



Western Riverside Council of Governments Administration & Finance Committee

AGENDA

**Wednesday, January 9, 2019
12:00 p.m.**

**Western Riverside Council of Governments
Citrus Tower
3390 University Avenue, Suite 450
Riverside, CA 92501**

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if special assistance is needed to participate in the Administration & Finance Committee meeting, please contact WRCOG at (951) 405-6703. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting. In compliance with Government Code Section 54957.5, agenda materials distributed within 72 hours prior to the meeting which are public records relating to an open session agenda item will be available for inspection by members of the public prior to the meeting at 3390 University Avenue, Suite 450, Riverside, CA, 92501.

The Administration & Finance Committee may take any action on any item listed on the agenda, regardless of the Requested Action.

1. CALL TO ORDER (Chuck Washington, Chair)

2. PUBLIC COMMENTS

At this time members of the public can address the Administration & Finance Committee regarding any items listed on this agenda. Members of the public will have an opportunity to speak on agenda items at the time the item is called for discussion. No action may be taken on items not listed on the agenda unless authorized by law. Whenever possible, lengthy testimony should be presented to the Committee in writing and only pertinent points presented orally.

3. MINUTES

A. Summary Minutes from the November 14, 2018, Administration & Finance Committee Meeting are Available for Consideration.

P. 1

Requested Action: 1. *Approve the Summary Minutes from the November 14, 2018, Administration & Finance Committee meeting.*

4. CONSENT CALENDAR

All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Committee, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Committee request specific items be removed from the Consent Calendar.

A. Finance Department Activities Update P. 9

Requested Action: 1. *Receive and file.*

5. REPORTS / DISCUSSION

A. Nomination for WRCOG 2nd Vice-Chair Position for the Remainder of Fiscal Year 2018/2019 P. 15

Requested Action: 1. *Provide a recommendation for consideration by the Executive Committee for the position of 2nd Vice-Chair for the remainder of Fiscal Year 2018/2019.*

B. PACE Programs Activities Update P. 17

Requested Actions: 1. *Consider the recommendation from the PACE Ad Hoc Committee recommending that the Executive Committee authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Lord Capital under WRCOG's Commercial PACE umbrella.*
2. *Recommend that Executive Committee authorize up to \$75,000 for legislative advocacy services.*

C. Appointment of WRCOG Representatives to Various Committees P. 21

Requested Actions: 1. *Recommend that the Executive Committee appoint one alternate representative to the California Association of Councils of Governments for a term commencing January 1, 2019, and ending December 31, 2020.*
2. *Recommend that the Executive Committee appoint two alternates representatives to the County of Riverside Waste Management Task Force for a term commencing January 1, 2019, and ending December 31, 2020.*
3. *Recommend that the Executive Committee appoint one representative to the Santa Ana Watershed Project Authority's One Water One Watershed Steering Committee for a term commencing January 1, 2019, and ending December 31, 2020.*
4. *Recommend that the Executive Committee appoint one representative to a SCAG Policy Committee for a term commencing January 1, 2019, and ending December 31, 2020.*

D. Update on the Development of a Sustainability Indicators Report P. 23

Requested Action: 1. *Discuss and provide input.*

Requested Action: 1. *Recommend that the Executive Committee adopt WRCOG Resolution Number 19-01; A Resolution of the Executive Committee of the Western Riverside Council of Governments Adopting a Revised Purchasing and Procurement Policy.*

6. ITEMS FOR FUTURE AGENDAS

Members

Members are invited to suggest additional items to be brought forward for discussion at future Administration & Finance Committee meetings.

7. GENERAL ANNOUNCEMENTS

Members

Members are invited to announce items / activities which may be of general interest to the Administration & Finance Committee.

- 8. NEXT MEETING:** The next Administration & Finance Committee meeting is scheduled for Wednesday, February 13, 2019, at 12:00 p.m., at WRCOG's office located at 3390 University Avenue, Suite 450, Riverside.

9. ADJOURNMENT

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1. CALL TO ORDER

The meeting of the Administration & Finance Committee (Committee) was called to order at 12:05 p.m. by Chair Chuck Washington at WRCOG's Office, Citrus Conference Room.

Members present:

Debbie Franklin, City of Banning
Eugene Montanez, City of Corona
Laura Roughton, City of Jurupa Valley
Brian Tisdale, City of Lake Elsinore
Kelly Seyarto, City of Murrieta
Rusty Bailey, City of Riverside
Ben Benoit, City of Wildomar
Chuck Washington, County of Riverside District 3 (Chair)
Marion Ashley, County of Riverside District 5 (1:00 p.m. departure)
Brenda Dennstedt, Western Municipal Water District (12:12 p.m. arrival)

Staff present:

Steve DeBaun, Legal Counsel, Best Best & Krieger
Rick Bishop, Executive Director
Andrew Ruiz, Interim Chief Financial Officer
Christopher Gray, Director of Transportation & Planning
Casey Dailey, Director of Energy and Environmental Programs
Andrea Howard, Program Manager
Tyler Masters, Program Manager
Janis Leonard, Administrative Services Manager
Daniel Ramirez-Cornejo, Program Manager
Christopher Tzeng, Program Manager
Anthony Segura, Staff Analyst
Kyle Rodriguez, Staff Analyst
Daniel Soltero, Staff Analyst
Cynthia Mejia, Staff Analyst
Rachel Hom, Staff Analyst
Suzy Nelson, Administrative Assistant

Guests present:

Arnold San Miguel, Southern California Association of Governments
Ana Aceves, SoCal Gas Company
Todd Warden, South Coast Air Quality Management District

2. PUBLIC COMMENTS

There were no public comments.

3. MINUTES – *(Banning / County, 5th District) 9 yes; 0 no; 0 abstention. Item 3.A was approved. The City of Hemet and the Western Municipal Water District were not present.*

A. Summary Minutes from the October 10, 2018, Administration & Finance Committee Meeting are Available for Consideration.

- Action:** 1. *Approved the Summary Minutes from the October 10, 2018, Administration & Finance Committee meeting.*

4. CONSENT CALENDAR – (Lake Elsinore / County, 5th District) 9 yes; 0 no; 0 abstention. Items 4.A through 4.C were approved. The City of Hemet and the Western Municipal Water District were not present. Item 4.D was pulled for discussion.

A. Finance Department Activities Update

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

B. Approval of Administration & Finance Committee 2019 Meeting Schedule

- Action:** 1. *Approved the Schedule of Administration & Finance Committee meetings for 2019.*

C. Approval of Memorandum of Understanding (MOU) to Provide Continued Membership of the Riverside County Superintendent of Schools on WRCOG for a Period of Three Years

- Action:** 1. *Recommended that the Executive Committee approve a three-year extension to the MOU between WRCOG and the Riverside County Superintendent of Schools for the Superintendent to serve as an ex-officio member of the Executive Committee.*

D. Approval of Revised Agency Investment Policy

- Action:** 1. *Recommended that the Executive Committee adopt WRCOG Resolution Number 44-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments adopting a revised Investment Policy.*

This item was pulled for discussion by Committee member Laura Roughton. The Staff Report indicates that WRCOG expects to maintain 50% of its investments in CAMP; however, the Policy itself being presented today does not mention that, only that WRCOG can invest up to 100% in CAMP.

Andrew Ruiz reported that the Prudent Investor rule is listed in the Policy; however, clarification will be added in that the limit is 100%, but staff does not anticipate having more than 50% in CAMP. Staff has reached out to PFM, WRCOG's financial advisors, for clarifying language. That language will be incorporated into the Policy being presented today by the time it is presented to the Executive Committee for approval.

Chairman Washington asked if there is a need at this time to move this item forward, or can it be brought back with the clarifying language.

During Fiscal Year 2017/2018, a large amount of investments was moved to CAMP because it was yielding approximately 30 times more than what the other investments were yielding. During the audit, it was determined that the Investment Policy needed to be updated for WRCOG's investments to be compliant. PFM recommended the investment limit in CAMP be 100%, with the caveat that WRCOG would really only invest up to 50% just to stay diversified.

Steve DeBaun suggested that perhaps the item be moved forward noting that the clarifying language be inserted in the Policy being presented to the Executive Committee for approval.

(Jurupa Valley / Wildomar) 9 yes; 0 no; 0 abstention. Item 4.D was approved. The City of Hemet and the Western Municipal Water District were not present.

5. REPORTS / DISCUSSION

A. Approval of 1st Quarter Draft Budget Amendment for Fiscal Year 2018/2019

Andrew Ruiz reported that for the first quarter of Fiscal Year (FY) 2018/2019, total Agency budgeted expenditures increased by \$9,262. In the Administration Department there was an increase of approximately \$650 mostly due to job posting notifications. There was an increase in legal costs of approximately \$9,000 for the Fellowship Program, as well as BEYOND and Experience salaries, in the Transportation & Planning Department. The Environment Department had an increase in expenditures of approximately \$26,000 due to advertising and outreach for the Solid Waste Program. The Energy Department experienced an increase in legal costs associated with SAMAS, a commercial PACE provider; these costs are expected to be recouped. The WREP Program had an increase in expenditures due to a building operator's certification course WRCOG member jurisdictions participated in.

All expenditure increases will be offset by unused funds and/or decreased expenditures in other categories.

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

(County, 5th District / Riverside) 10 yes; 0 no; 0 abstention. Item 5.A was approved. The City of Hemet was not present.

B. Appointment of WRCOG Representatives to Various Committees

Rick Bishop reported that this Committee acts as the nominating Committee for a number of appointments to be made by the Executive Committee. Appointments being recommended today are for two-year terms. Per policy, priority is given to existing Executive Committee members for ease of reporting back on activities, as is also required per policy. WRCOG provides stipends for all Committees with the exception of SCAG, which provides its own stipends. Separate notifications of appointments for each outside agency were transmitted to all of WRCOG's elected officials.

Lists of those interested in the various agencies were shared with Committee members.

Actions: 1. *Recommended that the Executive Committee appoint the following individuals to the California Association of Councils of Governments for a two-year term commencing January 1, 2019, and ending December 31, 2020.*

*Brian Tisdale (Lake Elsinore): Primary
Laura Roughton (Jurupa Valley): Alternate*

(Murrieta / Banning) 10 yes; 0 no; 0 abstention. Item 5.B.1 was approved. The City of Hemet was not present.

2. *Recommended that the Executive Committee Recommended that the Executive Committee appoint the following individuals to the Riverside County Waste Management Local Task Force for a two-year term commencing January 1, 2019, and ending December 31, 2020.*

*Jordan Ehrenkranz (Canyon Lake): Primary
Linda Krupa (Hemet): Alternate*

(Wildomar / Murrieta) 10 yes; 0 no; 0 abstention. Item 5.B.2 was approved. The City of Hemet was not present.

3. *Recommended that the Executive Committee appoint Laura Roughton, City of*

Jurupa Valley, as the representative to the Santa Ana Watershed Project Authority's One Water One Watershed Steering Committee for a two-year term commencing January 1, 2019, and ending December 31, 2020.

(Lake Elsinore / Murrieta) 10 yes; 0 no; 0 abstention. Item 5.B.3 was approved. The City of Hemet was not present.

4. *Recommended that the Executive Committee appoint Crystal Ruiz, City of San Jacinto, as the primary representative, and Dr. Yxstian Gutierrez, City of Moreno Valley, as the alternate representative, to the San Diego Association of Governments' Borders Committee for a two-year term commencing January 1, 2019, and ending December 31, 2020.*

(Wildomar / County, 5th District) 10 yes; 0 no; 0 abstention. Item 5.B.4 was approved. The City of Hemet was not present.

5. *Recommended that the Executive Committee appoint Jordan Ehrenkranz, City of Canyon Lake, Mike Gardner, City of Riverside, Bonnie Wright, City of Hemet, Crystal Ruiz, City of San Jacinto, Linda Krupa, City of Hemet and leaving a vacancy for the City of Banning as the six representatives to SCAG Policy Committees for the term commencing January 1, 2019, and ending December 31, 2020.*

(Murrieta / Banning) 10 yes; 0 no; 0 abstention. Item 5.B.5 was approved. The City of Riverside was not present.

C. Allocation of Funds from the Beaumont Settlement

Christopher Gray reported that from the settlement, \$4M was set aside specifically for the Cities of Banning and Calimesa. There is \$12M to be decided upon, and additional settlement funds may be obtained due to pending third party litigation. Additionally, the City of Beaumont is obligated to pay WRCOG \$9.4M in Measure A funds.

Staff recommends that existing and potential future funds from third party settlements be allocated via the Nexus Study formula.

Committee member Laura Roughton asked if the \$1.2M WRCOG incurred in legal costs have already been reimbursed.

Mr. Gray responded that it has not. For transparency sake, staff felt it would be best to distribute the monies all at once. Once the Executive Committee acts on requested actions being presented today, WRCOG will recoup its legal fees.

The Riverside County Transportation Commission (RCTC) receives TUMF for Measure A funds. These are regional funds for regional projects. The Pass Zone had no regional projects for the longest time, because the only project in that Zone was the Potrero Interchange project located in the City of Beaumont prior to the City being removed from WRCOG. Therefore, the Pass Zone was not able to access that funding from RCTC. Staff recommends adding various projects in the Pass Zone to RCTC's list of regional projects.

The Pass Zone currently has an available \$5M in Zone funding; there are two options in which funding can be allocated – Option 1 includes the distribution of the initial funds allocated to the Pass Zone in accordance with the Nexus Study and in a manner that does not restrict the use of the funds to a specific TUMF project, and Option 2 includes allocating the initial \$5 million in Pass Zone funding evenly to TUMF projects identified by the Cities of Banning and Calimesa. During discussions, a consensus could not be reached.

Committee member Kelly Seyarto recommended giving the Pass Zone all \$5M (Option 1). It is not known which specific projects are shovel-ready.

Committee member Marion Ashley indicated that there are three projects in the Pass Zone. Option 2 punishes the County.

Committee member Debbie Franklin indicated that Banning is trying to look at the bigger picture, but does not agree with, but can live with, Option 1.

Committee member Eugene Montanez expressed sympathy with the County project, but indicated that \$5M is not going to fund any one of the three projects in the Pass Zone. At least initially, Option 2 seems to be the fairest. Any additional funds should be split in that Zone.

Mr. Gray indicated that once the \$5M has been allocated to either the Zone or a specific project, any future funds will be allocated to the Zone as a whole. Staff have been working with member agencies to identify key projects. The Pass Zone is now generating between \$1M and \$2M annually.

- Actions:**
1. *Recommended that the Executive Committee direct staff to allocate any existing and future funds received from the Beaumont 3rd party settlements via the Nexus Study formula, less recovery costs.*
 2. *Recommended that the Executive Committee direct staff to coordinate with the Riverside County Transportation Commission to add the I-10 Bypass, the I-10 / Cherry Valley Boulevard Interchange, and the I-10 / Highland Springs Interchange Projects to the list of Regional TUMF Projects in the Pass Zone along with the SR-60 / Potrero Boulevard Interchange Project.*
 3. *Recommended that the Executive Committee direct staff to distribute the initial \$5 million in settlement revenue to the Pass Zone.*
 4. *Recommend that the Executive Committee direct staff that any additional 3rd Party settlement funds allocated to the Pass Zone be distributed using the existing Zone decision making process.*
 5. *Recommended that the Executive Committee direct staff to reimburse WRCOG of any and all legal fees before funds are dispersed.*

(Murrieta / Wildomar) 9 yes; 0 no; 0 abstention. Item 5.C was approved. The City of Hemet was not present. The Western Municipal Water District does not vote on TUMF matters.

D. Experience Regional Innovation Center Feasibility Analysis Activities Update

Andrea Howard reported that the purpose of the Analysis was to determine the feasibility of bringing the Experience concept to Western Riverside County. A shared video covered the goals, mission, and program elements.

Once it was determined that the Experience concept is feasible, financing and partnership opportunities were discussed, as well as potential next steps which include what WRCOG resources could be provided to this concept such as securing staffing and/or consultants, determine key stakeholders, and entering into a Memorandum of Understanding (MOU) with a host site.

Staff is proposing an MOU with the following commitments from WRCOG: recruitment effort for a new position, dedicated office space, administrative support and oversight of this new position, and a financial contribution of up to 50% of the first year's cost for this new position. The selected host agency would be asked to provide a 50% matching contribution and would additionally provide all of the due diligence to finalize the site selection and secure that site.

In order to avoid Brown Act violations, a discussion on the site selection cannot occur until this item is presented to the Executive Committee. It was shared that the top two sites, in the City of Riverside and

the City of Perris at the Eastern Municipal Water District's site, were very closely ranked by the consulting team and Steering Committee.

Time-specific goals include finalizing financial contributions and site selection by July 1, 2019, and securing the site by the end of 2019.

Committee member Ben Benoit expressed concern in signing for a lease or purchasing property before funding is secured.

Christopher Gray indicated that staff have been told that fundraising is more difficult if there is no site. Prior to that, however, if an MOU cannot be successfully entered into, plans to move forward stop. If the jurisdiction is not willing to share costs, plans to move forward stop. If a site cannot be determined, plans to move forward stop. Staff is proposing in the MOU that the host jurisdiction bear the burden of finding the site as well as the cost of the site. It could take up to many years to secure funding. WRCOG will not commit until there is a host jurisdiction to partner with.

Chairman Washington indicated that there is financial security in requesting that the host jurisdiction secure the site.

Committee member Debbie Franklin, who was part of the Steering Committee, indicated that there are milestones to be achieved before moving forward to the next step.

- Actions:**
1. *Recommended that the Executive Committee authorize staff to proceed with next phase in the implementation of the Experience Center.*
 2. *Recommended that the Executive Committee direct staff to negotiate a Memorandum of Understanding (MOU) with the selected host jurisdiction to implement the Experience Center.*
 3. *Recommended that the Executive Committee direct staff to include a cost sharing mechanism in the MOU to limit future WRCOG expenditures to share staffing costs to support Experience.*
 4. *Recommended that the Executive Committee direct staff to include specific milestones for the development and implementation of the MOU, including deadlines related to funding commitment and site selection.*
 5. *Recommended that the Executive Committee appoint two of its members to represent WRCOG in negotiating an MOU with the selected Experience host jurisdiction.*

(Riverside / Banning) 10 yes; 0 no; 0 abstention. Item 5.D was approved. The City of Hemet was not present.

E. Regional Energy Network (REN) Proposal

Casey Dailey reported that the Western Riverside Energy Partnership (WREP) is a local government partnership which was created in 2010 and focuses on three objectives: retrofitting local building; promotion of commercial and residential utility programs; and supporting activities related to the California Energy Strategic Efficient Plan. WREP partners include Southern California Edison (SCE), the Southern California Gas Company, and 15-member jurisdictions.

Since 2010, WREP has helped to save over 14M kW hours, over 9,000 therms, and has delivered over \$1.5M in rebates.

Earlier this year, the California Public Utilities Commission (CPUC) dramatically changed the structure of partnerships statewide. There has been an approximate 30% decrease in funding statewide; elimination of programs as well as marketing, education, and outreach; and utilities are looking to end approximately 60% of their programs. WREP, being a local partnership, is in jeopardy.

One potential solution is to develop a Regional Energy Network (REN), which utilize the same buckets of funding as the partnerships and are viewed as the next natural evolution of local government partnerships. RENs have been instructed to focus on programs the utilities cannot or do not intend to implement; hard to reach areas; disadvantaged and low-income communities; and programs that have the potential to be scaled to larger geographic areas.

There are three RENs operating throughout the state. A REN has greater control over programs. An annual budget for a REN is in the millions of dollars, while WREP's budget for the last fiscal year was just over \$200k. Development of a REN would generate a lot more revenue to the subregion so that programs can be created which would directly benefit residents and businesses in this subregion.

Next steps include ongoing discussions with CVAG and SBCOG regarding opportunities for a three-COG REN; begin communicating with the CPUC and the WREP partners regarding the potential for a REN in Riverside and San Bernardino Counties together; release an RFP for Business Plan development and implementation schedule; and develop an MOU with CVAG and SBCOG.

Committee member Marion Ashley indicated that he has received a donation from SCE within the last 12 months and excused himself from the discussion.

Committee member Laura Roughton asked for elaboration on the Codes and Standards Development for Municipalities.

Mr. Dailey responded that if a city developed Codes that went above and beyond Street Codes, strategic planning funding could be used for something like that. This funding has been used in the past for greenhouse gas emissions reduction projects, climate action plans, and marketing studies.

Committee member Roughton asked how the four programs REN is offering are compared to what is currently being offered, and how will REN pay for the cost to offer these programs.

Mr. Dailey responded that there are a number of programs that WREP offers that are in jeopardy of going away, such as the annual holiday light exchange and Direct Install Programs. As far as funding, Agency carry over revenue would be used. Staff is not requesting financial support at this time. If an MOU is approved, staff would return with an associated budget.

- Actions:**
1. *Recommended that the Executive Committee authorize the Executive Director to develop a joint cooperation agreement between CVAG, SBCOG, and WRCOG.*
 2. *Recommended that Executive Committee direct the Executive Director to release an Request for Proposals for feasibility & implementation of a Regional Energy Network.*

(Riverside / Banning) 9 yes; 0 no; 0 abstention. Item 5.D was approved. The City of Hemet and the Count, 5th District, were not present.

6. ITEMS FOR FUTURE AGENDAS

Rick Bishop indicated that WRCOG is introducing a podcast, called the COGcast. Six episodes have been completed inhouse and the first release is scheduled for tomorrow. It is anticipated that staff will release one, 20-minute episode each week. Staff welcomes episodes on member jurisdictions and their programs or issues that they are encountering. WRCOG staff Rachel Hom serves as the host to the COGcasts. A draft media release was distributed to Committee members. COGcasts are currently available on SoundCloud, Apple Cloud, and Google Play, as well as linked on WRCOG's website.

7. GENERAL ANNOUNCEMENTS

Chairman Washington asked about the necessity of having a December meeting.

Mr. Bishop responded that staff will discuss internally and communicate any pressing matters.

8. NEXT MEETING: **The next Administration & Finance Committee meeting is scheduled for Wednesday, December 12, 2018, at 12:00 p.m., at WRCOG's office located at 3390 University Avenue, Suite 450, Riverside.**

9. ADJOURNMENT: The meeting of the Administration & Finance Committee adjourned at 1:08 p.m.



Western Riverside Council of Governments

Administration & Finance Committee

Staff Report

Subject: Finance Department Activities Update

Contact: Andrew Ruiz, Interim Chief Financial Officer, aruiz@wrcog.us, (951) 405-6741

Date: January 9, 2019

The purpose of this item is to provide an update on the Fiscal Year (FY) 2017/2018 Agency Audit, Annual TUMF review, and the Agency Financial Report summary through November 2018.

Requested Action:

1. Receive and File.

FY 2017/2018 Agency Audit

FY 2017/2018 ended on June 30, 2018. WRCOG's annual Agency Interim Audit was completed on May 31, 2018. WRCOG utilizes the services of the audit firm Rogers, Anderson, Malody, and Scott (RAMS) to conduct its financial audit. The first visit is known as the "interim" audit, which involves preliminary audit work that is conducted prior to fiscal year end. The interim audit tasks are conducted in order to compress the period needed to complete the final audit after fiscal year end. In late September, RAMS returned to finish its second round, which is known as "fieldwork." The final Comprehensive Annual Financial Report was issued the week of November 26, 2018. Staff has transmitted the CAFR to the Finance Directors Committee members to solicit comments prior to bringing the report to the Administration & Finance Committee in February 2019, with the Executive Committee expected to receive the report no later than at its March 2019 meeting.

Annual TUMF Review of Participating Agencies

Each year, WRCOG meets with participating members to review TUMF Program fee collections and disbursements to ensure compliance with Program requirements. The FY 2017/2018 reviews began in November; final reports will be issued to the respective jurisdictions and agencies by January 2019.

Financial Report Summary through November 2018

The Agency Financial Report summary through November 2018, a monthly overview of WRCOG's financial statements in the form of combined Agency revenues and costs, is provided as Attachment 1.

Prior Action:

November 14, 2018: The Administration & Finance Committee received and filed.

Fiscal Impact:

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachment:

1. Financial Report summary – November 2018.

Item 4.A

Finance Department Activities Update

Attachment 1

Financial Report summary – November 2018

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Western Riverside Council of Governments
Monthly Budget to Actuals
For the Month Ending November 30, 2018

Total Agency			
	Approved Budget 6/30/2019	Thru Actual 11/30/2018	Remaining Budget 6/30/2019
Revenues			
Member Dues	311,410	311,410	-
PACE Residential Revenue	560,000	144,709	415,291
WRELP Phase 2 Revenue	86,750	715	86,035
Statewide HERO Revenue	2,400,000	477,125	1,922,875
Gas Co. Prtnrshp Revenue	86,676	10,065	76,611
PACE Commercial Revenue	25,000	24,075	925
WRCOG HERO-Recording Revenue	122,500	66,852	55,648
PACE Commercial Recording Revenue	2,500	445	2,055
Statewide Recording Revenue	600,000	308,190	291,810
Regional Streetlights Revenue	300,000	261,500	38,500
Solid Waste	107,313	107,313	-
NW Clean Cities - Air Quality	132,500	132,500	-
LTF Revenue	675,000	775,500	(100,500)
Commerical/Service	110,645	25,166	85,479
Retail	130,094	54,062	76,032
Industrial	272,663	206,450	66,213
Residential/Multi/Single	1,144,551	516,143	628,408
Multi-Family	142,045	60,835	81,210
PACE SB2 Recording Revenue	-	268,385	(268,385)
Interest Revenue - Other	-	34,199	(34,199)
HERO - Other Revenue	-	18,062	(18,062)
Commercial/Service - Non-Admin Portion	2,655,491	629,150	2,026,341
Retail - Non-Admin Portion	3,122,265	1,351,550	1,770,715
Industrial - Non-Admin Portion	6,543,923	5,161,250	1,382,673
Residential/Multi/Single - Non-Admin Portion	27,469,233	12,903,575	14,565,658
Multi-Family - Non-Admin Portion	3,409,088	1,520,875	1,888,213
FY 17/18 Carryover Funds Transfer in	945,845	945,845	-
Carryover Funds Transfer in	4,268,757	4,268,757	-
Overhead Transfer in	2,084,260	868,441	1,215,819
Total Revenues and Carryover Funds	58,937,742	31,465,644	27,481,911
Expenditures			
Wages and Benefits			
Salaries & Wages	2,987,699	1,038,763	1,948,936
Fringe Benefits	929,898	359,062	570,836
Overhead Allocation	2,084,260	868,441	1,215,819
Total Wages, Benefits and Overhead	6,001,857	2,266,266	3,735,591
General Legal Services	615,000	266,722	348,278
PERS Unfunded Liability	198,823	152,327	46,496
Audit Svcs - Professional Fees	27,500	24,380	3,120
Bank Fees	19,000	14,709	4,291
Commissioners Per Diem	62,500	29,700	32,800

Office Lease	400,000	133,926	266,074
WRCOG Auto Fuels Expenses	1,250	395	855
WRCOG Auto Maintenance Expense	84	84	-
Parking Validations	27,550	5,137	22,413
Staff Recognition	800	34	766
Coffee and Supplies	3,000	202	2,798
Event Support	129,926	109,165	20,761
Program/Office Supplies	24,150	8,690	15,460
Computer Equipment/Supplies	8,000	51	7,949
Computer Software	30,000	450	29,550
Rent/Lease Equipment	30,000	6,748	23,252
Membership Dues	33,000	18,167	14,833
Meeting Support Services	9,681	1,072	8,609
Postage	6,015	2,233	3,782
Other Household Exp	750	218	532
COG HERO Share Expenses	15,000	1,672	13,328
Storage	16,000	2,395	13,605
Printing Services	4,607	1,670	2,937
Computer Hardware	14,100	1,636	12,464
Communications - Regular Phone	15,000	7,143	7,857
Communications - Cellular Phones	21,000	3,920	17,080
Communications - Computer Services	57,500	15,635	41,865
Communications - Web Site	8,000	6,742	1,258
Equipment Maintenance - General	10,000	4,450	5,550
Equipment Maintenance - Comp/Software	21,000	17,776	3,224
Insurance - Gen/Busi Liab/Auto	79,850	101,062	(21,212)
PACE Residential Recording	727,500	144,431	583,069
Seminars/Conferences	13,150	1,224	11,926
General Assembly Expenses	300,000	20,854	279,146
Travel - Mileage Reimbursement	23,600	5,068	18,532
Travel - Ground Transportation	4,800	560	4,240
Travel - Airfare	11,500	1,098	10,402
Lodging	8,750	1,337	7,413
Meals	8,150	808	7,342
Other Incidentals	9,950	4,133	5,817
Training	9,250	149	9,101
Supplies/Materials	34,168	3,541	30,627
Advertisement Radio & TV Ads	49,500	13,870	35,630
Consulting Labor	3,102,373	869,656	2,232,717
TUMF Project Reimbursement	38,000,000	18,516,934	19,483,066
BEYOND Program REIMB	2,799,015	235,608	2,563,407
Computer Equipment/Software	3,500	1,880	1,620
Misc Equipment Purchased	3,000	2,735	265
Total General Operations	47,676,204	20,762,397	26,941,448
Total Expenditures and Overhead	53,678,061	23,028,663	30,677,039



Western Riverside Council of Governments

Administration & Finance Committee

Staff Report

Subject: Nomination for WRCOG 2nd Vice-Chair Position for the Remainder of Fiscal Year 2018/2019

Contact: Rick Bishop, Executive Director, rbishop@wrcog.us, (951) 405-6701

Date: January 9, 2019

The purpose of this item is to request that the Committee provide a recommendation for consideration by the Executive Committee regarding the appointment of the 2nd Vice-Chair for the remainder of Fiscal Year 2018/2019.

Requested Action:

1. Provide a recommendation for consideration by the Executive Committee for the position of 2nd Vice-Chair for the remainder of Fiscal Year 2018/2019.

The Administration & Finance Committee acts as the nominating Committee for WRCOG's leadership positions on the Executive Committee. Laura Roughton, who served as the Executive Committee 2nd Vice Chair, was not successful in her November 2018 re-election attempt, and thus an opening for this position exists and needs to be filled.

Staff has notified members and alternates of the Executive Committee regarding the vacant position and requested that those interested in serving in this position notify the Executive Director by January 8, 2019. Staff will forward the names of interested candidates to the Administration & Finance Committee for review and recommendation to the Executive Committee for consideration at its meeting scheduled for February 4, 2019.

Prior Action:

June 21, 2018: The General Assembly elected leadership positions of Chair, Vice-Chair, and 2nd Vice-Chair for Fiscal Year 2018/2019.

Fiscal Impact:

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachment:

None.

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Western Riverside Council of Governments

Administration & Finance Committee

Staff Report

Subject: PACE Programs Activities Update

Contact: Casey Dailey, Director of Energy & Environmental Programs, cdailey@wrcog.us, (951) 405-6720

Date: January 9, 2019

The purpose of this item is to provide an update on consideration of authorizing a new Commercial PACE Provider and to seek authorization to continue examining the feasibility of and potentially pursuing legislation to support utilization of financing PACE on new residential construction.

Requested Actions:

1. Consider the recommendation from the PACE Ad Hoc Committee recommending that the Executive Committee authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Lord Capital under WRCOG's Commercial PACE umbrella.
2. Recommend that Executive Committee authorize up to \$75,000 for legislative advocacy services.

WRCOG's PACE Programs provide financing to property owners to implement energy saving, renewable energy, water conservation, and seismic strengthening improvements to their homes and businesses. Financing is paid back through a lien placed on the property tax bill. The HERO Program was initiated in December 2011 and was expanded in 2014 (an effort called "California HERO") to allow for jurisdictions throughout the state to join WRCOG's Program and allow property owners in these jurisdictions to participate. WRCOG currently offers CaliforniaFIRST and PACE Funding as additional PACE Providers under the WRCOG's Residential PACE Program; and Greenworks, CleanFund, and Ygrene as additional PACE Providers under the WRCOG Commercial PACE Program.

Request from Lord Capital to operate under WRCOG Commercial Umbrella

WRCOG was approached by Lord Capital to operate under the WRCOG Statewide Commercial PACE umbrella. On October 11, 2018, WRCOG staff conducted a site visit and received a presentation on Lord Capital's PACE Program development and operations.

Highlights of the site visit include the following:

- Lord Capital has experience in a wide range of asset classes with a broad expanse of banking and capital markets expertise including: PACE financing, Operations, Municipal Finance, Capital Markets, Commercial Loan Origination and Underwriting, and Government Relations.
- Lord Capital has taken responsibility for over \$86 billion of assets.
- Its team provides a mix of loan origination, structured finance, and commercial credit expertise.
- Lord Capital currently operates in 11 states and WRCOG's Statewide Program would be the only Issuer it plans to work with in California.

On December 3, 2018, the PACE Ad Hoc Committee received a presentation from Lord Capital and recommended proceeding to the Administration & Finance Committee for approval.

What are the next steps? If recommended to move forward by the Administration & Finance Committee, the item will be presented to the Executive Committee for approval. Staff would then collaborate with Lord Capital to finalize policies, documents, and procedures to authorize Lord Capital to operate statewide once the Executive Committee has approved their Administration Agreements and Program Documents.

If the Administration & Finance Committee decides not to recommend Lord Capital to move forward, staff would send notification to Lord Capital.

What are the next steps for the member agencies? Member jurisdictions will always retain the right to include or exclude additional PACE providers who are not participating under the WRCOG umbrella.

If the Executive Committee's action is to adopt Lord Capital as an additional provider, the Program will automatically be able to operate in each member jurisdiction, unless a jurisdiction acts to prohibit its inclusion. If a jurisdiction desires NOT to include Lord Capital as an additional Provider, it must adopt a resolution to opt-out of the Program. WRCOG will continue to provide outreach with the adoption of each additional PACE Program and provide each member jurisdiction with the opt-out resolution if requested.

Continued Exploration of Utilizing PACE Financing for New Residential Construction Update

On October 10, 2018, the Administration & Finance Committee received a report on the recent decision by the California Energy Commission (CEC) to require photovoltaic solar panel systems, smart home energy systems, and electric vehicle-ready wiring on all new homes beginning in 2020. Staff believes that PACE financing has the potential to become a viable tool for the development community as it strives to comply with these new requirements by adding a mezzanine financing option for developers, similar to Commercial PACE new construction, to finance the additional improvements required under the new 2020 building standards.

With New Construction standards for Commercial PACE, the provider works with developers or commercial builders looking to utilize PACE as part of the overall 'capital stack' of financing options. If the developer voluntarily chooses to use PACE, the amount financed can only go towards those eligible improvements that have been authorized by WRCOG. The same approach would be replicated under new legislation for Residential PACE. Additionally, the issue of transference from property owner to property owner is being addressed by proposing to automatically subordinate the PACE lien on the property tax roll from the traditional placement above the senior mortgage to a position below it. Staff believes this adjustment will alleviate concerns raised by the Realtor community as well as the Federal Housing Authority.

On December 9, 2018, staff met with members of the CEC and representatives from the PACE industry to discuss the current state of affairs for PACE and the role PACE plays in achieving the State's greenhouse gas reduction and energy efficiency goals, as outlined in SB 350. Legislation allowing PACE for new construction was also discussed and was supported by CEC staff in attendance. Additionally, WRCOG staff has met with staff from various State Assembly and Senate representatives to discuss the possibility of sponsoring legislation that would allow PACE in this role in 2019. Finally, WRCOG staff has previously met with representatives from the California Building Industry Association and there appears to be general support for the concept of allowing PACE on new residential construction beginning in 2020.

The next step in this process is to engage with a legislative advocate to help draft a proposed bill and actively work with State lawmakers to find an author and develop the broad coalition of support needed to pass the bill. As such, staff is seeking authority to expend up to \$75,000 on legislative advocacy services. Staff has been working with WRCOG General Counsel, Best Best & Krieger, to draft a preliminary version of the bill to share with legislators so that the effort to build support can begin. The deadline to request a bill be drafted by the Legislative Counsel's Office in Sacramento in January 25, 2019, and the deadline to introduce a bill for consideration of the Assembly and Senate is February 19, 2019.

Prior Action:

None.

Fiscal Impact:

Up to \$75,000 for this item will come from existing funds budgeted for PACE Operations in FY 2018/2019.

Attachment:

None.

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Western Riverside Council of Governments

Administration & Finance Committee

Staff Report

Subject: Appointment of WRCOG Representatives to Various Committees

Contact: Rick Bishop, Executive Director, rbshop@wrcog.us, (951) 405-6701

Date: January 9, 2019

The purpose of this item is to provide a listing of elected officials who have expressed interest in serving on various committees, and to request that the Executive Committee approve a number of appointments as recommended by the Administration & Finance Committee.

Requested Actions:

1. Recommend that the Executive Committee appoint one alternate representative to the California Association of Councils of Governments for a term commencing January 1, 2019, and ending December 31, 2020.
2. Recommend that the Executive Committee appoint two alternates representatives to the County of Riverside Waste Management Task Force for a term commencing January 1, 2019, and ending December 31, 2020.
3. Recommend that the Executive Committee appoint one representative to the Santa Ana Watershed Project Authority's One Water One Watershed Steering Committee for a term commencing January 1, 2019, and ending December 31, 2020.
4. Recommend that the Executive Committee appoint one representative to a SCAG Policy Committee for a term commencing January 1, 2019, and ending December 31, 2020.

WRCOG's Executive Committee appoints a number of elected officials to represent the Agency and/or the subregion's interests on a number of committees. These include the following:

- California Association of Councils of Governments (CALCOG) (one appointment plus an alternate)
- Southern California Association of Governments (SCAG) Policy Committees (six appointments)
- San Diego Association of Governments (SANDAG) Borders Committee (one appointment plus an alternate)
- Riverside County Waste Management Local Task Force (two appointments plus two alternates)
- SAWPA's One Water One Watershed (OWOW) Steering Committee (one appointment)

Per policy, all WRCOG appointees to committees serve for a two-year term. Current terms for WRCOG appointees expire on December 31, 2018.

At its December meeting, the Executive Committee made a number of appointments to outside agencies; however, there are still vacancies which require appointments. Further, vacancies on two committees (CALCOG alternate and Santa Ana Watershed Project Authority One Water One Watershed Steering Committee) were created when Councilmember Laura Roughton was unsuccessful in her re-election bid.

The following vacancies still exist:

The California Association of Councils of Governments provides for one representative and one alternate; the alternate position is still available.

The Santa Ana Watershed Project Authority's One Water One Watershed Steering Committee provides for one appointment, which is still available.

The Riverside County Waste Management Local Task Force provides for two appointments, plus two alternates. Only two individuals expressed interest in this appointment; two alternate positions are still available.

A final sixth appointment to a SCAG Policy Committee still needs to be considered.

Agency policy is that priority in selection be given to elected officials who serve on WRCOG as Executive Committee Members or Alternates.

Staff has provided email notice to all elected officials in the subregion regarding these vacancies; staff will provide a listing of those who have expressed interest at the January 9 meeting for consideration by the Administration & Finance Committee.

Prior Action:

December 5, 2018: The Executive Committee made a series of appointments to outside agencies.

Fiscal Impact:

Stipends are allocated in WRCOG's Fiscal Year 2018/2019 Budget under the General Fund.

Attachment:

None.



Western Riverside Council of Governments

Administration & Finance Committee

Staff Report

Subject: Update on the Development of a Sustainability Indicators Report

Contact: Christopher Gray, Director of Transportation & Planning, cgray@wrcoq.us, (951) 405-6710

Date: January 9, 2019

The purpose of this item is to provide an update of the Sustainability Framework Indicators Report being undertaken by WRCOG.

Requested Action:

1. Discuss and provide input.

WRCOG's Economic Development and Sustainability Framework was developed in 2012 and was the first step in a collaborative regional effort to build a more sustainable region. The Framework established a work plan by which WRCOG can seek funding to implement projects and programs that support the Framework's vision. It also looked into the potential role in sustainability that WRCOG may play for the subregion. WRCOG wants to ensure that the Agency does not duplicate existing efforts underway among its members but help fill in gaps not met by current programs and policies that are in place in Western Riverside County. The WRCOG Planning Directors' Committee discussed and provided input at their December 2018 meeting.

Economic Development and Sustainability Framework

In 2012, WRCOG completed work on the *Economic Development and Sustainability Framework*, which was intended to serve the following four broad objectives:

1. Provide a starting point for dialogue about sustainability and its importance to the region.
2. Provide a vision for a sustainable Western Riverside County and establish goals to inform and guide regional collaboration.
3. Define and prioritize short-term actions that WRCOG can pursue.
4. Define initial indicators, benchmarks, and targets by which WRCOG can measure the effectiveness of efforts to create a more sustainable subregion.

The Framework can be found on the WRCOG website at
<http://www.wrcoq.coq.ca.us/DocumentCenter/View/189/Sustainability-Framework-PDF>.

The Framework identified six key areas related to the Region, including:

- | | |
|-------------------------|---------------------------|
| 1. Economic Development | 4. Health |
| 2. Education | 5. Water |
| 3. Transportation | 6. Energy and Environment |

Sustainability Indicator Refinement

An initial list of over 50 sustainability indicators was established in the 2012 Framework document and WRCOG has found that regular tracking and updating of this list is difficult for a variety of reasons. These included:

- Data sources for many indicators were not easily accessible, regularly updated, or geographically appropriate
- Regular updating of over 50 indicators requires substantial staff time and is likely not sustainable
- Some indicators, while useful and relevant to sustainability, were narrowly focused on specific issues and not broadly indicative of regional sustainability
- Others that were relevant required more nuanced analysis to adequately illuminate regional trends

Refinement Approach

In order to keep the Framework relevant, WRCOG tasked AECOM to assist with refining / updating the indicators list based on its experience. The original 50 indicators were first reviewed to identify those categories that were still good candidates to be carried over and would lend themselves to potential initiatives that could be undertaken by individual member agencies or perhaps at a larger geographic level. Additional indicators were identified through a review of other regional indicator reports. The existing and potential indicators were then evaluated to determine their relevancy to regional sustainability and the quality and accessibility of data. The combined list was then paired down to a total of approximately 40 preferred and potential sustainability indicators that were reviewed and ultimately paired down to 14 indicators (note that two indicators in the Economic Development topic area have multiple indicator components).

Some key considerations that were used to refine the list of indicators from 50 to the recommended 14 include:

- Is the indicator commonly referenced by key stakeholders and policy makers?
- Does the indicator reflect broadly on key issues affecting the region such as water and energy use, transportation, employment, and education?
- Is the indicator one that is commonly tracked across comparable regions?
- Is data available for the indicator at a regional or Countywide level?
- Is data readily available for the indicator through a direct download or published source?
- Is the data related to the indicator regularly updated?
- Is there historical data for the indicator that would document trends?

Key indicators recommended for further evaluation were:

Economic Development

- Job Growth
 - Total job growth
 - Ratio of employed residents versus total jobs
- Household income (adjusted for inflation)
- Educational Attainment
 - Percent of residents with college degrees
 - Percent of high school graduates meeting UC / CSU requirements
- Transit Ridership
 - RTA Ridership
 - Metrolink Ridership

Health

- Health Care Facilities
- Park acreage
- Air Quality

- Bicycle / pedestrian collisions
- Violent crime

Environment & Energy

- Vehicle miles traveled
- Water usage
- Usage of alternative energy sources
- Land conservation
 - Agricultural land preserved
 - Acres of habitat conserved per the MSHCP

A table providing additional information on the indicators and the latest data is provided as Attachment 1. Staff anticipates that this information will be shared with WRCOG Committees following this presentation.

Once finalized, this information will be summarized by staff in a brief report and distributed via WRCOG's website and other distribution channels. Staff also anticipates that this information will be presented at upcoming events and conferences to document how the region is performing in regards to these key items.

Prior Action:

December 13, 2018: The Planning Directors Committee discussed and provided input.

Fiscal Impact:

The allocation of funding for the Economic Development and Sustainability Framework Indicators Update has been allocated in WRCOG's Local Transportation Fund and is reflected in the Agency's Fiscal Year 2018/2019 Budget.

Attachment:

1. Recommended Refined Sustainability Indicators.

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Item 5.D

Update on the Development of a
Sustainability Indicators Report

Attachment 1

Recommended Refined
Sustainability Indicators

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Recommended Sustainability Indicators					
Indicator #	Topics	Subtopics	Indicators	Target	Target Progress Detail
1	Economic Development	Economy	Total and Priority Sector Job Growth	Track job growth over time	Job growth averaged over 13,500 per year in WRCOG 2010 - 2015 at a 3.4% annual rate. Priority sector jobs grew faster at a 4.7% annual rate, approximately 3,600 jobs per year with Transportation and Warehousing accounting for 82% of priority sector growth
			Residents Employed in Job Sector Versus Jobs in Each Sector in WRCOG	Improve the ratio of WRCOG jobs per employed resident in key job sectors	Between 2010 and 2015 the total number of jobs per each 10 working residents increased slightly from 7.9 to 8 for all employment sectors. For base sectors it improved from 6.6 to 7 jobs per each 10 residents employed in those sectors, primarily driven by strong job growth in the Transportation and Warehousing sector and strong growth in the number of residents working in that sector

Recommended Sustainability Indicators					
Indicator #	Topics	Subtopics	Indicators	Target	Target Progress Detail
			% of Employed Residents Working Outside of WRCOG	Reduce the proportion of residents commuting outside the region to work	Statistically insignificant change since 2010. 61% - 62% of WRCOG employed residents work outside of the region from 2010 - 2015
2	Economic Development	Economy	In real terms inflation adjusted Median Household Income for WRCOG region and by city	Track and support household income growth	In real terms inflation adjusted median household incomes for the WRCOG region and many of the individual cities have fallen since 2012
3	Economic Development	Education	Educational Attainment	Track and compare WRCOG educational attainment to LA, Orange, and San Bernardino counties	WRCOG has a lower rate of its population with advanced degrees (bachelors or graduate) than the 3 County region
		Education	Graduates Meeting UC/CSU Requirements	Continual Improvement and surpass statewide average	Riverside County fell 2% short of the state average in 2016-2017 (49.9% versus 47.9%). Numbers vary widely by member agency jurisdictions. See Indicator Workbook tab for more information

Recommended Sustainability Indicators					
Indicator #	Topics	Subtopics	Indicators	Target	Target Progress Detail
4	Economic Development	Transportation	Riverside Transit Agency Ridership	Increase transit ridership (annual boardings)	Annual transit ridership declined in FY 17 and FY 16 but is still approximately 7% higher than 2011
	Economic Development	Transportation	Metrolink Ridership	Increase ridership (average weekday boardings)	Since 2016 when all existing stations were in service, total ridership dropped by 2%. Ridership has dropped at 4 of 5 stations with the highest historical ridership during the same period
5	Health	Access	Healthcare facilities per 1,000 residents	Increase ratio of healthcare facilities per 1,000 residents to meet/surpass California	Of the statewide average per 1,000 residents WRCOG has 59% as many hospital beds, 64% as many long-term beds, and 39% as many general clinics.
6	Health	Access	Acres of local parks per 1,000 residents	Track and seek to increase acres of parks per 1,000 residents	From 2010 to 2017 the acres of parks per 1,000 residents has decreased from 3.45 to 3.13

Recommended Sustainability Indicators					
Indicator #	Topics	Subtopics	Indicators	Target	Target Progress Detail
7	Health	Quality	Number of Days of Good/Moderate Air Quality	Increased 3-Year average of good/moderate air quality days	Average annual number of days of Good/Moderate Air Quality over three year rolling timeframes has improved by 4% - 5% since 2010 - 2012
8	Health	Safety	Bike/Ped Collisions per 1,000 Residents	Continuously reduce bike/ped collisions per 1,000 residents	Collisions per 1,000 residents have increased by .76 (50%) since 2010
9	Health	Safety	Reduction in Violent Crime	Continue to reduce violent crimes	2017 had the lowest amount of reported violent crimes in the covered 2010 to 2017 timeframe and has consistently been below state levels
10	Environment and Energy	Transportation	Per Capita VMT	Reduce per capita VMT	Per capita VMT in 2016 was less than in 2010
11	Environment and Energy	Water	Daily Water Usage per Resident	Track residential daily water conservation over time	Since 2013 daily water usage per resident has decreased in four of the five water districts that serve WRCOG residents

Recommended Sustainability Indicators					
Indicator #	Topics	Subtopics	Indicators	Target	Target Progress Detail
12	Environment and Energy	Energy	Grid Renewable Energy %	Meet RPS required % in most recent compliance period	SoCal Edison reached 25%, exceeding the 23% goal for the 2014 - 2016 compliance period, and is on track to meet 33% by 2020 goal
					Four of the five POU's met their 20% RPS goal for the 2011 - 2013 period, appear to be on track to meeting compliance period 2 goal of approximately 23.5%, and are on track to meet the 33% by 2020 goal
13	Environment and Energy	Conservation	Acres of Agricultural Land Conserved Under the Williamson Act	No established target. Track changes annually	32,220 acres conserved
14	Environment and Energy	Conservation	Acres of Habitat Land Conserved under Multiple Species Habitat Conservation Plan (MSHCP)	153,000 acres of habitat land conserved	39% of total target acres conserved

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Western Riverside Council of Governments

Administration & Finance Committee

Staff Report

Subject: Approval of Revised Purchasing and Procurement Policy

Contact: Casey Dailey, Director of Energy & Environmental Programs, cdailey@wrcog.us, (951) 406-6720

Date: January 9, 2019

The purpose of this item is to seek approval of a revised Purchasing and Procurement Policy.

Requested Action:

1. Recommend that the Executive Committee adopt WRCOG Resolution Number 19-01; A Resolution of the Executive Committee of the Western Riverside Council of Governments Adopting a Revised Purchasing and Procurement Policy.

Background

In October 2005, the Executive Committee adopted Resolution Number 10-06 approving the WRCOG Purchasing and Procurement Policy. The purpose of the Policy is to assure purchases are accomplished in a manner providing the greatest value at the minimum cost to the public. The Policy provides uniform procedures for acquiring materials, supplies and equipment. Since adoption in 2005, the Policy has not been updated.

Current Issue

In an effort to expand Environmental Program funding opportunities, WRCOG staff has been researching grants through the Department of Resources, Recycling and Recovery (CalRecycle). In order for WRCOG to be eligible to apply for any funding opportunity through CalRecycle, the Policy needs to be updated to incorporate certain environmentally friendly purchasing policies. Some of these updates include encouraging reduction of waste to landfills, avoiding consumption of single-use products, purchasing goods and services that are durable, reusable, refillable, and have extended longevity, and periodically evaluating the success of the Policy's implementation.

The proposed Policy changes are included in this report as Attachment 2 and largely incorporate the existing purchasing and procurement practices currently used at WRCOG. Staff is requesting the Administration & Finance Committee recommend to the Executive Committee to adopt Resolution 19-01, updating the WRCOG Purchasing and Procurement Policy.

Prior Action:

October 3, 2005: The Executive Committee adopted WRCOG Resolution Number 10-06; A Resolution of the Executive Committee of the Western Riverside Council of Governments approving and adopting purchasing policies and procedures.

Fiscal Impact:

This item is informational only; therefore, there is no fiscal impact.

Attachments:

1. WRCOG Resolution Number 19-01; A Resolution of the Executive Committee of the Western Riverside Council of Governments Adopting a Revised Purchasing and Procurement Policy.
2. Policy Number 2019-01: Purchasing and Procurement Policy, red-lined version.

Item 5.E

Approval of Revised Purchasing and
Procurement Policy

Attachment 1

WRCOG Resolution Number 19-01;
A Resolution of the Executive
Committee of the Western Riverside
Council of Governments Adopting a
Revised Purchasing and
Procurement Policy

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RESOLUTION NUMBER 19-01

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS ADOPTING A REVISED PURCHASING AND PROCUREMENT POLICY

WHEREAS, California Government Code section 54201 et seq. requires all local public agencies to adopt policies and procedures, including bidding regulations, that govern the purchase of materials, supplies and equipment by local public agencies; and

WHEREAS, the Western Riverside Council of Governments ("WRCOG") is a joint powers authority consisting of the County of Riverside, 18 cities situated in Western Riverside County, the Eastern Municipal Water District, the Western Municipal Water District, and the Morongo Band of Mission Indians; and

WHEREAS, pursuant to Section 2.4.2 of the Joint Powers Agreement of WRCOG ("Agreement"), the WRCOG Executive Committee ("Committee") is authorized to exercise the powers of the Agreement between session of the General Assembly; and

WHEREAS, the Purchasing and Procurement Policy has not been updated since its initial adoption in October 2005; and

WHEREAS, the Committee desires to adopt specific policies and procedures that will improve the efficiency of WRCOG's purchasing and bidding processes; and

WHEREAS, the revised Policy provides uniform procedures for acquiring materials, supplies, and equipment while being considerate of the environment and associated costs; and

WHEREAS, the adoption of this revised Policy is in the best interests of WRCOG.

NOW, THEREFORE, the Executive Committee of the Western Riverside Council of Governments does hereby RESOLVE as follows:

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the Western Riverside Council of Governments as follows:

Section 1. The Committee does hereby approve and adopt the proposed revised Purchasing and Procurement Policy, a copy of which is attached as Exhibit "A".

Section 2. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Executive Committee of the Western Riverside Council of Governments on February 4, 2019.

Chuck Washington, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Steven DeBaun
WRCOG Legal Counsel

AYES: _____ NAYS: _____ ABSENT: _____ ABSTAIN: _____

Exhibit “A”

Revised Purchasing and Procurement Policy

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Item 5.E

Approval of Revised Purchasing and
Procurement Policy

Attachment 2

Policy Number 2019-01: Purchasing
and Procurement Policy, red-lined
version

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

POLICY NUMBER 2019-01

PURCHASING AND PROCUREMENT POLICY

1.0 INTRODUCTION

1.1 Purpose.

To assure purchases are accomplished in a manner providing the greatest value at the minimum cost to the public, in an effort to protect the local environment, this Policy provides uniform procedures for acquiring materials, supplies, and equipment while being considerate of the environmental associated costs. All purchases of materials, equipment, or supplies to be paid by the Western Riverside Council of Governments ("WRCOG") must adhere to the methods, authority, and dollar limits of this Policy outlined below, except for contracts entered into prior to the effective date of this Policy.

1.2 Scope and Intent.

The authorizations set forth in this section are controlling throughout the entirety of this document and shall be held to be controlling when not specifically referenced. This Policy is adopted in efforts to:

A. Protect the environment.

B. Reduce unnecessary landfill waste and pollution through ecologically sound practices.

C. Purchase goods and services that minimize negative environmental impacts for WRCOG and the community.

D. Prioritize the purchasing and usage of recyclable products, which includes agricultural-based materials that are unbleached, leadfree, chlorine-free, mercury free, sustainably harvested wood, and environmentally conservative.

1.3 Responsibilities of the Executive Director.

The Executive Director or designee is responsible for: (i) procurement of materials, supplies, and equipment; (ii) administration of this ~~policy~~Policy; and (iii) ~~ensure~~ensuring the lowest reasonable cost that provides the maximum benefit to WRCOG, with efforts to minimize negative environmental costs.

2.0 GENERAL PURCHASE PROVISIONS

2.1 Purchase Orders, Contracts, and Invoices.

A. Purchase Order and Contract Approval. In general, purchases for WRCOG are processed by generating a purchase order. Significant material, supply, and equipment purchases usually require the execution of a contract in addition to a purchase order.

B. Invoice Approval. Prior to the payment of invoices or other demands for payment, the Executive Director or designee shall review and approve, as appropriate, all invoices with all related documentation to ensure the proper and accurate disbursement of WRCOG funds.

C. Split Orders. Under no circumstances shall any individual split orders or otherwise alter the process of purchasing materials, supplies, or equipment so as to circumvent the limits or provisions contained in this Policy.

2.2 Emergency Purchases.

In case of emergency, as reasonably determined by the Executive Director, the Executive Director may secure in the open market, at the lowest obtainable price, supplies, materials, or equipment required regardless of the amount of the expenditure.

During an emergency, the Executive Director may purchase supplies, materials, or equipment after it has been determined that the purchase constitutes an emergency purchase intended to prevent or mitigate the occurrence of one or more of the above referenced events. The Executive Director shall notify the Executive Committee Chairperson, if available, immediately after the decision to make an emergency purchase has been made.

2.3 Check Preparation.

All checks of any amount shall bear the signature of at least two of the following: the Executive Director, the ~~Controller~~Chief Financial Officer, or the Executive Committee Chairperson.

2.4 Exceptions to the Purchasing Policy Requirements; Waiver.

The provisions and limitations contained in this Policy do not apply to the payment for public utility service and accordingly the Executive Director or designee is authorized to disburse funds for these items in the appropriate amounts. The Executive Director may waive any of the requirements of this Policy other than the requirements of Section 2.3, provided such a waiver serves the best interests of WRCOG and does not violate any local, state, or federal law.

3.0 **CONTRACTS FOR MATERIALS, SUPPLIES, AND EQUIPMENT**

3.1 Purchases less than \$5,000.

Purchases of materials, supplies, and equipment having a total estimated value of less than \$5,000 may be made without formal or informal competitive bidding or competitive quotes. However, a reasonable effort is to be made at all times to ensure the most favorable terms for WRCOG in the procurement of all such materials, supplies, and equipment.

3.2 Purchases of \$5,000 to \$10,000.

Purchases of materials, supplies, and equipment having an estimated value of \$5,000 to \$10,000 may be made in the open market based on a minimum of three (3) verbal quotes obtained via telephone or in person. Purchases described in this section may be made with less than three (3) verbal quotes if reasonable efforts to obtain three (3) or more verbal quotes have failed to produce the required number of responsive quotes. In any event, a reasonable

effort is to be made at all times to insure the most favorable terms for WRCOG in the procurement of all such materials, supplies, and equipment.

3.3 Purchases over \$10,000.

Purchases of materials, supplies, and equipment having an estimated value of more than \$10,000 may be made in the open market based on a minimum of three (3) competitive written quotes. Purchases described in this section may be made with less than three (3) competitive quotes if reasonable efforts to obtain three (3) or more written quotes have failed to produce the required number of responsive quotes. The competitive written quote process is further described as follows:

A. Notice Inviting Competitive Quotes. Requests for competitive quotes shall be solicited by written requests mailed, faxed, or e-mailed to prospective vendors. This notice inviting competitive quotes shall contain a clear and concise description of the desired materials, supplies, and equipment. The notice inviting competitive quotes shall also include a deadline for the submission of responsive quotes.

B. Record of Competitive Quotes. A written record of the responses from all vendors contacted shall be maintained with the respective purchase request. If appropriate, signed and dated telephone conversation records shall suffice for vendors that respond only by telephone.

C. Award of Competitive Quotes. Awards of purchases made under this section shall be to the lowest responsible vendor that complies with the specifications contained in the notice inviting competitive quotes. Awards made to vendors that did not provide the lowest cost shall be accompanied by written documentation explaining the reason or reasons for the award.

D. Exceptions. The Executive Director shall have the authority to waive the requirements of this section in the following circumstances provided that the reasons for such a waiver are documented as part of the purchasing process:

- (i) The acquisition of materials, supplies and equipment in which WRCOG did not receive at least three quotes.
- (ii) The acquisition of materials, supplies and equipment when it is in the best interest of WRCOG to purchase name brand or sole source materials, supplies, or equipment, as determined by the Executive Director.
Materials, supplies and equipment shall be considered obtainable from only one vendor when only one vendor offers it for sale, lease, or rental, or when only one vendor is able to provide the materials, supplies or equipment within the time frame and/or under the terms and conditions which reasonably meet the needs of WRCOG. Sole source purchases are appropriate when there is no suitable substitute for the desired materials, supplies and equipment.
- (iii) An emergency in accordance with procedures of Section 2.2 herein.

4.0 ENVIRONMENTALLY PREFERABLE PURCHASING AND PRACTICES

4.1 General.

In efforts to implement green initiatives, as requested by the California Department of Resources Recycling and Recovery (CalRecycle), WRCOG is tasked to implement the Policy efforts recognized herein. WRCOG will respect the following terms in current and future program purchases and any correlated responsibilities, as applicable.

- 4.1.1 Institute practices that expand current efforts to encourage reuse, recycling, and mitigate landfill waste to the best capacity fiscally available.
- 4.1.2 Purchase office supplies, toner cartridges, furniture, equipment, automotive parts, and other basic necessities that are remanufactured, refurbished, or are otherwise reusable, so long as they maintain equivalent quality to their non-renewable counterparts.
- 4.1.3 Purchase goods and services that are durable, reusable, refillable, and have extended longevity, when applicable.
- 4.1.4 Avoid the purchasing and consumption of single-use and disposable products unless no alternative is available.
- 4.1.5 Request the elimination of unnecessary packaging from vendors, and maintain that packaging is reused, recycled, or returned.
- 4.1.6 Specify preferences for packaging and materials that are reusable, recyclable, compostable, or returnable, when applicable.
- 4.1.7 Encourage the reuse, return, or safe disposal of electronic equipment once WRCOG finds it necessary to replace or discard them, when possible.
- 4.1.8 When renewing out of date materials including, but not limited to, signage, pamphlets, program equipment, business cards, and printed materials, maintain their safe disposal or recycling in efforts to reduce landfill waste.
- 4.1.9 When printing or copying documents, default to dual sided / duplex printing to reduce the use and purchase of paper.
- 4.1.10 Attempt to source paper from sustainably-harvested forests or utilize recycling paper from green manufacturers.

4.2 Energy.

- 4.2.1 Purchase energy-efficient equipment with the most up-to-date technological functions, which includes high efficiency space heating and cooling.
- 4.2.2 Replace interior lighting fixtures with energy-efficient equipment such as Light Emitting Diodes (LED) lightbulbs and motion sensor light switches.
- 4.2.3 Purchase U.S. EPA Energy-Star certified products when available; otherwise, use products that are within the upper 25% of efficiency standards, as required by the Federal Energy Management Program.

4.2.4 Set sleep modes on all electronics – computers, copiers, fax machines, printers, and laptops – so as to reduce the use of energy by 70% in comparison to full-power modes.

4.2.5 Maintain current and upcoming energy programs, particularly the Regional Streetlight Program and the Western Riverside Energy Partnership (WREP), to utilize the most updated technology available and affordable, so as to achieve short- and long-term energy saving goals.

4.2.6 Utilize all current energy programs and partnerships for the Agency itself, maximizing the usage of clean, renewable energy and mitigating unnecessary utilities costs.

4.3 Environment and Recycling.

4.3.1 Purchase paper and paper products that are responsibly sourced and easily recyclable.

4.3.2 Utilize minimally polluting, alternative fuel vehicles when applicable and available, and purchase future Agency vehicles to be of any variety to include, but not limited to, compressed natural gas, bio-based fuels, hybrids, electric, and fuel cells.

4.3.3 Purchase compostable, biodegradable, or recyclable plastic products in preference over other single-use and landfilling products.

4.3.4 Use products with minimal levels of volatile organic compounds, formaldehyde, and halogenated organic flame retardants in relation to the purchasing of any building materials and furniture, with preference to those with high recycled or recyclable content.

4.3.5 When working with oil and oil-related projects, maintain that all involved materials, including sponges, drain containers, kits, and canisters, among other items, are reusable.

4.3.6 Maintain community programs that pertain to recycling, environmental protection, and waste reduction to utilize updated ecological technology and reusable / recyclable materials.

4.3.7 Utilize janitorial supplies or request cleaning services to use Green Seal and EcoLogo™ certification standards to mitigate hazardous cleaning waste.

5.0 RESPONSIBILITIES

5.1 General.

5.1.1 The health and safety of workers and citizens is of utmost importance and takes precedence over all other practices. Nevertheless, WRCOG recognizes its duty to act in a fiscally responsible, as well as a timely, manner.

- 5.1.2 Nothing contained in this Policy shall be construed as requiring a department, purchases, or contractor to procure products that do not perform adequately for their intended use, exclude adequate competition, risk the health or safety of workers and citizens, or are not readily available at a reasonable price in a reasonable period of time.
- 5.1.3 Nothing contained in this Policy shall be construed as requiring WRCOG, department, purchaser, or contractor to take any action that conflicts with local, state or federal requirements.
- 5.1.4 WRCOG has made significant investments in developing a successful recycling system and recognizes that recycled content products are essential to continuing viability of that recycling system and for the foundation of an environmentally sound production system. Therefore, to the greatest extent practicable, recycled content shall be included in products that also meet other specifications, such as chlorine free or bio-based.
- 5.1.5 Utilize Measure D Funds, Waste Import Mitigation Funds, or Recycled Product Procurement Funds, to support and implement the Policy to the extent allowable and eligible.

5.2 Implementation.

- 5.2.1 The Executive Director shall implement this policy in coordination with other appropriate WRCOG staff.
- 5.2.2 Require successful bidders to certify in writing that the environmental attributes claimed in competitive bids are accurate. In compliance with State law, vendors shall be required to specify the minimum or actual percentage of recovered and post-consumer materials in their products, even when such percentages are zero.
- 5.2.3 Upon request, buyers making the selection from competitive bids shall be able to provide justification for product choices that do not meet the environmentally preferable purchasing criteria in this Policy.
- 5.2.4 Encourage vendors, contractors, and grantees to comply with applicable sections of this Policy for products and services provided to WRCOG.

5.3 Program Evaluation.

- 5.3.1 The Energy and Environmental Department shall periodically evaluate the success of this Policy's implementation and report to the Executive Director of WRCOG.

6.0 DEFINITIONS

6.1 Defining Environmentally Preferable Products.

When determining whether a product is environmentally preferable, the following standards should be considered:

- i. Bio-based
- ii. Biodegradable
- iii. Carcinogen-free
- iv. Bio accumulative toxic (PBT)-free
- v. Chlorofluorocarbon (CFC)-free
- vi. Heavy metal (lead, mercury, cadmium) free
- vii. Low volatile organic compound (VOC) content
- viii. Made from renewable materials
- ix. Compostable
- x. Low toxicity
- xi. Recycled content
- xii. Reusable
- xiii. Reduced packaging
- xiv. Refurbished
- xv. Reduced greenhouse gas emission
- xvi. Energy, resource, and water efficient

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