



**BOARD BUDGET AND FINANCE COMMITTEE MEETING
WEDNESDAY, OCTOBER 5, 2:00 P.M.
RIVERSIDE TRANSIT AGENCY BOARD ROOM
1825 THIRD STREET
RIVERSIDE, CA 92507**

1. **CALL TO ORDER**
2. **SELF-INTRODUCTIONS**
3. **PUBLIC COMMENTS– NON-AGENDA ITEMS** **RECEIVE COMMENTS**
Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Board considers that matter. Each person’s presentation is limited to a maximum of three (3) minutes
4. **APPROVAL OF MINUTES – SEPTEMBER 7, 2011 COMMITTEE MEETING (P.2)** **APPROVE**
5. **CASH FLOW PROJECTIONS (P.5)** **RECEIVE AND FILE**
6. **AUTHORIZATION TO ACCEPT GRANTS OF EASEMENT AND CONSENT TO RECORDATION WITH THE CLERK AT THE COUNTY OF RIVERSIDE ASSESSOR’S OFFICE (P.7)** **APPROVE**
7. **AUTHORIZATION TO AWARD AGREEMENT NO. 11-049 TO PACIFIC BUILDERS & ROOFING, INC. DBA WSP ROOFING FOR NON-STRUCTURAL ROOF REPLACEMENT (P.11)** **APPROVE**
8. **ANNUAL REPORT FOR PUBLIC AGENCIES SELF-INSURED FOR WORKERS’ COMPENSATION BENEFITS (P.13)** **RECEIVE AND FILE**
9. **BOARD MEMBER COMMENTS AND REMARKS**
10. **OTHER BUSINESS**
11. **ADJOURN**

Any person with a disability who requires a modification or accommodation in order to participate in this meeting or any person with limited English proficiency (LEP) who requires language assistance to communicate with the RTA Board during the meeting should contact the RTA Clerk of the Board, telephone number (951) 565-5044, no fewer than two business days prior to this meeting to enable RTA to make reasonable arrangements to assure accessibility or language assistance for this meeting.

Agenda related writings or documents provided to the Board of Directors are available for public inspection in the office of the Clerk of the Board and at the reception desk while the meeting is in session.

RTA BOARD BUDGET AND FINANCE COMMITTEE MEETING
September 7, 2011

1. CALL TO ORDER:

Committee Chairman Ashley called the Board Budget and Finance Committee meeting to order at 2:01 p.m., on September 7, 2011, in the RTA Board Room.

2. SELF-INTRODUCTIONS:

Self-introductions of those in attendance took place.

Board Committee Members Present:

1. Committee Chairman Marion Ashley, County of Riverside, District V
2. Director Barry Talbot, City of Canyon Lake, Mayor
3. Director Andy Melendrez, City of Riverside Councilmember
4. Director Joanne Evans, City of Perris Councilmember
5. Director Wallace Edgerton, City of Menifee, Mayor
6. Director Andrew Kotyuk, City of San Jacinto, Vice-Mayor

RTA Staff:

1. Larry Rubio, Chief Executive Officer
2. Tom Franklin, Chief Operating Officer
3. Craig Fajnor, Chief Financial Officer
4. Vince Rouzaud, Chief Procurement and Logistics Officer
5. Jim Kneepkens, Director of Marketing
6. Bob Bach, Director of Maintenance
7. Rick Kaczerowski, Director of Information Technologies
8. Lorelle Moe-Luna, Interim Director of Planning
9. Laura Murillo, Director of Human Resources
10. Natalie Gomez, Clerk of the Board
11. Natalie Zaragoza, Contracts Manager

Other Attendees:

None.

3. PUBLIC COMMENTS - NON-AGENDA ITEMS:

None.

4. APPROVAL OF MINUTES JULY 1, 2011, COMMITTEE MEETING:

M/S/C (TALBOT/EVANS) approving the July 1, 2011, Committee meeting minutes.
The motion carried unanimously.

5. QUARTERLY CAPITAL STATUS:

Mr. Fajnor presented the Quarterly Capital status.

Mr. Rubio noted that Director Kotyuk stated that on the Hemet Transit Center diagram it was actually Stetson Street and not State Street in Hemet.

6. QUARTERLY INVESTMENT REPORT:

Mr. Fajnor presented the Quarterly Investment report.

7. CASH FLOW PROJECTIONS:

Mr. Fajnor presented the Cash Flow projections.

8. AUTHORIZATION TO AWARD AGREEMENT NO. 11-027 TO SMARTDRIVE SYSTEMS, INC. (SMARTDRIVE) FOR THE AGENCY'S VEHICLE INCIDENT BASED VIDEO SURVEILLANCE SYSTEM:

M/S/C (KOTYUK/EVANS) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Authorize staff to award Agreement No. 11-027 to SmartDrive in an amount that will not exceed \$191,720.00 for the equipment installation and the four-year managed services period beginning December 8, 2011 and ending December 7, 2015.

The motion carried unanimously.

9. AUTHORIZATION TO AWARD AGREEMENT NO. 11-033 TO EMPIRE TRUCK & EQUIPMENT REPAIR (EMPIRE) FOR IN-FRAME ENGINE REBUILDING SERVICES:

Chairman Ashley refrained from participating in Item 9 as he stated he had a conflict of interest pursuant to Government Code Section 84308 based on campaign contributions exceeding \$250 he has received during the past twelve months from Complete Coach Works. He turned the meeting over to Director Talbot and resumed chairing the meeting after the item was discussed and approved.

M/S/C (KOTYUK/EVANS) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Authorize staff to award Agreement No. 11-033 to Empire Truck & Equipment Repair in an amount that will not exceed \$519,721.75 for engine rebuilding services.

The motion carried unanimously.

10. BOARD MEMBER COMMENTS AND REMARKS:

Director Evans announced that on Sunday, September 11, in honor of 911, Perris would be having a breakfast at 7 a.m. and a ceremony at 10 a.m. Everyone was invited.

Director Edgerton reminded everyone that on September 11 people came together and it was spontaneous. He noted that we need to remind Congress about attitude and working together.

Director Kotyuk stated how proud RTA must feel having the Flag bus.

Director Melendrez noted Military appreciation day on Saturday, September 10 and a ceremony on September 11 for "Riverside Remembers" at 3 pm in the breezeway at City Hall.

Committee Chair Ashley noted Supervisor Tavaglione purchased four new flags and they would fly for eleven days at the county building. There were also two ceremonies on September 11: One at the veterans' monument at 6:30 am and one at March Air Reserve Base at 9:11 a.m.

11. OTHER BUSINESS:

Mr. Rubio noted RTA will proudly be participating at the Ramona Bowl with the Flag bus in a static display.

Mr. Rubio stated that the driver involved in the accident in August is in rehabilitation regaining the use of his leg. On behalf of RTA staff and his family thank you for your well wishes.

APTA scheduled an event on September 11 at 10 a.m., where buses will sound their horns; however, RTA will do an internal bus announcement in lieu of horns.

12. ADJOURN:

The meeting adjourned at 2:36 p.m.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

October 5, 2011

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Craig Fajnor, Chief Financial Officer

SUBJECT: Cash Flow Projections

Summary: The Agency develops cash flow projections for the entire fiscal year representing weekly increments. Due to the size of the report, it is difficult to portray the entire fiscal year.

The attached report represents actual cash performance through late-September 2011 with projections through November 2011 – encompassing the first five months of the FY12. No cash flow issues are anticipated during this reporting period.

Recommendation:

Receive and file.

**Riverside Transit Agency
FY 2012 Cash Flow Projection**

	Actual	Actual									
1	9/16/2011	9/23/2011	9/30/2011	10/7/2011	10/14/2011	10/21/2011	10/28/2011	11/4/2011	11/11/2011	11/18/2011	11/25/2011
2	General Account										
2	Est. Cash, Beg Balance (Book)	(104,920)	(2,224,682)	2,407,432	50,000	50,000	50,000	50,000	50,000	50,000	50,000
3	Receipts:										
4	LTF Operating - recurring			2,889,143			2,889,143				2,889,143
5	LTF GASB 43/45			71,667			71,667				71,667
6	FET Credit (Capital)				85,551					80,000	
7	CalPERS CERBT Receipt					210,000					
8	Farebox	108,987	168,698	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
9	Total Other Farebox	15,630	14,541	62,407		13,300	16,826	279,068	108,738	14,322	17,067
10	Total Other Local	885	11,434				3,500				
11	FTA Operating	175,508	830,916		405,000			360,000	55,000		
12	Capital - Local, State		56,578		294,495		25,000		25,000	117,000	25,000
13	Echo - FTA Capital	39,868	1,544,580	50,000		50,000	50,000	154,000	50,000	50,000	50,000
14	Transfer from Investment to Gen Acct.		5,030,785		1,726,255	359,099	1,299,224		1,927,013	215,828	561,683
15	Disbursements:										
16	Payroll = Net+Tax	(2,982)	(548,470)		(570,000)		(590,000)		(590,000)		(590,000)
17	A/P Wires	(141,686)	(371,286)	(240,647)	(1,640,750)	(141,950)	(370,750)	(406,150)	(1,640,750)	(145,150)	(20,750)
18	A/P Checks	(163,833)	(154,169)	(235,000)	(235,000)	(235,000)	(235,000)	(235,000)	(235,000)	(235,000)	(235,000)
19	Capital Expenditures	(2,152,140)	(1,951,494)	(110,000)	(110,000)	(261,000)	(538,800)	(110,000)	(110,000)	(110,000)	(110,000)
20	Transfer to Investment from Gen Acct.			(4,975,002)				(2,772,728)			(2,759,770)
20	Transfer to GASB Trust Acct.										
21	Actual Ending Book Balance / Targeted Minimum Balance	(2,224,682)	2,407,432	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000

22 LAIF Account:

23	Beginning balance	2,000,000	2,000,000	1,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
24	Quarterly Interest Income					1,512					
25	Transfers to/from Gen Acct.	-	(5,030,785)	4,975,002	(1,726,255)	(359,099)	(1,299,224)	2,772,728	(1,927,013)	(215,828)	(561,683)
26	Transfers to/from County Pool	-	4,030,785	(2,975,002)	1,726,255	357,587	1,299,224	(2,772,728)	1,927,013	215,828	561,683
27	Ending balance	2,000,000	1,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

28 County Pool Account:

29	Beginning balance	21,727,388	21,727,388	17,696,603	20,671,605	18,954,480	18,600,806	17,301,582	20,074,309	18,147,297	17,931,469
30	Quarterly Interest Income				9,130	3,913					13,043
31	Transfers to/from Gen Acct.	-	-	-	-	-	-	-	-	-	-
32	Transfers to/from LAIF	-	(4,030,785)	2,975,002	(1,726,255)	(357,587)	(1,299,224)	2,772,728	(1,927,013)	(215,828)	(561,683)
33	Ending balance	21,727,388	17,696,603	20,671,605	18,954,480	18,600,806	17,301,582	20,074,309	18,147,297	17,931,469	20,142,599

RIVERSIDE TRANSIT AGENCY
1825 Third St.
Riverside, CA 92507

October 5, 2011

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Authorization to accept Grants of Easement and Consent to Recordation with the Clerk at the County of Riverside Assessor's Office

Summary: In May 2002, the Board authorized the purchase of 4.5 acres of undeveloped real property located adjacent to the Agency's facility at 1825 Third Street, Riverside, CA. In April 2009, the Agency awarded a contract for architectural and engineering design services for the construction of block walls and steel tubular fencing to enhance security at the facility.

New construction regulations within the City of Riverside require property owners to design a 'retention system' that will reduce the intensity of storm water discharge into the City's sewer system. To comply with this requirement, the wall and fence project included the design and construction of a retention basin and drainage structure that would collect storm water runoff and release it downstream over an extended period of time.

During the project's design phase, the engineers concluded the storm water runoff from the Agency's property would flow onto two lower adjacent parcels. As the project was being constructed, a retention basin and drainage structure was built to collect runoff and to slowly regulate its discharge to prevent erosion to the adjacent parcels. Construction and routine maintenance of the drainage structure requires ongoing access to these parcels.

A Grant of Easement was given by Earl David Grimes ("Grantor") in favor of Riverside Transit Agency ("Grantee") for a permanent easement and right-of-way for the construction and maintenance of storm drain facilities, including ingress and egress for said purposes, the acceptance of storm drainage waters and the acceptance of the encroachment of the Agency's fence and footing along the common property line.

A Grant of Easement was given by E. David Weisz Residuary Trust, Kleeman Family Trust, Leslie Ima and Leonard Miller (“Grantors”) in favor of Riverside Transit Agency (“Grantee”) for a permanent easement and right-of-way for the construction and maintenance of storm drain facilities, including ingress and egress for said purposes and the acceptance of storm drainage waters.

The project and storm drainage facility are complete and the Agency is ready to record the Grants of Easement. The California Government Code § 27281 provides that deeds or grants conveying any interest in or easement upon real estate to a political corporation or governmental agency for public purposes shall be accepted for recordation with the consent of the Grantee (Agency) shown by a resolution of acceptance by its governing board.

Fiscal Impact:

There is no fiscal impact to the Agency.

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Authorize the Clerk of the Board to execute a Resolution of Acceptance for Grant of Easement between Earl David Grimes (“Grantor”) and the Riverside Transit Agency, a joint powers authority (“Grantee”),
- Authorize the Clerk of the Board to execute a Resolution of Acceptance for Grant of Easement between E. David Weisz Residuary Trust, Kleeman Family Trust, Leslie Ima and Leonard Miller (“Grantors”) and the Riverside Transit Agency, a joint powers authority (“Grantee”), and
- Consent to recordation of Grants of Easement by Earl David Grimes (“Grantor”) and E. David Weisz Residuary Trust, Kleeman Family Trust, Leslie Ima and Leonard Miller (“Grantors”).

ATTACHMENT I

RESOLUTION # 2011-18

**AUTHORIZATION FOR THE ACCEPTANCE OF
GRANT OF EASEMENT AND
CONSENT TO RECORDATION THEREOF**

WHEREAS, the Riverside Transit Agency is a Joint Powers Agency with a governing Board consisting of twenty-one member jurisdictions located in Western Riverside County; and

WHEREAS, the Riverside Transit Agency has received a Grant of Easement by and between Earl David Grimes (“Grantor”) for a permanent easement and right-of-way for the construction and maintenance of storm drain facilities; and

WHEREAS, the Riverside Transit Agency has received a Grant of Easement by and between E. David Weisz Residuary Trust, Kleeman Family Trust, Leslie Ima and Leonard Miller (“Grantors”) for a permanent easement and right-of-way for the construction and maintenance of storm drain facilities; and

WHEREAS, the California Government Code § 27281 provides that deeds or grants conveying any interest in or easement upon real estate to a political corporation or governmental agency for public purposes shall not be accepted for recordation without the consent of the Grantee by its certificate or resolution of acceptance by its governing board; and

WHEREAS, the Riverside Transit Agency wishes to delegate authorization to execute these Certificates of Acceptance for Grants of Easement to the Clerk of the Board;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Riverside Transit Agency that Consent to Accept for Recordation Grants of Easement by and between Earl David Grimes (“Grantor”) and the Riverside Transit Agency (“Grantee”) and E. David Weisz Residuary Trust, Kleeman Family Trust, Leslie Ima and Leonard Miller (“Grantors”) and the Riverside Transit Agency (“Grantee”) is authorized.

NOW THEREFORE, BE IT FURTHER RESOLVED that the Clerk of the Board be authorized to execute all required Certificates of Acceptance for Grants of Easement between Earl David Grimes (“Grantor”) and the Riverside Transit Agency (“Grantee”) and by and between E. David Weisz Residuary Trust, Kleeman Family Trust, Leslie Ima and Leonard Miller (“Grantors”) and the Riverside Transit Agency (“Grantee”).

ADOPTED this 27th day of October 2011.

RIVERSIDE TRANSIT AGENCY

APPROVED AS TO FORM:

Bob Buster
Chairman of the Board

Kennard R. Smart, Jr.
Agency’s General Counsel

CERTIFICATION

The undersigned duly qualified Clerk of the Board of Directors of the Riverside Transit Agency certifies that the foregoing is a true and correct copy of a Resolution, adopted at a legally convened meeting of said Board of Directors held on October 27, 2011.

ATTEST:

Natalie Gomez
Clerk of the Board of Directors

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

October 5, 2011

TO: BOARD BUDGET AND FINANCE COMMITTEE
THRU: Larry Rubio, Chief Executive Officer
FROM: Vince Rouzaud, Chief Procurement and Logistics Officer
SUBJECT: Authorization to Award Agreement No. 11-049 to Pacific Builders & Roofing, Inc. dba WSP Roofing for Non-Structural Roof Replacement

Summary: Included in the Agency's FY12 capital budget are capital improvement projects for both the Riverside and Hemet facilities. One of the approved projects is the non-structural replacement or refurbishment of roofs for various buildings both in Riverside and in Hemet. These facilities are approximately 30 and 20 years old respectively and the buildings are in need of repair.

The proposed improvements will include the complete re-roofing of the main administration building, coin room and the Durahart building in Riverside and the administration and maintenance building in Hemet. By utilizing current roofing materials and technology, these improvements will add another 20-plus years of serviceability to these facilities.

On September 1, 2011, staff issued Invitation for Bid (IFB) No. 11-049. The procurement was publicly advertised in a newspaper of general circulation and a notice was posted on the Agency's website along with a copy of the IFB document. The Agency also sent notices of the contracting opportunity to the Chambers' of Commerce for those cities that are members of the Joint Powers Agreement (JPA). On September 22, 2011, the Agency received bids from the following vendors:

Firm Name / Location	Bid Amount
Pacific Builders & Roofing, Inc., Roseville, CA	\$355,100.00
Chapman Coast Roof Co., Inc., Fullerton, CA	\$368,350.00
Sylvester Roof Co., Inc., Escondido, CA	\$370,318.00
Western States Roof Systems, Inc., Northridge, CA	\$378,991.00
Cabral Roofing & Waterproofing Corp., Montebello, CA	\$401,055.00
Tecta America, Santa Ana, CA	\$435,225.00
Best Contracting Services, Inc., Gardena, CA	\$456,000.00

References were checked and staff reviewed the low bidder's submittal to ensure it complied with the requirements of the IFB. Based on the above pricing, staff recommends awarding a contract to Pacific Builders & Roofing (dba WSP Roofing), the lowest responsive and responsible bidder.

As with all construction-type projects, staff is also recommending approval of a 5% contingency amount of \$17,755 to be utilized in the event of unforeseen circumstances.

Fiscal Impact:

Funding in the amount of \$375,177.27 was included in the Agency's FY12 capital budget.

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Authorize staff to award Agreement No. 11-049 to Pacific Builders & Roofing (dba WSP Roofing) for Non-Structural Roof Replacement in the amount of \$355,100; with further authorization for an additional amount of \$17,755 (5%) as contingency.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

October 5, 2011

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Craig Fajnor, Chief Financial Officer
Melaina Francis, Risk Manager

SUBJECT: Annual Report for Public Agencies Self-Insured for Workers' Compensation Benefits

Summary: The Agency has been self-insured for workers' compensation benefits since April 1991. Prior to that, it was insured with the State Compensation Insurance Fund. The change to a self-insured plan permitted the Agency greater flexibility to work with the designated claims administrator to address employee needs while ensuring control of workers' compensation costs.

On October 1st of each year, public agencies that are self-insured for workers' compensation benefits are required to file a report with the State of California covering the previous fiscal year's activity. The Agency's annual report was filed with the State prior to the October 1st deadline. The California Labor Code requires each public self-insurer to advise its governing Board within 90 days after submission of the Self-Insurers Annual Report of the total liabilities reported and whether current funding of those liabilities is in compliance with the requirements of Government Accounting Standards Board Publication 10.

In conjunction with this filing, AON completed an actuarial study of the Agency's self-insured workers' compensation and vehicle liability programs as of June 30, 2011. The study shows Agency workers' compensation liabilities/outstanding losses total \$1,379,991 as of the end of the prior fiscal year. Included within the \$1,379,991 figure is a factor for Incurred But Not Reported (IBNR) claims. In addition, a recommended margin for contingencies of 20% has been added to the consideration of the Agency's financial position as of June 30, 2011. The Agency is required to consider those factors as part of the assets set aside for workers' compensation liabilities.

A comparison of Projected Financial Position for total workers' compensation and vehicle liability over the prior fiscal year is shown below:

	June 30, 2010	June 30, 2011	Change Incr.+/ (Decr.)
Assets Available (Approximate & Unaudited)	\$ 5,123,254	\$ 4,460,314	\$ (662,940)
Estimated Outstanding Losses	1,455,019	1,691,081	236,062
Gross Projected Financial Position (Assets - Estimated Outstanding Losses)	<u>3,668,235</u>	<u>2,769,233</u>	<u>(899,002)</u>
Margin for Contingencies (20% of Estimated Outstanding Losses)	291,004	338,216	47,212
Net Projected Financial Position (Projected Financial Position (Gross) - Margin)	<u>3,377,231</u>	<u>2,431,017</u>	<u>(946,214)</u>

Assets Available consist of workers' compensation and vehicle liability reserves currently being recognized by the Agency. Estimated Outstanding Losses are derived by AON statistical formulae based on annual claims, cost per claim, and claim severity. Assets Available minus Estimated Outstanding Losses equal Gross Projected Financial Position. This represents the amount of assets remaining after payment of all estimated losses and claims, excluding a margin for contingencies. AON includes 20 percent of the Estimated Outstanding Losses amount as contingency in its calculation. This Margin for Contingencies is subtracted from Gross Projected Financial Position to derive Net Projected Financial Position.

Staff derives case reserve amounts from a third party administrator based on an analysis of actual claims, claim amounts, and claim severity. Additional funds may be reserved in order to further protect the Agency. Agency assets set aside to cover estimated losses and claims decreased by \$662,940 when comparing June 2011 to June 2010. Overall Estimated Outstanding Losses have increased by \$236,062 since last year. Further, with the increase in Estimated Outstanding Losses for 2011, the Margin for Contingencies that is applied to Gross Projected Financial Position has increased by \$47,212. Net Projected Financial Position decreased \$946,214 from \$3,377,231 to \$2,431,017.

When all actuarial results are considered, AON's assessment of the Agency's financial position indicates a total confidence level at over 90 percent on its self-insured workers' compensation and vehicle liability.

The confidence level is the degree of certainty an actuary holds that assets are sufficient to pay losses in nine of the ten years in a ten year period.

The current funding of our workers' compensation liabilities is in compliance with the requirements of Government Accounting Standards Board Publication 10.

Fiscal Impact:

None

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Receive and file.