



June 6, 2018
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**

<u>ITEM</u>	<u>RECOMMENDATION</u>
3. PUBLIC COMMENTS – NON-AGENDA ITEMS 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 – MAY 2, 2018 COMMITTEE MEETING (P.3)</u>	APPROVE
5. <u>CASH FLOW PROJECTIONS (P.6)</u>	RECEIVE AND FILE
6. <u>QUARTERLY CAPITAL STATUS (P.8)</u>	RECEIVE AND FILE
7. <u>QUARTERLY COMPREHENSIVE ROUTE PERFORMANCE STATUS REPORT (P.10)</u>	RECEIVE AND FILE
8. <u>AUTHORIZATION TO RENEW REVENUE AGREEMENT NO. 18-013 WITH THE UNIVERSITY OF CALIFORNIA, RIVERSIDE FOR THE UNIVERSITY PASS (U-PASS); AUTHORIZATION TO RENEW REVENUE AGREEMENT NO. 18-014 WITH THE UNIVERSITY OF CALIFORNIA, RIVERSIDE FOR THE OPERATION OF ROUTE 51 (CREST CRUISER) (P.17)</u>	APPROVE
9. BOARD MEMBER COMMENTS	
10. ANNOUNCEMENTS	
11. NEXT MEETING Wednesday, July 11, 2018, 2:00 p.m. Riverside Transit Agency 1825 Third Street Riverside, CA 92507	
12. MEETING ADJOURNMENT	

RTA BOARD BUDGET AND FINANCE COMMITTEE MEETING
Minutes
May 2, 2018

1. **CALL TO ORDER**

Committee Chair Berwin Hanna called the Board Budget and Finance Committee meeting to order at 2:01 p.m., on May 2, 2018, in the RTA Board Room.

2. **SELF INTRODUCTIONS**

Self-introductions of those in attendance took place.

Committee Members Attending

1. Berwin Hanna, City of Norco
2. Linda Molina, City of Calimesa
3. Dawn Haggerty, City of Canyon Lake
4. Dick Haley, City of Corona
5. Linda Krupa, City of Hemet
6. Anthony Kelly Jr., City of Jurupa Valley
7. Maryann Edwards, City of Temecula
8. ¹Barry Busch, County of Riverside, District V

Committee Members Absent

1. John Tavaglione, County of Riverside, District II
2. Chuck Washington, County of Riverside, District III

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. Natalie Zaragoza, Director of Contracts
11. Rick Kaczerowski, Director of Information Technologies
12. Eric Ustation, Government Affairs Manager
13. Brad Weaver, Media & Public Relations Manager
14. Kristin Warsinski, Grants Manager
15. Lisa Almilli, Mobility Manager
16. Luz Granados, Buyer

¹Alternate for Marion Ashley, County of Riverside, District V

17. Joe Forgiarini, Planning and Scheduling Manager

18. Leif Lovegren, Planning Analyst

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

None.

4. **APPROVAL OF MINUTES – APRIL 4, 2018 COMMITTEE MEETING**

M/S/C (HALEY/KELLY) approving the April 4, 2018 committee meeting minutes.

The motion carried unanimously.

5. **CASH FLOW PROJECTIONS**

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

6. **QUARTERLY INVESTMENT REPORT**

Mr. Fajnor presented the quarterly investment report which was received and filed.

7. **AUTHORIZATION TO AWARD AGREEMENT NO. 18-019 TO RACEWAY FORD, INC. FOR THE PURCHASE OF THREE STOPS AND ZONES TRUCKS**

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

- Authorize staff to award Agreement No.18-019 to Raceway Ford, Inc. for the purchase of three stops and zones trucks in an amount not-to-exceed \$199,461.96.

The motion carried unanimously.

Committee Chair Berwin Hanna called the meeting into recess at 2:09 p.m.

Director Linda Krupa arrived to the meeting at 2:09 p.m.

Committee Chair Berwin Hanna called the meeting back into order at 2:21 p.m.

8. **AUTHORIZATION TO AWARD AGREEMENT NO. 18-020 TO TRILLIUM CNG FOR COMPRESSED NATURAL GAS (CNG) FUELING STATION UPGRADES**

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

- Authorize staff to award Agreement No. 18-020 to Trillium CNG, for CNG fueling station upgrades in the amount of \$386,093 with a ten-percent contingency of \$38,609 for a total not-to-exceed contract amount of \$424,702.

The motion carried unanimously.

9. **REQUEST TO HOLD A PUBLIC HEARING ON THE FISCAL YEAR 2018/2019 (FY19) OPERATING BUDGET, CAPITAL BUDGET, AND FY19-FY21 SHORT RANGE TRANSIT PLAN (SRTP) AND ADOPT THE SRTP AND FY19 BUDGETS**

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

- Hold a public hearing on the FY19 Operating budget, FY19 Capital budget, and the FY19 – FY21 SRTP, and adopt the SRTP and budgets at the May 24, 2018 Board of Directors meeting.
- Authorize staff to amend all necessary contractual documents affected by the adopted budget as appropriate and in accordance with Agency Procurement Policies.

The motion carried unanimously.

10. **BOARD MEMBER COMMENTS**

Board member comments were made by Director Linda Krupa.

11. **ANNOUNCEMENTS**

None.

12. **NEXT MEETING**

Wednesday, June 6, 2018
2:00 p.m.
Riverside Transit Agency
Board Room
1825 Third Street
Riverside, CA 92507

13. **MEETING ADJOURNMENT**

The meeting was adjourned at 2:49 p.m.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

June 6, 2018

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-May 2018 with projections through July 2018. This reporting period covers the remainder of FY18 and the first month of FY19.

Recommendation:

Receive and file.

**Riverside Transit Agency
FY18/19 Cash Flow Projection**

	Actual									
	5/25/2018	6/1/2018	6/8/2018	6/15/2018	6/22/2018	6/29/2018	7/6/2018	7/13/2018	7/20/2018	7/27/2018
General Account										
Est. Cash, Beg Balance (Book)	231,074	1,173,486	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Receipts:										
LTF Operating - recurring	59,407						-	-	-	5,044,204
LTF OPEB							-	-	-	177,778
FET Credit										
RIN's Credit				97,000				95,000		
LCFS		150,000								
CalPERS CERBT Disbursement				89,267						90,000
Farebox	122,283	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Total Other Farebox	3,154	144,009		300	179,933	117,461		250	119,467	571,894
Total Other Local	11,071	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
FTA Operating	853,174			24,894	900,000					
Capital - Local, State	174,768	166,120								
FTA Capital	39,674	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Transfer from Investment to Gen Acct.	972,438	2,035,473	1,174,000	92,044		1,686,044	4,384,000	205,515	989,533	
Disbursements:										
Payroll = Net+Tax	(977,034)		(985,000)		(985,000)		(1,085,000)		(1,035,000)	
A/P Wires	(52,488)	(3,218,200)	(129,000)	(243,505)	(14,000)	(243,505)	(3,239,000)	(240,765)	(14,000)	(265,315)
A/P Checks	(224,136)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)
Capital Expenditures	(39,898)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)
Transfer to Investment from Gen Acct.		(340,888)			(20,933)					(5,558,561)
Transfer to OPEB Trust Acct.						(1,500,000)				
Actual Ending Book Balance / Targeted Minimum Balance	1,173,486	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000

LAIF Account:										
Beginning balance	106,529	106,529	106,529	106,529	106,529	106,529	106,529	106,771	106,771	106,771
Quarterly Interest Income								242		
Transfers to/from Gen Acct.	-	-	-	-	-	-	-	-	-	-
Ending balance	106,529	106,529	106,529	106,529	106,529	106,529	106,529	107,013	106,771	106,771

County Pool Account:										
Beginning balance	984,019	984,019	984,019	986,373	986,373	986,373	986,373	986,373	987,999	987,999
Quarterly Interest Income			2,354					1,626		
Transfers to/from Gen Acct.	-	-	-	-	-	-	-	-	-	-
Ending balance	984,019	984,019	986,373	986,373	986,373	986,373	986,373	987,999	987,999	987,999

CalTrust Account:										
Beginning balance	54,949,786	53,977,348	52,282,763	51,176,815	51,084,772	51,105,705	49,419,661	45,078,014	44,872,499	43,882,966
Quarterly Interest Income			68,052				42,353			
Transfers to/from Gen Acct.	(972,438)	(1,694,585)	(1,174,000)	(92,044)	20,933	(1,686,044)	(4,384,000)	(205,515)	(989,533)	5,558,561
Ending balance	53,977,348	52,282,763	51,176,815	51,084,772	51,105,705	49,419,661	45,078,014	44,872,499	43,882,966	49,441,527

<i>Deferred Revenue Capital >>></i>	37,499,052	37,763,854	37,809,902	37,733,816	37,733,816	37,733,816	38,026,956	38,028,581	38,028,581	38,028,581
<i>OPEB Trust Funding >></i>	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	-	-	-	-	177,778
<i>Available for Operating >>></i>	17,242,331	14,159,457	13,009,815	12,993,857	13,014,790	12,828,746	8,193,960	7,988,688	6,999,155	12,379,938

<i>Restricted Available for Operating</i>	38,999,052	39,263,854	39,309,902	39,233,816	39,233,816	37,733,816	38,026,956	38,028,581	38,028,581	38,206,359
	17,242,331	14,159,457	13,009,815	12,993,857	13,014,790	12,828,746	8,193,960	7,988,930	6,999,155	12,379,938

Avg Operating expenses per month =>	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000	7,305,600	7,305,600	7,305,600	7,305,600
No. of months Oper Cash On Hand =>	2.54	2.08	1.91	1.91	1.91	1.89	1.12	1.09	0.96	1.69

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

June 6, 2018

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

Summary: 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 Promenade Mall and Hemet Mobility Hubs' projects.

The Agency will always have capital needs due to the replacement of retired assets, acquisition and/or maintenance of Agency infrastructure, and unique needs such as developing 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.

A presentation will be given at the committee meeting which provides an update on the Agency's capital projects, focusing on the activities from March through May 2018. 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

June 6, 2018

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 (SoCalGas). 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. We are now in the final year of the contract.

GHI has been selected to continue supplying the Agency with its natural gas requirements as well as to manage the agency's participation in the Low Carbon Fuel Standards (LCFS) Credit program.

Highlights of the end of the current GHI contract as well as the new contract are as follows:

- GHI provides a fixed 10% discount off the SoCalGas commodity cost from January through June 2018 (the last 6 months of the current contract) and July 2018 through June 2021 (the first 3 years of the new contract)
- GHI provides a fixed 11% discount off the SoCalGas commodity cost from July 2021 through June 2023 (the last 2 years of the new contract)

- GHI provides the Agency with 12% of the total Renewable Identification Number (RINs) Credit earned from January through June 2018 (the last 6 months of the current contract) and July 2018 through June 2023 (all 5 years of the new contract)
- GHI will continue 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.

Summary: 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 or not 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 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:

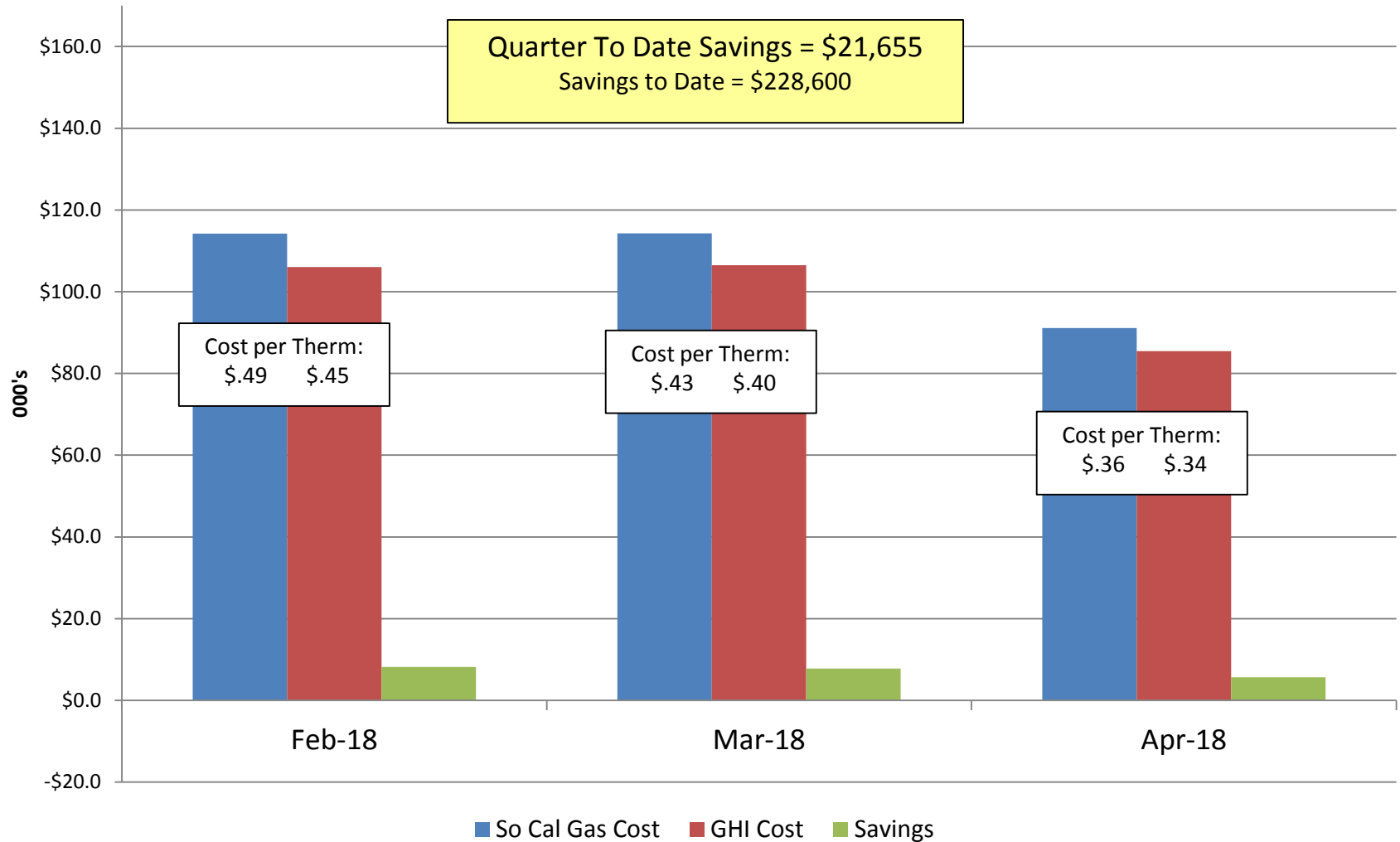
Under the current purchase arrangement with GHI, the Agency experienced \$21,655 of savings in the quarter covering February - April 2018 for its natural gas commodity requirements versus buying directly from SoCalGas. This savings includes the increased discount per therm (from 6% to 10%) per the new contract.

The Agency also earned a total of \$435,785 of combined revenue from the Federal RINs and State LCFS Credits' programs due to its natural gas consumption for use as CNG. Similar to above, RINs revenue includes the increased percentage of RINs (from 5% to 12%) per the new contract.

Recommendation:

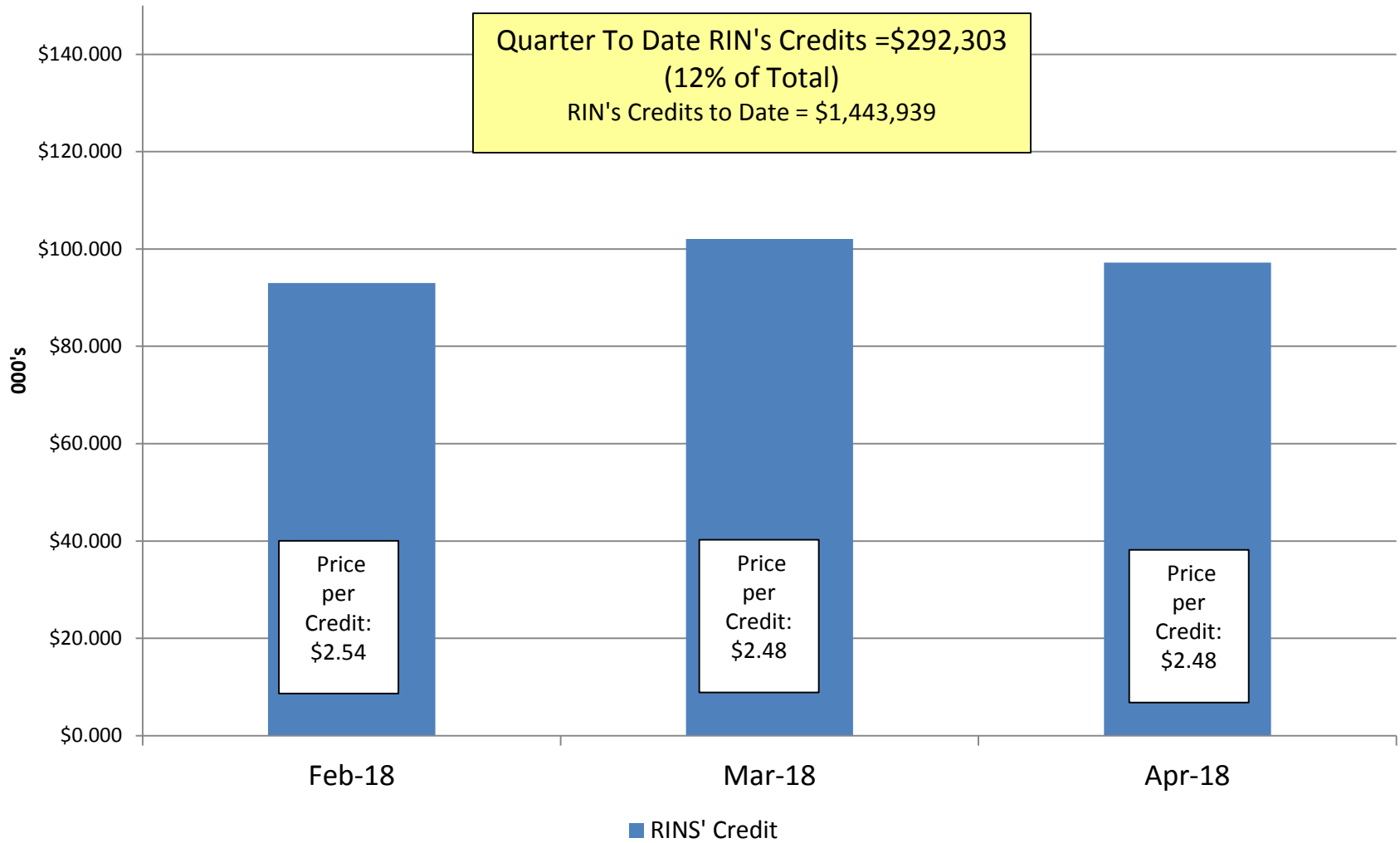
Receive and file.

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



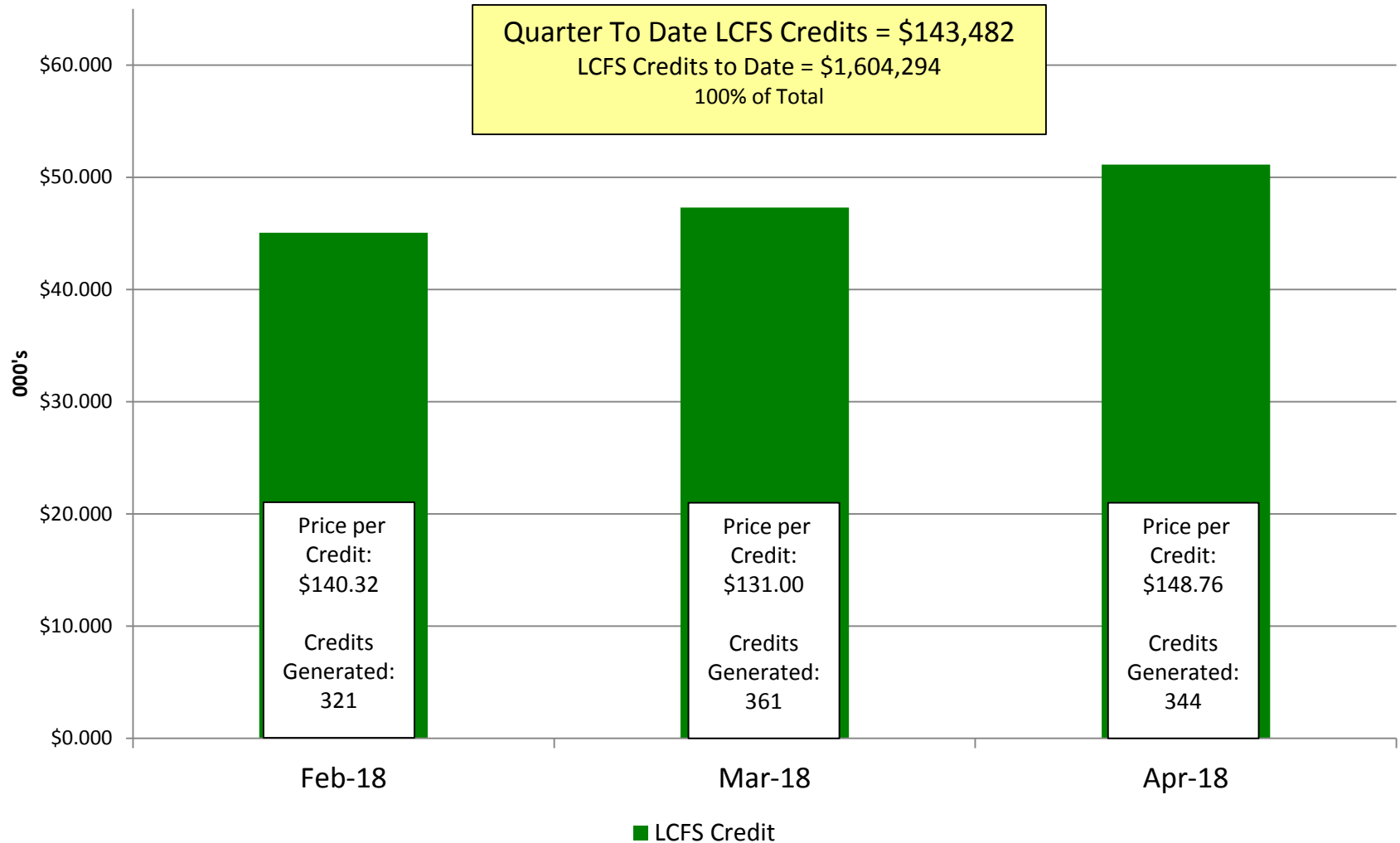
Attachment B

Renewable Identification Number (RIN's) Credit



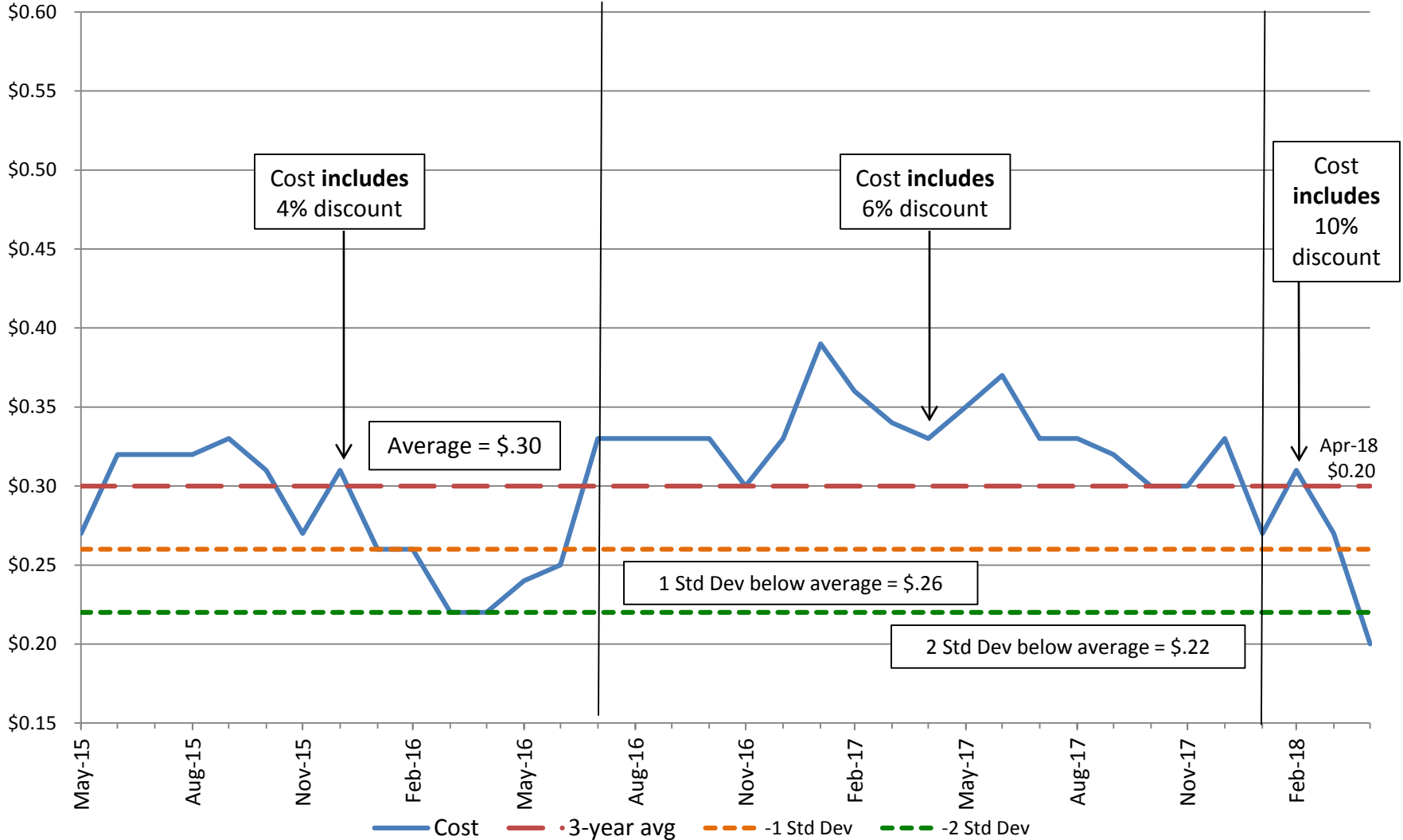
Attachment C

Low Carbon Fuel Standards (LCFS) Credit



Attachment D

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



RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

June 6, 2018

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Authorization to Renew Revenue Agreement No. 18-013 with the University of California, Riverside for the University Pass (U-Pass); Authorization to Renew Revenue Agreement No. 18-014 with the University of California, Riverside for the Operation of Route 51 (Crest Cruiser)

Summary: The Agency has partnered with the University of California, Riverside (UCR) since 2006 on two revenue agreements; the U-pass agreement which allows students, faculty and staff to ride the Agency's buses at a discounted fare and the agreement for the operation of the Crest Cruiser which travels in and around the college campus. Both agreements are due to expire on June 30, 2018.

U-Pass

The U-pass began in the summer of 2006 as a pilot program allowing UCR's nearly 20,000 students to ride the Agency's fixed-route transit network at a discounted fare. This fare was reimbursed by the University on a fixed-amount, per-student basis. The program was designed to encourage students to use public transit as an alternative mode of transportation which would help to minimize traffic congestion around the UCR campus. The program also allowed students to ride Agency buses throughout our entire service area. Because of the program's popularity, it was later expanded to include UCR faculty and staff.

The U-pass allows students, faculty and staff members with valid University identification (ID) cards to board and ride any Agency fixed-route bus by swiping their ID cards through the farebox reader. The ID cards have an encoded magnetic stripe which is unique to each cardholder. The farebox records the cardholder ID number along with the date and time the trip is taken. Ridership reports are generated and submitted monthly to UCR for payment. Each trip is reimbursed by UCR at a discounted rate of \$.90 per-trip with a maximum cap of \$35 per-rider, per-month (the equivalent of a 30-day student pass).

Because this program was so successful, it became the catalyst for expanding the student pass programs which now numbers seven Colleges and Universities, including Cal Baptist University, La Sierra University, Moreno Valley College, Mount San Jacinto College, Norco College, Riverside City College and UCR.

For the period ending June 30, 2018, ridership is expected to exceed the original forecast of 375,000 trips. For the renewal, the per-trip cost and monthly maximum cap will continue at \$.90 and \$35 respectively, with the total not-to-exceed amount of the U-Pass Agreement increasing to \$415,000 due to an anticipated increase in ridership. For FY19, ridership is expected to be 481,240 trips.

Crest Cruiser

The Crest Cruiser was locally operated by UCR's Transportation Department until 2006 when the University asked the Agency to take over the route's operation. Since that time, the Agency and UCR have entered into annual agreements that reimburse the Agency for 100 percent of the route's operating expenses. For the renewal, the total not-to-exceed amount for this agreement will be \$154,037.00.

Upon renewal of the Agreement, the Crest Cruiser will continue to operate during the regular academic school year, excluding holidays, break periods and the summer session, for a total of 164 school days. Hours of service will remain the same and begin at 7:00 a.m. and run through 6:03 p.m., Monday through Friday.

Fiscal Impact:

U-Pass

The U-Pass Agreement reimburses the Agency \$.90 per-trip, with a not-to-exceed cap of \$35 per-rider, per-month. Based on projected ridership for FY19, staff estimates this program will generate up to \$415,000 in fare revenue.

Crest Cruiser

In the FY19 service plan, the Crest Cruiser is projected to operate 1,812.2 revenue service hours. Total operating expenses for the Crest Cruiser will be approximately \$154,037.00. This amount is fully reimbursed by UCR and covers all operating expenses (fuel, maintenance, labor, insurance, etc.).

Recommendation:

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

- Authorize staff to renew Revenue Agreement No. 18-013 to continue the U-Pass program with UCR reimbursing the Agency at \$.90 per-trip with a maximum cap of \$35 per-rider per-month for a not-to-exceed amount of \$415,000 from July 1, 2018 through June 30, 2019.
- Authorize staff to renew Revenue Agreement No. 18-014 with UCR for reimbursement of operating expenses of \$154,037.00 for Route 51 (Crest Cruiser) from July 1, 2018 through June 30, 2019.