



Western Riverside Council of Governments Finance Directors Committee

AGENDA

**Thursday, October 22, 2020
1:00 p.m.**

**Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA, 92501**

**WRCOG's OFFICE IS CURRENTLY CLOSED TO THE PUBLIC DUE TO COVID-19
AND STAFF ARE WORKING REMOTELY**

**Members of the public are encouraged to participate in this meeting via Zoom
(see meeting information below)**

**Join Zoom Meeting
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**Meeting ID: 875 8913 3361
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SPECIAL NOTICE – COVID-19 RELATED PROCEDURES IN EFFECT

Due to the state and local State of Emergency resulting from the threat of Novel Coronavirus (COVID-19), Governor Newsom has issued Executive Order N-29-20 (issued March 17, 2020) in which Section 3 supersedes Paragraph 11 of Executive Order N-25-20 (issued on March 12, 2020). This new order states that WRCOG does not need to make a physical location available for members of the public to observe a public meeting and offer public comment. The Order allows WRCOG to hold Committee meetings via teleconferencing and allows for members of the public to observe and address the meeting telephonically or electronically.

To follow the Order issued by the Governor, the Finance Directors Committee meeting scheduled for Thursday, October 22, 2020 at 9:30 a.m. will be held via video and teleconference and any members of the public can attend electronically. Members of the public may send public comments by emailing leonard@wrcog.us, or calling (951) 405-

6702 before or during the meeting, prior to the close of public comment.

Any member of the public requiring a reasonable accommodation to participate in this meeting in light of this announcement shall contact Janis Leonard prior to 1:00 p.m. on October 19, 2020, at (951) 405-6702 or at jleonard@wrcog.us.

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

1. CALL TO ORDER

2. ROLL CALL

3. PUBLIC COMMENTS

At this time members of the public can address the Finance Directors Committee regarding any items with the subject matter jurisdiction of the Committee that are not separately 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.

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. Summary Minutes from the July 23, 2020, Finance Directors Committee Special Meeting are Available for Consideration. P. 1**

Requested Action: 1. *Approve the Summary Minutes from the July 23, 2020, Finance Directors Committee Special meeting.*

- B. Finance Department Activities Update Andrew Ruiz P. 5**

Requested Action: 1. *Receive and file.*

- C. Single Signature Authority Report Andrew Ruiz P. 11**

Requested Action: 1. *Receive and file.*

- D. Approval of Finance Directors Committee 2021 Meeting Schedule Andrew Ruiz P. 13**

Requested Action: 1. *Approve the Schedule of Finance Directors Committee meetings for 2021.*

5. REPORTS / DISCUSSION

- A. TUMF Program Year in Review Chris Gray, WRCOG P. 15**

Requested Action: 1. *Receive and file.*

B. The Economy and Financial Markets Update *Richard Babbe, PFM* **P. 39**

Requested Action: 1. *Receive and file.*

C. The Impact of Automation on Employment *Johannes Moenius,* **P. 41**
University of Redlands

Requested Action: 1. *Receive and file.*
School of Business

6. REPORT FROM THE CHIEF FINANCIAL OFFICER *Andrew Ruiz*

7. ITEMS FOR FUTURE AGENDAS *Members*

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

8. GENERAL ANNOUNCEMENTS *Members*

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

9. NEXT MEETING: The next Finance Directors Committee meeting is scheduled for Thursday, January 28, 2021, at 1:00 p.m., on the Zoom platform.

10. ADJOURNMENT

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1. CALL TO ORDER

The meeting of the Finance Directors Committee was called to order at 1:00 p.m. by Chair Lorena Rocha on the Zoom platform.

2. SELF INTRODUCTIONS

Members present:

Terry Shea, City of Canyon Lake
Amanda Wells, City of Eastvale
Lorena Rocha, City of Hemet, Chair
Marshall Eyerman, City of Moreno Valley
Javier Carcamo, City of Murrieta
Stephen Ajobiewe, City of Perris
Edward Enriquez, City of Riverside
Jennifer Hennessey, City of Temecula
James Riley, City of Wildomar
Laura Nomura, Eastern Municipal Water District
Rod LeMond, Western Municipal Water District
Matt Schenk, March JPA
Tina Daigneault, Riverside County Office of Education (1:30 departure)

3. PUBLIC COMMENTS

There were no public comments.

4. SELECTION OF FINANCE DIRECTORS COMMITTEE CHAIR, VICE-CHAIR, AND 2ND VICE-CHAIR POSITIONS FOR FISCAL YEAR 2020/2021

Action: 1. *The Finance Directors Committee selected Matt Schenk, March JPA, as Chair; Stacey Stevenson, City of Murrieta, as Vice-Chair; and Ernie Reyna, City of Perris, as 2nd Vice-Chair positions for Fiscal Year 2020/2021.*

(WMWD / EMWD) 12 yes; 0 no; 0 abstention. Item 4 was approved. Representatives from the Cities of Banning, Beaumont, Calimesa, Corona, Jurupa Valley, Lake Elsinore, Menifee, Norco, and San Jacinto, the County of Riverside, and the Morongo Band of Mission Indians were not present.

5. CONSENT CALENDAR – *(Hemet / EMWD) 12 yes; 0 no; 0 abstention. Items 5.A and 5.B were approved. Representatives from the Cities of Banning, Beaumont, Calimesa, Corona, Jurupa Valley, Lake Elsinore, Menifee, Norco, and San Jacinto, the County of Riverside, and the Morongo Band of Mission Indians were not present.*

A. Summary Minutes from the May 7, 2020, Finance Directors Committee Meeting are Available for Consideration.

Action: 1. *Approved the Summary Minutes from the May 7, 2020, Finance Directors Committee meeting.*

B. Finance Department Activities Update

Action: 1. *Received and filed.*

6. REPORTS / DISCUSSION

A. 4th Quarter Draft Budget Amendment for Fiscal Year 2019/2020

Andrew Ruiz, WRCOG Chief Financial Officer, reported that for the Fiscal Year 2019/2020 4th Quarter Budget Amendment the single largest amendment was consulting costs for the Climate Action Plan Grant of approximately \$300k, which will be offset by a reimbursement from Caltrans.

Administration Department revenues exceeded the budgeted amount by \$102,758 due to additional interest revenue collected through CAMP. Administration Department expenditures exceeded the budgeted amount by \$43,106, primarily due an increase in benefits of \$32,378 which was due to vacation leave buyouts for staff. Additionally, \$6,802 in printing costs were incurred due to WRCOG moving its offices and needing to purchase new business cards, letterhead, etc. These expenditures will be offset by a decrease in other budgeted expenditures.

Energy Department revenues are being increased by \$141,967. In the PACE Programs, budgeted revenues are being decreased by \$529,680 in categories where actual amounts were not realized, and increased by \$433,949 in other categories, primarily PACE administrative revenues, for a net decrease in budgeted PACE Program revenues of \$95,731. The remaining revenues of \$237,698 are from the Regional Streetlights Program. These additional funds were received due to the additional rebates staff were able to obtain. To offset the decrease in PACE revenues, expenditures have also been decreased. Energy Department expenditures exceeded the budgeted amount by \$15,109, primarily due to legal costs associated with PACE provider SAMAS Capital. These costs will be offset by \$75,000 received in revenue from the Program. The remaining expenditures that exceeded their budgeted amounts in the other programs will be offset by a decrease in other budgeted expenditures.

For the 4th Quarter of Fiscal Year 2019/2020, there will a total net increase in expenditures of \$196,294 along with a total increase in revenues of \$612,525.

Action: 1. *Recommended that the Executive Committee approve the 4th Quarter Draft Budget Amendment for Fiscal Year 2019/2020.*

(EMWD / Hemet) 12 yes; 0 no; 0 abstention. Item 6.A was approved. Representatives from the Cities of Banning, Beaumont, Calimesa, Corona, Jurupa Valley, Lake Elsinore, Menifee, Norco, and San Jacinto, the County of Riverside, and the Morongo Band of Mission Indians were not present.

B. The Economy and Financial Markets Update

Sarah Meacham, Managing Director with PFM, reported on WRCOG's 2nd Quarter Investment Portfolio. COVID-19 has caused severe disruptions in the financial markets but have appeared to slow down. The investments managed by PFM have outperformed the market benchmarks for the past year and in the last quarter.

Action: 1. *Received and filed.*

C. COVID-19 Fiscal Impacts Analysis

Teifion Rice-Evans, Managing Principal of Economic Planning Systems, Inc., provided a presentation on a recent analysis on the near-term fiscal impacts jurisdictions within Western Riverside County will be facing due to the current public health crisis. The assessment will be conducted in two phases. Phase 1 was completed and identified the expected level and timing of impacts of two tax revenues that will most directly be affected. According to the State of California Controller's Office, Sales and Use Tax will be the biggest hit revenue at immediate risk, coming in at 33% within WRCOG's subregion. Mr. Rice-Evans shared an overview of each jurisdiction and the possible impact within various job sectors. A majority of jobs in the retail sector show being at immediate risk.

Some fiscal vulnerability indicators focused on the General Fund revenues were Property Taxes and Property Taxes in-lieu of Vehicle License Fees, Sales and Use Taxes, Transient Occupancy and Lodging Taxes, Franchise Fees, User Utility, and Business Taxes.

Before September 30, 2020, Phase 2 will build on the Phase 1 work and will involve additional analysis, looking in more detail at a broader range of public revenues, the different ways in which they may be affected, and the implications for the Western Riverside County jurisdictions' overall fiscal health.

Action: 1. *Received and filed.*

D. **PACE Programs Activities Update**

Justin White, WRCOG Staff Analyst, reported that the HERO / PACE assessments continue to decline. There were 1,601 assessments completed for Tax Year 2019/2020, a 58% decrease from the previous year. The PACE Program property tax payment delinquency rate is currently 1.54% and during the same period of last year, it was at 1.17%. Staff continue to closely monitor delinquencies given the COVID-19 environment.

Since March 2020, WRCOG has recorded six Commercial PACE projects totaling over \$10.5 million. Two of those projects were completed in the subregion' one in the City of Murrieta and the other in City of Hemet.

Action: 1. *Received and filed.*

6. REPORT FROM THE CHIEF FINANCIAL OFFICER

Andrew Ruiz reported that Western Community Energy has launched in six cities. WRCOG has kicked off a monthly webinar called Future Forward; the broadcast streams the last Thursday of every month.

7. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

8. GENERAL ANNOUNCEMENTS

There were no general announcements.

9. NEXT MEETING

The next Finance Directors Committee meeting is scheduled for Thursday, October 22, 2020, at 1:00 p.m., on the Zoom platform.

10. ADJOURNMENT

The meeting of the Finance Directors Committee meeting adjourned at 2:06 p.m.

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Western Riverside Council of Governments

Finance Directors Committee

Staff Report

Subject: Finance Department Activities Update

Contact: Andrew Ruiz, Chief Financial Officer, aruiz@wrcog.us, (951) 405-6740

Date: October 22, 2020

The purpose of this item is to provide an update on the Agency financials through July 2020.

Requested Action:

1. Receive and file.

Fiscal Year 2019/2020 Agency Audit

WRCOG's annual Agency Interim Audit was completed on June 19, 2020. 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 November 2020, 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 January 2021.

Financial Report Summary Through July 2020

The Agency Financial Report summary through July 2020, a monthly overview of WRCOG's financial statements in the form of combined Agency revenues and costs, is provided as Attachment 1.

Prior Actions:

- October 15, 2020: The Technical Advisory Committee received and filed.
- October 14, 2020: The Administration & Finance Committee received and filed.
- October 5, 2020: The Executive Committee received and filed.

Fiscal Impact:

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

Attachment:

1. Financial Report summary through July 2020.

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Item 4.B

Finance Department Activities Update

Attachment 1

Financial Report summary through July 2020

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**Western Riverside Council of Governments
Monthly Budget to Actuals
For the Month Ending July 31, 2018**

Total Agency			
	Approved Budget 6/30/2019	Thru Actual 7/31/2018	Remaining Budget 6/30/2019
Revenues			
PACE Residential Revenue	560,000	60,198	499,802
Statewide HERO Revenue	2,400,000	131,383	2,268,617
WRCOG HERO-Recording Revenue	122,500	16,890	105,610
Statewide Recording Rev	600,000	81,665	518,335
Regional Streetlights Revenue	300,000	63,500	236,500
 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	173,688	1,910,572
Total Revenues and Carryover Funds	58,937,742	5,741,926	53,195,816
 Expenditures	 Approved 6/30/2019	 Actual 7/31/2018	
Wages and Benefits			
Salaries & Wages	2,987,699	96,868	2,890,831
Fringe Benefits	929,898	56,170	873,728
Overhead Allocation	2,084,260	173,688	1,910,572
Total Wages, Benefits and Overhead	6,001,857	326,727	5,675,130
 PERS Unfunded Liability	198,823	152,327	46,496
Bank Fees	19,000	3,420	15,580
Commissioners Per Diem	62,500	7,050	55,450
Office Lease	400,000	33,482	366,518
Parking Validations	27,550	2,741	24,810
Coffee and Supplies	3,000	151	2,849
Event Support	102,369	36,512	65,857
Program/Office Supplies	24,150	642	23,508
Computer Equipment/Supplies	8,000	125	7,875
Computer Software	30,000	222	29,778
Rent/Lease Equipment	30,000	1,129	28,871
Membership Dues	33,000	18	32,982
Meeting Support Services	9,681	233	9,448
Postage	6,015	761	5,254
Other Household Exp	750	541	209
Storage	16,000	1,259	14,741
Communications - Cellular Phones	21,000	804	20,196
Communications - Computer Services	57,500	4,591	52,909
Communications - Web Site	8,000	6,552	1,448
Equipment Maintenance - General	10,000	1,641	8,359
Equipment Maintenance - Comp/Software	21,000	1,590	19,410
Insurance - Gen/Busi Liab/Auto	79,850	51,345	28,505
PACE Residential Recording	727,500	96,190	631,310
Travel - Mileage Reimbursement	23,600	303	23,297
Other Incidentals	9,950	563	9,387
Consulting Labor	3,102,373	663,724	2,438,649
TUMF Project Reimbursement	38,000,000	83,612	37,916,388
Total General Operations	47,676,204	1,151,527	46,524,677
 Total Expenditures and Overhead	53,678,061	1,478,254	52,199,808

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Western Riverside Council of Governments

Finance Directors Committee

Staff Report

Subject: Single Signature Authority Report

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

Date: October 22, 2020

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 through June 2020 three contracts were signed by the Executive Director. These are summarized below.

1. In July 2020, a Professional Services Agreement (PSA) was executed with Kevin Palmer for \$25,000 to assist in developing an Economic Development Corporation.
2. In August 2020, a PSA Amendment was executed with Environmental Science Associates for \$10,000 to provide services related to the Climate Action Plan.
3. In September 2020, a PSA Amendment was executed with WSP for \$25,000 to provided services related to the Riverside County Travel Demand Model (RIVTAM/RIVCOM)

Prior Actions:

October 15, 2020: The Technical Advisory Committee received and filed.

October 14, 2020: The Administration & Finance Committee received and filed.

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

Finance Directors Committee

Staff Report

Subject: Approval of Finance Directors Committee 2021 Meeting Schedule

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

Date: October 22, 2020

The purpose of this item is to provide and obtain approval of a meeting schedule for 2021.

Requested Action:

1. Approve the Schedule of Finance Directors Committee meetings for 2021.

Below are the proposed meeting dates for the 2021 Finance Directors Committee (FDC) meetings. All FDC meeting dates are proposed for the 4th Thursday of the month, quarterly, at 1:00 p.m.

Please note, the meetings scheduled for April and July 2021, are scheduled for the 5th Thursday of the month.

WRCOG Standing Committees	Day	Time	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
Finance Directors Committee	Quarterly 4th Thur.	1:00 p.m.	28	-	-	29*	-	-	29*	-	-	28	-	-

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

Finance Directors Committee

Staff Report

Subject: TUMF Program Year in Review

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

Date: October 22, 2020

The purpose of this item is to provide an update on TUMF revenues and expenditures since inception of the Program in 2003. This item also provides an update on Fiscal Year 2019/2020 and Fiscal Year 2020/2021 collections.

Requested Action:

1. Receive and file.

WRCOG's Transportation Uniform Mitigation Fee (TUMF) Program is a regional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in Western Riverside County. Each of WRCOG's member jurisdictions and the March JPA participate in the Program through an adopted ordinance, collects fees from new development, and remits the fees to WRCOG. WRCOG, as administrator of the TUMF Program, allocates TUMF to the Riverside County Transportation Commission, groupings of jurisdictions – referred to as TUMF Zones – based on the amounts of fees collected in these groups, the Western Riverside County Regional Conservation Authority and the Riverside Transit Agency.

TUMF Collections

At the beginning of each Fiscal Year, WRCOG projects annual TUMF collections based on historical collections and anticipated levels of development. For Fiscal Year (FY) 2019/2020, that projection was \$49.5 million, which was a conservative estimate based on the previous three fiscal years.

Prior to COVID-19, collections were trending slightly higher than this amount, which would have resulted in total collections for the Fiscal Year in the \$50 – \$55 million range. With the outbreak of COVID-19, WRCOG continues to monitor TUMF collections to determine what impact there might be on the TUMF Program. There was a significant level of concern since the previous economic downturn in 2008 had resulted in a significant revenue loss.

Staff noted there was a modest decrease in collections in February and March 2020. However; there was an upward trend beginning in April 2020. In May 2020, \$4.7 million was collected and \$5.7 million was collected in June 2020. FY 2019/2020 fee collections totaled \$49.8 million, which exceeded projections. Attachment 1 provides a summary of the most recent revenues by jurisdiction for FY 2019/2020.

Since the end of the Fiscal Year, there has been no drop-off in collections. The TUMF Program collected \$8.5 million in the months of August and September 2020. October 2020 collections appear to be in the \$3 – \$4 million range or even greater. There also appears to be a significant backlog of approved projects that have not completed its fee payments, based on the online payment portal maintained by WRCOG.

FY 2019/2020 Revenues by Zone

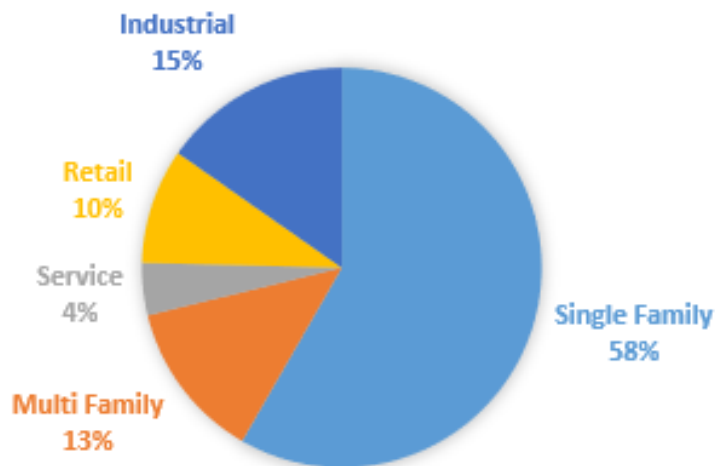
Revenues by Zone are shown in the table below. Approximately half of all revenue was collected in the Northwest Zone with the Central Zone and Southwest Zone each contributing 20% of the total revenue.

FY 2019/2020 Revenues by Zone	
Pass	\$2,349,573
Southwest	\$10,202,459
Central	\$11,336,669
Northwest	\$21,724,378
Hemet / San Jacinto	\$4,189,407
Total:	\$49,802,486

FY 2019/2020 Revenues by Land Use

Single-family residential continues to comprise the largest portion of TUMF revenue out of all the land use categories. For FY 2019/2020, Industrial revenue made up 15%, Multi-family residential at 13%, followed by Retail at 10%, and Service at 4%. Below is a graph that summarizes the information.

FY 19/20 REVENUES BY LAND USE



TUMF Revenue and Project Updates

The TUMF Program commenced and began to collect fees from new residential and non-residential projects in 2003. Since then, revenue from the Program has reached \$900 million. Revenue since inception by each jurisdiction and Zone is included in Attachment 2. Details of the amount of TUMF funding spent on completed TUMF projects and the amount that is currently programmed for projects by each jurisdiction is included in Attachment 3. Individual summaries for each jurisdiction were provided to the agency's Technical Advisory Committee representative earlier in October.

Attachment 4 lists the total amount of TUMF credits received and committed for each member jurisdiction. Credit agreements are executed when a developer pays for improvements on a TUMF facility in lieu of the fee obligation.

Attachment 5 indicates the amount of Measure A Local Streets and Road Program (LSR) funds each jurisdiction received in 2019. A jurisdiction must be a participant in the WRCOG TUMF Program to be eligible to receive Measure A LSR funds.

Prior Actions:

October 5, 2020: The Executive Committee received and filed.

September 17, 2020: The Technical Advisory Committee received and filed.

September 9, 2020: The Administration & Finance Committee received and filed.

August 13, 2020: The Public Works Committee received and filed.

Fiscal Impact:

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

Attachments:

1. TUMF Program Revenues for FY 2019/2020.
2. TUMF Revenue since Inception.
3. TUMF Committed and Spent Project Dollars since Inception.
4. TUMF Credit Agreement Allocations.
5. Measure A Receipts by Jurisdiction.

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Item 5.A

TUMF Program Year in Review

Attachment 1

TUMF Program Revenues for FY
2019/2020

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TUMF Program Revenue FY 2019/2020

Jurisdiction	2019					2020					Fiscal Year				
	July	August	September	October	November	December	January	February	March	April	May	June			19-20
Banning	\$18,292	\$0	\$0	\$0	\$9,146	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,146	\$36,584	
Beaumont	\$118,898	\$219,504	\$407,170	\$0	\$182,920	\$54,876	\$8,878	\$108,540	\$64,022	\$0	\$0	\$0	\$283,526	\$1,448,335	
Calimesa	\$0	\$273,809	\$0	\$0	\$0	\$9,146	\$9,146	\$389,594	\$67,133	\$6,075	\$18,292	\$9,146	\$782,341	\$782,341	
Canyon Lake	\$27,438	\$18,292	\$9,146	\$0	\$0	\$0	\$9,146	\$0	\$0	\$0	\$0	\$0	\$9,478	\$73,500	
Corona	\$337,370	\$156,640	\$83,190	\$0	\$38,129	\$79,742	\$73,168	\$92,010	\$0	\$97,814	\$137,899	\$0	\$1,095,962	\$1,095,962	
Eastvale	\$245,360	\$0	\$153,350	\$73,168	\$251,494	\$104,278	\$85,876	\$381,003	\$79,742	\$0	\$308,512	\$110,880	\$1,793,663	\$1,793,663	
Hemet	\$109,752	\$128,044	\$118,898	\$0	\$0	\$27,231	\$54,876	\$0	\$0	\$0	\$0	\$0	\$0	\$438,801	
Jurupa Valley	\$1,015,950	\$220,164	\$259,176	\$329,256	\$287,189	\$183,580	\$1,380,272	\$246,942	\$220,164	\$213,920	\$649,366	\$109,752	\$3,735,458	\$3,735,458	
Lake Elsinore	\$9,146	\$143,879	\$84,771	\$180,648	\$304,528	\$0	\$1,380,272	\$467,832	\$0	\$246,942	\$237,906	\$420,716	\$3,476,639	\$3,476,639	
March JPA	\$0	\$678,386	\$1,106,945	\$0	\$664,431	\$0	\$0	\$103,842	\$0	\$0	\$730,495	\$6,562	\$3,290,662	\$3,290,662	
Menifee	\$415,437	\$270,568	\$479,153	\$228,650	\$333,594	\$1,217,416	\$149,788	\$362,980	\$192,066	\$253,406	\$577,078	\$850,578	\$5,330,713	\$5,330,713	
Moreno Valley	\$581,300	\$655,625	\$169,346	\$126,126	\$274,380	\$459,022	\$27,438	\$146,336	\$228,650	\$171,283	\$484,677	\$677,225	\$4,001,407	\$4,001,407	
Murrieta	\$104,278	\$691,834	\$31,735	\$220,226	\$73,608	\$73,168	\$0	\$0	\$0	\$0	\$171,910	\$2,213	\$1,368,972	\$1,368,972	
Norco	\$103,845	\$0	\$0	\$0	\$72,499	\$0	\$0	\$0	\$112,500	\$9,146	\$0	\$0	\$297,990	\$297,990	
Perris	\$111,757	\$236,869	\$182,920	\$0	\$0	\$546,965	\$0	\$64,132	\$0	\$0	\$173,774	\$274,380	\$1,590,797	\$1,590,797	
Riverside	\$626,829	\$62,438	\$122,985	\$194,336	\$9,146	\$1,676,729	\$549,494	\$0	\$117,260	\$186,891	\$278,709	\$600,868	\$4,425,684	\$4,425,684	
San Jacinto	\$155,482	\$170,048	\$143,945	\$173,774	\$155,482	\$73,168	\$137,190	\$250,174	\$109,752	\$27,438	\$219,504	\$64,022	\$1,679,978	\$1,679,978	
Temecula	\$0	\$0	\$981,440	\$45,950	\$91,900	\$104,278	\$233,092	\$9,146	\$4,549	\$0	\$0	\$9,146	\$1,479,501	\$1,479,501	
Wildomar	\$89,727	\$27,438	\$18,292	\$18,292	\$18,292	\$147,773	\$0	\$45,730	\$0	\$45,730	\$172,408	\$109,752	\$693,434	\$693,434	
County Central	\$9,146	\$0	\$36,584	\$210,358	\$18,292	\$0	\$27,438	\$47,912	\$18,292	\$9,146	\$36,584	\$0	\$413,752	\$413,752	
County Hemet/S.J.	\$0	\$348,212	\$71,770	\$169,893	\$313,132	\$69,889	\$204,448	\$103,194	\$178,679	\$154,791	\$93,666	\$362,954	\$2,070,628	\$2,070,628	
County Northwest	\$326,574	\$532,838	\$360,036	\$182,920	\$631,247	\$415,022	\$1,360,085	\$676,899	\$187,105	\$889,440	\$180,238	\$1,342,555	\$7,084,959	\$7,084,959	
County Pass	\$0	\$9,146	\$0	\$18,292	\$18,292	\$0	\$18,292	\$18,292	\$0	\$0	\$0	\$0	\$82,314	\$82,314	
County Southwest	\$263,995	\$172,508	\$289,850	\$223,476	\$124,361	\$113,045	\$150,095	\$246,653	\$386,797	\$340,521	\$314,805	\$484,308	\$3,110,412	\$3,110,412	
Total	\$ 4,670,576	\$5,016,241	\$ 5,110,701	\$ 2,395,365	\$3,872,062	\$ 5,364,474	\$ 4,469,576	\$3,761,211	\$1,966,710	\$2,652,542	\$ 4,785,822	\$ 5,737,207	\$49,802,486	\$49,802,486	

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Item 5.A

TUMF Program Year in Review

Attachment 2

TUMF Revenue since Inception

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Northwest Zone since Inception	
Agency	Total Thru Program History
County	\$ 131,529,296.70
Riverside	\$ 89,614,126.04
Corona	\$ 40,138,257.93
Norco	\$ 6,229,801.91
March JPA	\$ 14,863,377.38
Eastvale	\$ 26,146,388.58
Jurupa Valley	\$ 28,360,844.14
Total	\$ 336,882,092.68

Southwest Zone since Inception	
Agency	Total Thru Program History
County	\$ 138,033,390.39
Temecula	\$ 40,886,567.90
Murrieta	\$ 55,649,250.95
Lake Elsinore	\$ 32,331,513.11
Canyon Lake	\$ 1,061,285.00
Wildomar	\$ 8,729,217.43
Total	\$ 276,691,224.78

Central Zone since Inception	
Agency	Total Thru Program History
County	\$ 49,875,045.44
Moreno Valley	\$ 90,315,279.84
Perris	\$ 33,405,856.28
Menifee	\$ 34,186,529.67
Total	\$ 207,782,711.23

Pass Zone since Inception	
Agency	Total Thru Program History
County	\$ 4,226,392.50
Calimesa	\$ 2,721,756.58
Banning	\$ 5,196,820.45
Beaumont	\$ 9,158,477.82
Total	\$ 21,303,447.35

Hemet/San Jacinto Zone since Inception	
Agency	Total Thru Program History
County	\$ 13,646,581.18
Hemet	\$ 19,334,550.53
San Jacinto	\$ 34,245,258.00
Total	\$ 67,226,389.71

Total Revenue thru FY 19/20	\$ 909,885,865.75
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Item 5.A

TUMF Program Year in Review

Attachment 3

TUMF Committed and Spent Project
Dollars since Inception

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TUMF Expenditures and Programmed Funds since Inception				
Agency	Spent	Committed	Regional TUMF Funding	
Banning	\$ 4,200,000	\$ 3,360,792	\$	4,828
Beaumont	\$ -	\$ 6,500,000	\$	4,868
Calimesa	\$ 1,600,000	\$ 7,250,000	\$	-
Canyon Lake	\$ 7,600,000	\$ -	\$	-
Corona	\$ 87,886,850	\$ 6,526,515	\$	27,420,402
County	\$ 67,802,117	\$ 51,893,007	\$	87,822,987
Eastvale	\$ 3,233,932	\$ 15,298,145	\$	754,637
Hemet	\$ 7,316,594	\$ 3,883,390	\$	19,722,269
Jurupa Valley	\$ 1,200,000	\$ 19,725,000	\$	9,538,884
Lake Elsinore	\$ 14,820,913	\$ 14,909,999	\$	7,877,219
March JPA	\$ 2,000,000	\$ 8,370,951	\$	-
Menifee	\$ 15,050,000	\$ 28,665,215	\$	356,000
Moreno Valley	\$ 51,641,488	\$ 38,637,965	\$	10,385,177
Murrieta	\$ 37,000,000	\$ 2,250,000	\$	-
Norco	\$ 4,800,000	\$ 1,254,000	\$	-
Perris	\$ 25,645,962	\$ 18,239,679	\$	47,268,557
Riverside	\$ 83,939,000	\$ 20,902,000	\$	18,389,876
San Jacinto	\$ 28,076,294	\$ 15,681,596	\$	75,640,552
Temecula	\$ 11,400,000	\$ 30,011,060	\$	36,786,148
Wildomar	\$ 9,325,000	\$ 23,937,517	\$	-

Note: Project funding may be applied to more than one city

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TUMF Program Year in Review

Attachment 4

TUMF Credit Agreement Allocations

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Credit Agreement Funding	
Agency	Spent/Committed
Banning	\$ 23,025,000
Beaumont	\$ 5,928,423
Calimesa	\$ 3,588,885
Canyon Lake	\$ -
Corona	\$ 49,185,000
County	\$ 28,143,639
Eastvale	\$ 15,502,528
Hemet	\$ -
Jurupa Valley	\$ 3,478,216
Lake Elsinore	\$ 1,274,845
Menifee	\$ 16,930,775
Moreno Valley	\$ 1,058,979
Murrieta	\$ 6,878,437
Norco	\$ 280,000
Perris	\$ 2,664,068
Riverside	\$ 3,332,421
San Jacinto	\$ -
Temecula	\$ 18,432,000
Wildomar	\$ 1,614,228
Total	\$ 181,317,443

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Item 5.A

TUMF Program Year in Review

Attachment 5

Measure A Receipts by Jurisdiction

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Agency	Measure A 2019 Funding
Banning	\$ 651,000
Beaumont	\$ 1,038,267
Calimesa	\$ 188,686
Canyon Lake	\$ 204,962
Corona	\$ 4,658,115
County	\$ 8,718,468
Eastvale	\$ 1,491,268
Hemet	\$ 1,927,145
Jurupa Valley	\$ 2,306,472
Lake Elsinore	\$ 1,496,639
Menifee	\$ 1,918,407
Moreno Valley	\$ 4,720,198
Murrieta	\$ 2,675,678
Norco	\$ 740,527
Perris	\$ 2,079,994
Riverside	\$ 8,241,029
San Jacinto	\$ 962,807
Temecula	\$ 3,334,125
Wildomar	\$ 705,711
Total	\$ 48,059,498

* - Measure A totals for the County are for WRCOG and CVAG region for unincorporated areas

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Western Riverside Council of Governments Finance Directors Committee

Staff Report

Subject: The Economy and Financial Markets Update

Contact: Richard Babbe, Managing Director, Public Financial Management, babber@pfm.com, (213) 415-1631

Date: October 22, 2020

The purpose of this item is to provide an overview of the economic prospects of 2020, as well as potential future fiscal policy changes. In addition, the presentation will cover an interest rate overlook, quantitative tapering and what it means, as well as where equity markets are headed.

Requested Action:

1. Receive and file.

The item is reserved for a presentation from Richard Babbe of Public Financial Management.

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

Finance Directors Committee

Staff Report

Subject: The Impact of Automation on Employment

Contacts: Johannes Moenius, Director, Institute of Spatial Economic Analysis, University of Redlands School of Business, jmoenius@iseapublish.com, (909) 748-8779

Date: October 22, 2020

The purpose of this item is to present research conducted by the Institute of Spatial Economic Analysis (ISEA) at the University of Redlands School of Business on the impact of automation on jobs in the subregion.

Requested Action:

1. Receive and file.

Automation is expected to play an increasingly larger role in the future economy of Western Riverside County and elsewhere throughout California and the nation. The Institute of Spatial Economic Analysis at the University of Redlands School of Business conducted research on the types of jobs that may be at risk with the continued advancement of automation. Since completion of its first study in 2018, the ISEA updated their study to incorporate the latest information regarding this topic.

Introduction

Technological changes have the potential to create significant societal and economic disruptions. The use of mechanical farm equipment in the 18th and 19th centuries paved the way for the factories and assembly lines of the 19th and 20th centuries. The information revolution, which includes computers, cell phones, and the internet in the late 20th and early 21st centuries have led to the significant changes in how the economy works. These technological changes were accompanied by significant societal disruptions as workers first left the farms for the factories and then left the factories for the offices.

According to some researchers, we are on the verge of another transformative change that could potentially affect our society and economy as much as or more so than these previous disruptions. Recent advances in robotics and artificial intelligence have the potential to disrupt our existing economic and social structure.

Some examples include:

- Amazon is experimenting with an unattended convenience store where cameras and sensors track customer purchases.
- Autonomous trucks and delivery vehicles are being tested throughout the United States.
- Restaurants are experimenting with food preparation robots to replace workers.
- Banks are deploying artificial intelligence (AI) software to help with customer service. In some cases, entire call centers are being replaced by AI.
- Hotels are deploying robots to clean rooms and even make beds.
- Warehouses and logistics centers are seeing the widespread deployment of robots that supplement or replace human workers.

The tasks most likely to be replaced are those with a high degree of repetition and those requiring limited amounts of creativity and higher-level thinking. Because of that, there is a strong likelihood that automation's greatest impacts will likely be found in the fields of retail, hospitality, logistics and transportation. Automation's impacts to the professional and technical field are less likely to be significantly impacted than those identified above. Unfortunately for Western Riverside County, most of its employment is concentrated in the fields most likely to be negatively impacted by automation.

ISEA completed an initial review of this issue and 2018 and presented the information to WRCOG's Executive Committee in March 2018. WRCOG later hosted a workshop for jurisdictional members in November 2018. In early June of 2020, ISEA prepared an update to their earlier analysis which is the focus of this presentation. The update focused on the accelerated impacts of automation due to the COVID-19 pandemic coupled with possible solutions to help combat the losses in automation and create a more resilient and adaptable worker for the future.

Some these key takeaways focused on recommendations such as:

- Micro-certifications
- Development of skill breadth versus skill depth
- Education
- Enterprises
- Entrepreneurship
- Environment

More information on the Institute's research can be found on their website at <https://www.iseapublish.com>.

Prior Action:

March 5, 2018: The Executive Committee received and filed.

Fiscal Impact:

None.

Attachment:

None.