



**BOARD BUDGET AND FINANCE COMMITTEE MEETING
WEDNESDAY, FEBRUARY 4, 2015, 2:00 P.M.
RIVERSIDE TRANSIT AGENCY BOARD ROOM
1825 THIRD STREET
RIVERSIDE, CA 92507**

<u>ITEM</u>	<u>RECOMMENDATION</u>
1. <u>CALL TO ORDER</u>	
2. <u>SELF-INTRODUCTIONS</u>	
3. <u>PUBLIC COMMENTS – NON-AGENDA ITEMS</u> 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.	RECEIVE COMMENTS
4. <u>APPROVAL OF MINUTES – JANUARY 14, 2015 COMMITTEE MEETING (P.3)</u>	APPROVE
5. <u>CASH FLOW PROJECTIONS (P.6)</u>	RECEIVE AND FILE
6. <u>QUARTERLY INVESTMENT REPORT (P.8)</u>	RECEIVE AND FILE
7. <u>AGENCY INVESTMENT POLICY – ANNUAL UPDATE (P.10)</u>	APPROVE
8. <u>RATIFY THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION MEASURE A WESTERN RIVERSIDE SPECIALIZED TRANSPORTATION PROGRAM GRANT APPLICATION FOR THE PROPOSED DIAL-A-RIDE PLUS RIVERSIDE TRANSIT AGENCY LIFELINE SERVICE PROGRAM FY2015 – 2018; AND AMEND THIRD-PARTY AGREEMENT WITH NETWORK PARATRANSIT INC. (P.17)</u>	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.

<u>ITEM</u>	<u>RECOMMENDATION</u>
9. <u>BOARD MEMBER COMMENTS AND REMARKS</u>	
10. <u>ANNOUNCEMENTS</u>	
11. <u>NEXT MEETING</u> BOARD BUDGET AND FINANCE COMMITTEE MEETING WEDNESDAY, MARCH 4, 2015 2:00 P.M. RTA HEADQUARTERS 1825 THIRD STREET RIVERSIDE, CA 92507	
12. <u>ADJOURN</u>	

RTA BOARD BUDGET AND FINANCE COMMITTEE MEETING
Minutes
January 14, 2015

1. CALL TO ORDER

Committee Chair Frank Johnston called the Board Budget and Finance Committee meeting to order at 2:01 p.m., on January 14, 2015, in the RTA Board Room.

2. SELF-INTRODUCTIONS

Self-introductions were dispensed with. The Clerk of the Board recorded attendance.

Committee Members Attending

1. Director Frank Johnston, City of Jurupa Valley, Mayor
2. Director Brenda Knight, City of Beaumont, Mayor
3. Director Linda Krupa, City of Hemet, Councilmember
4. Director Berwin Hanna, City of Norco, Mayor
5. Director Randon Lane, City of Murrieta, Councilmember
6. Alternate Barry Busch, County of Riverside, District V, Board Assistant

Committee Members Absent

1. Chairman Andrew Kotyuk, City of San Jacinto, Council Member
2. Director Jeff Comerchero, City of Temecula, Mayor
3. Vacant, County of Riverside, District III

RTA Staff

1. Larry Rubio, Chief Executive Officer
2. Tammi Ford, Clerk of the Board
3. Tom Franklin, Chief Operating Officer
4. Craig Fajnor, Chief Financial Officer
5. Vince Rouzaud, Chief Procurement and Logistics Officer
6. Laura Camacho, Chief Administrative Services Officer
7. Virginia Werly, Director of Contract Operations
8. Bob Bach, Director of Maintenance
9. Jim Kneepkens, Director of Marketing
10. Natalie Zaragoza, Contracts Manager
11. Brad Weaver, Marketing Manager
12. Rick Kaczerowski, Director of Information Technologies
13. Lynn Robertson, Transit Clerk

Other Attendees:

1. Donna Johnston, County of Riverside District II, Alternate-at-Large

3. PUBLIC COMMENTS – NON-AGENDA ITEMS

None.

4. APPROVAL OF MINUTES – DECEMBER 3, 2014 COMMITTEE MEETING

M/S/C (KRUPA/HANNA) approving the December 3, 2014 committee meeting minutes.

The motion carried unanimously.

5. CASH FLOW PROJECTIONS

Mr. Fajnor presented the cash flow projections.

6. AUTHORIZATION TO AMEND AGREEMENT NO. 12-001 WITH NATURAL GAS SYSTEMS INC. (NGS), FOR MAINTENANCE AND REPAIR SERVICES FOR THE AGENCY'S COMPRESSED NATURAL GAS (CNG) FUELING STATIONS

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

- Authorize staff to amend Agreement No. 12-001 with Natural Gas Systems, Inc. increasing the total not-to-exceed amount from \$956,700 to \$1,124,634, a difference of \$167,934 for Preventative Maintenance and Repair Services for the Agency's CNG fueling stations in Riverside and Hemet.

The motion carried unanimously.

7. AWARD AGREEMENT NO. 14-052 TO MAMCO, INC. DBA ALABBASI (ALABBASI) FOR THE HEMET CONCRETE PAVING PROJECT

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

- Authorize staff to award Agreement No. 14-052 to Mamco, Inc. dba Alabbasi for the Hemet Concrete Paving Project in the amount of \$771,771.70. Also authorize a ten percent contingency of \$77,177.00, for a total not to exceed project budget amount of \$848,948.70.

The motion carried unanimously.

8. BOARD MEMBER COMMENTS AND REMARKS

Director Knight thanked the Agency for bringing a trolley to the City of Beaumont Christmas parade. She said they really look forward to it every year and have named it the “Jolly Trolley”.

Director Johnston announced that the City of Jurupa Valley will be opening their new City Hall facility in mid-February. He also thanked everyone who attended the Annual T-NOW luncheon.

9. ANNOUNCEMENTS

Mr. Rubio announced that the City of Riverside has unanimously adopted a resolution in support of the Agency’s Comprehensive Operational Analysis and relocation and revision of the multi-modal system.

10. NEXT MEETING

Board Budget and Finance Committee Meeting
Wednesday, February 4, 2015
2:00 p.m.
RTA Headquarters
1825 Third Street
Riverside, CA 92507

11. MEETING ADJOURNMENT

The meeting was adjourned at 2:16 p.m.

Randon Lane arrived to the meeting at 2:17 p.m.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

February 4, 2015

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 January 2015 with projections through March 2015. This reporting period covers the first nine months of FY15.

Recommendation:

Receive and file.

**Riverside Transit Agency
FY15 Cash Flow Projection**

	Actual										
1	General Account	1/23/2015	1/30/2015	2/6/2015	2/13/2015	2/20/2015	2/27/2015	3/6/2015	3/13/2015	3/20/2015	3/27/2015
2	Est. Cash, Beg Balance (Book)	(201,428)	(200,356)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
3	Receipts:										
4	LTF Operating - recurring		2,386,512				2,386,512				2,386,512
5	LTF GASB 43/45		133,333				133,333				133,333
6	RIN's Credit	6,438			7,780				6,000		
7	LCFS		28,849								
8	Farebox	100,430	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
9	Total Other Farebox	16,338	74,226	40,896	35,494	92,373	283,550	71,931		2,600	316,633
10	Total Other Local	6,227	20,000	1,000	1,000	1,000	20,000	1,000	1,000	1,000	1,000
11	FTA Operating				434,000				152,000		
12	Capital - Local, State		20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
13	Echo - FTA Capital	183,984	46,506	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
14	Transfer from Investment to Gen Acct.	809,099		2,776,604		665,127		2,645,569	49,248	754,900	
15	Disbursements:										
16	Payroll = Net+Tax	(772,872)		(705,000)		(705,000)		(705,000)		(705,000)	
17	A/P Wires	(70,262)	(344,300)	(2,078,500)	(373,248)	(18,500)	(581,328)	(1,978,500)	(173,248)	(18,500)	(581,328)
18	A/P Checks	(143,741)	(165,000)	(165,000)	(165,000)	(165,000)	(165,000)	(165,000)	(165,000)	(165,000)	(165,000)
19	Capital Expenditures	(134,568)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(711,375)
20	Transfer to Investment from Gen Acct.		(1,999,770)		(70,027)		(2,207,068)				(1,609,775)
21	Transfer to GASB Trust Acct.										
22	Actual Ending Book Balance / Targeted Minimum Balance	(200,356)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000

23 LAIF Account:

24	Beginning balance	16,209,099	15,400,000	17,399,770	14,623,167	14,693,193	14,028,066	16,235,134	13,589,565	13,540,317	12,785,417
25	Quarterly Interest Income										
26	Transfers to/from Gen Acct.	(809,099)	1,999,770	(2,776,604)	70,027	(665,127)	2,207,068	(2,645,569)	(49,248)	(754,900)	1,609,775
27	Transfers to/from County Pool	-	-	-	-	-	-	-	-	-	611,375
28	Ending balance	15,400,000	17,399,770	14,623,167	14,693,193	14,028,066	16,235,134	13,589,565	13,540,317	12,785,417	15,006,568

29 County Pool Account:

30	Beginning balance	7,756,904	7,756,904	7,756,904	7,756,904	7,756,904	7,756,904	7,756,904	7,756,904	7,756,904	7,762,484
31	Quarterly Interest Income									5,580	
32	Transfers to/from Gen Acct.	-	-	-	-	-	-	-	-	-	-
33	Transfers to/from LAIF	-	-	-	-	-	-	-	-	-	(611,375)
34	Ending balance	7,756,904	7,756,904	7,756,904	7,756,904	7,756,904	7,756,904	7,756,904	7,756,904	7,762,484	7,151,109

<i>Restricted</i>	8,556,905	8,690,238	8,690,238	8,690,238	8,690,238	8,823,571	8,823,571	8,823,571	8,829,151	8,351,109
<i>Available for Operating</i>	14,399,643	16,516,436	13,739,833	13,809,859	13,144,732	15,218,467	12,572,898	12,523,650	11,768,750	13,856,568

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

February 4, 2015

TO: BOARD BUDGET AND FINANCE COMMITTEE
THRU: Larry Rubio, Chief Executive Officer
FROM: Craig Fajnor, Chief Financial Officer
SUBJECT: Quarterly Investment Report

Summary: The Agency has two (2) investment vehicles for its cash balance above and beyond immediate need. The first is the Local Agency Investment Fund (LAIF) which is managed by the Treasurer of the State of California. While the balance earns interest on a daily basis, investment results are only published on a quarterly basis – fifteen (15) days after the end of each calendar quarter. The second is the Riverside County Treasurer’s Pooled Investment Fund (County Pool) which is managed by the Treasurer of the County of Riverside. While the balance earns interest on a daily basis, investment results are provided on a quarterly basis as well. However, different from LAIF, County Pool results are provided as follows: approximately 30% five (5) days after the end of the quarter and the remaining 70% forty-five (45) days after the end of the quarter.

The attached report presents investment performance for the 2nd quarter of FY15 (as of December 31, 2014).

Recommendation:

Receive and file.

**RIVERSIDE TRANSIT AGENCY
Investment Report
For the Quarter Ended December 31, 2014**

Investment Type	Institution	Amount of Investment at 12/31/14	Current Market Value at 12/31/14	Quarter to Date Average Rate of Interest Earned	Effective Interest Rate for the Quarter	Quarter to Date Interest Earned
Local Agency Investment Fund (LAIF)	State of California	\$17,500,000.00	\$17,503,172.47	0.26%	0.26%	\$9,098.79
Riverside County Treasurer Pooled Investment Fund	County of Riverside	\$12,369,826.44	\$12,369,826.44	0.32%	0.32%	\$10,135.87

Note: Sufficient funds are available to meet the next 90 days' operating and 90 days' capital obligations. Additionally, the above portfolio conforms with the Agency's Investment Policy.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

February 4, 2015

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 recommended changes to the current policy are all related to the procurement of natural gas for use as compressed natural gas (CNG) fuel for agency vehicles.

Attachment A to this staff report is the draft Agency Investment Policy for 2015.

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 2015.



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. 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.
4. 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 Southern California Gas Company (SoCalGas) 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.

Pursuant to this policy, the Agency is authorized to purchase natural gas at a fixed or indexed price per therm *when certain conditions exist in order* to more accurately predict operational costs and create reliable budgets. Having the option to purchase fixed price natural gas from other than SoCalGas 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 SoCalGas could potentially 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 SoCalGas. This alternative process involves entering into a contract with an energy service provider (ESP; **currently GHI Energy LLC**) ~~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 **former current** practice of buying from SoCalGas, it is understood that the Agency will still be paying SoCalGas 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 SoCalGas.

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 could enter into a natural gas fuel purchase agreement for an extended period of time, outside of SoCalGas, would be based on the following:

- An evaluation of the trailing three (3) years of **actual** commodity cost history ~~from SoCalGas~~ to be enacted per below;
- **When the cost of the natural gas commodity, inclusive of any administrative costs of the designated ESP, is one standard deviation less than the trailing 3-year average cost, then the Agency should purchase a three month supply of natural gas at the market price per therm for a contract of that duration**
- 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, **then the Agency should purchase a one year supply of natural gas at the market price per therm for a contract of that duration**
- ~~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 may 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 SoCalGas.

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 SoCalGas 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 *currently in seeking* an arrangement where an agreed percentage per therm below the current SoCalGas 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 SoCalGas directly for transmission and related fees.

Reporting will be provided to the Board of Directors on a quarterly basis. The report will include a comparison of the SoCalGas index cost per therm (benchmark) with *the a-possible* discounted index cost per therm purchased through an ESP and/or any fixed forward purchase price per therm (if purchased and as applicable). The report will also include historical and statistical data about the cost of the natural gas based on the benchmark.

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

February 4, 2015

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Virginia Werly, Director of Contract Operations

SUBJECT: Ratify the Riverside County Transportation Commission Measure A Western Riverside Specialized Transportation Program Grant Application for the Proposed *Dial-a-Ride Plus Riverside Transit Agency Lifeline Service* Program FY2015 – 2018; and Amend Third-Party Agreement with Network Paratransit Inc.

Summary: On November 12, 2014, the Riverside County Transportation Commission (RCTC) issued a three-year Call for Projects for Measure A funds. These funds, a voter approved ½ cent sales tax, are used to provide specialized transportation and transportation-related services in Western Riverside County that address the mobility needs of older adults, persons with disabilities, and persons of low-income.

One such transit need is for seniors and persons with disabilities that need to travel outside the Riverside Transit Agency's (Agency) Dial-a-Ride (DAR) service boundary. The Agency provides DAR service, as required under the American's with Disabilities Act (ADA), within 3/4 of a mile of its fixed route bus service. Many seniors and people with disabilities do not live in the more urban corridors within the Agency's service area, and reside in areas that have few transportation options.

In an effort to provide greater access to life-line services, staff proposes a new pilot program, *Dial-a-Ride Plus, Riverside Transit Agency Lifeline Service*, to assist in meeting these needs. Eligible participants must be 65 or older or must have a disability that creates a need for specialized transportation. Trips would be provided to those whose destination or home address is outside the 3/4-mile ADA boundary. Service would be provided using wheelchair accessible taxis, currently being utilized under the Agency's taxi overflow services contract. These trips will be coordinated using the existing DAR trip process.

Because this is a competitive grant process with very limited funds, the proposed program would restrict eligible trips to lifeline services such

as dialysis and chemotherapy services, doctor's appointments, and trips to the grocery store and senior centers for daily hot meals to ensure everyone has access to food. The program would provide trips within an additional two-mile radius (for a total of 2¾ miles) of the fixed route boundary. Using population estimates, staff projects this would capture nearly 95% of the total population within the Agency's service area. Passenger fares will be identical to those charged for traditional DAR service.

Fiscal Impact:

RCTC has budgeted a maximum of \$8,000,000 of Measure A funds for all programs under this Call for Projects for the three-year period. A minimum of 34% local match is required. In accordance with the program guidelines, staff proposes a 10% match from passenger fares, and a 24% match from Local Transportation Funds (LTF) to meet the match requirements. In total, the estimated project budget is \$1,279,047 for the three-year period. The total Measure A request for the full term is \$844,171. Staff estimates that this will provide more than 32,000 trips to individuals who would otherwise have no access to public transportation. No additional staff would be required to administer this pilot program; it would be absorbed into the current administrative process. All funds requested would be used to provide trips.

Should the Agency be awarded the requested \$844,171 in Measure A funds, \$313,001 in (LTF) will be programmed in future year's budgetary requests to provide the match.

Recommendations:

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

- Ratify the 2015 Measure A Western Riverside Specialized Transportation Program Grant Application for the Proposed *Dial-a-Ride Plus Riverside Transit Agency Lifeline Service Program* FY2015 – 2018 funding request.
- Contingent upon grant approval, authorize staff to amend the Agency's third-party agreement with taxi overflow provider Network Paratransit Inc. for this specialized transportation program.