

WRCOG Executive Committee

Minutes

1. CALL TO ORDER

The meeting of the WRCOG Executive Committee was called to order by Chair Crystal Ruiz at 2:23 p.m. on April 3, 2023, at the Riverside County Administrative Center, 4080 Lemon Street, 1st Floor Board Chambers, Riverside.

2. PLEDGE OF ALLEGIANCE

2nd Vice-Chair Rita Rogers led the Committee members and guests in the Pledge of Allegiance.

3. ROLL CALL

- City of Beaumont - Mike Lara
- City of Banning - Reuben Gonzalez
- City of Calimesa - Wendy Hewitt
- City of Canyon Lake - Mark Terry
- City of Corona - Jacque Casillas
- City of Eastvale - Christian Dinco
- City of Hemet - Jackie Peterson
- City of Jurupa Valley - Chris Barajas
- City of Lake Elsinore - Brian Tisdale
- City of Menifee - Bob Karwin
- City of Moreno Valley - Elena Baca-Santa Cruz
- City of Murrieta - Ron Holliday
- City of Norco - Kevin Bash
- City of Perris - Rita Rogers
- City of Riverside - Ronaldo Fierro
- City of San Jacinto - Crystal Ruiz
- City of Temecula - James Stewart
- City of Wildomar - Joseph Morabito
- County, District 1 - Kevin Jeffries
- County, District 2 - Karen Spiegel
- County, District 3 - Chuck Washington
- Eastern Municipal Water District (EMWD) - Phil Paule
- Western Municipal Water District (WMWD) - Brenda Dennstedt

4. PUBLIC COMMENTS

Arnold San Miguel from SCAG announced that registration for the SCAG Regional Conference & General Assembly is now open; register at <https://scag.ca.gov/2023-regional-conference-general->

[assembly](#). Join Southern California's most influential leaders May 4 - 5, 2023, at the JW Marriot Desert Springs Resort & Spa. Register by Friday, March 31st to get \$100 off the general admission price. The event is free for elected officials and City Managers in the region.

SCAG's Connect SoCal, its visionary plan for the future of the region, is underway and SCAG wants to hear from you. Public workshops and pop-up events are as follows:

Thursday, April 13, 9 a.m. - 11 a.m. / 12 p.m. - 2 p.m.
Historic Santa Fe Depot Tile Room
1170 W. Third Street
San Bernardino, CA 92410

Tuesday, May 2, 12 p.m. - 3 p.m. / 4 p.m. - 6 p.m. and Wednesday, May 3, 9 a.m. - 11 a.m.
UC Riverside, Palm Desert, Rooms B114 and B117
75080 Frank Sinatra Drive Palm Desert, CA 92211

Friday, May 5, 5 p.m. - 8 p.m.
Connect SoCal pop-up at Temecula Rod Run, 41000 Main St., Temecula, CA.

Monday, May 8 12 p.m. - 3 p.m.
Anthony Munoz Community Center 1240 W. Fourth Street Ontario, CA 91762

5. CONSENT CALENDAR

RESULT:	APPROVED AS RECOMMENDED
MOVER:	Jurupa Valley
SECONDER:	Murrieta
AYES:	Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 1, District 2, District 3, EMWD, WMWD

A. Summary Minutes from the March 6, 2023, Executive Committee Meeting

Action:

1. Approved the minutes from the March 6, 2023, Executive Committee meeting.

B. Finance Department Activities Update

Action:

1. Received and filed.

C. WRCOG Committees and Agency Activities Update

Action:

1. Received and filed.

D. Report out of WRCOG Representatives on Various Committees

Action:

1. Received and filed.

E. Single Signature Authority Report

Actions:

1. Received and filed.

F. Approval of Third Amendment to Professional Services Agreement with Yunex, LLC

Action:

1. Approved the Third Amendment with Yunex, LLC, to exclude extraordinary O&M costs from the not-to-exceed amount in the Agreement.

G. Streetlight Program, Broadband, and Energy Resilience Activities Update

Action:

1. Received and filed.

H. SCAG Update: March 2023

Action:

1. Received and filed.

6. REPORTS / DISCUSSION

A. Approval of WRCOG Strategic Plan

Dr. Kurt Wilson, WRCOG Executive Director, reported that the the Executive Committee convened approximately 18 months ago to set out the course for where the organization should go. Some Executive Committee members met again in late 2022 to review the Strategic Plan to ensure that WRCOG was still on track, make necessary course-corrections, and discuss various topics. Key discussion points included the identity, value, and purpose of WRCOG, the status of the Strategic Plan items, and Plan amendments. There was also an interest in increasing the use of Ad Hoc Committees to vet items on behalf of the Executive Committee alongside or instead of staff. No decisions were made due to lack of quorum.

Other topics for the Committee to consider include regional truck parking, regional water, homelessness, and GIS services.

Action:

1. Affirmed the current version of the Strategic Plan or approve an amended version of the Plan.

RESULT: **APPROVED AS RECOMMENDED**
MOVER: Jurupa Valley
SECONDER: San Jacinto

AYES: Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, Temecula, District 2, District 3, EMWD, WMWD

ABSTAINED: District 1, Wildomar

B. 2023 General Assembly Community Service Awards

Julian Brambila, WRCOG Analyst, presented the three award recipients recommended by the Administration & Finance Committee, which considered seven nominations in all for this year's award.

Ronnie Imel is a decorated Vietnam Veteran who has been a Veterans Advocate for over 30 years, and has performed services for thousands of veterans free of charge.

The Moreno Valley College Corps is a Community College program aimed at providing students a pathway to debt-free education while making a positive impact on their community. Students in the program volunteer 450 service hours.

Ted Hoffman was a lifelong public servant and volunteer, serving in both the United States Army and the Riverside County Sheriff's Department. Mr. Hoffman served on the Norco City Council from 2015 up until his recent passing. The Agency will honor Mr. Hoffman with a Lifetime Achievement Award, posthumously.

Staff will notify the awardees and invite them to this year's 32nd Annual General Assembly & Leadership Address where they will be honored.

Action:

1. Approved the following for the 2023 WRCOG Awards for Outstanding Community Service:
 - a. Ronnie Imel (Individual)
 - b. The Moreno Valley College Corps (Group)

RESULT:	APPROVED AS RECOMMENDED
MOVER:	Wildomar
SECONDER:	Moreno Valley
AYES:	Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, District 2, District 3, EMWD, WMWD

C. WRCOG Financial Sustainability Modeling and Fiscal Year 2023/2024 Budget Update

Dr. Kurt Wilson, WRCOG Executive Director, and Andrew Ruiz, WRCOG Chief Financial Officer, gave an update on the budget for FY 2023/2024. The nature of the WRCOG budget does not change much from year to year, but has programmatic changes as different programs begin or end. There is a new Budget Ad Hoc Committee which will help vet some concepts and provide input on a number of things.

Mr. Ruiz stated that there are two PACE providers, Twain and Nuveen. The original budget was revised and cut almost in half, down to \$110k. Because there is no consistency with PACE activity, Mr. Ruiz

proposed three items to consider for PACE Commercial: to consolidate PACE Commercial Programs, align revenues with fixed costs (mainly salaries), and adjust revenues and variable costs based on actual activity.

The biggest change to the Fiscal Year (FY) 2023/2024 budget is related to TUMF collections. Previously, all TUMF collections were recognized as revenue; however, due to GASB 84, only the 4% administrative fee will be considered revenue going forward. Committee members should not be alarmed when they see a dramatic decrease in the budget, as the remaining 96% is now counted as fiduciary activity instead of revenue.

Excluding the remaining 96% of TUMF collections, WRCOG's budget will increase by approximately \$2M for FY 2023/2024, primarily due to increased I-REN revenues and decreased TUMF and HERO revenues.

The I-REN Program has a budget of \$65M over six years. The yearly budgets can be rolled over to the subsequent years if they are not spent in that specific year, as long as it is within that six-year period.

The Fellowship Program places recent graduates to work in WRCOG member agencies for a 9-month period, where they gain valuable experience and are available for hire after their Fellowship ends. There are no new revenue sources, so if the Committee would like to continue the Program, WRCOG can look at a General Fund proposal, the Supporting Foundation, or Federal Grants for funding.

Committee member Chris Barajas stated that the Program is not sustainable the way it is now, and asked the Committee to assess what the value is or at what point WRCOG should look for that additional funding, and suggested to end the Program and focus on the Strategic Plan.

Committee member Jacque Casillas stated that there is a real value to the Fellowship Program and for the member agencies. The Program takes aspiring professionals from the community, to work for the community. She would like to find a way to support the continuation of the Program and help it grow.

Committee member Christian Dinco agreed that the Program was very beneficial, but is worried about finding new revenue sources for a program that is not sustainable in the long term. He supports the continuation with outside funding, but would not like to take on the financial responsibility by increasing membership dues. Additionally, he believes cities are capable of finding their own talents locally.

Committee member Rita Rogers stated that the City of Perris has benefitted greatly from the Fellowship Program. She asked if the Technical Advisory Committee (TAC) has been approached about having member agencies covering 100% of the salaries to continue the program.

Dr. Wilson responded that the subject was presented last year to the Administration & Finance Committee, as well as this Committee, and the concern was that some agencies did not have the funds to pay for it.

Committee member Bob Karwin agrees that while the Program is valuable, the timing is wrong to go to the constituents and ask them to pay an increased burden. He would support the continuation of the Program if there were other sources, such as from federal funding, or private donations.

Chair Ruiz stated that she loves the Program, reaching out to the next generation and providing them the

opportunity to work in government. The Program provides young people the opportunity to work with City Managers or other government officials and inspire them to aim higher. She also mentioned that the I-REN has a similar program, so if I-REN can find funding, perhaps the Fellowship Program can too.

Dr. Wilson reported that member dues are set at a fixed number every year. Consultant Baker Tilly assessed the lack of an escalator, which brought up a concern of oversubscribing, as the cost of items paid for with those fees goes up. Today, WRCOG member agencies pay significantly less today than they did in 2008.

Mr. Ruiz explained that this is because during the Great Recession, TUMF fees were reduced by 15%, and have not increased since.

Dr. Wilson stated that the membership dues are based on population at that time, with some exceptions. He asked the Committee if WRCOG should leave the formula alone, or if WRCOG should write up a proposal for adjustments to reflect the population changes.

Committee member Karen Spiegel stated she has been fighting against receiving an unequal payment of Federal and State dollars. Some of the populations have grown in some cities, but the payments have not grown. It would only be fair to stick to the formula, and reassess the numbers.

Committee member Chris Barajas agreed with Committee member Spiegel, and added that it does not have to be done immediately, it can be done incrementally.

Chris Gray, WRCOG Deputy Executive Director, stated that the formula used to calculate dues by agencies in California is 50% on population, and 50% on assessed value of properties. He reiterated that the dues have not been adjusted or reallocated since 2008. An effort to adjust dues was rejected by the Administration & Finance Committee in 2017.

Committee member Spiegel added that this should be a topic that the TAC should be considering. The TAC can figure out the formula to get fairness back, and see how each jurisdiction is contributing. TAC members would have a better idea than the Executive Committee members.

Committee member Christian Dinco stated that the formula absolutely needs to be reevaluated to have a fair distribution and proper balance. New programs have been introduced that have helped generate revenues, such as the PACE Program, that were not in place in 2008. He is open to have a rate increase if there is a specific need, not just because of the passage of time. He wants to know where the money is going if the community is going to be taxed, and an intern program is not a necessity.

Committee member Ron Holliday stated that CPI increases for governments are problematic, as the majority of WRCOG is labor, and there is not a great CPI index for labor alone in the Riverside / San Bernardino area. He would rather see those dues tied to an expense, such as a certain percentage allocated for salaries. It should not be a random increase, just because it has been so long since an increase, or just because another entity's dues are higher.

Committee member Karwin asked for clarification on why, if the budget is greater this year by \$2M, is there a need to increase the dues as well. He would need further clarification to justify an increase.

Dr. Wilson responded that the Agency Budget is different than the General Fund. Each program has its

own compartmentalization. The usability of the funds is different. So for instance, the I-REN program has \$10M in revenue, which has \$10M in expenses.

Committee member Barajas stated that the budget looks at programs and how the money is allocated, not necessarily for the General Fund. Revenue sources will continue to decrease over time, so the Committee should start to consider what to do when all the funding is expended to cover costs.

Committee member Casillas stated it is a question of sustainability, not about whether or not the Committee likes increasing dues.

Committee member Kevin Bash added that there were four cities that were not cities back in 2008, so the Committee would definitely need to review the process for assessing their dues.

Committee member Brian Tisdale asked why this topic was brought up to the Executive Committee before Administration & Finance Committee as is items normally got to that Committee first.

Dr. Wilson explained that the format of the budget is different. The timeline asked for a few "temperature checks" focused on some discreet items, although there are not many changes to most of the budget. There will be a deeper discussion with the Administration & Finance Committee next week.

Dr. Wilson also touched on the Clean Cities Program and Solid Waste dues. These Programs are not as intertwined into the Agency as the others. The Clean Cities Program only affects the 11 member agencies who chose to participate. Although it has sustainability issues, participating agencies see a high value and have expressed an interest in continuing the Program. The Solid Waste Program is also a high value for participating member agencies, but is not a core function of WRCOG. It is in place at the request of member agencies.

Action:

1. Received and filed.

7. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR

The Technical Advisory Committee Chair, Rob Johnson, was not present.

8. REPORT FROM COMMITTEE REPRESENTATIVES

Committee member Brian Tisdale, CalCOG representative, reported that CalCOG held its annual leadership meeting on March 5 through 7, 2023, where various items were discussed, such as housing, electric vehicles, and replacing the gas tax. He advised the Committee to follow these items, as studies are now being conducted on how to replace gas stations. Representatives in Sacramento often do not think of the consequences and how they will impact residents. He thanked Dr. Wilson for facilitating the meeting and representing WRCOG.

9. REPORT FROM THE EXECUTIVE COMMITTEE CHAIR

Chair Ruiz attended the IEEP State of the Region, where Committee member Karen Spiegel was a panelist. She praised Committee member Spiegel for doing a fabulous job at representing the County

and making some valid points.

10. REPORT FROM THE EXECUTIVE DIRECTOR

Dr. Kurt Wilson reminded Committee members to submit their Form 700. WCE is officially dissolved. There will be a Love Your Neighborhood event in Menifee on April 22, 2023, one on April 29, 2023, in Hemet, and a date in May 2023 in Perris. Preparations for the General Assembly are coming along. WRCOG is partnered with closely with CalCOG, and although it currently has no authority to weigh in on specific bills, it is in the process of creating an Advocacy subcommittee. The Administration & Finance Committee will consider a legislative platform which will come to the Executive Committee next month. Once one is in place, WRCOG will be better placed to elevate the region's voice and protect its interests.

11. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

12. GENERAL ANNOUNCEMENTS

Committee member Jackie Peterson extended an invitation to the Arbor Day celebration in Hemet on April 29, 2023. Volunteers will clean up Simpson Park, which was heavily damaged in the Fairview fire last year. This year is the Ramona Pageant's 100th anniversary. It is a historical play on the California valley and Native American Indians, which will be performed on the last two weekends of April 2023 and the first weekend of May 2023.

13. NEXT MEETING

The next Executive Committee meeting is scheduled for Monday, May 1, 2023, at 2:00 p.m., in the Riverside County Administrative Center, 4080 Lemon Street, 1st Floor Board Chambers, Riverside.

14. CLOSED SESSION

There were two items for discussion:

1. Conference with Legal Counsel Regarding Pending Litigation Pursuant Government Code Section 54956.9(d)(1):
Case Nos. RIC1712042, RIC1707201, and E077073 (Urban Logic)

2. Conference with Real Property Negotiators
Property: 3390 University Avenue Suite 200
Agency negotiator: Executive Director
Negotiating parties: Citrus Tower, Inc.
Under negotiation: price and terms of payment

There were no reportable actions.

15. ADJOURNMENT

The meeting was adjourned at 3:55 p.m.