stockton

Barbara Goodwin (COG) reported on this conference and invited any members who would like to come. The Regional Policy Council will meet on that Friday.

2. Elevators in Office Building

Barbara Goodwin (COG) reported there was a State inspection issue regarding the elevators which should be rectified in the following week.

B. Items from Members

1. Proclamation (Resolution) for Los Angeles Mayor Antonio R. Villaraigosa

Mayor Lopez (Orange Cove) requested that the COG honor Mayor Villaraigosa for his service to Los Angeles residents, the State of California and Latinos who desire a comprehensive solution to California's water crisis. He wished to present the resolution to the Mayor at an up-coming summit which would be held in Los Angeles during February. In order to put the item on the agenda there needed to be a 2/3 majority vote to declare the item an urgency item and add it to the agenda. A motion was made by Mayor Lopez (Parlier) and seconded by Mayor Dhaliwal (San Joaquin) to declare the item an urgency item and add it to the agenda and also approve sending a Resolution to Mayor Villaraigosa. A vote was called for and the motion carried.

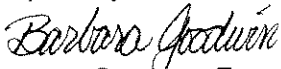
2. Mayor Dhaliwal reminded staff that his appointment to the San Joaquin Unified Air Pollution Control District Citizens Advisory Committee would be expiring in February. Barbara Goodwin (COG) explained she would refer this to the Mayor Selection Committee. [Note: Staff checked with the Fresno County Clerk to the Board and this appointment does not expire until January 31, 2010].

3. Mayor Lopez (Parlier) informed the Board that congratulations are in order to Mayor Lopez (Orange Cove) who has been reappointed as Chairman of the Local Agency Formation Commission (LAFCO)

Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,



BARBARA GOODWIN, Executive Director
Council of Fresno County Governments

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Attachment A
Observers and Non-Members
COG Board Meeting
January 24, 2008

Vanessa Wiseman, Office of the Governor
Dennis Manning, FARRC
Russ Clemings, Fresno Bee
Jeffrey Webster, FCRTA
Steve Samuelian, California Consulting LLC
Tony Boren, COG
Les Beshears, COG
Barbara Steck, COG
Jason Paukovits, COG
Jennifer Dansby, COG
Tom Webster, COG
Renee DeVere, COG
Dottie Wright, COG
Brenda Lauchner, COG
Marla Day, COG
Clark Thompson, COG
Todd Sobrado, COG
Jeff Long, COG/FAX



Monthly Legislation Summary January 2008

Bill# Author	Topic	Dead/2 YR	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoced	Chaptered	Page #
AB 27 Parra	California Partnership for the San Joaquin Valley.	1st Fiscal													1
AB 842 Jones	Regional plans: traffic reduction.	2nd Policy													1
AB 901 Nunez	Transportation: Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006.	2nd Fiscal													1
AB 1129 Arambula	San Joaquin Valley Regional Affordable Housing Trust.	2nd Policy													2
AB 1209 Karnette	State Air Resources Board: emission reduction projects and measures.	2nd Fiscal													2
AB 1350 Nunez	Transportation bond funds.	2nd Fiscal													3
SB 286 Lowenthal	Transportation enhancement funds: conservation corps.	2nd Fiscal													4
SBX2 1 Perata	Water quality, flood control, water storage, and wildlife preservation.	1st Desk													4
Total Position Forms: 8															



Monthly Legislation Summary January 2008

Bill# Author	Topic - Summary	Status/Hearing	Fresno COG Position	Other Position
<u>AB 27</u> Parra	California Partnership for the San Joaquin Valley. Existing law authorizes 2 or more public agencies, including any federal department or state or local agency, to enter into an agreement for the purpose of exercising any power common to the contracting parties for specified purposes, including acquiring or constructing specified public facilities and improvements. This bill would, from January 1, 2009, to January 1, 2020, create the California Partnership for the San Joaquin Valley, with its executive board composed of the heads of specified state agencies and departments, local government members and private sector members, subject to specified criteria, to coordinate and improve existing local, state, and federal efforts for the valley to increase the living standards and the overall economic performance of the valley. This bill contains other related provisions.	01/25/2008-In committee: Set, first hearing. Referred to APPR. suspense file. In committee: Set, first hearing. Held under submission.	Support	PARTNERSHIP-support MERCED COG-support
<u>AB 842</u> Jones	Regional plans: traffic reduction. Existing law authorizes the California Transportation Commission to establish guidelines for the preparation of regional transportation plans. This bill would require the commission to update its guidelines for the preparation of regional transportation plans, including a requirement that each regional transportation plan provide for a 10% reduction in the growth increment of vehicle miles traveled. This bill contains other related provisions and other existing laws.	01/28/2008-In Senate. Read first time. To Com. on RLS. for assignment.	Watch	
<u>AB 901</u> Nunez	Transportation: Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Existing law, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B), authorizes \$19.925 billion of state general obligation bonds for specified purposes. The act requires that, among other things, \$3.6 billion of the proceeds from those bonds be deposited in the Public Transportation Modernization, Improvement, and	01/18/2008-In committee: Hearing postponed by committee. (Refers to 8/20/2007 hearing)	Watch	

Bill# Author	Topic - Summary	Status/Hearing	Fresno COG Position	Other Position
	Service Enhancement Account for allocation to public transit operators and transportation planning agencies by formula. This bill would require the Department of Transportation to provide the Department of Finance and the Assembly and Senate budget committees by September 30 of each year with information describing the total amount of verified project funding needed in the budget year and the amount required by each agency seeking funding. The bill would also require the department, on a quarterly basis, to provide the Controller with instructions regarding funds to be allocated to each sponsoring entity and would require the Controller to allocate those funds accordingly. The bill would define "sponsoring entity" and "eligible project" for purposes of allocating these funds. The bill would require the California Transportation Commission to include information in its annual report to the Legislature regarding its activities relative to these funds. The bill would also impose specified auditing requirements and enact other related provisions.			
AB 1129 Arambula	San Joaquin Valley Regional Affordable Housing Trust. The Planning and Zoning Law requires each city, county, or city and county to prepare and adopt a general plan for its jurisdiction that contains mandatory elements, including a housing element. The housing element is prepared for the purposes of, among other things, fostering cooperation among local governments in order to address regional housing needs. This bill would establish the San Joaquin Valley Regional Affordable Housing Trust as a voluntary organization for the purposes of fostering the regional collaboration of San Joaquin Valley cities, counties, developers, financial institutions, and community-based organizations to meet affordable housing needs in the region.	01/24/2008-In Senate. Read first time. To Com. on RLS. for assignment.	Support	
AB 1209 Karnette	State Air Resources Board: emission reduction projects and measures. Existing law creates the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 to authorize \$19.925 billion of state general obligation bonds for specified purposes. The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 requires \$3,100,000,000 of these funds to be deposited in the California Ports	01/28/2008-In committee: Hearing postponed by committee. (Refers to 8/20/2007 hearing)	Support	CALCOG-support

Bill# Author	Topic - Summary	Status/Hearing	Fresno COG Position	Other Position
	Infrastructure, Security, and Air Quality Improvement Account within the Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006, and requires \$1,000,000,000 of these funds to be made available, upon appropriation by the Legislature, to the State Air Resources Board for emissions reductions, not otherwise required by law or regulation, from activities related to the movement of freight along California's trade corridors. This bill would require the state board to develop guidelines meeting specified requirements for the allocation of the \$1,000,000,000 in funding. The bill would, upon appropriation by the Legislature, require the state board to allocate funds on a competitive basis to projects and measures that are shown to achieve the greatest emission reductions from activities related to freight movement along California's trade corridors. The projects and measures would be required to result in emission reductions not otherwise required by law or regulation in effect at the time the state board issues a notice of funding availability. The bill would specify that the funds only be used to implement strategies described in a required emissions reduction plan included in funding applications. The bill would require the state board to report annually to the appropriate fiscal and policy committees of the Legislature on the status of the projects and measures being funded. The bill would require the administrative costs of the state board to be paid in an appropriation in the annual Budget Act and limit those costs to \$15,000,000 for the duration of program funding.			
AB 1350 Nunez	Transportation bond funds. Existing law, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B in the November 2006 general election, establishes the Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 in the State Treasury. Specified moneys in the fund are required to be deposited in the Transit System Safety, Security, and Disaster Response Account to be made available, upon appropriation by the Legislature, for capital projects that provide increased protection against a security and safety threat, and for capital expenditures to increase the capacity of transit operators to develop disaster response transportation systems. This bill	01/28/2008-In committee: Hearing postponed by committee. (Refers to 8/20/2007 hearing)	Watch	

Bill# Author	Topic - Summary	Status/Hearing	Fresno COG Position	Other Position
	would require these funds to be allocated to transit operators for eligible projects, as defined, based on various formulas, and would require funds to be allocated by the Office of Emergency Services in consultation with the Office of Homeland Security. An eligible applicant would be required to annually advise the Office of Emergency Services of the applicant's need for funding in the following fiscal year, and the office would submit a request to the Department of Finance and to the legislative budget committees in that regard. The bill would enact other related provisions .			
SB 286 Lowenthal	Transportation enhancement funds: conservation corps. Existing federal law, as part of the comprehensive surface transportation program, allocates transportation funds to each state for transportation enhancement projects. This bill, with respect to federal funds made available to the state for transportation enhancement projects, would require transportation planning agencies, county transportation commissions or authorities, and congestion management agencies to adopt criteria that give priority in the selection of these projects to the sponsors of eligible projects that partner with, or commit to employ the services of, a community conservation corps, as defined, or the California Conservation Corps to construct or undertake the project. The bill would authorize these agencies and the Department of Transportation to enter into cooperative agreements, grant agreements, or procurement contracts with community conservation corps pursuant to certain simplified contract requirements. The bill would require the California Transportation Commission, when developing guidelines for the state transportation improvement program and the state highway operations and protection program, to include guidance to encourage the allocation of funds for transportation enhancement projects to community conservation corps and the California Conservation Corps as partners with applicants that commit to employ the services of corps members in the construction of those projects. The bill would make related legislative findings and declarations.	01/18/2008-From committee with author's amendments. Read second time. Amended. Re-referred to Com. on APPR.	Watch	
SBX2 1 Perata	Water quality, flood control, water storage, and wildlife preservation.	01/07/2008-Read third time. Passed. (Ayes 23. Noes 11. Page	Watch	

Bill # Author	Topic - Summary	Status/Hearing	Fresno COG Position	Other Position
	Under existing law, various bond acts have been approved by the voters to provide funds for water projects, facilities, and programs. The Disaster Preparedness and Flood Prevention Bond Act of 2006, a bond act approved by the voters at the November 7, 2006, statewide general election, authorizes the issuance of bonds in the amount of \$4,090,000,000 for the purposes of financing disaster preparedness and flood prevention projects. The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, an initiative bond act approved by the voters at the November 7, 2006, statewide general election, authorizes the issuance of bonds in the amount of \$5,388,000,000 for the purposes of financing a safe drinking water, water quality and supply, flood control, and resource protection program. The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, approved by the voters at the November 5, 2002, statewide general election, authorizes, for the purposes of financing a safe drinking water, water quality, and water reliability program, the issuance of bonds in the amount of \$3,440,000,000. This bill, with regard to those bond funds, would appropriate \$610,890,000 as follows: of the funds made available pursuant to the Disaster Preparedness and Flood Prevention Bond Act of 2006, \$50,000,000 to the Department of Water Resources for essential emergency preparedness supplies and projects, and \$150,000,000 to the department for stormwater flood management project grants; of the funds made available pursuant to the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, \$50,000,000 to the State Department of Public Health for grants and loans for small community drinking water systems infrastructure improvements and related actions, \$50,400,000 to the State Department of Public Health for grants for projects to prevent or reduce the contamination of groundwater that serves as a source of drinking water, \$40,000,000 to the department for administrative costs, planning grants, and local groundwater assistance grants, \$50,000,000 to the department for projects to relocate existing Sacramento-San Joaquin Delta water intake facilities, \$60,000,000 to the department for expenditures to increase the department's ability to respond to	20.) To Assembly.		

Bill# Author	Topic - Summary	Status/Hearing	Fresno COG Position	Other Position
	levee breaches and to reduce the potential for levee failure, \$100,000,000 to the department for the acquisition, preservation, protection, and restoration of Sacramento-San Joaquin Delta islands, \$12,000,000 to the department to complete planning and feasibility studies associated with new surface storage under the California Bay-Delta Program, \$15,000,000 to the department for planning and feasibility studies to identify potential options for the reoperation of the state's flood protection and water supply systems , \$10,000,000 to the department to update the California Water Plan, \$10,000,000 to the department for planning and feasibility studies for projects to reduce ecosystem conflicts in the Sacramento-San Joaquin Delta, and \$10,000,000 to the State Coastal Conservancy for projects on the Santa Ana River; and of the funds made available under the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, \$3,490,000 to the department for planning and feasibility studies associated with surface storage under the California Bay-Delta Program. This bill contains other related provisions and other existing laws.			
Total Position Forms: 8				

Infrastructure Bond Implementation Update

November 2007

Below is an update on the implementation of each of the infrastructure bonds passed in November 2006. As new developments occur with each bond, updates will be distributed through the League's Web site and *Priority Focus*. A description of each measure noted below is also included in the main section of this booklet. To date, the following has occurred:

Transportation Bond: Proposition 1B: This measure provides \$19.92 billion for various transportation projects to rebuild California. Priority programs of significant interest to California cities are:

- **Local Street and Road Funds:** A total of **\$950 million** is available to cities and counties in FY 2007-08. SB 77 (Chapter 171, Statutes of 2007), the main budget bill, allocates \$600 million (Item # 9350-104-6065), and SB 88 (Chapter 181, Statutes of 2007), the bond implementation trailer bill, allocates an additional \$350 million for this program.

Additionally, after the state budget was passed in late August, the Legislature passed two additional clean-up measures in early September affecting this funding: AB 193 (Chapter 313, Statutes of 2007) and AB 196 (Chapter 314, Statutes of 2007), which contained the provisions and amendments that the League and the California State Association of Counties sought to ensure accountable, efficient and effective transportation project delivery. AB 196 specifies that the \$950 million is to be appropriated with \$550 million for cities and \$400 million for counties. The allocation of \$550 million to cities in FY 2007-08 guarantees that each city receives a minimum of \$400,000, or half of their total bond funds, whichever is greater. However, prior to receiving an allocation, local governments must submit a list of projects expected to be funded with these funds to the Department of Finance (DOF). The DOF will report monthly to the Controller on which agencies have submitted the list to DOF.

- **Trade Corridor Goods Movement & Emission Reduction:** The development of allocation criteria for the \$3.1 billion "goods movement" and air quality improvement programs remains underway. SB 9 (Lowenthal) and SB 19 (Lowenthal) are the main legislative vehicles seeking to define this program. These bills are stalled for the year, however, **\$250 million** (included in SB 77, Chapter 171, Statutes of 2007, item# 3900-001-6054) was allocated in the budget to the Air Resources Board to fund projects in FY 2007-08 intended to improve air quality along four of California's major transportation corridors: from the Los Angeles ports to the Inland Empire, State Route 99 in the Central Valley, the San Francisco Bay Area, and the San Diego border region. **\$193 million** (SB 77, item# 3900-001-6053) was also included in the budget for school bus retrofits.
- **State-Local Partnership:** There are two measures in the Legislature that attempt to define the \$1 billion State-Local Partnership Program, which requires a local match to access transportation bond funds - AB 1351 (Levine) and SB 748 (Corbett). These bills differ in the criteria for eligible matching funds. AB 1351 includes only sales tax dedicated to transportation as a match, thus limiting the program only to "self-help" counties. SB 748 broadens the local match to also include all voter approved taxes and fees, bridge tolls and Uniform Developer fees. The League supports SB 748, because it provides the most flexibility for the local match.

- **Local Bridge Seismic Retrofit:** \$13.5 million was allocated (SB 77, item# 2660-104-6062) to the California Transportation Commission for this program, to be allocated prior to June 30, 2010. An additional \$2.8 million may be expended for this program with the approval of the Department of Finance. Funds will be administered by Caltrans to provide the federal match requirement for local agencies for work on bridges, overpasses, and ramps. Cities are encouraged to work with Caltrans to access these funds.
- **High-Priority Grade Separation Projects:** \$122.5 million (SB 77, item# 2660-104-6063) was allocated for high-priority grade separation projects. Guidelines for this program must be adopted by February 15, 2008. Prior to adoption, the California Transportation Commission will hold two hearings, one north and one south, to get public input on the draft guidelines. Cities seeking project funding should check the Transportation Commission's Web site for hearing information.
- **Public Transportation Capital Improvements:** Prop. 1B designated \$4 billion for various transit improvements, of which \$3.6 billion will be distributed per an established formula among the state's transit agencies. SB 88 (Chapter 181, Statutes of 2007) contains additional allocation criteria. The budget bill (SB 77, item# 2640-104-6059) appropriates \$600 million for these transit capital improvements projects.

Housing and Infrastructure Bond: Proposition 1C: This measure allocates \$2.85 billion for housing and infrastructure projects, most of which will be distributed by the Department of Housing and Community Development (HCD). Approximately half of the bond, \$1.45 billion, will fund existing programs including the Multifamily Housing Program (MHP), Emergency Housing Assistance Program (EHAP), and Building Equity and Growth in Neighborhoods (BEGIN) programs. The remaining \$1.4 billion is designated for infill infrastructure (\$850 million), parks (\$200 million), transit-oriented development (\$300 million), and innovative programs (\$100 million).

- **Funding for Infill Infrastructure:** \$240 million has been made available for a wide variety of capital improvements to support infill development. Grants are available to local agencies and non-profit or for profit developers for developing in qualifying infill areas. Housing element compliance is a precondition. 15% of housing units must be affordable (for very low income households if the units are rental, or for moderate income households if the units are owner-occupied). Priorities will be given to projects that can demonstrate project readiness, higher density, proximity to transit, parks, schools and jobs, consistency with adopted regional blueprints, and demonstrated local support. Additional guidelines are to be developed by HCD. (SB 86, Chapter 179, Statutes of 2007, Sections 27, 28 and 39 contain definitions and criteria. SB 77, the budget bill, contains the appropriation, item #2240-101-6069). Additionally, AB 1053 (Chapter 692, Statutes of 2007) authorizes business improvement districts to apply for these funds through a joint application with a city or county.
- **Brownfield Remediation:** \$60 million is allocated for loans and grants to cleanup brownfields that promote infill residential and mixed use development consistent with regional and local land use plans. This program is required to be administered, in consultation with HCD, through the California Recycle Underutilized Sites (CALReUse) program operated under the state Treasurer's Office. (SB 86, Chapter 179, Statutes of

2007, Sections 27, 28 and 39 contain definitions and criteria. SB 77, the budget bill, contains the appropriation, item #2240-101-6069).

- **Transit Oriented Development:** \$95 million is allocated to a program created under proposition 1C designed to provide assistance to public agencies and developers with developing higher density housing within one-quarter mile of a transit station (SB 77, item # 2240-101-9736).
- **Parks and Housing:** The budget did not contain an allocation for the \$200 million that was included in Prop. 1C for parks. AB 1252 (Caballero), a League supported bill, which contained implementation criteria for this program was held in the Senate Appropriations Committee. (Cities should note that parks development is an eligible use of funds under the infill infrastructure program listed above.)
- **Housing Innovations Fund:** SB 586 (Chapter 652, Statutes of 2007) allocates the \$100 million from Proposition 1C for the Housing Innovations Fund among four programs as follows: 1) \$35 million is designated for the local housing trust fund matching grant program established under Proposition 46; 2) \$50 million is designated to fund the acquisition of property to develop or preserve affordable housing; 3) \$5 million is available for the Construction Liability Insurance Reform Pilot Program (The purpose of the program is to promote best practices for residential construction quality control as a means of reducing insurance rates for condominium developers); and, 4) \$10 million is available to increase and maintain affordable homeownership opportunities for Californians with lower incomes.

Proposition 84: Environmental Quality Bond: This measure designates \$5.4 billion for improving natural resources and water programs including state projects and flood control, safe drinking water, water quality improvement, integrated water management, water planning and sustainable communities. No funding was appropriated for these purposes in the budget. However, several measures remain to be debated, including:

- **\$400 Million in Park Funds:** AB 31(De Leon) is in position as the central remaining vehicle for allocating these funds, as other bills have either been amended or stopped. Significant additional amendments are expected in 2008.
- **\$90 Million in Planning Funds & \$90 Million in Urban Greening:** SB 732 (Steinberg), was comprehensively revised within the last several days of the legislative session to focus primarily on the allocation of these funds. This measure creates a "Sustainable Communities Council" to coordinate the activities of various state agencies that aim to improve air and water quality, natural resource protection, affordable housing, and transportation through land use planning. It is likely that additional discussions will take place on how to best spend these funds during the 2008 legislative year, which may lead to additional legislative proposals.

Proposition 1E: Levee Bond: This bond designates \$4.09 billion in bond funding for critical river levee repair and construction, flood control projects and the updating and repair of old water mains and sewer systems. It also includes \$290 million to create flood protection corridors and floodplain mapping. SB 85 (Chapter 178, Statutes of 2007), a budget trailer bill, establishes several reporting requirements related to the expenditure of bond funds for levees, and limits

local cost share requirements for the facilities part of the State Plan of Flood Control and specified urban areas.

Proposition 1D: Education Facilities Bond: This bond establishes \$10.5 billion for performing school building repairs, and providing innovative learning facilities for California students, including seismic retrofitting and classroom repairs. One of the open issues is the allocation of \$29 million to fund joint-use projects for construction of K-12 school facilities.



The 2008-09 Budget

Highlights: The Governor's commitment to transportation and housing

www.gov.ca.gov/issue/state-budget

The Governor's Budget provides close to \$20 billion and nearly 45,000 positions to fund California's Business, Transportation and Housing programs. The proposed budget was constructed first by computing the workload budget funding level. From the workload budget, adjustments were made to reflect specific policy adjustments and reductions, including budget-balancing reductions.

Proposed Workload Budget

- Proposition 42 is fully funded at \$1.5 billion, including \$83 million for loan repayment pursuant to Proposition 1A of 2006.
- Caltrans will receive an additional \$460.3 million in federal funding in 2007-08 from both reimbursement for emergency funds expended in past years and from federal funding that other states were unable to use. These funds will be used to complete additional pavement rehabilitation work.
- The budget reflects the passage of Chapter 733, Statutes of 2007 (SB 717), which shifted \$74 million annually in Proposition 42 revenues from the state to local transit agencies funded through the State Transit Assistance Program.
- \$18.5 million for the third year of a five-year CHPERS Enhanced Radio System project to replace and upgrade CHP's system.
- \$3.2 million to fund workload increases associated with the implementation and administration of Proposition 1B bond funds.

Transportation

State Transportation Improvement Program (STIP)

\$2.1 billion in 2007-08 and \$1.5 billion in 2008-09 for STIP projects, a decrease of 29 percent. The reduction is due primarily to an unusually high one-time increase in capital funding for public transportation projects in 2007-08 and statutory changes in SB 79 and SB 717 that specify that a significantly larger share of the Public Transportation Account revenues now go to local transit agencies to fund operating costs. The reduction also reflects the temporary increase in capital expenditures in 2006-07 and 2007-08 associated with the \$1.4 billion Proposition 42 loan repayment in 2006-07.

State Highway Operation and Protection Program (SHOPP)

\$2 billion in 2007-08 and \$1.6 billion in 2008-09, a decrease of 20 percent due to a one-time increase of \$460 million in 2007-08 in reimbursements for past emergency expenditures and the redistribution of federal funds that other states were unable to use.

Local Assistance Programs

\$3 billion for local transportation in 2008-09, including \$156 million for local mass transportation projects.

Local Mass Transportation

The Governor's Budget includes funding for the following transit, rail, and planning programs, as reflected in Figure BTH-02. This reflects a continuation of the funding allocation priorities set in Chapter 181 (SB 88), Statutes of 2007.

- \$141 million to continue funding transportation services administered by Regional Centers.
- \$1.1 billion for local transit agencies for operating and capital purposes through the State Transit Assistance Program. This amount includes \$350 million in Proposition 1B funds for capital transit projects and \$742.9 million from sales tax revenues, including a \$74 million increase in Proposition 42 revenues resulting from passage of SB 717. Operating funds from sales tax revenues are growing from \$304 million in 2007-08 to \$743 million in 2008-09.

State Operations

- \$4.2 billion in state operations funding to support Caltrans in 2008-09, including \$2.9 billion from the State Highway Account, \$362 million in federal funds, and \$990 million from other special funds, a \$14 million increase from currently estimated 2007-08 expenditures.
- A new \$20 million bond program is being proposed for Caltrans for the sale of Clean Renewable Energy Bonds (CREBs). The resources will be utilized to fund up to 70 photovoltaic (i.e., solar energy) projects at maintenance facilities, equipment shops, transportation management centers, materials labs, and office buildings.

Maintenance

\$1.2 billion to maintain approximately 15,000 centerline miles of highway, over 230,000 right-of-way acres, and over 12,000 state highway bridges and to inspect over 12,000 local bridges. This is an increase of \$21 million over 2007-08.

State Rail Operations

\$106 million to manage and coordinate intercity rail passenger services that provide commuters with a range of transportation options, help improve the state's air quality, and reduce highway congestion and fuel consumption. Caltrans manages two state-supported routes operated by Amtrak, the San Joaquin and Pacific Surfliner, and financially supports the Capitol Corridor.

High-Speed Rail Authority

The Budget proposes to continue the current level of funding of \$1.2 million for basic staff support.

Transportation Revenue

Proposition 1B

The approval by voters of Proposition 1A and the \$19.9 billion transportation bond measure of Proposition 1B in November 2006 provides a substantial down payment on meeting California's long-term transportation needs over the next ten years. The 2008-09 Governor's Budget proposes a total of \$4.7 billion in appropriations. The California Transportation Commission has already scheduled resources for projects under four of the major bond programs, and has adopted guidelines that will enable projects to be scheduled in the near future for two others.

The Governor's Budget proposes to appropriate \$4.7 billion for:

- \$1,547 million - Corridor Mobility
- \$350 million - Local Transit Program
- \$1,186 million - State Transportation Improvement Program
- \$500 million - Trade Corridors
- \$200 million - State/Local Partnerships
- \$216 million - State Highway Operations and Protection Program
- \$65 million - Grade Separation Program
- \$108 million - Highway 99
- \$21 million - Local Seismic
- \$73 million - Intercity Rail
- \$0.4 million - School Bus Retrofit
- \$250 million - Air Quality
- \$101 million - Transit Security
- \$58 million - Port Security

Proposition 42

The Governor's Budget proposes to fully fund the \$1.485 billion Proposition 42 transfer and the Proposition 1A loan repayment for fiscal 2008-09.

Housing

Department of Housing and Community Development

The Budget proposes \$1.1 billion (\$15.9 million General Fund and \$1.0 billion other funds) and 626 positions. This represents a decrease of \$246.5 million and an increase of 48.8 positions from the revised 2007-08 Budget.

In 2008-09, expenditures from Proposition 46 bond funds are estimated to be \$36.8 million, which will fully expend the bond. Proposition 1C expenditures are expected to total \$771 million, a decrease of \$202 million from 2007-08.

Proposition 1C

Proposition 1C, the Housing and Emergency Shelter Fund Act of 2006, was approved in November 2006 to promote housing programs in California through the investment of \$2.85 billion in General Obligation Bonds in existing housing programs, as well as to fund investment in innovative housing programs, housing infill construction, and housing-related parks.

The Governor's Budget includes \$771 million in bond allocations for:

- \$188 million for affordable homeownership
- \$194 million for multifamily rental housing
- \$40 million for the Joe Serna Jr. Farmworker Housing program
- \$24 million for emergency housing assistance
- \$200 million for the Infill Incentives Grant program
- \$95 million for transit-oriented development
- \$30 million for housing urban-suburban-and-rural parks

Proposed Budget-Balancing Reductions

Budget-balancing reductions for the Business Transportation and Housing agency total \$0.2 million in 2007-08 and \$2.03 million and 4.1 personnel years in 2008-09. Programs exempted from reductions include Proposition 42 transportation transfers and general obligation debt service.

The major reductions are described below:

- \$481,000 in 2008-09 for the Small Business Loan Guarantee Program. This reduction will result in fewer loan guarantees available to small businesses in California.
- \$343,000 in 2008-09 for the Office of Migrant Services. This reduction will require four centers to be closed, resulting in fewer housing opportunities for migrant agricultural workers in California.
- \$401,000 in 2008-09 for the Emergency Shelter Program. This reduction in assistance to local homeless emergency shelters would result in approximately 1,900 fewer shelter spaces annually.

Special Session Issues

Trailer bill language is being proposed to postpone until September 2008 the monthly transfer of excise tax revenues from the Highway Users Tax Account to cities and counties for local streets and roads maintenance for the months of April through August of 2008. This will meet General Fund cash needs by providing additional borrowable cash.

***The Governor's 2008-09 budget proposal can be read
in its entirety at <http://www.ebudget.ca.gov/>.***

COUNCIL OF FRESNO COUNTY GOVERNMENTS

ANNUAL FINANCIAL REPORTS

FOR THE YEAR ENDED
JUNE 30, 2007

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Council of Fresno County Governments
Fresno, California

We have audited the accompanying basic financial statements of the Council of Fresno County Governments, as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of the Council of Fresno County Governments' management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. The prior year partial comparative information has been derived from the Council of Fresno County Governments' 2006 financial statements and, in our report dated December 18, 2006, we expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Council of Fresno County Governments as of June 30, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

8080 North
Palm Avenue,
Suite 201

Fresno, CA
93711-5797

559/431-5500

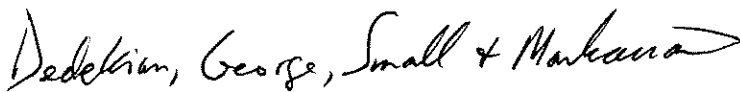
Fax: 559/431-4937
www.cpaplus.com

INDEPENDENT AUDITORS' REPORT (CONTINUED)

In accordance with "Government Auditing Standards," we have also issued our report dated December 28, 2007, on our consideration of the Council of Fresno County Governments' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and important for assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council of Fresno County Governments basic financial statements. The combining and individual fund statements and schedules, and the supplementary schedules and other reports sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the basic financial statements of the Council of Fresno County Governments. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Dedekian, George, Small & Markarian
Accountancy Corporation
December 28, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

COUNCIL OF FRESNO COUNTY GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

The following discussion and analysis of the financial performance and activity of the Council of Fresno County Governments Basic Financial Statements provide an introduction and understanding of the basic financial statements of the Council of Fresno County Governments (COFCG). This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

The Council of Fresno County Governments is a voluntary association of the County of Fresno and the 15 incorporated cities in Fresno County established on September 24, 1969, under a joint exercise of power agreement to provide a cooperative body for discussion and resolution of issues which go beyond individual boundaries. COFCG's major function is the activity generated by its responsibilities as a designated transportation-planning agency, complying with federal and state requirements.

Each year the Policy Board adopts an overall Work Program and Budget setting forth the work activities for the next fiscal year. The major revenue sources come from the Federal Highway Works Administration and Federal Transit Administration. COFCG also receives grants from the State Department of Transportation and a variety of local revenue sources including Planning funds from the Transportation Development Act fund. The COFCG administers the Transportation Development Act fund and State Transit Assistance fund, which consist of allocations to local governments in Fresno County from the proceeds of 1/4 cent sales tax and the state highway account.

The Financial Statements

The Council's basic financial statements include (1) the Statement of Net Assets, and (2) the Statement of Activities. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

The Statement of Net Assets reports assets, liabilities, and the difference between the two as Net Assets. The entire equity section is combined to report total net assets and is displayed in three components - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The net asset component *invested in capital assets, net of related debt*, consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings attributable to the acquisition, construction, or improvements of those assets.

COUNCIL OF FRESNO COUNTY GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2007

The Financial Statements (Continued)

Restricted net assets consist of assets where constraints on their use are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

The Statement of Activities is reported using the accrual basis of accounting. Revenue is reported when earned and expenses are reported when incurred, regardless of when cash is received or paid. Revenues and expenses are categorized as either operating or non-operating based upon definitions provided by the Governmental Accounting Standards Board.

Financial Highlights

- Total net assets of COFCG were \$1,692,708 and consisted of capital assets, net of related debt, of \$47,502; and unrestricted net assets of \$1,645,206.
- Net assets increased \$13,574 during fiscal year 2007. The increase in net assets from governmental activities was attributable to grants revenues and unretained earnings in excess of net governmental program costs.
- Total capital assets, net of accumulated depreciation, were \$47,502 at June 30, 2007, representing an increase of \$15, or .1%, over June 30, 2006. The increase in capital assets was primarily the result of the excess of current year capital additions over depreciation.
- COFCG's governmental fund reported ending fund balances of \$1,645,206, an increase of \$13,559 compared to June 30, 2006. Approximately 20% of the governmental fund balances represent amounts available for the transportation planning.

COUNCIL OF FRESNO COUNTY GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2007

Statement of Net Assets

A summary of the Council's Statement of Net Assets for Governmental Activities as of June 30, 2007, with comparative totals as of June 30, 2006 is as follows:

Statement of Net Assets Governmental Activities As of June 30, 2007 and 2006		
	<u>2007</u>	<u>2006</u>
Assets:		
Current and Other Assets	\$ 2,613,337	\$ 2,200,767
Capital Assets (Net of Depreciation)	<u>47,502</u>	<u>47,487</u>
Total Assets	<u><u>\$ 2,660,839</u></u>	<u><u>\$ 2,248,254</u></u>
Liabilities:		
Current and Other Liabilities	<u>\$ 968,131</u>	<u>\$ 569,120</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	47,502	47,487
Unrestricted	<u>1,645,206</u>	<u>1,631,647</u>
Total Net Assets	<u><u>\$ 1,692,708</u></u>	<u><u>\$ 1,679,134</u></u>

As shown above, total assets of Governmental Activities were \$2,660,839 at June 30, 2007, including \$47,502 in capital assets (net of depreciation). Of the total \$2,613,337 in current assets, \$1,387,090 consists of pooled cash, which is invested in accordance with State law and the Council's investment policy.

Net assets totaling \$1,692,708 include \$1,645,206 in unrestricted assets that are available for discretionary spending, although a portion is reserved for encumbrances and a portion is designated for self insurance. Total net assets increased from June 30, 2006 by \$13,574 (1%). This is a favorable outcome given the challenges the Council faced this year, as a result of a continued sluggish economy.

The net assets invested in capital assets increased by \$15 due to additional capital investment exceeding depreciation expense during the year. Unrestricted net assets increased by \$13,559, in large part due to the results of current year operations.

COUNCIL OF FRESNO COUNTY GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2007

Statement of Activities

The Statement of Net Assets provides a measure of the financial health of an entity at a specific date in time (i.e., year end). The Statement of Activities provides details of how net assets changed from the beginning of the year to the end of the year, and whether net assets increased or decreased. Thus, it indicates whether the Council as a whole is better off at June 30, 2007 than it was at June 30, 2006.

A summary of the Council's Statement of Activities for fiscal year ended June 30, 2007, with comparative totals for the fiscal year ended June 30, 2006 is as follows:

Statement of Activities Governmental Activities Fiscal Years Ended June 30, 2007 and 2006		
	<u>2007</u>	<u>2006</u>
Revenues:		
Program Revenues	\$ 3,749,915	\$ 3,551,729
General Revenues	<u>231,165</u>	<u>294,656</u>
Total Revenues	<u>3,981,080</u>	<u>3,846,385</u>
Expenses:		
Transportation Planning	<u>3,967,506</u>	<u>3,703,628</u>
Changes in Net Assets	13,574	142,757
Net Assets - Beginning	<u>1,679,134</u>	<u>1,536,377</u>
Net Assets - Ending	<u><u>\$ 1,692,708</u></u>	<u><u>\$ 1,679,134</u></u>

Total revenues of the funds included in the Governmental Activities category were \$3,981,080 for the year ended June 30, 2007. Of this total, \$3,264,426 (82%) were derived from grants. This is consistent with the nature of governmental activities, which includes services traditionally financed from general tax revenues. \$485,489 (12%) of total revenues were derived from charges for services, representing fees charged for various services. Revenues derived from fees and charges help support programs largely subsidized from general tax revenues and thus reduce the burden on these limited resources.

Expenses for the year totaled \$3,967,506. All expenses were for transportation planning.

COUNCIL OF FRESNO COUNTY GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2007

General Fund Budgetary Highlights

The Council of Fresno County Governments revised the budget twice to add \$95,200 in additional federal grant funding that became available during the fiscal year. Generally federal and state grants are multi-year projects; however, due to funding agency authorization requirements, the Council of Fresno County Governments includes the amounts in the current year budget at the total authorized amounts. At the end of the year, there were significant variances between the final budget and the actual revenues and expenditures because of following this convention.

Contacting the COFCG's Financial Management

The Council of Fresno County Governments financial report is designed to provide the COFCG's Board of Directors, management, creditors, legislative and oversight agencies, citizens and customers with an overview of the Council of Fresno County Governments finances and to demonstrate its accountability for funds received. For additional information about this report, please contact Les Beshears, Finance Director, Council of Fresno County Governments, 2035 Tulare Street, Suite 201, Fresno, California.

BASIC FINANCIAL STATEMENTS

COUNCIL OF FRESNO COUNTY GOVERNMENTS
STATEMENT OF NET ASSETS
JUNE 30, 2007

	<u>Governmental Activities</u>	<u>Component Units</u>
<u>ASSETS</u>		
Cash and investments	\$ 1,387,090	\$ 355,368
Accounts receivable	148,292	-
Due from other governments	1,069,758	-
Interest receivable	3,632	-
Prepays	4,565	-
Capital assets (net of accumulated depreciation)	<u>47,502</u>	<u>-</u>
Total assets	<u>\$ 2,660,839</u>	<u>\$ 355,368</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities and net assets:		
Accounts payable	\$ 454,547	\$ 192,979
Deferred revenues	233,896	-
Due to other governments	62,314	-
Accrued payroll	62,642	-
Compensated absences	<u>154,732</u>	<u>-</u>
Total liabilities	<u>968,131</u>	<u>192,979</u>
Net assets:		
Invested in capital assets, net of related debt	47,502	-
Unrestricted	<u>1,645,206</u>	<u>162,389</u>
Total net assets	<u>1,692,708</u>	<u>162,389</u>
Total liabilities and net assets	<u>\$ 2,660,839</u>	<u>\$ 355,368</u>

The accompanying notes are an integral part of these financial statements.

COUNCIL OF FRESNO COUNTY GOVERNMENTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

Function/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Component Units
PRIMARY GOVERNMENT					
Governmental Activities:					
Transportation planning	\$ 3,967,506	\$ 485,489	\$ 3,264,426	\$ (217,591)	
Total primary government	<u>\$ 3,967,506</u>	<u>\$ 485,489</u>	<u>\$ 3,264,426</u>	<u>(217,591)</u>	
Component Unit:					
Abandoned vehicle abatement	\$ 652,817	\$ -	\$ 693,704		\$ 40,887
Total component unit	<u>\$ 652,817</u>	<u>\$ -</u>	<u>\$ 693,704</u>		<u>40,887</u>
	General Revenues:				
	Investment income			62,464	15,581
	Miscellaneous			<u>168,701</u>	<u>-</u>
	Total general revenues			<u>231,165</u>	<u>15,581</u>
	Change in net assets			13,574	56,468
	Net assets, beginning of year			<u>1,679,134</u>	<u>105,921</u>
	Net assets, end of year			<u>\$ 1,692,708</u>	<u>\$ 162,389</u>

The accompanying notes are an integral part of these financial statements.

COUNCIL OF FRESNO COUNTY GOVERNMENTS
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2007

	<u>General Fund</u>	<u>Component Units</u>
<u>ASSETS</u>		
Cash and investments	\$ 1,387,090	\$ 355,368
Accounts receivable	148,292	-
Due from other governments	1,069,758	-
Interest receivable	3,632	-
Prepays	<u>4,565</u>	<u>-</u>
Total assets	<u>\$ 2,613,337</u>	<u>\$ 355,368</u>
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$ 454,547	\$ 192,979
Due to other governments	62,314	-
Accrued payroll	62,642	-
Deferred revenues	233,896	-
Compensated absences	<u>154,732</u>	<u>-</u>
Total liabilities	<u>968,131</u>	<u>192,979</u>
Fund Balances:		
Reserved for encumbrances	1,467,770	-
Designated for self-insurance	90,112	-
Unreserved - undesignated	<u>87,324</u>	<u>162,389</u>
Total fund balances	<u>1,645,206</u>	<u>162,389</u>
Total liabilities and fund balances	<u>\$ 2,613,337</u>	<u>\$ 355,368</u>

Amounts reported for governmental activities in the statement of net assets (Page 8) are different because:

Total fund balances	\$ 1,645,206
Capital assets used in governmental activities are not financial resources and therefore are not reported in funds	<u>47,502</u>
Net assets of governmental activities (Page 8)	<u>\$ 1,692,708</u>

The accompanying notes are an integral part of these financial statements.

COUNCIL OF FRESNO COUNTY GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	<u>General Fund</u>	<u>Component Units</u>
Revenues:		
Aid from federal government	\$ 1,788,984	\$ -
Aid from state government	539,723	693,704
Aid from local government	1,421,208	-
Interest revenue	62,464	15,581
Miscellaneous	<u>168,701</u>	<u>-</u>
Total revenues	<u>3,981,080</u>	<u>709,285</u>
Expenditures:		
Current:		
General government:		
Salaries and benefits	1,967,830	-
Supplies and services	1,732,905	-
Contributions to other local agencies	<u>266,786</u>	<u>652,817</u>
Total expenditures	<u>3,967,521</u>	<u>652,817</u>
Net changes in fund balances	13,559	56,468
Fund balances at beginning of year	<u>1,631,647</u>	<u>105,921</u>
Fund balances at end of year	<u>\$ 1,645,206</u>	<u>\$ 162,389</u>

Amounts reported for governmental activities in the statement of activities (Page 9) are different because:

Net change in fund balances - total governmental funds	\$ 13,559
--	-----------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays (\$18,955) exceeded depreciation (\$18,940) in the current period.

	<u>15</u>
Change in net assets of governmental activities (Page 9)	<u>\$ 13,574</u>

The accompanying notes are an integral part of these financial statements.

COUNCIL OF FRESNO COUNTY GOVERNMENTS
STATEMENT OF FIDUCIARY NET ASSETS
ALL FIDUCIARY FUNDS
JUNE 30, 2007

	<u>Trust Funds</u>
<u>ASSETS</u>	
Cash and investments	\$ 4,406,120
Interest receivable	35,483
Due from other governments	<u>2,168,986</u>
Total assets	<u>\$ 6,610,589</u>
<u>LIABILITIES AND NET ASSETS</u>	
Liabilities:	
Due to other governments	\$ 2,210,034
Net assets:	
Unrestricted	<u>4,400,555</u>
Total liabilities and net assets	<u>\$ 6,610,589</u>

The accompanying notes are an integral part of these financial statements.

COUNCIL OF FRESNO COUNTY GOVERNMENTS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
ALL FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Trust Funds</u>
Additions:	
Sales tax	\$ 31,489,960
Aid from state government	8,516,739
Interest revenue	<u>594,692</u>
Total additions	<u>40,601,391</u>
Deductions:	
Administration expense	167,865
TDA claims paid	31,220,998
STA distributions	<u>8,868,064</u>
Total deductions	<u>40,256,927</u>
Change in net assets	344,464
Net assets, beginning of year	<u>4,056,091</u>
Net assets, end of year	<u><u>\$ 4,400,555</u></u>

The accompanying notes are an integral part of these financial statements.

COUNCIL OF FRESNO COUNTY GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Scope of Financial Reporting Entity

The Council of Fresno County Governments (the "Council") is a voluntary association of local governments formed in September 1969 by the County of Fresno and the 15 incorporated cities in the County. The purpose of the organization is to provide "a cooperative body" to solve certain problems which cross over governmental boundaries.

b. Basis of Presentation - Fund Accounting

COFCG basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities and fund financial statements which provide a more detailed level of financial information.

Government-Wide Statements:

The statement of net assets and the statement of activities report information on all of the non-fiduciary activities of COFCG. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenue. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items, which are properly not included among program revenues, are reported instead as general revenues.

Fund Financial Statements:

The fund financial statements provide information about COFCG funds, including its fiduciary funds, though the latter are excluded from the government-wide financial statements. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. COFCG's governmental fund is a General Fund.

COUNCIL OF FRESNO COUNTY GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued):

COFCG reports the following major governmental fund:

General Fund – is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund.

Additionally, COFCG reports the following Fiduciary Fund:

Trust Funds – are used to account for Transportation Development Act funds and State Transportation Assistance funds held by the Council in a trustee capacity.

Component Units – The Abandoned Vehicle Abatement Service Authority (AVA) was created as a separate public entity and distinct from the member jurisdictions in accordance with Vehicle Code (VC) section 22710. The purpose of the AVA is to establish procedures for the abatement, removal, and disposal as public nuisances, abandoned, wrecked, dismantled, or inoperative vehicles or parts thereof from private or public property. The AVA shall be governed by a sixteen-member Board of Directors, which shall be comprised of one representative from each participating jurisdiction. Pursuant to Governmental Code Section 6505, audits for the Service Authority shall be contracted with a certified public accountant as part of the regular COFCG annual audit to ensure that funds are being spent in compliance with Sections 9250.7 and 22710 VC.

c. Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

COUNCIL OF FRESNO COUNTY GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term obligations which is recorded when paid, are recorded when they are expected to be liquidated with expendable available resources.

Intergovernmental revenues (primarily grants and subventions), which are received as reimbursement for specific purposes or projects, are recognized based upon the expenditures recorded. Intergovernmental revenues, which are usually unrestricted as to use and are revocable only for failure to meet prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier, if they meet the availability criterion.

d. Cash

In accordance with the Joint Powers Agreement, under which the Council is governed, all cash is deposited with the Fresno County Auditor-Controller/Treasurer. The Council's cash is held within Fresno County's cash and investment pool which is managed by the Auditor-Controller/Treasurer as authorized by California statutes and the County's investment policy.

For purposes of the Statement of Cash Flows, the Agency considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All cash and investments are pooled with the Agency's pooled cash and investments.

COUNCIL OF FRESNO COUNTY GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Capital Assets

Purchases of capital assets are capitalized at cost in the Government-Wide Statement of Net Assets at the time of purchase and recorded as expenditures in the General Fund. Capital assets are defined by the Council as assets with an estimated useful life in excess of one year and initial individual cost of \$5,000 or more. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, from five to ten years. Depreciation recognized on capital assets acquired is transferred to net assets, invested in capital assets, net of related debt, after being charged to operations.

f. Overhead

Administrative and office overhead is allocated to each project on the basis of their approved indirect cost rate. Professional and specialized services are charged directly to the applicable project.

g. Fund Balance Reserved for Encumbrances

The Executive Director annually sets aside funds for technical assistance grants to various cities and contracts entered into for budgeted work programs. The fund balance reserved for encumbrances represents amounts set aside to cover these expenditures.

h. Fund Balance Designated for Self-Insurance

The Board of Directors has set aside funds for self-insurance of employee optical and dental expenses in lieu of an optical and dental insurance plan. The fund balance designated for self-insurance represents amounts set aside to cover these expenditures.

i. Compensated Absences

Compensated absences are made up of accrued vacation payable and vested accrued sick leave payable as determined by office policy established by the Board of Directors. Council policy states that all vacation pay earned vests and that one-fourth of sick leave hours in excess of forty hours vests and is compensable.

COUNCIL OF FRESNO COUNTY GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2007

2. CASH AND INVESTMENTS

Investments Authorized by the California Government Code and the Council's Investment Policy

The table below identifies the investment types that are authorized for the Council by the California Government Code (or the Council's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Council's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	None	None
Medium-Term Notes	5 years	None	None
Mutual Funds	N/A	None	None
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	5 years	None	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

COUNCIL OF FRESNO COUNTY GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2007

2. CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the Council's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Council's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Governmental Activities					
County Investment Pool	\$ 1,387,090	\$ 1,387,090	\$ -	\$ -	\$ -
Component Units	355,368	355,368	-	-	-
Total	\$ 1,742,458	\$ 1,742,458	\$ -	\$ -	\$ -

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Council's investment policy, and the actual rating as of year end for each investment type. The column marked "exempt from disclosure" identifies those investment types for which GASB No. 40 does not require disclosure as to credit risk:

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End	
				AAA	Not Rated
Governmental Activities					
County Investment Pool	\$ 1,387,090	N/A	\$ 1,387,090	\$ -	\$ 1,387,090
Component Units	355,368	N/A	355,368	-	355,368
Total	\$ 1,742,458	N/A	\$ 1,742,458	\$ -	\$ 1,742,458

COUNCIL OF FRESNO COUNTY GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2007

2. CASH AND INVESTMENTS (CONTINUED)

Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools. The County of Fresno issues a financial report that includes custodial credit risk disclosures for the County Investment Pool. The report may be obtained by writing to the Office of the Auditor-Controller/Treasurer-Tax Collector, 2281 Tulare Street, Fresno, California 93721.

3. CAPITAL ASSETS AND DEPRECIATION

The following is a summary of changes in capital assets:

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Capital Assets Being Depreciated:				
Computer equipment	\$ 39,689	\$ 18,955	\$ 15,587	\$ 43,057
Office furniture and equipment	53,044	-	13,085	39,959
Traffic monitoring equipment	53,564	-	-	53,564
Total capital assets being depreciated	146,297	18,955	28,672	136,580
Less Accumulated Depreciation for:				
Computer equipment	36,481	2,655	15,587	23,549
Office furniture and equipment	31,395	5,572	13,085	23,882
Traffic monitoring equipment	30,934	10,713	-	41,647
Total accumulated depreciation	98,810	18,940	28,672	89,078
Total capital assets being depreciated, net	47,487	15	-	47,502
Total capital assets, net	\$ 47,487	\$ 15	\$ 0	\$ 47,502

The Council uses the straight-line method of calculating depreciation.

The estimated useful lives are as follows:

	Estimated Useful Life
Computer equipment	5 to 10 years
Office furniture and equipment	5 to 10 years
Traffic monitoring equipment	5 to 10 years

COUNCIL OF FRESNO COUNTY GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2007

4. DUE TO/FROM MEMBERS AND OTHER GOVERNMENTAL ENTITIES

Individual receivables from members and other governmental entities for services rendered at June 30, 2007 consist of the following:

Primary Government	
Fresno County Rural Transit Agency	\$ 60,990
Fresno County Transportation Authority	73,518
Due from City of Fresno	204,079
Due from Federal Government	<u>731,171</u>
Total	<u>\$ 1,069,758</u>

Fiduciary Funds	
Due from State of California - STA Article 4	\$ 2,095,100
Due from member agencies	<u>73,886</u>
Total	<u>\$ 2,168,986</u>

Individual payables to members and other governmental entities for services provided at June 30, 2007 consist of the following:

Primary Government	
City of Clovis	\$ 8,442
City of Fresno	22,720
Fresno County	18,652
Fresno County Economic Opportunities Commission	<u>12,500</u>
Total	<u>\$ 62,314</u>

Fiduciary Funds	
Article 4	\$ 1,636,970
Article 8A	499,178
Due to member agencies	<u>73,886</u>
Total	<u>\$ 2,210,034</u>

COUNCIL OF FRESNO COUNTY GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2007

5. FUND BALANCE RESERVED FOR ENCUMBRANCES

The fund balance reserved for encumbrances as of June 30, 2007 represents unexpended contracts entered into for the following:

California Consulting	\$ 30,000
Cambridge	243,955
Cari Anderson	98,650
Curtis Towing	235,400
Dowling on Call	7,157
Fehr & Peers	171,703
Housing Authority	225,000
Kimley Horn	222,733
Nelson Nygarrrd	2,052
Omni Means	64,260
Planning Resources	8,850
Sierra Nevada	24,710
VRPA Technologies	<u>133,300</u>
Total	<u>\$ 1,467,770</u>

6. DEFINED CONTRIBUTION EMPLOYEE RETIREMENT BENEFIT PLAN

The Council provides retirement benefits for all its full-time employees through a defined contribution plan created in accordance with Internal Revenue Code (IRC) Section 401(a) which is currently being administered by I.C.M.A. Retirement Corporation. In addition to the employer defined contribution, the employees are permitted to make contributions to one of two separate defined contribution plans created in accordance with IRC Section 457. The plans are administered by Hartford Insurance and by I.C.M.A. Retirement Corporation. The IRC 457 plans permit employees to defer a minimum of 7.5% of their salaries until future years. The maximum amount an employee may defer is the lesser of 25% of annual gross salary or \$7,500. Under the 401(a) plan the employer contributes 15% of the employee's gross salary. Vesting in the 401(a) plan occurs ratably over five years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Employees, though, may obtain loans from the plans secured by their individual contributions and accumulated earnings. Employer contributions to the 401(a) plan amounted to \$215,430 for the year ended June 30, 2007.

COUNCIL OF FRESNO COUNTY GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2007

7. FRESNO COUNTY RURAL TRANSIT AGENCY ADMINISTRATION

Included in the budget of the Council is a work element representing its responsibility for the administration of Fresno County Rural Transit Agency. Administration cost consists of direct and indirect labor and allocated overhead costs. These costs are recovered by the Council.

8. OPERATING LEASES

The Council conducts its operations from leased facilities under a ten year lease which expires December 31, 2015. In addition, the Council leases office equipment under operating leases that expire October 2010.

The following is a schedule of future minimum rental payments under the operating leases:

<u>Year Ending June 30</u>	<u>Buildings</u>	<u>Equipment</u>
2008	\$ 209,118	\$ 20,220
2009	209,118	20,220
2010	209,118	20,220
2011	209,118	6,740
2012	209,118	-
Thereafter	<u>731,913</u>	<u>-</u>
Total	<u>\$ 1,777,503</u>	<u>\$ 67,400</u>

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND

The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

COUNCIL OF FRESNO COUNTY GOVERNMENTS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Aid from federal government	\$ 3,788,821	\$ 3,851,336	\$ 1,788,984	\$ (2,062,352)
Aid from state government	709,717	709,717	539,723	(169,994)
Aid from local governments	1,481,749	1,514,434	1,421,208	(93,226)
Interest revenue	20,000	20,000	62,464	42,464
Miscellaneous revenue	479,698	479,698	168,701	(310,997)
Total revenues	<u>6,479,985</u>	<u>6,575,185</u>	<u>3,981,080</u>	<u>(2,594,105)</u>
Expenditures:				
Current:				
General Government:				
Salaries and benefits	2,098,207	2,128,307	1,967,830	160,477
Supplies and services	3,902,078	3,967,178	1,732,905	2,234,273
Contributions to other local agencies	479,700	479,700	266,786	212,914
Total expenditures	<u>6,479,985</u>	<u>6,575,185</u>	<u>3,967,521</u>	<u>2,607,664</u>
Excess of revenues over expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,559</u>	<u>\$ 13,559</u>

COUNCIL OF FRESNO COUNTY GOVERNMENTS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2007

1. BUDGETARY DATA

The Council follows these procedures in establishing the budgetary data reflected in the financial statements:

Five months before the beginning of the year, the Executive Director submits to the Policy Advisory Committee for their approval, a draft operating budget by overall work plan elements for the General Fund for the year commencing July 1. The Policy Advisory Committee then has 45 days, to April 1, to review and make recommendations on the draft operating budget. After the recommendations have been made, the proposed operating budget is brought to the Council for their review and approval. On or prior to the May meeting of the Council, the budget is legally adopted through passage of a resolution.

The budget of the Council represents a financial plan to undertake the work program of the Council and includes proposed expenditures and the means of financing them.

All transfers, modifications, and supplemental appropriations to the budget must be approved by the Council through resolution. During the year ended June 30, 2007, appropriations were increased by \$95,200 as a result of budget amendments. The Budgetary Comparison Schedule reflects these revisions. Actual expenditures may not legally exceed "budget" appropriations at the individual fund level. Budgetary control, however, is maintained at the departmental level.

Appropriations lapse at the close of the year to the extent that they have not been expended or encumbered.

The Council prepares its budget on a basis of accounting in accordance with accounting principles generally accepted in the United States of America.

OTHER SUPPLEMENTARY INFORMATION

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the government in a trustee capacity.

State Transit Assistance Fund (STA) - This fund is used to account for the state funds apportioned to Fresno County for the support of transit.

Transportation Development Act Fund (TDA) - This fund is used to account for the 1/4 cent sales tax revenues collected by the state under the Transportation Development Act and distributed to the Council of Fresno County Governments for allocation to eligible claimants for transit street and road, and pedestrian/bicycle facilities as well as regional transportation planning and TDA administration.

COUNCIL OF FRESNO COUNTY GOVERNMENTS
 COMBINING STATEMENT OF NET ASSETS
 TRUST FUNDS
 JUNE 30, 2007

	State Transit Assistance Fund	Local Transportation Fund	Total
<u>ASSETS</u>			
Cash and investments	\$ 98,200	\$ 4,307,920	\$ 4,406,120
Interest receivable	5,334	30,149	35,483
Due from other governments	<u>2,095,100</u>	<u>73,886</u>	<u>2,168,986</u>
Total assets	<u>\$ 2,198,634</u>	<u>\$ 4,411,955</u>	<u>\$ 6,610,589</u>
<u>LIABILITIES AND NET ASSETS</u>			
Liabilities:			
Due to other governments	<u>\$ 2,076,734</u>	<u>\$ 133,300</u>	<u>\$ 2,210,034</u>
Net Assets:			
Unrestricted	<u>121,900</u>	<u>4,278,655</u>	<u>4,400,555</u>
Total liabilities and net assets	<u>\$ 2,198,634</u>	<u>\$ 4,411,955</u>	<u>\$ 6,610,589</u>

COUNCIL OF FRESNO COUNTY GOVERNMENTS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	State Transit Assistance Fund	Local Transportation Fund	Total
Additions:			
Sales tax	\$ -	\$ 31,489,960	\$ 31,489,960
Aid from state governments	8,516,739	-	8,516,739
Interest revenue	66,704	527,988	594,692
	<u>8,583,443</u>	<u>32,017,948</u>	<u>40,601,391</u>
Total additions			
Deductions:			
Administration Expense	-	167,865	167,865
TDA claims paid	-	31,220,998	31,220,998
STA distributions	8,868,064	-	8,868,064
	<u>8,868,064</u>	<u>31,388,863</u>	<u>40,256,927</u>
Total deductions			
Change in net assets	(284,621)	629,085	344,464
Net assets at beginning of year	<u>406,521</u>	<u>3,649,570</u>	<u>4,056,091</u>
Net assets at end of year	<u>\$ 121,900</u>	<u>\$ 4,278,655</u>	<u>\$ 4,400,555</u>

COUNCIL OF FRESNO COUNTY GOVERNMENTS
TRANSPORTATION DEVELOPMENT ACT FUNDS
SCHEDULE OF APPORTIONMENTS BY PURPOSE
STATE TRANSIT ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Public Utilities Code		
	Article 6.5 99314.3(a) C.A.C. 6730(a) (Transit Operations)	Article 6.5 99313 C.A.C. 6731(b&d) (Transit Population)	Total
City of Clovis	\$ 6,836	\$ 754,248	\$ 761,084
City of Coalinga	-	143,823	143,823
City of Firebaugh	-	56,281	56,281
City of Fowler	-	40,718	40,718
City of Fresno	915,735	3,954,576	4,870,311
City of Huron	-	61,599	61,599
City of Kerman	-	105,959	105,959
City of Kingsburg	-	94,329	94,329
City of Mendota	-	73,618	73,618
City of Orange Cove	-	80,846	80,846
City of Parlier	-	108,159	108,159
City of Reedley	-	195,774	195,774
City of Sanger	-	195,616	195,616
City of San Joaquin	-	31,421	31,421
City of Selma	-	192,338	192,338
County of Fresno	-	1,455,455	1,455,455
Fresno County Rural Transit Agency (FCRTA)	49,408	-	49,408
Council of Fresno County Governments (COFCG)	-	-	-
	<u>\$ 971,979</u>	<u>\$ 7,544,760</u>	<u>\$ 8,516,739</u>

COUNCIL OF FRESNO COUNTY GOVERNMENTS
TRANSPORTATION DEVELOPMENT ACT FUNDS
SCHEDULE OF DISBURSEMENTS BY PURPOSE
STATE TRANSIT ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Public Utilities Code		
	Article 6.5	Article 6.5	
	99314.3(a)	99313	
	C.A.C. 6730(a)	C.A.C. 6731(b&d)	
	(Transit	(Transit	
	Operations)	Population)	Total
City of Clovis	\$ 6,836	\$ 760,919	\$ 767,755
City of Coalinga	-	90,757	90,757
City of Firebaugh	-	64,773	64,773
City of Fowler	-	46,685	46,685
City of Fresno	915,735	3,989,536	4,905,271
City of Huron	-	70,540	70,540
City of Kerman	-	99,111	99,111
City of Kingsburg	-	108,550	108,550
City of Mendota	-	84,682	84,682
City of Orange Cove	-	92,660	92,660
City of Parlier	-	108,646	108,646
City of Reedley	-	224,305	224,305
City of Sanger	-	223,302	223,302
City of San Joaquin	-	36,018	36,018
City of Selma	-	220,639	220,639
County of Fresno	-	1,674,962	1,674,962
Fresno County Rural Transit Agency (FCRTA)	49,408	-	49,408
Council of Fresno County Governments (COFCG)	-	-	-
	<u>\$ 971,979</u>	<u>\$ 7,896,085</u>	<u>\$ 8,868,064</u>

COUNCIL OF FRESNO COUNTY GOVERNMENTS
TRANSPORTATION DEVELOPMENT ACT FUNDS
SCHEDULE OF APPORTIONMENTS BY PURPOSE
LOCAL TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Article 3 99234 (Bicycle & Pedestrian)	Article 4.5 99275 (Social Services)	Article 4 and 8 99260/99400(a) (Transit Operations/ Streets & Roads)	COFCG RTP 99402/99233.1 (Planning & Administration)	Total
City of Clovis	\$ 56,649	\$ 138,789	\$ 2,856,793	\$ -	\$ 3,052,231
City of Coalinga	10,802	26,465	544,742	-	582,009
City of Firebaugh	4,227	10,356	213,170	-	227,753
City of Fowler	3,058	7,493	154,238	-	164,789
City of Fresno	297,015	727,685	14,978,408	-	16,003,108
City of Huron	4,626	11,335	233,312	-	249,273
City of Kerman	7,958	19,498	401,338	-	428,794
City of Kingsburg	7,085	17,357	357,273	-	381,715
City of Mendota	5,529	13,546	278,836	-	297,911
City of Orange Cove	6,072	14,877	306,221	-	327,170
City of Parlier	8,123	19,902	409,662	-	437,687
City of Reedley	14,704	36,025	741,520	-	792,249
City of Sanger	14,692	35,995	740,917	-	791,604
City of San Joaquin	2,360	5,782	119,007	-	127,149
City of Selma	14,446	35,392	728,494	-	778,332
County of Fresno	109,314	267,820	5,512,711	-	5,889,845
Council of Fresno County Governments (COFCG)	-	-	-	958,341	958,341
	<u>\$ 566,660</u>	<u>\$ 1,388,317</u>	<u>\$ 28,576,642</u>	<u>\$ 958,341</u>	<u>\$ 31,489,960</u>

COUNCIL OF FRESNO COUNTY GOVERNMENTS
TRANSPORTATION DEVELOPMENT ACT FUNDS
SCHEDULE OF DISBURSEMENTS BY PURPOSE
LOCAL TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Article 3 99234 (Bicycle & Pedestrian)	Article 4.5 99275 (Social Services)	Article 4 99260 (Transit Operations)	Article 8 99400(a) (Streets & Roads)	COFCG RTP 99402/99233.1 (Planning & Administration)	Total
City of Clovis	\$ 56,649	\$ 138,789	\$ 1,979,816	\$ 763,089	\$ -	\$ 2,938,343
City of Coalinga	10,802	26,465	-	544,012	-	581,279
City of Firebaugh	4,227	10,356	-	118,578	-	133,161
City of Fowler	3,058	7,493	-	61,942	-	72,493
City of Fresno	297,015	727,685	16,278,770	-	-	17,303,470
City of Huron	4,626	11,335	-	120,803	-	136,764
City of Kerman	7,958	19,498	-	345,087	-	372,543
City of Kingsburg	7,085	17,357	-	186,936	-	211,378
City of Mendota	5,529	13,546	-	198,663	-	217,738
City of Orange Cove	6,072	14,877	-	237,486	-	258,435
City of Parlier	8,123	19,902	-	348,295	-	376,320
City of Reedley	14,704	36,025	-	572,861	-	623,590
City of Sanger	14,692	35,995	-	539,184	-	589,871
City of San Joaquin	2,360	5,782	-	77,232	-	85,374
City of Selma	14,446	35,392	-	257,889	-	307,727
County of Fresno	109,314	267,820	-	4,865,882	-	5,243,016
Fresno County Rural Transit Agency (FCRTA)	-	-	978,155	-	-	978,155
Council of Fresno County Governments (COFCG)	-	-	-	-	959,206	959,206
	<u>\$566,660</u>	<u>\$1,388,317</u>	<u>\$19,236,741</u>	<u>\$ 9,237,939</u>	<u>\$ 959,206</u>	<u>\$31,388,863</u>

COUNCIL OF FRESNO COUNTY GOVERNMENTS
SCHEDULE OF GRANT RECEIPTS AND EXPENDITURE CLAIMS
FOR THE YEAR ENDED JUNE 30, 2007

	Federal Highway Works Administration					
	Total	Local Resources	FHWA PL Planning	Partner Planning	PTA 06A0935/06A1024	Environmental Justice
Revenues:						
Federal grants	\$ 1,788,984	\$ -	\$ 1,056,844	\$ 74,178	\$ 83,741	\$ 50,000
Non-federal revenue:						
State assistance	539,723	-	-	-	-	-
Local revenue sources	1,421,208	1,421,208	-	-	-	-
Interest revenue	62,464	62,464	-	-	-	-
Miscellaneous revenue	168,701	168,701	-	-	-	-
Total revenues	<u>3,981,080</u>	<u>\$ 1,652,373</u>	<u>\$ 1,056,844</u>	<u>\$ 74,178</u>	<u>\$ 83,741</u>	<u>\$ 50,000</u>
Expenditures:						
Regional Streets & Roads	190,399	\$ 21,839	\$ 168,560	\$ -	\$ -	-
Regional Transportation Modeling	295,399	52,748	242,651	-	-	-
Regional Traffic Monitoring	245,458	28,688	216,770	-	-	-
Measure "C" Expenditure Plan	17,157	17,157	-	-	-	-
Measure "C" Extension	18,912	18,912	-	-	-	-
Valley Wide Goods Movement	81,980	16,239	-	-	65,741	-
Regional Housing Element	34,552	34,552	-	-	-	-
Blue Print	231,061	-	-	-	-	-
Public Transportation - Urban	434,928	163,523	-	-	-	-
S.E. Asian Transit Ridership	55,572	5,572	-	-	-	50,000
Traffic Deficiencies	92,723	18,545	-	74,178	-	-
Public Transportation - Rural	28,459	3,264	-	-	-	-
Other Modal Elements	87,645	71,435	16,210	-	-	-
Regional Transportation Plan	226,066	25,930	171,078	-	-	-
Congestion Management Plan	3,336	382	697	-	-	-
Air Quality	100,848	11,567	76,375	-	-	-
Transportation Program Dev.	170,141	6,145	48,816	-	-	-
Intergovernmental Coordination	161,188	161,188	-	-	-	-
Public Info. and Participation	136,851	20,866	72,665	-	-	-
COG View Internet	15,527	4,241	-	-	-	-
Environmental Justice	14,270	3,138	11,132	-	-	-
Jarc/New Freedom	54,626	54,626	-	-	-	-
Technical Assistance Members	6,612	6,612	-	-	-	-
Outside Technical Service	32,086	32,086	-	-	-	-
Rideshare Program	60,871	60,871	-	-	-	-
Regional Data Center	68,286	7,832	28,243	-	-	-
COFCG Administration	184,260	184,260	-	-	-	-
OWP and Budget	20,219	16,572	3,647	-	-	-
Transportation Funds Adm.	150,484	150,484	-	-	-	-
Valley RTPA Coordination	169,898	152,361	-	-	-	-
Hwy. 99 Consensus	22,500	4,500	-	-	18,000	-
FCRTA Administration	219,901	219,901	-	-	-	-
Transportation Authority Adm.	2,513	2,513	-	-	-	-
Freeway Service Patrol	247,315	52,289	-	-	-	-
Abandoned Vehicle Abatement	11,127	11,127	-	-	-	-
Non Pt. Source Water Quality	80,433	1,387	-	-	-	-
Yosemite Valley Revitalize	2,870	2,870	-	-	-	-
Total expenditures	<u>3,976,473</u>	<u>\$ 1,646,222</u>	<u>\$ 1,056,844</u>	<u>\$ 74,178</u>	<u>\$ 83,741</u>	<u>\$ 50,000</u>
Depreciation	8,952					
Net gain	<u>\$ 13,559</u>					

Federal Transit Administration		Environmental Protection Agency	State PPM 6086(019) & 6086(022)	State FSP 6086(020) & 6086(021)	SJ Valley Blueprint
FTA MPO 5303	FTA 5307	EPA X969407			
\$ 213,717	\$ 231,458	\$ 79,046	\$ -	\$ -	\$ -
-	-	-	115,000	193,662	231,061
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 213,717</u>	<u>\$ 231,458</u>	<u>\$ 79,046</u>	<u>\$ 115,000</u>	<u>\$ 193,662</u>	<u>\$ 231,061</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	231,061
39,947	231,458	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
25,195	-	-	-	-	-
-	-	-	-	-	-
29,058	-	-	-	-	-
2,257	-	-	-	-	-
12,906	-	-	-	-	-
-	-	-	115,180	-	-
-	-	-	-	-	-
43,320	-	-	-	-	-
11,286	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
32,211	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
17,537	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	195,026	-
-	-	-	-	-	-
-	-	79,046	-	-	-
-	-	-	-	-	-
<u>\$ 213,717</u>	<u>\$ 231,458</u>	<u>\$ 79,046</u>	<u>\$ 115,180</u>	<u>\$ 195,026</u>	<u>\$ 231,061</u>

COUNCIL OF FRESNO COUNTY GOVERNMENTS
SCHEDULE OF INSURANCE COVERAGE
FOR THE YEAR ENDED JUNE 30, 2007

Insurance coverage of the Council at June 30, 2007 is as follows:

Fire Insurance:	
Office personal property 90% co-insurance	\$ 100,000
Public Officials Professional Liability Coverage	\$ 1,000,000
Liability Coverage:	
All inclusive (combined single limit):	
Bodily injury	\$ 1,000,000
Group Travel Accident	\$ 100,000
Bond, Blanket Position	\$ 35,000
Workers' Compensation Insurance	Statutory

COUNCIL OF FRESNO COUNTY GOVERNMENTS
SCHEDULE OF COST ALLOCATION PLAN RECONCILIATION
AND FIXED RATE OVERHEAD CARRYOVER
FOR THE YEAR ENDED JUNE 30, 2007

The following is a reconciliation of the Council's expenses per the basic financial statements to the expenses per the Council's cost allocation plan for the year ended June 30, 2007:

Budget Item	Actual Expense	Eligible Depreciation	Allocated to Other Programs	Direct Expense	Indirect Expense
Salaries and Benefits:					
Direct	\$ 1,564,970	\$ -	\$ (478,795)	\$1,086,175	\$ -
Indirect	402,860	-	(8,423)	-	394,437
Total salaries and benefits	1,967,830	-	(487,218)	1,086,175	394,437
Indirect Overhead:					
Telephone	4,993	-	-	-	4,993
Telecommunications	-	-	-	-	-
Contract help	3,027	-	-	-	3,027
Membership/dues	4,725	-	-	-	4,725
Insurance	14,907	-	-	-	14,907
Postage	17,859	-	-	-	17,859
Printing supplies	8,624	-	-	-	8,624
Office supplies	22,684	-	-	-	22,684
Publications	1,827	-	-	-	1,827
Service contracts	1,504	-	-	-	1,504
Advertising and legal notice	10,395	-	-	-	10,395
Computer supplies	7,108	-	-	-	7,108
Office lease	193,692	-	-	-	193,692
Moving expense	-	-	-	-	-
Utilities	4,370	-	-	-	4,370
Equipment lease	21,833	-	-	-	21,833
Repair and maintenance	518	-	-	-	518
Travel expenses	26,310	-	-	-	26,310
Depreciation	-	8,952	-	-	8,952
Legal and accounting	10,500	-	-	-	10,500
Total indirect overhead	354,876	8,952	-	-	363,828
Total costs	\$ 2,322,706	\$ 8,952	\$ (487,218)	\$1,086,175	\$ 758,265

COUNCIL OF FRESNO COUNTY GOVERNMENTS
SCHEDULE OF COST ALLOCATION PLAN RECONCILIATION
AND FIXED RATE OVERHEAD CARRYOVER (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2007

Direct expenses - at June 30, 2007	\$ 1,086,175
Approved indirect cost rate for June 30, 2007	<u>67.78%</u>
Total allocable indirect expenses - at June 30, 2007	<u>\$ 736,209</u>
Actual indirect expenses - at June 30, 2007	\$ 758,265
Under recovery of indirect expenses - at June 30, 2005	<u>27,173</u>
Net eligible indirect expenses - at June 30, 2007	<u>\$ 785,438</u>
Under recovery of indirect expenses - at June 30, 2007	<u>\$ 49,229</u>
Under recovery of indirect expenses - at June 30, 2006	<u>\$ 9,487</u>

COUNCIL OF FRESNO COUNTY GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grantor's Number	Grant Expenditures
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<u>Federal Highway Works Administration:</u>			
Pass-through California Department of Transportation			
Highway Planning and Construction Grant -			
OWP (Overall Work Plan)	20.205	74A0114	\$ 1,056,844
Partner	20.205	74A0114	74,178
Environmental Justice	20.205	74A0197	50,000
PTA	20.205	06A0935	<u>83,741</u>
Total Federal Highway Works Administration			<u>1,264,763</u>
<u>Federal Transit Administration:</u>			
Pass-through California Department of Transportation			
Federal Transit Technical Studies Grant - MPO	20.505	74A0114	213,717
FTA 5307	20.507	CA-90-Y494	<u>231,458</u>
Total Federal Transit Administration			<u>445,175</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
<u>Environmental Protection Agency:</u>			
Direct			
Surveys, Studies, Investigations and Special Purpose	66.610	X-96940701-0	<u>79,046</u>
Total Environmental Protection Agency			<u>79,046</u>
Total Federal Financial Assistance			<u>\$ 1,788,984</u>

OTHER REPORTS SECTION

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"

The Board of Directors
Council of Fresno County Governments
Fresno, California

We have audited the financial statements of the Council of Fresno County Governments, as of and for the year ended June 30, 2007, and have issued our report thereon dated December 28, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council of Fresno County Governments' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council of Fresno County Governments' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council of Fresno County Governments' internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Council of Fresno County Governments' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Council of Fresno County Governments' financial statements that is more than inconsequential will not be prevented or detected by the Council of Fresno County Governments' internal control.

8080 North
Palm Avenue,
Suite 201

Fresno, CA
93711-5797

559/431-5500

Fax: 559/431-4937
www.cplus.com

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"
(CONTINUED)

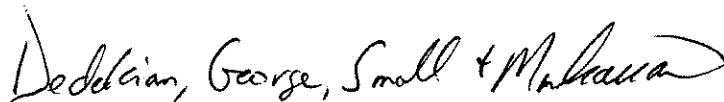
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Council of Fresno County Governments' internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council of Fresno County Governments' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under "Government Auditing Standards."

This report is intended solely for the information and use of the Council of Fresno County Governments' management and Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Dedekian, George, Small & Markarian
Accountancy Corporation
December 28, 2007

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

The Board of Directors
Council of Fresno County Governments
Fresno, California

Compliance

We have audited the compliance of the Council of Fresno County Governments with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended June 30, 2007. The Council of Fresno County Governments' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Council of Fresno County Governments' management. Our responsibility is to express an opinion on the Council of Fresno County Governments' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council of Fresno County Governments' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Council of Fresno County Governments' compliance with those requirements.

8080 North
Palm Avenue,
Suite 201

Fresno, CA
93711-5797

559/431-5500

Fax: 559/431-4937
www.cpaplus.com

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)

Compliance (Continued)

In our opinion, the Council of Fresno County Governments complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of the Council of Fresno County Governments is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Council of Fresno County Governments' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council of Fresno County Governments' internal control over compliance.

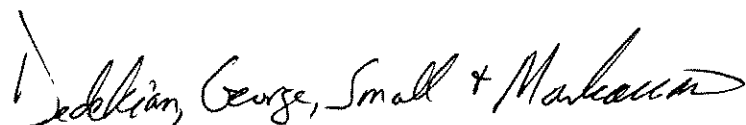
A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course or performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination or control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)

This report is intended solely for the information and use of the Council of Fresno County Governments' management and Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Dedekian, George, Small & Markarian
Accountancy Corporation
December 28, 2007

FINDINGS AND RECOMMENDATIONS SECTION

COUNCIL OF FRESNO COUNTY GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2007

1. Summary of Auditor's Results

- a. The Independent Auditor's Report expresses an unqualified opinion on the general purpose financial statements of the Council of Fresno County Governments.
- b. No reportable conditions were disclosed during the audit of the financial statements or major federal award programs.
- c. No instances of noncompliance material to the financial statements of the Council of Fresno County Governments, which would be required to be reported in accordance with "Government Auditing Standards", were disclosed during the audit.
- d. The Independent Auditor's Report on Compliance for Major Programs was unqualified.
- e. No current year audit findings were disclosed.
- f. The major program was Highway Planning and Construction (CFDA Number 20.205).
- g. The threshold for distinguishing Types A and B programs was \$300,000.
- h. The Council of Fresno County Governments was determined to be a low-risk auditee.

2. Findings Relating to Financial Statements Required Under GAGAS

None.

3. Findings and Questioned Costs for Major Federal Award Programs

None.