

**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.**