



Western Riverside Council of Governments Administration & Finance Committee

AGENDA

**Wednesday, July 10, 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 (Bonnie Wright, 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 June 12, 2019, Administration & Finance Committee Meeting are Available for Consideration.

P. 1

Requested Action: 1. *Approve the Summary Minutes from the June 12, 2019, 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. 5

Requested Action: 1. Receive and file.

B. Single Signature Authority Report P. 11

Requested Action: 1. Receive and file.

C. Second Amendment to Professional Services Agreement for On-Call Planning Professional Services for Member Jurisdictions P. 13

Requested Action: 1. Recommend the Executive Committee approve the Second Amendment to the Professional Services Agreement between WRCOG and Kearns and West, Inc., to provide WRCOG planning support and advisory services in an amount not to exceed \$60,925 for WRCOG Clean Cities Program, taking the amended contract in an not to exceed amount of \$219,485 in total, and to extend the term of the Agreement through June 30, 2020.

5. REPORTS / DISCUSSION

A. PERS Liability Update P. 25

Requested Action: 1. Discuss and provide direction, if necessary.

B. PACE Program Activities Update: Request for Revisions to HERO's Residential Dealer Fees P. 29

Requested Action: 1. Recommend the Executive Committee approve updated revisions to the HERO Residential Dealer Fee.

C. 28th Annual General Assembly & Leadership Conference: Recap and Financial Report P. 31

Requested Action: 1. Receive and file.

6. REPORT FROM THE EXECUTIVE DIRECTOR *Rick Bishop*

7. ITEMS FOR FUTURE AGENDAS *Members*

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

8. GENERAL ANNOUNCEMENTS *Members*

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

& Finance Committee.

9. CLOSED SESSION

PERFORMANCE EVALUATION PURSUANT TO SECTION 54957

Title: Executive Director

- 10. NEXT MEETING:** The Administration & Finance Committee is DARK in the month of August. The next Administration & Finance Committee meeting is scheduled for Wednesday, September 11, 2019, at 12:00 p.m., at WRCOG's office located at 3390 University Avenue, Suite 450, Riverside.

11. ADJOURNMENT

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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.



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: July 10, 2019

The purpose of this item is to provide an update on the Fiscal Year (FY) 2018/2019 Agency Audit and the Agency Financial Report summary through April 2019.

Requested Action:

1. Receive and file.

FY 2018/2019 Agency Audit

WRCOG's annual Agency Interim Audit was completed on June 12, 2019. 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 September, RAMS will return to finish its second round, which is known as "fieldwork." It is anticipated that the final Audit will be presented to this Committee in December 2019.

Financial Report Summary through April 2019

The Agency Financial Report summary through April 2019, a monthly overview of WRCOG's financial statements in the form of combined Agency revenues and costs, is provided as Attachment 1.

Prior Action:

None.

Fiscal Impact:

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

Attachment:

1. Financial Report summary – April 2019.

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Item 4.A

Finance Department Activities Update

Attachment 1

Financial Report summary – April 2019

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**Western Riverside Council of Governments
Monthly Budget to Actuals
For the Month Ending April 30, 2019**

Total Agency			
	Approved Budget 6/30/2019	Thru Actual 4/30/2019	Remaining Budget 6/30/2019
Revenues			
Member Dues	311,410	311,410	-
PACE Residential Revenue	480,573	223,216	257,357
WRELP Phase 2 Revenue	86,750	81,502	5,248
Statewide HERO Revenue	1,650,000	986,266	663,734
Gas Co. Prtnrshp Revenue	86,676	56,941	29,735
PACE Commercial Revenue	46,499	30,844	15,655
WRCOG HERO-Recording Revenue	122,500	156,951	(34,451)
PACE Commercial Recording Revenue	11,454	445	11,009
Statewide Recording Revenue	600,000	601,340	(1,340)
Renovate Comm Recording Rev	7,500		7,500
Active Transportation Revenue	-	71,443	(71,443)
Regional Streetlights Revenue	300,000	283,500	16,500
Solid Waste	107,313	122,248	(14,935)
Used Oil Grants	228,820	203,820	25,000
NW Clean Cities - Air Quality	132,500	143,020	(10,520)
LTF Revenue	675,000	775,500	(100,500)
Adaptation Grant Revenue	-	97,632	(97,632)
CAP Grant Revenue	-	4,977	(4,977)
RivTAM Revenue	150,000	112,600	37,400
General Assembly Revenue	300,000	116,525	183,475
PACE Admin Requisition Fee	25,000	25,000	-
Commerical/Service	110,645	73,164	37,481
Retail	130,094	94,203	35,891
Industrial	272,663	367,280	(94,617)
Residential/Multi/Single	1,144,551	929,949	214,603
Multi-Family	142,045	347,525	(205,480)
Interest Revenue - Other	80,066	80,077	(11)
HERO - Other Revenue	149,833	150,823	(990)
Commercial/Service - Non-Admin Portion	2,655,491	1,829,109	826,382
Retail - Non-Admin Portion	3,122,265	2,355,075	767,190
Industrial - Non-Admin Portion	6,543,923	9,182,000	(2,638,077)
Residential/Multi/Single - Non-Admin Portion	27,469,233	23,248,714	4,220,519
Multi-Family - Non-Admin Portion	3,409,088	8,688,126	(5,279,039)
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	1,563,195	521,065
Total Revenues and Carryover Funds	58,937,742	58,797,407	(393,927)
Expenditures	Approved 6/30/2019	Actual 4/30/2019	Remaining Budget
Wages and Benefits			
Salaries & Wages	2,863,402	1,953,410	909,992
Fringe Benefits	903,736	695,610	208,126
Overhead Allocation	2,084,260	1,732,773	351,487

Total Wages, Benefits and Overhead	6,001,857	4,381,793	1,469,606
General Legal Services	641,447	499,677	141,770
PERS Unfunded Liability	198,823	152,327	46,496
Audit Svcs - Professional Fees	27,500	25,480	2,020
Bank Fees	25,252	41,747	(16,495)
Commissioners Per Diem	62,500	58,065	4,435
Office Lease	400,000	338,782	61,218
WRCOG Auto Fuels Expenses	1,250	1,134	116
WRCOG Auto Maintenance Expense	84	89	(5)
Parking Validations	27,244	14,120	13,124
Staff Recognition	800	332	468
Coffee and Supplies	3,000	1,230	1,770
Event Support	166,229	152,536	13,693
Program/Office Supplies	24,017	13,514	10,503
Computer Equipment/Supplies	8,207	2,369	5,838
Computer Software	31,111	3,127	27,984
Rent/Lease Equipment	30,000	12,333	17,667
Membership Dues	33,000	22,322	10,678
Subscription/Publications	1,448	1,315	133
Meeting Support Services	9,776	2,330	7,446
Postage	6,198	3,315	2,883
Other Household Exp	975	535	440
COG HERO Share Expenses	15,000	4,468	10,532
Storage	7,500	5,251	2,249
Printing Services	4,777	1,670	3,107
Computer Hardware	14,100	2,664	11,436
Communications - Regular Phone	15,000	12,708	2,292
Communications - Cellular Phones	20,200	7,739	12,461
Communications - Computer Services	57,936	31,752	26,184
Communications - Web Site	8,000	6,932	1,068
Equipment Maintenance - General	10,000	4,701	5,299
Equipment Maintenance - Comp/Software	21,000	17,776	3,224
Insurance - Gen/Busi Liab/Auto	94,334	102,110	(7,776)
PACE Residential Recording	485,240	253,795	231,445
Seminars/Conferences	12,887	5,580	7,307
General Assembly Expenses	300,000	95,946	204,054
Travel - Mileage Reimbursement	24,052	12,415	11,637
Travel - Ground Transportation	4,985	2,533	2,452
Travel - Airfare	13,361	9,749	3,612
Lodging	9,518	10,004	(486)
Meals	7,497	3,984	3,513
Other Incidentals	10,531	7,059	3,472
Training	9,250	419	8,831
Supplies/Materials	33,181	15,724	17,457
Advertisement Radio & TV Ads	47,886	22,020	25,866
Staff Education Reimbursement	12,500	-	12,500
Consulting Labor	2,934,856	1,717,514	1,217,342
TUMF Project Reimbursement	38,000,000	26,781,690	11,218,310
BEYOND Program REIMB	2,799,015	828,919	1,970,096
Computer Equipment/Software	3,500	3,207	293
Misc Equipment Purchased	3,000	2,735	265
Total General Operations	47,676,204	31,317,742	16,052,277
Total Expenditures and Overhead	53,678,061	35,699,535	17,521,883



Western Riverside Council of Governments

Administration & Finance Committee

Staff Report

Subject: Single Signature Authority Report

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

Date: July 10, 2019

The purpose of this item is to notify the Committee of contracts recently signed under the Single Signature Authority of the Executive Director.

Requested Action:

1. Receive and file.

The Executive Director has Single Signature Authority for contracts up to \$100,000. For the months of April 2019 through June 2019, five contracts, three of which were solely term extensions, were signed by the Executive Director. These are summarized below.

1. In June 2019, an Amendment to an existing Professional Services Agreement was executed with KTUA. The purpose of this amendment is to extend the term of the existing On-Call Planning Agreement to provide grant writing assistance and transportation planning assistance to WRCOG and its member agencies.
2. In June 2019, an Amendment to an existing Professional Services Agreement was executed with KOA. The purpose of this amendment is to extend the term of the existing On-Call Planning Agreement to provide transportation planning assistance to WRCOG and its member agencies.
3. In June 2019, an Amendment to an existing Professional Services Agreement was executed with Omar M. Dandashi. The purpose of this amendment is to extend the term of the existing On-Call Planning Agreement to provide advisory services on stormwater compliance to WRCOG and its member agencies.
4. In June 2019, an Amendment to an existing Professional Services Agreement was executed with Birchline Planning, LLC. The purpose of this amendment is to increase the total not-to-exceed-value of the Professional Services Agreement from \$20,000 to \$50,000 and extend the term of the Agreement, so that Birchline can continue to provide stormwater project analyses and advisory services to WRCOG and its member agencies.
5. In June 2019, an Amendment to an existing Professional Services Agreement was executed with AECOM. The purpose of this amendment is to increase the total not-to-exceed-value of the Professional Services Agreement from \$50,000 to \$100,000 and extend the term of the Agreement, so that AECOM can continue to provide economic and demographic forecasting services, staff support and advisory services to WRCOG and its member agencies.

Prior Action:

April 10, 2019: The Administration & Finance Committee received and filed.

Fiscal Impact:

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

Attachment

None.



Western Riverside Council of Governments Administration & Finance Committee

Staff Report

Subject: Second Amendment to Professional Services Agreement for On-Call Planning Professional Services for Member Jurisdictions

Contact: Kyle Rodriguez, Staff Analyst, krodriguez@wrcog.us, (951) 405-6721

Date: July 10, 2019

The purpose of this item is to seek a recommendation for the Executive Committee to approve an Amendment to the existing Professional Services Agreement for On-Call Planning Services with Kearns and West, Inc to assist with WRCOG's Clean Cities Program.

Requested Actions:

1. Recommend the Executive Committee approve the Second Amendment to the Professional Services Agreement between WRCOG and Kearns and West, Inc., to provide WRCOG planning support and advisory services in an amount not to exceed \$60,925 for WRCOG Clean Cities Program, taking the amended contract in an not to exceed amount of \$219,485 in total, and to extend the term of the Agreement through June 30, 2020.

Background

The need for WRCOG On-Call planning activities have become evident as WRCOG receives requests from member agencies for assistance on a variety of disciplines related jurisdictions' planning efforts. WRCOG identified disciplines to provide direct assistance to its member agencies. WRCOG has utilized some of the qualified firms / teams for On-Call planning activities to assist member agencies and WRCOG.

In July 2017, the Administration & Finance Committee received a staff report on the selection of a number of qualified consulting firms / teams for WRCOG On-Call planning activities. Shortly after, WRCOG executed Professional Services Agreements with the qualified firms / teams.

In June 2018, the Executive Committee received a staff report requesting approval of an Amendment to the existing Professional Services Agreement for On-Call Planning Services with Kearns and West, Inc. The First Amendment to the Professional Services Agreement provided WRCOG planning support and advisory services in an amount not to exceed \$50,000 and \$145,560 in total, and to extend the term of the Agreement through June 30, 2019.

Per WRCOG policy, the Executive Director has a Single Signature Authority for contracts up to \$100,000. Contracts between \$100,001 and \$200,000 are to be approved by the Administration & Finance Committee, and Contracts amounting to larger than \$200,000 are to be approved by the Executive Committee.

On-Call Planning Professional Services – Amendment to Kearns and West, Inc. Agreement

WRCOG entered into an Agreement for On-Call Professional Services with Kearns and West, Inc. in August 2017. This Agreement incorporated duties in the Clean Cities Coalition discipline for On-Call Planning Services. WRCOG conducts the coordinator duties for the Western Riverside County Clean Cities Coalition

that provides outreach on alternative fuel vehicles to Coalition members and the general public. The Coalition is increasing its activities and trying to bring more value to its members with increased services for alternative fuel vehicles in the subregion in order to capitalize on the upcoming increases in funding. Namely, a mapping tool to analyze alternative fueling infrastructure and vehicles is being developed and will be a task that requires more attention in order to obtain valuable data from members. Additionally, Clean Cities will be hosting the SoCal AltCar Expo, an alternative fuel vehicle expo, conference, and ride-and-drive for members agencies and community members to learn about alternative fuel best practices, technologies, and to test out various alternative fuel technologies (lawn & construction equipment, vehicles, etc.). Kearns and West, Inc. is assisting WRCOG to take on some of these tasks in order for WRCOG to better provide services to the Coalition members.

Kearns and West, Inc. has also provided WRCOG staff support assistance with content, topics, and presentations for Committee meetings. In order to allow Kearns and West, Inc. to continue to be on-call to provide WRCOG assistance as it relates to project management of projects and studies WRCOG will be undertaking the Staff Support discipline, the contract amount is increasing to not to exceed \$60,925.

Prior Action:

None.

Fiscal Impact:

Expenditures for On-Call Engineering Services are included in the Fiscal Year 2019/2020 Agency Budget under the Energy & Environmental Department.

Attachment:

1. Second Amendment to the Professional Services Agreement between the Western Riverside Council of Governments and Kearns and West, Inc.

Item 4.C

Second Amendment to Professional
Services Agreement for On-Call
Planning Professional Services for
Member Jurisdictions

Attachment 1

Second Amendment to the
Professional Services Agreement
between the Western Riverside
Council of Governments and Kearns
and West, Inc.

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**SECOND AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AND
KEARNS AND WEST, INC.**

1. PARTIES AND DATE.

This Second Amendment is made and entered into this 1st day of July, 2019, by and between the Western Riverside Council of Governments, a California public agency ("WRCOG"), and Kearns and West, Inc., a Massachusetts corporation ("Consultant"). WRCOG and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Master Agreement.

WRCOG and Consultant have entered into that certain Professional Services Agreement dated August 11, 2017 ("Master Agreement").

2.2 First Amendment.

WRCOG and Consultant have entered into that certain First Amendment dated June 30, 2018, for the purpose of extending the term of the Master Agreement and providing additional compensation for professional services, on an on-call basis.

2.3 Second Amendment.

WRCOG and Consultant desire to enter into this Second Amendment for the purposes extending the term of the Master Agreement and providing additional compensation for professional services, on an on-call basis ("Services").

3. TERMS.

3.1 Term.

The term of the Master Agreement shall be amended to extend the term to June 30, 2020, (the "Second Extended Term"), unless earlier terminated as provided in the Master Agreement.

3.2 Additional Compensation.

The maximum compensation for Services performed under this Second Amendment shall not exceed Sixty Thousand Nine Hundred Twenty-Five Dollars (\$60,925) without written approval of WRCOG's Executive Director. The Task Order for the Master Agreement shall be amended to provide for additional services, as more particularly described in the Task Order attached to this Amendment as Attachment 1. Work shall be performed in manner that is consistent with the Scope of Services and Compensation set forth in Exhibit "A", respectively, to the Master

Agreement. **No Services shall be performed unless authorized by a fully executed Task Order.**

The total not-to-exceed value of this Second Amendment shall be increased from One Hundred Forty-Five Thousand Five Hundred Sixty Dollars (\$145,560) to Two Hundred Six Thousand Dollars Four Hundred Eighty-Five Dollars (\$206,485).

3.3 Continuation of Existing Provisions.

Except as amended by this Second Amendment, all provisions of the Master Agreement, including without limitation the indemnity and insurance provisions, shall remain in full force and effect and shall govern the actions of the Parties under this Second Amendment.

3.4 Counterparts.

This Second Amendment may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute one instrument.

[Signature on following page]

IN WITNESS WHEREOF, the Parties hereto have made and executed this Second Amendment as of the date first written above.

WRCOG

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

By: _____
Rick Bishop
Executive Director

CONSULTANT

KEARNS AND WEST, INC.,
a Massachusetts corporation

By: _____
Taylor York
Senior Associate

Approved to Form:

By: _____
Steven C. DeBaun
General Counsel

**“Exhibit A”
Scope of Work**

Kearns & West

**Monthly Task Breakdown and Budget - Clean Cities Coalition Facilitation July 1, 2019
– June 30, 2020**

Fee not to exceed: \$60,925

Labor: \$59,100

ODCs: \$1,825

Note: Costs are estimates and may differ depending on actual monthly scope. ODCs include travel and lodging costs for ACT Expo and the Clean Cities National Workshop.

July 2019 - \$5,700

- Assistance with planning Southern California AltCar Expo, including attendance at planning meeting.
- Assistance with preparation of quarterly reports and mid-year sub task reporting.
- Assistance with preparation for and facilitation of Clean Cities Coalition meeting, including review of preparation of materials.
- Conduct activities related to GIS planning tool, including applications and updates.
- Track webinar and resource opportunities and forward to WRCOG staff and members as appropriate.
- Assist with tracking AFV funding.
- Participate in monthly California Region call.
- Participate in regular checkin call with WRCOG staff.
- Assistance with preparation and submission of the Quarterly Alternative Fuel Price Report.
- Participate in networking and Coalition building and strategy activities as appropriate

August 2019 - \$7,000

ODCs for National Meeting - \$500 (Flight – Ontario to Salt Lake City), \$500 (Lodging)

- Assistance with planning Southern California AltCar Expo, including attendance at planning meeting.
- Conduct activities related to GIS planning tool, including applications and updates.
- Track webinar and resource opportunities and forward to WRCOG staff and members as appropriate.
- Assist with tracking AFV funding.
- Participate in monthly California Region call.
- Participate in regular checkin call with WRCOG staff.
- Participate in networking and Coalition building and strategy activities as appropriate • Attend and provide EEMS presentation at Clean Cities Coordinator National Workshop.

September 2019 - \$5,000

- Assistance with planning Southern California AltCar Expo, including attendance at planning meeting.
- Assistance with planning, attending, and facilitating National Drive Electric Week event.

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- Conduct activities related to GIS planning tool, including applications and updates.
- Track webinar and resource opportunities and forward to WRCOG staff and members as appropriate.
- Assist with tracking AFV funding.
- Participate in monthly California Region call.
- Participate in regular checkin call with WRCOG staff.
- Participate in networking and Coalition building and strategy activities as appropriate

October 2019 - \$5,000

- Assistance with planning Southern California AltCar Expo, including attendance at planning meeting.
- Attendance and assist with facilitation and logistics for Southern California Alt Car Expo.
- Coalition Meeting preparation and facilitation.
- Assist with preparation for Technology Focus Group (Task 3.1) preparation and facilitation
- Conduct activities related to GIS planning tool, including applications and updates.
- Track webinar and resource opportunities and forward to WRCOG staff and members as appropriate.
- Assist with tracking AFV funding.
- Participate in monthly California Region call.
- Participate in regular checkin call with WRCOG staff.
- Assistance with preparation and submission of the Quarterly Alternative Fuel Price Report.
- Participate in networking and Coalition building and strategy activities as appropriate

November 2018 - \$4,700

- Participate in networking and Coalition building and strategy activities as appropriate
- Technology Focus Group (Sub-Task 3.1) prep and facilitation.
- Assistance with planning Southern California AltCar Expo, including attendance at planning meeting.
- Assist with planning and facilitating Technology Focus Group for Subtask.
- Conduct activities related to GIS planning tool, including applications and updates.
- Track webinar and resource opportunities and forward to WRCOG staff and members as appropriate.
- Assist with tracking AFV funding.
- Participate in monthly California Region call.
- Participate in regular check in call with WRCOG staff.
- Assistance with preparation and submission of the Quarterly Alternative Fuel Price Report.
- Participate in networking and Coalition building and strategy activities as appropriate

December 2019 - \$2,000

- Participate in networking and Coalition building and strategy activities as appropriate.
- Assist with planning and facilitating Technology Focus Group for Subtask.
- Assist with collection of data for Coalition Annual Report.
- Conduct activities related to GIS planning tool, including applications and updates.
- Track webinar and resource opportunities and forward to WRCOG staff and members as appropriate.

- Assist with tracking AFV funding.
- Participate in monthly California Region call.
- Participate in regular check in call with WRCOG staff.
- Assistance with preparation and submission of the Quarterly Alternative Fuel Price Report.
- Participate in networking and Coalition building and strategy activities as appropriate

January 2020 - \$2,500

- Assist with collection of data for Coalition Annual Report.
- Assist with preparation and submittal of Coalition Reporting.
- Assistance with planning Southern California AltCar Expo, including attendance at planning meeting.
- Conduct activities related to GIS planning tool, including applications and updates.
- Track webinar and resource opportunities and forward to WRCOG staff and members as appropriate.
- Assist with tracking AFV funding.
- Participate in monthly California Region call.
- Participate in regular check in call with WRCOG staff.
- Assistance with preparation and submission of the Quarterly Alternative Fuel Price Report.
- Participate in networking and Coalition building and strategy activities as appropriate

February 2020 - \$5,500

- Assist with collection of data for Coalition Annual Report.
- Assist with preparation and submittal of Coalition Reporting.
- Assistance with planning Southern California AltCar Expo, including attendance at planning meeting.
- Conduct activities related to GIS planning tool, including applications and updates.
- Track webinar and resource opportunities and forward to WRCOG staff and members as appropriate.
- Assist with tracking AFV funding.
- Participate in monthly California Region call.
- Participate in regular check in call with WRCOG staff.
- Assistance with preparation and submission of the Quarterly Alternative Fuel Price Report.
- Participate in networking and Coalition building and strategy activities as appropriate.

March 2020 - \$5,700

- Assist with collection of data for Coalition Annual Report.
- Assist with preparation and submittal of Coalition Reporting.
- Assistance with planning Southern California AltCar Expo, including attendance at planning meeting.
- Assistance with preparation and submittal of Quarterly Alternative Fuel Price Report.
- Conduct activities related to GIS planning tool, including applications and updates.
- Track webinar and resource opportunities and forward to WRCOG staff and members as appropriate.
- Assist with tracking AFV funding.
- Participate in monthly California Region call.
- Participate in regular check in call with WRCOG staff.

- Assistance with preparation and submission of the Quarterly Alternative Fuel Price Report.
- Participate in networking and Coalition building and strategy activities as appropriate

April 2020 - \$5,000

- Assistance with planning Southern California AltCar Expo, including attendance at planning meeting.
- Conduct activities related to GIS planning tool, including applications and updates.
- Track webinar and resource opportunities and forward to WRCOG staff and members as appropriate.
- Assist with tracking AFV funding.
- Participate in monthly California Region call.
- Participate in regular check in call with WRCOG staff.
- Assistance with preparation and submission of the Quarterly Alternative Fuel Price Report.
- Participate in networking and Coalition building and strategy activities as appropriate.

May 2020 - \$6,000

ODCs for ACT Expo - \$325 (Registration), \$500 (Lodging)

- Attend ACT Expo in Long Beach, including attendance at California Region annual meeting, assistance with staffing Clean Cities booth in expo, and networking with industry stakeholders to increase Coalition visibility and resources.
- Assistance with planning Southern California AltCar Expo, including attendance at planning meeting.
- Conduct activities related to GIS planning tool, including applications and updates.
- Track webinar and resource opportunities and forward to WRCOG staff and members as appropriate.
- Assist with tracking AFV funding.
- Participate in monthly California Region call.
- Participate in regular check in call with WRCOG staff.
- Participate in networking and Coalition building and strategy activities as appropriate.

June 2020 - \$5,000

- Assist with preparation and submittal of Coalition Reporting
- Assistance with planning Southern California AltCar Expo, including attendance at planning meeting.
- Conduct activities related to GIS planning tool, including applications and updates.
- Track webinar and resource opportunities and forward to WRCOG staff and members as appropriate.
- Assist with tracking AFV funding.
- Participate in monthly California Region call.
- Participate in regular check in call with WRCOG staff.
- Assistance with preparation and submission of the Quarterly Alternative Fuel Price Report.
- Participate in networking and Coalition building and strategy activities as appropriate.

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Western Riverside Council of Governments

Administration & Finance Committee

Staff Report

Subject: PERS Liability Update

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

Date: July 10, 2019

The purpose of this item is to provide an update on WRCOG's Unfunded Accrued Liability and options to increase plan funding.

Requested Action:

1. Discuss and provide direction, if necessary.

Background

At the June 21, 2019, Executive Committee meeting, Committee member Jeff Hewitt requested information regarding where WRCOG stands with its Unfunded Accrued Liability (UAL) and how much of WRCOG's pension is currently covered. Committee member Hewitt noted that the Riverside County Transportation Commission (RCTC) recently took action to pay off its UAL of \$8.1 million, which would save RCTC approximately \$7.5 million in interest payments over 30 years.

Per the most recent actuarial valuation, WRCOG's pension plan is approximately 76% funded. The estimated present value of the unfunded liability is approximately \$3.4 million. The valuation at the time assumes a 30-year payback period and if it were to be paid out over 30 years, WRCOG would pay close to \$6.8 million in total payments.

Unfunded Liability Options

During the Fiscal Year (FY) 2019/2020 budget development process, staff noted that one goal would be to reduce the PERS Unfunded Liability through either additional payment to CalPERS or other options, which would significantly reduce the total amount paid out to CalPERS.

Staff has identified the following options to increase the funded status of its plan and to minimize the volatility of changes in required contributions:

1. Make additional advance contributions to CalPERS;
2. Establish a Section 115 irrevocable trust that could only be used to pay directly to CalPERS or reimburse WRCOG for its pension costs;
3. Accumulate funds in a reserve account for future pension funding purposes;
4. Maintain current approach.

1. Additional Advance Contribution

WRCOG can consider making additional advance contributions to CalPERS in excess of annual required contributions. Additional contributions will have the effect of accelerating funding based on various

amortization. CalPERS or an actuary may help determine the impact of partial additional contributions to pay down the entire liability.

Pros:

- Reduces interest cost of carrying unfunded liabilities at CalPERS
- Reduces ongoing pension contributions

Cons:

- Reduces budget flexibility by reducing available cash
- Amortized over time, so impact would need to be analyzed

2. Establish a Section 115 Trust

The United States Internal Revenue Service has determined that trusts established for the exclusive purpose of funding public agencies' employee benefit obligations are entitled to certain tax benefits, particularly exemption from income tax. These trusts (referred to as "Section 115 trusts") were historically used for funding other post-employment benefits (OPEB) obligations, but since 2015, they have become popular vehicles to fund retirement benefit obligations in recent years, particularly in response to increased CalPERS required contributions.

Section 115 trusts have two main characteristics that make them attractive mechanisms for setting aside funds to offset pension costs. The trusts are irrevocable, meaning that the resources deposited into the trust become the property of the trust and cannot be withdrawn and used for another purpose. Also, assets in the trust can be placed in a broader range of investments, with possibly greater returns, than is permitted with other general governmental funds.

Since 2015, hundreds of California public agencies have established or joined Section 115 trusts. Assets in an agency's trust account can only be used to make payments directly to a pension system (such as CalPERS) or to reimburse the agency for its pension contributions. PARS, our current OPEB trust administrator, pioneered the concept of a local controlled Section 115 trust for pension pre-funding and has the majority of the market with over 200 participating CA local governments including the County of Riverside and other WRCOG cities and special districts.

Pros:

- WRCOG oversight of investments and risk control
- Investment flexibility with Section 115 Trust compared to restrictions on general fund investments (Govt. Code 53216)
- Increased flexibility on use of trust assets (i.e., trust assets can be accessed at any time as long as the assets are used to fund the City's pension obligations and defray reasonable expenses associated therewith)
- Can earn a greater return over time than general funding vesting.
 - The funds depending on the strategy can earn a return closer to that earned by CalPERS
 - Unlike the funds that have been forwarded to CalPERS, these funds will be controlled by the WRCOG, including establishing the risk tolerance level
- Credit rating agencies perceive pre-funding into a trust more favorably than earmarking funds within the pooled cash and investments
- Increased risk diversification of plan assets through different asset management
- Assets can be used to offset contribution rate increases
- Significant flexibility in deciding how much to contribute and when to make payments out of the trust
- May address Net Pension Liability on financial statements
- Can be used in conjunction with other options outlined
- Can use current OPEB trust provider, PARS

Cons:

- Funds must be used for pension costs only
- Still market volatility depending on how conservative the investment strategy

3. Separate Reserve Account

Additional funds can be set aside and would remain in an internal reserve account to be earmarked for paying future pension costs. Once a predetermined amount has been achieved, the money would be used to make singular and significant contributions to CalPERS, when WRCOG deems prudent.

Pros:

- Greater budget flexibility
- Preserves cash reserves

Cons:

- Can be diverted for other uses in a way that is not permitted with a Section 115 irrevocable trust
- Limited investment flexibility – restricted to general fund investing
- Would earn a much lower rate of return over time due to investment restrictions
- Would not be applied to the “Net Pension Liability” presented in future Financial Statements

4. Maintain Current Status

A “do-nothing” scenario under the current amortization schedules will pay off WRCOG’s UAL in 30 years, which would result in interest charges of nearly the same amount as the unfunded liability itself. As noted, WRCOG’s current UAL is approximately \$3.4 million, and if paid out over the standard 30-year term, total payments would amount to nearly \$6.8 million. Compared to the other options, there are no advantages to pursuing this option.

Prior Action:

None.

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 Program Activities Update: Request for Revisions to HERO's Residential Dealer Fees

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

Date: July 10, 2019

The purpose of this item is to provide the Administration and Finance Committee with an update on HERO's Residential Dealer Fee.

Requested Action:

1. Recommend the Executive Committee approve updated revisions to the HERO Residential Dealer Fee.

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 Program was initiated in December 2011 and was expanded in 2014 to allow jurisdictions throughout the state to join WRCOG's Program and allow property owners in these jurisdictions to participate. WRCOG now offers HERO, CaliforniaFIRST, PACE Funding, and Ygrene as residential PACE providers and Greenworks, CleanFund, and Twain as commercial PACE providers.

HERO's Residential Dealer Fee (Dealer Fee) Program

Staff from Renovate America will make a presentation on its proposed changes to the Dealer Fee Program.

Background: On February 6, 2017, the Executive Committee approved Dealer Fees for the HERO Program. Dealer Fees are widely used in the home improvement industry, where a contractor pays a portion of the projects costs to the money lender so that the customer can receive a lower interest rate on his or her project.

For HERO, this means that contractors are able to pay a percent of the project cost to HERO and can then offer a lower "promotional" interest rate for the project. At previous WRCOG Committee meetings, Committee members wanted to make sure that costs were not passed on to the homeowner. HERO's Contractor Management System verifies that contractors do not pass the dealer fee cost to homeowners. Again, this practice is strictly prohibited.

As part of the Dealer Fee, contractors using HERO are able to select which fixed rate sets or bands or bands they wanted to work within. From the implementation of the Dealer Fee, contractors were locked into offering the selected rates for a period of 90-days after which they would be able switch and be locked into another rate set or band for 90-days. As conditions continue to change in the market, Renovate America is requesting that WRCOG make a change to its Dealer Fee that would give contractors flexibility to move through their interest rate sets or bands by discontinuing the 90-day set period and allowing contractors the ability to move freely between the rate set or band for each project. This continuous enrollment would give contractors additional flexibility in choosing an interest rate set that works best for its business, without a 90-day lock in.

The interest rate bands previously approved by the Executive Committee will not be impacted if this change is implemented. Staff is seeking approval to change the guidelines on how long a contractor needs to wait before changing rate sets or bands.

Prior Action:

February 6, 2017: Executive Committee supported the WRCOG PACE Ad Hoc Committee's recommendation for the HERO Program to implement some new rate options, and direct staff to return in 90-days with a report on Program revisions and impacts.

Fiscal Impact:

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

Attachment:

None.



Western Riverside Council of Governments

Administration & Finance Committee

Staff Report

Subject: 28th Annual General Assembly & Leadership Conference: Recap and Financial Report

Contact: Cynthia Mejia, Staff Analyst, cmejia@wrcog.us, (951) 405-6752

Date: July 10, 2019

The purpose of this item is to provide a final event summary for WRCOG's 28th Annual General Assembly & Leadership Conference.

Requested Action:

1. Receive and file.

WRCOG's 28th Annual General Assembly & Leadership Conference was held on Thursday, June 20, 2019, at the Pechanga Resort Casino and featured Josh Earnest, White House Press Secretary under President Barack Obama (2014-2017) and current Senior Vice President/Chief Communications Officer for United Airlines as keynote speaker. The dinner event was attended by approximately 850 people, making it the most-attended General Assembly in WRCOG's history.

The conference started early morning with a "Future of Cities" Symposium and featured panelists to discuss transportation and land-use issues, followed by a presentation on the University of Redlands Automation Study, and a lunch keynote speaker from Mark Cofano, a known futurist. Approximately 250 people attended the Symposium.

Staff has distributed on-line surveys to event attendees and sponsors and will compile and analyze feedback as it looks to plan the 29th Annual General Assembly.

Staff will provide the Committee with additional information, including final financials, as available, at the meeting.

Prior Action:

None.

Fiscal Impact:

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

Attachment:

None.

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