



**BOARD BUDGET AND FINANCE COMMITTEE MEETING  
WEDNESDAY, JANUARY 9, 2013, 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 – DECEMBER 5, 2012 COMMITTEE MEETING (P.3)** **APPROVE**
5. **CASH FLOW PROJECTIONS (P.6)** **RECEIVE AND FILE**
6. **AGENCY INVESTMENT POLICY – ANNUAL UPDATE (P.8)** **APPROVE**
7. **AUTHORIZATION TO AWARD AGREEMENT NO. 12-041 TO BARNEY & BARNEY LLC FOR MEDICAL BROKERAGE AND ADVISORY SERVICES (P.16)** **APPROVE**
8. **RATIFY THE 2013 UNIVERSAL CALL FOR SPECIALIZED TRANSPORTATION PROJECTS GRANT APPLICATIONS SUBMITTED TO THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION (RCTC) TO ACQUIRE FUNDING FROM THE FEDERAL JOB ACCESS AND REVERSE COMMUTE (JARC) PROGRAM, FEDERAL NEW FREEDOM (NF) PROGRAM, AND SPECIALIZED TRANSIT MEASURE A (MEASURE A) PROGRAM (P.19)** **APPROVE**

*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.*

- 9. BOARD MEMBER COMMENTS AND REMARKS**
- 10. OTHER BUSINESS**
- 11. NEXT MEETING**  
**Board Budget and Finance Committee Meeting**  
**Wednesday, February 6, 2013**  
**2:00 p.m.**  
**RTA Headquarters**  
**1825 Third Street**  
**Riverside, CA 92507**
- 12. ADJOURN**

## RTA BOARD BUDGET AND FINANCE COMMITTEE MEETING

Minutes

December 5, 2012

### 1. CALL TO ORDER:

Acting Committee Chair Talbot called the Board Budget and Finance Committee meeting to order at 2:00 p.m., on December 5, 2012 in the RTA Board Room.

### 2. SELF-INTRODUCTIONS:

Self-introductions of those in attendance took place.

#### Board Committee Members Present:

1. Acting Committee Chair, Barry Talbot, City of Canyon Lake, Councilmember
2. Director Frank Johnston, City of Jurupa Valley, Councilmember
3. Director Wally Edgerton, City of Menifee, Deputy Mayor
4. Director Andy Melendrez, City of Riverside, Councilmember
5. Director Andrew Kotyuk, City of San Jacinto, Mayor
6. Alternate Andrea Puga, County of Riverside, District II
7. Alternate Ron Roberts, County of Riverside, District III
8. Alternate Jaime Hurtado, County of Riverside, District V

#### 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. Eric Ustation, Government Affairs Representative
7. Gordon Robinson, Director of Planning
8. Brad Weaver, Marketing Manager
9. Laura Camacho, Director of Human Resources
10. Natalie Gomez, Clerk of the Board
11. Virginia Werly, Contract Operations Manager
12. Natalie Zaragoza, Contracts Manager
13. Bob Bach, Director of Maintenance
14. Lorelle Moe-Luna, Senior Planner
15. Rick Kaczerowski, Director of Information Technologies
16. Kathy Thomas, Senior Planner

#### Other Attendees:

None.

### 3. PUBLIC COMMENTS - NON-AGENDA ITEMS:

None.

4. APPROVAL OF MINUTES NOVEMBER 7, 2012, COMMITTEE MEETING:  
M/S/C (KOTYUK/PUGA) approving the November 7, 2012, Committee meeting minutes.  
The motion carried unanimously.

5. QUARTERLY CAPITAL STATUS REPORT

Mr. Fajnor presented the Quarterly Capital Status Report.

6. CASH FLOW PROJECTIONS

Mr. Fajnor presented the Cash Flow Projections.

7. AUTHORIZATION TO ISSUE A SOLE SOURCE PURCHASE ORDER TO HANSEN INFORMATION TECHNOLOGIES (HANSEN) FOR SOFTWARE LICENSING AND TECHNICAL SUPPORT SERVICES

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

- Authorize staff to Issue a sole source purchase order to Hansen Information Technologies for software licensing and technical support services in an amount not to exceed \$54,345.71.

The motion carried unanimously.

8. AUTHORIZATION TO AWARD AGREEMENT NO. 12-039 TO SUNBELT FLOORING, INC. FOR THE APPLICATION OF EPOXY FLOOR COATINGS AT THE RIVERSIDE AND HEMET MAINTENANCE FACILITIES

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

- Authorize staff to award Agreement No. 12-039 to Sunbelt Flooring, Inc. for the application of epoxy floor coatings at the Riverside and Hemet facility maintenance buildings in the amount of \$195,207.00; with further authorization for an additional amount of \$19,520.70 as contingency.

The motion carried unanimously.

9. ADOPT AGENCY'S FY13 UPDATE TO TRANSPORTATION UNIFORM MITIGATION FEE (TUMF), TRANSPORTATION IMPROVEMENT PROGRAM (TIP) AND PROGRAM OF PROJECTS (POP) FOR FY13 THROUGH FY17

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

- Adopt the Agency's FY13 updated TUMF, TIP and POP for FY13 through FY17 and forward to WRCOG for approval and adoption.

The motion carried unanimously.

10. BOARD MEMBER COMMENTS AND REMARKS

Alternate Puga thanked RTA for a framed picture of the Chairpersons who were at the RTA 35<sup>th</sup> Anniversary event.

Director Melendrez announced the annual procession, or La Caminata, up Mount Rubidoux will take place at 8 a.m. on December 8. The procession starts at Our Lady of Guadalupe on Ninth Street in Riverside and ends atop the mountain. The event is open to the public and there will be Mariachi's and Folklórico dancers.

11. OTHER BUSINESS

Mr. Rubio informed the committee members that the next Board of Directors meeting will be on Wednesday, December 12, at 2 pm at the Riverside County Administrative Center.

Mr. Rubio announced Acting Committee Chairman Talbot's last meeting with RTA was today, December 5. Mr. Rubio thanked him for his great service, insight and for being a valued leader.

12. NEXT MEETING

Board Budget and Finance Committee Meeting  
Wednesday, January 9, 2013  
2:00 p.m.  
RTA Headquarters  
1825 Third Street  
Riverside, CA 92507

13. ADJOURN

The meeting adjourned at 2:29 p.m.

RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

January 9, 2013

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-December 2012 with projections through February 2013 – encompassing the first eight months of FY13. No cash flow issues are anticipated during this reporting period.

Recommendation:

Receive and file.

**Riverside Transit Agency  
FY13 Cash Flow Projection**

	Actual	Actual										
1	12/14/2012	12/21/2012	12/28/2012	1/4/2013	1/11/2013	1/18/2013	1/25/2013	2/1/2013	2/8/2013	2/15/2013	2/22/2013	3/1/2013
2	<b>General Account</b>											
	Est. Cash, Beg Balance (Book)	(129,658)	(70,951)	(4,272)	597,754	50,000	50,000	50,000	50,000	50,000	50,000	50,000
3	<b>Receipts:</b>											
4	LTF Operating - recurring			3,143,241			3,143,241				2,800,174	
5	LTF GASB 43/45			116,667			116,667				233,333	
6	CalPERS CERBT Receipt		81,157				80,677					80,000
7	Farebox	261,812	112,583	100,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000
8	Total Other Farebox	211,087	13,299	194,380	36,491	2,444	25,519	13,299	274,716	19,643	12,535	13,299
9	Total Other Local	29,826	560	1,000	87,598	1,000	4,750	1,000	25,000	1,000	1,000	25,000
10	FTA Operating			16,884		357,301				135,000		
11	Capital - Local, State	109,053			15,000	15,000	15,000	15,000	15,000	15,000	15,000	74,417
12	Echo - FTA Capital	98,481		313,561	50,000	50,000	50,000	50,000	50,000	250,000	50,000	50,000
13	Transfer from Investment to Gen Acct.	798,693	1,000,000	547,754	1,208,557	316,256	872,631		52,684	2,046,357	176,865	
14	<b>Disbursements:</b>											
15	Payroll = Net+Tax	(802,027)	(465)	(615,000)		(615,000)		(690,000)		(615,000)		(615,000)
16	A/P Wires	(40,379)	(144,340)	(270,080)	(1,840,400)	(22,000)	(262,900)	(122,000)	(312,400)	(1,747,000)	(150,400)	(122,000)
17	A/P Checks	(133,098)	(70,278)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)
18	Capital Expenditures	(24,741)	(925,837)	(75,000)	(75,000)	(75,000)	(675,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
19	Transfer to GASB Trust Acct.											
20	Actual Ending Book Balance / Targeted Minimum Balance	(70,951)	(4,272)	597,754	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
21	<b>LAIF Account:</b>											
22	Beginning balance	8,750,000	8,500,000	7,500,000	10,196,382	8,987,825	8,671,569	7,804,925	10,307,808	10,255,123	8,208,766	8,031,902
23	Quarterly Interest Income						5,986					
24	Transfers to/from Gen Acct.	(348,693)	(1,000,000)	2,148,627	(1,208,557)	(316,256)	(872,631)	2,502,883	(52,684)	(2,046,357)	(176,865)	2,270,806
25	Transfers to/from County Pool	98,693	-	547,754	-	-	-	-	-	-	-	-
26	Ending balance	8,500,000	7,500,000	10,196,382	8,987,825	8,671,569	7,804,925	10,307,808	10,255,123	8,208,766	8,031,902	10,302,708
27	<b>County Pool Account:</b>											
28	Beginning balance	44,390,534	44,291,841	44,291,841	43,744,087	43,757,241	43,757,241	43,757,241	43,757,241	43,757,241	43,757,241	43,770,395
29	Quarterly Interest Income				13,154						13,154	
30	Transfers to/from Gen Acct.	-	-	-	-	-	-	-	-	-	-	-
31	Transfers to/from LAIF	(98,693)	-	(547,754)	-	-	-	-	-	-	-	-
32	Ending balance	44,291,841	44,291,841	43,744,087	43,757,241	43,757,241	43,757,241	43,757,241	43,757,241	43,757,241	43,770,395	43,770,395
	<i>Restricted</i>	38,727,615	37,801,778	38,157,006	38,147,006	38,137,006	37,527,006	37,633,673	37,623,673	37,813,673	37,803,673	38,027,006
	<i>Available for Operating</i>	14,064,226	13,990,063	15,783,462	14,598,060	14,291,804	14,035,160	16,431,376	16,388,692	14,152,335	13,998,624	16,106,413

RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

January 9, 2013

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Craig Fajnor, Chief Financial Officer

SUBJECT: Agency Investment Policy – Annual Update

Summary: The Agency's Board of Directors must adopt an Investment Policy on an annual basis. Doing so ensures that the investment policy remains consistent with overall Agency goals and objectives. All policy changes must be approved by the Board of Directors prior to implementation.

The current policy includes the following objectives – in order of priority:

1. Preservation of principal
2. Maintain liquidity
3. Rate of Return consistent with the first two objectives

The only change recommended to the current policy is the inclusion of language regarding the potential purchase of natural gas from a source other than the Southern California Gas Company (SoCal Gas or The Gas Company). Under standard practice with SoCal Gas, natural gas can only be purchased in monthly quantities with the price per therm based on the floating index plus related fees. Buying natural gas under a longer-term arrangement for a fixed price per therm is not possible. In order to procure natural gas from an entity other than SoCal Gas, the Agency must contract with an approved Energy Services Provider (ESP).

As reviewed and approved at the December 12, 2012 Board of Directors meeting, based on guidance from the Fuel Task Force, staff has initiated a formal procurement for natural gas requirements for the fueling of agency vehicles powered with compressed natural gas (CNG). Within the Request for Proposals (RFP), the Scope of Work (SOW) asks for pricing considerations under a fixed discount to the monthly floating index price per therm with the option to purchase for a longer-term at a fixed price per therm. It is under a longer-term fixed price arrangement where the



investment policy would ensure a disciplined approach to buying natural gas at statistically low prices based on history. Under this approach and policy, the Agency could more accurately predict and budget its CNG fuel costs as well as save money.

Attachment A to this staff report is the draft Agency Investment Policy for 2013 which includes the changes discussed above.

Fiscal Impact:

None at this time.

Recommendation:

Recommend this item to the full Board of Directors for their consideration as follows:

Adopt the Agency Investment Policy for 2013.



## **ATTACHMENT A**

### **INVESTMENT POLICY**

#### **SCOPE**

This investment policy applies to the Operating and Capital cash funds of Riverside Transit Agency, except for its employees' retirement system fund and its retiree medical fund, both of which are administered by the California Public Employees Retirement System (CalPERS). Separate Section 401 and 457 Deferred Compensation Funds are administered by Great West Retirement Services (Great West).

#### **OBJECTIVE**

Investable funds shall be invested to the maximum extent feasible. The primary goal of the investment program is to maintain safety and liquidity of principal and interest while maximizing returns, minimizing risks and ensuring that funds are available to meet anticipated cash flow requirements.

In the investment of its funds, Riverside Transit Agency will be guided by the following principles in order of importance:

1. The primary objective of the investment program is to safeguard the principal of the funds.
2. The secondary objective is to meet the liquidity needs of the Agency.
3. The third objective is to achieve a maximum return while assuming minimal risk on Agency investments.

#### **AUTHORIZED INVESTMENT OFFICERS**

The Chief Financial Officer is designated as the Investment Officer for the Agency and is responsible for investment decisions and activities, under the direction of the Chief Executive Officer. Cash management and investment transactions are the responsibility of the Investment Officer. In the absence of the Chief Financial Officer, the Chief Executive Officer will designate a temporary Investment Officer.

The authority to execute investment transactions on behalf of the Riverside Transit Agency will be limited to the:

- Chief Executive Officer
- Chief Financial Officer
- Chief Operating Officer
- Chairman of the Board

Two authorized signatures will be required for all investment transactions and wire transfers as delineated in Resolution 98-04 adopted on May 28, 1998, or any revision thereafter subsequently approved by the Board of Directors.

## **ETHICS AND CONFLICT OF INTEREST**

Officers and employees who are directly involved in the investment program shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair the ability to make impartial investment decisions.

## **PRUDENCE**

The standard to be used by investment officials shall be that of a “prudent person” and shall be applied in the context of managing all aspects of the overall portfolio. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, direction and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as probable income to be derived.

The Agency realized that market prices of securities would vary depending on economic and interest rate conditions at any point in time. It is further recognized, that in a well-diversified investment portfolio, occasional measured losses are inevitable due to economic, bond market or individual security credit risk. These occasional losses must be considered within the context of the overall investment program objectives and the resultant long-term rate of return.

The Investment Officer and other individuals assigned to manage the investment portfolio, acting in accordance within the intent and scope of the investment policy and other written procedures and exercising due diligence, shall not be held personally responsible for security credit risk or market price changes, provided that deviations from expectations are reported immediately to the Chief Executive Officer and that appropriate action is taken to control adverse developments.

## **SAFEKEEPING**

Agency cash and investment securities, if any, shall be held in safekeeping by a designated institution. The institution shall issue a safekeeping receipt to the Agency listing the specific instrument, rate, maturity and other pertinent information as applicable. The independent auditors should review safekeeping procedures annually along with internal controls.

## **MONITORING AND ADJUSTING THE PORTFOLIO**

The Investment Officer will routinely monitor the contents of the portfolio, the available markets and the relative values of competing instruments, and will adjust the portfolio accordingly.

## **INTERNAL CONTROL**

The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the Finance Department on a monthly basis.

Internal controls shall be reviewed annually by the independent auditor. The controls shall be designed to prevent a loss of public funds due to fraud, error, misrepresentation, unanticipated market changes or imprudent actions.

## **REPORTING**

The Investment Officer shall render a quarterly report to the Chief Executive Officer and the Board of Directors within 30 days following the end of the quarter covered by the report. The report will include the following information:

- Type of Investment
- Name of Issuing Institution
- Date of Maturity, if applicable
- Amount of Deposit (Investment)
- Rate of Interest Earned
- Current Market Value of the Investment as of the Date of the report
- Sufficient Funds Statement for Next 30-90 Days' Obligations for Operating Costs
- State compliance of the portfolio to the Statement of Investment Policy

## **AUTHORIZED INVESTMENTS**

Investment of the Agency funds is governed by the California Government Sections 53600 et seq. Within the context of these limitations, the following investments are authorized, as further limited herein:

1. Passbook Savings and Account Demand Deposits with commercial banks or savings and loan banks insured by the Federal Deposit Insurance Corporation and/or collateralized in accordance with the California Government Code. These accounts are liquid; therefore, there is no percentage limitation of the portfolio, which can be invested in this category.
2. Local Agency Investment Fund (LAIF) which is a State of California managed investment pool and may be used to the maximum permitted by the California State Law.
3. California Arbitrage Management (CAMP) Pool. Funds deposited in this category are restricted to the remaining Certificates of Participation (COP) proceeds and interest earned to pay the debt service on the 57 replacement buses purchased in 2001/2002. This service expires in 2014.

4. U.S. Treasury Bills, Bonds, and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio which can be invested in this category. Maturity is not to exceed the projected dates of the Agency's cash needs or two years, whichever is less.
5. County of Riverside Treasurer's Pooled Investment Fund (Riverside County Pool) which is a County of Riverside managed investment pool.

## **MATURITY SCHEDULED**

Investment maturities shall be scheduled, as applicable, to coincide with projected cash flow needs, taking into account large routine expenditures such as payroll, accounts payable and capital purchases along with receipt of projected revenues.

## **INTEREST EARNINGS**

All moneys earned and collected from investments authorized in this policy shall be accrued monthly to various fund accounts based on the cash balances in each fund as a percentage of the entire pooled portfolio.

## **LEGISLATIVE CHANGES**

Any State of California legislative action, that further restricts allowable maturities, investment type or percentage allocations, will be incorporated into the Riverside Transit Agency's Investment Policy and supersede any and all previous applicable language.

## ***NATURAL GAS FUEL PROCUREMENT POLICY***

*The objective of Natural Gas Fuel Procurement Policy is to lower the operating cost of natural gas by implementing a policy that takes advantage of below average natural gas prices with the purchase of a natural gas fixed price contract. The goal of the Natural Gas Fuel Procurement Policy is to reduce the cost of natural gas for an extended period of time and to protect from any upside risk in the market price of natural gas. This policy is initiated in order to increase the predictability of the cost per therm of Agency natural gas fuel, thereby improving the Agency's ability to anticipate and project overall compressed natural gas (CNG) costs.*

*Due to the nature of its business, the Agency is subject to the risk arising from an interruption in the supply of natural gas through the vast pipeline infrastructure. This risk exists whether the Agency's natural gas requirements are purchased through The Gas Company or a designated third party.*

*Due to the nature of its business, the Agency is also subject to the risk arising from unfavorable movements in natural gas fuel prices due to volatility in the natural gas commodity market. This risk can be managed through the long-term purchase of natural gas by means of a fixed price or indexed price over a time period greater than one year. The*

*Agency's aim is to reduce the uncertainty in the cost of natural gas fuel which is a component of its operating cost.*

*The Agency is seeking the option to purchase natural gas at a fixed or indexed price per therm to more accurately predict operational costs and create reliable budgets. Having the option to purchase fixed price natural gas from other than The Gas Company limits the downside risk of unfavorable price movement in the commodity cost of the gas. Having the option to purchase natural gas on a index price from other than The Gas Company would save the Agency money. To that end, this section of the Investment Policy provides guidelines on the implementation of an alternative purchase method to buying natural gas from The Gas Company. This alternative process involves entering into a contract with an energy service provider (ESP) for a term greater than one year for the purchase of natural gas. Natural gas can be purchased on either a fixed rate per therm or an indexed rate per therm basis. Should the Agency execute a purchase agreement with an ESP and depart from its current practice of buying from The Gas Company, it is understood that the Agency will still be paying The Gas Company for transmission and related fees. It must be understood and agreed that buying natural gas from an ESP creates the possibility of buying natural gas at a price per therm greater than would be if purchased through The Gas Company.*

*The Chief Executive Officer (CEO) of the Agency is hereby authorized to approve purchasing natural gas from an ESP.*

*The Chief Procurement and Logistics Officer (CPLO) is designated as the buyer of the Agency and is responsible for entering into a natural gas purchasing arrangement with a designated ESP, under the direction of the CEO. In the absence of the CPLO, the CEO will designate the temporary replacement buyer.*

*The CEO, CPLO and CFO will routinely evaluate natural gas commodity price performance to ensure proactive management of this natural gas investment policy.*

*The Finance Department will be responsible for establishing the natural gas price point to implement an extended period purchase of natural gas from a designated ESP per this natural gas investment policy.*

*The target, or strike, price and period/amount of the fixed price contract at which the Agency would enter into a natural gas fuel purchase agreement for an extended period of time, outside of The Gas Company, would be based on the following:*

- *An evaluation of the trailing three (3) years of commodity cost history from The Gas Company to be enacted per below;*
- *When the cost of the natural gas commodity, inclusive of any administrative costs of the designated ESP, is two standard deviations less than the trailing 3-year average cost*
- *When the cost of the natural gas commodity, inclusive of any administrative costs of the designated ESP, is two standard deviations above than the trailing 3-year average cost, then any contracts entered into should be sold upon verifying a bid in the market.*

*There are two acceptable types of contracts for the purchase of natural gas if not purchased through The Gas Company.*

*The first is a FIXED FORWARD PURCHASE PRICE where an agreed price per therm of the natural gas commodity is locked in for a pre-determined amount of time. This price will include the cost of the natural gas commodity and the administrative fee charged by the designated ESP. The Agency will still pay The Gas Company directly for transmission and related fees.*

*The second is an INDEXED PRICE which is the wholesale price of gas in any particular month. The index price changes monthly. The Agency is seeking an arrangement where an agreed percentage per therm below the current Gas Company commodity price, which is based on an indexed price, will be charged. This price will include the cost of the natural gas commodity and the administrative fee charged by the designated ESP. The Agency will still pay The Gas Company directly for transmission and related fees.*

## **POLICY REVIEW**

The Board of Directors on an annual basis shall adopt the Riverside Transit Agency's investment policy. This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends. Any amendments to the policy shall be forwarded to the Board of Directors for approval.

RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

January 9, 2013

TO: BOARD BUDGET & FINANCE COMMITTEE  
THRU: Larry Rubio, Chief Executive Officer  
FROM: Vince Rouzaud, Chief Procurement and Logistics Officer  
SUBJECT: Authorization to Award Agreement No. 12-041 to Barney & Barney LLC for Medical Brokerage and Advisory Services

Summary: The Agency contracts with an insurance brokerage firm to market its health and welfare insurance benefits such as medical, dental, vision, life, and long term disability. On an annual basis, the brokerage firm assists the Agency in obtaining insurance benefits for employees, retirees and eligible employee dependents. The benefits program is intended to maximize employee benefits while containing costs. In addition, the brokerage firm provides regular assistance throughout the year with issues that may arise with billing, employee/retiree claims, enrollment, and carrier contracts. The Agency's current contract with Barney & Barney LLC (Barney & Barney) will expire on April 30, 2013.

On October 9, 2012, the Agency issued Statement of Qualifications (SOQ) No. 12-041 for 'Medical Brokerage and Advisory Services'. The SOQ 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 SOQ document. In addition, the Agency sent notices to the Chambers' of Commerce for those cities that are members of the Joint Powers Agreement (JPA). On November 16, 2012, the Agency received four (4) submittals from the following firms:

- Barney & Barney LLC  
San Diego, CA
- Inland Financial & Insurance Services  
Banning, CA
- Keenan & Associates  
Riverside, CA
- Wells Fargo Insurance Services  
Torrance, CA

In addition, staff also received one "no bid" response from Mercer Health & Benefits, Newport Beach, CA.



The submittals were reviewed by an evaluation committee representing staff from the human resources and purchasing departments. All four firms were determined to be technically responsive. At the conclusion of the technical review, staff conducted an analysis of the commission rates charged by each firm. The annual commission rates are identified in the following table:

Firm	Year 1	Year 2	Year 3	Year 4	Year 5
Barney & Barney LLC	1.75%	1.75%	1.75%	1.75%	1.75%
Inland Financial & Insurance Services	1.75%	1.75%	1.75%	1.75%	1.75%
Keenan & Associates	1.70%	1.65%	1.60%	1.55%	1.55%
Wells Fargo Insurance Services	1.75%	1.75%	1.75%	1.75%	1.75%

After carefully considering all of the requirements outlined in the SOQ, it was staff's determination that the firm submitting the highest ranked, most responsive and responsible proposal was Barney & Barney. Barney & Barney is a national firm with an extensive client base enabling them to leverage and influence major carriers on behalf of their clients. This leverage helps the Agency obtain competitive rates to maximize employee benefits while containing costs.

In addition to the requested insurance brokerage services, other additional services provided by Barney & Barney include:

- Employee "Quick Reference" Wallet Cards
- Employee Communication Booklets
- Legislative Compliance Advice
- Employee Wellness Program
- Employers Group Membership

Employers Group is a membership service that provides expertise and guidance in the area of human resources and labor relations. RTA has been a long standing member and if required to purchase this resource on its own, would pay approximately \$3,042 per-year (\$15,210 for the five years). In addition, Barney & Barney's commission includes a contribution of \$5,000 over the five year period towards the Agency's employee wellness program in the form of resource materials, printed materials and additional staff support.

Based on the above analysis, staff recommends awarding a two-year agreement with three, one-year option periods to Barney & Barney to act as the Agency's Medical Broker of Record for health and welfare insurance benefits for employees, retirees and eligible dependents.

Fiscal Impact:

Over the last three years, the Agency has paid, on average, approximately \$86,000 per-year in commissions to its health and welfare benefits broker. This amount represents 1.75 percent of the total cost of the health and welfare benefits package for the Agency's approximate 326 benefit-eligible employees and 132 benefit-eligible retirees. Actual costs will vary slightly from year-to-year because costs are based on the total number of employees/retirees for which benefits are provided. Funding has been included in the Agency's FY13 operating budget for medical brokerage and advisory services. Funding for future years will be requested in future year budgets.

Recommendation:

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

- Authorize staff to award Agreement No. 12-041 to Barney & Barney LLC for medical brokerage and advisory services for an initial two-year base period with three, one-year options. Based on their commission rate of 1.75%, staff estimates the cost for their services to be approximately \$90,000 annually.

RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

January 9, 2013

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Gordon Robinson, Director of Planning

SUBJECT: Ratify the 2013 Universal Call for Specialized Transportation Projects Grant Applications Submitted to the Riverside County Transportation Commission (RCTC) to Acquire Funding from the Federal Job Access and Reverse Commute (JARC) Program, Federal New Freedom (NF) Program, and Specialized Transit Measure A (Measure A) Program

Summary: The RCTC issued the 2013 Universal Call for Specialized Transportation Projects on November 15, 2012 to enhance and expand public transit services to residents in Riverside County. Funding is made available by the Federal Transit Administration's (FTA) Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) authorization and the local Measure A revenue program for specialized transportation. Projects under this grant opportunity must be in compliance with the RCTC 2012 *Public Transit – Human Services Transportation Coordination Plan for Riverside County* (Coordinated Plan), which identifies transportation service gaps and mobility needs for older persons, persons with disabilities, and persons of limited means.

SAFETEA-LU was signed into law in August 2005 and has provided over \$52.6 billion in federal funding. The JARC and NF Programs are authorized under the provisions set forth in SAFETEA-LU. The JARC Program, also known as Section 5316, was established to "improve access to transportation services to employment and employment related activities for welfare recipients and eligible low-income individuals and to transport residents of urbanized areas and non-urbanized areas to suburban employment opportunities." The NF Program, also known as Section 5317, was established "to provide additional tools to overcome existing barriers facing Americans with disabilities seeking integration into the work force and full participation in society."

Measure A is the local sales tax revenue program available in western Riverside County only. A portion of a half-cent sales tax approved by the voters and generated in western Riverside County supports specialized transportation services directed to three target groups: seniors, persons with disabilities, and/or individuals who are truly needy.

This is the third Universal Call for Specialized Transportation Projects administered by RCTC. This call encompasses the period of July 1, 2013 through June 30, 2015 (Fiscal Years 2014 and 2015). For western Riverside County, the maximum available federal funding for this call is \$1.441 million under the JARC Program, and \$.658 million under the NF Program. Previous Universal Call for Specialized Transportation Projects occurred in 2008 and/or 2010. The Agency was successful in obtaining funds to implement and operate:

- CommuterLink routes 212 and 217
- Extended weekday service on routes 7, 8, 74, and 79
- New weekend service on Route 41
- Travel Training Program

A pre-proposal workshop was held for applicants on December 3, 2012 to provide guidance for project proposals to be submitted on January 8, 2013. To meet this deadline, staff submitted three applications to RCTC under this call for the following projects:

- 1) CommuterLink routes 212 and 217
- 2) Extended Service on routes 3, 61, 74, 79, and 208
- 3) Travel Training Program

The Coordinated Plan outlined priority areas for transit service improvements in Riverside County. As the prioritized areas focused on expanded fixed route service, improved interconnectivity, promoting travel training, and several other areas, staff's recommendations within all three applications outlined below successfully meets goals and objectives of the plan.

CommuterLink routes 212 and 217 have been in operation since June 2009 and are funded through previous JARC awards. Ridership on these two routes grew 36% in Fiscal Year 2012 (FY12) and is growing an additional 24% in FY13 (through November 2012). Ridership data confirm that 17% of riders on these routes are seniors or persons with disabilities. Furthermore, FTA Title VI surveys have shown that approximately 55% of riders are low-income and 41% of riders do not have access to a car.

The routes chosen for extended service have experienced steady ridership growth over the last year. In particular, the Agency has received customer requests for expanded service on routes 3, 61, 74, and 79 to fill service gaps and improve interconnectivity within the system. For these four routes, Saturday service is proposed to be implemented under this call. Other projects include expanded weekday service on Route 3, continued weekday service on Route 79, and four additional trips on CommuterLink Route 208. Cumulative ridership on these routes has grown 12% in FY13 (July through November 2012), with 11% of riders recorded as seniors or persons with disabilities and an estimated 73% of riders recorded as low-income, based on Title VI surveys.

For reference purposes, Attachment A contains a map of all fixed route projects discussed above.

In regards to the NF Program application, staff proposed the continuation of the Travel Training program. The Agency's Travel Training program was initiated in the first quarter of FY12 to teach persons with disabilities and seniors to ride fixed route buses to improve their mobility while reducing Agency Dial-A-Ride (DAR) expenses. So far, the program has trained over 385 individuals, generating over 18,000 unlinked passenger trips on fixed route buses. Those individuals trained include both high functioning persons with disabilities as well as seniors that would have eventually transitioned into DAR. To date, the cost savings associated with the Travel Training program of approximately \$405,000 is comprised of actual reductions in the number of individual DAR trips as well as cost avoidance in the transitioning of seniors prior to becoming DAR dependent. As the County's population continues to age, increasing numbers of seniors will be turning to public transportation for their transportation needs. Under this call, the program is expected to train at least 700 people over the two year duration (FY14 and FY15).

Fiscal Impact:

The table below outlines the estimated project costs associated with each fixed route service included in the two JARC Program applications.

## JARC Program

<b><u>CommuterLink and Extended Service Projects</u></b>			
	<b>Estimated Project Costs</b>		
<b>Renew Existing JARC Projects</b>	<b>FY14</b>	<b>FY15</b>	<b>Total</b>
CommuterLink Route 212	\$ 195,951	\$ 400,781	\$ 596,731
CommuterLink Route 217	\$ 241,960	\$ 494,885	\$ 736,845
Route 79 Weekdays	\$ 175,910	\$ 239,233	\$ 415,142
Subtotal:	\$ 727,496	\$ 1,289,408	\$ 1,748,719
	<b>Estimated Project Costs</b>		
<b>New JARC Projects (Priority Order)</b>	<b>FY14</b>	<b>FY15</b>	<b>Total</b>
Route 79 Saturdays	\$ 134,309	\$ 137,352	\$ 271,660
Route 61 Saturdays	\$ 134,309	\$ 137,352	\$ 271,660
Route 74 Saturdays	\$ 134,309	\$ 137,352	\$ 271,660
CommuterLink Route 208 (Four Additional Trips)	\$ 138,115	\$ 141,244	\$ 279,359
Route 3 Expanded Weekdays, Saturdays	\$ 203,366	\$ 207,974	\$ 411,340
Subtotal:	\$ 744,407	\$ 761,274	\$ 1,505,681
<b>Total:</b>	<b>\$ 1,471,903</b>	<b>\$ 2,050,682</b>	<b>\$ 3,254,400</b>
<b>Estimated Project Cost Breakdown:</b>			
Estimated Farebox Revenue			\$ 372,999
JARC Program Request			\$ 1,440,700
Measure A Local Match Request			\$ 720,350
Local Transportation Funds (LTF) Local Match Request			\$ 720,351
<b>FY14-15 Total:</b>			<b>\$ 3,254,400</b>

The associated increase in DAR service and related cost is estimated to be minimal and cannot be funded with JARC Program awards. The increased DAR service will be funded through typical methods in the appropriate FY14 and FY15 operating budgets.

In regards to the NF Program application, the table below outlines the estimated project costs to support the Travel Training program.

## NF Program

<u>Travel Training Program</u>			
<b>Estimated Project Costs</b>			
	<b>FY14</b>	<b>FY15</b>	<b>Total</b>
Non-Personnel Expenses	\$ 251,500	\$ 321,820	\$ 573,320
Capital Expenses	\$ 8,050	\$ 8,050	\$ 16,100
<b>Total:</b>	<b>\$ 264,550</b>	<b>\$ 329,870</b>	<b>\$ 594,420</b>
<b>Estimated Project Cost Breakdown:</b>			
NF Program Request			\$ 475,536
Measure A Local Match Request			\$ 118,884
<b>FY14-15 Total</b>			<b>\$ 594,420</b>

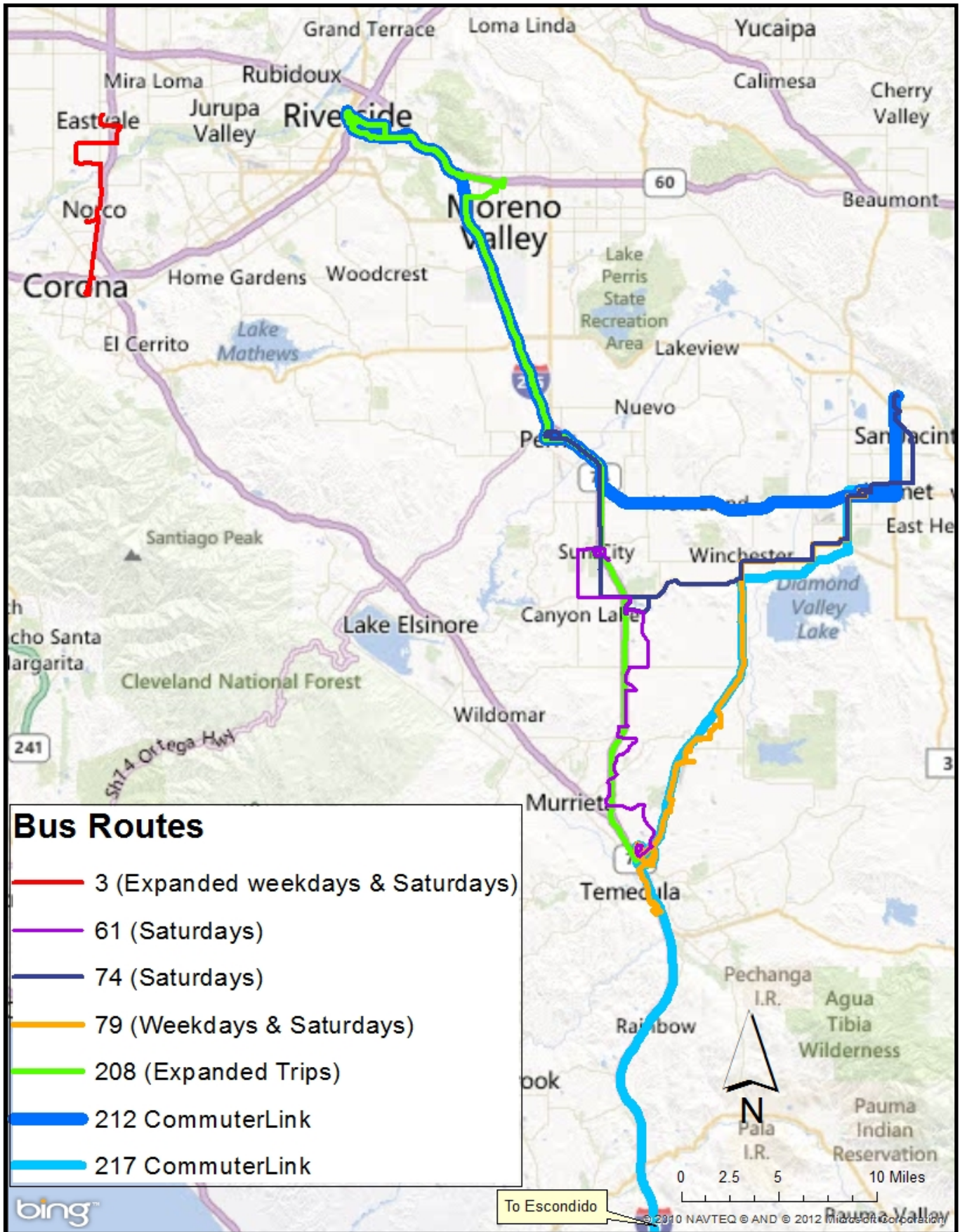
Should these applications be approved by RCTC in April 2013, the expenses and revenue of the program will be accounted for in the FY14 and FY15 Operating Budget and Short Range Transit Plan including the final funding breakdown.

### Recommendations:

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

- Ratify grant application and Resolution 2013-01 for the continued operation of CommuterLink routes 212 and 217 as submitted under the 2013 Universal Call for Specialized Transportation Projects.
- Ratify grant application and Resolution 2013-02 for the implementation and operation of extended service on routes 3, 61, 74, 79, and CommuterLink Route 208 as submitted under the 2013 Universal Call for Specialized Transportation Projects.
- Ratify grant application and Resolution 2013-03 for the continued operation of the Travel Training Program as submitted under the 2013 Universal Call for Specialized Transportation Projects.

Attachment A: Map of CommuterLink and Extended Service Projects





Attachment B

RESOLUTION NO. 2013-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RIVERSIDE TRANSIT AGENCY AUTHORIZING THE FILING OF A GRANT APPLICATION WITH THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION FOR FUNDING FROM THE FEDERAL JOB ACCESS AND REVERSE COMMUTE PROGRAM AND SPECIALIZED TRANSIT MEASURE A PROGRAM FOR THE CONTINUED OPERATION OF COMMUTERLINK ROUTES 212 AND 217.

WHEREAS, the Riverside County Transportation Commission is delegated authority to award transportation assistance for transportation programs and projects; and

WHEREAS, the contract for financial assistance may impose certain obligations upon the Applicant, including the provision of the local share of the project costs in the program; and

WHEREAS, the Applicant has or will comply with all necessary certifications and assurances for submittal as required by Riverside County Transportation Commission for the project; and

NOW, THEREFORE, BE IT RESOLVED by the Riverside Transit Agency Board of Directors:

1. That the Chief Executive Officer or his designee is authorized to execute and file an application on behalf of the Riverside Transit Agency with the Riverside County Transportation Commission to aid in the financing of capital and operating assistance projects.

2. That said Chief Executive Officer or his designee is authorized to execute and file with such application, amendments, assurances or any other document required by the Riverside County Transportation Commission.

3. That said Chief Executive Officer or his designee is authorized to furnish such additional information as the Riverside County Transportation Commission may require in connection with the application for the program of projects.

4. That the Chief Executive Officer or his designee is authorized to execute a grant agreement on behalf of the Riverside Transit Agency with the Riverside County Transportation Commission for aid in the financing of the capital and operating assistance program of projects.

RIVERSIDE TRANSIT AGENCY

APPROVED AS TO FORM:

\_\_\_\_\_  
Marion Ashley  
Chairman of the Board of Directors

\_\_\_\_\_  
Kennard R. Smart, Jr.  
Agency 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 January 24, 2013.

ATTEST:

\_\_\_\_\_  
Natalie Gomez  
Clerk of the Board of Directors

Attachment C

RESOLUTION NO. 2013-02

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RIVERSIDE TRANSIT AGENCY AUTHORIZING THE FILING OF A GRANT APPLICATION WITH THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION FOR FUNDING FROM THE FEDERAL JOB ACCESS AND REVERSE COMMUTE PROGRAM AND SPECIALIZED TRANSIT MEASURE A PROGRAM FOR THE IMPLEMENTATION AND OPERATION OF EXTENDED SERVICE ON ROUTES 3, 61, 74, 79 AND COMMUTERLINK ROUTE 208.

WHEREAS, the Riverside County Transportation Commission is delegated authority to award transportation assistance for transportation programs and projects; and

WHEREAS, the contract for financial assistance may impose certain obligations upon the Applicant, including the provision of the local share of the project costs in the program; and

WHEREAS, the Applicant has or will comply with all necessary certifications and assurances for submittal as required by Riverside County Transportation Commission for the project; and

NOW, THEREFORE, BE IT RESOLVED by the Riverside Transit Agency Board of Directors:

1. That the Chief Executive Officer or his designee is authorized to execute and file an application on behalf of the Riverside Transit Agency with the Riverside County Transportation Commission to aid in the financing of capital and operating assistance projects.

2. That said Chief Executive Officer or his designee is authorized to execute and file with such application, amendments, assurances or any other document required by the Riverside County Transportation Commission.

3. That said Chief Executive Officer or his designee is authorized to furnish such

additional information as the Riverside County Transportation Commission may require in connection with the application for the program of projects.

4. That the Chief Executive Officer or his designee is authorized to execute a grant agreement on behalf of the Riverside Transit Agency with the Riverside County Transportation Commission for aid in the financing of the capital and operating assistance program of projects.

RIVERSIDE TRANSIT AGENCY

APPROVED AS TO FORM:

\_\_\_\_\_  
Marion Ashley  
Chairman of the Board of Directors

\_\_\_\_\_  
Kennard R. Smart, Jr.  
Agency 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 January 24, 2013.

ATTEST:

\_\_\_\_\_  
Natalie Gomez  
Clerk of the Board of Directors

Attachment D

RESOLUTION NO. 2013-03

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RIVERSIDE TRANSIT AGENCY AUTHORIZING THE FILING OF A GRANT APPLICATION WITH THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION FOR FUNDING FROM THE FEDERAL NEW FREEDOM PROGRAM AND SPECIALIZED TRANSIT MEASURE A PROGRAM FOR THE CONTINUED OPERATION OF THE TRAVEL TRAINING PROGRAM.

WHEREAS, the Riverside County Transportation Commission is delegated authority to award transportation assistance for transportation programs and projects; and

WHEREAS, the contract for financial assistance may impose certain obligations upon the Applicant, including the provision of the local share of the project costs in the program; and

WHEREAS, the Applicant has or will comply with all necessary certifications and assurances for submittal as required by Riverside County Transportation Commission for the project; and

NOW, THEREFORE, BE IT RESOLVED by the Riverside Transit Agency Board of Directors:

1. That the Chief Executive Officer or his designee is authorized to execute and file an application on behalf of the Riverside Transit Agency with the Riverside County Transportation Commission to aid in the financing of capital and operating assistance projects.

2. That said Chief Executive Officer or his designee is authorized to execute and file with such application, amendments, assurances or any other document required by the Riverside County Transportation Commission.

3. That said Chief Executive Officer or his designee is authorized to furnish such additional information as the Riverside County Transportation Commission may require in connection with the application for the program of projects.

4. That the Chief Executive Officer or his designee is authorized to execute a grant agreement on behalf of the Riverside Transit Agency with the Riverside County Transportation Commission for aid in the financing of the capital and operating assistance program of projects.

RIVERSIDE TRANSIT AGENCY

APPROVED AS TO FORM:

\_\_\_\_\_  
Marion Ashley  
Chairman of the Board of Directors

\_\_\_\_\_  
Kennard R. Smart, Jr.  
Agency 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 January 24, 2013.

ATTEST:

\_\_\_\_\_  
Natalie Gomez  
Clerk of the Board of Directors