

Executive Committee

Minutes

1. CALL TO ORDER

The meeting of the WRCOG Executive Committee was called to order by Vice-Chair Crystal Ruiz at 2:00 p.m. on May 2, 2022, on the Zoom platform.

2. PLEDGE OF ALLEGIANCE

Committee member Jeff Hewitt led the Committee members and guests in the Pledge of Allegiance.

3. ROLL CALL

- City of Banning - David Happe
- City of Beaumont - Mike Lara
- City of Calimesa - Wendy Hewitt
- City of Canyon Lake - Dale Welty
- City of Corona - Jacque Casillas
- City of Eastvale - Christian Dinco
- City of Hemet - Russ Brown
- City of Jurupa Valley - Chris Barajas
- City of Lake Elsinore - Brian Tisdale
- City of Menifee - Matt Liesemeyer
- City of Moreno Valley - Edward Delgado
- City of Norco - Kevin Bash
- City of Perris - Rita Rogers
- City of Riverside - Ronaldo Fierro
- City of San Jacinto - Crystal Ruiz (Vice-Chair)
- City of Temecula - James Stewart*
- City of Wildomar - Ben Benoit
- County, District 1 - Kevin Jeffries
- County, District 2 - Karen Spiegel (Chair)*
- County, District 3 - Chuck Washington
- County, District 5 - Jeff Hewitt
- Eastern Municipal Water District (EMWD) - Phil Paule
- Western Municipal Water District (WMWD) - Brenda Dennstedt
- WRCOG Executive Director - Dr. Kurt Wilson

*Arrived after Roll Call

4. PUBLIC COMMENTS

Chair Karen Spiegel resumed the meeting. There were no public comments.

5. CONSENT CALENDAR

RESULT: APPROVED AS RECOMMENDED

MOVER: Lake Elsinore

SECONDER: District 5

AYES: Banning, Beaumont, Calimesa, Canyon Lake, Corona, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 1, District 2, District 3, District 5, EMWD, WMWD
The City of Eastvale did not respond.

A. Assembly Bill 361 Findings

Action:

1. Affirmed the findings of the Executive Committee in Resolution Number 01-22, adopted on April 4, 2022, which are:
 - a. The Governor proclaimed a State of Emergency on March 4, 2020, related to the COVID-19 pandemic, which State of Emergency continues to exist today; and
 - b. State or local officials have recommended measures to promote social distancing.

B. Summary Minutes from the April 4, 2022, Executive Committee Meeting

Action:

1. Approved the Summary Minutes from the April 4, 2022, Executive Committee meeting.

C. Finance Department Activities Update

This item was pulled for discussion by Committee member Matt Liesemeyer, who asked about the two items trending in the negative.

Chris Gray, WRCOG Deputy Executive Director, indicated that regarding the TUMF Program item, the amount is actually a positive. Actual revenues has surpassed anticipated revenues.

Andrew Ruiz, WRCOG Chief Financial Officer, indicated that regarding the general legal services, the financials being presented are from February, and the difference is due to PACE legal services being out of budget. At its last meeting, this Committee approved a budget amendment for PACE legal services; the March financials will reflect this change and bring it out of the negative.

Action:

1. Received and filed.

D. WRCOG Committees and Agency Activities Update

Action:

1. Received and filed.

E. Report out of WRCOG Representatives on Various Committees

Action:

1. Received and filed.

F. Legislative Activities update

Action:

1. Received and filed.

G. Approval of nominees for the 2022 Award for Outstanding Community Service, to be presented at the June 23, 2022, General Assembly & Leadership Address

Action:

1. Approved the nominees for the 2022 Awards for Outstanding Community Service, to be presented at the 31st Annual General Assembly & Leadership Conference on June 23, 2022.

H. Approval of Professional Services Agreement with Van Lant & Fankhanel for Financial Auditing Services

Action:

1. Authorized the Executive Director to execute a Professional Services Agreement with Van Lant & Fankhanel to conduct financial auditing services for WRCOG, starting with Fiscal Year 2021/2022, in an amount not to exceed \$119,650 through Fiscal Year 2023/2024, with an option to extend services for an additional two fiscal years.

6. REPORTS / DISCUSSION

A. Fiscal Year 2022/2023 Budget Development

Dr. Kurt Wilson, WRCOG Executive Director, reported that WRCOG's Fiscal Year 2022/2023 budget is currently in development and will include substantial changes to the layout from the previous year's budget. This Committee will be presented with a final budget at its next meeting.

Overall, WRCOG is anticipating \$75 million in revenues against \$45 million in expenditures. The difference in revenues and expenditures is primarily due to the difference in TUMF revenues collected compared to anticipated TUMF project reimbursement expenses anticipated to be paid out in the following year. Currently, TUMF is collecting more than it is paying out in projects.

Four programs will be closing this year: Smart Climate Grant, Western Riverside Energy Partnership, General Assembly & Leadership Address, and the Household Hazardous Waste.

WRCOG will be experiencing a new revenue source from Measure A funding per the settlement agreement with the City of Beaumont regarding a TUMF Program lawsuit.

Lastly, two new staff positions will be created: Clean Cities Program Manager and I-REN Senior Analyst.

No change in revenues will occur regarding member dues and the Solid Waste Program. The "Love Your Neighborhood" Program, in collaboration with the Riverside County Flood Control and Water

Conservation District, is expecting an increase in revenues, up from \$35k to \$50k. The Streetlights Program will experience a slight decline in revenues from \$146k to \$135k due to the City of Temecula dropping out of the Program and performing its own maintenance and operations. The Used Oil Program anticipates a slight increase from \$160k to \$198k. The Inland Empire Regional Energy Network (I-REN) Senior Analyst position will be exclusively funded by the California Public Utilities Commission (CPUC). I-REN has a 6-year combined budget of \$65M, also provided exclusively by the CPUC.

C-PACE anticipates expenses of \$168k against revenues of \$200k. The challenge is anticipating which projects will close in the coming year. It is projected that the HERO Program will continue receiving \$2.7M from prepayment fees, administrative fees, and delinquencies. WRCOG will be requesting a reserve fund for this Program to deal with outstanding litigation issues. The TUMF Program is doing well and staff anticipates an increase in revenues next year. The California Resiliency Challenge is funded by the Bay Area Council, which delivers the Energy Resilience Plan, and has a non-recurring revenue of \$200k, of which approximately \$132k will be available at the onset of the new fiscal year.

The Grant Writing Program fund balance is approximately \$38k. Local Transportation Funds has an approximate balance of \$2.6M. Revenues for the Clean Cities Program will increase slightly from \$253k to \$270k. RivCOM will experience a decline in revenues from \$50k to \$25k. Funding from SCAG's Regional Early Action Plan (REAP) Program is non-recurring; it is anticipated that a remaining \$1M of \$1.76M will be available at the onset of the new fiscal year.

The Fellowship Program has a fund balance of \$193k. Funding for this Program is not sustainable at the current rate and will last likely one more year. If this Program is to continue, funding will need to be determined. WRCOG has a 115 Section Trust with a balance of approximately \$350k. The CalPERS UAL balance is approximately \$3.4M. The OPEB balance is approximately \$1.1M.

Normally in the budget process a Cost of Living Allowance would be added; however, the Agency is in the middle of a Classification and Compensation Study.

Four major policy points that are currently in discussion include the establishment of a HERO Program reserve, prepaying the CalPERS Unfunded Liability, the continuation of the Fellowship Program at a different contribution percentage, and alternatives to the Grant Writing Program.

Andrew Ruiz, WRCOG Chief Financial Officer, shared images of what the new budget document will look like.

Committee members discussed not changing the member contribution rate of the Fellowship Programs and suggested exploring grant funding opportunities. They also discussed payoff options of the 115 Section Trust, CalPERS UAL, and OPEB items.

Committee member Kevin Jeffries indicated that prior to the new administration there was a fraudulent transfer of funds without authorization into other accounts, and asked what policies and procedures are being put into place to prevent this type of quasi-criminal abuse of funds.

Dr. Wilson responded that an outside company was hired to review WRCOG's internal controls and a number of tentative recommended findings are being addressed. Staff will be reporting back on those findings and resulting actions in a future meeting.

Action:

1. Received and filed.

7. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR

Technical Advisory Committee (TAC) Chair Jeff Van Wagenen had no report.

8. REPORT FROM COMMITTEE REPRESENTATIVES

Committee member Brian Tisdale, CALCOG Board of Directors representative, reported that there is a current bill on local control that CALCOG did not take a position on. Matters of support or opposition requires a 2/3 vote, and while many members support local control, there just was not a majority. The Board discussed the Governor's proposed budget and REAP funding.

Committee member Ted Hoffman, SAWPA OWOW representative, reported that Round II Prop 1 funding application session has closed. Prado Dam maintenance access structure modifications began earlier this year.

9. REPORT FROM THE EXECUTIVE COMMITTEE CHAIR

Chair Spiegel reported that SCAG's General Assembly is scheduled for May 5 and 6, 2022.

Contact Dr. Wilson with nominations for Executive Committee leadership positions by May 10, 2022.

Chair Spiegel indicated the the General Assembly Ad Hoc Committee representatives include Jacque Casillas, Jeff Hewitt, Matt Liesemeyer, Brian Tisdale, and current leadership.

10. REPORT FROM THE EXECUTIVE DIRECTOR

Dr. Kurt Wilson thanked Committee members that have completed General Assembly video taping, and indicated that there are more slots available.

11. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

12. GENERAL ANNOUNCEMENTS

Committee member Ruiz announced that her city is honoring mothers in recognition of Mother's Day.

Committee member Kevin Bash announced that on June 12, 2022, the City of Norco will be unveiling its Gold Star Family Memorial.

13. CLOSED SESSION

- CONFERENCE WITH LEGAL COUNSEL - Potential initiation of litigation pursuant to Government Code Section 54956.9(d)(4).
- CONFERENCE WITH REAL PROPERTY NEGOTIATOR

- Property: 3390 University Avenue, Suite 200, Riverside, CA
- Agency negotiator: Executive Director
- Negotiating parties: Citrus Tower, Inc.
- PUBLIC EMPLOYEE PERFORMANCE EVALUATION
 - Title: Executive Director
- CONFERENCE WITH LABOR NEGOTIATORS pursuant to Section 54957.6
 - Agency designated representatives: Chair and General Counsel
 - Unrepresented employee: Executive Director
- PUBLIC EMPLOYEE PERFORMANCE EVALUATION
 - Title: General Counsel

There were no reportable actions.

14. NEXT MEETING

The next Executive Committee meeting is scheduled for Monday, June 6, 2022, at 2:00 p.m., on the Zoom platform with an option for Committee members to attend in-person at the WRCOG office.

15. ADJOURNMENT

The meeting was adjourned at 4:04 p.m.