



December 6, 2017
2:00 p.m.

AGENDA

**Board Budget and Finance Committee Meeting
Riverside Transit Agency – Board Room
1825 Third Street
Riverside, CA 92507**

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 Riverside Transit Agency Board of Directors during the meeting, should contact the Riverside Transit Agency Clerk of the Board, telephone number (951) 565-5044, no fewer than two business days prior to this meeting to enable the Riverside Transit Agency to make reasonable arrangements to assure accessibility or language assistance for this meeting.

Agenda item descriptions are intended to provide members of the public a general summary of business to be conducted or discussed. Posting of any recommended action on an agenda item does not indicate what action will be taken. The Board of Directors may take any action it believes is appropriate on the agenda item and is not limited in any way by the notice of any recommendation.

All documents related to any agenda item are available for public inspection at www.riversidetransit.com or through the Clerk of the Board's office at the Riverside Transit Agency, 1825 Third Street, Riverside, CA 92507.

ITEM

RECOMMENDATION

- 1. CALL TO ORDER**
- 2. SELF-INTRODUCTIONS**

ITEM

RECOMMENDATION

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 – NOVEMBER 1, 2017 COMMITTEE MEETING (P.3)

APPROVE

5. CASH FLOW PROJECTIONS (P.6)

RECEIVE AND FILE

6. QUARTERLY CAPITAL STATUS (P.8)

RECEIVE AND FILE

7. QUARTERLY NATURAL GAS PROCUREMENT STATUS REPORT (P.10)

RECEIVE AND FILE

8. BOARD MEMBER COMMENTS

9. ANNOUNCEMENTS

10. NEXT MEETING

Wednesday, January 10, 2017, 2:00 p.m.
Riverside Transit Agency
1825 Third Street
Riverside, CA 92507

11. MEETING ADJOURNMENT

RTA BOARD BUDGET AND FINANCE COMMITTEE MEETING
Minutes
November 1, 2017

1. **CALL TO ORDER**

Committee Chair Berwin Hanna called the Board Budget and Finance Committee meeting to order at 2:04 p.m., on November 1, 2017, in the RTA Board Room.

2. **SELF INTRODUCTIONS**

Self-introductions of those in attendance took place.

Committee Members Attending

1. Committee Chair Berwin Hanna, City of Norco
2. Director Dawn Haggerty, City of Canyon Lake
3. Board Chair Linda Krupa, City of Hemet
4. Director Anthony Kelly Jr., City of Jurupa Valley
5. Director Maryann Edwards, City of Temecula
6. Alternate Director Ike Bootsma, County of Riverside, District II
7. Alternate Director Jeff Comerchero, County of Riverside, District III
8. Alternate Director Barry Busch, County of Riverside, District V

Committee Members Absent

1. Director Nancy Carroll, City of Beaumont
2. Director Linda Molina, City of Calimesa
3. Director Dick Haley, City of Corona

RTA Staff

1. Larry Rubio, Chief Executive Officer
2. Tammi Ford, Clerk of the Board of Directors
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. Charlie Ramirez, Controller
8. Adam Chavez, Director of Maintenance
9. Jim Kneepkens, Director of Marketing
10. Rick Majors, Director of Risk Management
11. Natalie Zaragoza, Director of Contracts
12. Rick Kaczerowski, Director of Information Technologies
13. Brad Weaver, Media and Public Relations Manager
14. Eric Ustation, Government Affairs Manager
15. Stephanie Macias, Contract Operations Manager
16. Joe Forgiarini, Planning & Scheduling Manager
17. Melissa Blankenship, Contracts Administrator

Other Attendees:

1. Ryan Nielsen, Brown Armstrong, Certified Public Accountants
2. Jason Snow, Southland Transit Inc.

3. **PUBLIC COMMENTS – NON-AGENDA ITEMS**

None.

4. **APPROVAL OF MINUTES – OCTOBER 4, 2017 COMMITTEE MEETING**

M/S/C (EDWARDS/BUSCH) approving the October 4, 2017 committee meeting minutes.

The motion carried unanimously.

5. **CASH FLOW PROJECTIONS**

Mr. Fajnor presented the cash flow projections.

6. **QUARTERLY INVESTMENT REPORT**

Mr. Fajnor presented the quarterly investment report.

7. **AUTHORIZATION TO AWARD AGREEMENT NO. 17-040 TO SOUTHERN CALIFORNIA PERMANENTE MEDICAL GROUP DOING BUSINESS AS KAISER ON-THE-JOB FOR OCCUPATIONAL CLINIC SERVICES; AUTHORIZATION TO ISSUE A PURCHASE ORDER TO U.S. HEALTHWORKS MEDICAL GROUP FOR AFTER HOURS OCCUPATIONAL CLINIC SERVICES**

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

- Authorize staff to enter into an agreement with Southern California Permanente Medical Group (SCPMG) doing business as Kaiser for Occupational Clinic Services for a two-year base period with a one-year option for a not-to-exceed amount of \$154,086.
- Authorize staff to issue a purchase order to U.S. HealthWorks Medical Group for After Hours Occupational Clinic Services in the amount of \$6,000 per year.

The motion carried unanimously.

Larry Rubio left the meeting at 2:12 p.m.

Larry Rubio returned to the meeting at 2:15 p.m.

8. **AUTHORIZATION TO AWARD AGREEMENT NO. 17-008 TO SOUTHLAND TRANSIT INC. (SOUTHLAND) FOR ADA/DIAL-A-RIDE TRANSPORTATION AND CALL CENTER SERVICES**

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

- Authorize staff to enter into an agreement with Southland Transit Inc. for ADA/Dial-A-Ride Transportation and Call Center Services for a 30-month base period with two one-year options in an amount that will not exceed \$73,655,888.79 which includes a two-percent contingency for an increase in the price of fuel during the contract period. Prior to exercising the option year periods, in accordance with FTA requirements, staff will conduct a thorough price analysis to determine if pricing in effect at that time is competitive and considered fair and reasonable.

The motion carried unanimously.

Chair Linda Krupa left the meeting at 2:29 p.m.

Chair Linda Krupa returned to the meeting at 2:31 p.m.

9. **FISCAL YEAR 2016/2017 (FY17) FINANCIAL AUDIT RESULTS**

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

- Accept the Riverside Transit Agency's FY17 Audited Financial Statements, Single Audit Report, and SAS 114 Letter as final.

The motion carried unanimously.

10. **BOARD MEMBER COMMENTS**

Comments were made by Chair Linda Krupa.

11. **ANNOUNCEMENTS**

None.

12. **NEXT MEETING**

Wednesday, December 6, 2017, 2:00 p.m.
Riverside Transit Agency
1825 Third Street
Riverside, CA 92507

13. **MEETING ADJOURNMENT**

Committee Chair Hanna adjourned the meeting at 2:40 p.m.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

December 6, 2017

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-November 2017 with projections through January 2018. This reporting period covers the first seven months of FY18.

There are no cash flow issues anticipated during this reporting period.

Recommendation:

Receive and file.

**Riverside Transit Agency
FY18 Cash Flow Projection**

	Actual										
1	General Account	11/24/2017	12/1/2017	12/8/2017	12/15/2017	12/22/2017	12/29/2017	1/5/2018	1/12/2018	1/19/2018	1/26/2018
2	Est. Cash, Beg Balance (Book)	(3,459)	5,771,778	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
3	Receipts:										
4	LTF Operating - recurring	4,886,620				4,886,621					4,886,621
5	LTF OPEB	277,778				277,778					277,778
6	FET Credit										
7	RIN's Credit				46,330					40,000	
8	LCFS		96,868								
9	CalPERS CERBT Disbursement	82,142				79,387					80,000
10	Farebox	121,011	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000
11	Total Other Farebox	324,470	65,391	84,716	86,543	33,916	372,342	18,127	80,700	53,684	272,342
12	Total Other Local	2,956	9,500	5,000	5,000	5,000	10,305	5,000	5,000	5,000	5,000
13	FTA Operating		23,980	106,861		25,000		100,000	25,000		
14	Capital - Local, State	35,326		21,193	5,000	5,000	5,000	5,000	5,000	5,000	5,000
15	Echo - FTA Capital	19,463		40,000	40,000	167,172	40,000	40,000	40,000	40,000	40,000
16	Transfer from Investment to Gen Acct.	1,008,473		1,551,230	216,477		76,086	3,790,873	156,850	1,090,316	
17	Disbursements:										
18	Payroll = Net+Tax	(928,147)		(1,150,000)		(950,000)		(950,000)		(1,075,000)	
19	A/P Wires	(54,856)	(2,285,233)	(559,000)	(299,350)	(14,000)	(235,350)	(2,909,000)	(212,550)	(59,000)	(264,475)
20	A/P Checks		(175,000)	(175,000)	(175,000)		(175,000)	(175,000)	(175,000)	(175,000)	(175,000)
21	Capital Expenditures		(60,000)	(60,000)	(60,000)		(60,000)	(60,000)	(60,000)	(60,000)	(60,000)
22	Transfer to Investment from Gen Acct.		(3,532,283)			(4,650,873)	(168,382)				(5,202,266)
23	Transfer to OPEB Trust Acct.										
24	Actual Ending Book Balance / Targeted Minimum Balance	5,771,778	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000

25 LAIF Account:

26	Beginning balance	105,813	105,813	105,813	105,813	105,813	105,813	105,813	105,813	105,813	106,104
27	Quarterly Interest Income									291	
28	Transfers to/from Gen Acct.	-	-	-	-	-	-	-	-	-	-
29	Ending balance	105,813	105,813	105,813	105,813	105,813	105,813	105,813	105,813	106,104	106,104

30 County Pool Account:

31	Beginning balance	1,100,670	1,100,670	1,100,670	1,100,670	1,102,996	1,102,996	1,102,996	1,103,907	1,103,907	1,103,907
32	Quarterly Interest Income				2,326			911			
33	Transfers to/from Gen Acct.	-	-	-	-	-	-	-	-	-	-
34	Ending balance	1,100,670	1,100,670	1,100,670	1,102,996	1,102,996	1,102,996	1,103,907	1,103,907	1,103,907	1,103,907

35 CalTrust Account:

36	Beginning balance	45,602,513	44,594,040	48,126,324	46,621,199	46,404,721	51,055,594	51,147,890	47,405,806	47,248,956	46,158,639
37	Quarterly Interest Income			46,105				48,788			
38	Transfers to/from Gen Acct.	(1,008,473)	3,532,283	(1,551,230)	(216,477)	4,650,873	92,297	(3,790,873)	(156,850)	(1,090,316)	5,202,266
39	Ending balance	44,594,040	48,126,324	46,621,199	46,404,721	51,055,594	51,147,890	47,405,806	47,248,956	46,158,639	51,360,905

<i>Deferred Revenue Capital >>></i>	38,293,244	38,293,244	38,330,345	38,332,672	38,332,672	38,256,586	38,294,693	38,294,693	38,294,693	38,294,693	38,294,693
<i>GASB 43/45 Pre-Fund >></i>	1,388,890	1,388,890	1,388,890	1,388,890	1,666,668	1,666,668	1,666,668	1,666,668	1,666,668	1,944,446	
<i>Available for Operating >>></i>	11,890,166	9,700,672	8,158,446	7,941,969	12,315,063	12,483,445	8,704,165	8,547,315	7,457,289	12,381,777	

<i>Restricted</i>	39,682,134	39,682,134	39,719,235	39,721,562	39,999,340	39,923,254	39,961,361	39,961,361	39,961,361	39,961,361	40,239,139
<i>Available for Operating</i>	11,890,166	9,700,672	8,158,446	7,941,969	12,315,063	12,483,445	8,704,165	8,547,315	7,457,289	12,381,777	

Avg Operating expenses per month =>	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000
No. of months Oper Cash On Hand =>	1.75	1.43	1.20	1.17	1.81	1.84	1.28	1.26	1.10	1.82	

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

December 6, 2017

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

Background: The Agency has, at any one time, a multitude of capital projects in progress or pending as circumstances and funding dictate. These capital projects are funded through a variety of funding sources including, but not limited to, Federal, State, and Local grants. Capital items funded with these grants include, but are not limited to, Revenue and Non-Revenue Vehicles, Transit Facilities, Facility Improvements, and Information Systems.

Depending on the nature of the project, it can take multiple years to accumulate the required funding to complete the project. It can also take multiple years to complete the project once it has commenced. Examples of such a scenario are the recently completed heavy-duty CNG bus fleet replacement/expansion and the Intelligent Transportation System (ITS) enhancement/expansion projects.

The Agency will always have capital needs due to replacement of retired assets, acquisition and/or maintenance of Agency infrastructure, and unique needs such as mobility hubs to serve the transportation needs of our customers. As such, the Agency should always have a backlog of open projects that preserve and enhance the future of the Agency.

Summary: A presentation will be given at the committee meeting which provides an update on the Agency's capital projects, focusing on the activities from September through November 2017. The Agency is required to provide quarterly reporting to the Federal Transit Administration (FTA) one month after the end of each quarter. The Agency is required to provide quarterly reporting to the Riverside County Transportation Commission (RCTC) after the end of each quarter. This reporting was submitted.

Recommendation:

Receive and file.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

December 6, 2017

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

Background: Prior to August 1, 2013, the Agency had always purchased its natural gas (converted to compressed natural gas or CNG) requirements for fueling revenue and non-revenue vehicles from the Southern California Gas Company (SoCal Gas). The cost of the gas from SoCal Gas included the commodity cost of the gas as well as the transmission costs and related taxes/fees.

In May 2013, the Board authorized staff to enter into a multi-year contract with GHI LLC (GHI) for the Agency's natural gas commodity requirements for conversion to CNG. The Agency's contract with GHI commenced July 1, 2013 and natural gas purchases commenced in August 2013. The base period of the contract has been completed. We are now in the final option year of the contract and are currently out to bid for a new contract.

Highlights of the GHI contract are as follows:

- GHI provides a fixed 6% discount off the SoCal Gas commodity cost (in contract option years; years 4 and 5)
- GHI provides the Agency with 5% of the total Renewable Identification Number (RINs) Credit earned
- GHI will both opt-in on the Agency's behalf for the California Air Resources Board (CARB) Low Carbon Fuel Standards (LCFS) Credit program and financially administer the Agency's LCFS Credits
- GHI provides the Agency with 100% of the LCFS Credit value earned

The current Board approved Agency Investment Policy includes language regarding the purchase of natural gas requirements for conversion to CNG. The natural gas purchase language outlines the acceptable ways staff can purchase natural gas requirements for use in fueling Agency vehicles. The policy includes language describing the discipline to purchase a long-term fixed price-per-term contract provided certain parameters are met. The policy also states that, if the Agency buys its natural gas requirements from an entity other than SoCal Gas, staff would prepare a quarterly report for the Board regarding the performance results under the new purchase arrangement and provide a performance comparison to the prior purchase arrangement.

Summary: Attachment A to this staff report identifies the savings the Agency has experienced by purchasing natural gas from GHI versus purchasing it from SoCal Gas. The costs are depicted for both a monthly and trailing quarter basis.

Attachment B to this staff report identifies the RINs Credits earned by the Agency under its natural gas purchase arrangement with GHI. RINs credits are earned and paid monthly. As a reminder, no such opportunity existed with SoCal Gas nor was it offered by the other responsible and responsive bidder during the formal procurement process.

Attachment C to this staff report identifies the LCFS Credits earned by the Agency under its natural gas purchase arrangement with GHI. LCFS credits are earned monthly but paid quarterly. As a reminder, no viable means to provide this credit to the Agency was offered by the other responsible and responsive bidder during the formal procurement process.

Attachment D to this staff report indicates the key statistics being measured and tracked to determine whether or not the Agency should convert from the current monthly floating index cost per term purchase arrangement to a longer-term fixed price per term purchase arrangement per the Investment Policy. The statistics are kept to follow and enact, if applicable, the discipline installed as part of the annual investment policy.

Based on the investment policy discipline and market conditions, the Agency does not currently have any executed contract purchases.

Fiscal Impact:

Under the current purchase arrangement with GHI, the Agency experienced \$14,659 of savings in the quarter covering August - October 2017 for its natural gas commodity requirements versus buying directly from SoCal Gas.

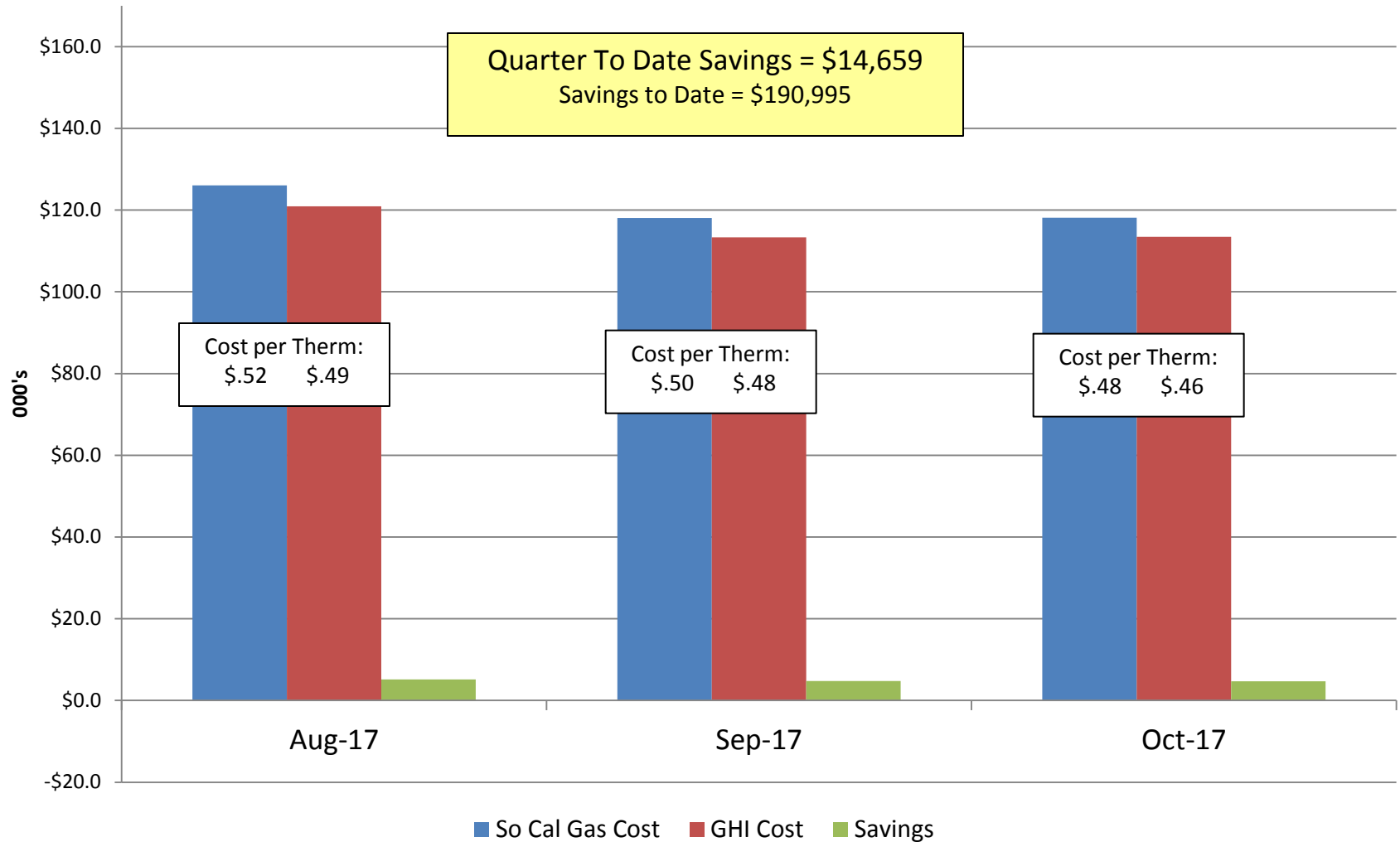
The Agency also earned a total of \$247,062 of combined revenue from the Federal RINs and State LCFS Credits' programs due to its natural gas consumption for use as CNG.

Recommendation:

Receive and file.

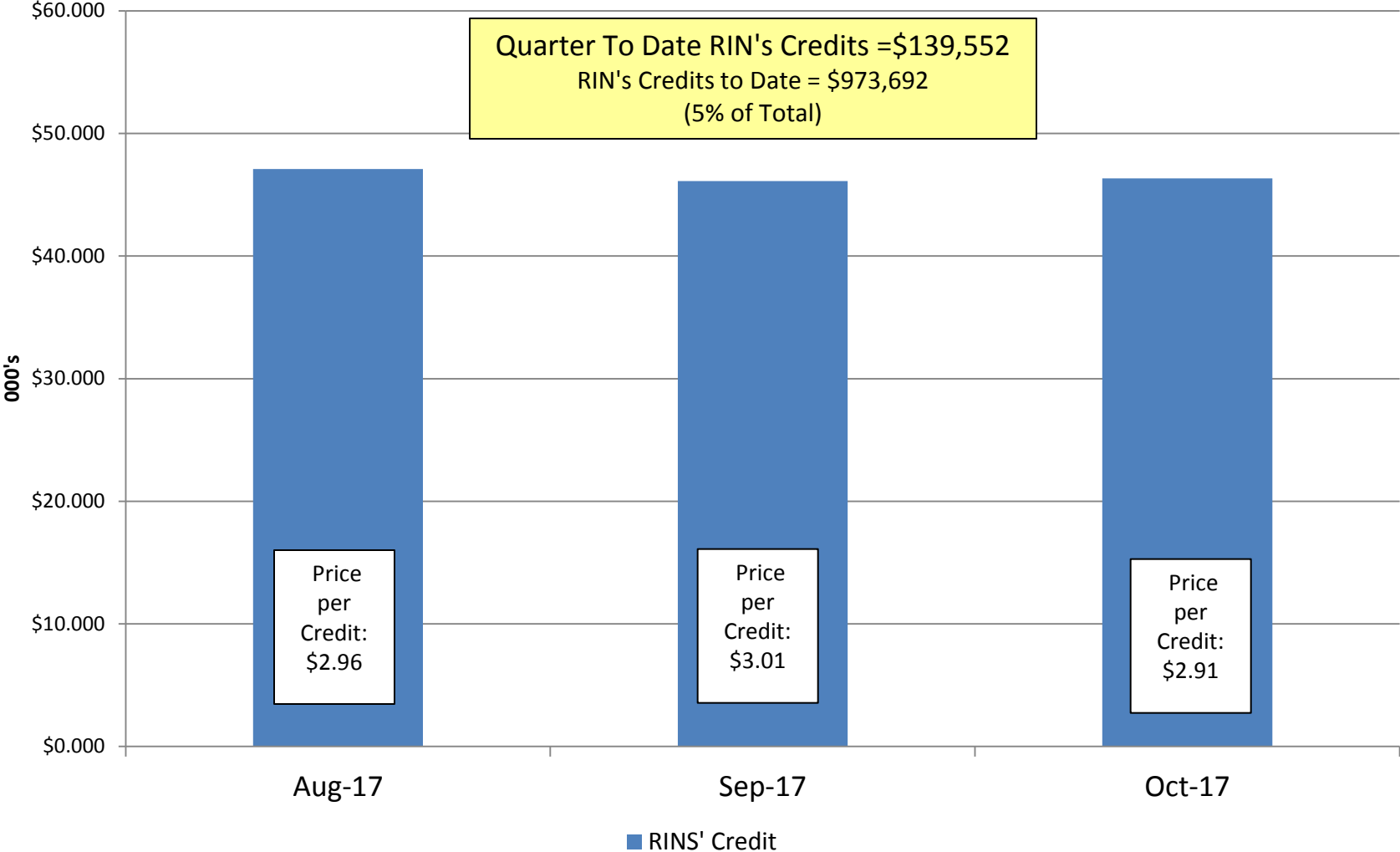
Attachment A

CNG Cost Savings - So Cal Gas vs. GHI



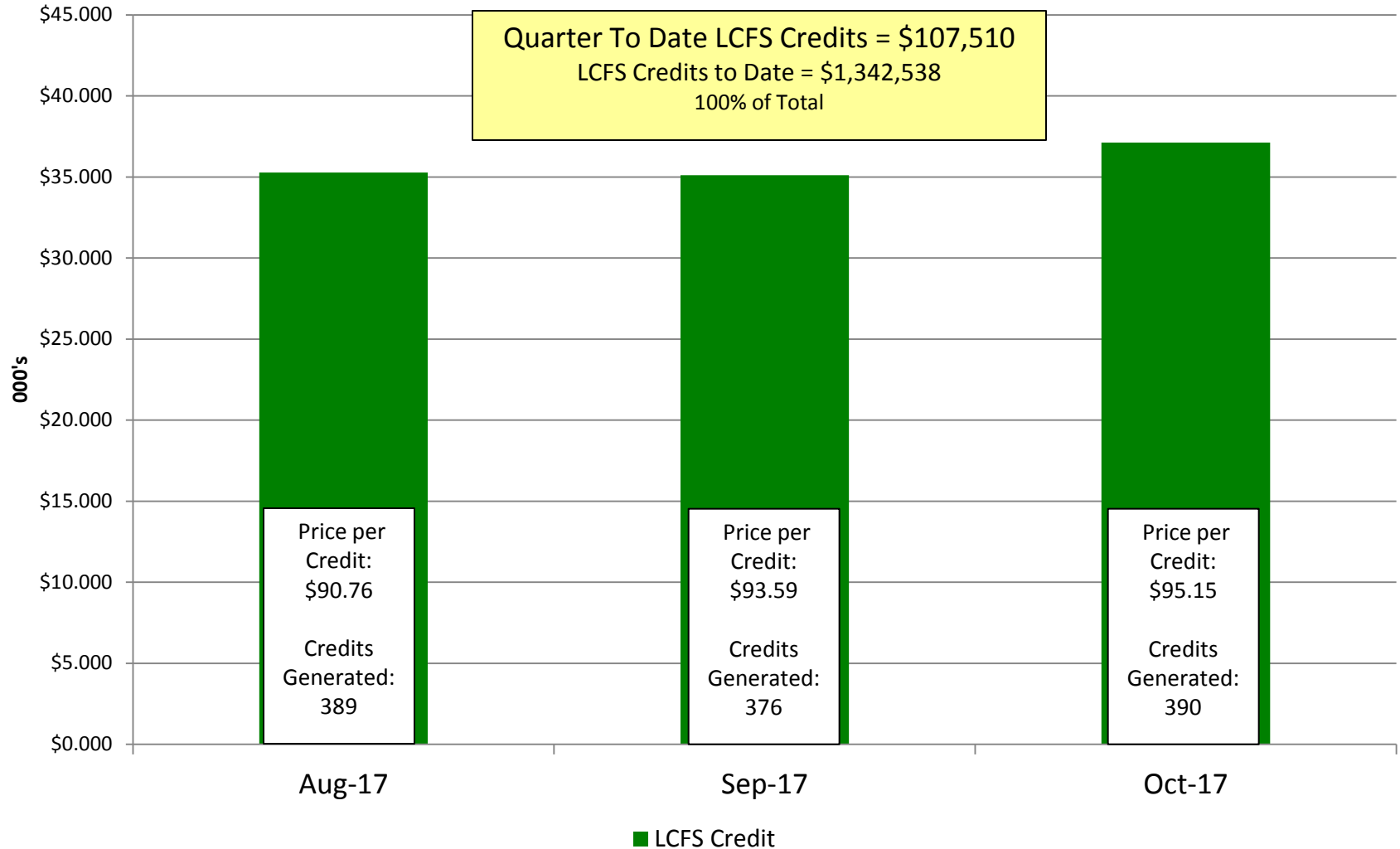
Attachment B

Renewable Identification Number (RIN's) Credit



Attachment C

Low Carbon Fuel Standards (LCFS) Credit



Attachment D

CNG Cost per Therm Trailing 3 Years (commodity cost only)

