



February 5, 2020
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) 565-5066, 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 – JANUARY 8, 2020 COMMITTEE MEETING (P.3)

APPROVE

5. CASH FLOW PROJECTIONS (P.6)

RECEIVE AND FILE

6. QUARTERLY INVESTMENT REPORT (P.8)

RECEIVE AND FILE

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

RECEIVE AND FILE

8. AUTHORIZATION TO AWARD AGREEMENT NO. 19-037 TO GIRO INC. FOR THE PURCHASE, IMPLEMENTATION AND ANNUAL LICENSING FOR FIXED ROUTE SCHEDULING SOFTWARE (P.17)

APPROVE

9. BOARD MEMBER COMMENTS

10. ANNOUNCEMENTS

11. NEXT MEETING

Wednesday, March 4, 2020, 2:00 p.m.
Riverside Transit Agency
1825 Third Street
Riverside, CA 92507

12. MEETING ADJOURNMENT

RTA BOARD BUDGET AND FINANCE COMMITTEE MEETING
Minutes
January 8, 2020

1. CALL TO ORDER

Committee Chair Linda Krupa called the Board Budget and Finance Committee meeting to order at 2:00 p.m., on January 8, 2020, in the RTA Board Room.

2. SELF INTRODUCTIONS

Self-introductions of those in attendance took place.

Committee Members Attending

1. Linda Molina, City of Calimesa
2. Jeremy Smith, City of Canyon Lake
3. Linda Krupa, City of Hemet
4. Anthony Kelly, Jr., City of Jurupa Valley
5. Berwin Hanna, City of Norco
6. Malcolm Corona, City of Perris
7. Bridgette Moore, City of Wildomar

Committee Members Absent

1. Chuck Washington, County of Riverside District III
2. Jeff Hewitt, County of Riverside District V

RTA Staff

1. Larry Rubio, Chief Executive Officer
2. Joan Hepworth, 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. Adam Chavez, Director of Maintenance
8. Jim Kneepkens, Director of Marketing
9. Kristin Warsinski, Director of Planning
10. Rick Majors, Director of Risk Management
11. Rick Kaczerowski, Director of IT
12. Natalie Zaragoza, Director of Contracts
13. Brad Weaver, Media & Public Relations Manager
14. Melissa Blankenship, Contracts Manager
15. Lisa Almilli, Mobility Manager
16. Yesenia Felix, Human Resources Clerk
17. Audrey Gill, Contract Operations Manager

3. PUBLIC COMMENTS – NON-AGENDA ITEMS

None.

4. **APPROVAL OF MINUTES – DECEMBER 4, 2019 COMMITTEE MEETING**

M/S/C (SMITH/MOORE) approving the December 4, 2019 committee meeting minutes.

The motion carried unanimously.

5. **CASH FLOW PROJECTIONS**

Mr. Fajnor presented the cash flow projections which were received and filed.

6. **AGENCY INVESTMENT POLICY – ANNUAL UPDATE**

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

- Adopt the Agency Investment Policy for 2020.

The motion carried unanimously.

7. **AUTHORIZATION TO AWARD AGREEMENT NO. 19-091 TO WESTERN STATES CONVERTERS & TRANSMISSIONS, INC. TO REBUILD TWENTY-FIVE ALLISON B400R TRANSMISSIONS**

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

- Authorize staff to award Agreement No. 19-091 to Western States Converters & Transmissions, Inc. to rebuild twenty-five Allison B400R transmissions in the amount of \$131,412.25 with an additional \$13,141.23 for a total project budget amount of \$144,553.48.

The motion carried unanimously.

8. **AUTHORIZATION TO RENEW THE AGENCY’S AGREEMENT WITH THE RIVERSIDE COUNTY DEPARTMENT OF HEALTH SERVICES TO CONTINUE TO RECEIVE REIMBURSEMENT THROUGH THE MEDI-CAL ADMINISTRATIVE ACTIVITIES PROGRAM**

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

- Authorize staff to renew the Agency’s Agreement with the Riverside County Department of Health Services to receive reimbursement through the Medi-Cal Administrative Activities Program.

The motion carried unanimously.

9. **BOARD MEMBER COMMENTS**

Board member comments were made by Director Jeremy Smith, Chair Bridgette Moore, Director Anthony Kelly and Committee Chair Linda Krupa.

10. **ANNOUNCEMENTS**

Announcements were made by Mr. Larry Rubio.

11. **NEXT MEETING**

Wednesday, February 5, 2020, 2:00 p.m.

12. **MEETING ADJOURNMENT**

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

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

February 5, 2020

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 2020 with projections through March 2020. This reporting period covers the first nine months of FY20. There are no cash flow issues anticipated during this reporting period.

Recommendation:

Receive and file.

**Riverside Transit Agency
FY19/20 Cash Flow Projection**

	Actual									
Wells Fargo General Account	1/24/2020	1/31/2020	2/7/2020	2/14/2020	2/21/2020	2/28/2020	3/6/2020	3/13/2020	3/20/2020	3/27/2020
Est. Cash, Beg Balance (Book)	513,472	5,906,685	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Receipts:										
LTF Operating	5,347,427	-	-	-	-	5,347,427	-	-	-	1,798,820
LTF OPEB	99,444	-	-	-	-	99,444	-	-	-	99,444
RIN's Credit	-	-	-	32,066	-	-	-	30,000	-	-
LCFS	-	-	-	-	-	-	-	200,000	-	-
CalPERS CERBT Disbursement	-	-	-	-	98,836	-	-	-	98,000	-
Farebox	119,156	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000
Total Other Farebox	282,625	240,856	271,942		226,747	365,592			498,038	57,539
Total Other Local	3,364	14,378	5,000	5,000	5,000	10,628	5,000	5,000	5,000	10,628
FTA Operating		7,047,659	80,969		44,215				1,113,215	
State Operating		240,000				240,000				240,000
Capital - Local, State		60,426				58,046				
FTA Capital		71,835								
Transfer from Investment Accounts to Wells Fargo General Account	18,000		3,011,920	1,172,934			3,325,000	1,050,000		
Disbursements:										
Payroll = Net+Tax	(259)	(1,150,000)		(1,150,000)		(1,150,000)		(1,150,000)		(1,150,000)
A/P Wires	(275,554)	(30,000)	(3,329,831)	(20,000)	(220,000)	(80,000)	(3,290,000)	(95,000)	(220,000)	(80,000)
A/P Checks	(111,196)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Capital Expenditures	(89,794)									
Transfer to Investment Accounts from Wells Fargo General Account		(12,311,838)			(114,799)	(4,851,137)			(1,454,253)	(936,431)
Actual Ending Wells Fargo General Account Book Balance / Targeted Minimum Balance	5,906,685	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000

LAIF Account:

Beginning balance	3,135,036	3,117,036	3,117,036	3,117,036	3,117,036	3,117,036	3,117,036	3,117,036	3,117,036	3,117,036
Quarterly Interest Income	-	-	-	-	-	-	-	-	-	-
Transfers to/from Gen Acct.	(18,000)	-	-	-	-	-	-	-	-	-
Ending balance	3,117,036	3,117,036	3,117,036	3,117,036	3,117,036	3,117,036	3,117,036	3,117,036	3,117,036	3,117,036

County Pool Account:

Beginning balance	10	10	10	10	10	10	10	10	10	10
Ending balance	10	10	10	10	10	10	10	10	10	10

CalTrust Account:

Beginning balance	49,475,256	49,475,256	61,746,003	58,734,083	57,561,149	57,469,739	62,418,966	59,093,966	58,043,966	59,294,010
Quarterly Interest Income	-	85,606	-	-	-	98,090	-	-	-	-
Transfers to/from Gen Acct.	-	12,185,141	(3,011,920)	(1,172,934)	(91,410)	4,851,137	(3,325,000)	(1,050,000)	1,250,044	936,431
Ending balance	49,475,256	61,746,003	58,734,083	57,561,149	57,469,739	62,418,966	59,093,966	58,043,966	59,294,010	60,230,441

<i>Restricted Capital Balance >>></i>	40,056,551	40,119,641	40,119,641	40,119,641	40,119,641	40,181,287	40,181,287	40,181,287	40,181,287	40,181,287
<i>Funding for CERBT OPEB Trust >>></i>	696,111	696,111	696,111	696,111	696,111	795,556	795,556	795,556	795,556	895,000
<i>Restricted Operating Balance >>></i>	3,342,361	3,221,371	3,221,371	3,221,371	3,015,162	3,020,443	3,020,443	3,020,443	2,816,234	2,816,234
<i>Unrestricted Operating Balance >>></i>	14,403,965	20,875,927	17,864,007	16,691,073	16,805,872	21,588,728	18,263,728	17,213,728	18,667,981	19,504,967
Avg Operating expenses per month =>	7,850,000	7,850,000	7,850,000	7,850,000	7,850,000	7,850,000	7,850,000	7,850,000	7,850,000	7,850,000
No. of months Oper Cash On Hand =>	1.83	2.66	2.28	2.13	2.14	2.75	2.33	2.19	2.38	2.48

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

February 5, 2020

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 currently has three (3) investment vehicles for its operating and capital funds' cash balances above and beyond immediate need.

The first is the CalTRUST Short-term Fund which is managed by the CSAC Finance Corporation. The agency has multiple accounts in CalTRUST. The balances earn interest daily and investment results are provided monthly on the last day of the month.

The second is the Local Agency Investment Fund (LAIF) which is managed by the Treasurer of the State of California. The agency has only one account in LAIF. While the balance earns interest daily, investment results are only published and available on a quarterly basis – fifteen (15) days after the end of each calendar quarter.

The third is the Riverside County Treasurer's Pooled Investment Fund (County Pool) which is managed by the Treasurer of the County of Riverside. The agency has only one account in the County Pool. While the balance earns interest daily, investment results are only published and available on a quarterly basis. 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 FY20 (as of December 31, 2019).

Recommendation:

Receive and file.

RIVERSIDE TRANSIT AGENCY
Investment Report
For the Quarter Ended December 31, 2019

Investment Type	Institution	Amount of Investment at 12/31/19	Current Market Value at 12/31/19	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	\$3,032,371.64	\$3,037,739.84	2.11%	2.29%	\$9,664.85
Riverside County Treasurer Pooled Investment Fund	County of Riverside	\$10.14	\$10.14	1.92%	1.92%	\$0.00
CalTrust Short Term Fund	CalTrust	\$50,944,664.40	\$50,944,664.40	2.04%	2.44%	\$312,098.70

Note: Sufficient funds are available to meet the next 60 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 5, 2020

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

Summary: 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 (SoCalGas). The cost of the gas from SoCalGas included the commodity cost of the gas as well as the transmission costs and related taxes/fees.

In February 2018, the Board authorized staff to enter into a second multi-year contract with GHI LLC (GHI) for the Agency's natural gas commodity requirements for conversion to CNG. In addition, GHI continues to manage the agency's participation in the Low Carbon Fuel Standards (LCFS) Credit program with the state. Highlights of the current contract with GHI are as follows:

- GHI provides a fixed 10% discount off the SoCalGas commodity cost from July 2018 through June 2021 (the first 3 years of the contract)
- GHI provides a fixed 11% discount off the SoCalGas commodity cost from July 2021 through June 2023 (the last 2 years of the contract)
- GHI provides the Agency with 12% of the total Renewable Identification Number (RINs) Credits earned from July 2018 through June 2023 (all 5 years of the contract)
- GHI continues to opt-in on the Agency's behalf for the California Air Resources Board (CARB) LCFS Credit program and financially administer the Agency's LCFS Credits
- GHI provides the Agency with 100% of the LCFS Credits 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-therm contract provided certain parameters are met. The policy also states that, if the Agency buys its natural gas requirements from an entity other than SoCalGas, 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.

Attachment A to this staff report identifies the savings the Agency has experienced by purchasing natural gas from GHI versus purchasing it from SoCalGas. The savings are depicted for both the trailing quarter and cumulative-to-date 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. RINs revenue is depicted for both the trailing quarter and cumulative-to-date basis.

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. LCFS revenue is depicted for both the trailing quarter and cumulative-to-date basis.

Attachment D to this staff report indicates the key statistics being measured and tracked to determine whether the Agency should convert from the current monthly floating index cost per therm purchase arrangement to a longer-term fixed price per therm purchase arrangement per the Investment Policy. The statistics represent 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 purchase arrangement with GHI, the Agency experienced \$24,401 of savings in the quarter covering October - December 2019 for its natural gas commodity requirements versus buying directly from SoCalGas.

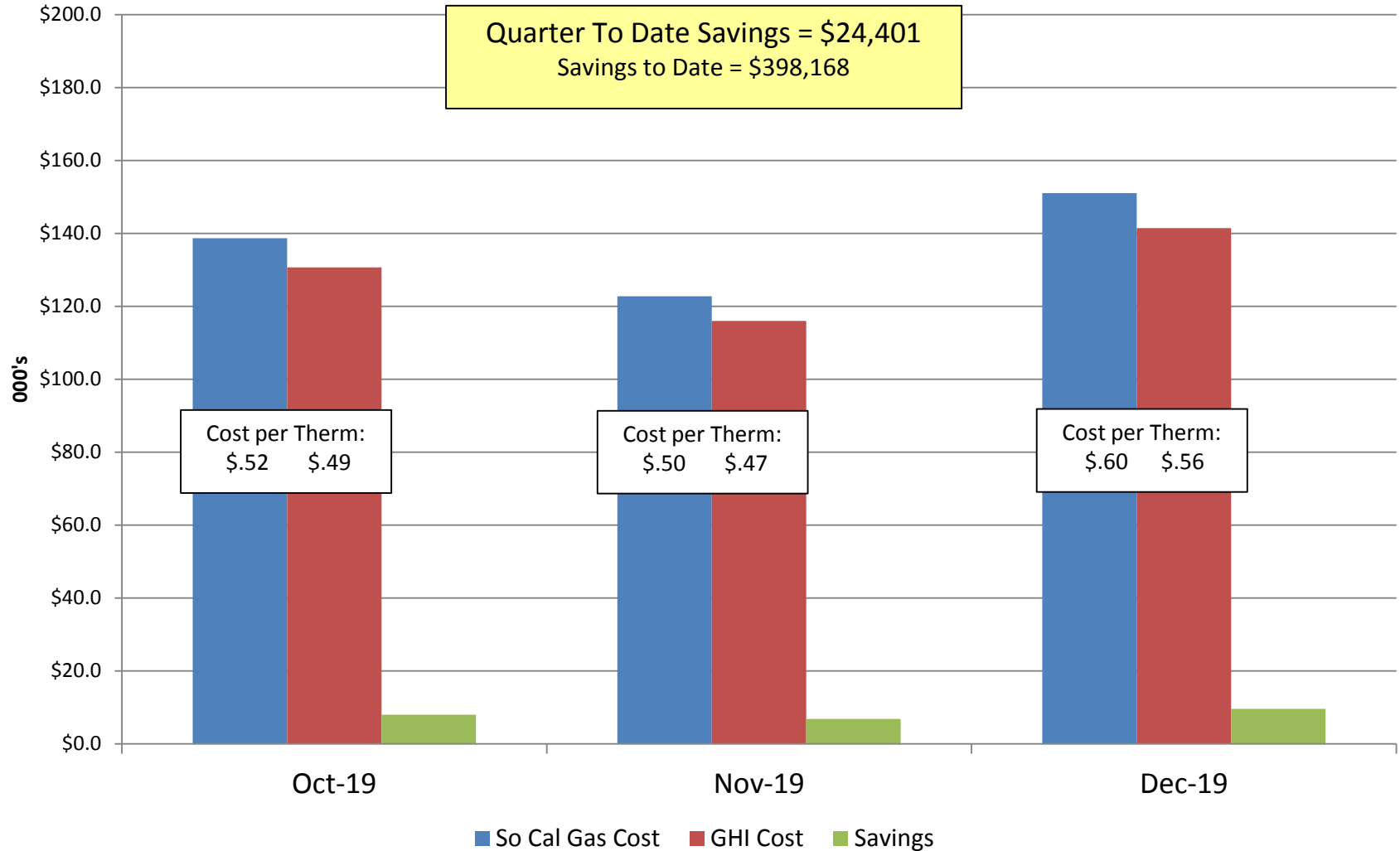
The Agency also earned a total of \$311,074 of combined revenue from the Federal RINs and State LCFS Credits' programs due to its natural gas consumption for use as CNG.

In addition, with the FY20 Federal Funding Re-authorization now enacted, the Federal Excise Tax Credit on Alternative Fuel Use has been retroactively implemented to cover the period of 2018 through 2020. Staff has submitted a claim for \$1,157,555 for 2018 and \$1,164,597 for 2019, respectively. Claims for 2020 will be submitted monthly.

Recommendation:

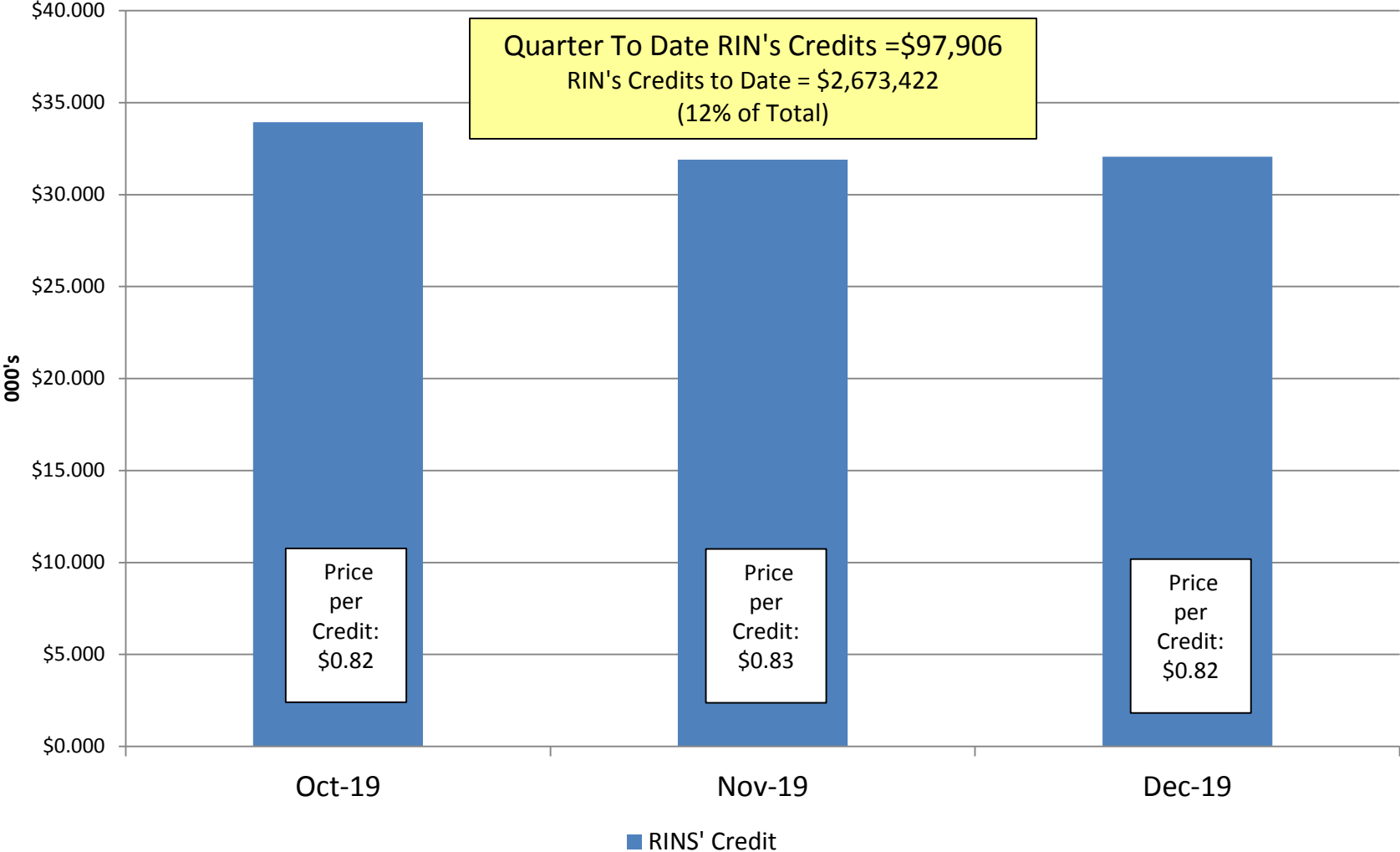
Receive and file.

Attachment A CNG Cost Savings - So Cal Gas vs. GHI



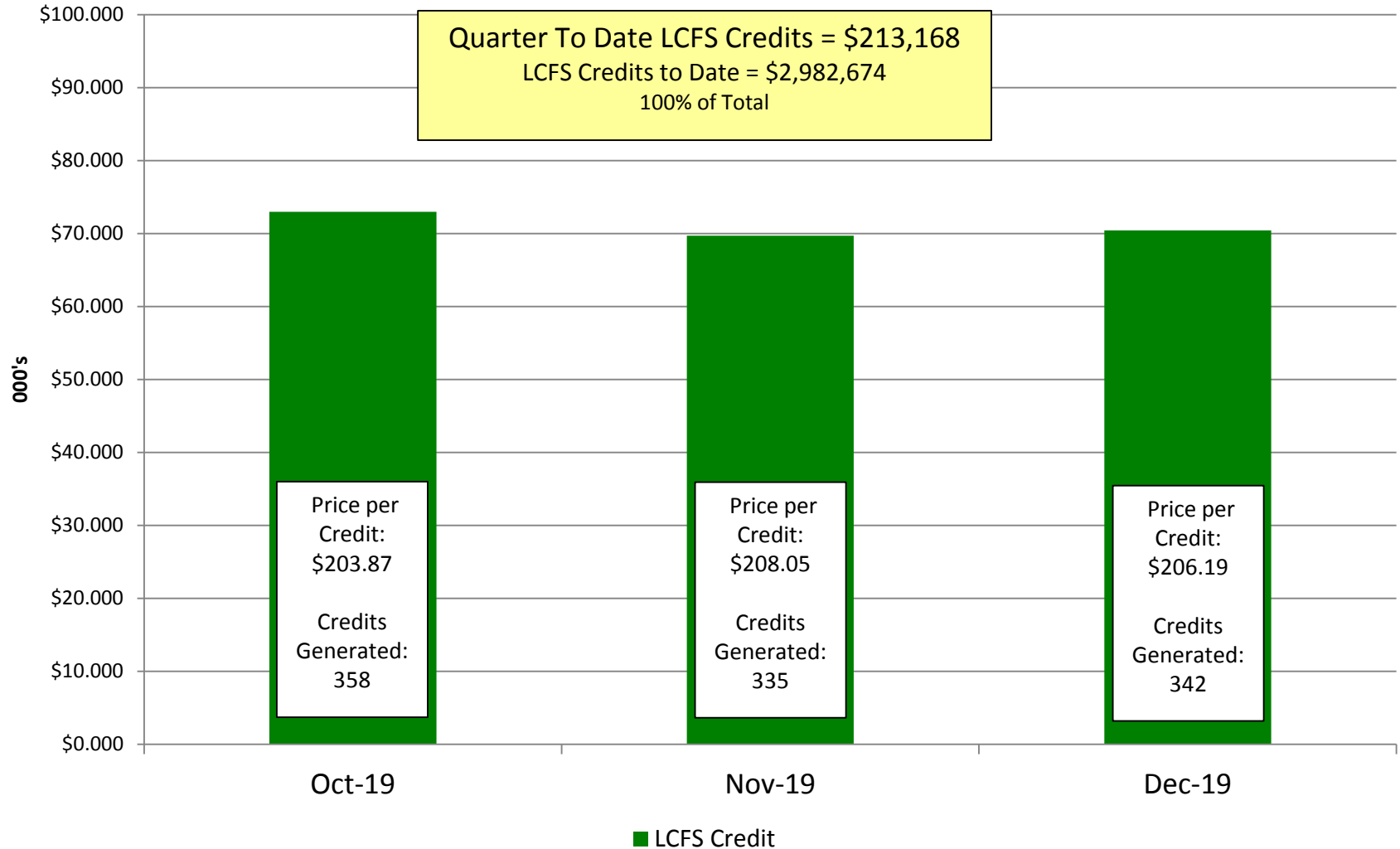
Attachment B

Renewable Identification Number (RIN's) Credit



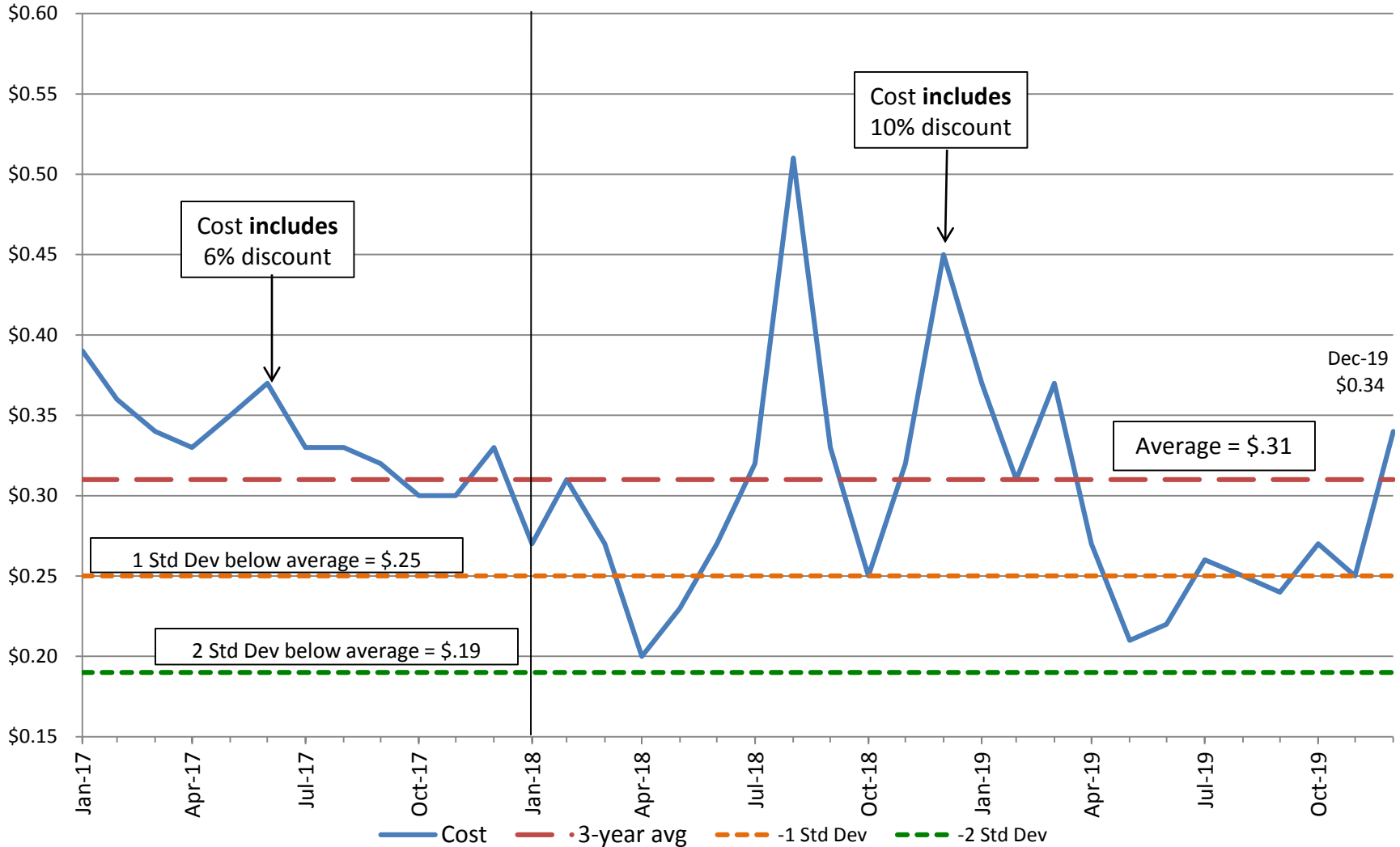
Attachment C

Low Carbon Fuel Standards (LCFS) Credit



Attachment D

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



RIVERSIDE TRANSIT AGENCY
1825 Third St.
Riverside, CA 92507

February 5, 2020

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Authorization to Award Agreement No. 19-037 to Giro Inc. for the Purchase, Implementation and Annual Licensing for Fixed Route Scheduling Software

Summary: The Agency has historically contracted with an outside vendor to prepare its bus schedules and operator bid materials. These items are revised and updated three times a year to coincide with each service change (January, May and September). The three service changes per year fulfill the Agency's obligations under the terms of its Memorandum of Understanding (MOU) with the Amalgamated Transit Union.

The scheduling process is very complex and scheduling for an agency the size of RTA cannot effectively be done manually. These services have been outsourced because the vendor uses a state-of-the-art scheduling software with Agency supplied data to prepare the bus schedules. This software uses sophisticated algorithms to efficiently schedule bus routes by combining individual bus trips into blocks and then cutting blocks into runs that individual drivers can then bid on as their daily assignments.

There are several elements that go into creating efficient bus schedules including the number of Agency drivers, the number of bus routes we operate, how many revenue and relief vehicles we have, employee rules and regulations, MOU provisions, operator recovery time, rest and meal period requirements, etc. All these elements are entered into the software database to develop bus schedules that meet provisions of the MOU as well as operational, regulatory and Agency requirements. The ability to optimize bus schedules based on these and other factors has a direct impact on the cost of operations as illustrated further below.

Over the past 10 years, the Agency's service has grown from 463,952 to 711,289 annual revenue service hours. During this same period the Agency's fixed route revenue fleet expanded from

181 to 224 vehicles. This growth has now made it cost effective for the Agency to purchase its own scheduling software.

As shown in Table 1 below, the portion the Agency pays for the annual maintenance fees to CSched on our current scheduling services contract averages approximately \$180,000 per year. By purchasing this software, this fee will decrease by approximately \$35,000 annually. The following shows a side-by-side comparison:

Table 1

Software Maintenance Fees		
	RTA/CSched	RTA/Giro
Year 1	\$171,643.00	\$138,148.00
Year 2	\$175,770.00	\$141,609.00
Year 3	\$180,165.00	\$145,144.00
Year 4	\$184,669.00	\$148,804.00
Year 5	\$189,285.00	\$152,539.00
Totals:	\$901,532.00	\$726,244.00
	<i>Total 5-year difference:</i>	<u>\$175,288.00</u>

Advantages to owning the software is the ability to make as-needed schedule adjustments as well as perform different ‘what if’ scenarios to optimize bus schedules. These are considered additional activities and can be done by the outside vendor however each request comes with added cost. After consideration of the above, staff concluded that purchasing its own scheduling software would be advantageous from a cost perspective. Other considerations would be having direct control over the data created by that software and the ability to keep bus schedules optimized for peak operations.

One additional point worth mentioning, without in-house expertise, the Agency will continue to require the services of an outside vendor for assistance with service changes. Even so, with this software purchase, that contract will decrease from roughly \$250,000 to \$75,000 per year.

On May 1, 2019 staff issued Request for Proposals (RFP) No. 19-037. The RFP 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 RFP document. The Agency also sent notices to the local chambers’ of commerce in cities that are members of the Joint Powers Agreement.

weekend service which is about 49 percent of weekday service, the annual savings would be approximately \$112,000 greater. This also does not take in to account the anticipated savings that would be realized for those routes operated by our contractor.

While the initial cost of Giro software is more expensive than Clever Devices, modeling our data using the Giro software makes it more cost effective in the long run. Table 3 below shows the 10-year lifecycle comparison for the Clever Devices and Giro software costs. These numbers presume a modest 2.5 percent annual growth in wages over this same 10-year period.

Table 3

TOTAL SOFTWARE AND EFFICIENCIES COST GIRO vs CLEVER			
	GIRO	CLEVER	CLEVER
Deliverable	Scheduling Software Cost	Scheduling Software Cost	Scheduling In-efficiencies *
Software/Year 1 Maintenance	\$807,358	\$298,132	\$224,875
Ongoing Maintenance:			
Year 2	\$138,148	\$40,248	\$230,497
Year 3	\$141,609	\$41,456	\$236,259
Year 4	\$145,144	\$42,699	\$242,166
Year 5	\$148,804	\$43,980	\$248,220
Year 6	\$152,539	\$45,300	\$254,425
Year 7	\$156,400	\$46,659	\$260,786
Year 8	\$160,288	\$48,058	\$267,306
Year 9	\$164,302	\$49,500	\$273,988
Year 10	\$168,395	\$50,985	\$280,838
Service Changes Training	\$31,350	\$29,646	
Implementation & Training	\$0	\$90,863	
Development	\$0	\$64,380	
Hosting Setup & Year 1	\$0	\$20,462	
Hosting Years 2-10	\$0	\$100,915	
Sales Tax	\$0	\$88,663	
Total Amount	\$2,214,337	\$1,101,946	\$2,519,360

***Based on the results of the performance test, the Clever Devices operational inefficiencies is an additional 8,995 paid hours per year. Multiply 8,995 hours by the average coach operator hourly rate (\$25.00 in year 1 and increasing 2.5% annually) and this is the real cost of utilizing this software**

10-year lifecycle cost using GIRO	\$2,214,337
10-year lifecycle cost using Clever Devices	\$3,621,306

Based on the overall evaluation process (technical review, price analysis, performance test and reference checks), it was the evaluation committee's determination that Giro was the highest technically responsive and responsible vendor and would provide the best long-term value to the Agency. Additionally, Giro has more than 70 North American clients using their scheduling software while Clever Devices has only two installations with one still in the implementation phase.

Fiscal Impact:

Funding in the amount of \$1,721,352 for scheduling software, licensing and support services has been included in the Agency's capital budget and will fund years 1-7. Funding for subsequent years of support will be requested in future fiscal-year budget requests.

Recommendation:

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

- Authorize staff to award Agreement No. 19-037 to Giro Inc. for the purchase, implementation and annual licensing for fixed-route scheduling software in the amount of \$1,721,352.