

1. CALL TO ORDER

The meeting of the Finance Directors Committee was called to order at 1:02 p.m. by Chair Matt Schenk on the Zoom platform.

2. SELF INTRODUCTIONS

Members present:

Jennifer Christensen, City of Banning
Amanda Wells, City of Eastvale
Connie Cardenas, City of Jurupa Valley
Brendan Rafferty, City of Lake Elsinore
Marshall Eyerman, City of Moreno Valley
Javier Carcamo, City of Murrieta
Lisette Free, City of Norco
Ernie Reyna, City of Perris
Edward Enriquez, City of Riverside
Bob Howell, City of Wildomar
John Adams, Eastern Municipal Water District
Veronica Zheng, Western Municipal Water District
Matt Schenk, March JPA, Chair

3. PUBLIC COMMENTS

There was no public comment.

4. CONSENT CALENDAR – *(Perris / EMWD) 13 yes; 0 no; 0 abstention. Items 4.A through 4.C were approved. Representatives from the Cities of Beaumont, Calimesa, Canyon Lake, Corona, Hemet, Menifee, San Jacinto, and Temecula, and the County of Riverside were not present.*

A. Summary Minutes from the October 22, 2020, Finance Directors Committee Meeting are Available for Consideration.

Action: 1. *Approved the Summary Minutes from the October 22, 2020, Finance Directors Committee meeting.*

B. Finance Department Activities Update

Action: 1. *Received and filed.*

C. Single Signature Authority Report

Action: 1. *Received and filed.*

5. REPORTS / DISCUSSION

A. CitizensTrust Investment Update

Michael Gardner, Vice President / Senior Portfolio Manager with CitizensTrust, provided an overview of WRCOG's investments administered and an overview of the financial market interest rates and yield curve. WRCOG's investments continue to remain positive. As the market adjusts, a longer-term

investment strategy may yield more return on investments. The yield curve has steepened dramatically, while short-term yields remain low, and spreads have tightened.

Action: 1. *Received and filed.*

B. Commercial PACE Program Activities Update

Justin White, WRCOG Staff Analyst, shared the differences between residential PACE (R-PACE) and commercial PACE (C-PACE) Programs, such as lender consent, requirement of financial statements, and a minimum property value. Additionally, R-PACE projects are almost completely dependent on contractors / sales teams, whereas C-PACE projects can be determined by a project developer or building owner, to name a few. In contrast to a residential project, a typical C-PACE project is a months-long process.

December 2020 was WRCOG's most active month for commercial projects since inception of the Program, with just over \$27M in financing being provided.

Action: 1. *Received and filed.*

C. 2nd Quarter Draft Budget Amendment for Fiscal Year 2020/2021

Andrew Ruiz, WRCOG Chief Financial Officer, presented on the 2nd Quarter draft Budget Amendment. Due to the uncertain long-term impacts of COVID-19, a conservative approach was taken into consideration during the budget development. The overall Agency's budget was cut by approximately 30%, which was primarily attributed to the reduction in TUMF revenues. Certain programs, like TUMF and PACE, were anticipated to decline due to the pandemic; however, the TUMF Program held steady, and staff foresee no further reduction to the TUMF budget. The HERO Program was ended in December 2020 due to Renovate America's decision to terminate the HERO product and subsequent filing for Chapter 11 Bankruptcy at the end of the year. Due to this, HERO revenues are being reduced by \$270k; however, the HERO Program had an anticipated carryover of \$290k, which will offset the reduced revenues.

During the budget development process, staff also took into consideration its liabilities such as its pension obligations to CalPERS, as those are anticipated to increase as well. Staff also worked on making sound, long-term financial decisions, such as reducing administrative costs by moving to a smaller space and also making commitments to reduce long-term retirement obligations by paying it down faster. Staff also worked to add new programs and has been able to recover start-up costs on launched programs.

Action: 1. *Recommended that the Executive Committee approve the 2nd Quarter draft Budget Amendment for Fiscal Year 2020/2021.*

(Perris / Wildomar) 13 yes; 0 no; 0 abstention. Items 5.C was approved. Representatives from the Cities of Beaumont, Calimesa, Canyon Lake, Corona, Hemet, Menifee, San Jacinto, and Temecula, and the County of Riverside were not present.

D. The Economy and Financial Markets Update

Richard Babbe, Managing Director of Public Financial Management, provided an overview of the economic prospects of 2021, as well as potential future fiscal policy changes. While there has been a rebound in the economy, COVID-19 cases have surged again in early 2021, but with vaccinations underway, the outlook remains positive that cases will start to decrease in the coming months.

The Federal Reserve has a new inflation policy, which means rates may be lower for a longer period. WRCOG's TUMF investment portfolio continues to beat the 1- to 3-year U.S. Treasury Index returns.

Action: 1. *Received and filed.*

6. REPORT FROM THE CHIEF FINANCIAL OFFICER

Andrew Ruiz reported that WRCOG has now published over 45 podcast episodes. The WRCOGcast highlights key agencies, organizations, and individuals making a difference in the community. Another one of WRCOG's efforts include a bi-monthly webinar series that bring together speakers from all industries to talk about issues that are relevant to the subregion.

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, April 29, 2021, at 1:00 p.m., on the Zoom platform.

10. ADJOURNMENT

The Finance Directors Committee meeting adjourned at 1:48 p.m.