

**1. CALL TO ORDER**

The meeting of the Administration & Finance Committee was called to order at 12:13 p.m. by Chair Chuck Washington at WRCOG's Office, Citrus Conference Room.

**Members present:**

Mike Lara, City of Beaumont  
Bonnie Wright, City of Hemet  
Brian Tisdale, City of Lake Elsinore  
Kelly Seyarto, City of Murrieta  
Kevin Bash, City of Norco  
Rita Rogers, City of Perris  
Rusty Bailey, City of Riverside  
Ben Benoit, City of Wildomar  
Karen Spiegel, County of Riverside District 2  
Chuck Washington, County of Riverside District 3 (Chair)

**Staff present:**

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

**Guests present:**

Mark Cofano, Cofano Ventures

**2. PUBLIC COMMENTS**

There were no public comments.

**3. MINUTES** – *(Murrieta / District 2) 10 yes; 0 no; 0 abstention. Item 3.A was approved. The Western Municipal Water District was not present.*

**A. Summary Minutes from the May 8, 2019, Administration & Finance Committee Meeting are Available for Consideration.**

**Action:** 1. *Approved the Summary Minutes from the May 8, 2019, Administration & Finance Committee meeting.*

**4. CONSENT CALENDAR** – *(Norco / Murrieta) 10 yes; 0 no; 0 abstention. Items 4.A through 4.C was approved. The Western Municipal Water District was not present.*

**A. Finance Department Activities Update**

**Action:** 1. *Received and filed.*

**B. Amendment to Professional Services Agreements for On-Call Planning Services**

**Actions:**

1. *Approved the Second Amendment to the Professional Services Agreement between WRCOG and Michael Baker International, Inc., for support to WRCOG on its economic development activities to increase the total not to exceed amount from \$50,000 to \$150,000, and to extend the term of the Agreement through June 30, 2020.*
2. *Approved the First Amendment to the Professional Services Agreement between WRCOG and PlaceWorks, Inc., for support to WRCOG in its economic and demographic forecasting services and general staff support activities to increase the total not to exceed amount from \$50,000 to \$150,000, and to extend the term of the Agreement through June 30, 2020.*
3. *Approved the First Amendment to the Professional Services Agreement between WRCOG and WSP USA, Inc., for support to WRCOG in its transportation planning, grant writing assistance, economic and demographic forecasting, and general WRCOG staff support activities to increase the total not to exceed amount from \$50,000 to \$150,000, and to extend the term of the Agreement through June 30, 2020.*
4. *Approved the Second Amendment to the Professional Services Agreement between WRCOG and Blais & Associates for support to WRCOG grant writing services assistance to increase the total not to exceed amount from \$100,000 to \$200,000, and to extend the term of the Agreement through June 30, 2020.*
5. *Approved the Second Amendment to the Professional Services Agreement between WRCOG and Fehr & Peers for support to WRCOG on transportation planning services to increase the total not to exceed amount from \$100,000 to \$200,000, and to extend the term of the Agreement through June 30, 2020.*
6. *Approved the Second Amendment to the Professional Services Agreement between WRCOG and National Community Renaissance of California for support to WRCOG staff in planning and housing related activities to increase the total not to exceed amount from \$100,000 to \$200,000, and to extend the term of the Agreement through June 30, 2020.*

**C. Approval of Fiscal Year 2019/2020 Agency Salary Schedule**

**Action:** 1. *Recommended that the Executive Committee Adopt Resolution Number 25-19; A Resolution of the Executive Committee of the Western Riverside Council of Governments adopting the Fiscal Year 2019/2020 publicly available salary schedule effective July 1, 2019, as required by the California Public Employee's Retirement System.*

**5. REPORTS / DISCUSSION**

**A. PACE Programs Activities Update: Approval of Amended Program Reports, Debt Management Policy and Authorized Maximum Bonding Amounts**

Casey Dailey reported that in June 2017 the Executive Committee adopted the PACE Debt Management Policy, which established parameters for issuing debt and described eligible improvements and oversight procedures. There have been recent updates in the law regarding reporting requirements. With the addition of new Commercial PACE providers, legal counsel and the Program financial advisor recommended updating the Policy with current practices.

The Maximum Bonding Indebtedness level was originally set in 2011 at \$900 million. In June 2016, the level was increased to \$3 Billion as a result of the success of the Program. The Program has exceeded the \$2 Billion mark, and having added commercial and more residential providers, in addition to wanting to separate each provider with its own dollar amount, staff is requesting the authority to increase the debt limit. This is similar to annual appropriations limit increases for cities.

Committee member Kevin Bash asked what it means financially regarding a possible hit to the Program when going from \$3 Billion to \$3.7 Billion.

Mr. Dailey responded that there is an increase to financial exposure and liability; however, any increase is offset 100% by the fact that those dollars are secured by property assessments.

Committee member Bash asked what happens if there is another financial collapse as occurred in 2009.

Mr. Dailey responded that bonds are not issued until projects are moving forward.

Committee member Mike Lara asked who the assessments go to if property falls into a bankruptcy.

Mr. Dailey responded that if assessments become delinquent, the Executive Committee has taken action to defer judicial foreclosure. A third party then purchases the delinquent assessments.

Committee member Bash if the delinquent assessments are purchased at the assessed value.

Mr. Dailey responded that the purchases are for the PACE delinquent amount only, not the property.

- Actions:**
1. *Recommended the Executive Committee Adopt Resolution Number 26-19; A Resolution of the Executive Committee of the Western Riverside Council of Governments approving a Debt Management Policy and taking other actions related thereto.*
  2. *Recommended the Executive Committee Adopt Resolution 27-19; A Resolution of the Executive Committee of the Western Riverside Council of Governments increasing maximum bond authorization for its PACE Programs and making certain required disclosures.*
  3. *Recommended that the Executive Committee approve the amended California HERO Program Report and the WRCOG Energy Efficiency and Water Conservation Program Report to increase the maximum bond indebtedness.*

*(Lake Elsinore / Murrieta) 10 yes; 0 no; 0 abstention. Item 5.A was approved. The Western Municipal Water District was not present.*

## **B. Agency Office Move**

Andrew Ruiz reported that since the last report on this item, building management has indicated that there is a company interested in occupying WRCOG's current space on the 4th floor. WRCOG would then relocate to the 2nd floor, occupying approximately 4,000 less square feet. WRCOG has taken action to relocate to the 2nd floor and continue to sublease approximately 1,500 square feet to the current sub-lessee.

If PACE revenues continue to decline, it is anticipated that WRCOG would dip into its reserves in Fiscal Year 2020/2021. This is the time of year when PACE activities generally increase; however, a decline continues. Therefore, Agency revenues have been decreased an additional 20%.

The current office location was chosen with the anticipation that PACE activities would grow and fill in the office space; however, this has not occurred. Program revenues have declined nearly 75% since WRCOG moved into its current location.

WRCOG has not officially signed a lease, but staff are working with an architect on the new design and layout. While the 2nd floor has 4,000 square feet less than the current office, the current office has a great deal of open, unused space. The designs for the 2nd floor will still accommodate staff spacing and conference room needs, there will just be less open space.

Committee member Kelly Seyarto asked when the move is expected to occur.

Mr. Ruiz responded that a very aggressive timeline is being proposed by the building management, and the anticipated move timeline is October of this year.

Committee member Bonnie Wright asked about tenant improvements.

Mr. Ruiz responded that tenant improvements will be rolled into the office lease.

## **6. REPORT FROM THE EXECUTIVE DIRECTOR**

Barbara Spoonhour introduced Mark Cofano, who will deliver the keynote address at the Future of Cities Symposium during the morning of the General Assembly and Leadership Address. Mr. Cofano will address impending changes the subregion will face over the next coming years and how cities can make the most of the opportunities.

## **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 the absence of the Executive Director this item was adjourned to the next meeting.

**10. NEXT MEETING:**     **The next meeting is scheduled for Wednesday, July 10, 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 12:33 p.m.**