



December 5, 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**

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 7, 2018 COMMITTEE MEETING (P.3)

APPROVE

5. CASH FLOW PROJECTIONS (P.6)

RECEIVE AND FILE

6. QUARTERLY CAPITAL STATUS (P.8)

RECEIVE AND FILE

7. AUTHORIZATION TO AWARD AGREEMENT NO. 19-003 TO BROWN ARMSTRONG CERTIFIED PUBLIC ACCOUNTANTS (BROWN ARMSTRONG) FOR AUDITING SERVICES (P.9)

APPROVE

8. BOARD MEMBER COMMENTS

9. ANNOUNCEMENTS

10. NEXT MEETING

Wednesday, January 9, 2019, 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 7, 2018

1. **CALL TO ORDER**

Committee Chair Berwin Hanna called the Board Budget and Finance Committee meeting to order at 2:18 p.m., on November 7, 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. ¹Ike Bootsma, County of Riverside, District II
5. ²Jeff Comerchero, County of Riverside, District III
6. ³Barry Busch, County of Riverside, District V

Committee Members Absent

1. Maryann Edwards, City of Temecula
2. Linda Krupa, City of Hemet
3. Anthony Kelly, Jr., City of Jurupa Valley
4. 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. Charlie Ramirez, Controller
7. Rohan Kuruppu, Director of Planning
8. Adam Chavez, Director of Maintenance
9. Jim Kneepkens, Director of Marketing
10. Rick Kaczerowski, Director of IT
11. Natalie Zaragoza, Director of Contracts
12. Rick Majors, Director of Risk Management
13. Eric Ustation, Government Affairs Manager
14. Brad Weaver, Media & Public Relations Manager
15. Kristin Warsinski, Grants Manager

¹Alternate for John Tavaglione, County of Riverside, District II

²Alternate for Chuck Washington, County of Riverside, District III

³Alternate for Marion Ashley, County of Riverside, District V

16. Kimber Salter, Deputy Clerk of the Board

Other Attendees

1. Ryan Nielsen, Brown Armstrong

3. PUBLIC COMMENTS – NON-AGENDA ITEMS

None.

4. APPROVAL OF MINUTES – OCTOBER 2, 2018 COMMITTEE MEETING

M/S/C (HAGGERTY/BOOTSMA) approving the October 2, 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. QUARTERLY NATURAL GAS PROCUREMENT STATUS REPORT

Mr. Fajnor presented the quarterly natural gas procurement status report which was received and filed.

8. AUTHORIZATION TO AWARD AGREEMENT NO. 18-039 TO TRILLIUM CNG FOR THE PURCHASE AND INSTALLATION OF A COMPRESSED NATURAL GAS (CNG) COMPRESSOR AT THE AGENCY'S RIVERSIDE FACILITY

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

- Authorize staff to award Agreement No. 18-039 to Trillium CNG for the purchase and installation of a CNG compressor at the Agency's Riverside facility in the amount of \$786,236 with a ten-percent contingency of \$78,624 for a total not-to-exceed contract amount of \$864,860.

The motion carried unanimously.

9. **FISCAL YEAR 2017/2018 (FY18) FINANCIAL AUDIT RESULTS**

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

- Accept the Riverside Transit Agency's FY18 Audited Financial Statements, Single Audit Report, and SAS 114 Letter as final.

The motion carried unanimously.

10. **BOARD MEMBER COMMENTS**

Board member comments were made by Director Linda Molina, Committee Chair Berwin Hanna, Director Ike Bootsma and Director Dawn Haggerty.

11. **ANNOUNCEMENTS**

Announcements were made by Mr. Larry Rubio.

12. **NEXT MEETING**

Wednesday, December 5, 2018, 2:00 p.m.
Riverside Transit Agency
Board Room
1825 Third Street
Riverside, CA 92507

13. **MEETING ADJOURNMENT**

The meeting was adjourned at 2:33 p.m.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

December 5, 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-November 2018 with projections through January 2019. This reporting period covers the first seven months of FY19.

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

Recommendation:

Receive and file.

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

	Actual											
	11/23/2018	11/30/2018	12/7/2018	12/14/2018	12/21/2018	12/28/2018	1/4/2019	1/11/2019	1/18/2019	1/25/2019	2/1/2019	
General Account												
1 Est. Cash, Beg Balance (Book)	332,471	6,014,600	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
3 Receipts:												
4 LTF Operating - recurring	5,044,203	-	-	-	5,044,204	-	-	-	-	5,044,204	-	-
5 LTF OPEB	177,778	-	-	-	177,778	-	-	-	-	177,778	-	-
7 RIN's Credit				90,000					90,000			
8 LCFS		220,000										
9 CalPERS CERBT Disbursement	87,181				95,231				90,000			
10 Farebox	81,638	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
11 Total Other Farebox	278,026	380,845		95,103	713,546	3,373		172,152	230,862	417,098	74,757	
12 Total Other Local	55	10,464	5,000	5,000	5,000	10,464	7,496	5,000	5,000	10,464	254,126	
13 FTA Operating			34,064		70,000				638,468	34,064		
14 Capital - Local, State	259,801											
15 FTA Capital			929,030									
16 Transfer from Investment to Gen Acct.	800,000		5,093,109	199,897		291,164	4,260,504	197,848	295,670		3,439,117	
17 Disbursements:												
18 Payroll = Net+Tax	(1,009,934)	(160,000)	(1,325,000)		(1,025,000)		(1,025,000)		(1,175,000)		(1,025,000)	
19 A/P Wires	(36,438)	(210,454)	(3,054,846)	(320,000)	(15,000)	(235,000)	(3,173,000)	(395,000)	(15,000)	(235,000)	(2,673,000)	
20 A/P Checks	(180)	(215,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	
21 Capital Expenditures		(163,000)	(1,611,358)									
22 Transfer to Investment from Gen Acct.		(5,957,454)			(4,995,759)					(5,378,607)		
23 Transfer to OPEB Trust Acct.												
24 Actual Ending Book Balance / Targeted Minimum Balance	6,014,600	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000

LAIF Account:												
26 Beginning balance	107,616	107,616	107,616	107,616	107,616	107,616	107,616	107,616	107,616	107,616	108,153	108,153
27 Quarterly Interest Income										537		
28 Transfers to/from Gen Acct.	-	-	-	-	-	-	-	-	-	-	-	-
29 Ending balance	107,616	107,616	107,616	107,616	107,616	107,616	107,616	107,616	107,616	108,153	108,153	108,153

County Pool Account:												
31 Beginning balance	4,118,362	4,118,362	4,118,362	3,436,035	3,436,035	3,449,866	3,449,866	3,449,866	3,449,866	3,450,713	3,450,713	3,450,713
32 Quarterly Interest Income					13,831				848			
33 Transfers to/from Gen Acct.	-	-	(682,327)	-	-	-	-	-	-	-	-	-
34 Ending balance	4,118,362	4,118,362	3,436,035	3,436,035	3,449,866	3,449,866	3,449,866	3,449,866	3,450,713	3,450,713	3,450,713	3,450,713

CalTrust Account:												
36 Beginning balance	50,158,676	49,358,676	55,396,130	50,985,348	50,691,141	55,686,900	55,395,736	51,215,232	50,923,530	50,627,860	56,006,467	56,006,467
37 Quarterly Interest Income		80,000				80,000					80,000	
38 Transfers to/from Gen Acct.	(800,000)	5,957,454	(4,410,782)	(293,751)	4,995,759	(291,164)	(4,260,504)	(291,702)	(295,670)	5,378,607	(3,439,117)	
39 Ending balance	49,358,676	55,396,130	50,985,348	50,691,597	55,686,900	55,395,736	51,215,232	50,923,530	50,627,860	56,006,467	52,647,350	

<i>Deferred Revenue Capital >>></i>	40,523,658	40,548,658	39,866,330	39,866,330	39,879,705	39,879,705	39,904,705	39,904,705	39,905,553	39,905,553	39,930,553	
<i>OPEB Trust Funding >></i>	888,890	888,890	888,890	888,890	1,066,668	1,066,668	1,066,668	1,066,668	1,066,668	1,244,446	1,244,446	
<i>Available for Operating >>></i>	18,186,706	18,234,561	13,823,778	13,530,027	18,348,008	18,056,844	13,851,340	13,559,638	13,264,505	18,465,335	15,081,218	

<i>Restricted</i>	41,412,548	41,437,548	40,755,220	40,755,220	40,946,373	40,946,373	40,971,373	40,971,373	40,972,221	41,149,999	41,174,999	
<i>Available for Operating</i>	18,186,706	18,234,561	13,823,778	13,530,027	18,348,008	18,056,844	13,851,340	13,559,638	13,264,505	18,465,335	15,081,218	

Avg Operating expenses per month =>	7,305,600	7,305,600	7,305,600	7,305,600	7,305,600	7,305,600	7,305,600	7,305,600	7,305,600	7,305,600	7,305,600	
No. of months Oper Cash On Hand =>	2.49	2.50	1.89	1.85	2.51	2.47	1.90	1.86	1.82	2.53	2.06	

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

December 5, 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 Temecula Promenade Mobility Hub and Hemet Mobility Hub 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.

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 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

December 5, 2018

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. 19-003 to Brown Armstrong Certified Public Accountants (Brown Armstrong) for Auditing Services

Summary: As a public agency, the Agency is required to contract with an independent accounting firm to conduct its annual financial and compliance audit. The annual audit determines if the Agency is in compliance with Federal and State requirements; complies with internal policies and procedures; and, if the Agency's accounting practices are in accordance with generally accepted accounting principles.

The current agreement with Brown Armstrong for auditing services will expire on December 31, 2018.

On August 30, 2018 the Agency issued Request for Proposals (RFP) 19-003. The procurement was publicly advertised in a newspaper of general circulation and a notice was posted on the Agency's website along with the RFP document. The Agency also sent notices of the contracting opportunity to the chambers of commerce in cities that are members of the Joint Powers Agreement.

On September 28, 2018 the Agency received proposals from the following firms:

Firm	Location
Baker Tilly Virchow Krause, LLP	Madison, WI
Brown Armstrong CPA's	Bakersfield, CA
Crowe LLP	Costa Mesa, CA
Eadie + Payne LLP	Riverside, CA
Harshwal & Company LLP	San Diego, CA
Lance, Soll & Lunghard, LLP	Brea, CA
Macias Gini & O'Connell LLP	Newport Beach, CA
The Pun Group	Santa Ana, CA
Vasquez & Company LLP	Los Angeles, CA
Vavrinek, Trine, Day & Co., LLP	Rancho Cucamonga, CA

An evaluation committee representing staff from the accounting and purchasing departments evaluated the proposals in accordance with the criteria listed in the RFP: qualifications and related experience, staffing and project organization, work plan, and completeness of response.

The proposed pricing from each firm is shown below:

Firm Name	Base Term	Option Yr. 1	Option Yr. 2	Total Cost
Harshwal & Company LLP	\$201,000.00	\$67,000.00	\$67,000.00	\$335,000.00
Brown Armstrong CPA's	\$216,000.00	\$72,000.00	\$72,000.00	\$360,000.00
Vasquez & Company LLP	\$227,250.00	\$77,250.00	\$79,567.00	\$384,067.00
Lance, Soll & Lunghard, LLP	\$228,525.00	\$78,460.00	\$80,814.00	\$387,799.00
Eadie + Payne LLP	\$236,700.00	\$78,900.00	\$78,900.00	\$394,500.00
Crowe LLP	\$237,000.00	\$79,000.00	\$79,000.00	\$395,000.00
Vavrinek, Trine, Day & Co., LLP	\$244,000.00	\$83,000.00	\$84,000.00	\$411,000.00
The Pun Group	\$244,832.00	\$84,897.00	\$86,595.00	\$416,323.00
Baker Tilly Virchow Krause, LLP	\$242,700.00	\$85,800.00	\$88,400.00	\$416,900.00
Macias Gini & O'Connell LLP	\$249,675.00	\$87,000.00	\$90,900.00	\$427,575.00

Based on the overall evaluation process including technical scoring and pricing, the evaluation committee concluded that Brown Armstrong was the most technically responsive and responsible vendor providing the best value to the Agency.

The firm of Brown Armstrong is uniquely qualified as they provide these same services to several other transit agencies and municipalities including Golden Empire Transit District, Gold Coast Transit (Oxnard/Ventura), Santa Cruz Metropolitan Transit District, Solano County Transit and the County of Riverside. Brown Armstrong also provides another valuable service by being available throughout the year on an ad hoc basis to assist staff in interpreting changes to financial reporting standards and guidelines.

Staff is therefore recommending award of a three-year agreement with two one-year options to Brown Armstrong for a total not-to-exceed amount of \$360,000 for the five-year period.

Fiscal Impact:

Sufficient funding is available in the Agency's FY19 operating budget for auditing services. Funding for future years will be requested in future year budgets.

Recommendation:

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

- Authorize staff to award Agreement No. 19-003 to Brown Armstrong Certified Public Accountants for auditing services for a three-year base period with two one-year options in an amount that will not exceed \$360,000.