

COG BOARD OF DIRECTORS MEETING

*District of Columbia
Bladensburg*
Bowie
Charles County
College Park
Frederick
Frederick County
Gaithersburg
Greenbelt
Montgomery County
Prince George's County
Rockville
Takoma Park
Alexandria
Arlington County
Fairfax
Fairfax County
Falls Church
Loudoun County
Manassas
Manassas Park
Prince William County*

**DATE: November 13, 2013
TIME: 12:00 – 2:00PM
PLACE: COG Board Room**

PLEASE NOTE: Chairwoman Young will begin the meeting promptly at Noon. Lunch for members and alternates will be available at 11:30AM

AGENDA

**1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE
(12:00PM)**

**Karen Young, Board President Pro Tem, City of Frederick Board of Aldermen
COG Board Chairwoman**

**2. ANNOUNCEMENTS
(12:00 – 12:10PM)**

Chairwoman Young

- A. Annual Membership Meeting & Awards Luncheon – December 11, 2013**
- B. Regional Mental Health Resource Guide**

**3. EXECUTIVE DIRECTOR'S REPORT
(12:10 – 12:15PM)**

**4. AMENDMENTS TO AGENDA
(12:15 – 12:20PM)**

**5. APPROVAL OF MINUTES OF OCTOBER 9, 2013
(12:20 – 12:25PM)**

**Adjunct Member*

**6. ADOPTION OF CONSENT AGENDA ITEMS
(12:25 – 12:30PM)**

A. RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO RECEIVE AND EXPEND FUNDS TO PARTICIPATE IN DOE'S ROOFTOP SOLAR CHALLENGE II

The Board will be asked to amend Resolution R43-2013 authorizing the Executive Director, or his designee, to receive and expend up to \$125,000 in grant funding from DOE to provide technical assistance to local governments to improve their policies and processes for solar photovoltaic installations. The program will be administered in collaboration with Optony Inc., the Mid America Regional Council (MARC), and the National Association of Regional Councils. The total costs of the services shall not exceed \$125,000. COG will provide matching funds of \$40,000 to MARC and \$8,750 to Optony, Inc. The matching funds will be provided 50 percent from the approved FY 14 climate and energy program budget and 50 percent from the FY 15 climate and energy program budget.

RECOMMENDED ACTION: Amend Resolution R43-2013.

B. RESOLUTION AUTHORIZING COG TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE MARYLAND DEPARTMENT OF NATURAL RESOURCES FOR ANACOSTIA FORESTRY-RELATED SERVICES

The Board will be asked to adopt Resolution R45-2013, authorizing the COG Executive Director, or his designee to execute a nine month memorandum of understanding with the Maryland Department of Natural Resources (MDDNR) for Anacostia forestry-related services. The contractual services identified in the MOU will not exceed the amount of \$25,000, with funding provided by MDDNR. No COG matching funds are required.

RECOMMENDED ACTION: Adopt Resolution R45-2013.

C. RESOLUTION AUTHORIZING COG TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE MARYLAND DEPARTMENT OF NATURAL RESOURCES FOR ANACOSTIA RIVER WATERSHED RESTORATION PARTNERSHIP-RELATED SERVICES

The Board will be asked to adopt Resolution R46-2013, authorizing the COG Executive Director, or his designee to execute an eleven month memorandum of understanding with the Maryland Department of Natural Resources (MDDNR) for Anacostia Partnership-related technical and administrative support services. The contractual services identified in the MOU will not exceed the amount of \$41,500, with funding provided by MDDNR. No COG matching funds are required.

RECOMMENDED ACTION: Adopt Resolution R46-2013.

**7. FY 2013 AUDIT REPORT AND FY 2014 FIRST QUARTER REPORT
(12:30 – 12:45PM)**

Bruce Williams
Mayor, City of Takoma Park
Chairman, FY 2013 Audit Committee

Graylin Smith
Managing Partner, SB & Company, LLC

Pamela Gray
Partner, SB & Company, LLC

Paul Beriault
Chief Financial Officer, Metropolitan Washington Council of Governments

SB & Company, LLC (SBC) performed COG's FY 2013 audit. A draft of the audit was presented to the Audit Committee at its October 9 meeting, and subsequently, the Form 990 tax return. SBC provided an unqualified or "clean" audit for COG. COG staff will provide a summary of FY 2014 first quarter financial activity. In addition, the Board will be asked to adopt Resolution R47-2013, accepting the 2013 Audit as presented, and authorizing the Executive Director to engage SBC for another year to prepare the FY 2014 Audit.

RECOMMENDED ACTION: Adopt Resolution R47-2013.

**8. ADOPTION OF POLICY GUIDELINES
(12:45 – 1:00PM)**

Chairwoman Young

Earlier this spring, the Board directed development of criteria and a process for developing COG's legislative and policy positions. After close consultation with the Board's Legislative Committee and Past Board Chairs group, staff has prepared draft policy guidelines for Board consideration and action. The objective is to focus and more clearly define parameters that will provide practical guidance to the Board when considering policy action. (Discussed, tabled at the September 11, 2013 meeting.)

RECOMMENDED ACTION: Adopt Resolution R37-2013.

**9. WINTER WEATHER BRIEFING \ HOMELESS SERVICES IN REGION
(1:00 – 1:20PM)**

Chris Strong
Warning Coordination Meteorologist, National Weather Service

Julie Maltzman
Continuum of Care Lead Manager, Fairfax County Office to Prevent and End Homelessness

At the November 4th Annual Winter Weather Briefing, local transit agencies, the Office of Personnel Management, and local emergency managers were informed of the latest predictions for the upcoming winter weather season. Mr. Strong will share the critical points from this briefing as they relate to the potential shelter needs for the region's residents without adequate or secure shelter. Ms. Maltzman will provide an overview of the types and amount of shelter beds currently available to serve the region's residents during hypothermia season. COG Board members will be invited to participate in upcoming trainings for the annual Point in Time (PIT) homeless enumeration. COG staff proposes to conduct a regional scan of member jurisdictions' 10-Year Plans to End Homelessness. The Board will be asked for feedback regarding what data or practices would be most useful. In addition, the Board will be asked to adopt Resolution R48-2013 directing COG staff to conduct this regional research effort highlighting our joint efforts to end homelessness.

RECOMMENDED ACTION: Adopt Resolution R48-2013.

**10. CLIMATE, ENERGY AND ENVIRONMENT POLICY COMMITTEE PRIORITIES FOR 2013-2016
(1:20 – 1:30PM)**

Roger Berliner, Councilmember, Montgomery County Council
Chair, Climate, Energy & Environment Policy Committee

The Climate, Energy and Environment Policy Committee (CEEPC) was created by the Board in 2009 to implement the Board's adopted climate and energy policies, and since 2010, to support the region's achievement of Region Forward sustainability goals. CEEPC formalized these regional policy goals in a 2010-2012 Climate and Energy Action Plan, and recently set additional measurable goals for 2013-2016. At the October 9 board meeting Chair Berliner briefed the Board on the substantial regional progress made to date on the 2010-2012 action plan and priorities for 2013-2016. Areas of focus included energy conservation, energy efficiency, renewable energy, climate adaptation, and an exciting new focus on green cooperative purchasing. Due to an administrative error, the Board was not provided a copy of the 2013-2016 Climate and Energy Action Plan in advance of the October meeting and formal endorsement was deferred to November.

RECOMMENDED ACTION: Adopt Resolution R44-2013.

**11. PRESENTATION AND DISCUSSION ON REGIONAL SHARED SERVICES
(1:30-1:50PM)**

**Andrew Fellows, Mayor
City of College Park, Maryland**

**Chuck Bean
Executive Director, COG**

**Stuart Freudberg
Senior Director, Environment, Public Safety and Health, COG**

As part of the requirements to restore the Chesapeake Bay and local streams, COG members, the private sector and citizens are investing significantly in stormwater management technology – for both the capital costs of new and retrofitted stormwater management infrastructure, as well as long-term maintenance of these environmental protection technologies. Recent discussions at the COG retreat and among policy committee members suggest that COG’s members and their constituents could potentially reduce long-term costs, achieve design efficiencies, promote local and regional economic development and employment opportunities, and receive additional benefits from formal collaboration using a “regional shared services” approach to implementation and maintenance. College Park Mayor Andrew Fellows will provide an overview of the stormwater requirements and potential benefits that may be accrued from a regional shared services approach. Mr. Bean will discuss how regional shared services could support the goal of increasing the value of membership in COG; Mr. Freudberg will note examples of existing and new areas where shared services are or might be beneficial to COG’s members, and suggest a way forward on a process and timetable for an assessment of the regional shared services concept.

RECOMMENDED ACTION: Receive briefing; direct staff to work with appropriate policy and technical committees to analyze potential benefits of regional shared services approach for stormwater management and other programs.

**12. OTHER BUSINESS
(1:50 – 2:00PM)**

**13. ADJOURN – THE NEXT MEETING IS THE ANNUAL MEMBERSHIP MEETING & AWARDS LUNCHEON
ON DECEMBER 11 AT WASHINGTON CONVENTION CENTER.
(2:00PM)**



Reasonable accommodations are provided for persons with disabilities. Please allow 7 business days to process requests. Phone: 202.962.3300 or 202-962.3213 (TDD). Email: accommodations@mwcog.org. For details: www.mwcog.org



AGENDA ITEM #2

ANNOUNCEMENTS

You Are Invited

Metropolitan Washington Council of Governments



Shaping Our Region's Economy for  **the Metropolitan Revolution**

2013 Annual Meeting & Awards Luncheon

December 11

You are invited to

Shaping Our Region's Economy for the Metropolitan Revolution: COG's Annual Meeting and Awards Luncheon. We would be honored to have you join us as we celebrate accomplishments from 2013 and hear from our keynote speaker, Brookings' Bruce Katz, as he discusses themes of regional collaboration from his book, The Metropolitan Revolution.

WEDNESDAY DECEMBER 11, 2013

11:00am to 2:00pm

Walter Washington Convention Center
801 Mt. Vernon Place NW
Washington, DC 20001



Registration & Reception: 11:00am
Luncheon & Meeting: Noon

Please register by December 4
at mwcog.org/2013AnnualMeeting
by phone at (202) 962-3212
by email mbeyrouti@mwcog.org



METROPOLITAN WASHINGTON
Council of Governments



METROPOLITAN WASHINGTON
Council of Governments



**Regional
Mental Health
And
Substance
Abuse
Resource
Directory**

2013

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AGENDA ITEM #3

EXECUTIVE DIRECTOR'S REPORT



Metropolitan Washington Council of Governments Executive Director's Report • November 2013

COMMITTEE WORK HEART OF COG OUTREACH MEDIA UPCOMING EVENTS

Policy Board & Committee Work

TRANSPORTATION PLANNING BOARD

- At its October meeting, the TPB engaged in a major roundtable discussion about the draft *Regional Transportation Priorities Plan*. A follow-up discussion is scheduled on a revised version of the draft for the November 20 meeting.
- The TPB released the *FY2013 Report on the Street Smart Public Safety Campaign*, which included an evaluation of the April 2013 campaign. For more information, visit www.beststreetsmart.net

Outreach

MEMBER/STAKEHOLDER OUTREACH

- Executive Director Chuck Bean met with the following elected officials: Pete Candland, Andrew Fellows, Andrea Harrison, Mary Hynes and Phil Mendelson.
- Bean and Senior Director Stuart Freudberg met with Leadership Greater Washington's Tim Kime and Mary Abbajay to discuss new opportunities for partnership between COG and LGW.

SAFE ROUTES TO SCHOOLS

The TPB Bicycle and Pedestrian Subcommittee, in partnership with the Greater Washington DC Region Safe Routes to School Network, hosted the first ever regional Safe Routes to School meeting at COG, which was attended by over 70 participants to discuss and share information and best practices. Also at the event, Commuter Connections Director Nicholas Ramfos presented on Commuter Connections SchoolPool system, which helps parents form carpools, walking groups or biking groups to and from school.

Heart of COG: Improving Access to Healthcare for Area Residents

CARLA SANCHEZ, HEALTH PLANNER, DEPARTMENT OF PUBLIC SAFETY AND HEALTH



Nationally, the Latino population has grown 43 percent between 2000-2010. In our region during the same time period, the Latino population has increased 78 percent. Over half of D.C. area Latinos between the ages of 25-39 are uninsured, while the national average for this age group is 31 percent. The issue of healthcare access for the region's fastest growing group of people spurred Arlington County's Walter Tejada, Montgomery County's Nancy Navarro and D.C.'s Beatriz Otero to ask COG to host a Regional Latino Health Forum.

To help make this event a success, Carla Sanchez worked with COG health committee members to reach out to the right stakeholders and speakers. She and her COG colleagues also identified several sponsors like CareFirst BlueCross BlueShield. The event brought together local health officials, elected and appointed officials, representatives from community based organizations and non-profits, and healthcare providers. In addition to organizing the event, Sanchez helped edit and design a Regional Community Health and Resources Directory to support greater coordination and information sharing.

As we had hoped, participants at the September 30 forum exchanged information, best practices and business cards and made connections across jurisdictions and disciplines. Moving forward, COG will look for additional opportunities to build partnerships to support new health initiatives exploring topics like aging and mental health.

AFFORDABLE HOUSING STRATEGIES

COG held a workshop on implementing shared equity homeownership programs with NCB Capital Impact and the Coalition for Smarter Growth. Shared equity takes place when a local government or a nonprofit organization invests in local properties in order to ensure that they will be affordable for middle income and lower income workers. This means if the home value rises in an affordable unit, the local government or non-profit developer that sponsored the homebuyer will retain some value and apply it toward future affordable housing.

RECYCLING DAY

COG’s John Snarr worked with area partners to sponsor a regional America Recycles Day contest and some local governments will be promoting the November 15 event and contest at their fall events.

CLIMATE/ENERGY OUTREACH

Environmental Resources Program Director Joan Rohlfs presented information at the City of Bowie Green Committee on the regional impact of climate change and COG’s recent climate and energy work. COG’s Jeff King presented on regional street light replacement with LED lights at the Board of Trade Green Committee.



Participants at the Shared Equity Housing Event at COG

MONTGOMERY COUNTY ENERGY SUMMIT

COG environmental staff participated in the County’s Energy Summit, which focused on distributed energy, smart grids, microgrids, and other energy topics.

WATER MESSAGING

COG coordinated with members and water and wastewater utilities to encourage residents to participate in DEA Drug Take Back Day and keep potential contaminants out of local waterways. COG is also working with these partners to run the “Can It, Cool It, Trash It” ads in November and December to remind the public about disposal of grease in the garbage and to prevent sewer line clogs.

NEW ECONOMIC/HOUSING DATA

Planning Director Paul DesJardin met with Dr. Stephen Fuller at George Mason University’s Center for Regional Analysis to discuss preliminary results of research into “The Future Washington Area Economy - Becoming a Global Business Center” research project. The project was funded by a group of private sector umbrella organizations and COG. The data examines employment forecasts and housing needs.

TRANSPORTATION/LAND USE EVENT IN TAKOMA PARK

COG transportation staff held a Regional Peer Exchange Network event through the TPB’s Transportation/Land-Use Connections (TLC) Program called: “The New Ave: Building Sustainability and Sense of Place with a Multiway Boulevard” in Takoma Park.

TRANSPORTATION OUTREACH

Senior Director Ron Kirby participated in the Urban Land Institute’s Regional Land Use Leadership Institute where he gave a presentation on infrastructure. He also gave a presentation to the Maryland State Legislative Task Force focused on exploring the possibility of a regional funding authority.

CHILD WELFARE

COG’s child welfare team held adoption and foster care events with the Department of Energy, DC office, Delta Sigma Theta Sorority Alumni Chapter, and attended the Freddie Mac Foundation’s Angels in Adoption Expo.

STREET SMART KICKS OFF FALL CAMPAIGN

COG's Street Smart launched its award winning ad campaign for pedestrian and bicycle safety awareness this month. As autumn brings with it fewer daylight hours, pedestrians and cyclists are at increased risk for injury as drivers become less able to see the roads. The opening event, which featured the "tired faces" campaign was featured on Fox, Telemundo and [WTOP](#).



Arlington County's Walter Tejada at the Street Smart event

END OF SHUTDOWN A RELIEF FOR REGION

On the day before the end of the shutdown, a meeting of elected leaders from the area's four largest jurisdictions was hosted by District of Columbia Mayor Vincent Gray at the Wilson Building. Gray was joined by Prince George's County Executive Rushern Baker, Fairfax County Chairman Sharon Bulova and Montgomery County Executive Ike Leggett to discuss the regional impact of the shutdown. Following the re-opening of the government, COG Chairwoman Karen Young expressed relief and thanks in a statement. The Associated Press reported the story, which was broadcast by WUSA, [WJLA](#), the Washington Post and others.

TPB HUB HAILED AS SOURCE FOR PLANNING INFO

The Transportation Planning Board unveiled a comprehensive site for planning, processes and community involvement for COG's member jurisdictions. The site compiles and organizes information that is critical for understanding individual projects and explains the TPB's unique role in pulling the projects and plans together. It was featured in the [Washington City Paper](#).

KIRBY DISCUSSES DEVELOPMENT AROUND METRORAIL STATIONS

As developers in the Washington region see the benefits of locating office space near Metrorail stations, commutes will become more crowded as Metro becomes even more essential to getting to work. Senior Director Ron Kirby highlighted the importance of maintaining the current system, developing job centers near suburban Metro stations, and adding mixed-use neighborhoods near closer-in stations in [The Washington Post](#).

CHAPLAINS SUICIDE AWARENESS AND PREVENTION TRAINING – MONDAY, NOVEMBER 18

This training will provide regional Public Safety and Military Chaplains with an overview and better understanding of the upswing of first-responder and community suicide rates.

COG ANNUAL MEETING: SHAPING OUR REGION'S ECONOMY FOR THE METROPOLITAN REVOLUTION – WEDNESDAY, DECEMBER 11

The Council of Governments Annual Meeting and Awards Luncheon will be held at the Walter Washington Convention Center. It will feature keynote speaker, Bruce Katz of Brookings, author of *The Metropolitan Revolution*. His book describes how metropolitan regions like ours are poised to lead the "next economy" and produce more jobs driven by innovation, exports, and sustainability.

For more information about these events and other COG meetings, visit www.mwcog.org/calendar



AGENDA ITEM #4

AMENDMENTS TO AGENDA

(NOTE: NO ATTACHMENTS)



AGENDA ITEM #5

APPROVAL OF MINUTES

**METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 North Capitol Street, NE
Washington, D.C. 20002**

**MINUTES
Board of Directors Meeting
COG Board Room
October 9, 2013**

**BOARD MEMBERS, ALTERNATES, AND OTHER PARTICIPANTS
PRESENT AND NOT PRESENT:**

See attached chart for attendance.

STAFF:

Chuck Bean, Executive Director
Sharon Pandak, General Counsel
Monica Beyrouti, Member Services Associate/Clerk to the Board

GUESTS:

David Dunn, Frederick County
Paul Quander, District of Columbia
Barry Stanton, Prince George's County

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Chairwoman Young called the meeting to order at 12:00PM and began the meeting with a moment of silence in remembrance of the Navy Yard victims. Following the moment of silence Chairwoman Young led those present in the Pledge of Allegiance.

2. ANNOUNCEMENTS

Annual Membership and Awards Luncheon, December 11

Chairwoman Young encouraged the Board to save the date for the Annual Membership and Awards Luncheon on December 11, 2013. This year's meeting is titled "Shaping our Region's Economy for the Metropolitan Revolution" and will feature Bruce Katz. Nominations for the Scull Award and Partnership Award can be submitted on the COG website until November 8, 2013.

3. EXECUTIVE DIRECTOR'S REPORT

Executive Director Chuck Bean discussed the Department of Energy's Rooftop Solar Challenge and encouraged members to participate. Mr. Bean announced the Community Leadership Institute being held on November 14th and November 20th by the National Capital Region Transportation Planning Board. A memorandum from General Counsel Sharon Pandak detailing a summary of Board Rules relating to setting the Board meeting agenda and voting was also discussed. With great sadness, Mr. Bean honored the life of COG employee Karin Foster, who passed away on September 30.

4. AMENDMENTS TO AGENDA

The agenda was amended at the request of Chairwoman Young and by vote of the Board to include a proposed COG letter to Congress regarding the current Federal Government shutdown.

5. APPROVAL OF MINUTES

The minutes of the September 11, 2013 Board Meeting were approved.

6. ADOPTION OF CONSENT AGENDA ITEMS

A. RESOLUTION AUTHORIZING COG TO ENTER INTO A CONTRACT TO ESTABLISH THE OFFICE OF A REGIONAL INCIDENT COORDINATION (RIC) PROGRAM MANAGER

The Board adopted Resolution R39-2013, authorizing the COG Executive Director, or his designee to receive and expend up to \$200,000 to establish the office of a RIC Program Manager. The Program Manager will be proactive in reviewing information from all sources and helping to pull together a regional picture for regional emergencies in a timely manner that can be shared with regional partners and assist them in making better, more informed decisions. Funding for this effort will be provided through an Urban Areas Security Initiative Subgrant from the State Administrative Agent (SAA). No COG matching funds are required.

B. RESOLUTION APPROVING THE COG 2014 LEGISLATIVE COMMITTEE APPOINTMENTS

The Board adopted Resolution R40-2013, authorizing the Board Chairman to appoint several COG members to serve on the 2014 Legislative Committee. The Committee will review staff and committee recommendations for COG's 2014 legislative and policy priorities; an important tool to showcase the region's priorities as officials prepare for their 2014 legislative sessions. The COG Board will take action on the recommendations at its January 8, 2014 meeting. Upon adoption, the recommendations will then become part of COG's outreach activities and communication materials in early 2014.

C. RESOLUTION APPROVING THE COG 2014 NOMINATING COMMITTEE APPOINTMENTS

The Board adopted Resolution R41-2013, wherein the COG Board Chairman shall recommend members to serve on the 2014 Nominating Committee. The Committee will recommend: 1) a slate of corporate officers for action by the General Membership at its Annual Meeting on December 11, 2013; and 2) a slate of officers for the Board of Directors for action by the Board at its January 8, 2014 meeting.

D. RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO CONTRACTS WITH VENDORS FOR OFFICE SERVICES AND DOCUMENT PRODUCTION NEEDS

The Board adopted Resolution R42-2013, authorizing the Executive Director, or his designee, to enter into competitively bid contracts for the provision of office services and document production, in an amount not to exceed \$375,000 for the initial year of services and required equipment procurement. The Executive Director, or his designee, is further authorized to secure up to 5 additional years of contract support with the selected vendors. The funds for this project are included in the Board adopted FY2014 IT and Facilities Annual Operating Budgets. The current COG contracts providing Office Services and Document Production are set to expire in November 2013. The contracts include receptionist services, mail processing, meeting setup, and general office supply and upkeep. COG management has performed an analysis of the new contract requirements, and anticipates the new contracts to save approximately \$179,000 a year; 47 percent annually compared to the expiring contracts currently providing these services.

E. RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO RECEIVE AND EXPEND FUNDS TO PARTICIPATE IN DOE'S ROOFTOP SOLAR CHALLENGE II

The Board adopted Resolution R43-2013, authorizing the Executive Director, or his designee, to receive and expend up to \$85,000 in grant funding from DOE to provide technical assistance to local governments to improve their policies and processes for solar photovoltaic installations. The program

will be administered in collaboration with Optony Inc., the Mid America Regional Council (MARC), and the National Association of Regional Councils. The total costs of the services shall not exceed \$85,000. COG will provide matching funds of \$40,000 to MARC and \$8,750 to Optony, Inc. The matching funds will be provided 50 percent from the approved FY 14 climate and energy program budget and 50 percent from the FY 15 climate and energy program budget.

ACTION: Upon motion made, and seconded, Resolutions R39-2013 through R43-2013 were unanimously adopted.

7. OUTCOMES AND DIRECTION FROM LATINO HEALTH FORUM

Arlington County Board Chairman Walter Tejada shared outcomes from the Latino Health Forum held on September 30th. The event assembled regional stakeholders and decision makers to learn about current health initiatives and projects, as well as to share current services available to the Latino communities across the region. The forum discussed current challenges to accessing care, including language and cultural barriers, health care system navigation and awareness of services. A copy of the 2013-2014 Latino Health & Community Resources Regional Directory was distributed to each Board member.

ACTION: Briefing was received.

8. REPORT ON REGIONAL CLIMATE AND ENERGY ACTION PLAN PROGRESS REPORT AND PRIORITIES FOR 2013-2016

Montgomery County Councilmember and Chair of the Climate, Energy & Environmental Policy Committee (CEEPC) Roger Berliner presented a progress report on achievement of the CEEPC regional policy goals in the 2010-2012 Climate and Energy Action Plan, and additional measurable goals for 2013-2016. Chair Berliner discussed the substantial regional progress made to date and the priorities for 2013-2016. COG Senior Environmental Planner Maia Davis highlighted areas of focus including energy conservation, energy efficiency, renewable energy, climate adaptation, and green cooperative purchasing. Due to an administrative error, the Board was not provided a copy of the Action Plan in advance of the meeting. Loudoun County Supervisor Letourneau asked that formal endorsement be deferred to the November meeting. Chair Berliner concurred.

ACTION: Resolution R44-2013 was received and action deferred until the November meeting.

9. HUMAN SERVICES AND PUBLIC SAFETY POLICY COMMITTEE RESPONSE TO COG BOARD RESOLUTION R16-2013

Prince George's County Deputy Chief Administrative Officer and Human Services and Public Safety (HSPS) Policy Committee Chair Barry Stanton and fellow members of the HSPS Policy Committee, Fairfax County Board of Supervisors Vice Chairman Penelope Gross, District of Columbia Deputy Mayor for Public Safety and Justice Paul Quander, and Frederick County Commissioners' Liaison David Dunn presented the findings of the HSPS Policy Committee. Over the past months various committees steered by the HSPS Policy Committee met and surveyed their members in response to the April 2013 COG Board request through Resolution R16-2013 to look into issues related to firearms violence, including but not limited to mental health, school safety, and gun safety. Although no consensus was reached with regard to policy positions, several themes emerged on how COG can add value, specifically in the areas of public education, regional training, data collection and targeted advocacy.

After receiving the briefing from the representative HSPS Policy Committee members Chairwoman Young asked for a motion to adopt proposed Resolution R45-2013. Following a motion and second,

discussion points were voiced by many Board members both in favor and against the proposed resolution. The Board directed the HSPSPC to develop a work plan on further addressing the issue of mental health and violent behavior.

ACTION: Resolution R45-2013 was approved and adopted by a hand vote of 21 IN FAVOR; 3 OPPOSE (Prince George’s County Council Chair Andrea Harrison, Council of the District of Columbia Chairman Phil Mendelson, and City of Falls Church Vice Mayor David Snyder); 1 ABSTAIN (Prince George’s County Councilmember Karen Toles).

10. OUTCOMES AND DIRECTION FROM SEPTEMBER 27TH EVENT

Prince William County Supervisor Frank Principi and Council of the District of Columbia Chairman Phil Mendelson provided highlights and outcomes of the September 27th event and shared next steps moving forward. The National Capital Region’s elected leadership and stakeholders convened at the National Press Club to discuss the plans of the Economy Forward initiative, including the Activity Centers Strategic Development Plan and the Regional Transportation Priorities Plan. Participants discussed how to align economic growth within the region through activity centers and transportation systems.

ACTION: Received briefing.

11. COG BOARD LETTER TO CONGRESS ON FEDERAL GOVERNMENT SHUTDOWN

As an amendment to the agenda, Chairwoman Young asked for a motion to approve the proposed letter on behalf of the COG Board to Congress regarding the current Federal Government shutdown. Loudoun County Supervisor Matt Letourneau moved to amend the letter to simply urge congress to reopen the government and exclude the term “clean continuing resolution”. Mr. Letourneau’s motion to amend the letter was seconded by City of Bowie Councilmember Dennis Brady. The vote to amend the letter failed with a vote of 7 IN FAVOR; 14 OPPOSE; 0 ABSTAIN.

Following discussion among the board members the original motion to approve the proposed letter was voted on and approved.

ACTION: The COG Board Letter to Congress regarding the Federal Government shutdown was approved by a vote of 18 IN FAVOR; 0 OPPOSE; 3 ABSTAIN (Loudoun County Supervisor Matt Letourneau, Loudoun County Supervisor Shawn Williams, and City of Gaithersburg Councilmember Cathy Drzyzgula). Staff will send the approved letter to the 13 members of Congress from the National Capital Region.

12. ADJOURNMENT

Upon motion duly made and seconded, the meeting was adjourned at 2:05PM. The next meeting will be held on November 13, 2013.

BOARD OF DIRECTORS – October 2013

<u>Jurisdiction</u>	<u>Member</u>	<u>Y/N</u>	<u>Alternate</u>	<u>Y/N</u>
<i>District of Columbia</i>				
Executive	Hon. Vincent Gray	N	Christopher Murphy	N
	Mr. Allen Lew	N	Warren Graves	Y
Council	Hon. Phil Mendelson (Vice Chair)	Y		
	Hon. Kenyan R. McDuffie	N		
<i>Maryland</i>				
Bowie	Hon. G. Frederick Robinson	N	Hon. Dennis Brady	Y
Charles County	Hon. Reuben Collins	Y – via video conference		
City of Frederick	Hon. Karen Young (Chair)	Y	Hon. Randy McClement	N
Frederick County	Hon. David Gray	N	Hon. Blaine Young	N
College Park	Hon. Andrew Fellows	Y	Hon. Robert Catlin	N
Gaithersburg	Hon. Sidney Katz	N	Hon. Cathy Drzyzgula	Y
Greenbelt	Hon. Judith “J” Davis	Y	Hon. Emmett Jordan	N
Montgomery County				
Executive	Hon. Isiah Leggett	N	Mr. Tim Firestine	N
Council	Hon. Roger Berliner	Y		
	Hon. Valerie Ervin	Y		
Prince George’s County				
Executive	Hon. Rushern Baker	N	Mr. Bradford Seamon	Y
Council	Hon. Karen Toles	Y		
	Hon. Andrea Harrison	Y		
Rockville	Hon. Phyllis Marcuccio	N		
Takoma Park	Hon. Bruce Williams	Y	Hon. Terry Seamens	N
Maryland General Assembly	Hon. Galen Clagett	N		
<i>Virginia</i>				
Alexandria	Hon. William Euille Vice Chair)	Y	Hon. Redella Pepper	N
Arlington County	Hon. Walter Tejada	Y	Hon. Jay Fisette	N
City of Fairfax	Hon. Dan Drummond	N	Hon. Jeffrey Greenfield	N
Fairfax County	Hon. Sharon Bulova	Y	Hon. Catherine Hudgins	N
	Hon. Penelope A. Gross	Y	Hon. Patrick Herrity	N
	Hon. John Foust	Y	Hon. Michael Frey	N
Falls Church	Hon. Nader Baroukh	N	Hon. David Snyder	Y
Loudoun County	Hon. Matt Letourneau	Y		
Loudoun County	Hon. Scott York	N	Hon. Shawn Williams	Y
Manassas	Hon. Jonathan Way	Y		
Manassas Park	Hon. Suhas Naddoni	N	Hon. Frank Jones	N
Prince William County	Hon. Frank Principi	Y		
	Hon. Pete Candland	N		
Virginia General Assembly	Hon. James M. Scott	Y		



AGENDA ITEM #6

CONSENT AGENDA

**METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 North Capitol Street, NE
Washington, DC 20002**

PROPOSED RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO RECEIVE AND EXPEND FUNDS TO PARTICIPATE IN DOE'S ROOFTOP SOLAR CHALLENGE II TO INCREASE DEPLOYMENT OF SOLAR ENERGY IN THE METROPOLITAN WASHINGTON REGION

WHEREAS, COG's Climate and Energy Action Plan calls for increased deployment of renewable energy to meet greenhouse gas reduction goals; and

WHEREAS, the goal of DOE's Rooftop Solar Challenge is to achieve measurable improvements in market conditions for rooftop photovoltaics across the United States, with an emphasis on streamlined and standardized permitting and interconnection processes; and

WHEREAS, Optony, Inc. has received an award through the Rooftop Solar Challenge II grant program; and

WHEREAS, the Mid America Regional Council (MARC) and the National Association of Regional Councils (NARC) have received an award through the Rooftop Solar Challenge II grant program; and

WHEREAS, COG proposes a partnership effort with the above-mentioned organizations to provide local government members with best practices and technical assistance to respond to the rapidly growing demand for solar energy, take advantage of the local environmental and economic benefits this technology presents, and share program information nationally; and

WHEREAS, the total cost of the proposed project shall not exceed \$85,000; and MARC requires a match of \$40,000; and Optony, Inc. requires a match of \$8,750;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT:

The Executive Director, or his designee, is authorized to receive and expend up to \$125,000 in grant funding from DOE to provide technical assistance to local governments to improve their policies and processes for solar photovoltaic installations. The program will be administered in collaboration with Optony Inc., the Mid America Regional Council (MARC), and the National Association of Regional Councils. The total costs of the services shall not exceed \$125,000. COG will provide matching funds of \$40,000 to MARC and \$8,750 to Optony, Inc. The source of the matching funds will be 50 percent from the approved FY 14 climate and energy program budget and 50 percent from the FY15 climate and energy program budget.

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 North Capitol Street, N.E.
Washington, D.C. 20002-4239

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE MARYLAND DEPARTMENT OF NATURAL RESOURCES TO PROVIDE ANACOSTIA RIVER WATERSHED REFORESTATION-RELATED SERVICES

WHEREAS, riparian forests play a critical role in the ecological health of the Anacostia and Potomac Rivers; and

WHEREAS, the Metropolitan Washington Council of Governments is both a nationally recognized watershed restoration and urban forestry leader and has provided coordination, management, and technical support for the Anacostia restoration effort since 1987; and

WHEREAS, COG has a continuing interest in the restoration, management and protection of the Anacostia River and its tributaries; and

WHEREAS, COG is the recognized lead riparian reforestation organization in the Anacostia watershed and, working in partnership with various landowners, environmental groups, government organizations and private individuals, has reforested over 45 acres in the Anacostia watershed; and

WHEREAS, the state of Maryland has a vested interest in both the reforestation and restoration of the Anacostia River and its tributaries, and is an active voting member of the Anacostia Watershed Restoration Partnership (AWRP);

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT;

The Executive Director, or his designee, is authorized to enter into a memorandum of understanding (MOU) to provide reforestation-related services to the Maryland Department of Natural Resources (MDDNR) in the Maryland portion of the Anacostia watershed. The contractual services identified in the MOU will not exceed the amount of \$25,000, with funding provided by MDDNR. The period of performance is nine months. No COG matching funds are required.

**METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 North Capitol Street, N.E.
Washington, D.C. 20002-4239**

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE MARYLAND DEPARTMENT OF NATURAL RESOURCES TO PROVIDE ANACOSTIA RIVER WATERSHED PARTNERSHIP-RELATED SUPPORT SERVICES

WHEREAS, the Metropolitan Washington Council of Governments is both a nationally recognized watershed restoration expert and has provided coordination, management, and technical support for the Anacostia restoration effort since 1987; and

WHEREAS, COG has a continuing interest in the restoration, management and protection of the Anacostia River and its tributaries; and

WHEREAS, COG is recognized as a leader in Anacostia watershed restoration and has, since 1988, surveyed major portions of the Anacostia tributary system, helped develop over 200 stormwater management, stream restoration, wetland creation and riparian reforestation projects in the watershed, and has worked with its many partners to increase citizen participation in the restoration effort ; and

WHEREAS, at their June 14, 2006 meeting the Board of Directors of the Metropolitan Council of Governments adopted Resolution R28-06 establishing a new Anacostia governance structure for the restoration of the Anacostia watershed, including the formation of a new Anacostia Watershed Steering Committee; and

WHEREAS, the state of Maryland has a vested interest in the restoration of the Anacostia River and its tributaries, and is an active voting member of the Anacostia Watershed Steering Committee (AWSC) and Anacostia Watershed Management Committee (AWMC); and

WHEREAS, development of the U.S. Army Corps of Engineers Anacostia Watershed Restoration Plan is a high priority for both the AWSC and AWMC, and Council's assistance in tracking, monitoring and reporting on the Plan implementation is critical.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT;

The Executive Director, or his designee, is authorized to enter into a memorandum of understanding (MOU) to provide Anacostia Partnership-related services to the Maryland Department of Natural Resources (MDDNR) and support for the Anacostia Watershed Restoration Plan. The contractual services identified in the MOU will not exceed the amount of \$41,500, with funding provided by MDDNR. The period of performance is eleven months. No COG matching funds are required.



AGENDA ITEM #7

FY 2013 AUDIT REPORT AND FY2014 FIRST QUARTER REPORT

**METROPOLITAN WASHINGTON COUNCIL
OF GOVERNMENTS, INC.**

**Financial Statements Together with
Reports of Independent Public Accountants**

For the Year Ended June 30, 2013



JUNE 30, 2013

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors of the
Metropolitan Washington Council of Governments, Inc.

Report on the Basic Financial Statements

We have audited the accompanying basic financial statements of Metropolitan Washington Council of Governments, Inc. (COG) as of June 30, 2013, which comprise the statement of net position, the related statement of activities and changes in net position, and cash flows for the year then ended and the related notes to the basic financial statements.

Management's Responsibility for the Basic Financial Statements

Management is responsible for the preparation and fair presentation of these basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these basic financial statements based on our audit. 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 basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to COG's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of COG's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of COG as of June 30, 2013, and the changes in its net position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise COG's basic financial statements. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by the 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.

The schedule of expenditures of Federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of Federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2013, on our consideration of COG's internal control over financial reporting and on 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* in considering COG's internal control over financial reporting and compliance.

SB & Company, LLC

Washington, DC
October 23, 2013

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

Management's Discussion and Analysis June 30, 2013

Financial Highlights

This section of the financial statements provides a discussion and analysis of the financial performance of the Metropolitan Washington Council of Governments, Inc. (COG) and an overview of COG's financial activity as of and for the years ended June 30, 2013 and 2012. This information is best understood if read in conjunction with COG's financial statements.

The following information is an analysis as of and for the years ended June 30, 2013 and 2012.

	<u>2013</u>	<u>2012</u>	<u>Variance</u>	<u>% Change</u>
Assets				
Current assets	\$ 23,415,734	\$ 23,560,187	\$ (144,453)	-0.61%
Capital assets	<u>567,803</u>	<u>537,057</u>	<u>30,746</u>	<u>5.72%</u>
Total Assets	23,983,537	24,097,244	(113,707)	-0.47%
Total Liabilities	9,080,392	9,319,538	(239,146)	-2.57%
Net Position				
Invested in capital assets	567,803	537,057	30,746	5.72%
Restricted for:				
Project funds	5,198,343	5,227,001	(28,658)	-0.55%
Capital plans	200,000	250,000	(50,000)	-20.00%
Unrestricted	8,936,999	<u>8,763,648</u>	<u>173,351</u>	<u>1.98%</u>
Net Position	<u>\$ 14,903,145</u>	<u>\$ 14,777,706</u>	<u>\$ 125,439</u>	<u>0.85%</u>

Metropolitan Washington Council of Governments, Inc. completed fiscal year 2013 with positive results from its financial operations. The balance sheet as of June 30, 2013, continues to demonstrate the organization's strong cash position by maintaining the required funds on hand to make payments to vendors who provide support to COG's program operations without relying on capital from its line of credit or unrestricted net assets. By evidence of its financial performance, COG maintained its financial stability in fiscal year 2013 given the economic climate.

Current assets decreased by 0.6%. Strong collection efforts increased cash position, decreased accounts receivable, and decreased accounts payable. The net impact was a decrease in current assets of approximately \$144,000.

COG acquired capital assets of approximately \$199,000. Major capital assets acquired consisted primarily of Association Management Software (AMS) and Accounting Software Updates (Deltek).

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

Management's Discussion and Analysis As of June 30, 2013

Financial Highlights (continued)

Liabilities reflected an approximate \$922,000 decrease in accounts payable from more timely payments to vendors. In addition, liabilities decreased by approximately \$180,000 from employees exhausting leave balances during FY 2013. Liabilities also reflected an approximately \$519,000 increase for the FY 2013 net pension obligation, less approximately \$559,000 related to the FY 2012 payment of the net pension obligation. Liabilities reflected an increase of \$893,000 related to advance payments received for Federal and State grants.

COG's unrestricted net assets fund increased overall by approximately \$173,000, from \$8.8 million to \$8.9 million. The increase included interest earnings from COG's investment portfolio and investment income received from the Center for Public Administration Services, Inc. (CPAS). COG is an equal shareholder in CPAS along with International City Management Association (ICMA) and the International City Management Association Retirement Corporation (ICMA-RC). CPAS is a real estate investment trust (REIT) that owns an office building located at 777 North Capitol Street, Washington DC. CPAS is an REIT; therefore, it must distribute most of its earnings to its owners each year.

	<u>2013</u>	<u>2012</u>	<u>Variance</u>	<u>% Change</u>
Revenue				
Federal grants	\$ 29,410,200	\$ 21,491,797	\$ 7,918,403	36.84%
State and local grants	8,881,076	9,382,821	(501,745)	-5.35%
Member contributions	3,413,478	3,223,507	189,971	5.89%
Other	2,281,299	2,336,478	(55,179)	-2.36%
Total Revenue	<u>43,986,053</u>	<u>36,434,603</u>	<u>7,551,450</u>	<u>20.73%</u>
Expenses				
Personnel	13,536,051	13,057,112	478,939	3.67%
Professional fees	22,776,864	15,503,587	7,273,277	46.91%
Other direct costs	3,172,396	3,231,573	(59,177)	-1.83%
Indirect costs	4,375,303	4,688,450	(313,147)	-6.68%
Total Expenses	<u>43,860,614</u>	<u>36,480,722</u>	<u>7,379,892</u>	<u>20.23%</u>
Changes in net position	125,439	(46,119)	171,558	-371.99%
Net position, beginning of year	14,777,706	14,823,825	(46,119)	-0.31%
Net Position, End of Year	<u>\$ 14,903,145</u>	<u>\$ 14,777,706</u>	<u>\$ 125,439</u>	<u>0.85%</u>

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

Statement of Net Position As of June 30, 2013

Financial Highlights (continued)

Revenue for the year ended June 30, 2013, was \$44 million, which was approximately \$7.5 million higher than for the year ended June 30, 2012. Federal revenue increased primarily due to pass-through funding for the Tiger grant, which increased cost by an equal amount. State and local funding decreased by 5.4%, primarily due to program funding shifting to Federal level. Member contributions were \$3.4 and \$3.2 million for FY 2013 and 2012, respectively.

Expenses increased overall by approximately \$7.4 million. Personnel costs increased 3.7% due to increases in salaries and related benefits. The increase in professional fees is primarily attributed to the corresponding increase in Federal pass-through revenue.

The economic forecast for COG is based on the outlook for its member governments and the Metropolitan Washington, DC region. COG does not expect any significant change in its operations for the next fiscal year. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to: Metropolitan Washington Council of Governments, Inc. 777 North Capitol Street, NE, Washington, DC 20002.

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

**Statement of Net Position
As of June 30, 2013**

ASSETS

Current Assets

Cash	\$	4,365,028
Investments		9,094,079
Accounts receivable		9,717,578
Prepaid expenses and other current assets		239,049
Total Current Assets		<u>23,415,734</u>

Non-Current Assets

Capital assets, net		567,803
Total Assets	\$	<u>23,983,537</u>

LIABILITIES

Current Liabilities

Accounts payable	\$	4,260,854
Accrued expenses		454,526
Accrued Vacation		747,098
Unearned revenue		2,411,382
Total Current Liabilities		<u>7,873,860</u>

Non-Current Liabilities

Net pension obligation		1,206,532
Total Liabilities		<u>9,080,392</u>

NET POSITION

Invested in capital assets		567,803
Unrestricted Board Designated:		
Project funds		5,198,343
Capital plans		200,000
Unrestricted		8,936,999
Total Net Position	\$	<u>14,903,145</u>

The accompanying notes are an integral part of this financial statement.

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

**Statement of Revenue, Expenses and Changes in Net Position
For the Year Ended June 30, 2013**

Operating Revenues

Member contributions	\$ 3,413,478
Federal grants	29,410,200
State grants	5,707,473
Local grants	3,173,603
Foundation contributions	264,000
Other income	1,538,835
Total Operating Revenue	43,507,589

Operating Expenses

Transportation	30,010,470
Community planning and services	814,771
Public safety and health	5,437,851
Environmental	6,508,845
Member services	569,992
Additional required pension	518,685
Total Operating Expenses	43,860,614

Operating loss	(353,025)
-----------------------	------------------

Non-Operating Revenue

Unrealized loss on investments	(208,002)
Interest income	176,466
Investment income	510,000
Total Non-Operating Revenue	478,464

Changes in net position	125,439
Net position, beginning of year	14,777,706
Net Position, End of Year	\$ 14,903,145

The accompanying notes are an integral part of this financial statement.

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

**Statement of Cash Flows
For the Year Ended June 30, 2013**

Cash Flows from Operating Activities

Revenue and other support	\$ 45,943,948
Payments to employees	(13,317,415)
Payments to vendors	(31,563,352)
Net Cash Flows from Operating Activities	<u>1,063,181</u>

Cash Flows from Investing Activities

Purchase of investments	(165,065)
Interest income	176,466
Investment income	510,000
Net Cash Flows from Investing Activities	<u>521,401</u>

Cash Flows from Capital Financing Activities

Purchase of furniture and equipment	(198,796)
-------------------------------------	-----------

Net increase in cash	1,385,786
Cash, beginning of year	2,979,242
Cash, End of Year	<u>\$ 4,365,028</u>

**Reconciliation of Operating Loss to Net Cash
from Operating Activities**

Operating loss	\$ (353,025)
Adjustments to reconcile operating loss to cash from operating activities:	
Depreciation and amortization	168,050
Effect of changes in non-cash operating assets and liabilities:	
Accounts receivable	1,510,790
Prepaid expenses and other current assets	(23,488)
Accounts payable	(921,691)
Accrued expenses	(153,188)
Accrued vacation	(16,749)
Net pension obligation	(40,627)
Unearned revenue	893,109
Net Cash Flows from Operating Activities	<u>\$ 1,063,181</u>

The accompanying notes are an integral part of this financial statement.

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

Notes to the Financial Statements

June 30, 2013

1. ORGANIZATION

The Metropolitan Washington Council of Governments, Inc. (COG), is an organization comprised of 22 local governments of the Washington Metropolitan area, plus area members of the Maryland and Virginia legislatures, the U.S. Senate, and the U.S. House of Representatives. COG's mission is to enhance the quality of life and competitive advantages of the Washington Metropolitan region in the global economy by providing a forum for consensus building and policy making; implementing intergovernmental policies, plans, and programs; and supporting the region as an expert information resource.

Through COG, individual counties and cities coordinate their efforts to maintain and improve the physical, economic, and social well being of the area. COG's funding is obtained from member jurisdictions' annual contributions and Federal, State, and other contracts for specified projects, which are designed to further COG's goals and objectives.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounting and financial reporting for the accompanying financial statements follow the enterprise fund reporting model as defined by the Government Accounting Standards Board (GASB), which uses the economic-resources measurement focus and the accrual basis of accounting. The enterprise basis of accounting was used as COG is an entity formed to benefit governments and its members are governmental entities. As such, COG believes the enterprise fund reporting model more properly reflects its reporting entity. Revenue is recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flow. COG has elected to not adopt private sector accounting and reporting standards established by the Financial Accounting Standards Board's (FASB) pronouncement issued after November 30, 1989, unless required by the GASB.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of year-end and the changes therein and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investments

Investments are carried at fair market value. In February 1982, COG adopted a formal investment policy that authorizes staff to deposit funds, not immediately needed for operating activities, in short-term investment accounts, including money market funds, where such accounts or funds are invested in securities of the United States of America or insured by the Federal government.

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

Notes to the Financial Statements

June 30, 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable

Accounts receivable are primarily from grants and are recorded at their estimated net realizable value. Management believes all receivables are fully collectible as of June 30, 2013.

Capital Assets

Capital assets in excess of \$5,000 are recorded at cost. Capital assets are depreciated over their estimated useful lives on the straight-line method. Leasehold improvements are amortized over the shorter of the estimated useful life or the life of the lease. Furniture, equipment, computer hardware, and software are depreciated over three years. Maintenance and repairs are expensed as incurred.

Compensated Absences

Employees are allowed to accumulate unused vacation leave up to certain maximum hours. COG employees earn thirteen to twenty-six vacation days in a year, depending on the length of their employment. All employees receive thirteen sick days a year. Upon termination or retirement, employees are entitled to receive compensation at their current base salary for all unused vacation leave. Unused sick leave is canceled upon termination of employment, with no compensation to the employee.

Unearned Revenue

Funds advanced to COG before the satisfaction of program eligibility requirements are reflected as unearned revenue. The eligibility requirements applicable to COG relate to reimbursement or expenditure driven programs. COG must incur allowable costs under a program before the revenue can be recognized.

Fringe Benefit and Indirect Cost Allocations

Fringe benefit and indirect costs are allocated to each project based on approved allocation rates. Separate rates are determined for management and administrative personnel costs, fringe benefits (excluding leave), leave (vacation and sick), and indirect non-personnel costs. The rates are calculated as follows:

- The management and administrative (M&A) personnel costs rate is the ratio of M&A salaries over direct salaries;
- The leave rate is the ratio of leave expense over total salary costs less temporary salaries and intern costs;
- The fringe rate is the ratio of fringe benefit expense (excluding leave) over total personnel costs less temporary salaries and intern costs; and

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

Notes to the Financial Statements

June 30, 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fringe Benefit and Indirect Cost Allocations (continued)

- The indirect non-personnel rate is the ratio of total indirect costs over total personnel and temporary and fringe benefit costs.

The M&A, leave, fringe benefit, and indirect costs rates for the fiscal year ended June 30, 2013, were as follows:

	<u>2013</u>	<u>2012</u>
M&A personnel costs	25.21%	21.58%
Leave	20.15%	18.09%
Fringe benefits	24.89%	29.24%
Indirect non-personnel costs	33.30%	33.84%

Recent Accounting Pronouncements

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, effective for periods beginning after December 15, 2012. In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, and Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, effective for periods beginning after June 15, 2013, and 2014, respectively. In January 2013, GASB issued Statement No. 69, *Government Combination and Disposals of Government Operations*, effective for periods beginning after December 15, 2013. In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Non-exchange Guarantees*, effective for periods beginning after June 15, 2013. COG will implement these statements as of their effective dates. While COG is still in the process of determining the effect of implementing these GASB statements, it is expected that Statement No. 68 will have a material effect on the financial position of COG.

Subsequent Events

COG evaluated subsequent events and transactions through October 23, 2013, the date these financial statements were available for issue, and have determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

Notes to the Financial Statements

June 30, 2013

3. DEPOSITS

COG maintains its deposits at several financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000, for interest bearing accounts. As of June 30, 2013, COG's bank balance was \$5,458,831, and its book balance was \$4,365,028.

4. INVESTMENTS

COG's investments are stated at fair value as determined by quoted market prices. As of June 30, 2013, the investment balance consisted of the following:

Certificate of deposits	\$ 7,703,180
Government backed securities	1,162,015
Money market	228,884
	<u>\$ 9,094,079</u>

COG's investments are subject to certain risks. Those risks are credit risk, concentration of credit risk, and interest rate risk.

Credit Risk is the risk that an issuer to an investment will not fulfill its obligations. COG limits its exposure by ensuring deposits with a financial institution do not exceed the \$250,000 FDIC insurance. In addition, financial institutions must have a satisfactory or outstanding Community Reinvestment Act rating, total capitalization of at least \$10 million, and an FDIC Capital Classification of "Well Capitalized" or "Adequately Capitalized." As of June 30, 2013, COG's bonds with the Federal National Mortgage Association, Federal Home Loan Bank, and Federal Farm Credit Bank had a AAA rating by Moody and AA+ by S&P.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. There is no limit on the amount that may be invested in any one issuer.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. COG mitigates the interest rate risk by investing in callable bonds and segmenting its investments with various maturity dates. The segmented maturity of the Federal agency and corporate bonds are as follows:

One to five years	9%
Five to ten years	58%
Ten or more years	34%

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

**Notes to the Financial Statements
June 30, 2013**

5. CAPITAL ASSETS

Capital assets consisted of the following as of June 30, 2013:

	June 30, 2012	Additions	June 30, 2013
Furniture and equipment	\$ 1,592,927	\$ 45,373	\$ 1,638,300
Leasehold improvements	342,841	-	342,841
Computer hardware	538,982	24,990	563,972
Computer software	675,020	128,433	803,453
Local area network	300,032	-	300,032
Total capital assets	<u>3,449,802</u>	<u>198,796</u>	<u>3,648,598</u>
Less: accumulated depreciation	2,912,745	168,050	3,080,795
Capital Assets, net	<u>\$ 537,057</u>	<u>\$ 30,746</u>	<u>\$ 567,803</u>

COG calculates depreciation expense each year based on its capital assets' estimated useful lives. The depreciation expense is then allocated to each of COG's projects through its indirect cost rate. Depreciation expense for the year ended June 30, 2013, was \$168,050.

6. NON-CURRENT LIABILITIES

Changes in non-current liabilities for the year ended June 30, 2013, were as follows:

Activity	Beginning Balance July 1, 2012	Additions	Reductions	Ending Balance June 30, 2013	Due Within One Year
Pension obligation	\$ 1,247,159	\$ 518,685	\$ 559,312	\$ 1,206,532	\$ -
Accrued vacation	763,847	836,878	853,627	747,098	747,098
	<u>\$ 2,011,006</u>	<u>\$ 1,355,563</u>	<u>\$ 1,412,939</u>	<u>\$ 1,953,630</u>	<u>\$ 747,098</u>

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

Notes to the Financial Statements

June 30, 2013

7. PENSION PLAN

Plan Description

COG has a single employer defined benefit pension plan known as the Metropolitan Washington Council of Governments Pension Plan (the Plan), covering substantially all of its employees. The Plan is administered by the Pension Plan Administrative Committee of COG.

As a tax-exempt agent of general-purpose local governments, COG discontinued its participation in Social Security. Contributions, which would normally have gone to the Social Security Administration, are now added to COG's Plan, which provides retirement, disability, and death benefits to participants and beneficiaries.

Cost of living adjustments (COLA) equaling 50% of the consumer price index, if any, up to a maximum of 3% are made each July 1. By action of the Board of Directors, COG may, at any time, amend, in any respect, or terminate the Plan, except that no amendment may reduce the accrued benefits of any participant or beneficiary. Participants are entitled to receive a summary of the Plan's financial reports upon written request to the Director of Human Resource Management.

Under the terms of the Plan, a participant may retire at age 65 with at least five years of service or at age 60 with at least 25 years of service. Normal retirement benefits are received on the first day of the month following the month the participant retires. Normal retirement benefits paid each year represent 80% of the average final compensation participants received from COG during the three calendar years in which participants received the highest compensation, multiplied by the ratio of service. In addition, effective July 1, 2004, a monthly supplemental insurance benefit of \$234 is payable to all retirees. The pension benefit is payable in monthly amounts from the normal retirement date until death, with at least 120 monthly payments guaranteed.

Participants who are disabled while working for COG will receive disability payments until the normal retirement date, unless they recover or die. Disability payments are two-thirds of the participant's salary up to a maximum of \$10,000 per month. Death benefits are equal to the greater of the present value of the participant's accrued benefit immediately before the date of death, or the amount of benefits that are paid under COG's group term life insurance policy. The policy will pay an amount equal to three times the annual salary (rounded up to the nearest thousand) at the time of death.

Participants who terminate employment with COG, other than by death or disability, before completing eight years of vesting services, are entitled to receive, beginning after the normal retirement date, a benefit equal in value to the sum of the participant's contributions to the Plan, plus interest at 5% per year compounded annually (or the applicable Federal rate for temporary employees), and the vested portion of the part of the accrued benefits that is not based on the contributions.

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

**Notes to the Financial Statements
June 30, 2013**

7. PENSION PLAN (continued)

Funding Policy

The contribution requirements of the Plan participants are established and may be amended by COG's Board of Directors. Currently, participants are required to contribute 7.5% of their salary in bi-weekly installments to the Plan. In fiscal year 2013, the board approved an increase in employee contribution rate from 7.5% to 8%, effective January 1, 2014. The employer contribution was 9% during FY13, with an increase to 10% effective July 1, 2013. COG's and the employee's contributions to the Plan for the year ended June 30, 2013, was \$1,484,683 and \$843,651, respectively.

Annual Pension Cost

For the year ended June 30, 2013, COG's estimated annual pension cost was \$1,449,494. The table below represents the funded status of the Plan as of June 30, 2013.

Three Year Trend Information

	<u>Annual Pension Cost</u>	<u>Actual COG Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2011	\$ 1,467,847	\$ 780,000	53%	\$ 687,847
June 30, 2012	1,402,963	843,651	60%	1,247,159
June 30, 2013	1,449,494	1,484,683	102%	1,206,532

Funding Status and Funding Progress

The actuarial valuation was determined using the entry age normal cost method.

	June 30, 2013
Net assets available for plan benefits	<u>\$ 38,954,055</u>
Actuarial accrued liability (AAL)	<u>41,385,895</u>
Unfunded AAL	<u><u>\$ 2,431,840</u></u>

The actuarial value of the assets was determined using the techniques of the asset smoothing method that provides a cushion in case of a market correction.

Estimated covered payroll	\$ 11,420,249
Unfunded AAL as a percentage of payroll	21.29%

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

Notes to the Financial Statements June 30, 2013

7. PENSION PLAN (continued)

Significant Assumptions

<u>Factor</u>	<u>Method</u>
Demographic	
I. Mortality	
a. Active employees and non-disabled retirees	The 1994 Uninsured Pensioners Mortality Table.
b. Disabled retirees	No disability is assumed.
II. Retirement	75% of members are assumed to retire when first eligible for normal retirement benefits, then 25% each year thereafter.
Economic	
I. Investment return	7% compounded per annum.
II. Cost of living benefit increase	Assume inflation of 4.00% compounded per annum, which means annual benefit increases of 2% per annum.
III. Across the board increase in salaries	4.50% compounded per annum.
IV. Administrative expenses	Assumed future administrative expense is set equal to the prior year's actual administrative expense.

8. RELATED PARTY TRANSACTIONS

COG owns one-third of the common stock of the Center for Public Administration and Services, Inc. (CPAS), which owns and operates the office building housing the COG's offices. The remainder of the CPAS stock is held equally by the International City Management Association Retirement Corporation (ICMA-RC) and the International City Management Association (ICMA). The owners occupy and/or sublease the majority of the building's rentable space. CPAS is a real estate investment trust (REIT) and must distribute most of its earnings to its owners each year. During the year ended June 30, 2013, CPAS distributed \$510,000 of income to COG.

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

Notes to the Financial Statements June 30, 2013

8. RELATED PARTY TRANSACTIONS (continued)

CPAS's summarized financial information as of and for the year ended December 31, 2012, was as follows:

Total assets	\$ 20,788,296
Total liabilities	<u>29,134,077</u>
Total stockholders' deficit	<u>\$ (8,345,781)</u>
Revenue	\$ 8,707,083
Expenses	<u>6,829,615</u>
Net Income	<u><u>\$ 1,877,468</u></u>

As of December 31, 2012, CPAS's assets included net rental property of \$13,937,637.

9. LEASE COMMITMENTS

COG is obligated under a ten year operating lease agreement with 777 North Capitol Corporation. The lease expires on December 31, 2016. The lease includes basic rent, a share of real estate taxes and operating expenses, and annual rental escalations based on the CPI.

COG is also obligated under various leases for equipment, the longest of which runs through December 2016. The leases are for copy, scanning and printing services.

The future minimum lease payments for the next five years and thereafter required under the various operating leases, excluding real estate taxes, operating expenditures and CPI adjustments as of June 30, 2013 are below.

<u>For the Years Ending June 30,</u>	
2014	\$ 1,200,428
2015	1,064,475
2016	1,064,475
2017	532,238
Total	<u><u>\$ 3,861,616</u></u>

Rent expense for the fiscal year ended June 30, 2013, was \$2,334,241, which included real estate taxes, operating expenses, and CPI adjustments. COG subleases a portion of its office space. For the year ended June 30, 2013, rental income from the tenant was \$108,379.

SINGLE AUDIT



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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS
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**

Board of Directors of the
Metropolitan Washington Council of Governments, Inc.

Report on the Financial Statements

We have audited, in accordance with the 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, the financial statements of the Metropolitan Washington Council of Governments, Inc. (COG), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise COG's basic financial statements, and have issued our report thereon dated October 23, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered COG's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of COG's internal control. Accordingly, we do not express an opinion on the effectiveness of COG's internal control.

A deficiency in internal control 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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Compliance and Other Matters

As part of obtaining reasonable assurance about whether COG's financial statements are free from 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of COG's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering COG's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SB & Company, LLC

Washington, DC
October 23, 2013



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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors and Officers of the
Metropolitan Washington Council of Governments, Inc.

Report on Compliance for Each Major Federal Program

We have audited Metropolitan Washington Council of Governments, Inc. (COG)'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of COG's major federal programs for the year ended June 30, 2013. COG's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of COG's major federal programs based on our audit of the types of compliance requirements referred to above. 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 COG's 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 on compliance for each major federal program. However, our audit does not provide a legal determination of COG's compliance.



Opinion on Each Major Federal Program

In our opinion, COG complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of COG is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered COG's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 COG's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Washington, DC
October 23, 2013

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013**

Federal Agency/Program Name	Pass-Through Identifying Number	CFDA #	Expenditures
U.S. Department of Agriculture			
Community Woodlands-FED	N.A.	10.675	\$ 31,567
DC Marshalling Yard	N.A.	10.675	5,013
DC Urban Forest Health Matrix	N.A.	10.675	3,802
MWUrban TreeCanopyAnalys	N.A.	10.675	20,464
Total U.S. Department of Agriculture			60,846
U.S. Department of Transportation			
CASPXXV	N.A.	20.106	127,859
FY12CASP PROG XXVI-FedRev	N.A.	20.106	139,969
			267,828
FY12 TCSP - Transporation, Community	N.A.	20.205	1,984
Regional Transportation Coordination Program - FHWA	N.A.	20.205	6,308,533
			6,310,517
Regional Transportation Coordination Program - FTA	N.A.	20.505	1,992,168
FY13 Memorial Bridge	N.A.	20.505	59,251
MATOC FY 13 Work Program	N.A.	20.505	413,875
Commuter Connections	N.A.	20.505	2,227,227
			4,692,521
Job Access_Reverse Commute (JARC) Program	N.A.	20.516	733,010
FY12 Job Access Reverse	N.A.	20.516	400,969
New Freedom Program	N.A.	20.521	75,488
FY11 New Freedom	N.A.	20.521	25,461
FY12 New Freedom	N.A.	20.521	358,233
FY13 New Freedom	N.A.	20.521	4,531
			1,597,692
StreetSmart	N.A.	20.614	204,000
Priority Bus Transit - ARRA	N.A.	20.932	10,560,850
Total U.S. Department of Transportation			23,633,408
U.S. Environmental Protection Agency			
DC Marine Engine Repower	N.A.	66.039	311,816
Reducing Emissions	N.A.	66.039	162,905
Reducing Emissions UnionStn	N.A.	66.039	26,267
			500,988
FY10 Diesel Anti-Idling	N.A.	66.04	31,899
DDOE Foundary Branch TMDL	N.A.	66.454	225,343
Total U.S. Environmental Protection Agency			758,230

The accompanying notes are an integral part of this schedule.

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

**Schedule of Expenditures of Federal Awards (continued)
For the Year Ended June 30, 2013**

<u>Federal Agency/Program Name</u>	<u>Pass-Through Identifying Number</u>	<u>CFDA #</u>	<u>Expenditures</u>
U.S. Department of Health and Human Services			
Health Emergency Preparedness and Response Administration (HEPRA)	N.A.	93.069	\$ 140,483
U.S. Department of Homeland Security			
<i>Passed through D.C. Office of Deputy Mayor for Public Safety & Justice</i>			
Back-up Power Assessment for Shelters	11UASII17-11	97.067	13,183
Business Integration Implementation Plan (BIIP)	10SHSP117-03	97.067	152,007
Cyber Enterprise Security Framework Development	12UASII17-05	97.067	5,733
ETOP Logistics & Support	12UASII17-09	97.067	750
ETOP RPWG Logistics and Support	10UASII17-11	97.067	4,407
Hazard Vulnerability Assessment	10UASII17-13	97.067	208,094
Health Planners (Continuation)	10SHSP117-02/12UASII17-04	97.067	1,916,365
ICS Position Specific Training for NCR Regional EOCS	10UASII17-16	97.067	306,907
Hospital Wtr & Power Res	12UASII17-06	97.067	6,320
Incident Command System Practicum Phase II	10UASII17-15	97.067	44,467
Water Monitoring Network Maintenance	9UASII17-02	97.067	23,690
LINX Rapid Maintenance	10UASII17-13	97.067	4,030
Mobile Wide-Area Radiation & Nuclear Detection	12UASII17-07	97.067	1,058
NCR 2013 Senior Leaders Seminar	12UASII17-08	97.067	21,249
NCR Water/Wastewater Agency Response (NCR Warn)	10UASII17-07	97.067	15,104
Regional Incident Communication & Coordination System (RICCS)	10UASII17-04/11UASII17-07	97.067	126,044
Regional Incident Coordination Program Manager	10UASII17-14	97.067	75,012
Secretariat Support (Continuation)	12UASII17-03	97.067	24,042
Secretariat Support for NCR	10UASII17-05	97.067	12,566
Secretariat Support FY2011	11UASII17-01	97.067	749,726
Situational Awareness Dashboard Development (SADD)	11UASII17-10	97.067	729,526
THIRA for National Capitol Region	11UASII17-09	97.067	96,843
Water Security Monitoring Network Maintenance	11UASII17-03/12UASII17-02	97.067	267,135
Total U.S. Department of Homeland Security			4,804,258
Total Expenditures of Federal Awards			\$ 29,397,225

The accompanying notes are an integral part of this schedule.

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All Federal grant operations of Metropolitan Washington Council of Governments, Inc. (COG) are included in the scope of the *Office of Management and Budget (OMB) Circular A-133* audit (the Single Audit). The Single Audit was performed in accordance with the provisions of the OMB Circular A-133 (the Compliance Supplement). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the major grant programs noted below. The programs on the schedule of expenditures of Federal awards represent all Federal award programs and other grants with fiscal year 2013 cash or non-cash expenditures activities. For our single audit testing, all Federal award programs with 2013 cash and non-cash expenditures in excess of \$882,306 were considered a major program to evaluate for testing. We tested those major programs listed below which covered at least 25% of federally granted funds. Our actual coverage is 78.79%.

Major Programs	CFDA Numbers	Federal Expenditures
FY12 TCSP - Transportation, Community	20.205	\$ 1,984
Regional Transportation Coordination Program - FHWA	20.205	6,308,533
Regional Transportation Coordination Program - FTA	20.505	1,992,168
FY13 Memorial Bridge	20.505	59,251
MATOC FY 13 Work Program	20.505	413,875
Commuter Connections	20.505	2,227,227
Job Access_Reverse Commute (JARC) Program	20.516	733,010
FY12 Job Access Reverse	20.516	400,969
New Freedom Program	20.521	75,488
FY11 New Freedom	20.521	25,461
FY12 New Freedom	20.521	358,233
FY13 New Freedom	20.521	4,531
Priority Bus Transit - ARRA	20.932	10,560,850
Total		\$ 23,161,580

2. BASIS OF PRESENTATION

The schedule of expenditures of Federal awards has been accounted for on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America.

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013**

Section I - Summary of Independent Public Accountants' Results

Financial Statements:

Type of report of Independent Public Accountants:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None Noted
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None Noted
Type of report of Independent Public Accountants issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	No

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013**

Section I - Summary of Independent Public Accountants' Results (continued)

Financial Statements (continued):

Major Programs	CFDA Numbers	Federal Expenditures
FY12 TCSP - Transportation, Community	20.205	\$ 1,984
Regional Transportation Coordination Program - FHWA	20.205	6,308,533
Regional Transportation Coordination Program - FTA	20.505	1,992,168
FY13 Memorial Bridge	20.505	59,251
MATOC FY 13 Work Program	20.505	413,875
Commuter Connections	20.505	2,227,227
Job Access_Reverse Commute (JARC) Program	20.516	733,010
FY12 Job Access Reverse	20.516	400,969
New Freedom Program	20.521	75,488
FY11 New Freedom	20.521	25,461
FY12 New Freedom	20.521	358,233
FY13 New Freedom	20.521	4,531
Priority Bus Transit - ARRA	20.932	10,560,850
Total		\$ 23,161,580
Threshold for distinguishing between Type A and B programs		\$ 878,797
Did COG qualify as low risk auditee?		Yes

Section II – Financial Statement Findings

None Noted.

Section III - Federal Award Findings

None Noted.

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

**Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2013**

Finding 2012-1

Metropolitan Washington Council of Governments, Inc.

**CFDA No. 20.505-Metropolitan Transportation Planning
CFDA No. 20.932-Surface Transportation Discretionary Grants for Capital Investment**

U.S. Department of Transportation

Compliance Deficiency on Subrecipient Monitoring

Condition:

During our planning phase we conducted interviews with COG program managers who informed us that, as part of subrecipient monitoring, they do not ensure subrecipients are receiving OMB A-133 audits and that if the subrecipient has audit findings that they are corrected.

Criteria:

Per 31 USC 7502(f)(2)(B) states each pass through entity shall monitor the subrecipient's use of Federal awards through site visits, limited scope audits, or other means.

Per 31 USC 7502(f)(2)(C) states each pass-through entity shall review the audit of a subrecipient as necessary to determine whether prompt and appropriate corrective action has been taken with respect to audit findings, as defined by the Director, pertaining to Federal awards provided to the subrecipient by pass-through entity.

Cause:

The Metropolitan Washington Council of Governments, Inc. (COG) was not aware of the compliance requirement as part of the OMB A-133 audit.

Effect:

COG is not aware if sub-recipients are in compliance with OMB A-133 Single Audit Requirements.

Questioned Costs:

Questions costs are undeterminable.

Recommendation:

We recommend that COG implement a program to monitor sub-recipients and determine if they are in compliance with OMB A-133 Single Audit Requirements. Further, that if the sub-recipient has an audit finding, COG should monitor whether the audit finding is corrected in a timely manner and if it is not that funding should be discontinued to the sub-recipient.

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

**Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2013**

Auditee Response and Corrective Action Plan:

CFDA No. 20.505-Metropolitan Transportation Planning (Metropolitan Area Transportation Operations Coordination-MATOC):

The finding noted that COG did not obtain the University of Maryland's A-133 audit report prior to audit field work. COG has since reviewed the most recent available State of Maryland A-133 audit report and found no audit findings which would materially impact the sub-award. However, COG will continue to ascertain it is timely with its review of the A-133 audit report for all of its sub-recipients. The Program Manager has provided a detailed memo of his site visits and monitoring of the University of Maryland, and there were no deficiencies or improvements noted in this regard.

CFDA No. 20.932-Surface Transportation Discretionary Grants for Capital Investment (Priority Bus Transit):

The finding noted that COG did not obtain the District of Columbia's A-133 audit report prior to audit field work. COG has since reviewed the most recent available District of Columbia A-133 audit report and found no audit findings which would materially impact the sub-award. Further, it was a requirement of the Federal funding (FTA) to provide the sub-award to the District Department of Transportation (DDOT). However, COG will continue to ascertain it is timely in its review of the A-133 audit report for all of its sub-recipients. The Program Manager has provided a detailed memo of his site visits and monitoring of DDOT. There were no deficiencies or improvements noted in this regard.

Auditor's Conclusion:

Based on the results of current year testing, this finding was remediated in fiscal year 2013.

**METROPOLITAN WASHINGTON COUNCIL
OF GOVERNMENTS, INC.**

**Schedule of Calculation of Fiscal Year 2013
M&A, Leave, Fringe and Indirect Cost Rates**

For the Year Ended June 30, 2013



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INDEPENDENT PUBLIC ACCOUNTANTS' AUDIT REPORT

To the Management of the
Metropolitan Washington Council of Governments

Report on the Financial Statements

We have audited the basic financial statements of Metropolitan Washington Council of Governments, Inc. (MWCOCG), which comprise the statement of net position as of June 30, 2013, and the related statements of activities and change in net position, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the basic financial statements based on our audit. 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 basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



SB & COMPANY, LLC
EXPERIENCE • QUALITY • CLIENT SERVICE

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MWCOG as of June 30, 2013, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other matter

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying schedule of calculation of fiscal year 2013, M&A, leave, fringe and indirect cost rates for the year ended June 30, 2013, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with Government Auditing Standards, we have also issued our report dated October 23, 2013, on our consideration of COG's internal control over financial reporting and on 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 should be considered in assessing the results of our audit.

SB & Company, LLC

Washington, DC
October 23, 2013

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

**Schedule of Calculation of Fiscal Year 2013 M&A, Leave, Fringe and Indirect Cost Rates
For the Year Ended June 30, 2013**

Salaries			
Direct	\$	6,919,833	(a)
Management and administrative		1,765,994	(b)
Temporary		85,098	(c)
Total salaries		<u>8,770,925</u>	
Leave benefits		1,767,371	(d)
Total salaries and leave benefits	\$	<u><u>10,538,296</u></u>	(e)

Schedule of Fringe Expenses

Pension contribution	\$	1,047,871	
Health insurance		1,018,337	
Payroll taxes		172,575	
Public transportation assistance		142,808	
Disability insurance		115,299	
Life insurance		76,717	
Deferred compensation		20,001	
Others		7,962	
Total fringe benefits	\$	<u><u>2,601,570</u></u>	(f)

Schedule of Indirect Costs

Rent	\$	2,318,727	
Information Technology and data processing		318,457	
Consultants and professional services		638,547	
Equipment and office maintenance		216,173	
Copy and reproduction		18,351	
Telephone		135,754	
Conferences, meetings, and training		175,906	
Temporary services		63,192	
Audit services		59,329	
Office and project supplies		72,683	
Insurance		34,150	
Auto and travel		34,535	
Dues and periodicals		64,328	
Delivery and postage		6,221	
Miscellaneous expenses		12,583	
Bank and service fees		15,158	
Promotion and recruitment		27,217	
Depreciation		163,991	
Total indirect costs	\$	<u><u>4,375,302</u></u>	(g)

Total expenses*	\$	<u><u>17,515,168</u></u>	
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*does not include all direct costs included in the financial statements

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, INC.

**Schedule of Calculation of Fiscal Year 2013 M&A, Leave, Fringe and Indirect Cost Rates
For the Year Ended June 30, 2013 (continued)**

M&A Rate

Management and Administration Salaries			
(Direct Salaries + Temporary Salaries)			
	=	\$	
1,765,994 (b)		1,765,994	25.21%
6,919,833 (a) + 85,098 (c)		\$ 7,004,931	

Leave Rate

Leave Benefits			
(Direct Salaries + Management and Administrative + Temporary Salaries)			
	=	\$	
1,767,371 (d)		1,767,371	20.15%
6,919,833 (a) + 1,765,994 (b) + 85,098 (c)		\$ 8,770,925	

Fringe Cost Rate

Fringe Benefits			
(Direct Salaries + Management and Administrative + Leave Benefits)			
	=	\$	
2,601,570 (f)		2,601,570	24.89%
6,919,833 (a) + 1,765,994 (b) + 1,767,371(d)		\$ 10,453,198	

Indirect Cost Rate

Indirect Costs			
(Total Salaries and Benefits + Fringe Benefits)			
	=	\$	
4,375,302 (g)		4,375,302	33.30%
10,538,296 (e) + 2,601,570 (f)		\$ 13,139,866	

Pursuant to February 4, 1992 memorandum issued by the Department of Health and Human Services, the Metropolitan Washington Council of Governments (COG) is considered a local unit of government for purposes of its indirect cost allocation. Consistent with OMB-87 guidelines, DHHS is the cognizant Federal agency for cost allocation by local government agencies. Per DHHS instructions, we are required to develop an annual indirect cost rate plan.

**METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 NORTH Capitol Street, N.E.
Washington, D.C. 20002-4239**

**RESOLUTION ACCEPTING THE FY-2013 AUDIT, AUTHORIZING THE EXENSION OF THE INDEPENDENT
AUDIT FIRM'S CONTRACT TO PERFORM THE FY-2014 AUDIT, AND DIRECTING THE
EXECUTIVE DIRECTOR TO CONVENE A MEETING OF CERTAIN COMMITTEES
TO ADDRESS THE ISSUE OF UNFUNDED PENSION LIABILITY**

WHEREAS, in accordance with COG's procedures and in compliance with requirements established by the Federal Government for recipients of grants and other financial assistance programs, COG engages an independent certified public accounting firm to conduct an annual fiscal year-end audit; and

WHEREAS, on January 14, 2009, the Board of Directors approved Resolution R6-2009, authorizing the engagement of SB & Company, LLC (SBC) to perform the fiscal audit for the period from 2009 through 2012, at an initial cost of \$65,000 per year, and on November 14, 2012 extended the contract for the year 2013, and would like to extend SBC's engagement to include the year 2014;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE
METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT**

1. The Board hereby accepts the FY-2013 Audit prepared by SB & Company, LLC, as presented; and
2. The Executive Director, or his designee, is hereby authorized to engage SB & Company, LLC, to conduct the annual fiscal year-end audit for FY-2014 at a cost of \$59,200—no increase over the 2013 Audit; and
3. The Executive Director is hereby directed to convene a meeting of the Budget and Finance Committee, the Audit Committee, and the Pension Plan Administrative Committee early in 2014 to address the issue of unfunded pension liability.

November 6, 2013

District of Columbia

*Bladensburg**

Bowie

Charles County

College Park

Frederick

Frederick County

Gaithersburg

Greenbelt

Montgomery County

Prince George's County

Rockville

Takoma Park

Alexandria

Arlington County

Fairfax

Fairfax County

Falls Church

Loudoun County

Manassas

Manassas Park

Prince William County

**Adjunct Member*

To: **Board of Directors**

From: **Chuck Bean, Executive Director**
Paul Beriault, Chief Financial Officer

Subject: **Fiscal Year 2014 First Quarter Financial Report**

I am pleased to submit the first quarter (July through September) financial reports for fiscal year 2014. These reports show significant budgetary and fiscal developments that further strengthen COG's financial position and allow for the completion of this year's approved work program as well as meeting strategic goals.

Statement of Net Assets - Schedule 1

Cash at September 30, 2013 was \$5,812,972, which allows COG to meet its cash requirements for its financial obligations to vendors, exceeding the amount of \$1,213,787 for accounts payable and \$698,795 for accrued liabilities by \$3,900,390.

For the fiscal year ended June 30, 2013, the unrestricted net reserve fund was \$8,936,999. The additional unrestricted net reserve for the three months from July 1 to September 30, 2013 is \$4,767,509. The reserve funds are invested in certificates of deposit and are laddered in maturities to meet liquidity and average rate of returns requirements.

Statement of Revenue and Expenses - Schedule 2

COG's revenues for the three-month period exceeded expenses by \$4,767,509. The revenue from membership assessments and local fee for service is fully reported in the first quarter. Accordingly, the first quarter surplus will subsequently decline as the fiscal year progresses.

Interest income from investments amounted to \$30,324 for the first quarter. The current average yield on the certificates of deposit is slightly below 1.5%.

Comparative Project Budgets - Schedule 3

Total forecasted annual program revenues increased by \$62,500, up less than ¼% from the adopted work program budget. The reason for this change is due to recent developments.

Accounts Receivable Aging - Schedule 4

The accounts receivable balance as of September 30, 2013 was \$9,720,758. There are no significant account receivables in arrears.

Metropolitan Washington Council of Governments
Statement of Net Assets
September 30, 2013 *

SCHEDULE 1

<u>ASSETS</u>	Current FY 14 Qtr 1 <u>Sept. 30, 2013</u>	Comparative FY 13 Qtr 1 <u>Sept. 30, 2012</u>
Cash	\$ 5,812,972	\$ 5,871,191
Investments	9,063,416	9,173,778
Accounts Receivable	9,720,758	10,204,610
Advances, Deposits and Prepaid Expenses	160,801	153,991
Furniture, Equipment and Leasehold Improvements (net)	<u>598,078</u>	<u>501,569</u>
TOTAL ASSETS	<u>\$ 25,356,025</u>	<u>\$ 25,905,139</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Accounts Payable	\$ 1,213,787	\$ 1,558,939
Accrued Leave and Expenses	698,795	887,194
Deferred Revenue	2,397,133	2,566,962
Net Pension Obligation	<u>1,206,532</u>	<u>1,247,159</u>
Total Liabilities	<u>\$ 5,516,247</u>	<u>\$ 6,260,254</u>
Invested in Capital Assets	\$ 598,078	\$ 501,569
Project Funds	5,337,192	5,262,489
Capital Plans	200,000	250,000
Net Income	4,767,509	4,867,178
Unrestricted General Funds	<u>8,936,999</u>	<u>8,763,649</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 25,356,025</u>	<u>\$ 25,905,139</u>

* Unaudited

**Metropolitan Washington Council of Governments
Statement of Revenue and Expenses (Unaudited)
Three Months Ended September 30, 2013**

SCHEDULE 2

<u>REVENUE</u>	<u>PASS-THROUGH AWARDS</u>	<u>COG ACTIVITY</u>	<u>TOTAL</u>
Federal and State Revenue	\$1,877,165	\$3,254,052	\$5,131,217
Membership Assessments *		3,579,955	3,579,955
Local Revenue (Regional Funds and Other) *		2,733,612	2,733,612
Contributed Services		106,530	106,530
Building and Investment Income		157,824	157,824
Miscellaneous Revenue (Sublet and Other)		209,436	209,436
TOTAL REVENUE	<u>1,877,165</u>	<u>10,041,409</u>	<u>11,918,574</u>
<u>EXPENSES</u>			
Salaries and Fringe Benefits	20,974	3,072,531	3,093,505
Direct Consultants/Contractors	20,763	353,194	373,957
Contributed Services		106,530	106,530
Subawards and Pass-Through	1,828,611	94,016	1,922,627
Other Direct Costs	315	602,459	602,774
Indirect Costs	6,502	1,045,170	1,051,672
TOTAL EXPENSES	<u>1,877,165</u>	<u>5,273,900</u>	<u>7,151,065</u>
 NET INCREASE	 <u>\$0</u>	 <u>\$4,767,509</u>	 <u>\$4,767,509</u>

* Reported on non-accrual basis; includes all FY14 revenue

**Metropolitan Washington Council of Governments
 FY 2014 Adopted Budget Versus Revised Budget
 September 30, 2013**

SCHEDULE 3

<u>Program Area</u>	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Increase (Decrease)</u>
<u>Transportation Programs</u>			
1.0 Transportation Planning	\$ 12,479,344	\$ 12,479,344	\$ -
2.0 Commuter Connections Programs	5,158,000	5,158,000	-
Subtotal	17,637,344	17,637,344	-
<u>Community Planning Services and Public Safety</u>			
3.0 Metropolitan Planning	516,000	516,000	-
4.0 Housing Opportunities	375,182	375,182	-
5.0 Child Welfare	341,021	341,021	-
6.0 Public Safety and Health	1,737,590	1,737,590	-
Subtotal	2,969,793	2,969,793	-
<u>Environmental Programs</u>			
7.0 Water Resources	2,983,916	2,983,916	-
8.0 Environmental Resources	973,237	1,035,737	62,500
9.0 Air Quality Planning	1,248,390	1,248,390	-
Subtotal	5,205,543	5,268,043	62,500
<u>Direct Services to Local and State Governments</u>			
10.0 Direct Services to Local and State Governments	668,051	668,051	-
T o t a l	\$ 26,480,731	\$ 26,543,231	\$ 62,500

Metropolitan Washington Council of Governments
Accounts Receivable Aging Schedule
September 30, 2013 *

SCHEDULE 4

Department	Current	31 to 60	61 to 90	Over 90	Balance Due
<u>Transportation</u>					
Transportation Programs	\$ 5,607,084	\$ 21,862	\$ 220,206	\$ 300,167	\$ 6,149,319
Total	5,607,084	21,862	220,206	300,167	6,149,319
<u>Environmental</u>					
Environmental Programs	1,086,094	0	2,844	45,000	1,133,938
Total	1,086,094	0	2,844	45,000	1,133,938
<u>Public Safety and Health</u>					
Public Safety & Health Programs	1,349,809	0	251,155	1,500	1,602,464
Total	1,349,809	0	251,155	1,500	1,602,464
<u>Member & Other Services</u>					
Member Dues	0	639,110	0	0	639,110
Administrative/Other	125,430	70,497	0	0	195,927
Total	125,430	709,607	0	0	835,037
Grand Total	\$ 8,168,417	\$ 731,469	\$ 474,205	\$ 346,667	\$ 9,720,758

* Unaudited



AGENDA ITEM #8

ADOPTION OF POLICY GUIDELINES

METROPOLITAN WASHINGTON  COUNCIL OF GOVERNMENTS

One Region Moving Forward

November 6, 2013

*District of Columbia
Bladensburg*
Bowie
Charles County
College Park
Frederick
Frederick County
Gaithersburg
Greenbelt
Montgomery County
Prince George's County
Rockville
Takoma Park
Alexandria
Arlington County
Fairfax
Fairfax County
Falls Church
Loudoun County
Manassas
Manassas Park
Prince William County*

**Adjunct Member*

TO: BOARD OF DIRECTORS

**FROM: CHUCK BEAN
Executive Director**



RE: POLICY GUIDELINES

Background

Early in 2013, after close consultation with the Board's Legislative Committee and an ad hoc "Past Board Chairs" group, staff prepared draft Policy Guidelines to serve as a set of criteria to assist in developing COG's legislative and policy positions. These Guidelines were discussed extensively by the Board at the August retreat.

These Policy Guidelines were presented to the Board for approval at the September Board meeting. After extended discussion, including suggestions from some Board members to develop potential additions to the Rules of Procedure for policy and agenda setting, consideration of the Guidelines was tabled.

Our General Counsel advised the Board at the September meeting that the proposed Policy Guidelines were simply a framework for how policy should be discussed, not mandated requirements. In a subsequent memorandum to the Board dated September 25 and included in the October board packet (attached), the General Counsel provided advice about how matters come to the Board and how votes are taken under the Board's current Rules of Procedure.

Recommendation

After consultation with the General Counsel and following extensive outreach to Board members in this regard, my recommendation to the Board is as follows:

1. **Adopt the Policy Guidelines in their current recommended form.** The Guidelines have been thoroughly discussed and vetted by the Board.
2. **Maintain the current Rules of Procedure.** The Rules have served the Board well. The proposed Policy Guidelines do not require a change in the Rules in order to be implemented.
3. **The Board should continually focus on good practice.** I recommend that the Board use the time-tested practice of leveraging the subject matter expertise within COG's technical and policy committees in developing its policy positions.

cc: Sharon Pandak, General Counsel
Monica Beyrouti, Clerk to the Board of Directors

September 25, 2013

District of Columbia
Bladensburg*
Bowie
Charles County
College Park
Frederick
Frederick County
Gaithersburg
Greenbelt
Montgomery County
Prince George's County
Rockville
Takoma Park
Alexandria
Arlington County
Fairfax
Fairfax County
Falls Church
Loudoun County
Manassas
Manassas Park
Prince William County

TO: BOARD OF DIRECTORS

FROM: SHARON E. PANDAK
General Counsel



RE: SUMMARY OF BOARD RULES RELATING TO SETTING THE BOARD MEETING AGENDA AND VOTING

At the last Board of Directors meeting there was discussion about how matters come to the Board and how votes are taken. Below are summaries of the Rules of Procedure in this regard. The referenced Rules are in parentheses.

1. The Rules of Procedure provide for setting the Board Agenda as follows:

The Executive Director prepares a list of proposed agenda items for consideration by the Chair and Vice Chairs 10 days before the meeting. The Chair approves the agenda. (3.01) Generally, Board members ask the Chair or the Executive Director to place a matter on the agenda.

Agenda materials are to be provided to members no later than 7 days before a regular Board meeting, and all additional materials are to be distributed to the Board prior to the meeting. The Board may defer any item for which all relevant information has not been prepared in this manner. (3.03)

2. The Rules of Procedure set forth 4 methods of voting:

- **Voice vote**, a member's vote shall be recorded upon request (2.09);
- **Show of hands vote** at request of Chair or member (2.10);
- **Roll call vote**, at demand of member in advance of or promptly after a show of hands or voice vote (2.11);
- **Weighted Vote**, at request of majority of members present representing any 2 participating governments, any question shall be determined by the majority of the aggregate votes of each participating government as set forth in the Bylaws (2.13).

Voting records are official Board records (2.12). When a roll call or weighted vote (or a request for recordation of a member's vote) occurs, the Board Secretary/Clerk notes the vote on the final resolution and in the meeting minutes.

cc: Chuck Bean, Executive Director
Nicole Hange, Policy and Government Relations Coordinator
Monica Beyrouti, Clerk to the Board of Directors

*Adjunct Member

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS

Guidelines for Policy Development

Background

Over the last few years, the Council of Governments has become increasingly engaged in, and placed a greater focus on, strengthening its relationship with state and federal officials and the advocacy of regional priorities. The Board has annually adopted policy priorities to focus COG's advocacy efforts in this regard. These positions are grounded in COG's strategic plan and are consistent with the annually adopted Work Program and Budget. We now have the opportunity to more clearly define the parameters that will provide practical guidance to the Board when considering policy action.

Adopted policy positions are based on regional cooperation and present a unified voice on regional issues. One of COG's greatest strengths is the willingness and desire of our very diverse communities to work together, through COG, on issues reflecting our core competencies in transportation, homeland security, economic development and the environment. For the most part, positions are generated from policy committees and support the advancement of our mission: the creation of a more prosperous, accessible, livable and sustainable region. We tend to focus on issues that are specific to our region, or to assert the particular needs we have as a region in a state or federal matter.

Part of COG's success over the years has been due to the constructive review and thoughtful input which its committees have brought to legislative and other issues prior to Board consideration as to whether to take a position. This process will benefit from a more strategic approach as to why, how and when a position is taken.

Guidelines for policy development

To be considered, a policy position should:

1. Adhere to COG's mission of advancing the principles and goals within Region Forward.
2. Fit within COG's core programmatic areas: transportation, human services, public safety, economic development and the environment.
3. Demonstrate COG's ability to influence and effectuate a policy decision.
4. Be regional in nature.
5. Be germane to the National Capital Region.
6. Be in the best interest of COG and its members.

**METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 North Capitol Street, N.E.
Washington, D.C. 20002**

RESOLUTION ADOPTING THE COG BOARD'S GUIDELINES FOR POLICY DEVELOPMENT

WHEREAS, the Council of Governments (COG) has become increasingly engaged in, and placed a greater focus on, strengthening its relationship with state and federal officials and the advocacy of regional priorities; and

WHEREAS, the COG Board of Directors recognizes the need for established criteria and a process for developing COG's legislative and policy positions, now, and into the future; and

WHEREAS, the proposed "Guidelines for Policy Development" clearly define parameters and provide practical guidance to the Board, and its committees, when considering policy action;

NOW, THEREFORE, BE IT RESOLVED BY THE COG BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT:

The Board endorses the "Guidelines for Policy Development" (attached) and directs staff to include these guidelines in the Board's annual orientation manuals.



AGENDA ITEM #9

WINTER WEATHER BRIEFING/HOMELESS SERVICES IN REGION



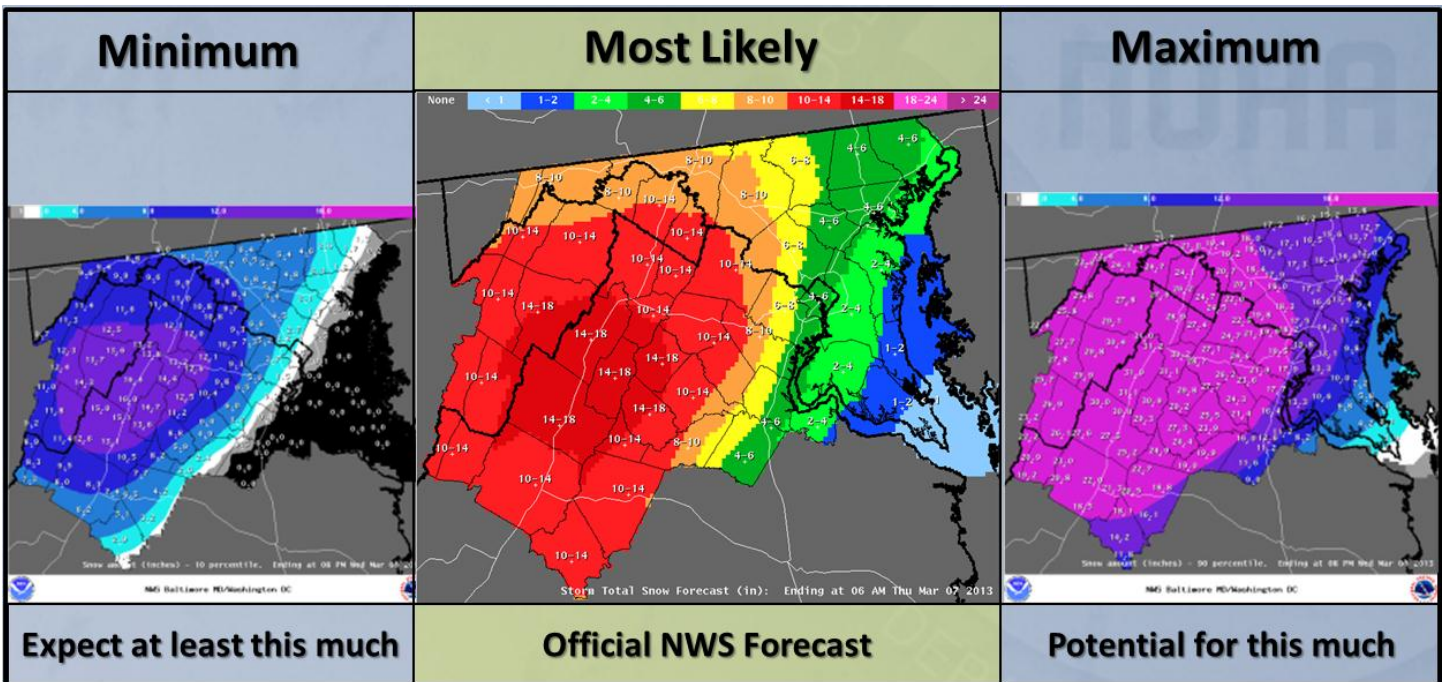
Winter 2013-2014

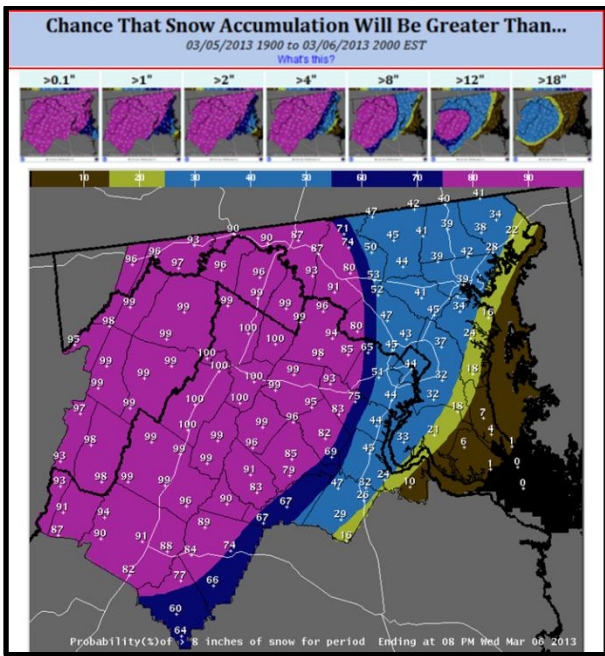
National Weather Service
Baltimore/Washington Forecast Office
November 13, 2013

1) New Services from NWS for this Winter – Showing Range of Possibilities:

<http://www.erh.noaa.gov/lwx/winter>

- **Maximum, Minimum, and Most-Likely snowfall graphics**
 - Display what the NWS expects (most likely), while also explaining the range of possibilities with oncoming storms (maximum & minimum potential accumulations)
- **Maps showing the chance snowfall will be greater than various thresholds**
 - 0.1", 1", 2", 4", 8", 12", 18"
- **A table of chances that snow will be within certain ranges at selected locations in your jurisdiction**
 - 0", 0-1", 1-2", 2-4", 4-8", 8-12", 12-18", 18"+





Chance of Snow Accumulation Ranges
03/05/2013 1900 to 03/06/2013 2000 EST

County:

Location	Min	Likely	Max	0"	T-1"	1-2"	2-4"	4-8"	8-12"	12-18"	>18"
Baltimore, MD	1	4-8	15	0%	9%	6%	17%	28%	21%	15%	4%
Bayard, WV	9	8-12	22	0%	0%	0%	1%	4%	47%	21%	27%
Charlottesville, VA	4	12-18	19	0%	6%	0%	4%	16%	25%	37%	12%
Frederick, MD	7	8-12	19	0%	0%	0%	1%	17%	38%	32%	12%
Fredericksburg, VA	0	4-8	14	11%	11%	6%	11%	25%	20%	13%	3%
Hagerstown, MD	8	8-12	19	0%	0%	0%	1%	13%	46%	26%	14%
Harrisonburg, VA	14	12-18	28	0%	0%	0%	0%	1%	6%	49%	44%
Leonardtown, MD	0	1-2	5	39%	3%	24%	20%	13%	1%	0%	0%
Martinsburg, WV	10	8-12	24	0%	0%	0%	0%	4%	50%	13%	33%
National Mall, DC	1	4-8	17	0%	9%	5%	11%	30%	19%	19%	7%
Staunton, VA	9	12-18	22	0%	0%	1%	0%	7%	19%	42%	31%
Winchester, VA	13	12-18	29	0%	0%	0%	0%	0%	6%	56%	38%

2) Will This Winter be Extreme?

- El Niño/La Niña Cycle
 - Neutral, which is expected to continue through winter
 - Other global cycles will fluctuate
- **Mid-Atlantic Outlook**
 - There are no early strong leanings or indications that this winter will be exceptional.
 - Expect a winter close to 'normal/average' temperature and precipitation
 - See "average snowfall" graphic below
- Expect near average snow but, ensure readiness for a big storm
 - A major snowstorm can occur in an otherwise dry/mild winter
 - Just need 2-3 days of the right conditions
 - However, no strong push for an exceptionally snowy winter (unlike 4 winters ago)



Average Winter Snow 1981-2010

Table 12: 2013 Winter and Year Round Inventory of Beds in the Washington Region

		Beds for Singles	Beds for Youth	Beds for Families	All Beds: Winter	% Distribution in Winter	All Beds: Warm Months	% Distribution in Warm Months
Winter Beds	2013	1,371	0	284	1,655	8%		
	2012	1,387	0	737	2,124	11%		
	2011	1,557	0	663	2,220	11%		
	2010	1,465	n/a	636	2,101	11%		
	2009	1,239	n/a	478	1,717	10%		
Emergency Shelter Beds	2013	2,783	6	2,354	5,143	24%	5,143	26%
	2012	2,777	16	1,676	4,469	22%	4,469	25%
	2011	2,941	22	1,343	4,306	21%	4,306	24%
	2010	2,965	n/a	1,315	4,280	23%	4,280	26%
	2009	3,135	n/a	1,277	4,412	26%	4,412	27%
Transitional Housing Beds	2013	1,392	2	3,269	4,663	22%	4,663	23%
	2012	1,541	13	2,775	4,329	22%	4,329	24%
	2011	1,738	4	3,605	5,347	27%	5,347	30%
	2010	1,826	n/a	3,245	5,071	27%	5,071	31%
	2009	1,858	n/a	3,616	5,474	32%	5,474	33%
Safe Haven	2013	66	n/a	n/a	66	0.3%	66	0.3%
	2012	64	n/a	n/a	64	0.3%	65	0.4%
	2011	65	n/a	n/a	65	0.3%	65	0.4%
	2010	53	n/a	n/a	53	0.3%	53	0.3%
	2009	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Permanent Supportive Housing Beds	2013	4,867	0	5,138	10,005	46%	10,005	50%
	2012	4,448	0	4,512	8,960	45%	8,960	50%
	2011	4,507	6	3,612	8,125	40%	8,125	46%
	2010	4,139	n/a	2,916	7,055	38%	7,055	43%
	2009	3,555	n/a	1,914	5,469	32%	5,469	33%
TOTALS	2013	10,479	8	11,045	21,532		19,877	
	2012	10,217	29	9,700	19,946		17,822	
	2011	10,808	32	9,223	20,063		17,843	
	2010	10,395	n/a	8,112	18,507		16,406	
	2009	9,787	n/a	7,285	17,072		16,610	
Percent Change Since 2009		7%	n/a	52%	26%		20%	



METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 North Capitol Street, N.E.
Washington, D.C. 20002

**RESOLUTION RECOMMENDING PREPARATION OF A REGIONAL SCAN OF
LOCAL JURISDICTIONS' 10-YEAR PLANS TO END HOMELESSNESS**

WHEREAS, since 2000 COG has convened local homeless services providers through the Homeless Services Planning and Coordinating Committee; and

WHEREAS, the Committee conducts and reports on the annual Point-in-Time count of homeless individuals and families in the region; and

WHEREAS, in preparation for the next homeless count, which is planned to occur on January 29, 2014, COG staff and the Committee will convene a "Train the Trainers" workshop on December 4, 2013 for individuals and organizations planning to participate in the Point-in-Time Enumeration; and

WHEREAS, the National Alliance to End Homelessness and the U.S. Department of Housing and Urban Development have proposed and endorsed the idea of planning to end chronic homelessness in ten years; and

WHEREAS, several COG member Continuum of Care jurisdictions have created, adopted and implemented 10 Year Plans and others are developing a 10 Year Plan; and

WHEREAS, working with the Committee, COG staff has proposed a regional assessment of long-term efforts to end chronic homelessness through a scan of local 10 Year Plans to End Homelessness.

NOW, THEREFORE, BE IT RESOLVED BY THE COG BOARD OF DIRECTORS THAT:

1. The Board recommends that COG staff and the Homeless Services Planning and Coordinating Committee conduct a scan of 10 Year Plans to End Homelessness to better understand the region's collective long-term efforts to end homelessness, and report results of the scan to the Board in early 2014.
2. The Board commends the Committee's efforts to address this important issue and encourages participation in the training workshop in December, as well as in the 14th annual Homeless Enumeration scheduled for January 29, 2014.



AGENDA ITEM #10

CLIMATE, ENERGY AND ENVIRONMENT POLICY COMMITTEE PRIORITIES FOR 2013-2016

**Climate Energy and Environment Policy Committee
FINAL 2013-2016 ACTION PLAN**

** Indicates a goal that is new in the 2016 Action Plan (i.e. not included in the 2012 Action Plan)*

***Status indicates the percent total that has implemented or is in progress on each action. Most results are based on the COG annual climate and energy surveys.*

REGIONAL GREENHOUSE GAS REDUCTION

Goal: To reduce the region’s greenhouse gas emissions to 20% below 2005 levels by 2020.

Implementation Actions:

Greenhouse Gas (GHG) Inventories and Plans		Status**
1	100% of jurisdictions complete GHG inventories for government operations.	77%
2	100% of jurisdictions complete community-wide GHG inventories.	68%
3	100% of jurisdictions adopt GHG emission reduction plans for government operations.	68%
4	75% of jurisdictions adopt plans to reduce GHG emissions community-wide.	55%

BUILT ENVIRONMENT AND INFRASTRUCTURE

Goal: To reduce non-transportation energy consumption, which accounts for two thirds of the region’s greenhouse gas emissions, by 20% below 2005 levels by 2020.

Implementation Actions:

Energy Efficiency		Status**
5	100% of jurisdictions track and/or benchmark energy performance in all government buildings.	95%
6*	75% of jurisdictions participate in a regional EPA Portfolio Manager Master Account Sharing.	TBD (5 use Portfolio Manager)
7*	75% of jurisdictions disclose energy performance of all government buildings.	50%
8*	75% of jurisdictions prepare an energy plan for local government facilities.	50%
9*	75% of jurisdictions perform walk-through energy audits of local government facilities.	68%
10*	50% of jurisdictions participate in US DOE Better Buildings Challenge which includes pledging to reduce 20% energy use in building(s).	9%
11*	50% of jurisdictions develop a policy or ordinance to increase the energy efficiency of outdoor lighting in appropriate areas such as streets, parking lots, parks and/or signage.	41%
12*	At least 6 jurisdictions implement integrated community energy planning initiatives, including active consideration of deploying combined heat and power, district energy, and/or microgrid systems.	5
13*	2% of households region-wide participate in Home Performance with Energy Star Program (HPwES) (home energy assessments and retrofits).	TBD (27% promoting HpwES)

Energy Financing		Status**
14*	50% of jurisdictions develop or participate in financing programs to support sustainable building retrofit programs for energy efficiency or renewable energy in the residential and/or commercial sectors.	45%
High Performance/Green Building		Status**
15	100% of jurisdictions adopt a green building policy.	64%
16*	50% of jurisdictions implement an affordable housing green rehabilitation program.	32%
17*	35% of jurisdictions offer incentives for commercial and residential buildings certified by a high efficiency building green rating system.	32%
18*	35% of jurisdictions outline a policy to implement green or “energy-aligned” lease terms and requirements in contract agreements for leased public spaces and/or facilities.	9%
Water Resources		Status**
19*	75% of potable water and wastewater entities (i.e. local government or utilities) in the COG region implement energy efficiency measures, alternative energy and/or renewable energy generation at their facilities.	63%
20*	50% of local governments and /or wastewater utilities implement a water reuse project.	50%

RENEWABLE ENERGY

Goal: To increase renewable energy production in line with state Renewable Portfolio Standards, meeting 10% of regional electricity consumption with power from renewable sources by 2016.¹

Implementation Actions:

Renewable Energy		Status**
21	5,000 residential, commercial or government buildings to have renewable energy systems installed.	1,623
22	100% of jurisdictions have a renewable energy system on local government property.	82%
23*	75% of jurisdictions become an EPA Green Power Partner .	41%
24*	25% of jurisdictions become an EPA Green Power Community Partner .	14%
25	Implement two regional pilot projects promoting a renewable energy park.	1

TRANSPORTATION AND LAND USE

Goal: To minimize the greenhouse gas impact of our transportation system, which contributes one third of regional emissions, by reducing vehicle miles travelled and increasing the use of alternative fuel and high efficiency vehicles.

Implementation Actions:

Transportation		Status**
26	100% of jurisdictions have idling regulations and promote them, as reflected through review of citations and/or education/outreach.	64%
27	75% of jurisdictions offer a commute options program for their workers (telework,	68%

	flex time, alternative work schedule, car pool, van pool, guaranteed ride home, bike/pedestrian, and/or financial incentive).	
28	A regional employer-based and general public commute option program (telework, flex time, alternative work schedule, car pool, van pool, guaranteed ride home, bike/pedestrian, and/or financial incentive continues operating in all jurisdictions.	100%
29*	75% of jurisdictions adopt and implement a bicycle/pedestrian plan.	64%
30*	75% of jurisdictions adopt a complete streets policy .	50%
31	75% of jurisdictions adopt a green fleet policy.	73%
32	75% of jurisdictions implement alternative fuel vehicle infrastructure project(s) (e.g, natural gas, biofuel, electric, hydrogen).	50%
33*	25% of jurisdictions participate in car sharing programs, such as Zip Car, as an alternative to expanding fleet.	23%
Land Use		Status**
34	100% of jurisdictions with land use authority adopt land use plans that allow for and incentivize walkable, higher density, mixed use, mixed income and/or transit oriented development in activity centers.	73%
35*	50% of jurisdictions identify, promote and incentivize the redevelopment of greyfield and/or brownfield sites.	23%
36*	50% of jurisdictions have one or more of its facilities at a former greyfield and/or brownfield site(s).	27%

SUSTAINABILITY AND RESILIENCY

Goal: To increase the resiliency and sustainability of the region’s infrastructure, economy, and environment.

Implementation Actions:

Climate Resiliency – Adaptation and Energy Security		Status**
37*	40% of jurisdictions assess their community’s vulnerability to the impacts of climate change.	18%
38*	40% of jurisdictions develop and adopt strategies to adapt to the impacts of climate change/increase the community's resiliency to climate impacts.	18%
39*	State, regional and local agencies responsible for transportation and utility infrastructure assess vulnerability of critical assets.	TBD
40*	50% of jurisdictions apply the energy assurance planning framework to assess strategies for enhancing community resiliency and energy security.	18%
Green Infrastructure		Status**
41	75% of jurisdictions implement a plan to preserve and enhance ecologically valuable green spaces (such as forests, wetlands, stream buffers) in urban, suburban and rural areas, such as a green infrastructure plan, natural resource management plan, or green space plan.	64%
42*	100% of jurisdictions in the region are a Tree City USA .	73%
43*	75% of jurisdictions adopt a tree canopy/forest cover goal.	64%
44*	75% of jurisdictions have a green roof located on government property.	41%
45*	50% of jurisdictions adopt a green streets policy .	32%

Green and Local Economies		Status**
46	75% of jurisdictions to adopt green purchasing policies.	64%
47*	75% of jurisdictions provide public land and/or support for community gardens.	64%
48*	50% of jurisdictions allow for and encourage urban agriculture in zoning codes, where appropriate.	36%
49*	Jurisdictions adopt policies/implement tools that preserve working farmland, where appropriate.	23%
Waste Reduction and Recycling		Status**
50	Divert 50% of solid waste in the region from disposal.	@ 35%
51*	Where applicable, jurisdictions provide recycling educational, technical, and logistical support to public schools to ensure that it is successful.	Ongoing
52*	100% of jurisdictions no longer collect grass and leaf waste curbside in plastic bags – will be collected loose or in paper bags.	40%
53*	Jurisdictions support establishment of sufficient public or private regional capacity for organics (grass, leaf, and food) composting.	Ongoing

OUTREACH

Goal: To improve public understanding of climate change and promote positive change in individual and institutional behaviors to reduce energy use and greenhouse gas emissions and increase use of renewable energy.

Implementation Actions:

Outreach		Status**
54	75% of jurisdictions promote federal, state, utility, and/or local energy efficiency and/or renewable energy incentive programs.	55%
55	50% of jurisdictions implement challenge or pledge programs for energy and sustainability aimed at the community and citizens.	50%
56	50% of jurisdictions implement green business challenges/ certifications/initiatives for businesses and employees.	41%
57	35% of jurisdictions encourage private commercial building owners to benchmark energy performance.	18%
58*	50% of jurisdictions develop an employee education program on energy/sustainability policies and practices at work and home.	45%
Advocacy		Status**
59*	Jurisdictions help support, where appropriate, state and federal legislation that reduces barriers to renewable energy and energy efficiency, and supports local governments in climate change mitigation and adaptation efforts.	TBD

ⁱ 10% represents the weighted average of renewable portfolio standards impacting the COG region: mandatory standards in MD and DC, and a voluntary standard in VA. The goals are weighted according to relative share of regional electricity consumption by jurisdictions in each state.

**METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 NORTH CAPITOL STREET NE
WASHINGTON, DC 20002**

**RESOLUTION ENDORSING 2013-2016 CLIMATE AND ENERGY ACTION PLAN GOALS AND
IMPLEMENTATION OF A COG GREEN COOPERATIVE PURCHASING PROGRAM**

WHEREAS, in 2008 the Metropolitan Washington Council of Governments (COG) Board of Directors adopted the *National Capital Region Climate Change Report* and in 2009 established the Climate, Energy and Environment Policy Committee (CEEPC) to implement regional actions to achieve regional climate change and energy conservation and efficiency goals for 2010, 2020 and 2050; and

WHEREAS, in 2010 COG adopted *Region Forward*, a vision and mission to create a more prosperous, accessible, livable, and sustainable National Capital Region and which integrated the climate and energy goals into *Region Forward*; and

WHEREAS, CEEPC helps support area governments and stakeholders achieve the *Region Forward* vision and mission by providing leadership on climate change, energy, green building, alternative fuels, solid waste and recycling issues; and

WHEREAS, CEEPC adopted a 2010-2012 *Climate and Energy Action Plan* with regional goals and targets in six categories: regional greenhouse gas emission reduction, built environment and infrastructure, renewable energy, transportation and land use, sustainability and resiliency, and outreach; and

WHEREAS, CEEPC has prepared a detailed assessment of progress in achieving the 2010-2012 Action Plan goals and based on progress to date, developed a 2013-2016 *Climate and Energy Action Plan* to promote continued regional progress in achieving the overarching climate and energy goals established by the Board in 2008;

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT:

1. The Board commends the COG membership and stakeholders for the outstanding progress in achieving the regional sustainability established in the CEEPC 2010 -2012 *Climate and Energy Action Plan*.
2. The Board endorses the CEEPC 2013-2016 *Climate and Energy Action Plan*.
3. The Board directs CEEPC to work with COG staff to implement a green purchasing program as an enhancement to COG's cooperative purchasing program.



AGENDA ITEM #11

PRESENTATION AND DISCUSSION ON REGIONAL SHARED SERVICES



Protecting Local and Regional Water Quality

Stormwater Management in the Metropolitan Washington Region

Revised
November 2013



Contents

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Timeline P. 4

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Anacostia Restoration, & Summary P. 8

STORMWATER MANAGEMENT – MEETING THE MANY CHALLENGES

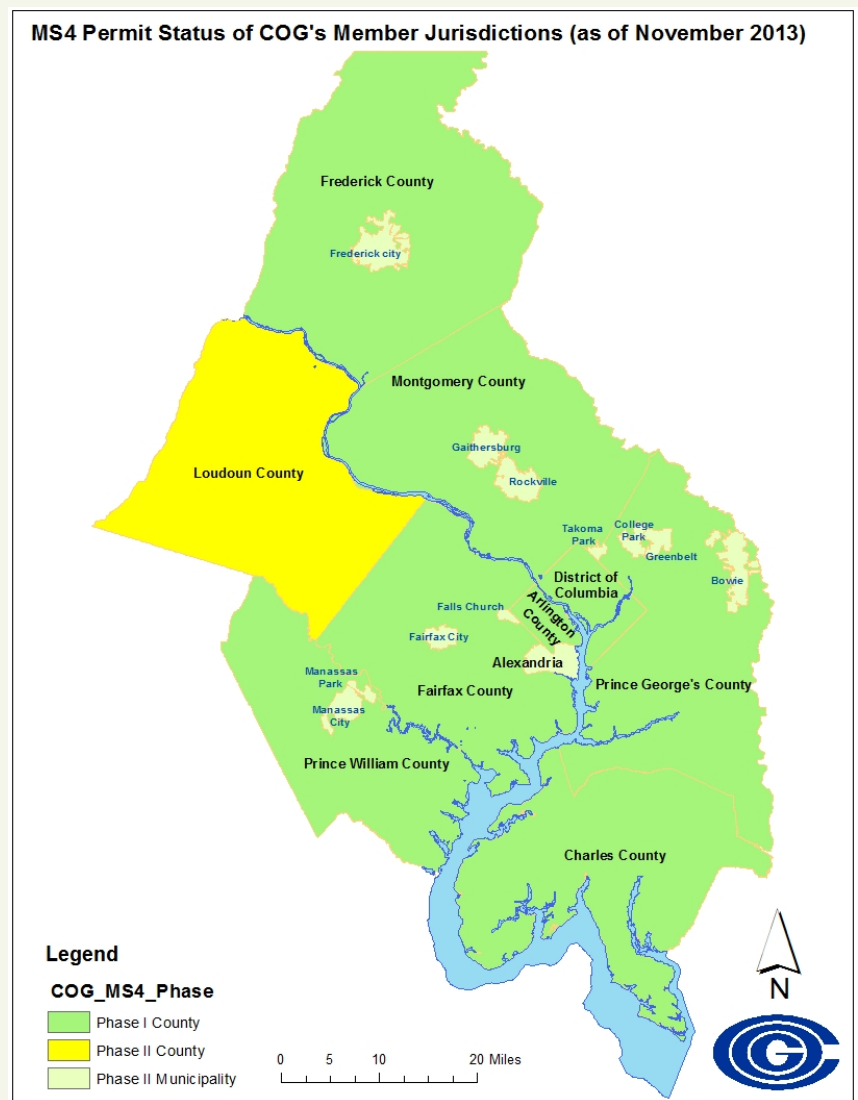
This fact sheet provides an overview of the challenges, accomplishments and financial implications of local government stormwater programs in the Washington metropolitan region, as well as a sense of the many deadlines that these programs are operating under.

Local governments in the region have been working since the 1930s to protect local and regional water quality. Great progress has been made, largely through employment of ever more sophisticated water quality technology at the area's wastewater treatment plants starting in the 1960s. Despite this progress, there is a need to do even more, particularly in response to the pollution budgets known as **Total Maximum Daily Loads (TMDLs)**. In addition to their wastewater efforts, COG's member governments are now also focused on the challenge of reducing the negative water quality impacts of stormwater runoff.

COG's members have accomplished a lot in the stormwater arena. This includes the pioneering development and implementation of new types of "best management practices," or **BMPs**, known collectively as "low impact development" (**LID**) and "environmental site design" (**ESD**) practices.

It also includes implementation of dedicated stormwater program funding mechanisms by most of COG's members. Today, the region's local government stormwater programs continue to adapt in response to changing federal and state regulations. This includes a new generation of municipal **separate storm sewer system (MS4)** permits and the need for new revenues at a time of limited local government funding. And much of this has been happening at a very accelerated schedule over the past 10 years (see timeline on page 4).

MS4 Permit Status of COG's Member Jurisdictions (as of November 2013)





STORMWATER PROGRAM DRIVERS

STORMWATER PROGRAM DRIVERS

State and Local Stormwater Management Regulations - Outline requirements for erosion and sediment control during the construction process and for the installation of BMPs to address stormwater runoff post-construction.

MS4 Permits - Issued by the states and EPA, these require local governments to implement a variety of programs (ranging from detection and correction of illicit discharges to public outreach and education) to lessen the volume of pollutants carried by their municipal stormwater conveyance systems. These regulatory permits require consistency with the pollution budgets of applicable TMDLs; and have been issued over time (i.e., **Phase I** for larger jurisdictions, and **Phase II** for smaller municipalities—based on population).

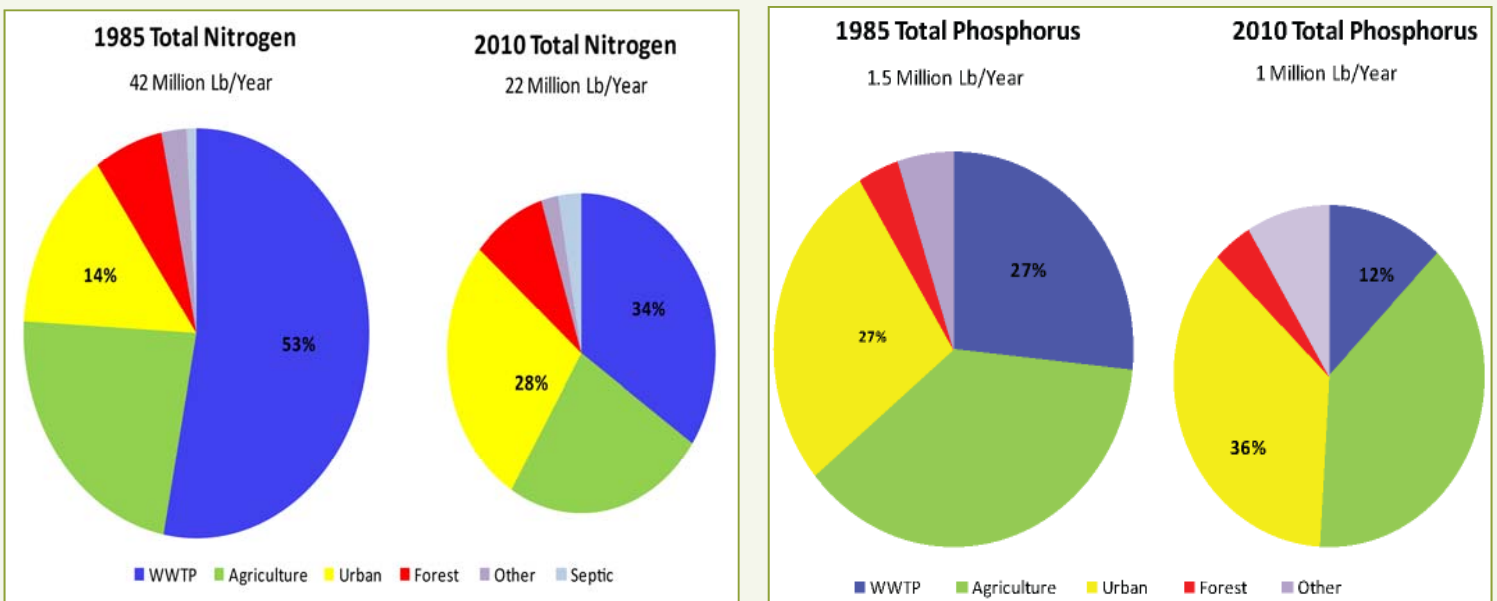
Local TMDLs - Established by the states and EPA, these TMDLs set target reductions for pollutants (nutrients, sediment, bacteria, trash and PCBs) in a number of waters in the region that have been designated as 'impaired' (e.g. the Anacostia River, Four Mile Run and Seneca Lake).

Chesapeake Bay TMDL - Established by EPA in December 2010, this massive pollution budget requires reductions in nutrient (nitrogen and phosphorus) and sediment pollution throughout the Bay watershed and for major tributaries such as the Potomac River.

URBAN STORMWATER RUNOFF: A GROWING BAY-WIDE CHALLENGE

As illustrated in the charts below, in 2010 urban (stormwater) runoff accounted for about 28 percent of the nitrogen and 36 percent of the phosphorus amounts that reached the Bay from the COG region, according to estimates from the latest EPA models. This is about the same amount of both nutrients lost from agriculture and about the same amount of nitrogen discharged by wastewater plants in the region. The relative percentage of urban loads are also changing as the loads attributed to the region's wastewater plants have decreased significantly over the past twenty-five years.

COG REGION: PERCENTAGE OF ANNUAL BAY NITROGEN AND PHOSPHORUS CONTRIBUTIONS BY SOURCE (estimated for 1985 and 2010 by EPA's Chesapeake Bay Watershed Model)

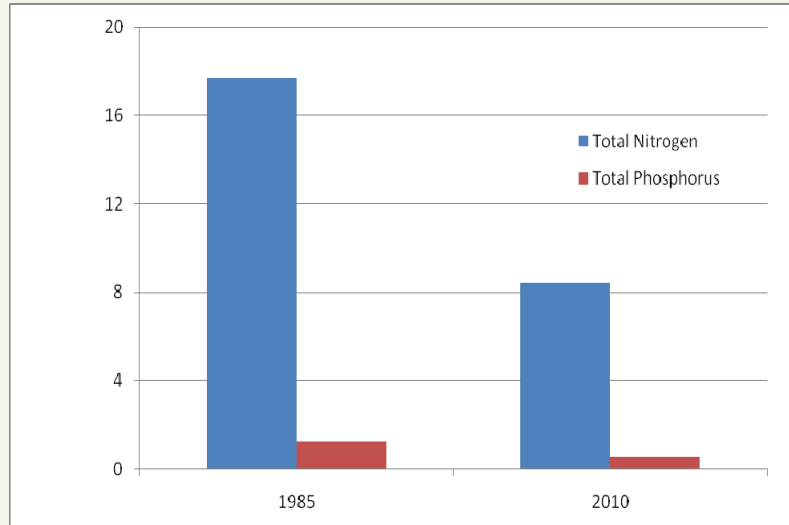


COG REGION:

IMPACT OF STORMWATER MANAGEMENT ON URBAN LANDSCAPE OVER TIME

Stormwater is often singled out as the only significant source of pollutants to the Bay that has increased in recent years, but this characterization ignores the fact that the overall amount of land devoted to urban uses has increased in recent years both in the region and throughout the watershed. The Chesapeake Bay Program estimates that urban land acreage in the COG region increased 35 percent in the last 25 years. However, the pollutant loads associated with urban lands have increased at a much lower rate because of the widespread use of stormwater BMPs on new and re-development sites. This can be seen by looking at the amount of nutrient pollution generated on a per-acre basis by urban land in 1985 compared to 2010 as shown in the chart below (again, as estimated for the COG region as-a-whole by EPA models).

COG REGION: COMPARISON OF ANNUAL AVERAGE URBAN NUTRIENT LOADS TO THE BAY FOR 1985 AND 2010
(estimated EPA's Chesapeake Bay Watershed Model)



Pounds Per Acre Per Year



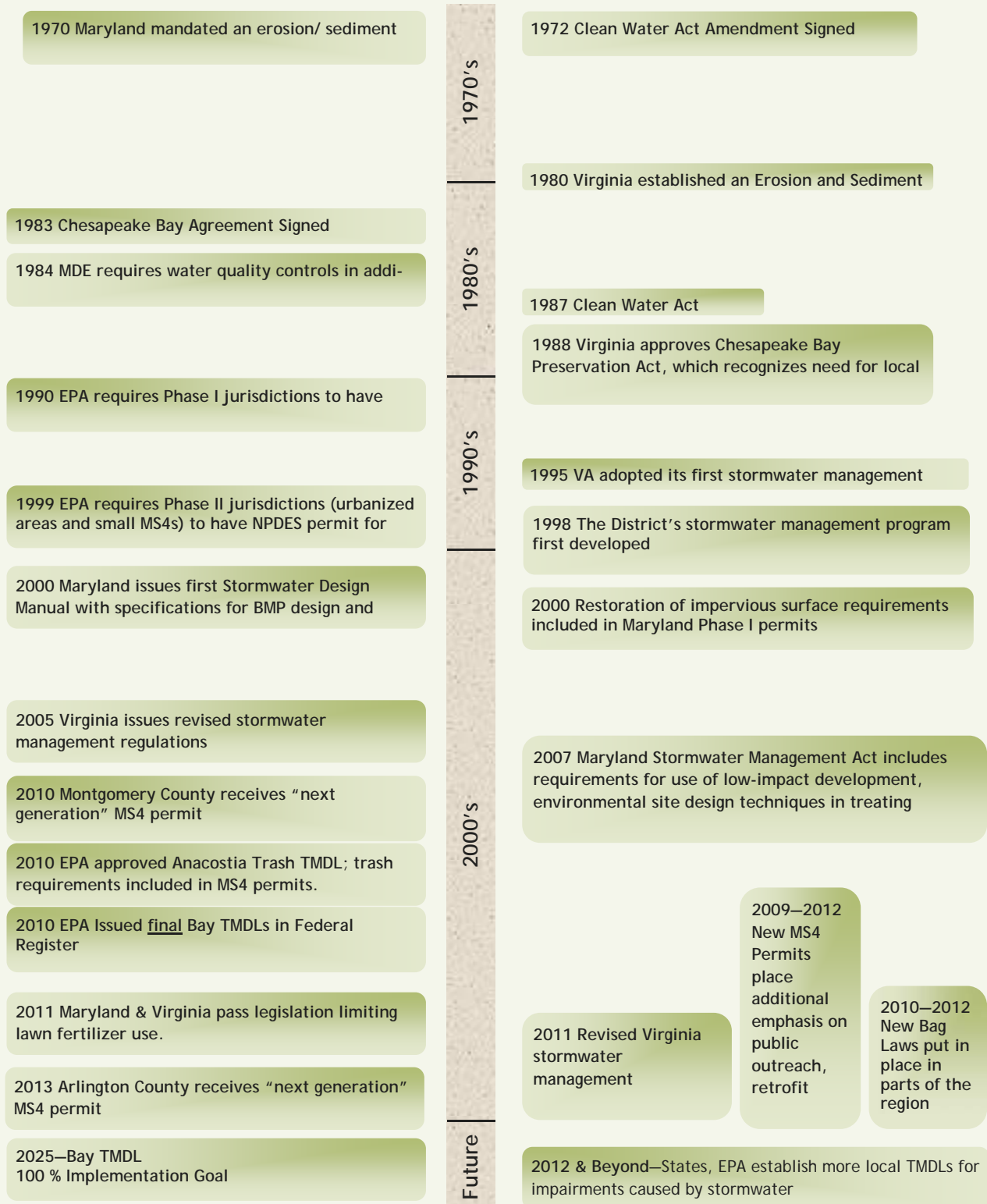
Stormwater Retention Pond

Despite these successes, the Bay TMDL and other drivers are requiring stormwater programs to also address pollution from the runoff from urban areas built before 1985, when stormwater BMPs first became widely used. The most common way of addressing this legacy pollution is through what are known as stormwater retrofits, in which various modern urban stormwater BMPs are incorporated into older existing urban landscapes. These retrofits, which cost significantly more to install than BMPs on new developments, are now a requirement of MS4 permits in Maryland and the District of Columbia—and they will be necessary for Virginia local governments to meet the nutrient reduction requirements in their permits.



REGIONAL STORMWATER TIMELINE

This timeline of regional stormwater mandates and programs dates back to the 1970s. Note that a majority of the regulations and requirements are recent developments (from 2000 to date) - reflecting the accelerated pace of stormwater management nationally and regionally.





STORMWATER PROGRAM DRIVERS

STORMWATER MANAGEMENT GOALS

Broadly stated, the goals of stormwater management are:

- (1) water quality protection;
- (2) stream channel erosion control; and
- (3) flood reduction.

Every jurisdiction, as part of its MS4 permit requirements, has a suite of stormwater management practices in place to accomplish these goals. Examples of the following diverse services are noted below. For examples of local accomplishments across the COG region, see the next page.

Project Design Construction Management & Oversight

- Permitting and plan review for new or retrofit construction, including roads in Maryland and the District of Columbia
- Facility inspection, maintenance and enforcement (public and private Best Management Practices (BMPs))

Physical

- Impervious surface reduction/ disconnect
- Structural BMPs (including environmental site design, such as rain gardens and green roofs)

Education/outreach

- Fertilizer reduction
- Integrated pest management
- Pet waste
- Anti-littering
- Homeowner stormwater management incentives programs
- Trash / litter removal

Mitigation/Restoration

- Installation of riparian buffers and urban tree canopies
- Stream restoration
- Wetland restoration
- Street sweeping/inlet cleaning
- Illicit connection detection and elimination

Water Quality and Aquatic Habitat Monitoring

- Nutrient, Metals, Pesticides, Organics, Bacteria
- Sediment and Physical Habitat





STORMWATER ACCOMPLISHMENTS

STORMWATER ACCOMPLISHMENTS ACROSS THE COG REGION

A FEW EXAMPLES ILLUSTRATIVE ARE NOTED BELOW.
(FOR ADDITIONAL DETAILS ON LOCAL PROGRAMS NOTE THE WEB LINKS ON THE LEFT OF THE PAGE)

COG REGION STORMWATER MANAGEMENT PROGRAMS

Links to all the local stormwater management programs are posted below

DISTRICT OF COLUMBIA

MARYLAND

Bladensburg

College Park

Greenbelt

(all through PG County)

Bowie

Charles County

Frederick

Frederick County

Gaithersburg

Montgomery County

Prince George's County

Rockville

Takoma Park

VIRGINIA

Alexandria

Arlington County

Fairfax

Fairfax County

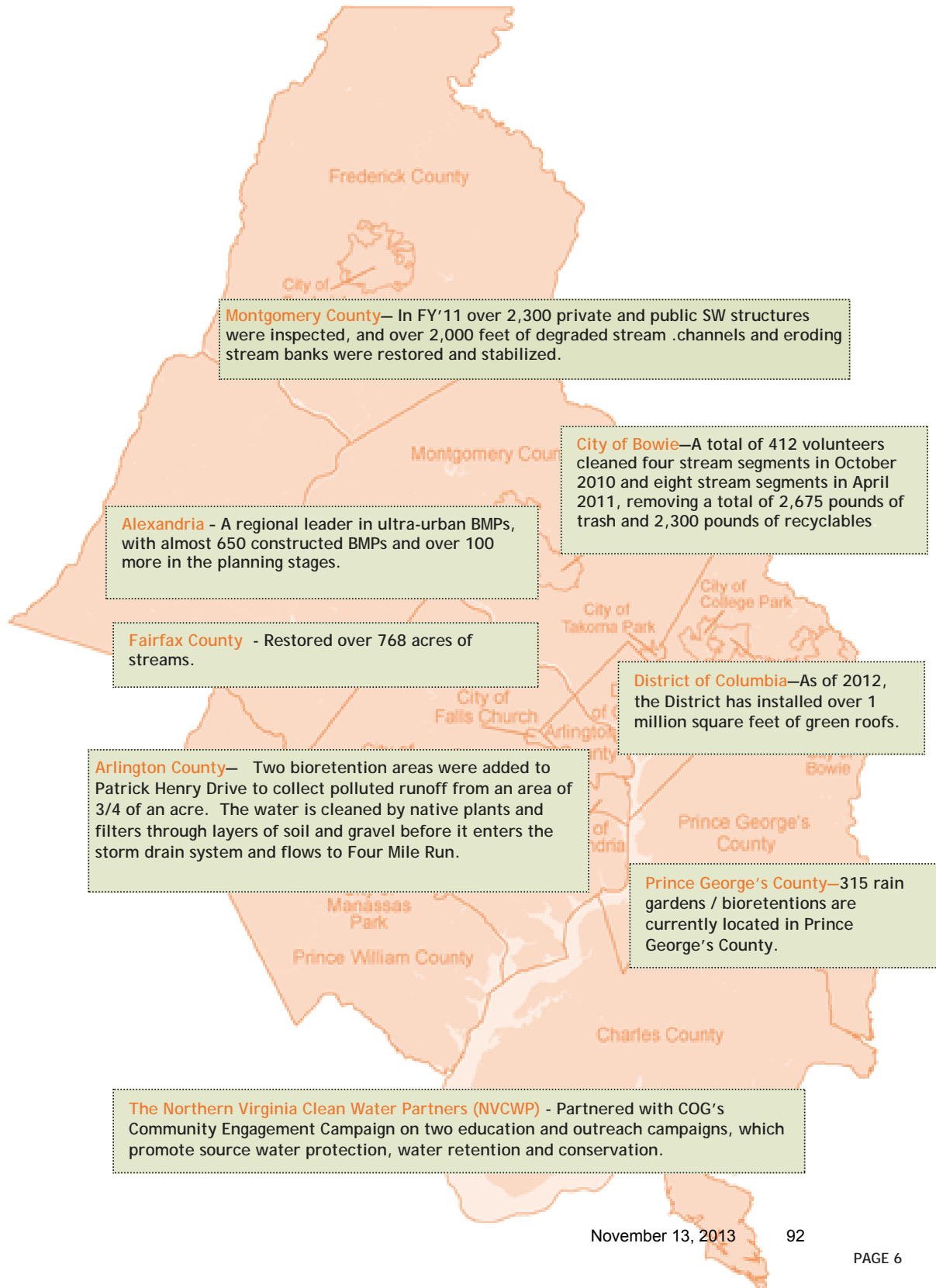
Falls Church

Loudoun County

Manassas

Manassas Park

Prince William County





STORMWATER FUNDING IN THE COG REGION

Unlike the wastewater sector, whose nutrient reduction efforts have received significant cost-share monies from state and federal governments—in addition to major local funding investments, stormwater programs are funded almost entirely at the local level, either by developers who install BMPs during construction or through the stormwater programs conducted by local governments. The latter are funded through a variety of means, but more and more local governments have turned to dedicated taxes or utility fees to fund their stormwater management programs.

LOCAL STORMWATER FUNDING IN THE COG REGION

Where - All but two COG member jurisdictions have either established their own dedicated taxes or fee programs or are subject to the tax and fee programs of other jurisdictions.

When - The majority of these local programs have been established in the last 5 years, although at least two of them date back to the late 1980s.

Who Pays - The tax/fee programs cover residential property owners; the majority of programs also cover commercial and multi-family properties.

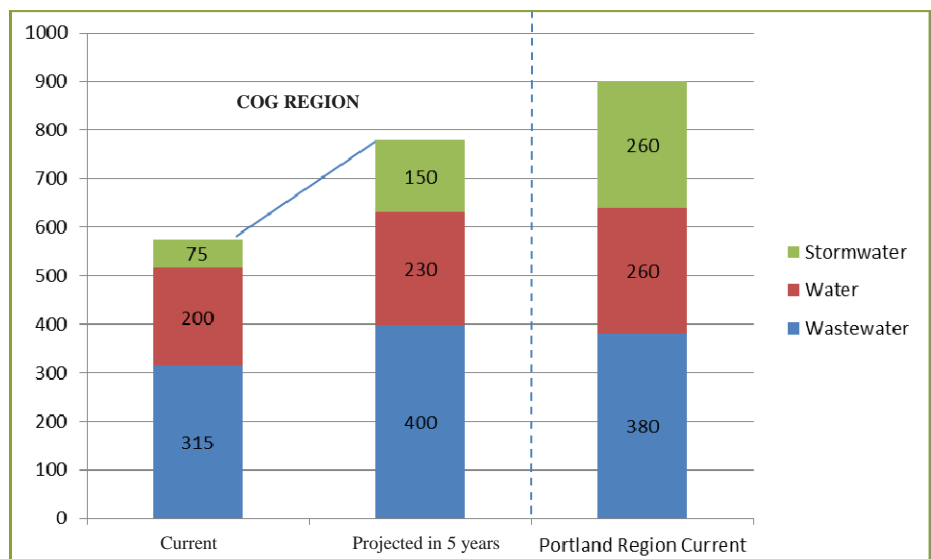
How Much - The cost per household currently ranges from \$32 to \$252 per year; the average cost is \$75 per household per year. Some of the fee programs are based on a sliding payment scale based on the size of the property or the extent of its impervious footprint. Some programs provide a credit for property owners who voluntarily install BMPs or do not charge non-profit organizations.

While both the extent and cost of the upgrades in stormwater management infrastructure to meet future regulatory requirements is still uncertain, it is clear that local governments will have to do a lot more in terms of both capital projects and annual operations and maintenance programs. As can be seen in the chart below, stormwater programs currently account for about 10 percent of the average total residential cost for water, wastewater and stormwater costs in the COG region. Current ballpark-level projections for future stormwater program costs show that stormwater may account for as much as 20 percent of the total water sector service costs in the next five years. This is about the same as current costs for water, wastewater and stormwater in the Portland, Oregon region, which is known for its cutting-edge stormwater technology.

COMPARISON OF AVERAGE ANNUAL HOUSEHOLD COSTS/YEAR FOR STORMWATER, WATER AND WASTEWATER

Current COG Region costs for water and wastewater derived from a study of 2001-2010 costs conducted by the District of Columbia Office of the Chief Financial Officer.

Current COG Region stormwater costs were provided by COG's 2012 Stormwater Fee Survey. Projected costs were extrapolated from the 10-year trend for water and wastewater and estimated for stormwater from budget projections from several COG members.



COG Members
 District of Columbia
 Bladensburg*
 Bowie
 Charles County
 College Park
 Frederick
 Frederick County
 Gaithersburg
 Greenbelt
 Montgomery County
 Prince George's County
 Rockville
 Takoma Park
 Alexandria
 Arlington County
 Fairfax
 Fairfax County
 Falls Church
 Loudoun County
 Manassas
 Manassas Park
 Prince William County

*Adjunct Member

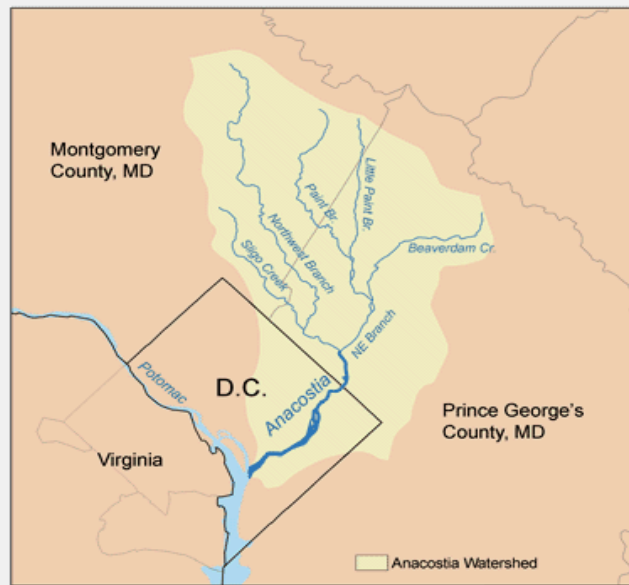
Region Forward Sustainability Goal
 Target: By 2025, achieve 100% of Chesapeake Bay Program's Water Quality Implementation Goals
 Local goals have been set for wastewater treatment plants, but have not yet been defined for the region's stormwater programs. As long as current construction schedules and funding sources are maintained, all of the region's wastewater plants have already or are on schedule to meet their implementation goals. Goals for the region's stormwater programs have not yet been quantified, but are expected to be defined later in 2012 .

Target: By 2050, 50% of all sentinel watersheds will be in good or excellent condition
 Achieving the regional watershed target for sentinel watersheds will require a broad number of strategies including retrofitting stormwater controls in impervious areas. Visit www.mwco.org for more information.



Anacostia Restoration - A Local Example

The Anacostia Watershed Restoration Steering Committee (SC) was established by COG Board Resolution R28-06 in June 2006; and created the Anacostia Watershed Restoration Partnership (Partnership). The Partnership's role is to oversee the accelerated restoration of the Anacostia River and its tributaries. The membership is drawn from the District of Columbia, Montgomery and Prince George's counties, the state of Maryland, the Anacostia Watershed Citizens Advisory Committee (AWCAC), academia, federal agencies, foundations, businesses and NGOs. While the Partnership was created through COG Board of Directors action, and is administered through COG; it functions as an independent entity



in terms of adoption of policy, as well as work program, budget and other financial matters. Since the Partnership was reconstituted, its members have accomplishments include:

in terms of adoption of policy, as well as work program, budget and other financial matters. Since the Partnership was reconstituted, its members have accomplishments include:

- **Anacostia Restoration Plan** – Includes 1,781 stormwater retrofits
- **Trash TMDL** - The second enforceable trash limit implemented in the Nation
- **Strongest Stormwater Ordinances & Permits** - Local requirements lead the Nation
- **Focus on Green Streets** - Six new green streets projects planned for the watershed
- **Designation as 'Urban Water of National Significance'** - Partnership's strong coordination function was a strong factor in receiving this designation
- **Stakeholder Involvement** - Developers, environmental groups, municipalities and funders are all engaged in a regular dialog with governmental agencies and entities

SUMMARY

The overall picture of stormwater management in the COG region will change dramatically in the next few years as local government programs adapt to the challenges posed by new permits and regulations. More efforts will be made to retrofit older developed areas. And COG's member governments will gain further experience with LID and ESD techniques that are being promoted by state and federal regulation. Stormwater funding mechanisms at the local level will also continue to evolve. COG expects to continue to work with its members and integrate efforts with other jurisdictions (see Region Forward section on the left) to collect and update cost and performance data that will help shape the future direction of stormwater management. COG and its members will also continue to evaluate the potential implications of climate change impacts on the frequency, duration, and intensity of precipitation patterns and runoff volumes which is the basis of stormwater management.

COG's Water Resources Program



The Department of Environmental Programs (DEP), Water Resources Program assist COG's local government members, and affiliated wastewater treatment and drinking water utilities, with protecting, restoring, and conserving the region's water resources as well as addressing the policy and technical implications of various state and federal initiatives that have water quality. Visit our [Web Site](#) for additional information about our program and regional activities (including the Anacostia Program).



AGENDA ITEM #12

OTHER BUSINESS

(NOTE: NO ATTACHMENTS)



AGENDA ITEM #13

ADJOURNMENT

**NEXT MEETING: ANNUAL MEMBERSHIP
MEETING & AWARDS LUNCHEON**

DECEMBER 11, 2013