



Western Riverside Council of Governments Finance Directors Committee

AGENDA

Thursday, July 29, 2021
1:00 PM

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

Members of the public are encouraged to participate in this meeting via Zoom.

Join Zoom Meeting
Meeting ID: 813 2789 7864
Password: 746012
Dial in: (669) 900 6833 U.S.

SPECIAL NOTICE – COVID-19 RELATED PROCEDURES IN EFFECT

Due to the state and local State of Emergency resulting from the threat of Novel Coronavirus (COVID-19), Governor Newsom has issued Executive Order N-29-20 (issued March 17, 2020) in which Section 3 supersedes Paragraph 11 of Executive Order N-25-20 (issued on March 12, 2020). This order states that WRCOG does not need to make a physical location available for members of the public to observe a public meeting and offer public comment. The Order allows WRCOG to hold Committee meetings via teleconferencing and allows for members of the public to observe and address the meeting telephonically or electronically.

To follow the Order issued by the Governor, the Finance Directors Committee meeting scheduled for Thursday, July 29, 2021, at 1:00 p.m. will be held in-person at the location listed on the agenda and virtually, on the Zoom platform. Members of the public may submit public comments before or during the meeting, prior to the close of public comment to snelson@wrcog.us.

Any member of the public requiring a reasonable accommodation to participate in this meeting in light of this announcement shall contact Suzy Nelson 72 hours prior to the meeting at (951) 405-6703 or at snelson@wrcog.us. Later requests 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 (Matt Schenk, 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. SELECTION OF FINANCE DIRECTORS COMMITTEE LEADERSHIP FOR FISCAL YEAR 2021/2022

A. Recognition of Outgoing Chair and Leadership Selection for Fiscal Year 2021/2022

Requested Action(s): 1. Select Finance Directors Committee Chair, Vice-Chair, and 2nd Vice-Chair positions for Fiscal Year 2021/2022.

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 29, 2021, Finance Directors Committee Meeting

Requested Action(s): 1. Approve the Summary Minutes from the April 29, 2021, Finance Directors Committee meeting.

B. Finance Department Activities Update

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

7. REPORTS / DISCUSSION

A. The Economy and Financial Markets

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

B. TUMF Program Updates for Fiscal Year 2020/2021

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

C. 4th Quarter Draft Budget Amendment for Fiscal Year 2020/2021

Requested Action(s): 1. Recommend that the Executive Committee approve the 4th Quarter Draft Budget Amendment for Fiscal Year 2020/2021.

8. REPORT FROM THE CHIEF FINANCIAL OFFICER

9. ITEMS FOR FUTURE AGENDAS

10. GENERAL ANNOUNCEMENTS

11. NEXT MEETING

12. ADJOURNMENT



Western Riverside Council of Governments Finance Directors Committee

Staff Report

Subject: Recognition of Outgoing Chair and Leadership Selection for Fiscal Year 2021/2022
Contact: Andrew Ruiz, Chief Financial Officer, aruiz@wrcog.us, (951) 405-6740
Date: July 29, 2021

Requested Action(s):

1. Select Finance Directors Committee Chair, Vice-Chair, and 2nd Vice-Chair positions for Fiscal Year 2021/2022.
-

Purpose:

The purpose of this item is to recognize the outgoing Chair and select Finance Directors Committee leadership positions for Fiscal Year (FY) 2021/2022.

Background:

WRCOG would like to recognize outgoing Chair Matt Schenk, March Joint Powers Authority, for his efforts in leading the Finance Directors Committee meetings during the previous year. Staff appreciates his hard work and dedication in leading the meetings, particularly as WRCOG transitioned to the virtual format due to COVID-19.

WRCOG's Committee leadership positions are selected at the start of each fiscal year. The leadership for the Executive Committee for Fiscal Year 2021/2022 is as follows:

Chair: Karen Spiegel, County of Riverside – District 2
Vice-Chair: Crystal Ruiz, City of San Jacinto
2nd Vice-Chair: Chris Barajas, City of Jurupa Valley

Historically, WRCOG Committees leadership positions have coincided with those of the Executive Committee; however, this has not been the case with the Finance Directors due to prior commitments of committee members. There are no requirements that the Finance Directors Committee select leadership from these member agencies.

Prior Action(s):

None.

Fiscal Impact:

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachment(s):

None.

Western Riverside Council of Governments Finance Directors Committee

Minutes

1. CALL TO ORDER

The meeting of the Finance Directors Committee was called to order on April 29, 2021, at 1:01 p.m. by Chair Matt Schenk on the Zoom platform.

2. ROLL CALL

- City of Beaumont - Jennifer Christensen
- City of Calimesa - Celeste Reid
- City of Canyon Lake - Terry Shea
- City of Eastvale - Luis Hernandez
- City of Hemet - Lorena Rocha
- City of Jurupa Valley - Abdon Padilla
- City of Lake Elsinore - Brendan Rafferty
- City of Moreno Valley - Brian Mohan
- City of Norco - Lisette Free
- City of Perris - Ernie Reyna
- City of Riverside - Edward Enriquez
- City of Wildomar - Bob Howell
- Eastern Municipal Water District (EMWD) - John Adams
- Western Municipal Water District (WMWD) - Kevin Mascaro
- March Joint Powers Authority - Matt Schenk (Chair)
- Riverside County of Education - Eugene Villa

3. PUBLIC COMMENTS

There were no public comments.

4. CONSENT CALENDAR – (Canyon Lake / Perris) 15 yes; 0 no; 0 abstention. Items 4.A through 4.C were approved.

A. Summary Minutes from the January 28, 2021, Finance Directors Committee Meeting

Action:

1. Approved the Summary Minutes from the January 28, 2021, 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. WRCOG's Fiscal Year 2019/2020 Financial Audit

Andrew Ruiz, WRCOG Chief Financial Officer, introduced Terry Shea, Partner at Rogers, Anderson, Malody, and Scott (RAMS), to provide a report on WRCOG's Financial Audit.

Mr. Shea indicated that RAMS audited WRCOG's Financial Statements in conformity with U.S. Generally Accepted Auditing Standards. RAMS issued an unmodified opinion on the Fiscal Year 2019/2020 CAFR (Comprehensive Annual Financial Report), which is the highest form of assurance an auditing firm can provide to its client and means that the Agency's financials are both in good form and the accounting practices are solid.

Mr. Ruiz added that WRCOG received the distinguished "Certificate of Achievement for Excellence in Financial Report" from the Government Finance Officers Association.

Action:

1. Received and filed.

B. Preliminary Draft Fiscal Year 2021/2022 Agency Budget

Andrew Ruiz, WRCOG Chief Financial Officer, reported that total Agency revenue for Fiscal Year (FY) 2021/2022 is projected to be \$56,999,505 against total Agency expenditures of \$56,759,961. This represents a total increase of approximately 40% in WRCOG's Budget compared to FY 2020/2021; however, staff anticipate the total increase to be actually less than 10% after the 4th quarter Budget amendment. TUMF revenues are expected to increase significantly from this current fiscal year. Lastly, REAP funds will begin trickling in.

While the economy appears to be improving, programs have still been conservatively budgeted for. There could still be delayed repercussions from COVID-19 that could show itself in the coming years. Additionally, staff continue to not only look at short-term budgetary impacts, but also long-term financial obligations, such as WRCOG's pension obligations to CalPERS. Throughout the fiscal year, staff will closely monitor any financial changes and make the necessary adjustments to ensure the Budget remains balanced.

Action:

1. Recommended that the Executive Committee adopt Resolution Number 03-21; A Resolution of the Executive Committee of the Western Riverside Council of Governments adopting the Fiscal Year 2021/2022 Agency Budget.

(Perris / EMWD) 15 yes; 0 no; 0 abstention. Item 5.B was approved.

C. 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.

D. The Economy and Financial Market Update

Richard Babbe, Managing Director of Public Financial Management, provided an overview of the economic prospects as of March 31, 2021, as well as potential future fiscal policy changes. The high frequency data indicates the economic recovery is gaining momentum. The U.S Labor Market is beginning to rebound strongly, with the unemployment rate at a low of 6%. The Federal Reserve anticipates near-zero rates through 2023. According to Bloomberg, the Treasury Yield Curve steepened on economic optimism and with long term rates lifted by rising inflation expectations buoyed by fiscal stimulus measures.

Action:

1. Received and filed.

6. REPORT FROM THE CHIEF FINANCIAL OFFICER

Andrew Ruiz reported that WRCOG's 30th Annual General Assembly will take place Thursday, June 24, 2021, from 4:00 - 5:00 p.m. This virtual event, featuring Daymond John, will only be broadcasted one time. WRCOG will resume in-person committee meetings in May, with the first set to be Administration & Finance Committee and Western Community Energy. Staff-level committees will resume in-person in July. All meetings will have the option to participate virtually.

7. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

8. GENERAL ANNOUNCEMENTS

There were no items general announcement.

9. NEXT MEETING

The next Finance Directors Committee meeting is scheduled for Thursday, July 29, 2021, at 1:00 p.m., on the Zoom platform.

10. ADJOURNMENT

The meeting of the Finance Directors Committee adjourned at 1:51 p.m.



Western Riverside Council of Governments Finance Directors Committee

Staff Report

Subject: Finance Department Activities Update
Contact: Andrew Ruiz, Chief Financial Officer, aruiz@wrcog.us, (951) 405-6740
Date: July 29, 2021

Requested Action(s):

1. Receive and file.

Purpose:

The purpose of this item is to provide an update on the Agency Audit for Fiscal Year 2020/2021 and financials through June 2021.

Background:

Fiscal Year 2020/2021 Agency Audit

WRCOG's annual Agency audit is tentatively scheduled to begin the week of August 9, 2021. WRCOG utilizes the services of the audit firm Rogers, Anderson, Malody, and Scott (RAMS), to conduct its financial audit. The first visit is known as the "interim" audit; in October 2021, RAMS will return to finish its second round, which is known as "fieldwork."

Financial Report Summary Through June 2021

The Agency Financial Report summary through June 2021, a monthly overview of WRCOG's financial statements in the form of combined Agency revenues and costs, is provided as Attachment 1. These are preliminary numbers and have not yet been finalized for the fiscal year.

Prior Action(s):

None.

Fiscal Impact:

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachment(s):

[June-2021 Agency Financials.pdf](#)



**Western Riverside Council of Governments
Preliminary Budget to Actuals
For the Month Ending June 30, 2021**

	Approved Budget 6/30/2021	Thru Actual 6/30/2021	Remaining Budget 6/30/2021
Revenues and Transfers in			
Member Dues	311,410	286,640	24,770
General Assembly Revenue	300,000	47,000	253,000
Interest Revenue - Other	25,000	11,561	13,439
Operating Transfer In	2,208,432	2,024,396	184,036
Clean Cities	175,000	151,000	24,000
Solid Waste	112,970	112,970	-
Used Oil	376,396	376,396	-
Gas Company Revenue	108,400	99,408	8,992
Regional Streetlights Revenue	201,915	201,915	-
WRCOG HERO	136,290	58,530	77,760
PACE Residential	78,000	41,348	36,652
PACE Commercial	200,000	616,721	(416,721)
CA HERO	1,464,730	3,134,803	(1,670,073)
Commerical/Service	1,028,417	1,723,472	(695,055)
Retail	2,240,810	1,845,580	395,230
Industrial	5,918,236	4,758,736	1,159,500
Single Family Residential	16,306,756	44,613,416	(28,306,660)
Multi-Family	6,685,379	6,543,261	142,118
LTF Revenue	676,500	676,500	-
Grant Revenue	125,000	125,000	-
CAP Grant Revenue	260,000	211,356	48,644
Adaptation Grant Revenue	409,894	138,659	271,235
Local Jurisdiction Match	100,000	90,000	10,000
Total Revenues and Transfers in	\$ 40,539,535	\$ 67,888,668	\$ (27,349,133)
Expenses			
Salaries	2,053,769	1,953,006	100,763
Benefits	1,027,040	930,413	96,627
Overhead	1,443,294	1,323,019	120,275
Legal	285,600	1,350,557	(1,064,957)
Advertising Media	65,667	107,100	(41,433)
Audit Svcs - Professional Fees	35,000	27,825	7,175
Auto Fuels Expense	1,500	337	1,163
Auto Maintenance Expense	500	516	(16)
Bank Fees	33,885	20,706	13,179
Coffee and Supplies	3,000	3,476	(476)
COG HERO Share Expenses	5,000	793	4,207
Commissioner Per Diem	62,500	53,250	9,250
Communications - Web Site	8,000	7,554	446
Communications - Cellular Phones	13,500	12,073	1,427
Communications - Computer Services	53,000	50,455	2,545
Communications - Regular Phone	16,000	12,378	3,622
Compliance Settlements	-	390,108	(390,108)

Computer Equipment/Supplies	13,000	7,799	5,201
Computer Hardware	10,000	8,295	1,705
Computer Software	80,500	57,481	23,019
Consulting Labor	2,268,780	1,651,421	617,359
Equipment Maintenance - General	8,000	1,250	6,750
Event Support	165,736	135,595	30,141
General Assembly Expenses	300,000	41,373	258,627
Insurance - Gen/Busi Liab/Auto	115,500	111,643	3,857
Meals	7,900	2,323	5,577
Meeting Support Services	9,250	692	8,558
Membership Dues	32,750	22,534	10,216
Office Lease	390,000	360,930	29,070
OPEB Repayment	110,526	110,526	-
Other Expenses	9,750	3,291	6,459
Parking Cost	20,000	23,566	(3,566)
Parking Validations	15,827	2,967	12,860
Postage	5,350	1,555	3,795
Printing Services	5,000	1,830	3,170
Program/Office Supplies	14,700	16,279	(1,579)
Recording Fee	173,525	72,121	101,404
Rent/Lease Equipment	20,000	8,285	11,715
Seminar/Conferences	10,650	492	10,158
Staff Recognition	1,000	1,979	(979)
Storage	9,500	6,757	2,743
Subscriptions/Publications	4,250	1,685	2,565
Supplies/Materials	75,478	23,274	52,204
Training	10,000	1,075	8,925
Travel - Airfare	4,250	9	4,241
Travel - Mileage Reimbursement	11,250	1,276	9,974
TUMF Project Reimbursement	30,892,416	19,839,393	11,053,023
Total Expenses	\$ 40,468,538	\$ 28,761,262	\$ 11,707,276



Western Riverside Council of Governments Finance Directors Committee

Staff Report

Subject: The Economy and Financial Markets
Contact: Richard Babbe, Managing Director, Public Financial Management,
babber@pfm.com, (213) 415-1631
Date: July 29, 2021

Requested Action(s):

1. Receive and file.
-

Purpose:

The purpose of this item is to provide an overview of the economic prospects of 2021, as well as potential future fiscal policy changes. In addition, the presentation will cover an interest rate outlook as well as where equity markets are headed.

Background:

This item is reserved for a presentation from Richard Babbe of Public Financial Management.

Prior Action(s):

None.

Fiscal Impact:

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachment(s):

None.



Western Riverside Council of Governments Finance Directors Committee

Staff Report

Subject: TUMF Program Updates for Fiscal Year 2020/2021
Contact: Chris Gray, Deputy Executive Director, cgray@wrcog.us, 951-405-6710
Date: July 29, 2021

Requested Action(s):

1. Receive and file.

Purpose:

The purpose of this item is to provide an update on the TUMF Program for Fiscal Year 2020/2021

Background:

TUMF Zone Revenue

WRCOG is committed to providing regular updates on TUMF revenues including information on both short-term and long-term trends. This information allows WRCOG and its member agencies to better program these funds for TUMF Projects.

Overall, the TUMF Program is collecting significant levels of revenue, reaching nearly \$60 million collected in Fiscal Year (FY) 2020/2021. This revenue is the second highest collected since 2007. A significant jump in revenue occurred both in 2018/2019 and the most recent 2020/2021 Fiscal Years.

Historical collections for the previous five years are reported for each Zone, from FY 2016/2017 to the most recently completed FY (2020/2021). The overall trend is that collections for all Zones increased in FY 2020/2021 except for the Northwest Zone where revenue decreased from the previous fiscal year.

Staff would note that the revenue figures shown in the attached charts are based on TUMF collections prior to the allocation to agencies included in the TUMF Nexus Study and TUMF Administrative Plan. These agencies include RCTC, RTA, and RCA.

TUMF Program Updates

WRCOG regularly convenes Zone Committee meetings to develop Transportation Improvement Programs (TIPs), which allocate funding to specific projects in the subregion based on projected revenue for each Zone. Projected revenue is calculated for each TIP based on the average collections from the Zone for the past three fiscal years and adjusted to account for the TUMF dollar split. Once a project is on the TIP, funding is provided to member agencies on a reimbursement basis as the projects progress.

The FY 2021/2022 TIP documents for each Zone are scheduled to be adopted this fall.

TUMF CCI

Staff is required to bring annual CCI adjustment information through the WRCOG Committee structure for discussion and recommendation for consideration by the Executive Committee. The CCI is an administrative element of the TUMF Program and is intended to keep the dollar value of the TUMF Program whole. The 2021 CCI was brought forward, and the Executive Committee approved a 3% fee increase at its July 2021 meeting. The following new fee schedule will take effect on January 1, 2022:

Land Use Type	Units	TUMF Fee
Single-Family Residential	DU	\$10,104
Multi-Family Residential	DU	\$6,580
Retail	SF	\$7.72
Service	SF	\$4.89
Industrial	SF	\$1.86

Prior Action(s):

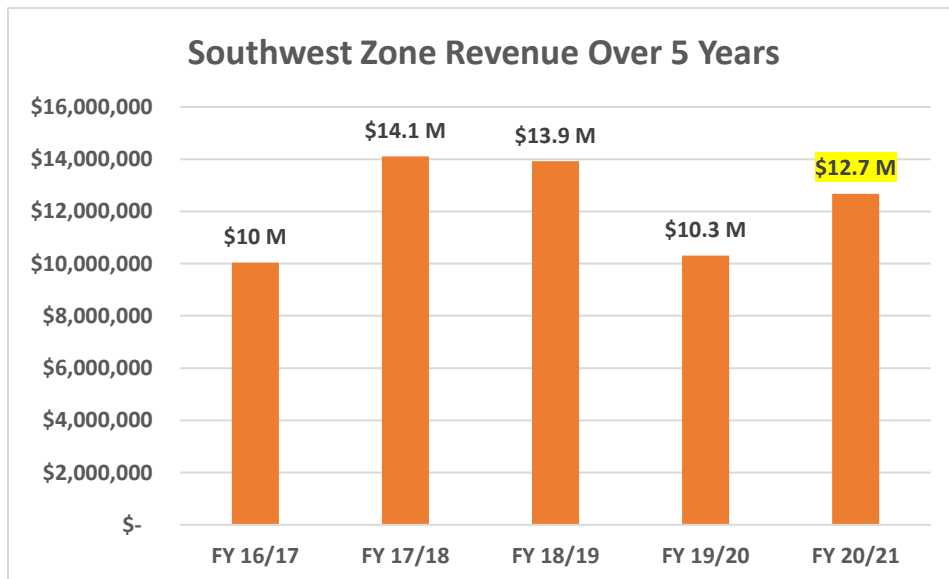
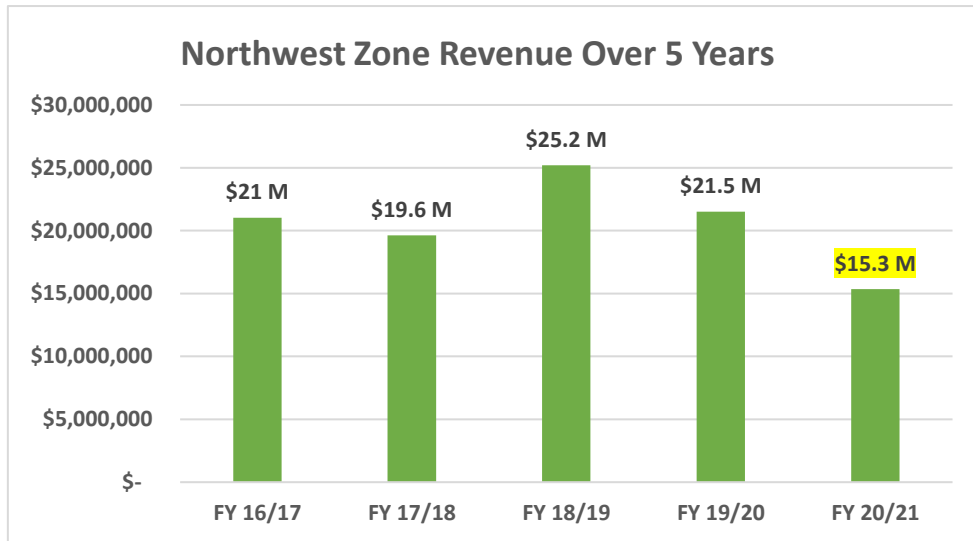
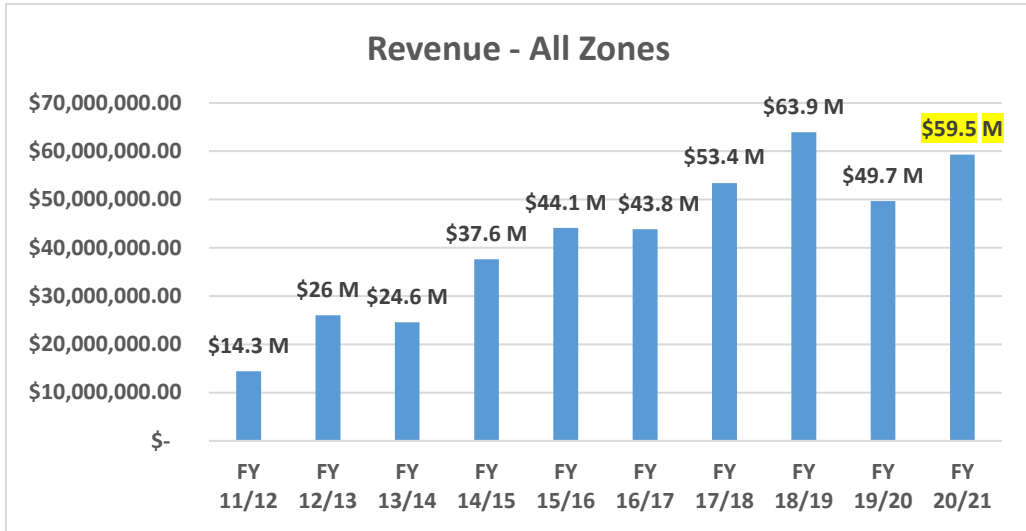
October 22, 2020: The Finance Directors Committee received and filed.

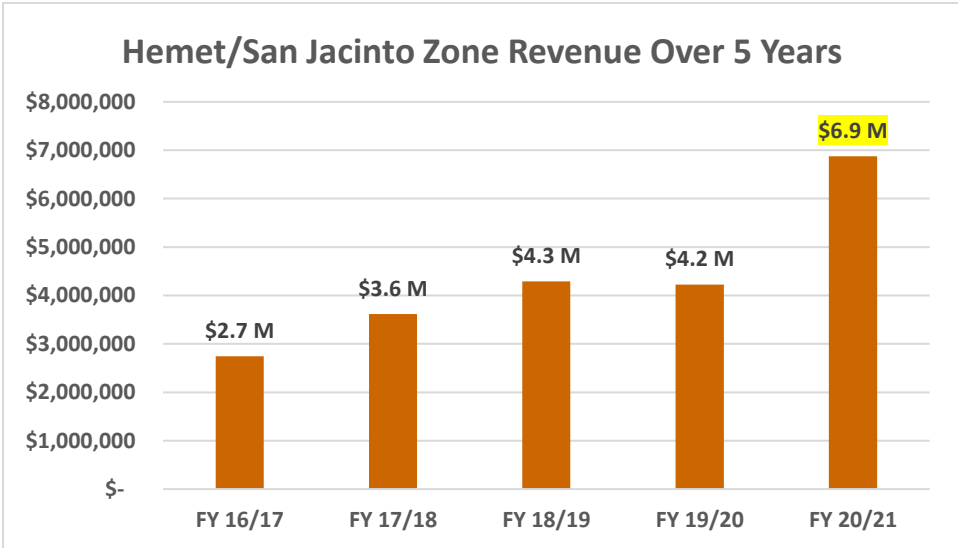
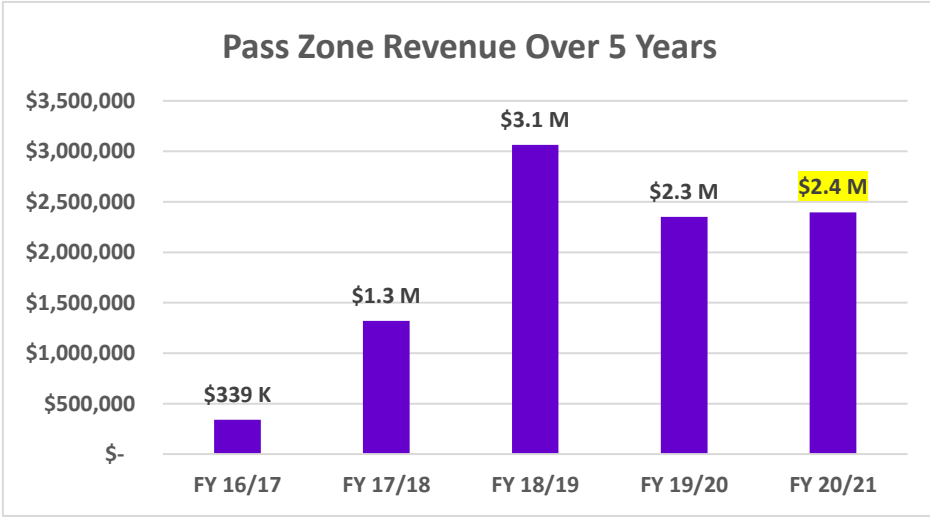
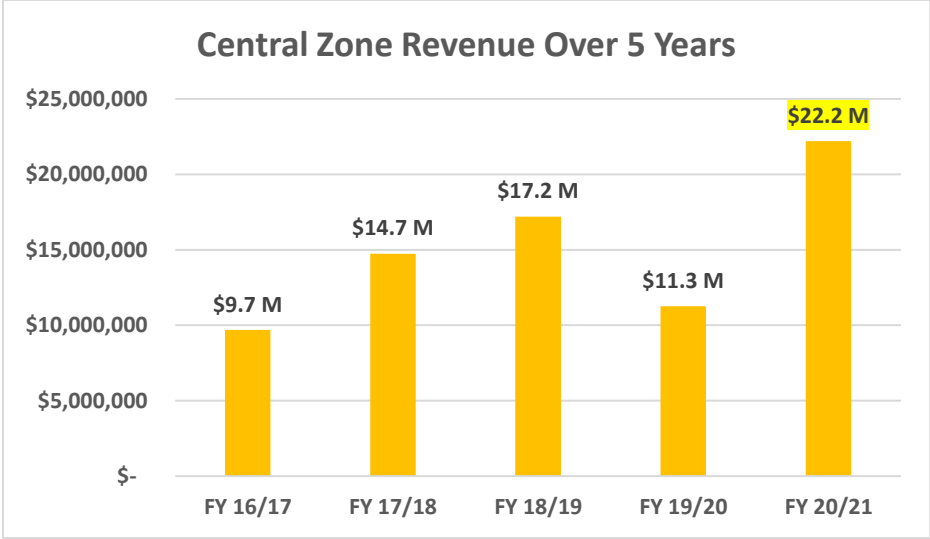
Fiscal Impact:

Additional TUMF revenue will noted in the 4th Quarter Budget Amendment.

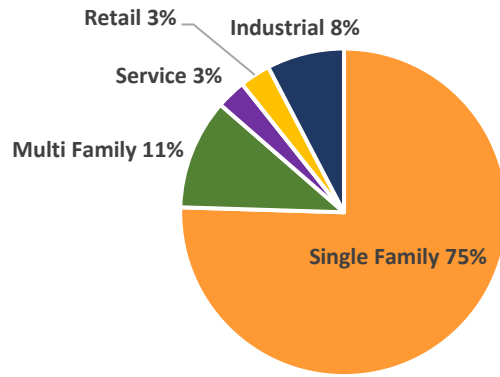
Attachment(s):

[Attachment 1 - TUMF Revenue FY 20-21](#)





Revenues By Land Use



■ Single Family ■ Multi Family ■ Service ■ Retail ■ Industrial



Western Riverside Council of Governments Finance Directors Committee

Staff Report

Subject: 4th Quarter Draft Budget Amendment for Fiscal Year 2020/2021
Contact: Andrew Ruiz, Chief Financial Officer, aruiz@wrcog.us, (951) 405-6740
Date: July 29, 2021

Requested Action(s):

1. Recommend that the Executive Committee approve the 4th Quarter Draft Budget Amendment for Fiscal Year 2020/2021.

Purpose:

The purpose of this item is to request approval of WRCOG's 4th Quarter Draft Budget Amendment for Fiscal Year 2020/2021

Background:

Administration

Administration Department expenditures exceeded the budgeted amount by \$75,401, primarily due to additional legal costs in the Administration Department (\$31k), additional office improvements and equipment purchased (\$17k), and additional consulting labor (\$12k).

The additional legal costs were primarily due to staffing and administrative changes that occurred throughout the year. The additional office improvements and equipment costs include things such as preparing the conference room for remote meetings and additional equipment for staff due to COVID-19 and having to work from home. The additional consulting labor was due to costs incurred for the recruitment of the Executive Director position. These additional expenditures are being offset by a decrease in other budgeted expenditures that did not fully utilize their budgeted amounts.

Net Expenditure increase to the Administration Department: \$0

Environmental Department

Environmental Department expenditures exceeded the budgeted amount by \$54,703, primarily due to additional advertising costs in the Used Oil Program (\$41k) and event support in the Clean Cities Program (\$12k).

The Used Oil Program usually hosts in-person events nearly every weekend; however, due to COVID-19 restrictions, in-person events were cancelled. The events have since been brought back, but without staff to pass out promotional materials. As a way of continuing to try to promote the Used Oil Program,

staff utilized advertising media to continue to promote the proper recycling and disposal of used oil. The additional advertising costs in the Used Oil Program will be offset by the promotional materials and event support line items that were not fully utilized this year due to COVID-19.

The Clean Cities Program usually hosts its annual AltCar Expo in person; however, due to COVID-19 restrictions, it was hosted online. Platia Productions facilitated the online event and additional costs under the event support line item were incurred. Costs for the event were originally budgeted under consulting, which will offset the increase in event support.

Net Expenditure increase to the Environmental Department: \$0

Transportation & Planning Department

Transportation & Planning Department revenues exceeded the budgeted amount by \$27,477,317, primarily due to additional revenues collected by the TUMF Program. Transportation & Planning Department expenditures exceeded the budgeted amount by \$294,325, primarily due to grants entered into during the fiscal year (\$172k) and consulting labor (\$109k).

While staff originally anticipated the TUMF Program to be negatively impacted by COVID-19, TUMF has experienced one of its best years of collections this year. This is primarily due to the boom in residential home construction. This trend is expected to continue into Fiscal Year 2021/2022. The TUMF Program also incurred approximately \$52k in additional costs, which will be offset by the increased revenues.

The Grant Writing Program incurred additional costs related to the grant writing services WRCOG provides for its member jurisdictions. The funds from the Grant Writing Program come from the HERO Program carryover funds that were programmed for various purposes several years ago, which included other Programs such as BEYOND, Fellowship, etc., so there will be no offset.

The Transportation Planning Program incurred \$12k in software costs due to the purchase of GIS software. The Program has begun providing GIS services for WRCOG's member agencies.

WRCOG also begun work on two grants this past year, the Analyses for Smart Climate and the Regional Early Action Plan. These grants will be fully reimbursed for costs and are multi-year grants that have been programmed into the FY 2021/2022 budget.

Net Expenditure increase to the Transportation & Planning Department: \$224,312

Net Revenue increase to the Transportation & Planning Department: \$27,477,317

Energy Department

Energy Department revenues exceeded the budgeted amount by \$2,009,034, primarily due to a significant increase in early payoffs (\$1.6M) in the HERO Program and additional revenue collected in the PACE Commercial Programs (\$400k). Energy Department expenditures exceeded the budgeted amount by \$1,522,118, primarily due to additional legal costs (\$1M) incurred by the HERO Program and settlement payments (\$390k) paid out by the HERO Program.

While the HERO Program is no longer completing new projects, it still manages and receives administrative fees on the existing pool of assessments. During the past fiscal year, there was a sharp

increase in early payoffs, which generated additional revenue for the Program. This could potentially be due to market conditions, as home values have increased substantially over the past year, increasing equity along with mortgage refinance rates hitting all-time lows, and may have factored in to this significant increase of payoffs. The net increase in revenues for the HERO Program is approximately \$1.6M.

The HERO Program has also incurred significantly more legal costs than originally anticipated. WRCOG's partner in the residential HERO Program, Renovate America, terminated its HERO product and subsequently filed for Chapter 11 Bankruptcy at the end of December 2020, ending the Program. Additionally, at the December 2020 WRCOG Executive Committee meeting, staff was directed to terminate the remaining residential PACE administration agreements with the two other companies that have partnered with WRCOG, Renew Financial and PACE Funding Group. Due to this, the Program has incurred significantly more legal costs as it relates to the Renovate bankruptcy as well as legal costs associated with homeowner issues. Legal costs have exceeded its budgeted amount by over \$1M. Additionally, WRCOG has been paying off assessments that have been determined to be fraudulent, which total to nearly \$400k. There are other expenditures that exceeded their budgeted amount and other line items that will be used to offset against. In total, expenditures will increase by approximately \$1.3M.

Lastly, the PACE Commercial Programs have exceeded their budgeted amounts by approximately \$400k. Twain completed one large project this year that netted WRCOG approximately \$350k and Greenworks completed 10 projects that netted WRCOG approximately \$260k. The PACE Commercial Program has continued to grow in completing projects year over year.

Net Expenditure decrease to the Energy Department: \$1,338,488
Net Revenue increase to the Energy Department: \$2,009,034

Prior Action(s):

None.

Fiscal Impact:

For the 4th Quarter of Fiscal Year 2020/2021, there will a total net increase in expenditures of \$1,562,800 along with a total increase in revenues of \$29,486,351.

Attachment(s):

[Q4 Budget Amendment.pdf](#)

Western Riverside Council of Governments
4th Quarter Budget Amendment
For the Year Ending June 30, 2021



	Thru 6/30/2021 Actual	Approved 6/30/2021 Budget	Amendment Needed
Administration			
Expenses			
General Legal Services	\$106,210	\$75,000	(\$31,210)
Parking Cost	\$23,566	\$20,000	(\$3,566)
WRCOG Auto Maintenance Expense	\$516	\$500	(\$16)
Parking Validations	\$4,191	\$10,000	\$5,000
Coffee and Supplies	\$3,476	\$3,000	(\$476)
Event Support	\$7,309	\$45,000	\$28,651
Program/Office Supplies	\$20,841	\$12,000	(\$8,841)
Computer Software	\$20,567	\$20,000	(\$567)
Rent/Lease Equipment	\$8,286	\$20,000	\$10,000
Membership Dues	\$16,570	\$30,000	\$10,000
Printing Services	\$1,830	\$1,000	(\$830)
Equipment Maintenance - General	\$1,250	\$8,000	\$6,750
Equipment Maintenance - Comp/Software	\$0	\$20,000	\$15,000
Consulting Labor	\$212,203	\$200,000	(\$12,203)
Office Equipment Purchased	\$17,692	\$0	(\$17,692)
Total expenditure (increase)/decrease			-

Western Riverside Council of Governments
4th Quarter Budget Amendment
For the Year Ending June 30, 2021



	Thru 6/30/2021 Actual	Approved 6/30/2021 Budget	Amendment Needed
Clean Cities			
Expenses			
Event Support	\$17,000	\$5,000	(\$12,000)
Consulting Labor	\$57,713	\$78,623	\$12,000
Used Oil Grant			
Expenses			
Event Support	\$64,703	\$85,500	\$13,703
Meeting Support Services	\$0	\$5,000	\$5,000
Printing Services	\$0	\$2,000	\$2,000
Insurance - Gen/Busi Liab/Auto	\$0	\$2,000	\$2,000
Supplies/Materials	\$0	\$20,000	\$20,000
Advertising Media	\$107,100	\$65,667	(\$41,433)
Consulting Labor	\$1,270	\$0	(\$1,270)
Total expenditure (increase)/decrease			-

Western Riverside Council of Governments
4th Quarter Budget Amendment
For the Year Ending June 30, 2021



	Thru 6/30/2021 Actual	Approved 6/30/2021 Budget	Amendment Needed
TUMF			
Revenues			
Commerical/Service	\$1,723,472	\$1,028,417	\$695,055
Retail	\$1,845,580	\$2,240,810	(\$395,230)
Industrial	\$4,758,736	\$5,918,236	(\$1,159,500)
Residential/Multi/Single	\$44,613,416	\$16,306,756	\$28,306,660
Multi-Family	\$6,543,261	\$6,685,379	(\$142,118)
Total Revenues	\$59,484,465	\$32,179,598	\$27,304,867
Expenses			
Membership Dues	\$625	\$250	(\$375)
Outside Consultants	\$353,915	\$272,241	(\$51,846)
Total Expenses	\$354,540	\$272,491	(\$52,221)
Grant Writing			
Expenses			
Consulting Labor	\$182,719	\$124,706	(\$58,013)
Transportation Planning			
Expenses			
Computer Software	\$12,000	\$0	(\$12,000)
Consulting Labor	\$240,781	\$303,682	\$12,000
Analyses for Smart Climate			
Revenues			
Smart Climate Revenue	\$63,951	\$0	\$63,951
Expenses			
Salaries & Wages - Fulltime	\$15,884	\$0	(\$15,884)
Fringe Benefits	\$2,690	\$0	(\$2,690)
Overhead Allocation	\$8,621	\$0	(\$8,621)
Consulting Labor	\$36,396	\$0	(\$36,396)
Total Expenses	\$63,591	\$0	(\$63,591)
REAP Project			
Revenues			
REAP Grant Revenues	\$108,499	\$0	\$108,499
Expenses			
Consulting Labor	\$108,499	\$0	(\$108,499)
Total revenue increase/(decrease)			\$27,477,317
Total expenditure (increase)/decrease			(\$224,312)

Western Riverside Council of Governments
4th Quarter Budget Amendment
For the Year Ending June 30, 2021



	Thru 6/30/2021 Actual	Approved 6/30/2021 Budget	Amendment Needed
WREP (Gas Company Partnership)			
Expenses			
Insurance - Gen/Busi Liab/Auto	\$275	\$0	(\$275)
Travel Mileage Reimbursement	\$0	\$500	\$275
Total Expenses	\$275	\$500	\$0

HERO			
Revenues			
WRCOG HERO Revenue	\$32,905	\$78,375	(\$45,470)
WRCOG HERO-Recording Revenue	\$25,625	\$57,915	(\$32,290)
Statewide HERO Revenue	\$170,588	\$272,000	(\$101,412)
Statewide HERO Admin Revenue	\$2,831,510	\$1,024,250	\$1,807,260
CA-HERO Recording fee Revenue	\$112,955	\$168,480	(\$55,525)
CA HERO Other Revenue	\$19,750	\$0	\$19,750
Total Revenues	\$3,193,333	\$1,601,020	\$1,592,313

Expenses			
Salaries & Wages	\$212,999	\$182,049	(\$30,950)
Fringe Benefit	\$94,295	\$75,436	(\$18,859)
GENERAL LEGAL SERVICES	\$1,122,499	\$100,000	(\$1,022,499)
Bank Fees	\$20,706	\$15,000	(\$5,706)
Computer Software	\$16,310	\$2,000	(\$14,310)
NWCC- Membership Dues	\$3,100	\$1,000	(\$2,100)
Data Processing Support	\$4,052	\$0	(\$4,052)
Recording Fee	\$49,901	\$129,800	\$79,900
Compliance Settlements	\$390,108	\$0	(\$390,108)
CA HERO Direct Exp	\$74,231	\$177,686	\$103,455
Total Expenses	\$1,988,200	\$682,972	(\$1,305,229)

Greenworks Lending			
Revenues			
PACE Commercial Revenue	\$262,056	\$100,000	\$162,056
Expenses			
Salaries & Wages -Greenworks Lending	\$1,005	\$0	(\$1,005)
General Legal Services Greenworks	\$380	\$0	(\$380)
Consulting Labor	\$56,875	\$25,000	(\$31,875)
Total Expenses	\$58,260	\$25,000	(\$33,260)

Twain			
Revenues			
PACE Commercial Revenue	\$354,665	\$100,000	\$254,665

Total revenue increase/(decrease)	\$2,009,034
Total expenditure (increase)/decrease	(\$1,338,488)