



Western Riverside Council of Governments Administration & Finance Committee

AGENDA

Wednesday, May 10, 2023
12:00 PM

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

Committee members are asked to attend this meeting in person unless remote accommodations have previously been requested and noted on the agenda. The below Zoom link is provided for the convenience of members of the public, presenters, and support staff.

[Public Zoom Link](#)

Meeting ID: 841 9615 8467

Passcode: 739320

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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) 405-6702. 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 200, Riverside, CA, 92501.

In addition to commenting at the Committee meeting, members of the public may also submit written comments before or during the meeting, prior to the close of public comment to jleonard@wrcog.us.

Any member of the public requiring a reasonable accommodation to participate in this meeting in light of this announcement shall contact Janis Leonard 72 hours prior to the meeting at (951) 405-6702 or jleonard@wrcog.us. Later requests will be accommodated to the extent feasible.

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

1. CALL TO ORDER (Crystal Ruiz, Chair)

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. PUBLIC COMMENTS

At this time members of the public can address the Committee regarding any items within 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.

5. CLOSED SESSION

PUBLIC EMPLOYEE PERFORMANCE EVALUATION pursuant to Section 54957

Title: Executive Director

CONFERENCE WITH LABOR NEGOTIATORS pursuant to Section 54957.6

Agency designated representatives: Chair and General Counsel

Unrepresented employee: Executive Director

6. 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 April 12, 2023, Administration & Finance Committee Meeting

Requested Action(s): 1. Approve the Summary Minutes from the April 12, 2023, Administration & Finance Committee meeting.

B. Finance Department Activities Update

Requested Action(s): 1. Receive and file.

7. REPORTS / DISCUSSION

Members of the public will have an opportunity to speak on agenda items at the time the item is called for discussion.

A. Nominations for Executive Committee Chair, Vice-Chair, and 2nd Vice-Chair Positions

for Fiscal Year 2023/2024

Requested Action(s):

1. Nominate Executive Committee members to serve as WRCOG Chair, Vice-Chair, and 2nd Vice-Chair for Fiscal Year 2023/2024, for consideration at the June 5, 2023, Executive Committee meeting.

B. WRCOG 2023 Legislative Platform

Requested Action(s):

1. Recommend that the Executive Committee approve the WRCOG 2023 Legislative Platform.

C. Guidelines and Framework to Evaluate new WRCOG Programs and Initiatives

Requested Action(s):

1. Recommend that the Executive Committee adopt the proposed Guidelines and Framework to Evaluate new WRCOG Programs and Initiatives.

8. REPORT FROM THE COMMITTEE CHAIR

Crystal Ruiz, City of San Jacinto

9. REPORT FROM THE EXECUTIVE DIRECTOR

Dr. Kurt Wilson

10. ITEMS FOR FUTURE AGENDAS

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

11. GENERAL ANNOUNCEMENTS

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

12. NEXT MEETING

The next Administration & Finance Committee meeting is scheduled for Wednesday, June 14, 2023, at 12:00 p.m., in WRCOG's office at 3390 University Avenue, Suite 200, Riverside.

13. ADJOURNMENT

Administration & Finance Committee

Minutes

1. CALL TO ORDER

The meeting of the WRCOG Administration & Finance Committee was called to order by Chair Crystal Ruiz at 12:01 p.m., on April 12, 2023, in WRCOG's office.

2. PLEDGE OF ALLEGIANCE

Committee member Brian Tisdale led members and guests in the Pledge of Allegiance.

3. ROLL CALL

- City of Calimesa - Wendy Hewitt
- City of Corona - Jacque Casillas
- City of Jurupa Valley - Chris Barajas
- City of Lake Elsinore - Brian Tisdale
- City of Perris - Rita Rogers
- City of San Jacinto - Crystal Ruiz (Chair)
- County of Riverside, District 2 - Karen Spiegel
- Western Municipal Water District - Brenda Dennstedt

Members absent:

- City of Eastvale
- City of Norco
- County of Riverside, District 3

4. PUBLIC COMMENTS

There were no public comments.

5. CONSENT CALENDAR – (Lake Elsinore / WMWD) 8 yes; 0 no; 0 abstention. Items 5.A through 5.C were approved.

A. Summary Minutes from the March 8, 2023, Administration & Finance Committee Meeting

Action:

1. Approved the Summary Minutes from the March 8, 2023, Administration & Finance Committee meeting.

B. 2022 Fee Comparison Analysis Update - Final Report

Action:

1. Received and filed.

C. Finance Department Activities Update

This item was pulled by Committee member Wendy Hewitt who indicated that, based on the budget, the General Fund will have a loss of \$209k and asked for an update on whether there are anticipated expenditures, specifically in the HERO Program.

Andrew Ruiz, WRCOG Chief Financial Officer, responded that there was a budget adjustment in Quarter 2 (Q2) with respect to the HERO Program, as a deficit is anticipated.

Committee member Hewitt asked what happens if WRCOG does not obtain the other \$792k.

Mr. Ruiz stated that staff would have to draw down the Fund balance.

Dr. Kurt Wilson, WRCOG Executive Director, added that the HERO Program is in its wind-down phase, so it is expected that the sources of revenue will continue to dwindle.

Mr. Ruiz stated that there are four revenue sources from the HERO Program: administrative fees, early pay-offs, delinquency sell-offs, and refunds. For the Q2 Budget Amendment, various line items were reduced to try to minimize the deficit.

Gray Gray, WRCOG Deputy Executive Director, added that a majority of the revenue comes in once a year via the administrative fees in April and May.

Committee member Hewitt asked if an update of the FY 2021/2022 Audit was available.

Mr. Ruiz replied that the audit is almost complete. WRCOG is working on some implementations regarding Governmental Accounting Standards Board standards, and once it is finalized it will be sent out to the Committee members and posted on the WRCOG website.

Committee member Hewitt also stated that WRCOG shows a General Fund of \$13M, and asked why WRCOG is holding onto it.

Mr. Ruiz responded that the Agency can have a sizeable balance in the General Fund, and as part of the Strategic Plan, WRCOG is working to establish a reserve policy.

Dr. Wilson added that for cities, it is recommended to have two months on hand to prevent a cash flow issue. For WRCOG, the revenues come in at different times and from different sources, but as a best practice, WRCOG strives to keep an appropriate balance to maintain a cash flow.

Action:

1. Received and filed.

6. REPORTS / DISCUSSION

A. WRCOG Fiscal Year 2023/2024 Budget

Dr. Kurt Wilson, WRCOG Executive Director, and Andrew Ruiz, WRCOG Chief Financial Officer, provided an update on the budget for FY 2023/2024. Based on discussions at the last meeting with the Executive Committee, staff are proposing a set of guiding principles which focus on ensuring the fair distribution of funds, requiring non-comprehensive programs to be self-sustaining, the long-term health of each fund, and moving towards these goals in an incremental way when full-scale immediate changes are impractical.

Member dues will stay the same for the current year, but components of the dues structure will be evaluated by the Technical Advisory Committee (TAC).

Committee member Wendy Hewitt stated that having an automatic escalator would leave fees subject to Consumer Price Index (CPI) increases.

Dr. Wilson explained that for this year's budget, there would be no changes to dues, but WRCOG is presenting this to the TAC which will then make a determination.

Committee member Brian Tisdale asked what the dues are used for.

Dr. Wilson replied that dues are used for administrative operations. At the moment, administrative functions are also funded through program fees and member dues.

Committee member Tisdale agreed that it is not ideal to keep dues static and shuffle dollars around. Costs have gone up, so the Committee should come up with a fair solution that makes sense.

Committee member Karen Spiegel added that cities contribute via the TUMF Program. There should be a consistent criteria for dues, despite how the resources are allocated.

Chris Gray, WRCOG Deputy Executive Director, clarified that there is a set formula in WRCOG's Bylaws, based 50% on population, and 50% on assessed value of all properties in a jurisdiction.

Dr. Wilson added that in the event that the Committee makes a change that is inconsistent with the Bylaws, then the Committee would amend the Bylaws and Joint Powers Agreement provision. This year, no changes are proposed, but going forward, the issue will be brought up to the TAC.

Committee member Jacque Casillas asked if the current fees follow the formula.

Mr. Gray replied that the fees have not been adjusted since 2011/2012. There were some changes when four cities were added, and when the Morongo Band of Mission Indians and the City of Beaumont were brought on.

Committee member Brenda Dennstedt clarified that the water districts are set on a flat fee of \$18k since it overlaps a large area, and asked if there is a nominal coverage on the Water Task Force.

Mr. Gray replied that the Water Task Force is funded through the Local Transportation Fund (LTF). It does not show as a separate budget revenue or expense line item.

Committee member Dennstedt would like to have something to show how Western Municipal Water District contributes to the benefits that the member agencies receive on behalf of the Water Task Force.

Committee member Hewitt suggested not raising dues just because the other agencies are raising their dues. The Committee should review and determine if a raise is truly necessary.

Dr. Wilson continued the presentation with the Solid Waste Program. The Program does not affect every member agency, only the ones who participate in it. Dues have not been reviewed in over 10 years, and in that time there has been an increase of new State mandates which lead to higher program costs. An increase the Solid Waste Program fees would allow the Program to be self-sustaining.

Committee member Casillas asked about the AB 939 Report Preparation, and what the Program provides to cities.

Casey Dailey, WRCOG Director of Energy & Environmental Programs, explained that CalRecycle requires compliance reports for AB 939, which includes AB 1383 reports. Capacity planning exercises have been done in the past. The Solid Waste Program service is optional for member jurisdictions.

Committee member Hewitt stated that there should be a cap of overhead allocations applied to programs. Overhead costs should not be over-extended, and dues should not be increased to support an unrealistic overhead allocation rate. Typical rates range between 8% and 20% for overhead administrative cost allocations.

Dr. Wilson replied that some programs, such as the TUMF, use a standard percentage. TUMF is limited to 4%. For the Solid Waste Program, WRCOG is charging the actual administrative costs necessary to run the Program, and there is no over-charge.

Dr. Wilson continued with the Clean Cities Program. Similar to the Solid Waste Program, participation is also optional. The dues have not been reviewed in over 10 years, and it is not in a long-term, healthy place since activity has increased. Funding sources for FY 2022/2023 are coming in from the the U.S. Department of Energy / West Virginia University partnership, as well as one-time grants, and the LTF allocation. Staff are actively working to apply for grants and finding new revenue sources, but it is difficult to predict if WRCOG will receive those funds. There is a proposed increase of 10%, not counting grant revenue.

Committee member Hewitt asked how the 10% increase was calculated.

Dr. Wilson replied that the number was higher, but he suggested only increasing by 10%, recognizing that it is difficult for member agencies to take on unplanned increases, and difficult to predict the offsets by grants.

Mr. Ruiz added that the 10% gap would close the difference in expenditures and revenues in the near term, but the Committee should consider the long-term health of the Program.

Committee member Rita Rogers reiterated that program dues have not been increased in over 10 years, so it would be unrealistic to not expect some sort of fee increase.

Dr. Wilson stated that the increase is based on the actual cost to run the Program, so there would be no excess. In the long-term, the Committee should consider a fund balance, but it will take a number of years for the Program to become self-sustainable.

Committee member Tisdale asked if the Committee would have to look at the numbers each year.

Dr. Wilson responded that the only expected year-to-year issue would be related to grant funding. The baseline fees are predictable, but the discount based on grant revenue would vary.

Committee member Tisdale asked what happens if the actual Program costs are under the predicted costs.

Mr. Ruiz replied that the funds would stay within the Program fund balance, separate from the General Fund.

Dr. Wilson touched on the Fellowship Program. There are no proposed changes, and the Program will continue until funds run out. To extend the life of the Program, staff will work to find additional funding sources, such as state or federal grants, fundraising, sponsorships, or support from philanthropic entities, including the WRCOG Supporting Foundation.

Committee member Tisdale asked what the City Managers think about the Program, and stated that it is a good Program, but it would be up to the City Managers to find a way to fund it if they want it to continue.

Dr. Wilson stated that the TAC is meeting next Thursday, and staff has received a positive response from the Committee in support of the Program.

Mr. Gray stated that the TAC wanted to keep the Program without changing the fiscal structure. WRCOG has not yet presented the findings that the Program will not work without those changes.

Committee member Hewitt suggested mentioning the Program at the General Assembly and asking for donations.

Committee member Casillas laments the termination of the Program. Smaller cities which do not have the capacity to create their own Fellowship Program would miss out.

Committee member Spiegel suggested having a brochure, or adding in the scrip to talk about the Program at the General Assembly to get a feel for the supporters of WRCOG, and see if they would be willing to donate.

Dr. Wilson then presented the I-REN Program. Although it is a partnership between three member agencies, WRCOG is the administrative lead and retains final budget authority and responsibility as part of its own budget. The proposal is to have the General Assembly approve \$65M over a period of several years, with approximately \$10M per year. The Committee would set a limit for revenue and expenditures for I-REN, require all spending to conform to the I-REN Business Plan, delegate full budget amendment authority to the WRCOG Executive Committee, and delegate limited budget authority to I-REN to meet programmatic needs.

Committee member Spiegel asked if only WRCOG has a say in the budget, not the other two entities.

Dr. Wilson replied that the I-REN Executive Committee is intended to make budget decisions, but because the dollars come through the WRCOG budget, this Committee would make the final approval.

Committee member Chris Barajas, stated that one concern of the I-REN Executive Committee is that there are three COGs, and two are in Riverside County. Telling the I-REN Executive Committee that its decisions are not final may upset a few of the members.

Committee member Casillas added that although the I-REN is not a Joint Powers Authority and not autonomous, the WRCOG Committees should still respect the decisions of the I-REN since it is a sensitive subject.

Mr. Dailey stated that there is a discussion on the equitable distribution on next I-REN Executive Committee agenda to address concerns that have been raised. An overview of the proposed budget will be presented to the I-REN Executive Committee, which will then be added into the overall WRCOG budget solely for the accounting and tracking purposes, with line items decisions reserved for the I-REN Executive Committee.

Chair Crystal Ruiz suggested to update the verbiage in the proposal to remove "limited budget authority" to prevent issues with the I-REN Executive Committee.

Dr. Wilson will work with legal counsel to figure out a way to clearly state the authority of each Committee in a way that is more palatable.

Committee member Barajas suggested changing the "full budget authority to WRCOG Executive Committee" to "limited budget authority."

Dr. Wilson stated this is a fail-safe to keep control in case something goes wrong.

Committee member Casillas stated that it depends on how the item is presented to the I-REN Executive Committee, and it is wise for WRCOG to maintain control. The other I-REN Executive Committee members want to feel like equal partners, they understand that WRCOG is the administrative body, but verbiage is important.

Steve DeBaun, WRCOG legal counsel, noted that the WRCOG needs to be careful because in the end, WRCOG will be the one responsible for the Program. WRCOG should not give away the power to take actions to protect the Agency.

Dr. Wilson added that the focus should be on the technical pieces. The I-REN Executive Committee pulls the strings, but does not have to go into detail into how that comes about.

Chair Ruiz wants to be conscious of the key phrases that might upset the other I-REN Executive Committee members. The verbiage should be worded in a way that will not give away the power, but can be explained in a way that will not upset the Committee members.

Action:

1. Received and filed.

B. Environmental Department Activities Update - Regional Food Rescue and Technical Assistance RFP

Action:

1. Due to time constraints, item 6.B was moved to next month's meeting.

C. I-REN Activities Update and Survey Participation Results

Action:

1. Due to time constraints, item 6.C was moved to next month's meeting.

D. Appointment of WRCOG Representatives to Various Committees

Chris Gray, WRCOG Deputy Executive Director, stated that WRCOG is periodically asked to make appointments to various regional committees. Committee representatives are always elected officials from WRCOG member agencies, not necessarily Executive Committee members, but elected officials.

Two vacancies exist:

1. Santa Ana Watershed Project Authority's One Water One Watershed Steering Committee (SAWPA OWOW) due to Ted Hoffman's untimely passing.
2. SCAG Policy Committee due to Linda Krupa being elected to a SCAG Regional Council seat.

Six applications were received for the SAWPA OWOW Committee, and the Administration & Finance Committee recommended Wes Speake.

Three applications were received for the SCAG Policy Committee, and the Administration & Finance Committee recommended Malcolm Lilienthal for the SCAG position in the Transportation Committee.

RESULT: APPROVED AS RECOMMENDED

MOVER: Perris

SECONDER: Calimesa

AYES: Calimesa, Corona, Jurupa Valley, Lake Elsinore, Perris, San Jacinto, WMWD

ABSENT: Eastvale, Norco, County District 2, County District 3

Actions:

1. Recommended that the Executive Committee appoint Wes Speake to the Santa Ana Watershed Project Authority's One Water One Watershed Steering Committee for a term commencing May 1, 2023, and ending December 31, 2024.
2. Recommend that the Executive Committee appoint Malcolm Lilienthal to SCAG Transportation Policy Committee for a term commencing May 1, 2023, and ending December 31, 2024.

E. WRCOG 2023 Legislative Platform

Actions:

1. Due to time constraints, item 6.E was moved to next month's meeting.

7. REPORT FROM THE COMMITTEE CHAIR

Chair Crystal Ruiz did not have anything to report.

8. REPORT FROM THE EXECUTIVE DIRECTOR

Dr. Kurt Wilson reported that WRCOG staff are working with the City of Norco to find an appropriate tribute for Mr. Hoffman at General Assembly.

9. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

10. GENERAL ANNOUNCEMENTS

There were no general announcements.

11. NEXT MEETING

The next Administration & Finance Committee meeting is scheduled for Wednesday, May 10, 2023, at 12:00 p.m., in WRCOG's office at 3390 University Avenue, Riverside.

12. CLOSED SESSION

PUBLIC EMPLOYEE PERFORMANCE EVALUATION pursuant to Section 54957
Title: Executive Director

CONFERENCE WITH LABOR NEGOTIATORS pursuant to Section 54957.6
Agency designated representatives: Chair and General Counsel
Unrepresented employee: Executive Director

13. ADJOURNMENT

The meeting of the Administration & Finance Committee adjourned at 2:10 p.m.



Western Riverside Council of Governments Administration & Finance Committee

Staff Report

Subject: Finance Department Activities Update
Contact: Andrew Ruiz, Chief Financial Officer, aruiz@wrcog.us, (951) 405-6740
Date: May 10, 2023

Requested Action(s):

1. Receive and file.

Purpose:

The purpose of this item is to provide an update on the Finance department activities.

WRCOG 2022-2027 Strategic Plan Goal:

Goal #3 - Ensure fiscal solvency and stability of the Western Riverside Council of Governments.

Background:

On April 3, 2023, the Executive Committee adopted a new Strategic Plan with specific fiscal-related goals:

1. Maintain sound, responsible fiscal policies.
2. Develop a process to vet fiscal impact(s) and potential risk(s) for all new programs and projects.
3. Provide detailed financial statements for public review online.

Regarding goal #1, staff have planned out a process to go through and revise all of its fiscal-related policies by the end of the fiscal year. Staff will begin by updating its Investment Policy with the assistance of its financial advisor, Public Financial Management (PFM), and will seek input from the Finance Directors Committee at its next meeting.

Regarding goal #2, a separate item is included in this agenda (Guidelines and Framework to Evaluate new WRCOG Programs and Initiatives).

Regarding goal #3, staff have updated the public financial statements with significantly more detail, including breaking out each line item by fund, department, and program. These detailed financial statements provide more transparency into each of the Agency's funds and programs.

As staff continue to work through these goals, input from WRCOG's Committee structure will be important to ensure the goals are met.

Fiscal Year (FY) 2023/2024 Agency Budget

While work on the Fiscal Year 2023/2024 budget process started earlier in the Fiscal Year with the Classification and Compensation Study and long-range fiscal modeling, staff have completed its presentations and discussions on the FY 2023/2024 budget to the various committees, which started with the Finance Directors Committee in February with a recommendation from the Executive Committee to the General Assembly to approve the Fiscal Year 2023/2024 budget.

Prior Action(s):

None.

Fiscal Impact:

This item is for informational purposes only; therefore, there is no fiscal impact. Finance Department activities are included in the Agency's adopted Fiscal Year 2022/2023 Budget under the Administration Department under Fund 110.

Attachment(s):

None.



Western Riverside Council of Governments Administration & Finance Committee

Staff Report

Subject: Nominations for Executive Committee Chair, Vice-Chair, and 2nd Vice-Chair Positions for Fiscal Year 2023/2024

Contact: Dr. Kurt Wilson, Executive Director, kwilson@wrcog.us, (951) 405-6701

Date: May 10, 2023

Requested Action(s):

1. Nominate Executive Committee members to serve as WRCOG Chair, Vice-Chair, and 2nd Vice-Chair for Fiscal Year 2023/2024, for consideration at the June 5, 2023, Executive Committee meeting.

Purpose:

The purpose of this item is to recommend nominations for approval by the General Assembly for Executive Committee leadership for Fiscal Year (FY) 2022/2023.

WRCOG 2022-2027 Strategic Plan Goal:

Goal #4 - Communicate proactively about the role and activities of the Council of Governments.

Background:

WRCOG's Bylaws (November 2021) indicate that there are three elected positions for WRCOG Leadership: Chair, Vice-Chair, and 2nd Vice-Chair. As per the Bylaws, there are several requirements, including:

1. Must be a member of the Executive Committee (Article II, Section 2.A)
2. Must be from different members of the WRCOG member agencies (Article II, Section 2.B)

The Chair, Vice-Chair, and 2nd Vice-Chair all serve on an annual basis, with a term that runs through the fiscal year (July 1 to June 30).

The Administration & Finance Committee acts as the nominating Committee for leadership positions on the Executive Committee. The nomination period for these positions was open from April 7, 2023, to May 3, 2023. Three nominations were received for the various leadership positions. The following nominations were received prior to the deadline:

Chair: Chris Barajas, city of Jurupa Valley

Vice-Chair: Rita Rogers, City of Perris

2nd Vice-Chair: Brenda Dennstedt, Western Municipal Water District

The Administration & Finance Committee serves as the nominating committee and makes recommendations to the Executive Committee. These nominations will be considered at the June 5, 2023 Executive Committee meeting. Final approval of these positions will be conducted at the General Assembly meeting on June 29, 2023.

Prior Action(s):

None.

Fiscal Impact:

The action itself does not make any financial transactions; however, meeting stipends are allocated in the Fiscal Year 2023/2024 Agency Budget.

Attachment(s):

None.



Western Riverside Council of Governments Administration & Finance Committee

Staff Report

Subject: WRCOG 2023 Legislative Platform
Contact: Dr. Kurt Wilson, Executive Director, kwilson@wrcog.us, (951) 405-6701
Date: May 10, 2023

Requested Action(s):

1. Recommend that the Executive Committee approve the WRCOG 2023 Legislative Platform.

Purpose:

The purpose of this item is to present the 2023 Legislative Platform for discussion and approval.

WRCOG 2022-2027 Strategic Plan Goal:

Goal #1 - Serve as an advocate at the regional, state, and federal level for the Western Riverside subregion.

Background:

In January 2022, WRCOG's Executive Committee adopted the WRCOG 2022/2027 Strategic Plan. This Plan contained seven goals, the first of which was, "Serve as an advocate at the regional, state, and federal level for the Western Riverside subregion."

Four strategies were identified to implement this goal including:

1. Strategy 1.1: Provide consistent updates regarding legislative actions that impact WRCOG member agencies to Committee members and member agency staff members.
2. Strategy 1.2: Update the legislative platform detailing WRCOG's position(s) on issues that affect member agencies and actively promote that platform.
3. Strategy 1.3: Explore options for the creation of a Legislative Action Committee.
4. Strategy 1.4: Provide opportunities for WRCOG members to actively participate in efforts in Sacramento to shape policy and effectively communicate regional successes.

This item directly addresses Strategy 1.2 (Legislative Platform) and also updates Committee members regarding Strategy 1.3 (Legislative Action Committee).

The attached draft Legislative Platform includes a Statement of Principles and the Implementation Strategy. The Platform also outlines the roles and responsibilities of the Administration & Finance Committee, the Advocacy Ad Hoc Committee, the WRCOG Executive Director, and the WRCOG Executive Committee Chair.

Attachment 1 provides the 2023 Legislative Platform for review and discussion.

Prior Action(s):

None.

Fiscal Impact:

The proposed Legislative Platform does not address the use of external lobbyists. Currently, advocacy efforts are anticipated to be the work product of WRCOG Committee members or staff in concert with partner agencies. Any associated meeting or travel costs are incorporated in the annual budgeting process. Costs associated with these activities are included in Fund 110 (General Fund) under the Administration Department.

Attachment(s):

[Attachment 1 - FY 2023/2024 Legislative Platform](#)

LEGISLATIVE PLATFORM

Introduction

The Fiscal Year 2023/2024 WRCOG Legislative Platform (Platform) is designed to provide guidance to WRCOG and its member agencies on legislative, regulatory, and administrative issues with regional impacts and of mutual concern. Positions adopted by the WRCOG Executive Committee will guide the Agency's actions and communications with state, regional, and federal officials. By adopting this Platform, the Executive Committee provides guidance, parameters, and direction to the WRCOG Executive Director to protect WRCOG's advocacy interests.

Typically, items of legislative or advocacy interest are brought to WRCOG's attention by WRCOG's member agencies or partners, which desire WRCOG to take a position on the item, in order to demonstrate a united subregional stance on a particular issue. WRCOG does not currently employ full time legislative staff or lobbyists, and therefore has limited ability to commit significant time to legislative activities. For the *General Advocacy Platform* components described below, staff will, to the extent possible, monitor legislation that falls within the scope of the adopted Platform and use the Platform as a guide to initiate or respond to issues and/or requests raised by WRCOG's member agencies. Through its own internal efforts and by leveraging partner resources, staff will strive to also provide timely information on the impacts of such legislative, regulatory, or administrative initiatives to member agencies through WRCOG's existing Committee structure with an emphasis on the Advocacy Ad Hoc Committee.

GENERAL ADVOCACY PLATFORM

In 2021 (revisited in 2023), the WRCOG Executive Committee established the following Agency-wide Strategic Plan Goals, which are listed below and comprise the *General Advocacy Platform (Platform)*:

1. Serve as an advocate for the subregion.
2. Identify and help secure grants.
3. Ensure fiscal solvency and stability of WRCOG.
4. Communicate proactively.
5. Develop projects and programs that improve infrastructure.
6. Develop and implement programs that support resilience.
7. Provide a safe and inclusive environment that values employees.

GUIDING ADVOCACY PRINCIPLES

The *Guiding Advocacy Principles* (Principles) are intended to facilitate the timely and effective implementation of the Agency's advocacy agenda. The advocacy process often requires actions or responses that were not anticipated in the process of drafting this document. In addition to the need to identify and evaluate potential actions, the legislative process moves quickly during some phases of the legislative cycle. In those cases, it is not practical for the WRCOG Committee structure to convene quickly enough to provide direction on specific actions.

The approval of this document specifically delegates that authority to either the Administration & Finance Committee, Advocacy Ad Hoc Committee, Executive Committee Chair, and/or Executive Director, depending on the circumstance. Globally, all designated authority shall be limited to actions that do not conflict with the Platform or the following Principles:

- a. Protect and advocate for local control and resources including local autonomy for land use, financial, and quality of life decisions.
- b. Seek financial sustainability and independence.
- c. Defend against proposals that constrain or intrude on local policy-making authority, including quality of life and economic development.
- d. Avoid intra-agency conflicts: take reasonable efforts to avoid inserting the resources and identity of WRCOG to determine the outcome of conflicts between member agencies.
- e. Exercise restraint: strive for the best use of WRCOG resources by limiting action to issues best addressed by WRCOG rather than a different agency or partner.
- f. Collaborate for efficiency: proactively engage and coordinate with stakeholders who share WRCOG's policy interests in order to maximize our collective voice and minimize our resource allocation.

IMPLEMENTATION STRATEGY

In furtherance of the Platform, and within the confines of the Principles, authority is granted for action in the following four areas:

1. Advocacy: initiate and react to legislative, regulatory, and administrative proposals.
2. Convening: serve as catalyst for dialogue and issue-specific education.
3. Facilitating: promote collective action among stakeholders in furtherance of effective local action.
4. Targeted action: deliberately and intentionally prioritize the needs and interests of Western Riverside County as a whole.

Administration & Finance Committee

The Administration & Finance Committee shall be authorized to take or direct actions on behalf of WRCOG that are consistent with the four implementation actions above. The Committee shall be authorized to take or direct action that that is inconsistent with, or falls outside the scope of, the Goals or Principles subject to the consent of $\frac{3}{4}$ of members who vote on the action. Actions to be considered by the Administration & Finance Committee shall fall into one of three categories:

1. Lack of urgency: the matter is not time sensitive and will not be jeopardized by waiting for the Committee to convene.
2. Heightened sensitivity: the topic is likely to garner strong conflicting opinions among members and no opportunity for debate has occurred.
3. Not covered by Goals or Principles: topics not contemplated by the broad confines approved in this document.

Advocacy Ad Hoc Committee

The Advocacy Ad Hoc Committee serves as the default clearinghouse for all advocacy actions not excluded in this document (i.e., time sensitive). Their membership shall be determined annually by the Executive Committee Chair for the current legislative year and their primary actions shall consist of providing recommendations to the Administration & Finance Committee.

When impractical or unnecessary to defer to the Administration & Finance Committee, the Advocacy Ad Hoc Committee is authorized to take or direct actions on behalf of WRCOG that are consistent with the four implementation actions above.

Executive Director

When practical, the Executive Director shall defer to the Advocacy Ad Hoc Committee to make policy decisions related to the Agency's advocacy efforts. When not practical (i.e., time sensitivity), the Executive Director is authorized to take or direct actions that are in furtherance of the Agency's approved Goals and Principles. This shall include the implementation actions defined above and may also specifically include the written or verbal representations necessary to support the agency's interests.

Executive Committee Chair

Throughout the advocacy process, there are circumstances where the voice of an elected official, versus a staff person speaking on behalf of a group of elected officials, can be more persuasive. Within the confines listed throughout this document, the Executive Committee Chair is authorized to represent WRCOG in a manner consistent with the Goals, Principles, and implementation actions described above.



Western Riverside Council of Governments Administration & Finance Committee

Staff Report

Subject: Guidelines and Framework to Evaluate new WRCOG Programs and Initiatives
Contact: Dr. Kurt Wilson, Executive Director, kwilson@wrcog.us, (951) 405-6701
Date: May 10, 2023

Requested Action(s):

1. Recommend that the Executive Committee adopt the proposed Guidelines and Framework to Evaluate new WRCOG Programs and Initiatives.

Purpose:

The purpose of this item is to present guidelines and a framework to evaluate new WRCOG programs and initiatives.

WRCOG 2022-2027 Strategic Plan Goal:

Goal #3 - Ensure fiscal solvency and stability of the Western Riverside Council of Governments.

Background:

The role of WRCOG is consistent with applying innovative approaches to address problems of regional concern. WRCOG's ability to quickly adapt is well-suited for innovation, however, that innovation also comes with a level of risk. An open policy decision is to determine the appropriate balance between innovation and risk that the agency should pursue.

The WRCOG Strategic Plan includes the following strategy under Goal 3 (Fiscal Solvency & Stability):

1. Strategy 3.2: Develop a process to vet fiscal impact(s) and risks(s) for all new potential programs and projects.

The fundamental problem addressed in this Strategy is that the current processes in place at WRCOG may not provide all the information required to address both fiscal impacts and risks associated with new programs and projects. For example, all WRCOG Staff Reports disclose Fiscal Impacts of a particular action. However; the Fiscal Impact statement may not address issues such as the long-term sustainability of a new program or projects. Additionally, there may be non-fiscal risks associated with a new program which aren't addressed through a Fiscal Impact statement. While these issues can be dealt with on a case-by-case basis, it would seem to be more beneficial to have a consistent, transparent, and easily understood process that still allows for innovation to occur.

The process to address this strategy, including an evaluation of the goal of this effort, a review of potential options, the identification of criteria, the development of an evaluation tool, and the testing of

this tool, are presented below. The conclusion of this effort is a list of criteria and an interactive tool which can be applied by staff to evaluate new programs and projects to address this strategy in the WRCOG Strategic Plan.

Goal of This Effort

Based on the language in the WRCOG Strategic Plan, the primary aim of this effort is to disclose potential negative consequences associated with new programs and initiatives so that members can make fully informed decisions about particular programs. The language does not limit implementation of programs with certain characteristics or require that new programs have certain elements; instead, the focus is on the identification and consideration of potential impacts. Therefore, one could conclude that the purpose of this exercise is to more fully disclose potential short and long-term impacts of new programs and projects.

Potential Options

In addition to considering the benefits of a particular program, this process now pays special attention to potential risks or downsides of a particular program by highlighting those risks for unobscured consideration by Committee members.

Three potential options were considered. The first option would be to employ a heavily quantitative process such as a formal cost / benefit analysis. A second option would be to focus on a risk management exercise which considers likely outcomes and negative aspects of those outcomes, and a final approach is some kind of criteria which are evaluated through some type of qualitative analysis.

Each of these approaches has positive and negative aspects. A formal cost / benefit analysis provides quantitative measures which can be compared across different initiatives. A cost / benefit analysis is often done for infrastructure grant applications whereby the project applicant states that each for each dollar invested in the project, a certain level of benefit is provided in terms of additional roadway capacity. A cost / benefit analysis requires that the project costs and benefits be calculated through some formal process. Grant applications usually specify the manner in which this analysis should be done to maintain consistency among applications. The second kind of approach would be to engage in some type of risk management analysis focused on identifying potential risks, assessing the risk, and then identifying controls for the risk. These risks could include financial, legal or even reputational. The final approach would be to employ a series of criteria which can then be evaluated in a formal manner. This approach could use a checklist with defined outcomes to convey information regarding both the positive and negative aspects of a new program or project.

The checklist approach would have several benefits. First, a checklist could incorporate a large number of criteria which might not be addressed through a cost / benefit analysis or a risk management approach. Cost / benefit analyses generally require that all benefits be quantified, which will often restrict the potential criteria that can be applied. A risk management analysis focuses less on benefits and more often on potential risks or challenges a project might face.

A common example of the checklist approach is the one employed by the California Environmental Quality Act (CEQA). The CEQA checklist identifies potential project impacts related to air quality, biological impacts, noise, and other related topics. Each topic area includes a number of specific questions that have to be addressed before a full CEQA analysis is done.

Criteria

Once the checklist approach was identified, the next step in the process was to develop criteria based on the Strategic Plan, commonly used public policy principles, and WRCOG's previous experience implementing various programs. The criteria identified include:

1. Is this issue a regional concern?
2. Is this effort in alignment with the Strategic Plan?
3. Have WRCOG member agencies requested that WRCOG address this issue?
4. Are others in the region addressing this issue already?
5. What is the track record of other agencies addressing this issue?
6. What is the staff expertise on this issue?
7. What is the level of available start-up funding?
8. Is there available funding to maintain this program?
9. Are there restrictions on the use of funds associated with this effort?
10. Does WRCOG have control over implementation activities?
11. What is the level of regulatory complexity?
12. What are the administrative requirements for this effort?
13. Is this effort consistent with other WRCOG programs?
14. Is there documentation regarding WRCOG's roles and responsibilities?
15. Is there a negative outcome if no action is taken?
16. Is there a financial impact to WRCOG to discontinue this effort?
17. Are there legal impacts to WRCOG to discontinue this effort?
18. Does this effort have clearly understood goals?
19. Does this initiative provide value to WRCOG agencies?
20. What is the level of external support/opposition?

Evaluation Tool

For each of the criteria above, further definition was provided to define how each question should be analyzed. For example, criteria #3 states "Have WRCOG Member Agencies requested that WRCOG address this issue?" In this specific instance, rather than a Yes/No answer option, three levels are identified:

Low - WRCOG has not received direct requests related to this item.

Medium - WRCOG has received a limited number of requests related to this item.

High - WRCOG has received a significant number of requests related to this item.

A Low, Medium, and High option were identified for each criteria as noted in Attachment 1.

Testing

Once an initial version of the criteria was development and each criteria was further defined into a Low, Medium, and High condition, eight former and existing WRCOG programs were evaluated using this approach. The programs evaluated include:

1. REAP 2.0 SCAG Grant (proposed)

2. Update of the Good Neighbor Guidelines for Logistical Facilities (proposed)
3. WCE (former)
4. Residential PACE (existing)
5. Commercial PACE (existing)
6. Regional Food Recovery (proposed)
7. TUMF (existing)
8. Fellowship (existing)

This testing process indicated that the proposed approach was reflective of some of the issues / challenges WRCOG has experienced with previous efforts. For example, the Residential PACE Program scored Low on a number of criteria including:

- Have WRCOG member agencies requested that WRCOG address this issue?
- What is the staff expertise on this issue?
- Does WRCOG have control over implementation activities?
- What is the level of regulatory complexity?
- Is there a negative outcome if no action is taken?
- Is there a financial impact to WRCOG to discontinue this effort?
- What is the level of external support/opposition

In contrast, the TUMF Program scored Low on only three criteria:

- Are there restrictions on the use of funds associated with this effort?
- Is there a financial impact to WRCOG to discontinue this effort?
- Are there legal impacts to WRCOG to discontinue this effort?

The Fellowship Program scored low on three criteria as well:

- Is this effort in alignment with the Strategic Plan?
- Is there available funding to maintain this program?
- Is there a negative outcome if no action is taken?

To illustrate how criteria apply across different programs, consider the issue of control over implementation activities. For Residential PACE, WRCOG worked through Renovate America which worked with contractors who worked with homeowners. For the TUMF Program, WRCOG is reimbursing agencies who complete TUMF projects. For the Fellowship Program, WRCOG hires the Fellows directly. Therefore, the Residential PACE Program scored Low on this criteria, TUMF was in the middle, and Fellowship was the highest.

Another important issue is one of who benefits from a program whether it is a broad representation of WRCOG members or a limited number of members. Criteria #19 directly addresses this issue by assessing the level of direct benefit to WRCOG agencies as follows:

- Low- Effort produces few tangible products which benefit WRCOG member agencies
- Medium- Products/services provide some value to WRCOG member agencies
- High- Products/services would be widely used by WRCOG members

An example of a current WRCOG Program which scores highly in regards to this criteria is the TUMF Program. The Program has funded a transportation project in each WRCOG Member Agency. A program which would score lower on this criteria is the Commercial PACE Program which has funded several projects in the WRCOG region and provides some benefit to member agencies but not all member agencies benefit.

Implementation

This approach is being presented for consideration and potential implementation following review by WRCOG Administration & Finance Committee members. Once this approach is finalized and approved by the WRCOG Executive Committee, implementation should occur on a continual basis as new programs and projects are considered. It would also seem beneficial to periodically revisit this approach on a regular basis, perhaps annually as it is employed on a regular basis. The results of this approach can also be referenced in Staff Reports for new programs as they are brought forward for WRCOG Committee action to ensure consistency with the Strategic Plan.

Conclusion

Based on the research and evaluation process, the approach provides a tool to communicate potential benefits and challenges associated with new programs and initiatives in a manner which can be easily communicated. The proposed approach also lends itself to a consistent approach to treat these issues for multiple programs and projects. Once approved, this approach can be implemented on a regular basis as WRCOG evaluates and considers new programs and projects.

Prior Action(s):

None.

Fiscal Impact:

Staff time related to the preparation of this item is included in Fund 110 (General Fund) under the Administration Program.

Attachment(s):

[Attachment 1 - New Program Criteria](#)

	Questions	Low	Medium	High
1	What is the level of regional concern regarding this issue?	Issue is discussed rarely within the WRCOG subregion. Low awareness among Agency Staff and Elected Officials.	Some discussion but not seen as a regional priority. Moderate level of awareness among Agency Staff and Elected Officials.	Regular discussion of the issue and high level of awareness among Agency Staff and Elected Officials. Seen as a regional priority.
2	How consistent is this issue with the WRCOG Strategic Plan?	Not directly addressed	Indirectly addressed	Specifically listed in Strategic Plan
3	Has WRCOG received requests to address this issue?	WRCOG has not received direct requests related to this item	WRCOG has received a limited number of requests related to this item	WRCOG has received a significant number of requests related to this item
4	Is this issue being addressed by other agencies in the WRCOG region?	High number of agencies currently addressing this issue.	Limited number of agencies addressing this issue.	No other agencies are currently addressing this issue in the region.
5	What is the track record of other agencies implementing similar efforts?	Recent efforts by others have not been successful or no comparable examples.	Moderate level of success by others.	Similar efforts have a demonstrated track record of success.
6	What is the level of Staff expertise in this area?	Low level of staff expertise.	Some staff in WRCOG have moderate level of experience.	Multiple staff members have high level of expertise in this issue area.
7	What is the level of available funding to start this initiative?	Limited funding available for start-up/initiation costs.	Some funding available but would require reallocation of resources.	Sufficient funding available to initiate this effort.
8	What is the level of available funding to maintain this initiative?	Additional funds will have to be secured to implement this effort.	On-going funding is available but some effort require to secure the funding.	Initiative has secured sufficient funding to be self-sustaining for the foreseeable future.
9	Do the fund associated with this effort carry significant restrictions on their use by WRCOG?	Fund carry high levels of reporting requirements or other similar restrictions.	Additional requirements for funds associated with this effort but can be addressed through existing processes.	No additional restrictions beyond those imposed on government agencies related to fiscal matters.
10	How much control does WRCOG have over any implementation activities?	Implementation activities will be conducted by other parties with limited oversight/control by WRCOG. Implementation will be done by 3rd parties not associated with WRCOG.	WRCOG has some level of control over implementation through reporting or other oversight mechanisms.	WRCOG has direct control over the implementation activities related to this program.
11	What is the level of regulatory complexity?	Heavily regulated topic by Federal/State/Regional agencies. Will require significant legal and consultant assistance to address regulatory requirements.	Some regulation by Federal/State/Regional agencies. Some level of complexity that requires assistance by legal and consultants for regulatory issues.	Nominal level of complexity. Limited support needed from legal and consultants to address regulatory issues.
12	How challenging are the administrative requirements associated with this initiative?	Will require dedicated staff to meet administrative requirements.	Administrative requirements can be met through reallocation of existing staff.	Administrative requirements can be met through existing staff with little disruption to existing work.
13	How consistent is this initiative with existing WRCOG programs?	No relationship with existing WRCOG programs.	Indirect relationship with existing WRCOG programs/efforts.	Diirectly related to existing WRCOG programs/efforts.

	Questions	Low	Medium	High
14	Is there documentation which describes WRCOG's roles and responsibilities?	Limited documntation regarding WRCOG's roles and responsibilities.	Some documentation with funding or regulatory agency but no documentation with other parties.	Agreements with funding/regulatory agencies and member agencies which clearly delineate roles and responsibilities.
15	What is the level of negative outcomes if WRCOG chooses not to act?	No negative outcomes for WRCOG members if WRCOG does not act.	Limited number of negative outcomes for WRCOG members associated with not acting.	Multiple negative consequents for WRCOG Member agencies and others if WRCOG fails to act
16	What are the financial impacts to WRCOG to discontinue the effort if WRCOG nitiates this work?	High level of financial impacts to WRCOG if the initiative/effort is discontinued such as long-term financial obligations or revenue loss to WRCOG. Limited ability to mitigate those impacts.	Finanical impact to WRCOG but impact can be mitigated through various strategies.	Limited financial impacts to WRCOG to discontnue this effort.
17	What are the legal impacts for WRCOG to discontinue the effort if WRCOG nitiates this work?	Long-term legal implications for WRCOG to discontinue the program. Limited abiltiy to mitigate those impacts.	Legal impacts to WRCOG can be mitigated through various stategies.	Limited legal impacts to WRCOG is we discontinue this effort.
18	Does WRCOG have clearly stated and understood goals for this initiative?	Goals are not well defined or there is not significant agreement on goals for the effort.	Some clarity on effort goals but there is some level of ambiguity.	Clearly defined goals for this effort.
19	Does the initiative provide deliverables or services which directly benefit WRCOG member agencies?	Effort produces few tangible products which benefit WRCOG member agenices.	Products/services provide some value to limited nubmer of WRCOG agencies.	Products/services would be widely used by WRCOG members.
20	What is the level of external stakeholder support for this effort?	External stakeholders are directy opposed to this effort.	Indifference by external stakeholders for this effort.	High level of support for this effort by external stakeholders.