

1. CALL TO ORDER

The meeting of the Administration & Finance Committee was called to order at 12:50 p.m. by Vice-Chair Bonnie Wright at WRCOG's Office, Citrus Conference Room.

Members present:

Bonnie Wright, City of Hemet
Brian Tisdale, City of Lake Elsinore (1:22 p.m. departure)
Kelly Seyarto, City of Murrieta
Rita Rogers, City of Perris
Rusty Bailey, City of Riverside
Ben Benoit, City of Wildomar
Karen Spiegel, County of Riverside District 2 (12:52 p.m. arrival)

Staff present:

Steve DeBaun, Legal Counsel, Best Best & Krieger
Rick Bishop, Executive Director
Barbara Spoonhour, Deputy Executive Director – Operations
Andrew Ruiz, Interim Chief Financial Officer
Christopher Gray, Director of Transportation & Planning
Casey Dailey, Director of Energy and Environmental Programs
Andrea Howard, Program Manager
Janis Leonard, Administrative Services Manager
Rachel Singer, Staff Analyst
Suzy Nelson, Administrative Assistant

Guests present:

None.

2. PUBLIC COMMENTS

There were no public comments.

3. MINUTES – *(Perris / Murrieta) 6 yes; 0 no; 0 abstention. Item 3.A was approved. The Cities of Beaumont and Norco, the County of Riverside Districts 2 and 3, and the Western Municipal Water District were not present.*

A. Summary Minutes from the April 10, 2019, Administration & Finance Committee Meeting are Available for Consideration.

Action: 1. *Approved the Summary Minutes from the April 10, 2019, Administration & Finance Committee meeting.*

4. CONSENT CALENDAR – *(Wildomar / Lake Elsinore) 6 yes; 0 no; 0 abstention. Items 4.A through 4.E were approved. The Cities of Beaumont and Norco, the County of Riverside Districts 2 and 3, and the Western Municipal Water District were not present.*

A. Finance Department Activities Update

Action: 1. *Received and filed.*

B. Approval of Updated Agency Policies and Procedures

Action: 1. *Recommended that the Executive Committee approve the updated WRCOG Policies and Procedures.*

C. Approval of Professional Services Agreement for Update to WRCOG's Subregional Climate Adaptation Plan

Action: 1. *Recommended that the Executive Committee authorize the Executive Director to execute a Professional Services Agreement between WRCOG and Environmental Science Associates to update WRCOG's Subregional Climate Adaption Plan in an amount not to exceed \$362,423.*

D. Request for Authorization to Enter into a Professional Services Agreement for Phase II Development of the Experience Subregional Innovation Center

Action: 1. *Authorized the Executive Director to enter into a Professional Services Agreement between the Western Riverside Council of Governments and Network for Global Innovation to lead Phase II development of Experience subregional innovation center.*

E. Approval of 3rd Quarter Draft Budget Amendment for Fiscal Year 2018/2019

Action: 1. *Recommended that the Executive Committee approve the 3rd Quarter Draft Budget Amendment for Fiscal Year 2018/2019.*

5. REPORTS / DISCUSSION

A. Approval of Draft Fiscal Year 2019/2020 Agency Budget

Andrew Ruiz reported that this is the second presentation on the Agency Budget and nothing has changed. The total Agency revenues are approximately \$57.7M and expenditures are approximately \$55.2M. The difference is what staff anticipates to pay-out in reimbursements on TUMF projects.

The Annual Budget for Western Community Energy (WCE), an agency under WRCOG's umbrella, reflects a launch of next year. The budget is relatively small at this point and covers legal expenses and staff time as well as general operational expenses.

The Annual Budget for the Riverside County Habitat Conservation Agency (RCHCA) is approximately \$1.5M in revenues and \$1.2M in expenditures. RCHCA's budget consists of two funding categories – a general fund and the Lake Mathews Endowment.

Since moving into its current location, staff has determined that WRCOG is not utilizing all the office space. Internal discussions have occurred to sublease a portion of the office and have found a tenant; however, Citrus Towers ownership has provided an offer for WRCOG to move to the 2nd floor which has 4,000 square feet less than the current office.

Prior to WRCOG relocating its office from the County Administrative Center to its current location, PACE revenues were much higher than they are now. Actions have been taken to adjust to the loss of revenues such as a reduction in staff and adjustments to the budget.

Financial goals for the next fiscal year are to reduce WRCOG's PERS Unfunded Liability, which is expected to increase approximately 15%; sublease a portion of existing office space; and to expand the PACE commercial Program.

Going into the next fiscal year, the budget is balanced, and the Agency holds a robust reserve. Mr. Ruiz shared potential lease / sublease options.

Rick Bishop added that the tenant who has expressed interest in subleasing a portion of WRCOG's current location has also expressed interest in moving with WRCOG to the 2nd floor, should that occur. WRCOG's fiscal ebb and flow is less constrained than compared to a city's budget.

Committee member Kelly Seyarto indicated that there is more flexibility for the Agency if it stays where it is.

Committee member Brian Tisdale would like additional information on subleasing should WRCOG move to the 2nd floor.

Committee member Karen Spiegel indicated that staying on the 4th floor is the most feasible option.

Committee member Rusty Bailey asked how long WRCOG can afford to stay at its currently location and in what year would WRCOG have to dip into its reserves to stay in its current location.

Mr. Bishop indicated that at this time right-sizing the office would be the most prudent thing to do not knowing what the future brings.

Vice-Chair Bonnie Wright indicated that WRCOG has not downsized any of its programs in the past. When PACE began we ramped up the residential side, knowing that solar is not always the answer and realizing other energy efficient items that people would be more willing to finance. There is a greater opportunity to sublease additional space if WRCOG remains in its current location.

- Actions:**
1. *Recommended that the Executive Committee and General Assembly approve the draft Fiscal Year 2019/2020 Agency Budget.*
 2. *Recommended that staff pursue subleasing office space while remaining on the 4th floor.*
 3. *Directed staff to return with a fiscal analysis on how long WRCOG can afford to stay in its current location.*

(Lake Elsinore / Riverside) 7 yes; 0 no; 0 abstention. Item 5.A was approved. The Cities of Beaumont and Norco, the County of Riverside District 3, and the Western Municipal Water District were not present.

B. Nominations for WRCOG Chair, Vice-Chair, and 2nd Vice-Chair positions for Fiscal Year 2019/2020

Rick Bishop reported that this Committee serves as the nominating Committee for leadership positions. Mr. Bishop shared a list of those who expressed interest in the various positions. Historically the Vice-Chair and 2nd Vice-Chair positions move up each year.

Committee member Rusty Bailey asked if there is a requirement to have a County Supervisor in one of the positions.

Mr. Bishop responded that there is no requirement that there be a Supervisor within a leadership position. There is, however, a requirement that at least two Supervisors serve on this Committee.

- Actions:**
1. *Nominated Bonnie Wright, Mayor, City of Hemet, as Chair for Fiscal Year 2019/2020.*
 2. *Nominated Kevin Bash, Council member, City of Norco, as Vice-Chair for Fiscal Year 2019/2020.*
 3. *Nominated Kelly Seyarto, Mayor, City of Murrieta, as 2nd Vice-Chair for Fiscal Year 2019/2020.*

(Lake Elsinore / Wildomar) 7 yes; 0 no; 0 abstention. Items 5.B.1 through 5.B.3 were approved. The Cities of Beaumont and Norco, the County of Riverside District 3, and the Western Municipal Water District were not present.

C. RHNA and Housing Legislative Priority Activities Update

Christopher Gray reported that staff is currently engaged in a series of proactive discussions with local legislators, member jurisdictions, and fellow Councils of Governments regarding housing. The Governor has a one-size-fits-all approach to housing. We believe this issue is not titling housing but building housing. Staff is preparing a research paper with potential updates to RHNA such as tying RHNA to job growth and looking at economic development. The state actually has down payment assistance; however, to qualify, you have to be very low income. By the time you qualify, you do not actually make enough to pay the mortgage. There are opportunities to revise state programs. There were over 190 bills introduced in the legislature specifically regarding housing. WRCOG is working closely with the League of CA Cities on its position on the various bills. We will oppose anything that takes away local control, state funding based on housing production or approvals, and anything that limits local jurisdictions' ability to impose impact fees.

Committee member Rusty Bailey indicated that, in terms of where to incentivize economic development, you have to fall back to the High Quality Transit Areas (HQTAs) to determine a nexus between economic development and building in the high quality transit areas. As RHNA continues, more numbers will be forced on to cities with HQTAs.

Mr. Gray indicated that WRCOG's Experience Program is a tangible attempt to make an effort with economic development. Staff have also been conducting research with job automation; the current economy is very much at risk for losing jobs due to automation and technological advances. There is a way to tie all of this together to address housing. But we also need to be proactive and find a solution in stead of just saying no.

Committee member Karen Spiegel indicated that for her it is about local control. Most of the new bills pull away local control.

Actions: 1. *Recommended that the Executive Committee take action to decline the option to take on subregional delegation for RHNA Cycle 6.*

(Riverside / Murrieta) 6 yes; 0 no; 0 abstention. Item 5.C was approved. The Cities of Beaumont, Lake Elsinore, and Norco, the County of Riverside District 3, and the Western Municipal Water District were not present.

6. REPORT FROM THE EXECUTIVE DIRECTOR

Rick Bishop reported that Al Zelinka, City Manager for the City of Riverside, inquired if WRCOG had any interest in co-sponsoring a summit on homelessness and housing. The agenda was intriguing in that cities would meet and talk about best practices. WRCOG appreciates the opportunity to participate in this.

Secondly, the City of Perris is interested in having WRCOG assist in developing an advertising package for the subregion in preparation for the 2028 Olympics. The City is on tap to host two water-related events at Lake Perris. The City wants to market the area with all the amenities and to work with WRCOG's transportation partners to queue up transportation options for visitors. This is in alignment with this Committee's desire to get WRCOG involved and engaged with economic development, which has always been some sort of regional marketing. SilverLakes in the City of Norco, is also being looked at as a practice facility for the soccer events.

7. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

8. GENERAL ANNOUNCEMENTS

There were no general announcements.

9. CLOSED SESSION

Due to time constraints this item was adjourned to the next meeting.

10. NEXT MEETING: **The next meeting is scheduled for Wednesday, June 12, 2019, at 12:00 p.m., at WRCOG's office located at 3390 University Avenue, Suite 450, Riverside.**

11. ADJOURNMENT: **The meeting of the Administration & Finance Committee adjourned at 1:32 p.m.**