



FISCAL YEAR 2018/19

BUDGET



June 13, 2018

Honorable Commissioners
Riverside County Transportation Commission
Riverside, California

FY 2018/19 Budget Introduction

RTC: Connecting Your Life

Thank you for reviewing the Fiscal Year (FY) 2018/19 budget for the Riverside County Transportation Commission (Commission or RTC). This document provides an opportunity to evaluate the financial backbone of an innovative and active public transportation agency that connects the lives of Riverside County (County) residents every day. Most notably, RTC opened the Riverside County portion of the 91 Express Lanes in March 2017 and has seen a year of successful operations and usage of the facility that has far surpassed expectations.

The upcoming fiscal year continues a concerted effort of investment and construction in the County's transportation infrastructure with construction intensifying on the Interstate (I) 15 Express Lanes project and new projects, such as the State Route (SR) 60 truck climbing lanes, Mid County Parkway, and the I-215/Placentia interchange on the near-term horizon.

People Working – Building a Better Future

The Commission and its project partners at the California Department of Transportation, local jurisdictions, and transit agencies are investing in transportation using a variety of local, state, and federal sources to build projects, plan and design new improvements, and get people working and contributing to the local economy.

During FY 2018/19, the Commission will invest \$551 million in capital projects (Chart 1) that include highway, regional arterial, local streets and roads, and rail projects. The Commission's overall budget (Chart 2) will exceed \$881 million and includes funding of transit operations, payments to cities and the County for street and road improvements, and management of smaller programs, such as motorist and commuter assistance.

Chart 1 – Capital Projects

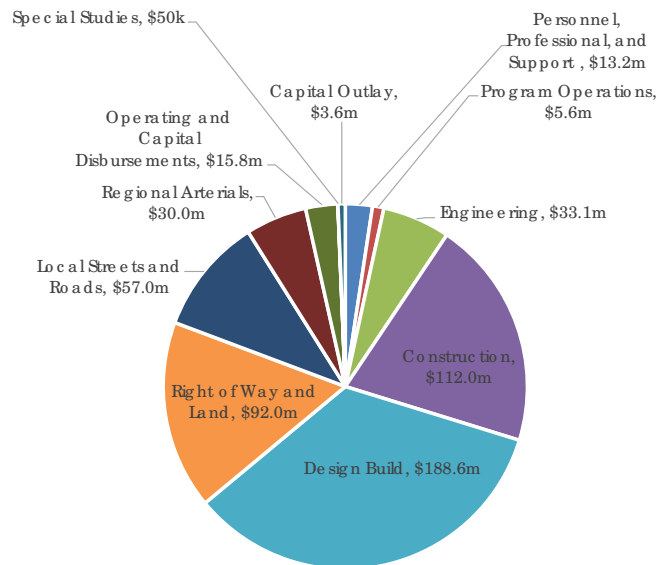
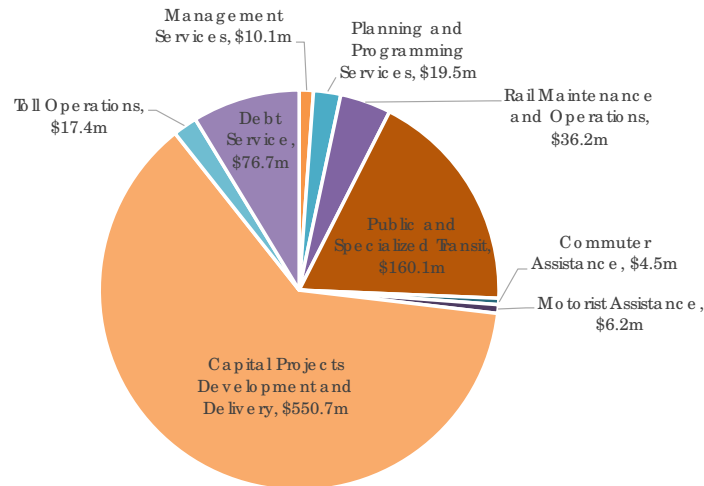


Chart 2 – FY 2018/19 Budget



Measure A – The Funding Foundation

The Commission’s voter-approved half-cent sales tax program serves as the main funding source for transportation funding in Riverside County. Measure A sales tax revenues are stable with average annual growth of over 2.6% in the last decade; they are projected at \$187 million for FY 2018/19. Although Measure A revenues help to fund major projects including the I-15 Express Lanes project, Measure A also funds local transportation priorities and needs. In FY 2018/19, the Commission will return \$56.9 million in funding to local cities and the County for local street and road improvements.

The Coachella Valley Association of Governments and the Western Riverside Council of Governments (WRCOG) administer Transportation Uniform Mitigation Fee (TUMF) programs that serve local and regional arterial needs. In the Coachella Valley, arterials are funded through a combination of TUMF, Measure A, and additional local contributions. In Western Riverside County, TUMF dollars are equally split between WRCOG and the Commission with RC TC’s dollars allocated to regional arterials and new highway corridors.

Funding transportation projects and services requires a combination of funding sources, and the Commission receives and programs funding from state and federal sources. This includes the state of California’s (State or California) Transportation Development Act program dollars allocated primarily to the County’s major public transit providers. Measure A also pays its share by funding transit fare discounts; programs for senior citizens, persons with disabilities, and individuals of limited means; and operating a commuter assistance program that provides traveler information and ride sharing assistance to employers and commuters.

91 Express Lanes Surpassing Expectations

On March 20, 2017, the Commission opened the extension of the 91 Express Lanes, a \$1.4 billion project consisting of two tolled express lanes and the addition of a general purpose lane in each direction of SR-91 between the Orange County line and I-15 in Corona. Usage is more than 50 percent higher than forecasted, and revenues are 160 percent higher than original projections, with more than 1.2 million trips on the facility each month. Strong demand in the corridor and the popularity of the facility will ensure that RC TC meets its debt service requirements.

The completion of the project also creates new responsibilities for the Commission as a toll facility operator. This year’s budget reflects the new revenues and expenses generated by the 91 Express Lanes. The transition into toll operations also serves as a precursor into a much broader role as a toll operator, with construction already underway on the I-15 Express Lanes project. This \$471

million effort adds one to two tolled express lanes to an approximately 15-mile section of I-15 between SR-60 and Cajalco Road. The new 15 Express Lanes will travel through the cities of Corona, Eastvale, Norco, and Jurupa Valley and are expected to open in 2020.

Additional Projects and Services

State Route 60 Truck Climbing Lanes Project Clears Hurdle

The Commission has prevailed in court on multiple occasions defending against legal challenges to the environmental document for the State Route 60 Truck Lanes project. Settlement discussions are expected to resolve the legal process to enable the Commission to start construction in 2019. The much-needed eastbound truck-climbing lane and westbound truck-descending lane will not increase capacity, but will improve overall safety along a heavily used highway corridor through the Badlands area of Western Riverside County.

Freeway Service Patrol and Metrolink Services Achieve Key Milestone

June 14, 2018 marks the 25th Anniversary of Metrolink passenger rail service in Riverside County, and June 28, 2018 is the 25th Anniversary of the Freeway Service Patrol. Both programs are popular, serve highly traveled corridors, and exemplify direct services to the public funded by the Commission. While RCTC primarily functions as a project-driven organization, the Commission's significant funding to ward public transit and motorist services and operation of a toll facility further increase its direct interaction with the public.

Planning for an Uncertain and Exciting Future

State Creates Riverside County Transportation Efficiency Corridor to Speed Riverside County Projects

The State Legislature and Governor Brown approved Senate Bill (SB) 1, a comprehensive transportation funding bill that increases the gas tax and assesses other fees to fund needed improvements throughout California. The added funding focuses primarily on maintenance priorities but also leverages local funding sources, such as the Commission's Measure A program, to fund additional projects.

In and of itself, the increase in funding is welcome news for the Commission; however, another added benefit in related legislation (SB 132) placed a special priority and appropriated \$427 million in state funding for five projects in northwestern Riverside County. The State's action ensures the funding needed to move forward on these five projects — an express lanes connector between the 91 Express Lanes and the future I-15 Express Lanes north of SR-91, railroad grade separations at Jurupa Road in Jurupa Valley and McKinley Street in Corona, an expanded interchange at I-15 and Limonite Avenue in Eastvale, and the replacement of the Hamner Avenue bridge over the Santa Ana River in Norco.

The Commission will play an active role in the delivery of the projects, with a special emphasis on the construction of the express lanes connector that will benefit both the existing 91 Express Lanes and the future I-15 Express Lanes.

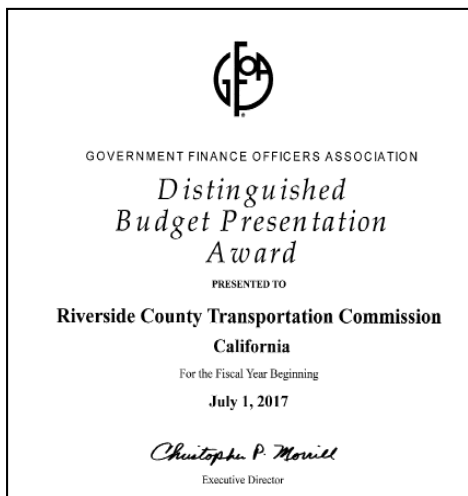
The SB 132 projects are especially important since California's recent action to increase the state fuel tax and vehicle license fees likely will face a repeal effort on the November 2018 ballot. The approval of SB 1 helped ensure a more reliable flow of state funding for a variety of transportation programs and projects; it now faces uncertainty that will not be resolved until after the November 2018 General Election.

Funding is but one piece of determining the future of transportation. In order to help guide the Commission through the challenges of population growth, changing demographics, economic needs, and technological change, RCTC has launched an effort to develop a long-range transportation plan for Riverside County. Overall, there are a number of long-range projects envisioned for the County including the Mid County Parkway, realignment of SR-79, passenger rail service to the Coachella Valley, a variety of active transportation projects, and a new expressway along Ethanac Road. In addition to these projects, local streets and roads and new interchanges are equally important; a long-range plan will be useful in guiding the overall direction of transportation investment and development in the County.

A Commitment to Riverside County

Ensuring local funding for transportation will require ongoing outreach to the public and transparent oversight and management that ensures public confidence in the Commission's fiduciary, oversight, and visionary roles. This budget document is intended to demonstrate the Commission's commitment to the public as well as documenting the Commission's dedication to sound budget practices. This budget document is one of many ways the Commission works to ensure public accountability and full transparency of its actions.

The Commission has also expanded its commitment in communicating with the public and is closely monitoring its public engagement activities, which progress will be reported on a quarterly basis. We welcome public input and participation and invite you to visit our website at www.rctc.org or to follow us on Facebook, Twitter and Instagram at the RCTC.



GFOA Distinguished Budget Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Commission for its annual budget for the fiscal year beginning July 1, 2017. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications device.

The award is valid for a period of one year only. The Commission believes this budget continues to conform to program requirements, and it will be submitted to GFOA to determine the Commission's eligibility for another award.

Acknowledgments

The preparation of this budget has been a collaborative effort of the Commission's staff. The budget reflects the Commission's desire to communicate the components of the budget in terms that are easily understandable and supportable for the general public. Staff acknowledges and appreciates the guidance and leadership of the Board of Commissioners and the sense of renewal and commitment it has and continues to inspire.

Signature on file

Anne Mayer, Executive Director

Signature on file

Theresia Treviño, Chief Financial Officer

TABLE OF CONTENTS

COMMISSION INTRODUCTION	Narrative discussion of the history of the Commission and list of principal officers
EXECUTIVE SUMMARY	
Introduction	Narrative overview of the operational and financial factors considered
Policy Goals and Objectives	Narrative description of policy goals and objectives
Policy Matrix	Linkage of policy goals and departmental goals and objectives
Budget Overview	Summarized narrative overview, charts, and tables of sources and uses
Commission Personnel	Personnel expenditures and full-time equivalents
Department Initiatives	Major initiatives and summarized uses by department
Fund Balances	Projected fund balances by governmental fund type and program
Budget Comparative	Schedule of budget by summarized line item
Operating and Capital Budget	Schedule of budget classified by operating and capital purposes
Budget by Governmental Fund Type	Schedule of budget by governmental fund type
Highway, Regional Arterial, and Rail Programs	Listing of budgeted capital project expenditures by program
GANN APPROPRIATIONS LIMIT	Narrative discussion of the appropriations limit
Section 1: FINANCIAL OVERVIEW	
Fiscal Accountability Policies	Description of financial policies
Functional Management	Narrative description of Commission functions
Functional Organization Chart	Organization chart by Commission functions
Budget Process	Narrative description of various budget stages
Staff Organization Chart	Organization chart of budgeted staff
Section 2: FUND BUDGETS	
Budgetary Basis and Funds Structure	Narrative description of budgetary basis and funds structure
General Fund	Overview; narrative and charts of sources and uses
Special Revenue Funds	Overview; narrative and charts of sources and uses by Measure A and non-Measure A special revenue funds
Capital Projects Funds	Overview; narrative and charts of sources and uses
Debt Service Funds	Overview; narrative and charts of sources and uses
Enterprise Fund	Overview; narrative and charts of sources and uses
Section 3: REVENUES AND OTHER SOURCES	
Revenues and Other Sources	Narrative description of various revenues and other sources; schedule of funding sources by department/program; definitions and background
Program Revenues and Other Sources	Narratives of revenues by program; revenue trends
Section 4: COMMISSION DEBT	
Debt	Narrative discussion of debt programs
Debt Capacity Analysis	Charts and accompanying narrative demonstrating debt capacity
Sales Tax Bonds:	
Aggregate Debt Service Schedule	Schedule of debt maturities by year for sales tax bonds
Outstanding Debt and Debt Service Requirements	Description of outstanding debt and related debt service requirements
Program and Geographic Debt	Charts of debt service by program and geographic area
Toll Revenue Bonds:	
Debt Service Schedules	Description of outstanding debt and related debt service requirements
Outstanding Legal Debt Margin	Schedule of calculation of legal debt margin
Section 5: DEPARTMENT BUDGETS	
Budget Comparison by Department	Schedule of revenues, expenditures, and other financing sources (uses) by department
5.1: MANAGEMENT SERVICES	
Executive Management	Goals and objectives, key assumptions and budgeted uses
Administration	Goals and objectives, key assumptions and budgeted uses

Legislative Affairs and Communications	Goals and objectives, key assumptions and budgeted uses
Finance	Goals and objectives, key assumptions and budgeted uses
5.2: REGIONAL PROGRAMS	
Planning and Programming	Goals and objectives, key assumptions and budgeted uses
Rail	Goals and objectives, key assumptions and budgeted uses
Public and Specialized Transit	Goals and objectives, key assumptions and budgeted uses
Commuter Assistance	Goals and objectives, key assumptions and budgeted uses
Motorist Assistance	Goals and objectives, key assumptions and budgeted uses
5.3: CAPITAL PROJECTS	
Capital Project Development and Delivery	Goals and objectives, key assumptions and budgeted uses
Location of Capital Projects	Local map of major capital projects for current year
Capital Projects Summary	Narrative description of each capital project
Local Streets and Roads Summary	Schedule of local streets and roads disbursements by local agency
5.4: TOLLOPERATIONS	
RTC 91 Express Lanes	Goals and objectives, key assumptions and budgeted uses
Section 6: COMMUNITY PROFILE	
Riverside County	Narrative discussion of Riverside County's community profile
Demographics	Charts of various demographic data
Statistical Information	Charts and tables of various statistical information
Commission Facts	Narrative overview of the Commission's programs and services
Section 7: APPENDICES	
A—Glossary of Acronyms	Explanation of commonly used abbreviations
B—Glossary of Funding Definitions	Narrative description of various funding sources
C—Glossary of Program Terms	Description of Commission programs and related terms
D—Glossary of General Terms	Commonly used terms in governmental accounting and finance
E—Salary Schedule	Schedule of salaries in accordance with state law

Commission Introduction

State of California (State) law created the Riverside County Transportation Commission (Commission or RCTC) in 1976 to oversee the funding and coordination of all public transportation services within Riverside County (County). The Commission's mission is to assume a leadership role in improving mobility in the County. The governing body consists of all five members of the County Board of Supervisors, one elected official from each of the County's 28 cities, and one non-voting member appointed by the Governor of California. The Commission is responsible for setting policies, establishing priorities, and coordinating activities among the County's various transit operators and other agencies. The Commission also programs and/or reviews the allocation of federal, state, and local funds for highway, transit, rail, non-motorized travel (bicycle and pedestrian), and other transportation activities.

The Commission is legally responsible for allocating Transportation Development Act (TDA) funds, the major source of funds for transit in the County. The TDA provides two sources of funding: the Local Transportation Fund (LTF), derived from a one-quarter of one-cent state sales tax, and State Transit Assistance (STA), derived from the statewide sales tax on diesel fuel.

The Commission serves as the tax authority and implementation agency for the voter approved Measure A Transportation Improvement Program (TIP). The County's electorate originally approved Measure A in 1988 to impose a one-half of one cent transaction and use tax (sales tax) to fund specific programs that commenced in July 1989 (1989 Measure A). The 1989 Measure A was approved for 20 years and expired on June 30, 2009. On November 5, 2002, the voters of Riverside County approved the renewal of Measure A beginning in July 2009 through June 2039 (2009 Measure A).

Additionally, the Commission provides motorist aid services designed to expedite traffic flow. These services include the Service Authority for Freeway Emergencies (SAFE), a program that provides call box service for motorists; the Freeway Service Patrol (FSP), a roving tow truck service to assist motorists with disabled vehicles on the main highways of the County during peak rush hour traffic periods; and I-511, a traveler information system. These services are provided at no charge to motorists and are funded through a \$1 surcharge on vehicle registrations.

The Commission has been designated as the Congestion Management Agency (CMA) for the County. As the CMA, the Commission coordinates with local jurisdictions in the establishment of congestion mitigation procedures for the County's roadway system.

In March 2017 the Commission commenced to operations on the RCTC 91 Express Lanes following the substantial completion of the State Route (SR) 91 corridor improvement project (91 Project). Construction started on a second managed lanes project, the I-15 Express Lanes project, in FY 2017/18 with completion expected in 2020. The 15/91 Express Lanes connector, a tolled connector between the existing 91 Express Lanes and the future I-15 Express Lanes to the north of SR-91, received an allocation of state funds in FY 2016/17. The Commission anticipates completion of this project by 2022.

Riverside County Transportation Commission
List of Principal Officials

Board of Commissioners

Name	Title	Agency
Kevin Jeffries	Member	County of Riverside, District 1
John F. Tavaglione	Member	County of Riverside, District 2
Chuck Washington	Vice Chair (Commission)	County of Riverside, District 3
V. Manuel Perez	Member	County of Riverside, District 4
Mario Ashley	Member	County of Riverside, District 5
Deborah Franklin	Member	City of Banning
Lloyd White	Member	City of Beaumont
Joseph DeConinc	Member	City of Blythe
Jim Hyatt	Member	City of Calimesa
Randall Bonner	Member	City of Canyon Lake
Greg Pettis	Member	City of Cathedral City
Steven Hernandez	Member	City of Coachella
Karen Spiegel	Member	City of Corona
Scott Matas	Member	City of Desert Hot Springs
Adam Rush	Chair (Western Riverside County Programs and Projects Committee)	City of Eastvale
Linda Krupa	Vice Chair (Budget and Implementation Committee)	City of Hemet
Dana Reed	Chair (Commission)	City of Indian Wells
Michael Wilson	Member	City of Indio
Brian Berks	Vice Chair (Western Riverside County Programs and Projects Committee)	City of Jurupa Valley
Kathleen Fitzpatrick	Member	City of La Quinta
Bob Magee	Member	City of Lake Elsinore
To Be Appointed	Member	City of Menifee
Victoria Baca	Member	City of Moreno Valley
Rick Gibbs	Member	City of Murietta
Berwin Hanna	Member	City of Norco
Jan Hamik	Member	City of Palm Desert
Lisa Middleton	Member	City of Palm Springs
Michael M. Vargas	Member	City of Perris
Ted Weill	Member	City of Rancho Mirage
Rusty Bailey	Chair (Budget and Implementation Committee)	City of Riverside
Andrew Koutyuk	Member	City of San Jacinto
Michael S. Naggart	Member	City of Temecula
Ben Benoit	2 nd Vice Chair (Commission)	City of Wildomar
John Bulinski	Interim Governor's Appointee	Caltrans, District 8

Management Staff

Anne Mayer, Executive Director
 John Standiford, Deputy Executive Director
 Michael Blomquist, Toll Program Director
 Marlin Feenstra, Project Delivery Director
 Aaron Hake, External Affairs Director
 Shirley Medina, Planning and Programming Director
 Theresa Treviño, Chief Financial Officer

Executive Summary

Introduction

The budget for Fiscal Year (FY) 2018/19 is presented to the Board of Commissioners (Board) and the citizens of Riverside County. The budget outlines the projects the Commission plans to undertake during the year and appropriates expenditures to accomplish these tasks. The budget also shows the funding sources and fund balances for these projects. This document serves as the Commission's monetary guideline for the fiscal year. To provide the reader a better understanding of the projects, staff has included descriptive information regarding each department and major projects. The discussion in each department includes a review of accomplishments, major initiatives, and key assumptions.

Policy Goals and Objectives

As approved at its March 9, 2018 meeting, the Commission is driven by four core goals and underlying objectives for the people of Riverside County and the transportation system upon which they rely:

QUALITY OF LIFE <i>RCTC is focused on improving life for the people of Riverside County and empowering them to live life at their pace.</i>	
Choice	RCTC empowers the residents of Riverside County to choose how to get safely to where they are going.
Environmental Stewardship	RCTC protects and preserves the County's environment for our residents.
Mobility	RCTC provides access, equity, and choice in transportation; RCTC is a mobility partner.
Access	RCTC projects are the connection to employment, schools, community institutions, parks, medical facilities and shopping in the community.
Goods Movement	RCTC facilitates the funding and delivery of projects that mitigate the impact of increased goods movement flow through Riverside County.
OPERATIONAL EXCELLENCE <i>RCTC is a responsible and conservative steward of taxpayer dollars.</i>	
State of Good Repair	RCTC invests in road safety and maintenance in its residents' neighborhoods.
Promises Fulfilled	Projects are completed on-time, on-budget; RCTC delivers on its promises as a steward of Riverside County residents' investment.
Innovation	Program and project delivery innovations drive results, savings, and greater economic opportunities for Riverside County residents.
Information	RCTC operations are transparent; customers get fast, timely, quality service.
CONNECTING THE ECONOMY <i>RCTC is a driver of economic growth in Riverside County.</i>	
Workforce Mobility	RCTC improves the economy by creating a robust workforce to workplace system; RCTC helps move the economy of Riverside County.
Population Growth	Since 1976, RCTC has been responsible for connecting our County's economy as the County's population has quadrupled from 550,000 to 2.3 million today.
Economic Impact	RCTC has invested \$2.8 billion in the County's economy thanks to Measure A, which has a multiplier impact in terms of jobs and economic opportunity throughout Riverside County.

RESPONSIBLE PARTNER

RTC partners with local, regional, and state governments to deliver road and transit projects.

Streets and Roads	RTC invests in local priorities for maintaining streets and roads and fixing potholes.
Transit	RTC is a partner with transit operators to provide residents mobility choices, flexibility, intercity and intercounty connectivity, and access.
Active Transportation Facilities	RTC is a partner with agencies within the County to promote active transportation alternatives, including the building of regional trails and bicycle and pedestrian facilities in accordance with local general master and active transportation plans.
Grants	RTC is a steward of state and federal grants to improve our communities.
Local Measure A Value	RTC invests Measure A dollars into projects and programs that benefit local communities throughout the County.

Staff used these core goals and objectives to prepare this budget and develop the following short-term objectives to guide further the development of the FY 2018/19 budget.

Capital Project Development and Delivery

- Continue design and construction of the Interstate (I) 15 Express Lanes and development of the 71/91 interchange improvements, State Route (SR) 60 truck climbing lanes, Mid County Parkway, and SR-79 realignment projects included in the Western Riverside County Delivery Plan.
- Aggressively pursue commencement of development of the I-15 Express Lanes—Southern Extension project.
- Enhance corridor mobility and traveler choice with the operation of the RTC 91 Express Lanes, construction of the I-15 Express Lanes, and development of the next generation of toll feasible projects.
- Collaborate with local jurisdictions to implement the Transportation Uniform Mitigation Fee (TUMF) regional arterial program projects and facilitate the delivery of eligible arterial improvements in western Riverside County (Western County).
- Continue active engagement in state and federal efforts to streamline and modernize the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) to improve the Commission's ability to deliver critical projects.

Regional Programs

- Maintain an active involvement in state and federal legislative matters to ensure that the Commission receives proper consideration for transportation projects and funding.
- Continue the development of a county-wide transportation plan and the first ten-year update of the 2009 Measure A Expenditure Plan, as required by the ordinance.
- Subsidize reliable and cost-effective Metrolink commuter rail service to and from Riverside County; Southern California Regional Rail Authority (SCRRA) is the operator of Metrolink.
- Provide leadership in the planning and development of the Coachella Valley-San Geronimo Pass corridor rail service.
- Support innovative programs that provide transit assistance in hard to serve rural areas or for riders with special transit needs.
- Promote cost controls and operating efficiency for transit operators.
- Maintain effective partnerships among commuters, employers, and government to increase the efficiency of our transportation system by encouraging and promoting motorized and non-motorized transportation alternatives.
- Provide a motorist aid system that ensures safety and convenience to freeway motorists.

Management Services

- Maintain close communication with Commissioners and educate policy makers on all issues of importance to the Commission.
- Develop and execute a communications and public engagement strategy for the purposes of education, information, and customer service.
- Maintain administrative program delivery costs below the policy threshold of 4% of Measure A revenues; the FY 2018/19 Management Services budget is 1.65% of Measure A revenues.
- Maintain administrative salaries and benefits at less than 1% of Measure A revenues; the FY 2018/19 administrative salaries and benefits is .62% of Measure A revenues.
- Maintain prudent cash reserves to provide some level of insulation for unplanned expenditures.
- Maintain current strong bond ratings with rating agencies.
- Establish and maintain revenues and reserves generated from toll operations to be available for debt service in accordance with toll supported debt agreements; maintenance, repair, rehabilitation, administration and operations; and capital projects within the corridor.

Linking Commission Policy Goals and Departmental Goals and Objectives

The following matrix (Table 1) illustrates the linkage of the Commission's core policy goals described in this section to the individual departmental goals and objectives included in Section 5.

Table 1 – Relationship between Commission and Departmental Goals

Department	Quality of Life	Operational Excellence	Connecting the Economy	Responsible Partner
Management Services				
Executive Management	X	X	X	X
Administration		X		
External Affairs	X	X		X
Finance		X		
Regional Programs				
Planning and Programming	X	X	X	X
Rail Maintenance and Operations	X	X	X	X
Public and Specialized Transit	X	X	X	X
Commuter Assistance	X	X	X	X
Motolist Assistance	X	X		X
Capital Project Development and Delivery	X	X	X	X
Toll Operations	X	X	X	X

Budget Overview

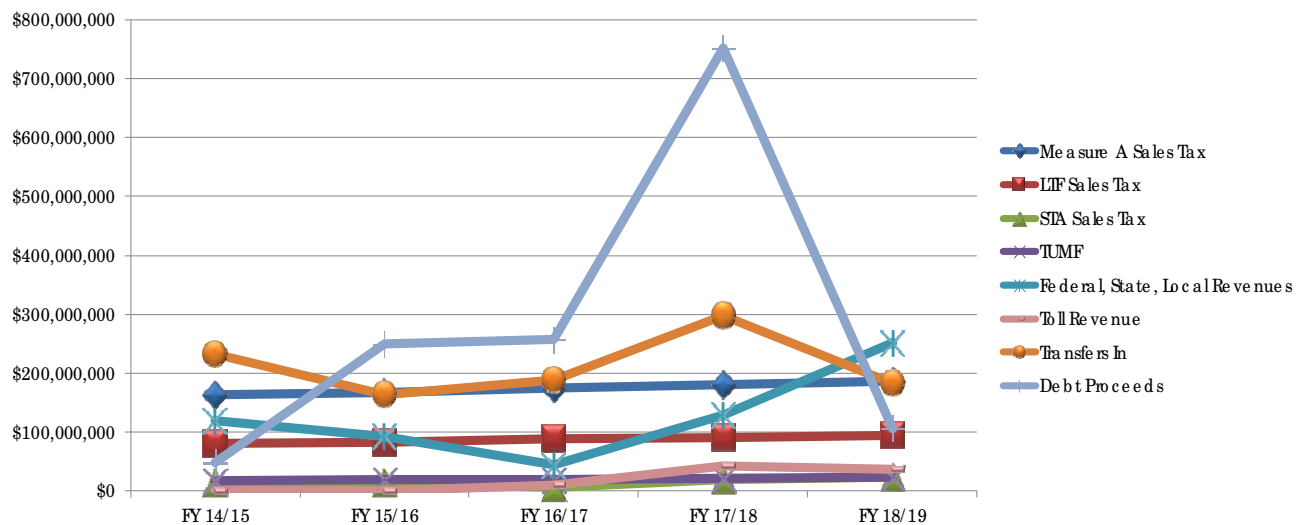
Total sources (Table 2) are budgeted at \$904,579,600, a decrease of 41% over FY 2017/18 projected sources and a 43% decrease over the FY 2017/18 budget. Total sources are comprised of revenues of \$616,599,300, transfers in of \$181,899,300, and debt proceeds of \$106,081,000. The projected fund balance at June 30, 2018 available for expenditure/s/expenses (excluding amounts restricted for debt service of \$18,719,300, advances receivable of \$25,039,500, and I-15 Express Lanes ramp-up reserve of \$16,500,000) is \$729,192,400. Accordingly, total funding available for the FY 2018/19 budget totals \$1,633,772,000.

Table 2 – Sources FY 2017-2019

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Measure A Sales Tax	\$ 175,320,200	\$ 181,000,000	\$ 181,000,000	\$ 187,000,000	\$ 6,000,000	3%
LIF Sales Tax	88,206,900	91,000,000	91,000,000	94,000,000	3,000,000	3%
STA Sales Tax	6,432,600	10,469,000	20,204,800	23,203,600	12,734,600	122%
Intergovernmental	32,467,600	101,992,400	121,118,500	248,586,000	146,593,600	144%
TUMF Revenue	19,594,800	22,250,000	22,250,000	22,922,200	672,200	3%
Tolls, Penalties, and Fees	10,125,300	16,835,800	42,812,600	36,940,500	20,104,700	119%
Other Revenue	6,746,000	2,803,700	574,200	539,000	(2,264,700)	-81%
Investment Income	4,495,300	3,509,400	7,595,300	3,408,000	(101,400)	-3%
Transfers In	188,488,900	313,676,500	298,371,800	181,899,300	(131,777,200)	-42%
Debt Proceeds	257,912,100	837,782,000	752,488,800	106,081,000	(731,701,000)	-87%
TOTAL Sources	\$ 789,789,700	\$ 1,581,318,800	\$ 1,537,416,000	\$ 904,579,600	\$ (676,739,200)	-43%

Riverside County has specific competitive advantages over nearby coastal counties (Los Angeles, Orange, and San Diego), including housing that is more available and affordable as well as plentiful commercial real estate and land available for development at lower costs. Riverside County’s economy is benefitting from employment gains that are a function of the County’s ability to attract businesses with lower commercial rents and a skilled labor force. Population migration to the Inland Empire (i.e., Riverside and San Bernardino counties) has occurred due to these employment opportunities and a lower cost of living compared to the coastal counties. Improvements in the local labor market and resurgence in home sales has increased economic activity contributing to stable sales tax revenue growth as noted on Chart 3.

Chart 3 – Sources: Five-Year Trend

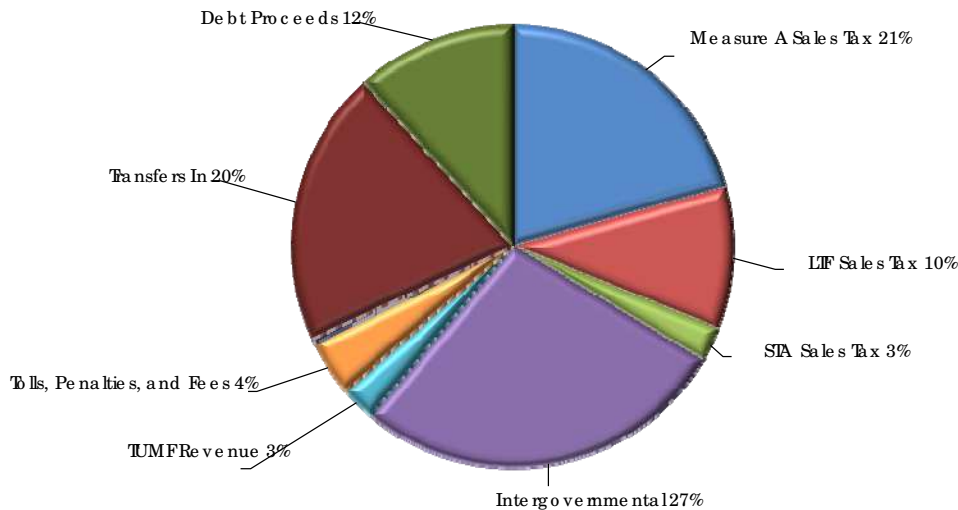


Sales tax revenues have continued to remain stable during the last five fiscal years. The Commission’s economic outlook for FY 2018/19 continues to be cautiously optimistic; however, the state and federal budget issues continue to affect funding of the Commission’s capital projects and programs. Should Measure A and LIF sales tax revenues fluctuate and the availability of federal and state revenues continue to be uncertain, the timing and scope of the Commission’s projects and programs may be impacted.

Regardless of the future economic conditions, the Commission faces formidable ongoing challenges in terms of providing needed infrastructure enhancements to support a population and an economy that has outgrown the capacity of its existing infrastructure. Fortunately, the foundation of the regional economy continues to retain many of the fundamental positive attributes that fueled its earlier growth, including lower priced real estate with proximity to coastal communities, a large pool of skilled workers, and increasing wealth and education levels.

While the Commission's primary revenues are the Measure A and LIF sales taxes, other revenues and financing sources are required to fund the Commission's programs and projects as illustrated in Chart 4.

Chart 4 – Sources: Major Categories



The California Department of Tax and Fee Administration (CDTFA), as statutorily created and authorized successor to the former California State Board of Equalization, recently provided to cities and other agencies its projections that statewide taxable sales over the next fiscal year will increase 3.8%. Continuing its conservative projection practices, the Commission considers short- and long-term sales tax projections from its consultants to estimate sales tax revenues. After taking the state of the local economy and recent revenue trends into consideration, staff projects Measure A sales tax revenues of \$187,000,000 for FY 2018/19. This is a 3% increase from the FY 2017/18 revised projection of \$181,000,000. At midyear the Commission will reassess sales tax revenue projections based on the economy and revenue trends.

On behalf of the County, the Commission administers the LIF for public transportation needs, local streets and roads, and bicycle and pedestrian facilities. The majority of LIF funding received by the County and available for allocation is distributed to all public transit operators in the County, and the Commission receives allocations for administration, planning, and programming in addition to funding for Western County rail operations included in the commuter rail Short Range Transit Plan (SRTP). The LIF sales tax revenue received from the State is budgeted at \$94,000,000, an increase of 3% from the FY 2017/18 revised projection of \$91,000,000.

A statewide sales tax on motor vehicle fuel generates STA funds, which the State Controller allocates by formula to the Commission for allocations to the County's public transit operators. The FY 2018/19 STA transit allocation, based on recent State estimates, is \$23,203,600.

Intergovernmental revenues include reimbursement revenues from federal sources of \$59,105,700, state sources of \$165,442,400, and local agencies of \$24,037,900 for highway and rail capital projects, rail operations and station maintenance, commuter assistance, and motorist assistance programs as well as planning and programming activities. The significant increase of 144% in FY 2018/19 compared to the FY 2017/18 budget is related to increases in state and local reimbursements offset by a decrease in federal reimbursements. Senate Bill (SB) 132 provides state funding for the 15/91 Express Lanes connector and pass-through funding to the County for the I-15/Limonite interchange and to the County and city of Corona for grade separation projects. Local reimbursements from the Riverside County Regional Park and Open Space District (District) fund the Santa Ana River Trail projects. Reimbursement revenues vary from year to year depending on project activities and funding levels.

Based on an amended Memorandum of Understanding (MOU) with the Western Riverside Council of Governments (WRCOG), the Commission receives 45.7% of TUMF revenues (as updated by the most recent Nexus study). TUMF represents fees assessed on new residential and commercial development in Western County. The Commission projects FY 2018/19 TUMF fees will remain flat at \$21,000,000 and expects additional TUMF zone reimbursements of \$1,922,200 for the Lake Elsinore Railroad Canyon project.

FY 2017/18 marked the first complete fiscal year of toll operations for the RCTC 91 Express Lanes following substantial completion of the 91 Project in March 2017. Since toll revenues surpassed 2013 financing assumptions, including the Riverside County 91 Express Lanes Extension Investment Grade Traffic and Revenue Study completed in 2012, the Commission estimates FY 2018/19 toll revenues of \$36,940,500 based on current operations.

Other revenue of \$539,000 includes property management generated from properties acquired in connection with various highway and rail properties.

The Commission anticipates a 3% decrease in FY 2018/19 investment income compared to the FY 2017/18 budget as the result of decreasing cash and investments balances.

Transfers in of \$181,899,300 relate primarily to the transfer of available debt proceeds for highway projects; LIF funding for general administration, planning and programming, rail operations and station maintenance, and grade separation project allocations; approved interfund allocations for specific projects and administrative cost allocations; and debt service requirements from highway, regional arterial, and local streets and roads funds. Debt proceeds consist of \$106,081,000 in drawdowns from the federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan related to the I-15 Express Lanes project.

Total uses (Table 3), including transfers out of \$181,899,300, are budgeted at \$1,083,228,700, a 35% decrease from the prior year budget amount of \$1,670,674,300. Program expenditures and transfers out totaling \$963,301,400 represent 89% of total budgeted uses in FY 2018/19. Program costs decreased by 2% from \$980,602,200 in FY 2017/18 due to projects and programs identified below.

Table 3 – Uses FY 2017-2019

	FY 16/17	FY 17/18	FY 17/18	FY 18/19	Dollar	Percent
	Actual	Revised Budget	Projected	Budget	Change	Change
Capital Highway, Rail, and Regional Arterials	\$ 463,475,000	\$ 695,898,200	\$ 536,277,600	\$ 620,407,000	\$ (75,491,200)	-11%
Capital Local Streets and Roads	51,864,000	55,037,500	55,037,500	56,951,500	1,914,000	3%
Commuter Assistance	2,686,100	5,855,300	4,908,900	6,197,800	342,500	6%
Debt Service	138,576,600	666,924,800	660,979,600	96,675,600	(570,249,200)	-86%
Management Services	16,634,800	23,147,300	21,217,200	23,251,700	104,400	0%
Mototist Assistance	5,245,600	5,951,400	5,279,700	10,006,400	4,055,000	68%
Planning and Programming	2,541,000	13,877,400	6,915,900	20,526,200	6,648,800	48%
Public and Specialized Transit	104,585,200	147,653,300	129,691,400	188,418,700	40,765,400	28%
Rail Maintenance and Operations	24,298,600	37,232,000	29,968,200	37,119,800	(112,200)	0%
Toll Operations	4,431,900	19,097,100	13,561,200	23,674,000	4,576,900	24%
TOTAL Uses	\$ 814,338,800	\$ 1,670,674,300	\$ 1,463,837,200	\$ 1,083,228,700	\$ (587,445,600)	-35%

Note: Management Services includes Executive Management, Administration, External Affairs, and Finance.

Capital highway, rail, and regional arterials budgeted uses of \$620,407,000 are 11% lower compared to the FY 2017/18 budget due to completion of the 91 Project.

Local streets and roads expenditures of \$56,951,500 reflect an increase of 3% over the FY 2017/18 budget and represent the disbursements to local jurisdictions for the construction, repair, and maintenance of local streets and roads.

Commuter assistance budgeted expenditures of \$6,197,800 are 6% higher than FY 2017/18 budget due to a new vanpool program.

Debt service of \$96,675,600 decreased 86% because of the refunding of \$541,889,900 of sales tax revenue bonds, swap termination payment of \$7,526,000, and retirement of \$30,000,000 in commercial paper notes in FY 2017/18.

Management services expenditures remained consistent with the FY 2017/18 budget; these services include information technology equipment upgrades, office space expansion, robust communication and engagement efforts, financial advisory services, and debt service contribution.

Mototist assistance expenditures increased 68% or \$4,055,000 from the FY 2017/18 budget due to increased FSP services for capital highway projects and additional FSP beats due to increased funding, including SB 132 revenues.

Planning and programming budgeted expenditures of \$20,526,200 reflect a 48% increase from the FY 2017/18 budget due to increased projects and operations activities in connection with LIF disbursements for planning and programming, grade separation and other agency projects, and special studies.

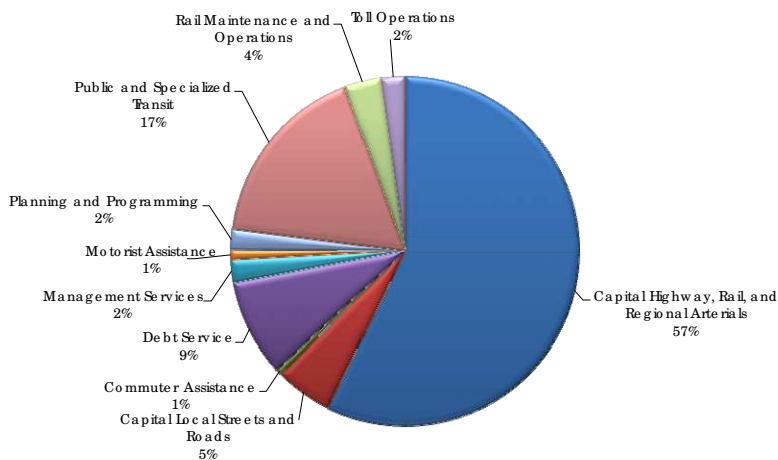
Public and specialized transit budgeted expenditures of \$188,418,700 are 28% higher than the FY 2017/18 budget due to increased capital expenditures for public transit.

The rail maintenance and operation's budgeted expenditures of \$37,119,800 remain consistent with the FY 2017/18 budget and include commuter rail and station operations as well as planning and development for the Coachella Valley-San Geronio Pass corridor rail service.

Toll operations expenses are budgeted at \$23,674,000 to manage the operations, maintenance, and capital support of the RC TC 91 Express Lanes and pay interest on toll revenue bonds.

Chart 5 is an illustration of total uses included in the FY 2018/19 budget by major categories.

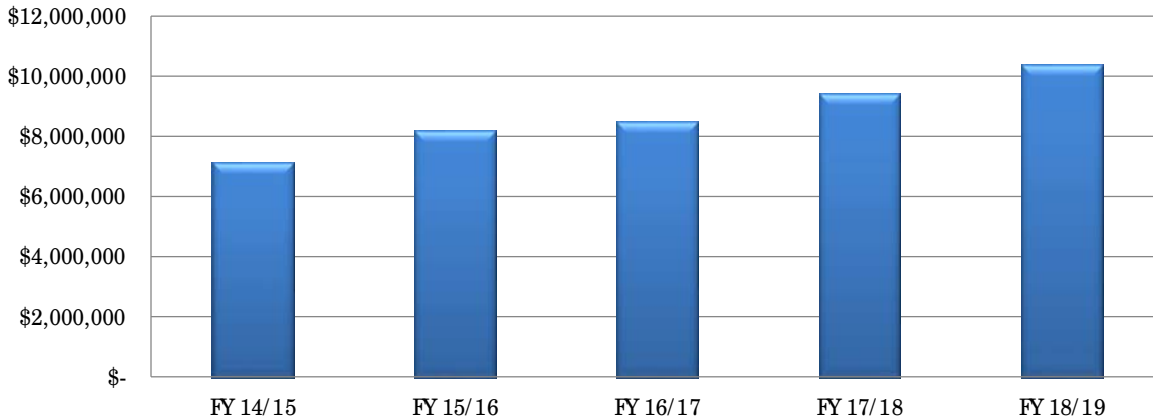
Chart 5 – Uses: Major Categories



Commission Personnel

The Commission’s salaries and benefits total \$10,354,700 for FY 2018/19. This represents an increase of \$800,500 or 8% over the FY 2017/18 budget of \$9,554,200 (Chart 6). The increase relates to one additional full-time equivalent (FTE), an increase to the Commission’s contribution to employee health benefits, and a 4% pool for merit-based salary increases. The FY 2018/19 budget includes two new capital project managers using one available FTE for a net increase of one FTE. The Commission’s salary schedule for FY 2018/19 is included in Appendix E and complies with Government Code §20636 “Compensation Eamable” and California Code of Register §570.5, “Requirements for a Publicly Available Pay Schedule.”

Chart 6 – Salaries and Benefits Cost: Five-Year Comparison



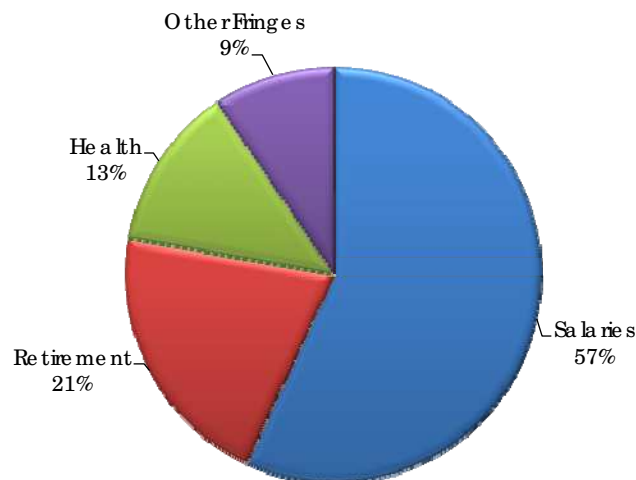
The FY 2018/19 FTE of 51 positions is comparable to the FY 2017/18 level (Table 4) and reflects a net 1.0 FTE increase related to the recruitment of two capital project managers. The Commission accomplished significant organization changes, including the addition of toll operations, over the past few years related to various projects requiring substantial attention at many staff levels. Management continues to be firmly committed to the intent of the Commission’s enabling legislation requiring a lean organization. The Commission will continue providing staff the tools needed to ensure an efficient and productive work environment. However, small should not be viewed in an absolute context; it is relative to the required tasks and the demands to be met.

Table 4 – Full-Time Equivalents by Department FY 2017—2019

	FY 16/17	FY 17/18	FY 18/19
Executive Management	0.6	0.4	0.6
Administration	4.7	5.2	5.6
External Affairs	4.9	3.8	3.7
Finance	7.0	7.6	8.3
Planning and Programming	4.9	5.2	5.3
Rail Maintenance and Operations	4.3	4.5	4.2
Public and Specialized Transit	2.6	2.3	2.5
Commuter Assistance	1.4	1.4	1.6
Motorist Assistance	0.8	1.4	1.2
Capital Project Development and Delivery	14.7	14.6	15.5
Toll Operations	1.1	3.6	2.5
TOTAL	47.0	50.0	51.0

The Commission provides a comprehensive package of benefits to employees. The package includes: health, dental, vision, life insurance, short and long-term disability, workers' compensation, tuition assistance, sick and vacation leave, retirement benefits in the form of participation in the California Public Employees' Retirement System (CalPERS), postretirement health care, deferred compensation, and employee assistance program. Chart 7 illustrates the compensation components.

Chart 7 – Personnel Salaries and Benefits



Department Initiatives

Staff prepared each department's budget based on key assumptions, accomplishments in FY 2017/18, major initiatives for FY 2018/19, and department goals and related objectives. Tables 5 through 15 present the key initiatives and summary of expenditures/expenses for each department.

Executive Management

- Continue project development and delivery as the key Measure A priority.
- Foster growth in usage of the RCTC 91 Express Lanes and ensure its financial success.
- Monitor SR-91 corridor operations and effectiveness.
- Continue planning efforts to advance passenger rail service in the Coachella Valley-San Geronimo Pass corridor.

- Advocate for state and federal investments in transportation to fund needed transportation priorities in the County and stimulate the local economy.
- Maintain regional cooperation and collaboration as a significant effort consistent with the philosophy and mission of the Commission.
- Support a comprehensive social media outreach program to build awareness of the Commission and its role in the community.
- Maintain an effective mid-sized transportation agency with dedicated staff.

Table 5 – Executive Management

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Personnel	\$ 254,600	\$ 191,400	\$ 191,100	\$ 221,000	\$ 29,600	15%
Professional	(252,000)	225,000	120,000	230,000	5,000	2%
Support	70,600	90,900	80,500	88,600	(2,300)	-3%
TOTAL	\$ 73,200	\$ 507,300	\$ 391,600	\$ 539,600	\$ 32,300	6%

Administration

- Provide high quality support services to the Commission and to internal and external customers.
- Enhance the electronic records management system.
- Provide timely communications to Commissioners.
- Update technology to improve internal processes and interaction with the public.
- Support and develop a motivated workforce with a framework of activities and practices that comply with employment laws and regulations.
- Employ and recruit a dynamic and talented workforce.

Table 6 – Administration

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Personnel	\$ 585,500	\$ 473,600	\$ 473,300	\$ 755,700	\$ 282,100	60%
Professional	285,900	533,500	518,400	667,100	133,600	25%
Support	656,800	977,300	763,500	986,800	9,500	1%
Capital Outlay	87,400	635,000	525,000	530,000	(105,000)	-17%
Debt Service	24,900	-	-	-	-	N/A
TOTAL	\$ 1,640,500	\$ 2,619,400	\$ 2,280,200	\$ 2,939,600	\$ 320,200	12%

External Affairs

- Develop effective partnerships with transportation providers to communicate a unified message to Congress regarding mobility needs.
- Advocate positions in the State Legislature and in Congress that advance the County's transportation interests.
- Continue a leadership role in formulating a countywide direction on federal transportation policies.
- Conduct a concerted outreach effort to new federal and state representatives on local transportation issues.
- Utilize modern technology to support a robust public communication and engagement effort focusing on accessible and transparent communication of the Commission's projects.
- Develop marketing and communication plans for the RCTC 91 Express Lanes and commencement of construction of the I-15 Express Lanes project.
- Continue the public outreach program, "Operation Lifesaver", targeting schools in close proximity to railroad tracks on rail safety education, engineering, and enforcement.

Table 7 – External Affairs

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Personnel	\$ 654,200	\$ 877,100	\$ 876,400	\$ 813,100	\$ (64,000)	-7%
Professional	686,900	1,135,500	1,105,500	1,003,400	(132,100)	-12%
Support	86,900	181,600	176,700	412,400	230,800	127%
TOTAL	\$ 1,428,000	\$ 2,194,200	\$ 2,158,600	\$ 2,228,900	\$ 34,700	2%

Finance

- Continue appropriate uses of long- and short-term financing to advance 2009 Measure A projects of the Commission.
- Apply the sales tax revenue forecast update to update a financing plan to support the Western Riverside County Delivery Plan.
- Provide support to the 91 Express Lanes toll operations contractor's back office to ensure the proper accounting of toll revenues and operations and maintenance costs.
- Keep abreast of Governmental Accounting Standards Board (GASB) technical activities affecting the Commission's accounting and financial reporting activities and implement new pronouncements.
- Upgrade the Enterprise Resource Planning (ERP) system to benefit all staff in the management of accounting and project information and automation of a paperless workflow system.
- Manage a centralized procurements process in order to strengthen controls and ensure consistency in the application of procurement policies and procedures and adherence to applicable laws and regulations.
- Support outreach activities to encourage disadvantaged business enterprise (DBE) and small business enterprise (SBE) participation in various contracts.

Table 8 – Finance

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Personnel	\$ 967,500	\$ 1,110,200	\$ 1,109,600	\$ 1,218,300	\$ 108,100	10%
Professional	1,608,400	2,195,200	1,520,500	2,084,700	(110,500)	-5%
Support	941,500	964,000	471,800	543,500	(420,500)	-44%
Capital Outlay	600	280,000	85,000	513,700	233,700	83%
Transfers Out	10,000,000	13,277,000	13,199,900	13,183,400	(93,600)	-1%
TOTAL	\$ 13,518,000	\$ 17,826,400	\$ 16,386,800	\$ 17,543,600	\$ (282,800)	-2%

Planning and Programming

- Monitor funding authority and responsibility related to the State Transportation Improvement Program (STIP) and impacts on the STIP caused by the state budget issues.
- Ensure administration and implementation of STIP/Regional Improvement Program (RIP), Active Transportation Program (ATP), and other funded projects consistent with California Transportation Commission (CTC), California Department of Transportation (Caltrans), and Southern California Association of Governments (SCAG) policies.
- Continue to strategically program projects for all local agencies countywide into the Federal Transportation Improvement Program (FTIP) and obligate funds in an expeditious manner for the maximum use of all available funding, including monitoring the use of such funding to prevent from lapsing.
- Monitor all projects programmed to receive 2009 Measure A, TUMF, state, and federal funds to ensure timely delivery and prevent funds from lapsing.
- Focus on interregional concerns and maintain effective working relationships involving various multi-county transportation issues, including goods movement.
- Coordinate planning efforts with regional and local agencies relating to the development of Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) and greenhouse gas reduction (GHG) implementation guide lines.
- Participate in the development of CTC's ATP program guide lines to represent the County's best interest in program funding.
- Administer the Bicycle and Pedestrian Facilities Program (SB 821).

- Continue the development of a countywide integrated long-range transportation plan consistent with local, regional, and state planning requirements.

Table 9 – Planning and Programming

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Personnel	\$ 1,023,200	\$ 983,400	\$ 983,400	\$ 1,147,400	\$ 164,000	17%
Professional	117,700	620,500	177,400	295,500	(325,000)	-52%
Support	27,400	18,300	14,500	19,100	800	4%
Projects and Operations	1,372,700	11,384,900	4,978,000	18,046,800	6,661,900	59%
Transfers Out	-	870,300	762,600	1,017,400	147,100	17%
TOTAL	\$ 2,541,000	\$ 13,877,400	\$ 6,915,900	\$ 20,526,200	\$ 6,648,800	48%

Rail Maintenance and Operations

- As a member of the SCRRA, continue active participation in the governance and operations of the MetroLink commuter rail system.
- Continue the planning and implementation of capital improvements at the commuter rail stations in the County, including security and rehabilitation projects and parking requirements.
- Continue to support and evaluate activities related to the Perris Valley Line (PVL) service, such as promoting ridership.
- Establish the best approach to build, maintain, and operate cost effective and environmentally sustainable facilities that meet the public's transportation needs.
- Lead the service development process and actively coordinate with all stakeholders along the Coachella Valley-San Geronimo Pass corridor for intercity passenger rail service.
- Advance the next generation rail feasibility study to evaluate future growth opportunities for passenger rail in the County.

Table 10 – Rail Maintenance and Operations

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Personnel	\$ 755,400	\$ 732,700	\$ 728,300	\$ 820,900	\$ 88,200	12%
Professional	1,463,200	4,404,000	2,407,700	3,224,000	(1,180,000)	-27%
Support	1,891,100	3,391,100	2,919,800	3,320,700	(70,400)	-2%
Projects and Operations	20,181,400	27,665,700	22,923,900	28,778,800	1,113,100	4%
Capital Outlay	7,500	90,000	80,000	92,500	2,500	3%
Transfers Out	-	948,500	908,500	882,900	(65,600)	-7%
TOTAL	\$ 24,298,600	\$ 37,232,000	\$ 29,968,200	\$ 37,119,800	\$ (112,200)	0%

Public and Specialized Transit

- Support innovative programs that provide transit assistance in hard to serve rural areas or for riders having very special transit needs and monitor funding of these programs.
- Continue long-range planning activities to ensure that anticipated revenues are in line with projected levels of service by transit operators.
- Continue public transit operator oversight and fiduciary responsibilities to ensure completion of annual fiscal audits and state triennial performance audits in accordance with TDA regulations.
- Coordinate with operators for major capital purchases and investments into new rolling stock and other system improvements in order to maintain a viable on-hand reserve.
- Coordinate with transit operators the provision of connecting bus service to PVL stations.

Table 11 – Public and Specialized Transit

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Personnel	\$ 366,800	\$ 415,500	\$ 397,700	\$ 450,200	\$ 34,700	8%
Professional	126,800	204,300	171,800	314,000	109,700	54%
Support	39,400	88,700	53,800	63,900	(24,800)	-28%
Projects and Operations	82,265,500	122,010,600	104,281,700	159,303,300	37,292,700	31%
Transfers Out	21,786,700	24,934,200	24,786,400	28,287,300	3,353,100	13%
TOTAL	\$ 104,585,200	\$ 147,653,300	\$ 129,691,400	\$ 188,418,700	\$ 40,765,400	28%

Commuter Assistance

- Improve the suite of services and outreach to rideshare participants and employer partners, including personalized information and electronic access and distribution.
- Maintain and grow employer partnerships through value-added services and tools for ridesharing programs.
- Maintain the long-term partnership with San Bernardino County Transportation Authority (SBC TA) to manage and implement a “sister” commuter assistance program for residents and employers in San Bernardino County.
- Optimize park and ride facilities to support car/vanpool/buspool arrangements and facilitate transit connections.
- Operate a cost-effective program within the County that results in reduction of single occupant vehicles.

Table 12 – Commuter Assistance

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Personnel	\$ 257,000	\$ 264,800	\$ 264,400	\$ 288,200	\$ 23,400	9%
Professional	359,000	799,700	707,200	449,700	(350,000)	-44%
Support	57,100	257,400	247,200	342,500	85,100	33%
Projects and Operations	2,013,000	2,821,100	2,642,100	3,420,900	599,800	21%
Transfers Out	-	1,712,300	1,048,000	1,696,500	(15,800)	-1%
TOTAL	\$ 2,686,100	\$ 5,855,300	\$ 4,908,900	\$ 6,197,800	\$ 342,500	6%

Motorist Assistance

- Assess opportunities for efficiency related to the call box program operations.
- Maintain a high benefit-to-cost ratio related to the performance of the FSP program and expand service if funding opportunities arise.
- Transition from a locally provided IE511 system to a regional southern California 511 solution.
- Continue the call box system program to serve as a “safe net” for stranded motorists in the County.

Table 13 – Motorist Assistance

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Personnel	\$ 126,000	\$ 154,000	\$ 153,000	\$ 200,000	\$ 46,000	30%
Professional	405,500	518,000	460,200	528,200	10,200	2%
Support	388,600	298,900	155,000	290,000	(8,900)	-3%
Projects and Operations	3,257,100	3,723,000	3,254,000	5,167,700	1,444,700	39%
Transfers Out	1,068,400	1,257,500	1,257,500	3,820,500	2,563,000	204%
TOTAL	\$ 5,245,600	\$ 5,951,400	\$ 5,279,700	\$ 10,006,400	\$ 4,055,000	68%

Capital Project Development and Delivery

- Continue project work on the Western Riverside County Delivery Plan projects, including the I-15 Express Lanes project, SR-60 truck climbing lanes, SR-79 realignment, Mid County Parkway, and Pachappa underpass project.
- Provide TUMF regional arterial funding and support to local jurisdictions for regional arterial project engineering, right of way acquisition, and construction.
- Provide 2009 Measure A funding to the incorporated cities and the County for local streets and roads maintenance, repair, and construction and to the Coachella Valley Association of Governments (CVAG) for highways and regional arterials.
- Develop strategies to implement alternative financing structures including public toll roads.
- Maintain a right of way acquisition and management program in support of capital projects and in the most cost effective manner within project schedules, while adhering to federal and state regulations.
- Maintain and manage the access, use, safety, and security of Commission-owned properties including commuter rail stations, properties in acquisition process, and income-generating properties.

Table 14 – Capital Project Development and Delivery

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Personnel	\$ 3,306,500	\$ 3,606,400	\$ 3,625,000	\$ 3,836,900	\$ 230,500	6%
Professional	18,980,600	10,260,200	9,242,000	8,723,600	(1,536,600)	-15%
Support	710,500	951,500	614,000	632,700	(318,800)	-34%
Projects and Operations	310,863,200	464,272,500	319,135,100	533,911,200	69,638,700	15%
Capital Outlay	5,574,900	5,221,300	3,000,000	3,550,000	(1,671,300)	-32%
Debt Service	136,530,500	659,804,900	653,859,700	69,555,700	(590,249,200)	-89%
Transfers Out	175,903,300	266,623,800	255,699,000	126,704,100	(139,919,700)	-52%
TOTAL	\$ 651,869,500	\$ 1,410,740,600	\$ 1,245,174,800	\$ 746,914,200	\$ (663,826,400)	-47%

Toll Operations

- Manage the operations of the RCTC 91 Express Lanes adhering to the Commission's 91 Express Lanes Toll Policy.
- Manage toll operations using investment grade traffic and revenue studies and cost estimate assumptions specific to each express lane facility.
- Continue I-15 Express Lanes toll planning through development of business rules and agency agreements.
- Provide timely and effective reporting of toll operation metrics including revenue, transactions, carpool usage, and performance indicators.
- Participate in the California Toll Operators Committee to advance regional and statewide tolling initiatives, technology, interoperability, and coordination among California toll agencies.

Table 15 – Toll Operations

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Personnel	\$ 148,700	\$ 745,100	\$ 644,600	\$ 603,000	\$ (142,100)	-19%
Professional	99,500	1,436,100	1,200,200	2,061,000	624,900	44%
Support and Maintenance	897,600	4,228,500	3,374,300	4,576,700	348,200	8%
Projects and Operations	1,893,900	7,984,500	6,711,200	8,786,100	801,600	10%
Capital Outlay	-	650,000	921,000	1,340,000	690,000	106%
Debt Service	2,021,200	7,119,900	7,119,900	27,119,900	20,000,000	281%
Transfers Out	1,392,200	4,052,900	709,900	6,307,200	2,254,300	56%
TOTAL	\$ 6,453,100	\$ 26,217,000	\$ 20,681,100	\$ 50,793,900	\$ 24,576,900	94%

Fund Balances

The projected total fund balance as of June 30, 2018 is \$789,451,200. The Commission's expects the FY 2018/19 budgeted activities to result in a \$178,649,100 decrease of total fund balance at June 30, 2019 to \$610,802,100. The primary cause of the decrease is project activities in FY 2018/19 related to the I-15 Express Lanes project, Mid County Parkway project, toll operations, Riverside station layover facility, TUMF regional arterial projects, and public transit allocations. Table 16 presents the components of the projected fund balance by fund type and program at June 30, 2019.

Table 17 – Budget Comparative by Summarized Line Item FY 2017–2019

	FY 16/17	FY 17/18	FY 17/18	FY 18/19	Dollar	Percent
	Actual	Revised Budget	Projected	Budget	Change	Change
Revenues						
Measure A Sales Tax	\$ 175,320,200	\$ 181,000,000	\$ 181,000,000	\$ 187,000,000	\$ 6,000,000	3%
LIF Sales Tax	88,206,900	91,000,000	91,000,000	94,000,000	3,000,000	3%
STA Sales Tax	6,432,600	10,469,000	20,204,800	23,203,600	12,734,600	122%
Federal Reimbursements	20,201,700	78,563,200	105,408,300	59,105,700	(19,457,500)	-25%
State Reimbursements	8,538,500	16,589,100	8,275,100	165,442,400	148,853,300	897%
Local Reimbursements	3,727,400	6,840,100	7,435,100	24,037,900	17,197,800	251%
TUMF Revenue	19,594,800	22,250,000	22,250,000	22,922,200	672,200	3%
Tolls, Penalties, and Fees	10,125,300	16,835,800	42,812,600	36,940,500	20,104,700	119%
Other Revenue	6,746,000	2,803,700	574,200	539,000	(2,264,700)	-81%
Investment Income	4,495,300	3,509,400	7,595,300	3,408,000	(101,400)	-3%
TOTAL Revenues	343,388,700	429,860,300	486,555,400	616,599,300	186,739,000	43%
Expenditures/ Expenses						
Personnel Salaries and Benefits	8,445,400	9,554,200	9,446,800	10,354,700	800,500	8%
Professional and Support						
Professional Services	23,881,500	22,332,000	17,630,900	19,581,200	(2,750,800)	-12%
Support Costs	5,767,500	11,448,200	8,871,100	11,276,900	(171,300)	-1%
TOTAL Professional and Support Costs	29,649,000	33,780,200	26,502,000	30,858,100	(2,922,100)	-9%
Projects and Operations						
Program Operations	15,528,100	28,156,000	24,474,400	25,940,100	(2,215,900)	-8%
Engineering	3,167,700	12,007,900	8,315,100	35,733,800	23,725,900	198%
Construction	35,515,800	75,075,100	40,632,100	126,358,000	51,282,900	68%
Design Build	170,452,800	192,599,700	145,452,500	188,565,500	(4,034,200)	-2%
Right of Way/ Land	27,343,800	88,112,500	36,935,900	92,220,600	4,108,100	5%
Operating and Capital Disbursements	103,163,800	154,505,600	130,653,500	199,973,300	45,467,700	29%
Special Studies	213,800	3,952,000	2,425,000	1,672,000	(2,280,000)	-58%
Local Streets and Roads	51,864,000	55,037,500	55,037,500	56,951,500	1,914,000	3%
Regional Arterials	14,597,000	30,416,000	20,000,000	30,000,000	(416,000)	-1%
TOTAL Projects and Operations	421,846,800	639,862,300	463,926,000	757,414,800	117,552,500	18%
Debt Service						
Principal Payments	27,317,200	62,145,000	62,120,000	25,965,000	(36,180,000)	-58%
Interest Payments	46,705,400	54,712,600	54,712,600	50,710,600	(4,002,000)	-7%
Cost of Issuance	654,000	3,767,200	2,257,100	-	(3,767,200)	-100%
TOTAL Debt Service	74,676,600	120,624,800	119,089,700	76,675,600	(43,949,200)	-36%
Capital Outlay	5,670,400	6,876,300	4,611,000	6,026,200	(850,100)	-12%
TOTAL Expenditure/ Expenses	540,288,200	810,697,800	623,575,500	881,329,400	70,631,600	9%
Excess (deficiency) of Revenues over (under) Expenditures/ Expenses	(196,899,500)	(380,837,500)	(137,020,100)	(264,730,100)	116,107,400	-30%
Other Financing Sources (Uses)						
Transfers In	188,488,900	313,676,500	298,371,800	181,899,300	(131,777,200)	-42%
Transfers Out	(210,150,600)	(313,676,500)	(298,371,800)	(181,899,300)	131,777,200	-42%
Debt Proceeds	106,140,000	636,250,000	632,775,000	-	(636,250,000)	-100%
TIFIA Loan Proceeds	143,358,100	81,810,000	-	106,081,000	24,271,000	30%
Payment to Escrow Agent	(63,900,000)	(546,300,000)	(541,889,900)	(20,000,000)	526,300,000	-96%
Bond Premium	8,414,000	119,722,000	119,713,800	-	(119,722,000)	-100%
Net Financing Sources (Uses)	172,350,400	291,482,000	210,598,900	86,081,000	(205,401,000)	-70%
Excess (deficiency) of Revenues over (under) Expenditures/ Expenses and Other Financing Sources (Uses)	(24,549,100)	(89,355,500)	73,578,800	(178,649,100)	(89,293,600)	100%
Beginning Fund Balance	740,421,500	715,872,400	715,872,400	789,451,200	73,578,800	10%
ENDING FUND BALANCE	\$ 715,872,400	\$ 626,516,900	\$ 789,451,200	\$ 610,802,100	\$ (15,714,800)	-3%

Table 18 – Operating and Capital Budget FY 2018/19

	FY 18/19	FY 18/19	FY 18/19
	Operating Budget	Capital Budget	TOTAL Budget
Revenues			
Measure A Sales Tax	\$ 25,827,000	\$ 161,173,000	\$ 187,000,000
LTF Sales Tax	94,000,000	-	94,000,000
STA Sales Tax	23,203,600	-	23,203,600
Federal Reimbursements	5,978,000	53,127,700	59,105,700
State Reimbursements	7,890,700	157,551,700	165,442,400
Local Reimbursements	3,557,900	20,480,000	24,037,900
TUMF Revenue	-	22,922,200	22,922,200
Tolls, Penalties, and Fees	-	36,940,500	36,940,500
Other Revenue	-	539,000	539,000
Investment Income	914,400	2,493,600	3,408,000
TOTAL Revenues	161,371,600	455,227,700	616,599,300
Expenditure s/Expense s			
Personnel Salaries and Benefits	5,791,200	4,563,500	10,354,700
Professional and Support			
Professional Services	8,745,600	10,835,600	19,581,200
Support Costs	6,066,900	5,210,000	11,276,900
TOTAL Professional and Support Costs	14,812,500	16,045,600	30,858,100
Projects and Operations			
Program Operations	11,317,400	14,622,700	25,940,100
Engineering	1,650,000	34,083,800	35,733,800
Construction	4,200,000	122,158,000	126,358,000
Design Build	-	188,565,500	188,565,500
Right of Way and Land	-	92,220,600	92,220,600
Operating and Capital Disbursements	184,223,300	15,750,000	199,973,300
Special Studies	1,622,000	50,000	1,672,000
Local Streets and Roads	-	56,951,500	56,951,500
Regional Arterials	-	30,000,000	30,000,000
TOTAL Projects and Operations	203,012,700	554,402,100	757,414,800
Debt Service			
Principal Payments	-	25,965,000	25,965,000
Interest Payments	-	50,710,600	50,710,600
TOTAL Debt Service	-	76,675,600	76,675,600
Capital Outlay	1,136,200	4,890,000	6,026,200
TOTAL Expenditure s/Expense s	224,752,600	656,576,800	881,329,400
Excess (deficiency) of Revenues over (under) Expenditure s/Expense s	(63,381,000)	(201,349,100)	(264,730,100)
Other Financing Sources (Use s)			
Transfers In	40,792,300	141,107,000	181,899,300
Transfers Out	(48,421,400)	(133,477,900)	(181,899,300)
TIFIA Loan Proceeds	-	106,081,000	106,081,000
Payment to Escrow Agent	-	(20,000,000)	(20,000,000)
Net Financing Sources (Use s)	(7,629,100)	93,710,100	86,081,000
Excess (deficiency) of Revenues over (under) Expenditure s/Expense s and Other Financing Sources (Use s)	(71,010,100)	(107,639,000)	(178,649,100)
Beginning Fund Balance	255,150,100	534,301,100	789,451,200
ENDING FUND BALANCE	\$ 184,140,000	\$ 426,662,100	\$ 610,802,100

Table 19 – Budget by Fund Type FY 2018/19

	General Fund	Special Revenue	Capital Projects	Debt Service	Enterprise	FY 18/19 TOTAL Budget
Revenues						
Measure A Sales Tax	\$ -	\$ 187,000,000	\$ -	\$ -	\$ -	\$ 187,000,000
LIF Sales Tax	-	94,000,000	-	-	-	94,000,000
STA Sales Tax	-	23,203,600	-	-	-	23,203,600
Federal Reimbursements	3,978,000	52,327,500	-	2,800,200	-	59,105,700
State Reimbursements	3,181,700	162,260,700	-	-	-	165,442,400
Local Reimbursements	1,113,100	14,424,800	-	-	8,500,000	24,037,900
TUMF Revenue	-	22,922,200	-	-	-	22,922,200
Tolls, Penalties, and Fees	-	-	-	-	36,940,500	36,940,500
Other Revenue	-	539,000	-	-	-	539,000
Investment Income	98,600	2,049,800	955,400	162,900	141,300	3,408,000
TOTAL Revenues	8,371,400	558,727,600	955,400	2,963,100	45,581,800	616,599,300
Expenditure/Expense						
Personnel Salaries and Benefits	5,069,600	4,682,100	-	-	603,000	10,354,700
Professional and Support						
Professional Services	4,369,700	13,150,500	-	-	2,061,000	19,581,200
Support Costs	5,415,400	1,284,800	-	-	4,576,700	11,276,900
TOTAL Professional and Support Costs	9,785,100	14,435,300	-	-	6,637,700	30,858,100
Projects and Operations						
Program Operations	2,728,800	14,425,200	-	-	8,786,100	25,940,100
Engineering	1,650,000	34,083,800	-	-	-	35,733,800
Construction	1,800,000	124,558,000	-	-	-	126,358,000
Design Build	-	188,565,500	-	-	-	188,565,500
Right of Way/Land	-	92,220,600	-	-	-	92,220,600
Operating and Capital Disbursements	25,055,000	174,918,300	-	-	-	199,973,300
Special Studies	1,622,000	50,000	-	-	-	1,672,000
Local Streets and Roads	-	56,951,500	-	-	-	56,951,500
Regional Arterials	-	30,000,000	-	-	-	30,000,000
TOTAL Projects and Operations	32,855,800	715,772,900	-	-	8,786,100	757,414,800
Debt Service						
Principal Payments	-	-	-	25,965,000	-	25,965,000
Interest Payments	-	-	-	43,590,700	7,119,900	50,710,600
TOTAL Debt Service	-	-	-	69,555,700	7,119,900	76,675,600
Capital Outlay	1,136,200	3,550,000	-	-	1,340,000	6,026,200
TOTAL Expenditure/Expense	48,846,700	738,440,300	-	69,555,700	24,486,700	881,329,400
Excess (deficiency) of Revenues over (under) Expenditure/Expense	(40,475,300)	(179,712,700)	955,400	(66,592,600)	21,095,100	(264,730,100)
Other Financing Sources (Uses)						
Transfers In	35,342,300	74,001,300	-	72,555,700	-	181,899,300
Transfers Out	(1,265,600)	(126,481,800)	(45,044,500)	(2,800,200)	(6,307,200)	(181,899,300)
TIFIA Loan Proceeds	-	106,081,000	-	-	-	106,081,000
Payment to Escrow Agent	-	-	-	-	(20,000,000)	(20,000,000)
Net Financing Sources (Uses)	34,076,700	53,600,500	(45,044,500)	69,755,500	(26,307,200)	86,081,000
Excess (deficiency) of Revenues over (under) Expenditure/Expense and Other Financing Sources (Uses)	(6,398,600)	(126,112,200)	(44,089,100)	3,162,900	(5,212,100)	(178,649,100)
Beginning Fund Balance	26,219,700	538,464,800	172,442,000	18,719,300	33,605,400	789,451,200
ENDING FUND BALANCE	\$ 19,821,100	\$ 412,352,600	\$ 128,352,900	\$ 21,882,200	\$ 28,393,300	\$ 610,802,100

Table 20 – Highway, Regional Arterial, and Rail Programs FY 2018/19

Description	
HIGHWAY ENGINEERING	
71/91 connector	\$ 3,950,000
Ehmanac SR-74 corridor	400,000
Grade separation projects	11,550,000
Hamner Bridge widening	500,000
I-15 Express Lanes	150,000
I-15 Express Lanes southern extension	4,000,000
Mid County Parkway (MCP)	3,350,000
MCP I-215/Pacenta interchange	1,600,000
MCP Sweeney mitigation	450,000
Pachappa underpass	388,000
Riverside County-Santa Ana River Trail <i>(details presented in Sections 5.2 Planning and Programming and 5.3 Capital Projects)</i>	970,000
SR-60 truck climbing lanes	615,000
SR-79 Realignment	300,000
General <i>(details presented in Section 5.2 Planning and Programming)</i>	1,650,000
General <i>(details presented in Section 5.3 Capital Projects)</i>	324,500
SUBTOTAL HIGHWAY ENGINEERING	30,197,500
REGIONAL ARTERIAL ENGINEERING	
I-15 Railroad Canyon interchange	2,400,000
Various Western County MARA and TUMF regional arterial projects	364,300
SUBTOTAL REGIONAL ARTERIAL ENGINEERING	2,764,300
RAIL ENGINEERING	
Moreno Valley March Field station upgrade	1,100,000
Perris Valley Line and other related rail projects	22,000
Riverside Layover Facility	350,000
Riverside station track and platform	1,300,000
SUBTOTAL RAIL ENGINEERING	2,772,000
TOTAL HIGHWAY, REGIONAL ARTERIAL, AND RAIL ENGINEERING	\$ 35,733,800
HIGHWAY CONSTRUCTION	
15/91 Express Lanes connector	\$ 5,772,000
91 Corridor Operations Project	1,000,000
91 Project	2,000,000
I-15 Express Lanes	9,350,000
I-15 Limonite interchange	30,000,000
I-215 corridor improvements (central segment)/Scott Road to Nuevo Road	925,000
MCP I-215/Pacenta Interchange	2,600,000
MCP Sweeney mitigation	4,050,000
Mid County Parkway	650,000
Pachappa underpass	12,460,000
Riverside County-Santa Ana River Trail <i>(details presented in Sections 5.2 Planning and Programming and 5.3 Capital Projects)</i>	10,208,000
SR-60 Truck Climbing Lanes	25,200,000
General <i>(details presented in Section 5.2 Planning and Programming)</i>	500,000
General <i>(details presented in Section 5.3 Capital Projects)</i>	1,950,000
SUBTOTAL HIGHWAY CONSTRUCTION	106,665,000
REGIONAL ARTERIAL CONSTRUCTION	
Various Western County MARA and TUMF regional arterial projects	7,358,000
SUBTOTAL REGIONAL ARTERIAL CONSTRUCTION	7,358,000
RAIL CONSTRUCTION	
Perris Valley Line and other related rail projects	1,735,000
Riverside Layover Facility	5,110,000
Riverside-La Sierra station improvements	1,790,000
Other Riverside Downtown mobility improvements <i>(details presented in Section 5.2 Rail)</i>	1,300,000
Other - Coachella Valley-San Geronimo Pass corridor <i>(details presented in Section 5.2 Rail)</i>	2,400,000
SUBTOTAL RAIL CONSTRUCTION	12,335,000
TOTAL HIGHWAY, REGIONAL ARTERIAL, AND RAIL CONSTRUCTION	\$ 126,358,000
HIGHWAY DESIGN BUILD	
15/91 Express Lanes connector	\$ 47,982,600
91 Corridor Operations Project	4,500,000
91 Project	1,132,900
I-15 Express Lanes	134,950,000
TOTAL HIGHWAY DESIGN BUILD	\$ 188,565,500
HIGHWAY RIGHT OF WAY AND LAND	
60/215 East Junction high occupancy vehicle (HOV) lane connectors	\$ 50,000
71/91 connector	5,100,000
91 Project	24,000,000
Grade separation projects	20,000,000
I-15 Express Lanes	1,402,500
I-215 corridor improvements (central segment)/Scott Road to Nuevo Road	5,000
Mid County Parkway	1,100,000
MCP I-215/Pacenta interchange	20,600,000
MCP Sweeney mitigation	25,000
MSHCPLand acquisition in Western County	3,000,000
Pachappa underpass	625,000
Riverside County-Santa Ana River Trail <i>(details presented in Sections 5.2 Planning and Programming and 5.3 Capital Projects)</i>	255,000
SR-60 truck climbing lanes	385,000
SR-74 curve widening	4,000
SR-74/I-15 to 7th Street	60,000
SR-91 HOV lanes/Adams Street to 60/91/215 interchange	635,000
General <i>(details presented in Section 5.3 Capital Projects)</i>	674,100
SUBTOTAL HIGHWAY RIGHT OF WAY AND LAND	77,920,600
REGIONAL ARTERIAL RIGHT OF WAY AND LAND	
I-15 Railroad Canyon interchange	4,000,000
Various Western County MARA and TUMF regional arterial projects	10,020,000
SUBTOTAL REGIONAL ARTERIAL RIGHT OF WAY AND LAND	14,020,000
RAIL RIGHT OF WAY AND LAND	
Perris Valley Line and other related rail projects	25,000
Riverside Layover Facility	100,000
Riverside-La Sierra station improvements	5,000
General	150,000
SUBTOTAL RAIL RIGHT OF WAY AND LAND	280,000
TOTAL HIGHWAY, REGIONAL ARTERIAL, AND RAIL RIGHT OF WAY AND LAND	\$ 92,220,600
GRAND TOTAL HIGHWAY, REGIONAL ARTERIAL, AND RAIL PROGRAMS	\$ 442,877,900

Gann Appropriations Limit

In November 1979, the voters of the State approved Proposition 4, commonly known as the Gann Initiative (Gann). The proposition created Article XIII B of the State Constitution, placing limits on the amount of revenue that can be spent by public agencies from the “proceeds of taxes.” In 1980, the State Legislature added Section 7910 to the Government Code, providing that the governing body of each local jurisdiction must establish, by resolution, an appropriations limit for the following year. The appropriations limit for any fiscal year is equal to the previous year’s limit adjusted for population changes and changes in the California per capita income.

The Commission is subject to the requirements of Article XIII B. Gann appropriations limits are calculated for and applied to the Commission. In accordance with the requirements of Article XIII B implementing legislation, the Board approved Resolution No. 18-009 on June 13, 2018, establishing appropriations limits for the Commission at \$464,186,785. The FY 2018/19 budget appropriated \$299,410,700 in taxes for the Commission, falling well within the limits set by the Gann. Based on historic trends and future projections, it appears the Commission’s use of the proceeds of taxes, as defined by Article XIII B, will continue to fall below the appropriations limit.

The calculation for the FY 2018/19 appropriations limit is as follows:

FY 2017/18 Appropriations Limit

\$441,572,195

FY 2018/19 adjustment:

x 1.0512138

- Change in California per capita personal income 1.0367% $((3.67 + 100) / 100 = 1.0367)$
- Change in Population, Riverside County 1.0140% $((1.40 + 100) / 100 = 1.0140)$
- Calculation of factor for FY 2018/19 1.0367 x 1.0140 = 1.0512138

FY 2018/19 Appropriations Limit

\$464,186,785

- $\$441,572,195 \times 1.0512138 = \$464,186,785$

Source: California per capita income – California Department of Finance
 Population, Riverside County – California Department of Finance

Financial Overview

Fiscal Accountability Policies

As the steward of local, state, and federal resources, RCTC maintains financial policies that promote fiduciary responsibility and organizational excellence.

Financial Planning	
Balanced Budget	RCTC adopts an annual budget in which operating and capital expenditures and other financing uses are equal to or less than identified revenues and other financing sources as well as available fund balances.
Administration	<p>Allocations from local and state sources and toll operations fund administrative costs, including salaries and benefits.</p> <ul style="list-style-type: none"> o Administrative salaries and benefits cannot exceed 1% of Measure A sales tax revenues. o Administrative costs will not exceed 4% of Measure A sales tax revenues (inclusive of the 1% salary limitation).
Retirement Benefits	RCTC contributes 100% of the annual requirement related to its proportionate share of the net pension liability and to the postretirement health care benefits.
Capital Projects	Multi-year capital projects are consistent with the strategic plan and budgeted by fiscal year, based on best available estimates.
Reserves	RCTC establishes and maintains reserves in accordance with Measure A and TDA policies as well as debt agreements.

Revenues	
Sales Tax	RCTC prepares annual and mid-year revised revenue projections to ensure use of current and relevant data; staff may adjust amounts during the budget process to reflect the most current economic trends.
Tolls	<p>RCTC-adopted policies establish congestion pricing in order to optimize throughput on toll facilities while generating revenue to meet all financial commitments related to:</p> <ul style="list-style-type: none"> o Debt issued to construct or repair any portion of the toll facility, payment of debt service, and satisfaction of other covenants and obligations related to indebtedness of the toll facility, including applicable reserves; o Development, maintenance, repair, rehabilitation, improvement, reconstruction, administration, and operation of the toll facilities, including toll collection and enforcement and applicable reserves; and o Projects within the corridor which generated the revenue.
Funding Sources	RCTC uses local funding sources to maximize federal and state funding of projects.
Sale of Properties	RCTC returns proceeds from the disposition of excess properties to the programs that provided the funding sources for the property acquisition.

Expenditures/ Expenses	
Priorities	RCTC reviews established priorities for planning and programming of capital projects annually.
Accountability	RCTC compares actual expenditures/expenses to the budget on at least a quarterly basis and appropriately notes, explains, and justifies significant deviations.
Procurement	RCTC ensures competitive, transparent, objective, and fair procurement selection processes in accordance with policies adopted on June 13, 2018.

Capital and Intangible Assets	<p>On a government-wide basis, RCTC records capital and intangible assets at historical costs, estimated historical costs if purchased or constructed, or estimated fair value at date of donation. RCTC maintains such assets in a state of good repair and safeguards them from misuse and misappropriation.</p> <ul style="list-style-type: none"> o RCTC generally does not capitalize infrastructure, which title will be vested with Caltrans or other governmental agency. o RCTC depreciates capital and amortizes intangible assets over the estimated useful life or service concession term.
--------------------------------------	---

Debt Management	
Debt Limitation	Outstanding sales tax revenue debt cannot exceed \$975 million, in accordance with Measure K approved by a majority of the voters in November 2010; RCTC can issue toll-supported debt for specific highway projects based on amounts authorized by the Commission.
Management	RCTC maintains and updates the Debt Management Policy, as adopted on September 14, 2016, and Interest Rate Swap Policy, as adopted July 12, 2006, for matters related to sales tax revenue and toll-supported indebtedness.
Coverage	RCTC maintains debt coverage ratios of 2.0x on all senior sales tax revenue debt and 1.3x on all toll-supported debt.
Issuance	RCTC issues debt for major capital projects including engineering, right of way, construction, and design-build; RCTC will not finance operating requirements except for initial toll operations. Costs of issuance, including the standard underwriter's discount, do not exceed 2% unless specifically authorized.
Maturity	All sales tax revenue debt matures prior to the termination of 2009 Measure A on June 30, 2039; all toll-supported debt matures prior to the expiration of toll facility agreements.

Cash Management	
Management	RCTC invests funds in order of priority (safety, liquidity, and yield) in accordance with the Investment Policy, adopted on December 13, 2017, or debt agreements.
Receipts	Where possible, RCTC encourages receipt of funds by wire transfer to its accounts.
Payments	RCTC makes cash disbursements to local jurisdictions and vendors/consultants in a timely manner.
Operating Balances	RCTC maintains amounts in the bank operating account at the amount necessary to meet monthly expenditure s/ expenses.

Accounting and Financial Reporting	
Accounting System	RCTC maintains an ERP system that integrates project and toll operations accounting needs and improves accounting efficiency.
Reporting	RCTC issues a Comprehensive Annual Financial Report (CAFR); separate financial reports for the LIF, STA, Proposition 1B Rehabilitation and Security Project Accounts, SB 1 State of Good Repair (SGR) Program, Low Carbon Transit Operations Program (LCTOP), and toll operations; and the State Controller's Transportation Planning Agency Financial Transactions Report and Government Compensation in California Report.
Audits	An independent accounting firm conducts an annual audit of the Commission's accounting books and records; RCTC obtains audits of Measure A and TDA funding recipients for compliance and other matters in a timely manner.

Functional Management

Unlike many governments that provide direct services to the public, the Commission's overall responsibility is to manage transportation planning and funding for the County. As a result, its budget in terms of dollars, is comprised primarily of capital-related programs and projects; the operating component of the budget is related to multimodal programs (toll operations, transit planning, rail operations, and commuter and motorist assistance services). Management services, consisting of executive management, administration, external affairs, and finance, provide support to both capital and operating programs and projects. Chart 9 depicts the organization of the Commission's oversight and management functions.

Chart 9 – Functional Organization Chart FY 2018/19

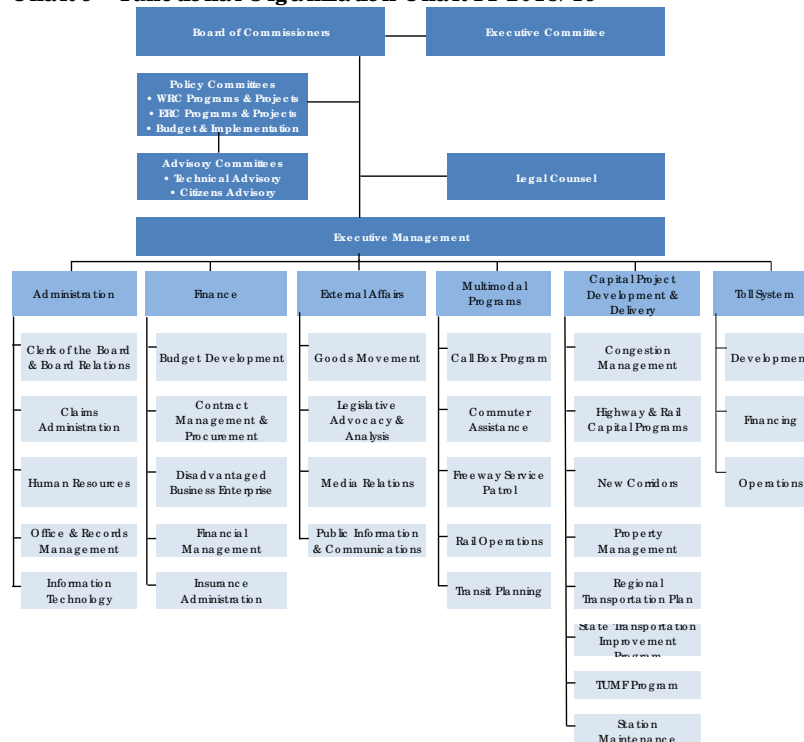


Chart 10 illustrates the relationship between the Commission's functional management or departments and the Commission's fund structure.

Chart 10 – Relationship of Functional Management and Fund Structure

Functional Management/ Department	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Enterprise Fund
Management Services					
Executive Management	X				
Administration	X				
External Affairs	X				
Finance	X	X		X	
Regional Programs					
Planning and Programming Services	X	X			
Rail Maintenance and Operations	X	X			
Public and Specialized Transit	X	X			
Commuter Assistance		X			
Motorist Assistance		X			
Capital Projects Development and Delivery		X	X	X	
Toll Operations					X

Budget Process

The budget is the primary performance tool used to measure and control accountability of public agencies for taxpayer dollars. The budget communicates to all stakeholders (i.e., elected officials, regional agencies, and citizens) how the investment they made will be put to use by providing detailed information on the specifics of resource allocation and uses. The Commission monitors progress on a monthly basis, and it makes revisions and updates as necessary to reflect changing dynamics and accommodate unplanned requests. This results in a budget document that is useful and meaningful as a benchmark against which to evaluate government accomplishments and/or challenges and to assess compliance with fiscal accountability.

The budget process consists of six primary tasks conducted in phases throughout the fiscal year. Chart 11 illustrates the budget process for the development of the FY 2018/19 budget and monitoring of the FY 2017/18 budget. Each task is summarized below.

Chart 11 – Budget Process

ID	Task Name	Duration	2017						2018						
			J	A	S	O	N	D	J	F	M	A	M	J	
1	Short Term Strategic Direction Phase	140 days													
2	Resource Identification and Allocation Phase	200 days													
3	Needs Assessment Phase	120 days													
4	Development and Review Phase	150 days													
5	Adoption and Implementation Phase	60 days													
6	Budget Roles and Responsibilities	365 days													

Short-Term Strategic Direction Phase

The first phase of the budget process is to determine the direction of the Commission in the short-term and to integrate this with the Commission's long-term goals and objectives, including the Western Riverside County Delivery Plan as discussed in Section 5.3. Annually a workshop is held for the Board to evaluate and determine where the Commission plans to be and what it desires to accomplish over the next five to ten years. Annual reviews allow for timely responsiveness to any significant political, legislative, or economic developments that may occur locally, statewide, or nationally. Staff then adjusts its course based on the long-term strategic direction of the policy makers.

Staff convenes beginning in early January to both assess actual results, compared to the current year budget, and map changes in strategy for the ensuing fiscal year. Additionally staff reviews and, if necessary, updates Commission goals and departmental mission statements. Those goals, upon review by the Board, become the Commission's short-term strategic direction.

Resource Identification and Allocation Phase

Simultaneous with the short-term strategic direction phase, staff focuses on available funding sources and estimated carryover amounts from the current year. The Commission analyzes its fund balances, the excess of fund assets over fund liabilities, for available appropriation in the following fiscal year. In actuality, resource identification occurs throughout the year, but it is finalized in the upcoming fiscal year budget. In connection with the long-term strategic planning process, the Commission determines borrowing needs, but it adjusts such amounts in the annual budget to reflect current information.

Needs Assessment Phase

Staff and consultants evaluate projects and studies for consideration in the next year. Project priority and sequencing set in the long-term strategic plan are the top candidates for budget submission. However, priorities may have changed due to economic necessities or political realities, resulting in rescheduling projects by acceleration or postponement. The Commission may add new projects or delete existing priorities.

Development and Review Phase

Using all the data and information gathered from the previously mentioned stages, department managers submit their desired budgets to the Finance Department. Finance staff compiles the information, along with staff and overhead allocations, into a preliminary or draft budget. After review by the Executive Director and inclusion of the desired changes, staff presents the draft budget to the Board for input.

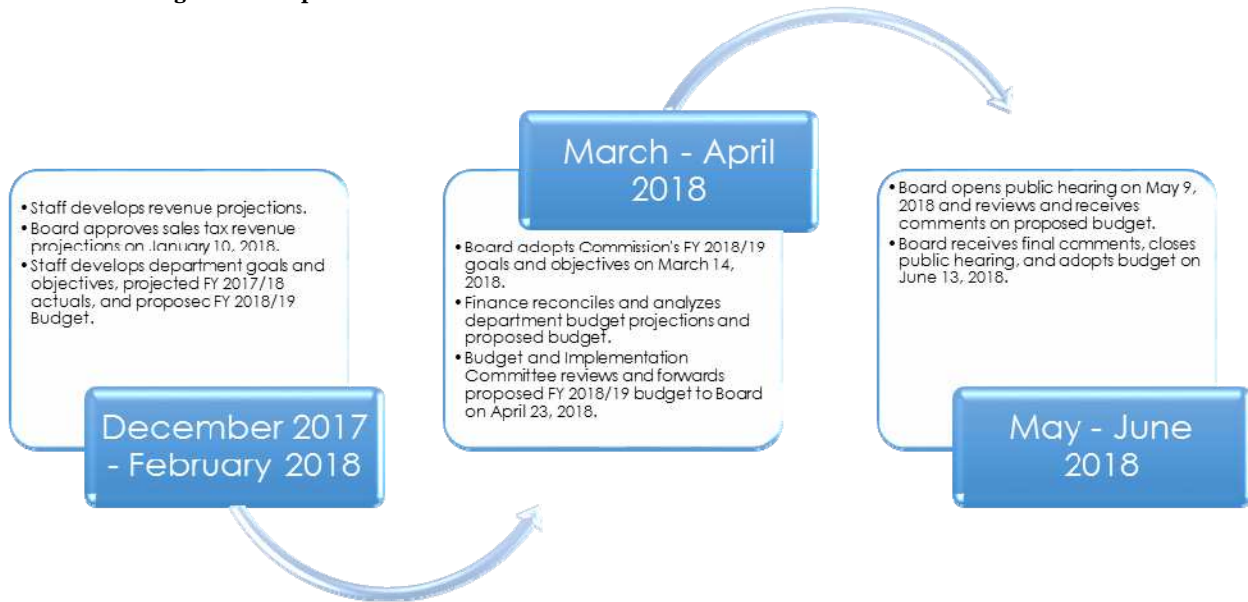
Adoption and Implementation Phase

Staff submits the proposed budget to the Commission at its May meeting, which marks the opening of a hearing scheduled to allow for public comment on the proposed budget. The Commission may choose, after the public hearing, to adopt the budget or to request additional information and/or changes to the budget. The budget, including the salary schedule, must be adopted no later than June 15 of each year. Upon adoption by the Commission, staff enters the budget into the ERP system effective July 1 for the next fiscal year.

Budget Development Summary

Chart 12 summarizes the primary activities required for adoption of the budget.

Chart 12 – Budget Development Timeline FY 2018/19



Budget Roles and Responsibilities

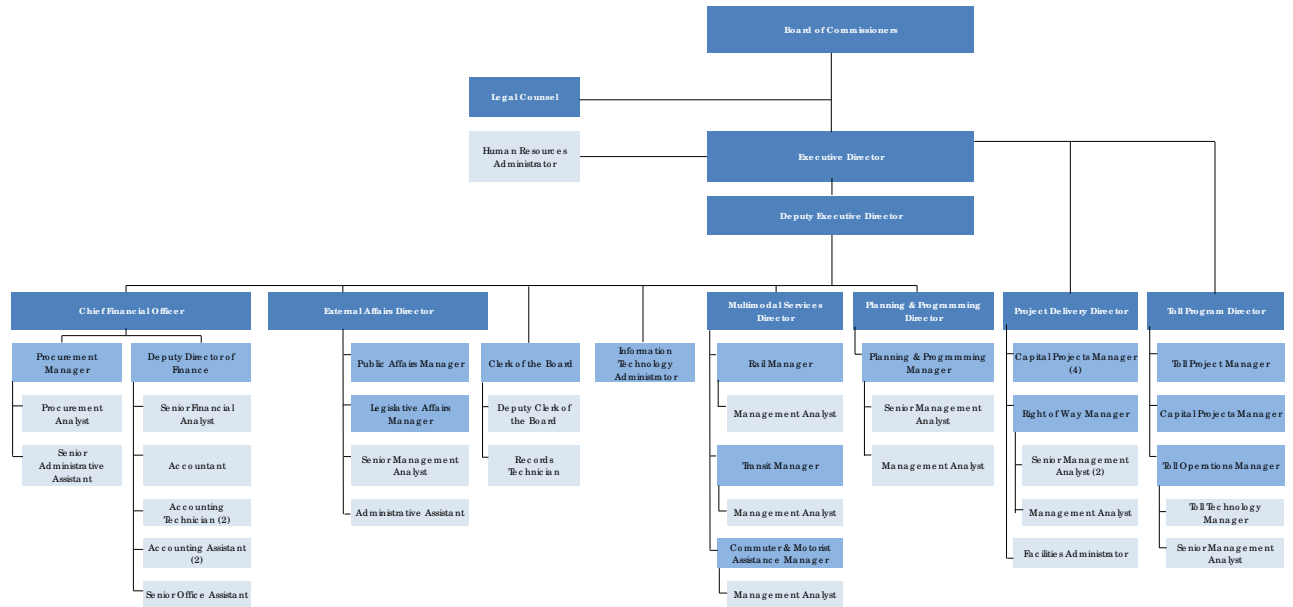
Involvement in the budget permeates all staffing levels, as presented in Chart 13, at the Commission from clerical support staff to policy makers. Each program manager develops a detailed line item budget that consists of the operating and/or capital components and submits those budgets, by program, to the department director for review and concurrence. While all departments have operating components, Rail station operations and maintenance and Toll Operations represent the Commission's primary operation functions that consider long range planning. Details on these operations are included in Section 5.2 and 5.4, respectively. The department managers submit their budgets to the Chief Financial Officer by mid-March, and the Finance Department compiles the department budgets. Both the capital and operating budgets are combined into the draft budget for the entire Commission. The Chief Financial Officer and Executive Director review the entire budget for overall consistency with both the short- and long-term strategic direction of the Commission, appropriateness of funding sources for the identified projects and programs, and reasonableness of the operating and capital budget expenditures/expenses.

Expenditure/expense activities of the funds are controlled at the budgetary unit, which is the financial responsibility level (General, Measure A, Motorist Assistance, LIF, STA, TUMF, Other Agency Projects, Capital Projects, Debt Service Funds, and Enterprise Fund) for each function (i.e., administration, operations, programs, intergovernmental distributions, debt service, capital outlay, and other financing uses). These functions provide the legal level of budgetary control (i.e., the level at which expenditures/expenses cannot legally exceed the appropriated amount).

Budget-to-actual reports are available to program managers and directors on a real-time basis through the ERP system for informational and management purposes, including identification and evaluation of any significant budget variations. During the fiscal year, management has the discretion to transfer budgeted amounts within the financial responsibility unit according to function or may provide support for supplemental budget appropriations requests. Supplemental budget appropriation requests require the authorization of the Commission. The Commission may take action at any monthly meeting to amend the budget. In some years, the

Finance Department may compile miscellaneous requests and submit a budget appropriations adjustment at mid-year to the Commission for approval. Those budget amendments approved by the Commission are incorporated into the budget, as they occur, and are reflected in the CAFR in the final budget amounts reported in the budgetary schedules.

Chart 13 – Staff Organization Chart FY 2018/19

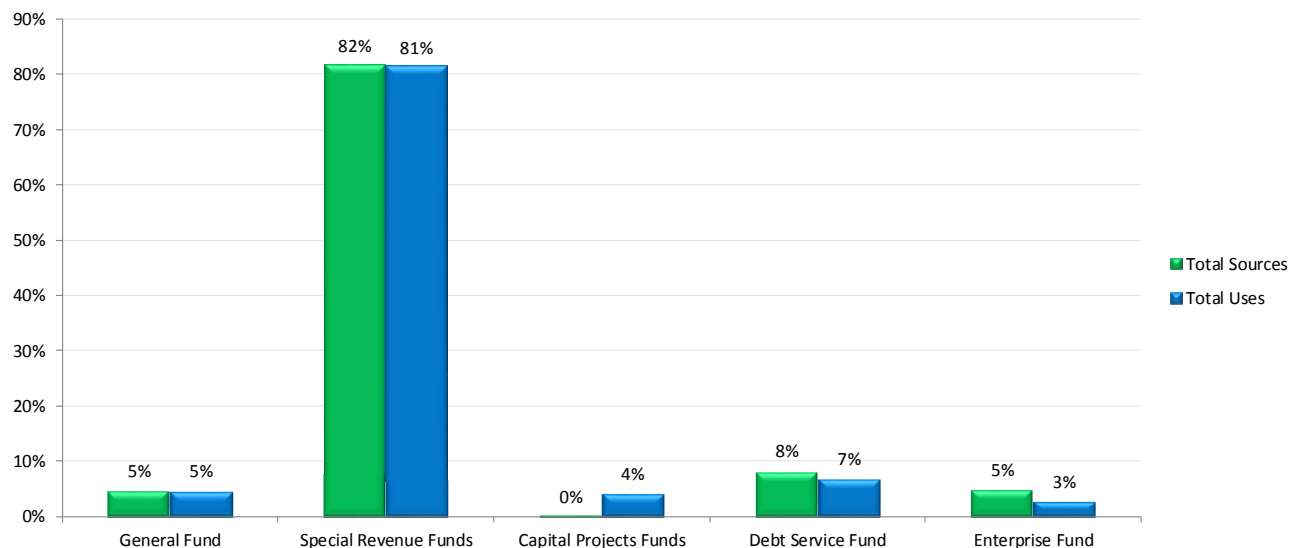


Fund Budgets

Budgetary Basis

The Commission accounts for its budgeted funds using the modified and current financial resources measurement focus for governmental funds and the accrual basis of accounting and the economic resources measurement focus for enterprise funds. The basis of accounting is the same as the basis of budgeting. The Commission recognizes governmental fund revenues when measurable and available to meet current year obligations. Such revenues are available when guaranteed as to receipt, based on expenditure of funds (i.e., government matching funds), or certain to be received within 180 days of the end of the fiscal year. The Commission generally records governmental fund expenditures when it incurs a liability; however, debt service expenditures are recorded when the payment is due. Enterprise fund revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Chart 14 illustrates total sources and uses by fund type for the FY 2018/19 budget.

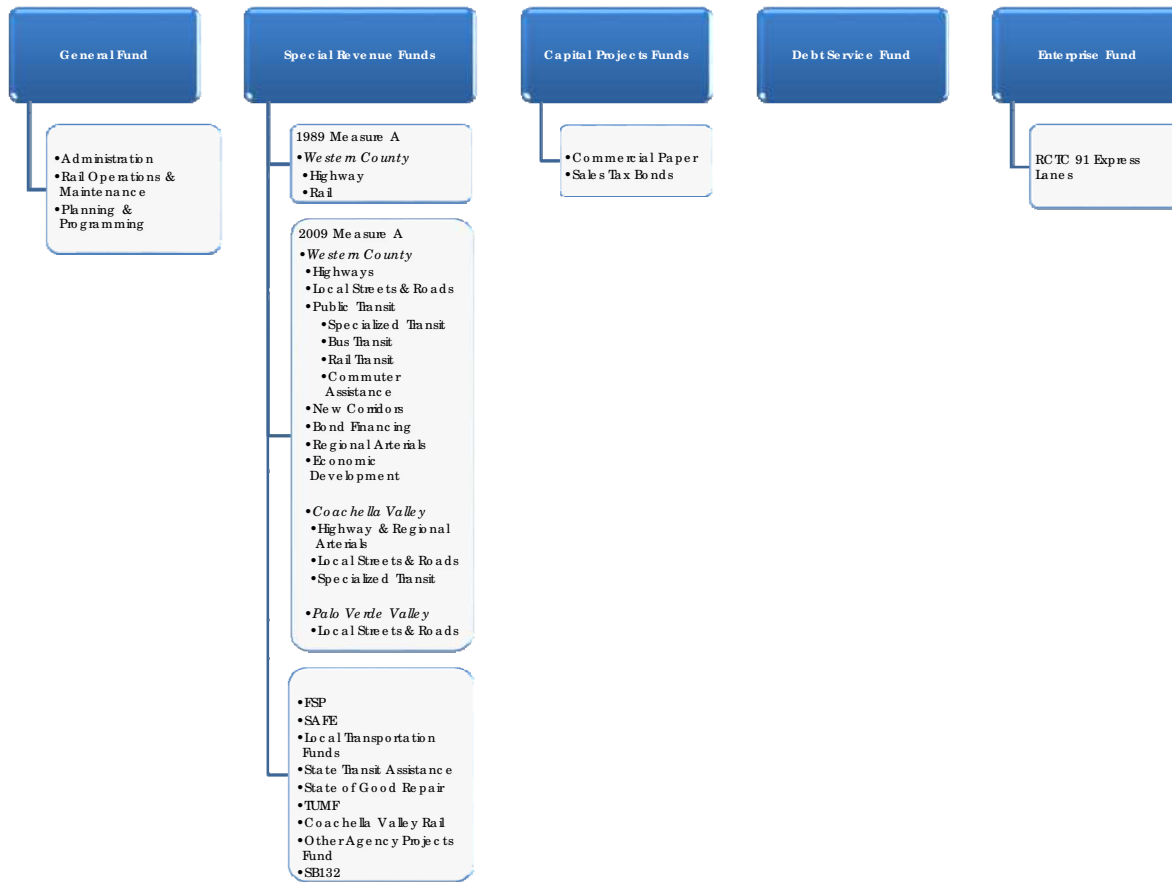
Chart 14 – Total Sources and Uses by Fund Type FY 2018/19



Fund Structure

The Commission accounts for its sources and uses in 32 funds (Chart 15) categorized into five fund types: General fund, special revenue funds, capital projects funds, debt service fund, and enterprise funds. All of the Commission's funds are budgeted. There are three funds reported in the General fund and 25 in the special revenue funds. Two capital projects funds are used to account for capital project expenditures financed with short- or long-term debt proceeds. The Commission has one debt service fund to account for debt-related activity. In addition, the Commission has one enterprise fund to account for the RCTC 91 Express Lanes operations.

Chart 15 – Budgeted Funds Structure FY 2018/ 19



General Fund

Overview

The Commission’s General fund accounts for all activities not legally required or designated by Board action to be accounted for separately. For many public agencies, the General fund is the largest fund; however, it is less significant for the Commission. The Commission’s largest revenue source is Measure A, a locally levied sales tax that legally must be accounted for separately in special revenue funds. In addition to Commission administration and general operations, other General fund activities include commuter rail maintenance and operations as well as planning and programming. Table 21 presents the FY 2018/ 19 budget for the General fund, followed by a discussion of significant components of the budget.

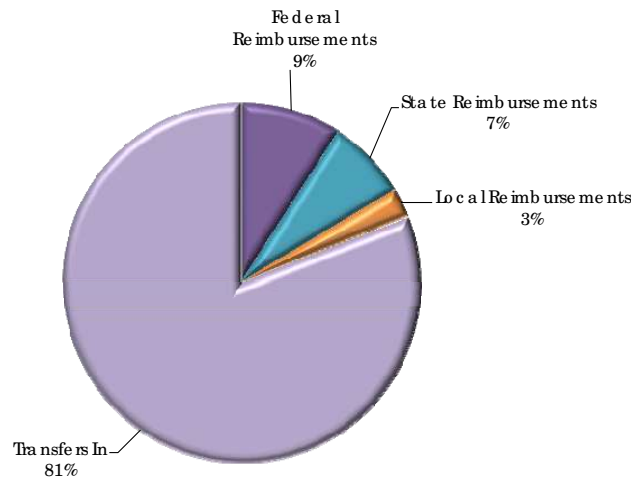
Table 21 – General Fund FY 2017 – 2019

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Revenue s						
Measure A Sales Tax	\$ 3,250,000	\$ -	\$ -	\$ -	\$ -	N/A
Federal Reimbursements	2,363,600	4,161,700	3,869,000	3,978,000	(183,700)	-4%
State Reimbursements	614,800	3,365,700	1,561,200	3,181,700	(184,000)	-5%
Local Reimbursements	-	1,175,000	734,600	1,113,100	(61,900)	-5%
Other Revenue	262,700	293,200	-	-	(293,200)	-100%
Investment Income	74,700	76,400	99,300	98,600	22,200	29%
TOTAL Revenue s	6,565,800	9,072,000	6,264,100	8,371,400	(700,600)	-8%
Expenditures						
Personnel Salaries and Benefits	4,393,500	4,412,600	4,401,100	5,069,600	657,000	15%
Professional and Support						
Professional Services	2,133,900	4,974,200	3,432,100	4,369,700	(604,500)	-12%
Support Costs	3,705,700	5,695,500	4,467,700	5,415,400	(280,100)	-5%
TOTAL Professional and Support Costs	5,839,600	10,669,700	7,899,800	9,785,100	(884,600)	-8%
Projects and Operations						
Program Operations	2,658,900	2,856,500	2,522,100	2,728,800	(127,700)	-4%
Engineering	-	2,000,000	350,000	1,650,000	(350,000)	-18%
Construction	(74,600)	2,984,200	950,000	1,800,000	(1,184,200)	-40%
Operating and Capital Disbursements	18,627,800	21,455,000	20,856,800	25,055,000	3,600,000	17%
Special Studies	211,100	3,150,000	2,125,000	1,622,000	(1,528,000)	-49%
TOTAL Projects and Operations	21,423,200	32,445,700	26,803,900	32,855,800	410,100	1%
Debt Service						
Principal Payments	17,200	-	-	-	-	N/A
Interest Payments	7,600	-	-	-	-	N/A
TOTAL Debt Service	24,800	-	-	-	-	N/A
Capital Outlay	95,500	1,005,000	690,000	1,136,200	131,200	13%
TOTAL Expenditures	31,776,600	48,533,000	39,794,800	48,846,700	313,700	1%
Excess (deficiency) of Revenue s over (under) Expenditures	(25,210,800)	(39,461,000)	(33,530,700)	(40,475,300)	(1,014,300)	3%
Other Financing Sources (Use s)						
Transfers In	33,544,700	41,103,600	42,028,400	35,342,300	(5,761,300)	-14%
Transfers Out	-	(1,551,800)	(1,404,100)	(1,265,600)	286,200	-18%
Net Financing Sources (Use s)	33,544,700	39,551,800	40,624,300	34,076,700	(5,475,100)	-14%
Excess (deficiency) of Revenue s over (under) Expenditures and Other Financing Sources (Use s)	8,333,900	90,800	7,093,600	(6,398,600)	(6,489,400)	-7147%
Beginning Fund Balance	10,792,200	19,126,100	19,126,100	26,219,700	7,093,600	37%
ENDING FUND BALANCE	\$ 19,126,100	\$ 19,216,900	\$ 26,219,700	\$ 19,821,100	\$ 604,200	3%

The sources for the General fund (Chart 16) consist of:

- Various federal, state and local reimbursements for planning activities and commuter rail station operations and maintenance;
- Investment income;
- Transfers from various funds for the allocation of administrative costs;
- Transfers of LIF sales tax revenues for planning, programming, and monitoring (PPM) activities; and
- Transfers of LIF Article 4 allocations for commuter rail operations and capital.

Chart 16 – General Fund Sources FY 2018/19



Prior to FY 2017/18, Measure A sales tax revenues included an off-the-top allocation for administrative costs. The Commission now allocates administrative costs based on a cost allocation plan and recognizes reimbursements to the General fund from other funds as transfers in. The FY 2018/19 General fund administrative allocation of \$4,366,100 from Measure A may be adjusted based on actual expenditures, but in no event will it exceed 4% of total Measure A revenues (including administrative salaries and benefits).

Federal reimbursements relate to station rehabilitation, and state reimbursements include STIP funds for PPM activities. Local reimbursements and other revenues from local agencies relate to rail station security, other agency projects, and planning activities.

The Commission allocates and transfers from the General fund a portion of LIF sales tax revenues for administration, planning and programming, and rail transit operations and capital for the following purposes:

- General fund administration allocations funded with LIF sales tax revenues of \$81,700 in FY 2018/19 reflect a 51% decrease compared to the prior year.
- State law sets planning allocations at 3% of estimated LIF sales tax revenues. The FY 2018/19 budget for planning allocations is \$2,820,000. The FY 2017/18 revised budget of \$3,090,000 includes the effect of the mid-year projection adjustment that includes the unapportioned carryover amount, which is not determined until after the prior year's fiscal year end, and revised revenue projections.
- LIF sales tax revenues of \$683,300 in FY 2018/19 will fund General fund allocations for planning and programming activities.
- Commuter rail operating and capital needs determine the amount of LIF allocations to the extent that revenues and reserved fund balance are available. The FY 2018/19 budget includes \$21,200,000 in LIF allocations primarily to fund operating contribution expenditures to SCRRA and rail studies.
- The FY 2018/19 budget includes LIF allocations of \$2,000,000 for grade separation projects.

The 2009 Measure A Western County rail fund will not transfer funds in FY 2018/19 for rail station maintenance and operations due to sufficient fund balance reserves; in prior years, LIF allocations primarily funded rail stations.

Administrative transfers in from STA, TUMF, motorist assistance, toll operations, SB 132, and other agency project funds of \$4,191,200 in FY 2018/19 increased from \$3,661,100 in FY 2017/18 due to a higher level of activity requiring administrative support.

Chart 17 – General Fund Uses FY 2018/19

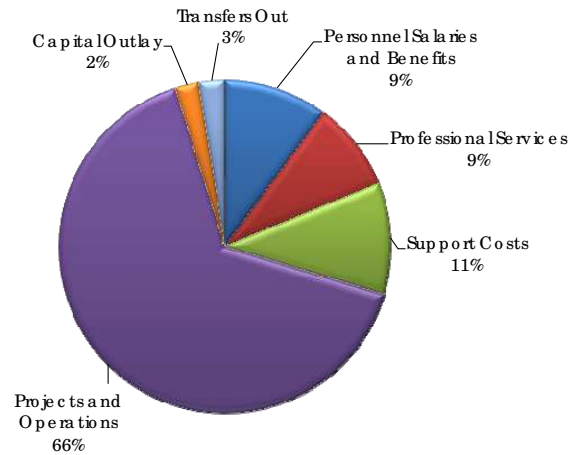


Chart 17 depicts General fund uses. Personnel salaries and benefits expenditures increased \$657,000 due to changes in the allocation of FTEs, increase to the Commission's contribution to employee health benefits, and merit-based salary increases. Professional costs decreased 12% compared to the prior year due to a reduction in professional services for rail planning and station development in the Coachella Valley. Support costs decreased 5% due to expenditures for station maintenance and operations, utilities, and security at the four new PVL stations.

Projects and operations expenditures increased 1% due to program operations expenditures related to PVL station operations, operating contribution to SCRRA for PVL operations, development of a countywide integrated long-range transportation plan, planning allocations, and a grade separation project. The FY 2018/19 operating and capital disbursements budget includes allocations of \$22,100,000 for the Metrolink commuter rail subsidy. Capital outlay expenditures increased 13% due to information technology upgrades and station improvements. Transfers out of \$1,265,600 reflect amounts to General fund administration from rail operations and planning and programming activities.

Special Revenue Funds

Overview

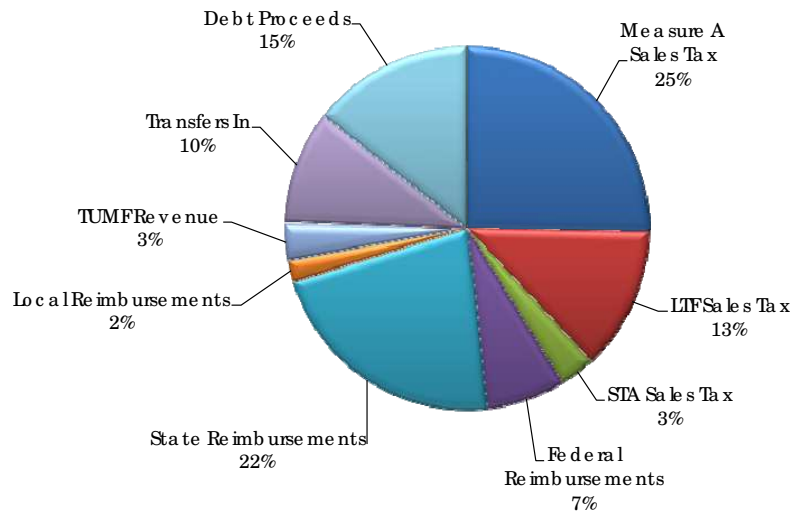
The Commission's special revenue funds are legally restricted as to use for Measure A projects and programs, TUMF projects, motorist assistance services, other agency project coordination, and funding transit operations and capital in the County. Table 22 is a summary of the special revenue funds' budgets, and Tables 23 through 34 present the individual budgets along with respective discussions.

Table 22 – Special Revenue Funds FY 2017 – 2019

	FY 16/17	FY 17/18	FY 17/18	FY 18/19	Dollar	Percent
	Actual	Revised Budget	Projected	Budget	Change	Change
Revenues						
Measure A Sales Tax	\$ 172,070,200	\$ 181,000,000	\$ 181,000,000	\$ 187,000,000	\$ 6,000,000	3%
LIF Sales Tax	88,206,900	91,000,000	91,000,000	94,000,000	3,000,000	3%
STA Sales Tax	6,432,600	10,469,000	20,204,800	23,203,600	12,734,600	122%
Federal Reimbursements	15,061,800	71,655,000	98,748,000	52,327,500	(19,327,500)	-27%
State Reimbursements	7,923,700	13,223,400	6,713,900	162,260,700	149,037,300	1127%
Local Reimbursements	3,727,400	5,665,100	5,200,500	14,424,800	8,759,700	155%
TUMF Revenue	19,594,800	22,250,000	22,250,000	22,922,200	672,200	3%
Other Revenue	6,483,300	2,510,500	574,200	539,000	(1,971,500)	-79%
Investment Income	2,086,100	1,929,500	3,142,900	2,049,800	120,300	6%
TOTAL Revenues	321,586,800	399,702,500	428,834,300	558,727,600	159,025,100	40%
Expenditures						
Personnel Salaries and Benefits	3,903,200	4,396,500	4,401,100	4,682,100	285,600	6%
Professional and Support						
Professional Services	11,356,100	14,511,700	12,046,600	13,150,500	(1,361,200)	-9%
Support Costs	1,164,200	1,524,200	1,026,800	1,284,800	(239,400)	-16%
TOTAL Professional and Support Costs	12,520,300	16,035,900	13,073,400	14,435,300	(1,600,600)	-10%
Projects and Operations						
Program Operations	10,975,300	17,315,000	15,241,100	14,425,200	(2,889,800)	-17%
Engineering	3,167,700	10,007,900	7,965,100	34,083,800	24,075,900	241%
Construction	35,590,400	72,090,900	39,682,100	124,558,000	52,467,100	73%
Design Build	170,452,800	192,599,700	145,452,500	188,565,500	(4,034,200)	-2%
Right of Way/Land	27,343,800	88,112,500	36,935,900	92,220,600	4,108,100	5%
Operating and Capital Disbursements	84,536,000	133,050,600	109,796,700	174,918,300	41,867,700	31%
Special Studies	2,700	802,000	300,000	50,000	(752,000)	-94%
Local Streets and Roads	51,864,000	55,037,500	55,037,500	56,951,500	1,914,000	3%
Regional Arterials	14,597,000	30,416,000	20,000,000	30,000,000	(416,000)	-1%
TOTAL Projects and Operations	398,529,700	599,432,100	430,410,900	715,772,900	116,340,800	19%
Capital Outlay	5,574,900	5,221,300	3,000,000	3,550,000	(1,671,300)	-32%
TOTAL Expenditures	420,528,100	625,085,800	450,885,400	738,440,300	113,354,500	18%
Exc ess (def ic ien cy) of Revenue over (under) Expenditures						
	(98,941,300)	(225,383,300)	(22,051,100)	(179,712,700)	45,670,600	-20%
Other Financing Sources (Uses)						
Transfers In	75,886,800	158,952,900	145,277,200	74,001,300	(84,951,600)	-53%
Transfers Out	(82,625,200)	(142,216,300)	(138,453,800)	(126,481,800)	15,734,500	-11%
TIFIA Loan Proceeds	143,358,100	81,810,000	-	106,081,000	24,271,000	30%
Net Financing Sources (Uses)	136,619,700	98,546,600	6,823,400	53,600,500	(44,946,100)	-46%
Exc ess (def ic ien cy) of Revenue over (under) Expenditures and Other Financing Sources (Uses)						
	37,678,400	(126,836,700)	(15,227,700)	(126,112,200)	724,500	-1%
Beginning Fund Balance	516,014,100	553,692,500	553,692,500	538,464,800	(15,227,700)	-3%
ENDING FUND BALANCE	\$ 553,692,500	\$ 426,855,800	\$ 538,464,800	\$ 412,352,600	\$ (14,503,200)	-3%

The Commission accounts for Measure A and LIF sales taxes, STA allocations, Western County TUMF, state budgetary allocations, and vehicle registration fees in the 25 special revenue funds. Federal, state, and local reimbursements and transfers in consisting principally of debt proceeds supplement the Measure A sales tax revenues. Chart 18 illustrates the various special revenue fund sources.

Chart 18 – Special Revenue Funds Sources FY 2018/19

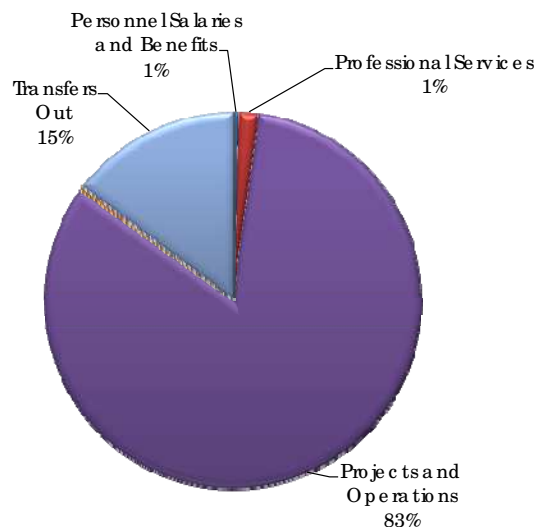


The Commission expends special revenue funds' resources on:

- County highway, rail, regional arterial, and new corridors engineering, right of way acquisition, construction, and design-build;
- Local streets and roads maintenance, repair, and construction;
- Economic development incentives;
- Sales tax bond financing;
- Bicycle and pedestrian facilities;
- Education and incentive programs to encourage use of alternate modes of transportation;
- Special social service transportation programs;
- Public transit operations and capital needs; and
- Motorist to wing and freeway call box assistance.

As shown in Chart 19, projects and operations expenditures represent the primary use of special revenue fund resources.

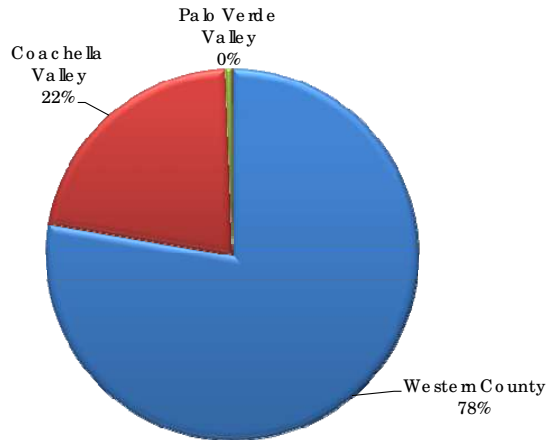
Chart 19 – Special Revenue Funds Uses FY 2018/19



Measure A Special Revenue Funds

Measure A sales tax revenue, which is allocated to the three geographic areas of the County (Chart 20) primarily funds 16 of the special revenue funds. There are two 1989 Measure A and ten 2009 Measure A Western County funds, three 2009 Measure A Coachella Valley funds, and one 2009 Measure A Palo Verde Valley fund.

Chart 20 – Measure A Sales Tax Revenues by Geographic Area



Since the 1989 Measure A terminated on June 30, 2009, the remaining 1989 Measure A Western County funds will be closed upon the completion of the specific highway and rail projects. With the commencement of the 2009 Measure A on July 1, 2009, 14 funds will be in existence for the 30-year term. These funds account for all Measure A project and program expenditures and transfers of debt service for capital projects.

The Measure A special revenue funds expend monies on capital construction and improvements to highways, commuter rail, regional arterials, new corridors, and local streets and roads. Funding is also reserved for commuter assistance, public and specialized transit, and economic development incentives programs as well as bond financing costs. The Commission is a self-help county, and, as such on major highway projects, the Commission supplements the State's spending. Upon completion of most highway projects, Caltrans takes over the maintenance and operations of the projects.

The Commission pledged all Measure A sales tax revenues as security for the Commission's senior sales tax revenue bonds and subordinate commercial paper notes. Debt service on the bonds is recorded in the Sales Tax Bonds debt service fund, and Measure A special revenue funds provide most of the resources for debt service through transfers out.

Western County Measure A Funds

The Western County Measure A special revenue funds account for Western County's approximately 78% share of the Measure A sales tax. As demonstrated in Table 23, most of the Commission's reimbursements flow through these funds, since the sales tax leverages state and federal dollars.

Table 23 – Western County Measure A Funds FY 2017 – 2019

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Sources						
Measure A Sales Tax						
Bond Financing	\$ 10,687,900	\$ 11,242,500	\$ 11,242,500	\$ 11,664,000	\$ 421,500	4%
Commuter Assistance	1,979,200	2,081,900	2,081,900	2,160,000	78,100	4%
Economic Development Incentives	1,583,400	1,665,600	1,665,600	1,728,000	62,400	4%
Highways	40,376,300	42,471,700	42,471,700	44,066,000	1,594,300	4%
Local Streets and Roads	38,397,100	40,389,800	40,389,800	41,906,000	1,516,200	4%
New Corridors	14,646,300	15,406,400	15,406,400	15,985,000	578,600	4%
Public Bus Transit	2,018,800	2,123,600	2,123,600	2,204,000	80,400	4%
Rail	8,075,300	8,494,300	8,494,300	8,813,000	318,700	4%
Regional Arterials	11,875,400	12,491,700	12,491,700	12,960,000	468,300	4%
Specialized Transit	3,364,700	3,539,300	3,539,300	3,672,000	132,700	4%
Total Measure A	133,004,400	139,906,800	139,906,800	145,158,000	5,251,200	4%
Federal Reimbursements	14,532,600	69,255,000	97,748,000	50,090,000	(19,165,000)	-28%
State Reimbursements	4,147,000	4,223,400	1,359,800	39,133,300	34,909,900	827%
Local Reimbursements	3,521,100	1,434,500	3,260,000	2,087,900	653,400	46%
Other Revenue	5,837,800	1,828,500	574,200	539,000	(1,289,500)	-71%
Investment Income	944,100	623,300	1,276,900	753,500	130,200	21%
Transfers In	74,394,600	156,715,900	143,528,200	69,284,700	(87,431,200)	-56%
TIFIA Loan Proceeds	143,358,100	81,810,000	-	106,081,000	24,271,000	30%
TOTAL Sources	379,739,700	455,797,400	387,653,900	413,127,400	(42,670,000)	-9%
Uses						
Personnel Salaries and Benefits	3,410,000	3,668,700	3,499,300	3,644,000	(24,700)	-1%
Professional Services	9,247,300	9,909,800	9,237,300	8,343,900	(1,565,900)	-16%
Support Costs	754,800	1,201,700	859,200	967,000	(234,700)	-20%
Projects and Operations						
Program Operations	7,246,100	13,003,300	11,406,000	8,443,300	(4,560,000)	-35%
Engineering	1,110,200	4,140,000	3,081,000	14,325,000	10,185,000	246%
Construction	33,037,500	59,715,700	37,257,700	70,892,000	11,176,300	19%
Design Build	170,452,800	186,099,700	144,452,500	140,582,900	(45,516,800)	-24%
Right of Way/Land	25,505,900	76,811,200	30,695,900	56,172,000	(20,639,200)	-27%
Operating and Capital Disbursements	7,461,700	18,612,200	12,560,000	23,100,000	4,487,800	24%
Special Studies	2,700	802,000	300,000	50,000	(752,000)	-94%
Local Streets and Roads	37,533,500	40,007,100	40,007,100	41,824,300	1,817,200	5%
TOTAL Projects and Operations	282,350,400	399,191,200	279,760,200	355,389,500	(43,801,700)	-11%
Capital Outlay	5,574,900	5,221,300	3,000,000	3,550,000	(1,671,300)	-32%
Transfers Out	58,614,000	114,551,100	110,477,500	91,744,900	(22,806,200)	-20%
TOTAL Uses	359,951,400	533,743,800	406,833,500	463,639,300	(70,104,500)	-13%
Excess (deficiency) of Sources over (under) Uses	\$ 19,788,300	\$ (77,946,400)	\$ (19,179,600)	\$ (50,511,900)	\$ 27,434,500	-35%

The budgeted Western County Measure A sales tax revenues reflect a 4% increase compared to the prior year due to Measure A sales tax projections. Taxable sales changes between jurisdictions within the County also periodically affect the geographic allocation formula from year to year.

Federal reimbursements for highway and rail projects and the commuter assistance program are lower in the FY 2018/19 budget and relate primarily to funding from the Federal Transit Administration (FTA) and Congestion Mitigation and Air Quality (CMAQ). The 28% decrease in federal reimbursements is primarily attributable to federal funding for activity on the I-15 Express Lanes project, 71/91 connector project, and PVL and other rail related projects in the previous fiscal year. State reimbursements are higher by 827% compared to the FY 2017/18 budget and reflect funding from SIIIP and Proposition 1B funding for various highway projects, particularly the SR-60 truck climbing lanes, I-15 Express Lanes south extension, and Pachappa underpass. The local reimbursement increase of 46% from the prior year is attributable to the commuter assistance program.

Other revenue decreased 71% from the prior year primarily due to property management lease revenues. Investment income increased compared to the previous year's budget due to higher investment yields.

As in prior years, a significant portion of transfers in consists of sales tax revenue bonds proceeds of \$45,044,500 to fund the I-15 Express Lanes project and completion of the 91 Project. Other significant transfers in include:

- \$15,900,200 from the 2009 Measure A bond financing fund to fund a portion of Western County debt service;
- \$590,000 from the TUMF regional arterial fund for the I-15 Express Lanes project advance funding of I-15/Limonite interchange construction;
- \$6,000,000 from the RCTC 91 Express Lanes fund for the SR-91 corridor operations project;
- Proposition 1B funding of \$250,000 for the Riverside La Sierra station improvements; and
- \$1,500,000 from the 2009 Measure A Western County commuter assistance fund for a transit project.

TIFIA loan proceeds of \$106,081,000 will fund eligible I-15 Express Lanes project expenditures.

Personnel salaries and benefits expenditures decrease 1% from the prior year resulting from the allocation of FIEs offset by an increase to the Commission's contribution to employee health benefits and merit-based salary increases.

Measure A Western County professional services expenditures in FY 2018/19 consist of general legal services for the various programs and capital projects, specialized legal and financial advisory services related to the I-15 Express Lanes project and completion of the 91 Project, and other professional services for rail capital and commuter assistance projects and the Commission's debt programs. The 16% decrease in FY 2018/19 reflects the prior year activity in legal and financial advisory services related to the 91 Project and I-15 Express Lanes project. Support costs related to highway and rail projects and property management as well as the commuter assistance program decreased \$234,700, or 20%, from the prior year.

General program operations comprise the program management with outside consultants for the highway and rail capital and commuter assistance programs, permits required for capital projects, and subsidies and certificates for the commuter assistance program. Such levels of operations typically fluctuate as project activities transition to another phase.

Many of the Commission's Western County rail and highway projects funded by Measure A have been in various phases of engineering, construction, design-build, and right of way activity. The Commission expects engineering and construction to increase 246% and 19%, respectively, due to the I-15 Express Lanes, I-15 Express Lanes southern expansion, 71/91 connector, SR-60 truck climbing lanes, and Pachappa underpass projects. Design-build and right of way activities decreased 24% and 27%, respectively, compared to the prior year due to completion of the 91 Project.

The I-15 Express Lanes project is a major project in the design-build phase, while the 91 Project design-build activities concluded in FY 2017/18. Other design-build related activities during FY 2018/19 include utility and railroad relocations and the interagency and other consultant staff to support the I-15 Express Lanes project.

Right of way acquisition, another major project activity, can be a lengthy process. Right of way acquisition activity will benefit the I-15 Express Lanes project, 71/91 connector project, and Mid County Parkway and the close out of the 91 Project.

Operating and capital disbursements increased 24% compared to the FY 2017/18 budget and relate to Western County intercity bus service, specialized transit expenditures, and rail capital funded by Measure A. Special studies decreased 94% compared to the prior year due to feasibility studies performed in the prior year. Local streets and roads, or turn back payments to local jurisdictions and the County, increased because of higher Measure A sales tax revenues. Capital outlay includes equipment and improvements for the rail program and reflects a 32% decrease due to station rehabilitation and improvements in the prior fiscal year.

Significant transfers out from the Western County Measure A funds include:

- Funding for debt service payments of \$82,955,700;
- \$250,000 from the 2009 Measure A Western County rail fund for station rehabilitation costs;
- \$1,500,000 from the 2009 Measure A Western County commuter assistance fund for a transit project;
- \$3,000,000 loan from the 2009 Measure A Western County highways fund to establish the I-15 Express Lanes project TIFIA reserve; and
- \$4,039,200 for the administrative costs allocation.

Coachella Valley Measure A Funds

These special revenue funds account for Coachella Valley's 22% share of the Measure A sales tax (Table 24).

Table 24 – Coachella Valley Measure A Funds FY 2017 – 2019

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Sources						
Measure A Sales Tax						
Highways & Regional Arterials	\$ 19,027,200	\$ 20,014,600	\$ 20,014,600	\$ 20,425,000	\$ 410,400	2%
Local Streets and Roads	13,319,000	14,010,200	14,010,200	14,297,000	286,800	2%
Specialized Transit	5,708,100	6,004,400	6,004,400	6,127,000	122,600	2%
Total Measure A	38,054,300	40,029,200	40,029,200	40,849,000	819,800	2%
Investment Income	184,800	112,300	303,600	198,300	86,000	77%
Transfers In	167,200	188,000	-	-	(188,000)	-100%
TOTAL Sources	38,406,300	40,329,500	40,332,800	41,047,300	717,800	2%
Uses						
Personnel Salaries and Benefits	1,200	-	200	5,100	5,100	N/A
Professional Services	9,100	7,400	48,500	49,300	41,900	566%
Support Costs	100	200	200	200	-	0%
Projects and Operations						
Program Operations	13,900	900	-	-	(900)	-100%
Operating and Capital Disbursements	5,835,700	5,153,400	5,153,400	5,500,000	346,600	7%
Local Streets and Roads	13,319,000	13,976,500	13,976,500	14,215,300	238,800	2%
Regional Arterials	14,080,400	30,416,000	20,000,000	30,000,000	(416,000)	-1%
TOTAL Projects and Operations	33,249,000	49,546,800	39,129,900	49,715,300	168,500	0%
Transfers Out	-	399,400	124,800	245,800	(153,600)	-38%
TOTAL Uses	33,259,400	49,953,800	39,303,600	50,015,700	61,900	0%
Excess (deficiency) of Sources over (under) Uses	\$ 5,146,900	\$ (9,624,300)	\$ 1,029,200	\$ (8,968,400)	\$ 655,900	-7%

Coachella Valley Measure A sales tax revenues increased 2%. Although total Measure A sales tax revenues increased 3%, taxable sales changes among the geographic areas also impact the geographic allocation formula from year to year.

The Coachella Valley operating and capital disbursements represent specialized transit funds distributed to SunLine Transit Agency (SunLine) for transit operations. Local streets and roads payments to local jurisdictions are directly affected by changes in Measure A sales tax revenues. Regional arterial projects are highway and regional arterial projects managed by CVAG.

The Commission accounts for debt service funding related to CVAG highway and regional arterial and the city of Indio local streets and roads projects, under advance funding agreements, in projects and operations in order to be consistent with the accounting in the ERP system.

Transfers out of \$245,800 relate to the administrative costs allocation.

Palo Verde Valley Measure A Fund

This special revenue fund accounts for Palo Verde Valley's share of the Measure A sales tax (Table 25).

Table 25 – Palo Verde Valley Measure A Fund FY 2017 – 2019

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Sources						
Measure A Sales Tax						
Local Streets and Roads	\$ 1,011,500	\$ 1,064,000	\$ 1,064,000	\$ 993,000	\$ (71,000)	-7%
Uses						
Local Streets and Roads	1,011,500	1,053,900	1,053,900	911,900	(142,000)	-13%
TOTAL Projects and Operations	1,011,500	1,053,900	1,053,900	911,900	(142,000)	-13%
Transfers Out	-	10,100	10,100	81,100	71,000	703%
TOTAL Uses	1,011,500	1,064,000	1,064,000	993,000	(71,000)	-7%
Excess (deficiency) of Sources over (under) Uses	\$ -	\$ -	\$ -	\$ -	\$ -	N/A

Although total Measure A sales tax revenues increased 3%, taxable sales changes among the geographic areas also impact the geographic allocation formula from year to year.

Local streets and roads represent the only expenditures in the Palo Verde Valley. The Commission accounts for debt service funding for the city of Blythe local streets and roads projects, under an advance funding agreement, in projects and operations in order to be consistent with the accounting in the ERP system. Transfers out of \$81,100 relate to the administrative costs allocation.

Non-Measure A Special Revenue Funds

The non-Measure A special revenue funds account for LIF disbursements; TUMF Western County project costs; motorist assistance expenditures for towing service as well as freeway call box and I511 system operations; transit disbursements from STA and SGR funding; Coachella Valley rail planning and development; interagency project activities; and SB 132 project activities. These activities are budgeted in the LIF, TUMF, FSP, SAFE, STA, SGR Coachella Valley Rail, Other Agency Projects, and SB 132 special revenue funds, respectively.

Local Transportation Fund

The LIF special revenue fund derives its revenue from one quarter of one cent of the state sales tax that is returned to source and provides for funding of public transit operations in the County, bicycle and pedestrian facility projects, planning, and administration (Table 26).

Table 26 – Local Transportation Fund FY 2017 – 2019

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Sources						
LIF Sales Tax	\$ 88,206,900	\$ 91,000,000	\$ 91,000,000	\$ 94,000,000	\$ 3,000,000	3%
Investment Income	322,500	435,300	492,600	375,600	(59,700)	-14%
TOTAL Sources	88,529,400	91,435,300	91,492,600	94,375,600	2,940,300	3%
Uses						
Operating and Capital Disbursements	68,543,600	87,965,000	80,266,100	93,903,000	5,938,000	7%
Transfers Out	21,627,300	24,233,300	24,125,600	27,251,600	3,018,300	12%
TOTAL Uses	90,170,900	112,198,300	104,391,700	121,154,600	8,956,300	8%
Excess (deficiency) of Sources over (under) Uses	\$ (1,641,500)	\$ (20,763,000)	\$ (12,899,100)	\$ (26,779,000)	\$ (6,016,000)	29%

The Commission projects LIF sales tax revenue in FY 2018/19 to increase 3% from the prior year. Investment income decreased due to lower cash and investment balances.

In FY 2018/19, approximately 97% and 3% of the LIF transit expenditures of \$84,900,000 are for operating and capital purposes, respectively. LIF operating allocations, subject to approval in July 2018, are comprised of 73% to Western County, 25% to Coachella Valley, and 2% to Palo Verde Valley public bus operators. Other operating and capital disbursements include allocations for SB 821 bicycle and pedestrian projects of \$8,286,000 and planning and administration allocations of \$717,000 to the County Auditor-Controller and SCAG.

Transfers out include allocations to the Commission's General fund for planning and administration of \$2,820,000; rail operations of \$21,200,000; grade separation projects of \$2,000,000; \$1,149,900 for planning, programming, and agency share of the administrative costs; and \$81,700 for administrative costs allocation.

Transportation Uniform Mitigation Fee Fund

The TUMF fund accounts for the Commission's share of developer fee assessments on new residential and commercial developments in Western County for regional arterials and Community Environmental Transportation Acceptability Process (CETAP) corridors (Table 27).

TUMF revenues includes \$21,000,000 based on projected fees distributed to the Commission and \$1,922,200 related to WRCOG's TUMF Zone reimbursements for a Lake Elsinore regional arterial project managed by the Commission. Federal reimbursements of \$237,500 relate to the Lake Elsinore regional arterial project. The FY 2018/19 transfers in of \$300,000 relate to funding for the SR-79 realignment project from the 2009 Measure A Western County Highways special revenue fund.

Table 27 – Transportation Uniform Mitigation Fee Fund FY 2017 – 2019

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Sources						
Federal Reimbursements	\$ -	\$ -	\$ -	\$ 237,500	\$ 237,500	N/A
TUMF Revenue	19,594,800	22,250,000	22,250,000	22,922,200	672,200	3%
Other Revenue	10,200	-	-	-	-	N/A
Investment Income	301,200	390,600	521,600	414,400	23,800	6%
Transfers In	450,900	435,000	135,000	300,000	(135,000)	-31%
TOTAL Sources	20,357,100	23,075,600	22,906,600	23,874,100	798,500	3%
Uses						
Personnel Salaries and Benefits	265,600	290,400	281,900	271,500	(18,900)	-7%
Professional Services	811,200	439,700	345,400	455,100	15,400	4%
Support Costs	19,400	9,300	7,500	13,000	3,700	40%
Projects and Operations						
Program Operations	333,800	274,800	287,700	316,100	41,300	15%
Engineering	2,057,500	4,624,500	3,509,100	6,738,800	2,114,300	46%
Construction	2,552,900	7,386,700	2,293,400	5,286,000	(2,100,700)	-28%
Right of Way/Land	1,787,100	11,036,300	6,100,000	15,793,600	4,757,300	43%
Regional Arterials	516,600	-	-	-	-	N/A
TOTAL Projects and Operations	7,247,900	23,322,300	12,190,200	28,134,500	4,812,200	21%
Transfers Out	1,156,100	1,119,000	1,709,000	1,562,000	443,000	40%
TOTAL Uses	9,500,200	25,180,700	14,534,000	30,436,100	5,255,400	21%
Excess (deficiency) of Sources over (under) Uses	\$ 10,856,900	\$ (2,105,100)	\$ 8,372,600	\$ (6,562,000)	\$ (4,456,900)	212%

Personnel salaries and benefits reflect a net decrease of 7% due to allocation of FIEs, offset by an increase to the Commission's contribution to employee health benefits and merit-based salary increases. Professional services increases relate to legal services for the Lake Elsinore regional arterial project, while support costs increases relate to property maintenance on the Mid County Parkway project.

Projects and operations costs increased 21%, as many regional arterial projects move through various stages of engineering, right of way acquisition, and construction. Approximately 71% of the projects and operations costs are attributable to programmed regional arterial projects. The remaining 29% relates to CETAP projects such as the Mid County Parkway preliminary engineering and right of way acquisitions.

Transfers out represent \$590,000 to the 2009 Measure A Western County highways fund for the I-15 Express Lanes project and \$972,000 to the General fund related to the administrative cost allocation.

Freeway Service Patrol Fund

The FSP fund accounts for the state and local resources provided to cover the costs of servicing stranded motorists in covered service areas and construction zones by means of towing, changing tires, and providing fuel (Table 28).

The State's funding share of \$2,909,000 increased 32% from the FY 2017/18 budget due to increased California Highway Patrol (CHP) support needed for highway construction projects. Local reimbursements of \$225,300 relate to weekend FSP services on SR-60. Transfers in represent Commission match funds of \$3,600,000 from the SAFE special revenue fund.

Table 28 – Freeway Service Patrol Fund FY 2017 – 2019

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Sources						
State Reimbursements	\$ 1,788,700	\$ 2,200,000	\$ 1,613,100	\$ 2,909,000	\$ 709,000	32%
Local Reimbursements	-	-	675,000	225,300	225,300	N/A
Other Revenue	624,000	675,000	-	-	(675,000)	-100%
Investment Income	3,100	-	4,900	9,500	9,500	N/A
Transfers In	714,700	1,083,600	1,083,600	3,600,000	2,516,400	232%
TOTAL Sources	3,130,500	3,958,600	3,376,600	6,743,800	2,785,200	70%
Uses						
Personnel Salaries and Benefits	83,800	133,700	135,800	154,400	20,700	15%
Professional Services	33,600	48,000	32,000	48,000	-	0%
Support Costs	26,200	53,100	44,900	53,600	500	1%
Projects and Operations						
Program Operations	3,216,500	3,700,000	3,250,000	5,155,700	1,455,700	39%
Transfers Out	173,000	112,900	112,900	146,400	33,500	30%
TOTAL Uses	3,533,100	4,047,700	3,575,600	5,558,100	1,510,400	37%
Excess (deficiency) of Sources over (under) Uses	\$ (402,600)	\$ (89,100)	\$ (199,000)	\$ 1,185,700	\$ 1,274,800	-1431%

Personnel salaries and benefits increased 15% due to the allocation of FTEs, the Commission's contribution to employee health benefits, and merit-based salary increases. Professional services and support costs are comparable to the prior year's budget. Operating costs for towing services in FY 2018/19 are higher than the FY 2017/18 budget due to increased support levels needed on the I-15 Express Lanes, Pachappa underpass, and SR-60 truck climbing lane projects. Transfers out to the General fund of \$146,400 are administrative cost allocations.

Service Authority for Freeway Emergencies Fund

The SAFE fund accounts for the \$1 per vehicle registration fee levied by the State on all registered vehicles within the County. It funds the installation and implementation of emergency aid call boxes located strategically on the highways throughout the County as well as the operations of the IES11 system (Table 29).

Table 29 – Service Authority for Freeway Emergencies Fund FY 2017 – 2019

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Sources						
State Reimbursements	\$ 1,988,000	\$ 1,800,000	\$ 1,324,600	\$ 1,800,000	\$ -	0%
Local Reimbursements	206,300	229,600	216,100	231,600	2,000	1%
Other Revenue	11,300	7,000	-	-	(7,000)	-100%
Investment Income	29,200	39,100	36,000	26,900	(12,200)	-31%
TOTAL Sources	2,234,800	2,075,700	1,576,700	2,058,500	(17,200)	-1%
Uses						
Personnel Salaries and Benefits	42,100	20,300	17,200	45,600	25,300	125%
Professional Services	372,000	470,000	428,200	480,200	10,200	2%
Support Costs	362,400	245,800	110,100	236,400	(9,400)	-4%
Projects and Operations						
Program Operations	40,600	23,000	4,000	12,000	(11,000)	-48%
Transfers Out	895,400	1,144,600	1,144,600	3,674,100	2,529,500	221%
TOTAL Uses	1,712,500	1,903,700	1,704,100	4,448,300	2,544,600	134%
Excess (deficiency) of Sources over (under) Uses	\$ 522,300	\$ 172,000	\$ (127,400)	\$ (2,389,800)	\$ (2,561,800)	-1489%

Local reimbursements represent recoveries through a collection agency related to call box knockdowns and pass-through funds from SBC TA for its share of the IE511 system operating costs. Investment income is lower in FY 2018/19 due to lower cash and investment balances.

Personnel salaries and benefits increased 125% due to the allocation of FTEs, the Commission's contribution to employee health benefits, and merit-based salary increases. Professional services increased 2% due to SAFE strategic assessment long-term planning. Support costs decreased 4% due to a reduction in printing services and event support. Projects and operations costs decreased 48% based on a reduction in call box coordination.

The transfers out reflect a \$3,600,000 match to the State's contribution for towing services in the FSP special revenue fund and \$74,100 to the General fund for administrative cost allocations.

State Transit Assistance Fund

The STA fund accounts for the state budgetary allocation of gas tax revenues designated for rail and bus transit operations and capital requirements (Table 30). Estimates of diesel fuel sales tax revenues provided by the State Controller, subject to an annual state budget appropriation, serve as the basis for the allocation.

Table 30 – State Transit Assistance Fund FY 2017 – 2019

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Sources						
STA Sales Tax	\$ 6,432,600	\$ 10,469,000	\$ 16,507,600	\$ 19,506,600	\$ 9,037,600	86%
Investment Income	285,300	327,900	489,500	271,200	(56,700)	-17%
TOTAL Sources	6,717,900	10,796,900	16,997,100	19,777,800	8,980,900	83%
Uses						
Professional Services	-	16,300	16,800	18,000	1,700	10%
Operating and Capital Disbursements	2,695,000	21,320,000	8,120,000	48,800,000	27,480,000	129%
TOTAL Projects and Operations	2,695,000	21,320,000	8,120,000	48,800,000	27,480,000	129%
Transfers Out	159,400	272,900	312,900	431,700	158,800	58%
TOTAL Uses	2,854,400	21,609,200	8,449,700	49,249,700	27,640,500	128%
Excess (deficiency) of Sources over (under) Uses	\$ 3,863,500	\$ (10,812,300)	\$ 8,547,400	\$ (29,471,900)	\$ (18,659,600)	173%

Investment income is lower due to decreased cash and investment balances.

The operating and capital disbursements consist of allocations for bus capital purposes. In FY 2018/19, approximately 66% of the allocations are in Western County, 34% in Coachella Valley, and less than 1% in Palo Verde Valley. Transfers out represent rail capital allocations of \$350,000 to the Coachella Valley Rail fund and \$81,700 to the General fund for administrative cost allocations. Similar to the LIF allocations, the STA allocations are subject to Commission approval in July 2018.

State of Good Repair Fund

The State of Good Repair fund accounts for funding under SB 1 (The Road Repair and Accountability Act of 2017), which provides additional STA revenues for transit infrastructure repair and service improvements (Table 31). These additional STA revenues fund eligible transit maintenance, rehabilitation, and capital projects.

Table 31 – State of Good Repair Fund FY 2017 - 2019

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Sources						
STA Sales Tax	\$ -	\$ -	\$ 3,697,200	\$ 3,697,000	\$ 3,697,000	N/A
Uses						
Operating and Capital Disbursements	-	-	3,697,200	3,615,300	3,615,300	N/A
Transfers Out	-	-	-	81,700	81,700	N/A
TOTAL Uses	-	-	3,697,200	3,697,000	3,697,000	N/A
Excess (deficiency) of Sources over (under) Uses	\$ -	\$ -	\$ -	\$ -	\$ -	N/A

The capital disbursements consist of allocations for bus capital purposes. In FY 2018/19, 57% of the allocations are in Western County, 21% in Coachella Valley, less than 1% in Palo Verde Valley, and 21% for rail. Similar to the LIF and STA allocations, Commission approval of the SGR allocations occurs in July 2018. Transfers out of \$81,700 to the General fund represent administrative costs allocations.

Coachella Valley Rail Fund

The Coachella Valley Rail fund accounts for state funding for the planning and development of the new Coachella Valley-San Gorgonio Pass corridor rail service (Table 32).

Table 32 – Coachella Valley Rail Fund FY 2017 - 2019

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Sources						
Federal Reimbursements	\$ 529,200	\$ 2,400,000	\$ 1,000,000	\$ 2,000,000	\$ (400,000)	-17%
Investment Income	14,300	-	17,000	200	200	N/A
Transfers In	159,400	322,400	322,400	350,000	27,600	9%
TOTAL Sources	702,900	2,722,400	1,339,400	2,350,200	(372,200)	-14%
Uses						
Personnel Salaries and Benefits	29,400	25,600	22,600	50,700	25,100	98%
Professional Services	875,100	3,235,000	1,610,000	2,210,000	(1,025,000)	-32%
Support Costs	-	4,000	1,300	4,000	-	0%
Projects and Operations						
Engineering	-	250,000	200,000	-	(250,000)	-100%
Construction	-	2,200,000	-	2,400,000	200,000	9%
TOTAL Projects and Operations	-	2,450,000	200,000	2,400,000	(50,000)	-2%
Transfers Out	-	165,000	165,000	300,600	135,600	82%
TOTAL Uses	904,500	5,879,600	1,998,900	4,965,300	(914,300)	-16%
Excess (deficiency) of Sources over (under) Uses	\$ (201,600)	\$ (3,157,200)	\$ (659,500)	\$ (2,615,100)	\$ 542,100	-17%

Federal reimbursements represent a Federal Rail Administration (FRA) grant of \$2,000,000 for rail station planning and development. Transfers in of \$350,000 reflect STA allocations.

Personnel salaries and benefits increased 98% due to the allocation of FTEs, the Commission's contribution to employee health benefits, and merit-based salary increases. Professional services decreased 32% due to feasibility studies in the previous fiscal year. Projects and operations remained unchanged from the prior year. These expenditures represent exploring passenger rail options, conducting detailed studies, and station construction planning and development on the Coachella Valley-San Gorgonio Pass rail corridor. Transfers out to the General fund of \$300,600 relate to administrative costs allocations.

Other Agency Projects Fund

The Other Agency Projects fund accounts for interagency cooperative planning and development of projects in the County (Table 33). The Commission entered into a MOU with the District for the Santa Ana River Trail projects. The projects are a joint effort with several public and private agencies including the counties of Orange and San Bernardino. The District is the lead agency for environmental compliance for NEPA and CEQA, and the Commission is responsible for project oversight and approval, final design, and construction.

Table 33 – Other Agency Projects Fund FY 2017 – 2019

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Sources						
Local Reimbursements	\$ -	\$ 4,001,000	\$ 1,049,400	\$ 11,880,000	\$ 7,879,000	197%
Investment Income	1,600	1,000	800	200	(800)	-80%
Transfers In	-	208,000	208,000	466,600	258,600	124%
TOTAL Sources	1,600	4,210,000	1,258,200	12,346,800	8,136,800	193%
Uses						
Personnel Salaries and Benefits	54,200	112,800	104,100	123,600	10,800	10%
Professional Services	1,600	35,500	47,900	51,000	15,500	44%
Support Costs	1,300	100	600	600	500	500%
Projects and Operations						
Program Operations	124,400	243,000	243,000	271,800	28,800	12%
Engineering	-	993,400	650,000	970,000	(23,400)	-2%
Construction	-	2,788,500	-	10,208,000	7,419,500	266%
Right of Way/Land	50,800	265,000	140,000	255,000	(10,000)	-4%
TOTAL Projects and Operations	175,200	4,289,900	1,033,000	11,704,800	7,414,900	173%
Transfers Out	-	208,000	208,000	466,600	258,600	124%
TOTAL Uses	232,300	4,646,300	1,393,600	12,346,600	7,700,300	166%
Excess (deficiency) of Sources over (under) Uses	\$ (230,700)	\$ (436,300)	\$ (135,400)	\$ 200	\$ 436,500	-100%

The District is responsible for 100% of the Santa Ana River Trail project costs. It will reimburse the Commission, including providing an advance deposit, for all salaries and benefits, project management, engineering, and construction costs.

SB 132 Fund

The SB 132 fund (Table 34) accounts for the \$427 million appropriation from the state highway account to the Riverside County Transportation Efficiency Corridor for five major projects in Western County:

- Commission's 15/91 Express Lanes connector project;
- City of Corona's Mc Kinley Avenue grade separation project;
- County's Jurupa Road grade separation project with the city of Jurupa Valley as its partner;
- County's I-15/Limonite interchange project with the cities of Eastvale and Jurupa Valley as its partners; and
- County's Hamner Bridge widening project with the city of Norco as its partner.

Without the state funding approved by the Governor and State Legislators in April 2017 as part package of legislation that passed with SB 1, these projects would not have been built for many years.

Table 34 – SB 132 Fund FY 2017 – 2019

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Sources						
State Reimbursements	\$ -	\$ 5,000,000	\$ 2,416,400	\$ 118,418,400	\$ 113,418,400	2268%
Uses						
Personnel Salaries and Benefits	16,900	145,000	340,000	387,200	242,200	167%
Professional Services	6,200	350,000	280,500	1,495,000	1,145,000	327%
Support Costs	-	10,000	3,000	10,000	-	0%
Projects and Operations						
Program Operations	-	70,000	50,400	226,300	156,300	223%
Engineering	-	-	525,000	12,050,000	12,050,000	N/A
Construction	-	-	131,000	35,772,000	35,772,000	N/A
Design Build	-	6,500,000	1,000,000	47,982,600	41,482,600	638%
Right of Way/Land	-	-	-	20,000,000	20,000,000	N/A
TOTAL Projects and Operations	-	6,570,000	1,706,400	116,030,900	109,460,900	1666%
Transfers Out	-	-	63,400	495,300	495,300	N/A
TOTAL Uses	23,100	7,075,000	2,393,300	118,418,400	111,343,400	1574%
Excess (deficiency) of Sources over (under) Uses	\$ (23,100)	\$ (2,075,000)	\$ 23,100	\$ -	\$ 2,075,000	-100%

Personnel salaries and benefits increased 167% due to the allocation of FTEs, the Commission's contribution to employee health benefits, and merit-based salary increases. Professional services increased 327% due to legal services, financial advisory, and traffic and revenue study activities primarily related to the 15/91 Express Lanes connector project. Support costs are comparable to the prior year's budget. Projects and operations have increased \$109,460,900 primarily due to design-build activities on the 15/91 Express Lanes connector project; engineering and right of way activities on the McKinley Avenue grade separation project; and construction on the I-15/Limonite interchange project. Transfers out to the General fund of \$495,300 relate to the administrative costs allocations.

Capital Projects Funds

Overview

The capital projects funds account for all debt proceeds from commercial paper notes, sales tax revenue bonds, and toll revenue bonds (Table 35).

Table 35 - Capital Projects Funds FY 2017 - 2019

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Sources						
Investment Income	\$ 2,394,800	\$ 1,134,500	\$ 3,267,500	\$ 955,400	\$ (179,100)	-16%
TOTAL Revenues	2,394,800	1,134,500	3,267,500	955,400	(179,100)	-16%
Expenditures						
Professional Services	10,292,000	1,410,000	952,000	-	(1,410,000)	-100%
Support Costs	-	-	2,300	-	-	N/A
TOTAL Professional and Support Costs	10,292,000	1,410,000	954,300	-	(1,410,000)	-100%
Debt Service						
Principal Payments	20,000,000	30,000,000	30,000,000	-	(30,000,000)	-100%
Interest Payments	86,600	7,615,500	7,563,500	-	(7,615,500)	-100%
Cost of Issuance	654,000	3,767,200	2,257,100	-	(3,767,200)	-100%
TOTAL Debt Service	20,740,600	41,382,700	39,820,600	-	(41,382,700)	-100%
Capital Outlay	-	-	-	-	-	N/A
TOTAL Expenditures	31,032,600	42,792,700	40,774,900	-	(42,792,700)	-100%
Excess (deficiency) of Revenues over (under) Expenditures	(28,637,800)	(41,658,200)	(37,507,400)	955,400	42,613,600	-102%
Other Financing Sources (Uses)						
Transfers In	52,040,800	36,100,000	38,917,000	-	(36,100,000)	-100%
Transfers Out	(97,744,100)	(163,109,000)	(155,012,700)	(45,044,500)	118,064,500	-72%
Debt Proceeds	106,140,000	636,250,000	632,775,000	-	(636,250,000)	-100%
Payment to Escrow Agent	(63,900,000)	(546,300,000)	(538,055,700)	-	546,300,000	-100%
Bond Premium	8,414,000	119,722,000	119,713,800	-	(119,722,000)	-100%
Net Financing Sources (Uses)	4,950,700	82,663,000	98,337,400	(45,044,500)	(127,707,500)	-154%
Excess (deficiency) of Revenues over (under) Expenditures and Other Financing Sources (Uses)	(23,687,100)	41,004,800	60,830,000	(44,089,100)	(85,093,900)	-208%
Beginning Fund Balance	135,299,100	111,612,000	111,612,000	172,442,000	60,830,000	55%
ENDING FUND BALANCE	\$ 111,612,000	\$ 152,616,800	\$ 172,442,000	\$ 128,352,900	\$ (24,263,900)	-16%

As illustrated in the following charts for FY 2018/19, capital projects funds sources and uses consist of investment income (Chart 21) and transfers out (Chart 22), respectively. In prior years, these charts reflected debt proceeds, including bond premium, and transfers in for sources as well as debt service payments to escrow agent for uses. In FY 2017/18, the Commission issued sales tax revenue bonds to finance the I-15 Express Lanes project and 91 Project completion and to refund sales tax revenue bonds due to federal tax reform. The Commission does not anticipate any new sales tax revenue debt issuances, toll revenue debt issuances, or debt refundings in FY 2018/19.

Chart 21 – Capital Projects Funds Sources FY 2018/19

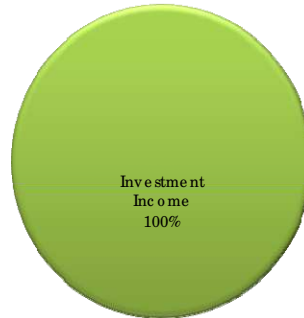


Chart 22 – Capital Projects Funds Uses FY 2018/19



In FY 2018/19, the Commission expects to transfer out sales tax bond proceeds of \$45,044,500 to the 2009 Measure A Western County Highways special revenue fund for the I-15 Express Lanes project and 91 Project completion.

Debt Service Fund

Overview

Under the 2009 Measure A program, as amended by Measure K in November 2010, the Commission has the authority to issue sales tax revenue bonds subject to a debt limitation of \$975,000,000. The Debt Service fund of the Commission primarily accounts for all activities related to the sales tax revenue bonds debt incurred by the Commission (Table 36). In FY 2016/17, the Commission transferred the Toll Bonds debt service fund to the RCTC 91 Express Lanes enterprise fund upon substantial completion of the 91 Project and opening of the RCTC 91 Express Lanes.

The Commission's largest single expenditure is debt service. The debt agreements require the trustees to hold all debt proceeds, a portion of the sales tax revenues intercepted from the CDTEA, and the toll revenues from express lanes operations and to segregate all funds into separate accounts. These monies are included in the restricted investments held by trustee in the capital projects funds, debt service fund, and enterprise fund. Under the sales tax indentures, the Commission may use sales tax revenues for any lawful purpose related to the Riverside County TIP after the trustee has satisfied debt service requirements. Under the toll indentures, which include the TIFA loans, a separate flow of funds administered by the trustee prescribes the use of toll revenues for each facility.

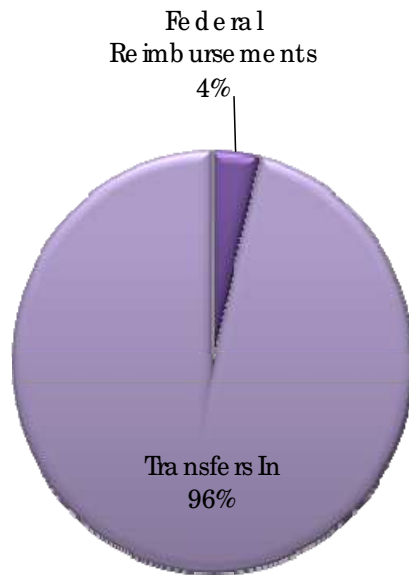
In order to advance project development activities, the Commission established a commercial paper program in 2005. Periodically the Commission issued commercial paper notes and retired some of the notes with proceeds from sales tax revenue bonds.

Table 36 – Debt Service Fund FY 2017 – 2019

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Sources						
Federal Reimbursements	\$ 2,776,300	\$ 2,746,500	\$ 2,791,300	\$ 2,800,200	\$ 53,700	2%
Investment Income	(72,400)	206,600	571,000	162,900	(43,700)	-21%
TOTAL Sources	2,703,900	2,953,100	3,362,300	2,963,100	10,000	0%
Expenditures						
Debt Service						
Principal Payments	7,300,000	32,145,000	32,120,000	25,965,000	(6,180,000)	-19%
Interest Payments	44,590,000	39,977,200	40,029,200	43,590,700	3,613,500	9%
TOTAL Debt Service	51,890,000	72,122,200	72,149,200	69,555,700	(2,566,500)	-4%
TOTAL Expenditures	51,890,000	72,122,200	72,149,200	69,555,700	(2,566,500)	-4%
Excess (deficiency) of Revenues over (under) Expenditures						
	(49,186,100)	(69,169,100)	(68,786,900)	(66,592,600)	2,576,500	-4%
Other Financing Sources (Uses)						
Transfers In	21,241,600	73,960,000	72,149,200	72,555,700	(1,404,300)	-2%
Transfers Out	(28,389,100)	(2,746,500)	(2,791,300)	(2,800,200)	(53,700)	2%
Payment to Escrow Agent	-	-	(3,834,200)	-	-	-
Net Financing Sources (Uses)	(7,147,500)	71,213,500	65,523,700	69,755,500	(1,458,000)	-2%
Excess (deficiency) of Revenues over (under) Expenditures and Other Financing Sources (Uses)						
	(56,333,600)	2,044,400	(3,263,200)	3,162,900	1,118,500	55%
Beginning Fund Balance	78,316,100	21,982,500	21,982,500	18,719,300	(3,263,200)	-15%
ENDING FUND BALANCE	\$ 21,982,500	\$ 24,026,900	\$ 18,719,300	\$ 21,882,200	\$ (2,144,700)	-9%

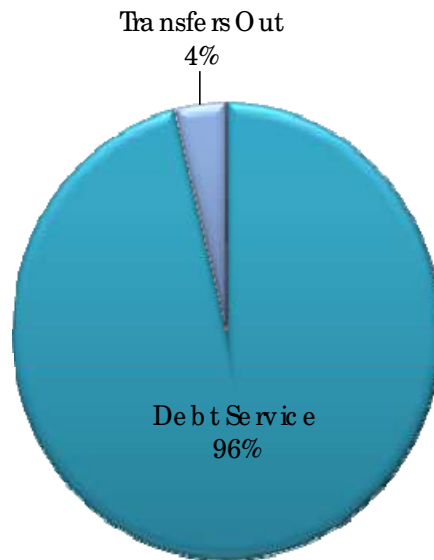
Reimbursements consist of federal cash subsidy payments related to the 2010 Series B Bonds (2010B Bonds) designated as Build America Bonds (BABs). The BABs subsidy payments reflect a reduction in the expected payments due to federal sequestration cuts. Investment income is slightly higher than the previous fiscal year due to improved investment yields. Transfers in represent the primary source of funding for the debt service funds and reserves (Chart 23) and consist of funds from the 2009 Measure A Western County Highways and Bond Financing special revenue funds.

Chart 23 – Debt Service Fund Sources FY 2018/19



Debt Service fund uses (Chart 24) consist of debt service on the sales tax revenue bonds and transfer of the BABs subsidy payments to the 2009 Measure A Western County highways and 2009 Measure A Coachella Valley highway and regional arterials funds.

Chart 24 – Debt Service Fund Uses FY 2018/19



Enterprise Fund

Overview

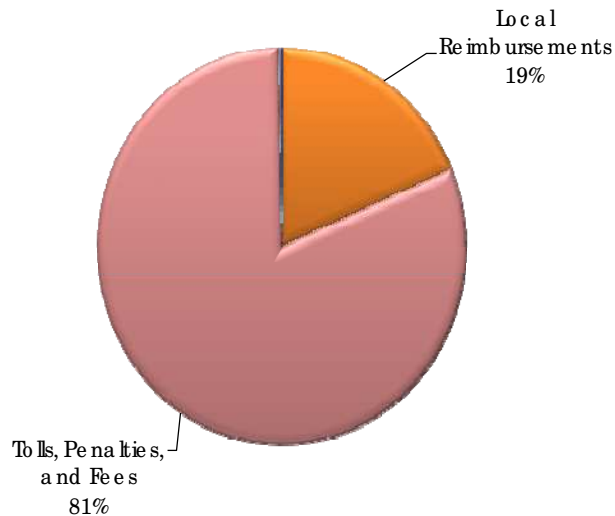
The RCTC 91 Express Lanes is a four-lane, eight-mile toll road in the median of SR-91 that extends the Orange County Transportation Authority (OCTA) 91 Express Lanes at the Orange County/Riverside County line to the SR-91/I-15 interchange. Toll revenues and non-toll revenues fund maintenance and operating costs, rehabilitation, capital expenses, and debt service (Table 37). The RCTC 91 Express Lanes toll collection system is all electronic transactions, with no toll collection booths. Commuters on SR-91 in Corona have a choice of using either the express lanes or the general purpose lanes.

Table 37 – Enterprise Fund FY 2017 – 2019

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Revenues						
Local Reimbursements	\$ -	\$ -	\$ 1,500,000	\$ 8,500,000	\$ 8,500,000	N/A
Tolls, Penalties, and Fees	10,125,300	16,835,800	42,812,600	36,940,500	20,104,700	119%
Investment Income	12,100	162,400	514,600	141,300	(21,100)	-13%
TOTAL Revenues	10,137,400	16,998,200	44,827,200	45,581,800	28,583,600	168%
Expenses						
Personnel Salaries and Benefits	148,700	745,100	644,600	603,000	(142,100)	-19%
Professional and Support						
Professional Services	99,500	1,436,100	1,200,200	2,061,000	624,900	44%
Support Costs	897,600	4,228,500	3,374,300	4,576,700	348,200	8%
TOTAL Professional and Support Costs	997,100	5,664,600	4,574,500	6,637,700	973,100	17%
Program and Operations						
Program and Operations	1,893,900	7,984,500	6,711,200	8,786,100	801,600	10%
Debt Service						
Interest Payments	2,021,200	7,119,900	7,119,900	7,119,900	-	0%
Capital Outlay	-	650,000	921,000	1,340,000	690,000	106%
TOTAL Expenses	5,060,900	22,164,100	19,971,200	24,486,700	2,322,600	10%
Excess (deficiency) of Revenues over (under) Expenses	5,076,500	(5,165,900)	24,856,000	21,095,100	26,261,000	-508%
Other Financing Sources (Uses)						
Transfers In	5,775,000	3,560,000	-	-	(3,560,000)	-100%
Transfers Out	(1,392,200)	(4,052,900)	(709,900)	(6,307,200)	(2,254,300)	56%
Payment to Escrow Agent	-	-	-	(20,000,000)	(20,000,000)	N/A
Net Financing Sources (Uses)	4,382,800	(492,900)	(709,900)	(26,307,200)	(25,814,300)	5237%
Excess (deficiency) of Revenues over (under) Expenses and Other Financing Sources (Uses)	9,459,300	(5,658,800)	24,146,100	(5,212,100)	446,700	-8%
Beginning Fund Balance	-	9,459,300	9,459,300	33,605,400	24,146,100	255%
ENDING FUND BALANCE	\$ 9,459,300	\$ 3,800,500	\$ 33,605,400	\$ 28,393,300	\$ 24,592,800	647%

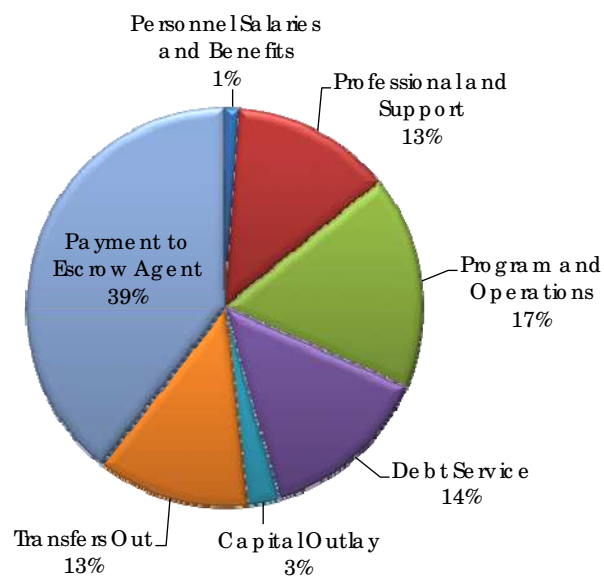
Local reimbursements of \$8,500,000 represents the anticipated proceeds from the sale of excess properties secured during the construction of the 91 Project. The Commission intends to use these sale proceeds to fund a \$20,000,000 reserve required under the TIFIA Loan executed in July 2013 for the 91 Project (2013 TIFIA Loan). Tolls, penalties, and fees revenues represent the primary revenue source for the enterprise fund (Chart 25). Such revenues consist of toll revenues of \$31,681,800 based on estimated toll transactions and current RCTC 91 Express Lanes traffic and revenue data, while the balance of \$5,258,700 represents penalties and fees related to toll transactions and other customer account fees. Investment income represents earnings on operating and other restricted funds.

Chart 25 – Enterprise Fund Sources FY 2018/ 19



Toll operations expenses in FY 2018/19 are necessary to manage the operations, maintenance, and capital support of the RCTC 91 Express Lanes (Chart 26). Personnel salaries and benefits represent 1% of the total budgeted uses. Professional and support costs is 13% of budgeted uses and includes system, equipment, and road maintenance; insurance; violation enforcement; consulting services; and marketing. Program and operations of \$8,786,100 consist of the contracted operator's expenses related to operating and maintaining the toll lane hardware and software and customer service center, toll processing, and violation collection processing. Debt service includes interest payments of \$7,119,900 for the current interest portion of the 2013 Toll Revenue Bonds (2013 Toll Bonds). The FY 2018/19 budget does not include accreted interest related to the capital appreciation portion of the 2013 Toll Bonds or compounded interest on the 2013 TIFIA Loan.

Chart 26 – Enterprise Fund Uses FY 2018/ 19



Transfers out include \$6,000,000 of surplus toll revenues to the 2009 Measure A Western County highways fund for the SR-91 Corridor Operations project and a traffic and revenue study and \$307,200 to the General fund for the administrative costs allocations. The payment to escrow agent of \$20,000,000 represents the required funding for the 2013 TIFIA Loan reserve.

Revenues and Other Sources

Total revenues and other sources are budgeted at \$904,579,600, and consist of:

- Measure A sales tax of \$187,000,000 (21% of total sources);
- LIF sales tax of \$94,000,000 (10% of total sources);
- STA revenues of \$23,203,600 (3% of total sources);
- Federal revenues of \$59,105,700 (7% of total sources);
- State revenues, including vehicle registration fees, of \$165,442,400 (18% of total sources);
- TUMF of \$22,922,200 (2% of total sources);
- Debt proceeds of \$106,081,000 (12% of total sources);
- Transfers in of \$181,899,300 (20% of total sources);
- Toll revenues, penalties, and fees of \$36,940,500 (4% of total sources); and
- Other revenues of \$27,984,900 (3% of total sources).

Table 38 summarizes the specific revenue funding sources.

Table 38 – Revenues and Other Sources FY 2018/19

Department/Program	Sales Tax						Funding Sources
	Measure A	LIF	STA	Federal	State	Local/Toll/Other	
Management Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,400	\$ 19,400
MEASURE A AND OTHER CAPITAL PROGRAMS							
Bond Financing	11,664,000	-	-	-	-	20,600	11,684,600
CETAP	-	-	-	-	-	10,758,500	10,758,500
Economic Development	1,728,000	-	-	-	-	52,800	1,780,800
Highways	64,491,000	-	-	28,232,800	157,551,700	1,781,500	252,057,000
Local Streets and Roads	57,196,000	-	-	-	-	-	57,196,000
New Corridors	15,985,000	-	-	-	-	180,200	16,165,200
Rail	8,813,000	-	-	26,657,400	-	353,200	35,823,600
Regional Arterials	12,960,000	-	-	237,500	-	12,787,300	25,984,800
REGIONAL PROGRAMS							
Public and Specialized Transit	12,003,000	94,000,000	23,203,600	135,000	-	696,900	130,038,500
Planning and Programming	-	-	-	-	968,000	12,699,800	13,667,800
Rail Station Maintenance/Operations	-	-	-	3,843,000	2,213,700	372,700	6,429,400
Commuter Assistance	2,160,000	-	-	-	-	2,049,600	4,209,600
Motorist Assistance	-	-	-	-	4,709,000	493,300	5,202,300
Toll Operations	-	-	-	-	-	45,581,800	45,581,800
OTHER FINANCING SOURCES							
Debt Proceeds	-	-	-	-	-	106,081,000	106,081,000
Transfers In	-	-	-	-	-	181,899,300	181,899,300
TOTAL Funding Sources	\$ 187,000,000	\$ 94,000,000	\$ 23,203,600	\$ 59,105,700	\$ 165,442,400	\$ 375,827,900	\$ 904,579,600

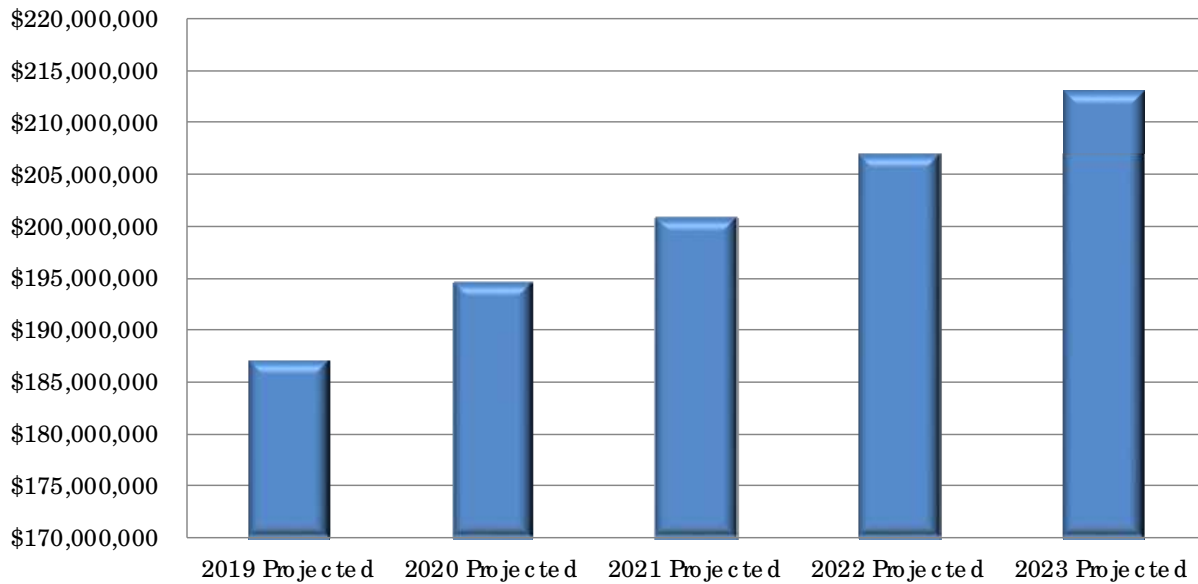
Revenues—Definitions and Background

Measure A: Measure A is a one-half of one percent transactions and use tax that was first approved by Riverside County voters in 1988 and expired on June 30, 2009 after a 20-year term. On November 5, 2002, the voters of Riverside County approved the renewal of Measure A through 2039. The 2009 Measure A is expected to raise over \$9 billion (in nominal dollars) during its life span. The amount raised by the Measure A levy increased as the County and its economic base have grown during the past two decades, peaking in FY 2016/17 at \$175.3 million. Measure A revenues are projected to approximate \$181,000,000 and \$187,000,000 in FY 2017/18 and FY 2018/19, respectively.

Measure A requires that all sales taxes collected may only be used for transportation purposes including administration and the construction, capital acquisition, maintenance, and operation of streets, roads, highways, including state highways, and public transit systems and for related purposes. These purposes include expenditures for planning, environmental reviews, engineering and design costs, and related right of way acquisition.

The Commission historically obtains and updates Measure A revenue projections through consultants for budget and strategic project planning purposes. A consultant prepares a long-term economic forecast semiannually, and a sales tax services consultant provides Measure A revenue projections in connection with its quarterly sales tax analysis. Measure A revenue projections, based on such updates and other factors, for the next five fiscal years are presented in Chart 27 below.

Chart 27 – Forecasted Measure A Sales Tax Revenues 2019 – 2023



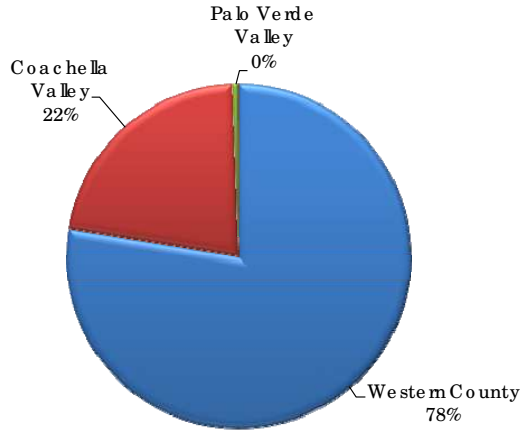
The Commission considered the following additional assumptions in the development of the Commission’s revenue forecast for FY 2018/19:

- The Inland Empire economy will continue to expand through FY 2018/19 due to steady gains in the Inland Empire’s labor market, population growth, and increased consumer and business spending.
- The State does not change the mix of items subject to the sales tax from what has been included historically.
- The relative sales and property tax rates of Riverside and surrounding counties do not change from historical levels.
- Internet sales will have minimal impact on revenue.

The Western Riverside County Delivery Plan financing strategy considers these Measure A sales tax revenue projections.

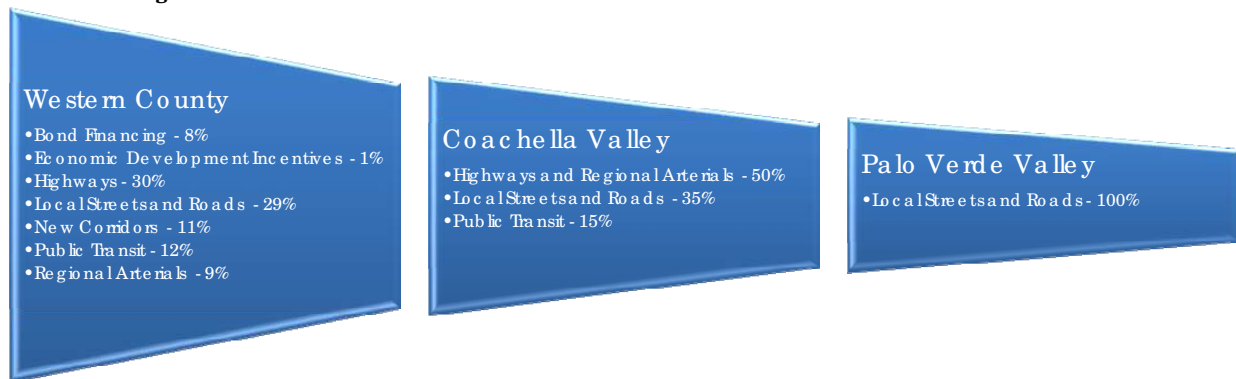
Geographic Allocation - Riverside County is comprised of three geographic areas: Western County, Coachella Valley, and Palo Verde Valley. The percentage of Measure A revenues allocated to each of these areas based on return to source is approximately 78% for Western County, 22% for Coachella Valley, and less than 1% for Palo Verde Valley (Chart 28). These percentages experience some slight variations from year to year based on changes in levels of taxable sales among the geographic areas.

Chart 28 - Geographic Allocation of Measure A Sales Tax Revenues



Program Allocation - The 2009 Measure A TIP defines the manner in which the sales tax revenues are to be spent, as presented in the Table 39. In Western County, public transit includes funding for specialized transit, commuter rail, intercity bus service, and commuter assistance. For the Coachella Valley, public transit includes specialized transit and public bus services.

Table 39 - Program Allocation of 2009 Measure A Sales Tax Revenues



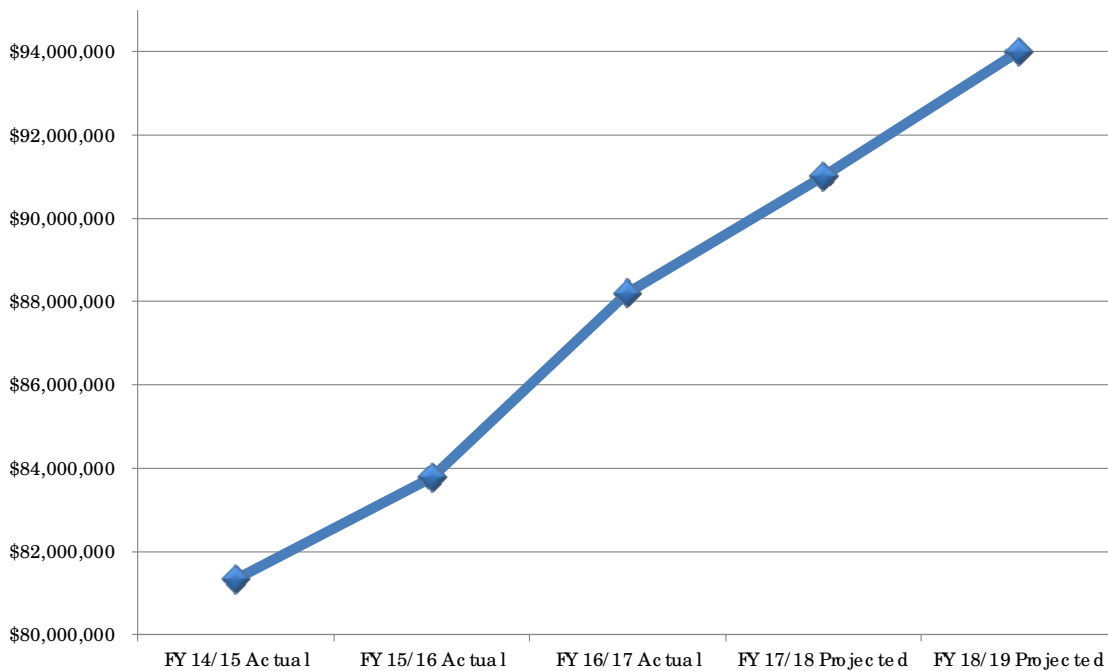
Population (in Western County and Palo Verde Valley) or dwelling units (in Coachella Valley) and taxable sales determine the local streets and roads allocations to the local jurisdictions within each geographic area. Based on the projected Measure A sales tax revenues of \$187,000,000 for FY 2018/19, the geographic and program allocations are presented in Table 40.

Table 40 - Geographic Allocation of Measure A Sales Tax Revenues by Program FY 2018/19

Program	Western County	Coachella Valley	Palo Verde Valley	Total
Bond Financing	\$ 11,664,000	\$ -	\$ -	\$ 11,664,000
Economic Development Incentives	1,728,000	-	-	1,728,000
Highways	44,066,000	-	-	44,066,000
Highways and Regional Arterials	-	20,425,000	-	20,425,000
Local Streets and Roads	41,906,000	14,297,000	993,000	57,196,000
New Corridors	15,985,000	-	-	15,985,000
Public Transit	16,849,000	6,127,000	-	22,976,000
Regional Arterials	12,960,000	-	-	12,960,000
TOTAL	\$ 145,158,000	\$ 40,849,000	\$ 993,000	\$ 187,000,000

Local Transportation Fund: One-quarter of one cent of the State’s 7.75% sales tax funds LTF, established in state law by the TDA. The legislation provided a dependable revenue stream for public transportation operations in California. Based upon an annual projection of LTF sales taxes that considers economic forecast revenue projections prepared by a consultant, local economic factors, and monthly receipt trends, the Commission allocates the vast majority of LTF revenue in the County to the eight public transit operators, including the Commission for its share of Metrolink operations costs. Much like Measure A revenue, LTF increased with the County’s growth and its economy (Chart 29).

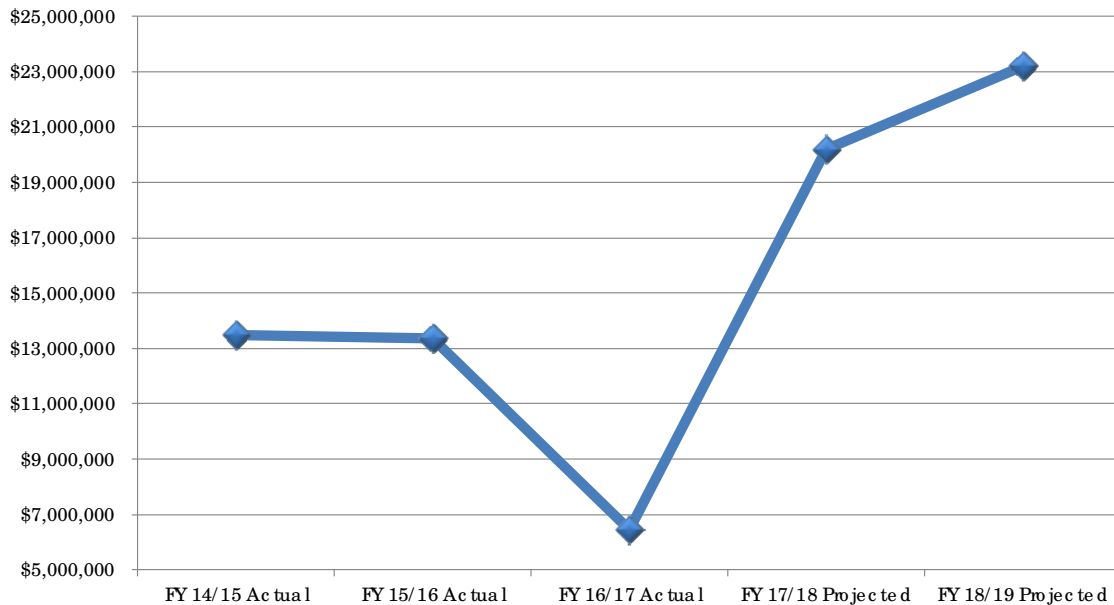
Chart 29 – Local Transportation Fund Sales Tax Revenue Trend 2015 – 2019



The Commission allocates LTF revenues for regional and local transportation planning, program administration, SB 821 bicycle and pedestrian facilities projects, public bus transit, and rail transit, including the Commission’s share for commuter rail operations in Western County. The Commission administers these funds on behalf of the County in a special revenue fund.

State Transit Assistance, including State of Good Repair: SIA provides additional TDA state funding of transit operations and capital for urban counties, including the County’s eight public transit operators (Chart 30). Sales taxes on diesel fuels historically generated the SIA funding; however, beginning in FY 2017/18, SB 1 provides additional SIA revenues for transit maintenance, rehabilitation, and capital projects. A potential repeal of SB 1 may affect future additional SIA funding for transit infrastructure repair and service improvements.

Chart 30 – State Transit Assistance Sales Tax Revenue Trend 2015 – 2019



State Transportation Improvement Program: The CTC administers and funds the STIP, California’s primary transportation fund, through state and federal gas tax dollars. The State’s revenues are generated by an excise tax on gasoline, including SB 1 revenues from increased taxes on motor fuels and vehicle fees that took effect in November 2017. Dollars are allocated to each county based on a formula that takes into consideration population and highway centerline miles. Local transportation agencies such as the Commission make project programming decisions for 75% of STIP dollars. As a result of alternative fuel vehicles, overall vehicle fuel efficiency, and lower gas prices, traditional STIP revenues steadily declined until SB 1. STIP reimbursement estimates are based on budgeted expenditures for specific projects with STIP allocations approved by the CTC.

SB 132: Caltrans administers the \$427 million appropriation from the state highway account to the Riverside County Transportation Efficiency Corridor projects in Western Riverside County as part of a package of legislation that passed with SB 1 in April 2017. SB 132 reimbursements represent budgeted expenditures for specific projects with SB 132 allocations.

Cap and Trade Program: State legislation in 2006 requires a reduction of GHG emissions in the State. A key element of the GHG reduction program is the Cap and Trade Program in which entities regulated under the program can “trade” or buy and sell a portion of emission allowances issued by the California Air Resources Board (CARB) at auctions held during the year. The revenues generated for the State through these auctions are appropriated for infrastructure investments that include LC TOP and road programs, high speed rail projects, and transit and intercity rail projects. State reimbursement revenues include LC TOP revenues for commuter rail operations.

Department of Motor Vehicles (DMV) Registration Fees: State law allows county SAFE agencies to impose a \$1 surcharge on vehicle registrations within the County to pay for call box purchases and operations; excess SAFE revenues may be used for 511 operations and as a match for FSP operations. The call boxes enable motorists to summon help should they encounter mechanical or emergency problems while on the road, whereas the IE511 system provides real-time traffic and transit trip information available via the internet or telephone.

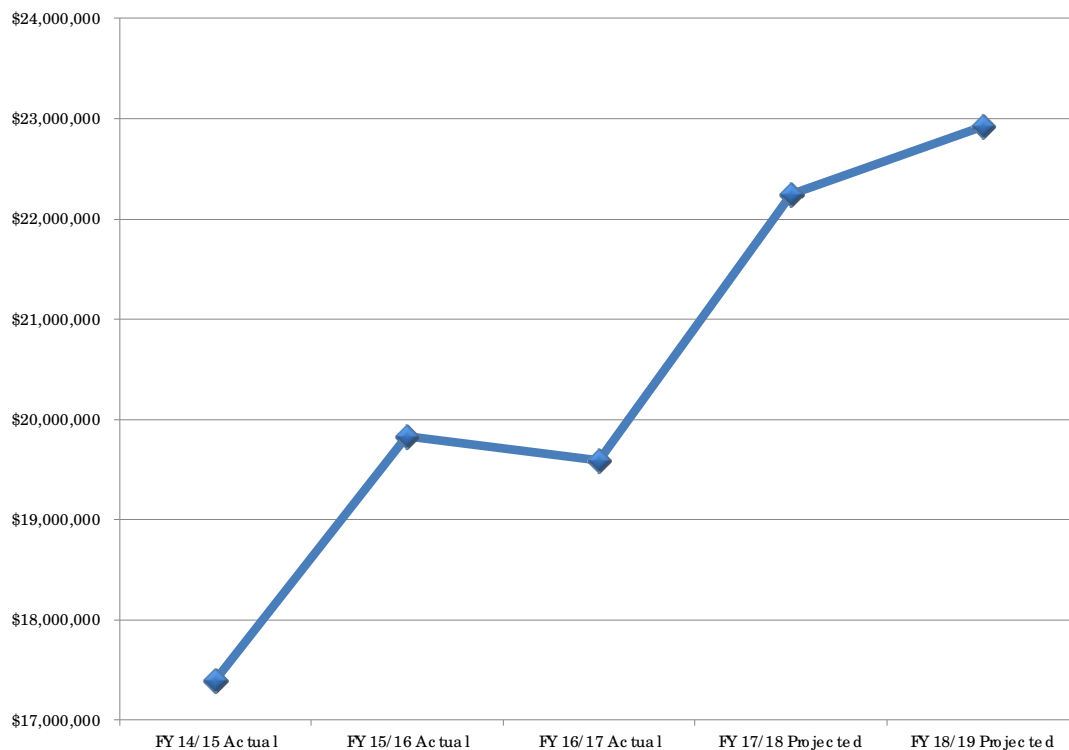
Caltrans Freeway Service Patrol Allocations: Caltrans is the primary sponsor of the FSP and provides the majority of funding for the program, including towing services in construction zones. The State provides nearly 80% of the funding for the FSP program based on population, freeway miles, and level of congestion throughout the State. The Commission administers and implements the program along with the CHP and Caltrans.

Congestion Mitigation and Air Quality: The federally funded CMAQ program targets transportation improvements in areas with air quality problems. This program pays for improvements that reduce congestion while improving air quality. The Commission also uses CMAQ dollars for commuter assistance programs, HOV lanes, and transit projects. CMAQ reimbursement estimates represent budgeted expenditures for specific projects with CMAQ allocations.

Federal Transit Administration: The federal government generally allocates FTA funds annually to urbanized areas based on calculated miles of service. On a reimbursement basis, the federal government provides funding to the Commission for qualified capital investments in rail facilities, track, and vehicles.

Transportation Uniform Mitigation Fee: In connection with the 2009 Measure A, the TUMF program was established in the Western County to provide additional funding for regional arterial projects. WRCOG administers the TUMF program. The Commission receives a significant amount of the TUMF revenues, divided equally between the regional arterial and CETAP programs, based on a MOU with WRCOG. WRCOG maintains TUMF revenues for regional arterial zone improvements and regional transit facilities. The Commission projects TUMF revenue (Chart 31) based on monthly receipt trends and consideration of local housing and commercial construction activity in the County.

Chart 31 – Transportation Uniform Mitigation Fee Revenue Trend 2015 – 2019



Rail and Highway Licenses: The Commission owns parcels of land and right of way for highway, rail, and regional arterial projects in selected areas throughout the County. The ownership provides licensing and leasing opportunities for fiber-optic cable, advertising signs, and business tenants. The amount of funding received from the licenses and leases supports the cost of owning and maintaining the Commission's land and facilities.

Toll Revenue: The Commission and the OCTA entered into a cooperative agreement in 2011 for the RCTC 91 Express Lanes and OCTA 91 Express Lanes to be interoperable and operated by the same toll operator. A subsequent agreement executed in 2013 among the Commission, OCTA, and the operator results in a single operator providing most operations and first line maintenance services for a single 91 Express Lanes system in Riverside and Orange counties. Notwithstanding their physical connection and use of the same toll operator, the RCTC 91 Express Lanes and OCTA 91 Express Lanes are independent enterprises; each agency charges independent tolls for its express lanes. FY 2018/19 toll revenues represent projected tolls for the RCTC 91 Express Lanes based on estimated toll transactions and traffic and revenue data.

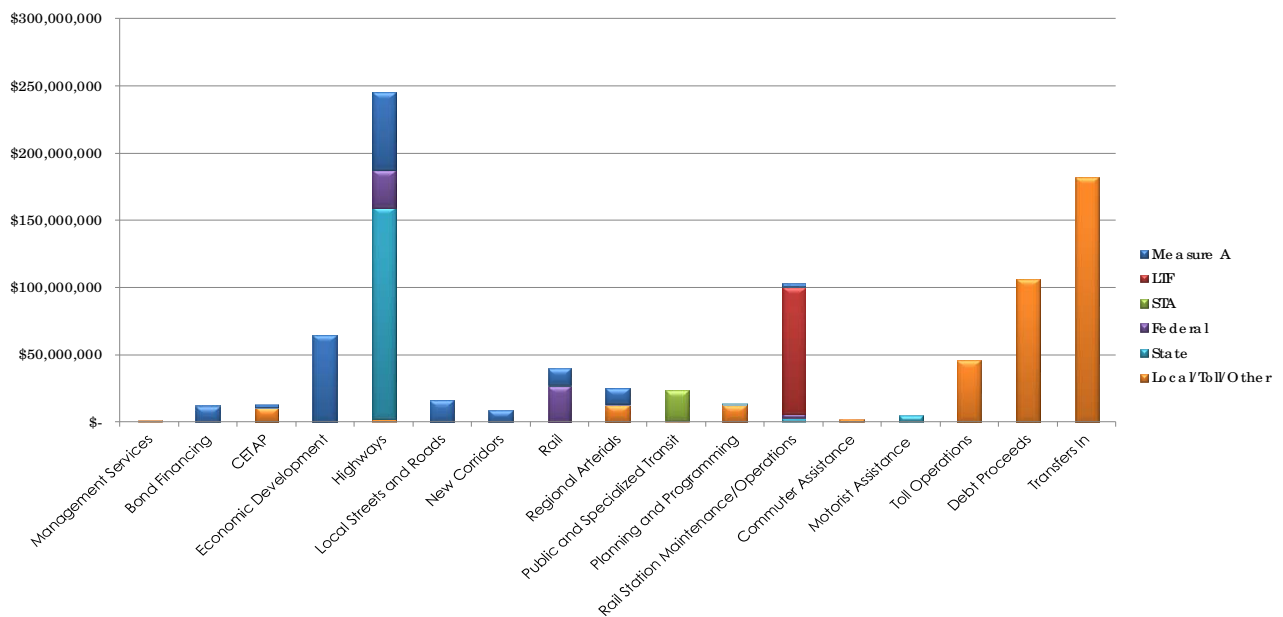
Non-toll Revenues: The 2011 cooperative agreement between the Commission and OCTA regarding the 91 Express Lanes also included cost and revenue sharing among other provisions. Non-toll revenues consist of revenues not attributable directly to toll transactions but are derived from transaction-based fees and account-based fees. The Commission estimated FY 2018/19 non-toll revenues based on current data from the RCTC 91 Express Lanes.

Investment Income: The Commission established a prudent investment policy that is intended to provide absolute safeguards on principal and liquidity as well maximize return, as noted in Section 1. The Commission conservatively estimated interest earnings on the State and County investment pools at an interest rate of 0.50% and funds held by the trustee for debt service and projects at 0.75%.

Program Revenues and Other Sources

The Commission allocated revenues and other financing sources for FY 2018/19 as follows:

Chart 32 – Program Revenues FY 2018/19



Management Services

The primary funding sources for management services are transfers in of Measure A of \$4,366,100, LIF of \$81,700 and \$4,191,200 from TUMF, SAFE, FSP, STA, SB 132, Coachella Valley Rail, toll operations, and other agency projects for administrative costs. Local and other revenues include \$400 related to reimbursements for administrative activities and investment revenues of \$19,000.

Bond Financing

Measure A Western County revenues of \$11,664,000 will be used to support bond financing costs. Investment revenues are \$20,600.

CETAP

The Western County CETAP program anticipates \$10,500,000 from TUMF for development of new CETAP corridors. Local and other revenues include \$258,500 representing investment income.

Economic Development

In order to attract commercial and industrial development and jobs to locate in the Western County area, Measure A Western County revenues of \$1,728,000 will be used to create an infrastructure improvement bank to improve and construct interchanges, provide public transit linkages or stations, and make other improvements to the transportation system. Investment earnings are \$52,800.

Highways

Funding for the highway program includes 2009 Measure A sales tax revenues of \$64,491,000 for Western County highways and Coachella Valley highways and regional arterial programs. The 2009 Measure A Western County sales tax revenues will be used primarily to fund debt service related to the financing of the 91 Project and I-15 Express Lanes project. Unexpended 1989 Measure A Western County revenues from prior years will be used on remaining projects such as the Pachappa underpass project.

Federal funds for highway projects include:

- \$635,000 in CMAQ funds for the SR-91 HOV lanes;
- \$6,500,000 and \$2,629,000 in CMAQ and federal earmarks, respectively for the Pachappa underpass;
- \$15,119,000 in CMAQ and Surface Transportation Block Grant (STBG) funds for the I-15 Express Lanes project;
- \$549,600 in demonstration funds for the 71/91 interchange improvements; and
- \$2,800,200 for BABs subsidy payments related to the 2010B Bonds.

State funds for highway projects include:

- STIP and Proposition 1B funding of \$1,000,000 for the I-215 corridor improvements;
- STIP funding of \$5,061,300 for the I-15 Express Lanes southern extension project;
- STIP funding of \$26,800,000 for the SR-60 truck climbing lanes;
- SB 1 Local Partnership Program revenues of \$4,272,000 for the Pachappa underpass project and \$2,000,000 for the 71/91 connector project; and
- \$118,418,400 of SB 132 funding for the 15/91 Express Lanes connector, I-15/Limonite interchange, McKinley and Jurupa Avenue grade separation, and Hamner Bridge widening projects.

Additional local funding includes \$99,000 in lease revenues, \$100,000 in local reimbursements related to carpool violations, and investment revenue of \$1,582,500.

In FY 2018/19, the Commission anticipates \$106,081,000 in a federal TIFIA loan drawdown to fund the I-15 Express Lanes project.

Transfers include:

- \$45,634,500 in sales tax bond proceeds to fund the I-15 Express Lanes project and the completion of the 91 Project;
- \$69,555,700 to the Sales Tax Bonds debt service fund for Measure A Western County and Coachella Valley highways debt service;
- \$3,000,000 to the Debt Service fund as a Commission loan to fund a TIFIA Loan reserve for the I-15 Express Lanes project;
- \$6,000,000 to the 2009 Measure A Western County highways fund from the RCTC 91 Express Lanes fund for the 91 Corridor Operations project; and
- \$15,900,200 to the 2009 Measure A Western County highways fund from the 2009 Measure A Western County bond financing fund for debt service.

Local Streets and Roads

The Commission anticipates the allocation and distribution of \$57,196,000 in Measure A funds for the local streets and roads program to the cities and the County for local street repairs, maintenance, and construction.

New Corridors

To leverage local, state, and federal funding for four new transportation corridors identified through CETAP, Measure A Western County revenues of \$15,985,000 will be available for environmental clearance, right of way acquisition, and construction of these new corridors. Additional local and other funds include \$160,000 in lease revenues and \$20,200 in investment revenues.

Rail

The Commission expects the allocation of \$8,813,000 in 2009 Measure A Western County public transit program funds for rail. Federal funds consist of \$9,657,400 and \$15,000,000 for station rehabilitation and improvement projects and SCRRA capital projects, respectively, and \$2,000,000 for the development of Coachella Valley-San Geronimo Pass corridor rail service. Local and other revenues include \$280,000 for property lease revenues and \$73,200 in investment revenue. Transfers in consist of \$250,000 from Proposition 1B funding for a station rehabilitation project and \$350,000 from the STA fund for the development of Coachella Valley-San Geronimo Pass corridor rail service.

Regional Arterials

The Western County regional arterial program expects Measure A and TUMF revenues of \$12,960,000 and \$12,422,200, respectively. The new TUMF revenues along with unexpended TUMF revenues from prior years will be the primary source of funding TUMF regional arterial projects. Federal revenues consist of \$237,500 for a Lake Elsinore regional arterial project managed by the Commission. Other local revenues consist of investment income of \$365,100. Transfers in consist of \$300,000 from the 2009 Measure A Western County highway fund for the SR-79 realignment project.

Public and Specialized Transit

The Commission anticipates LIF sales tax revenues of \$94,000,000 allocated primarily for public bus and rail transit operations and capital in the County. The Commission allocates a small portion of these revenues for planning and administration as well as SB 821 bicycle and pedestrian facilities grants. The Commission also expects STA allocations of \$23,203,600 for the County's public transit operators. For the FY 2018/19 budget, the Commission will use unexpended LIF and STA revenues from prior years to fund transit operations as well as bicycle and pedestrian facilities grants.

Under the 2009 Measure A, the Commission estimates public transit funding of \$12,003,000 for Western County specialized transit and intercity bus services and Coachella Valley specialized and public transit services. The Commission expects federal revenues of \$135,000 as a pass-through for a Palo Verde Valley transit project. Transfers in consist of \$1,500,000 from 2009 Measure A Western County commuter assistance fund and \$132,500 from LIF for administrative costs. Local revenues represent investment income of \$696,000.

Planning and Programming

Planning and programming transfers in consist of:

- An off-the-top allocation of \$2,820,000, or three percent of estimated LIF revenues, for transportation planning studies;
- A LIF allocation of \$1,017,400 for administrative costs; and
- A LIF allocation of \$2,000,000 to fund grade separation projects in the city of Corona.

SIIP of \$968,000 will fund PPM activities of the Commission and CVAG. Local and other revenues consist of \$800,000 for a traffic signal synchronization coordination project, \$11,880,000 for the District's projects, and investment income of \$19,800.

Rail Station Maintenance and Operations

Rail operations include Metro link operating and capital contributions, station maintenance, and support. The Commission will fund these rail activities with LIF allocation transfers in of \$21,200,000. Federal CMAQ funds of \$3,843,000 relate to SCRRRA security costs and operations at the PVL stations. State reimbursements of \$2,213,700 will fund operations at the PVL stations and station improvements. In addition to investment revenues of \$60,000, local and other revenues include \$312,700 in reimbursements for Metro link violator citations and miscellaneous vending machine revenues.

Commuter Assistance

The Commission anticipates funding of \$2,160,000 from 2009 Measure A Western County public transit to the commuter assistance program for services to commuters and employers in promoting use of alternate modes of transportation in Western County. Local and other revenues consist of investment income of \$61,700 and SBC TA reimbursements of \$1,987,900 for support of the San Bernardino County commuter assistance program and regional ride matching.

Motorist Assistance

DMV registration fees of \$1,800,000 and Caltrans state highway account allocations of \$2,909,000 will fund SAFE and FSP services, respectively. The Commission will also receive local reimbursements of \$231,600 to support SBC TA's share of the IE511 system operations and cost recoveries of \$225,300 from responsible parties related to call box knockdowns. Investment

income is \$36,400. An operating transfer in from SAFE of \$3,600,000 serves as a match to the State's FSP contribution.

Toll Operations

Tolls, penalties, and fees of \$36,940,500 will fund the RCTC 91 Express Lanes toll operations. Local and other revenues include \$8,500,000 for proceeds of the sale of excess properties and \$141,300 in investment income.

Commission Debt

The Commission incurred debt for highway (non-tolled and tolled), new corridor, regional arterial, and local streets and roads projects for which title usually vests or, upon completion, will vest with Caltrans or local jurisdictions for ongoing operations and maintenance. The financed projects are not assets of the Commission for which the Commission will have operating responsibilities, except for the intangible rights to operate the express lanes on SR-91 and I-15. Accordingly, future operating costs related to the non-capitalized projects cannot be determined and are not applicable to the annual budget. Operating budget impacts for the Commission's toll assets and non-financed rail assets, are included in the annual budget.

The Commission pledged future Measure A sales taxes as security for Measure A debt service payments on the sales tax revenue bonds and commercial paper notes. Toll revenues generated on the RCTC 91 Express Lanes are pledged to pay debt service on the 2013 Toll Bonds and 2013 TIFIA loan for the 91 Project; future toll revenues generated on the I-15 Express Lanes are pledged to pay debt service on the federal TIFIA loan executed in 2017 (2017 TIFIA Loan) for the I-15 Express Lanes project.

Table 41 presents a summary of the anticipated changes in the Commission's debt during FY 2018/19. The Commission excludes accretion amounts related to capital appreciation bonds and compounded interest on the TIFIA loans, as they do not affect the annual budget activities.

Table 41 – Changes in Commission Debt

	Projected Balance July 1, 2018		Additions	(Reductions)	Projected Balance June 30, 2019	
2010B Sales Tax Bonds	\$	112,370,000	\$ -	\$ -	\$	112,370,000
2013 Sales Tax Bonds		66,795,000	-	(12,090,000)		54,705,000
2013 Toll Bonds		179,752,806	-	-		179,752,806
2016 Sales Tax Refunding Bonds		74,540,000	-	(4,940,000)		69,600,000
2017A Sales Tax Bonds		155,050,000	-	(4,470,000)		150,580,000
2017B Sales Tax Refunding Bonds		392,730,000	-	-		392,730,000
2018 Sales Tax Refunding Bonds		63,540,000	-	(4,465,000)		59,075,000
2013 TIFIA Loan - 91 Express Lanes		421,054,400	-	-		421,054,400
2017 TIFIA Loan - I-15 Express Lanes		-	106,081,000	-		106,081,000
	\$	1,465,832,206	\$ 106,081,000	\$ (25,965,000)	\$	1,545,948,206

Commercial Paper

In March 2005, the Commission established a commercial paper program to advance project development and land and right of way acquisition under the 2009 Measure A TIP. The current commercial paper program authorization is \$60,000,000. The Commission generally rolls over commercial paper note maturities to new note issuances unless refinanced with long-term sales tax bond issuances. The Commission currently maintains a P-1 and an A-1+ rating from Moody's Investors Service (Moody's) and Standard and Poor's Rating Service (S&P), respectively, on the commercial paper notes.

Available commercial paper proceeds or sales tax revenues fund commercial paper interest payments. During FY 2017/18, the Commission retired \$30,000,000 of the total outstanding commercial paper notes in connection with the issuance of the 2017 Series A Sales Tax Revenue Bonds (2017A Bonds). The Commission issued no commercial paper notes in FY 2017/18, and it anticipates no issuances of commercial paper notes in FY 2018/19 — resulting in \$0 outstanding amount of commercial paper projected at June 30, 2019. Accordingly, the FY 2018/19 budget includes no commercial paper interest payments. The Commercial Paper capital projects fund accounts for commercial paper activities.

As credit and liquidity support for the commercial paper notes, the Commission has an irrevocable direct draw letter of credit in the amount of \$60,750,000 and reimbursement agreement with State Street Bank and Trust Company (State Street Bank), which expires in October 2020. The costs for the liquidity support are reflected in the 2009 Measure A Western County Bond Financing special revenue fund.

Sales Tax Revenue Bonds

Under the provisions of the 2009 Measure A, the Commission has the authority to issue sales tax revenue bonds subject to a debt limitation of \$975 million, reflecting an increase from the original authorization of \$500 million because of the November 2010 voter approval of Measure K. The sales tax revenue bonds are secured by a pledge of the 2009 Measure A revenues. All sales tax revenue bonds mature on or before June 2039, prior to the expiration of the 2009 Measure A.

As a means to achieve a greater level of interest rate stability, the Commission entered into two interest rate swaps for a total notional amount of \$185,000,000 at a fixed rate for 20 years effective October 2009. In connection with the commencement of the interest rate swaps in October 2009, the Commission issued \$185,000,000 in variable rate sales tax revenue bonds to retire outstanding commercial paper notes, refund bonds issued in 2008, fund a portion of the debt service reserve, and pay issuance costs. The Commission terminated these swaps at a termination cost and refinanced all of the related variable rate sales tax bonds by issuing fixed rate refunding sales tax revenue bonds in September 2016 and April 2018.

In November 2010, the Commission issued \$37,630,000 in fixed rate tax-exempt sales tax revenue bonds (2010A Bonds) and \$112,370,000 in fixed rate taxable 2010B Bonds designated as BABs under the American Recovery and Reinvestment Act (ARRA). The Commission used proceeds from the aggregate amount issued of \$150,000,000 to retire outstanding commercial paper notes, provide funds for 2009 Measure A Western County capital projects, and pay issuance costs. The Commission refunded all of the outstanding 2010A Bonds in December 2017. The Commission designated a portion of the BABs as recovery zone economic development bonds (RZEDBs). The Commission expects to receive a cash subsidy from the United States Treasury equal to 35% of the interest payable on the BABs or 45% of the interest payable on the 2010B Bonds designated as RZEDBs. However, reductions in the BABs subsidies occurred in recent years due to federal sequestration cuts. If sequestration continues, the Commission anticipates a reduction in the FY 2018/19 BABs subsidy of 6.1%. Estimated net debt service payments for the 2010B Bonds in FY 2018/19 are \$0 for principal and \$7,649,000 for interest payments. Federal reimbursement include the \$2,800,200 projected cash subsidy payment.

In July 2013, the Commission issued \$462,200,000 in fixed rate sales tax revenue bonds (2013 Sales Tax Bonds), at a premium, in connection with the 91 Project. The Commission used the proceeds of the 2013 Sales Tax Bonds to fund a substantial portion of the 91 Project costs, retire outstanding commercial paper notes, pay capitalized interest through December 2017, and pay issuance costs. The Commission refunded the callable portion of the 2013 Sales Tax Revenue Bonds in December 2017. Estimated debt service payments in FY 2018/19 for the remaining 2013 Sales Tax Bonds are \$12,090,000 for principal and \$3,339,800 for interest payments.

In September 2016, the Commission issued \$76,140,000 in fixed rate sales tax revenue refunding bonds (2016 Refunding Bonds), at a premium, to refund all of the outstanding Series A bonds issued in 2009, retire all of the commercial paper notes, and pay issuance costs. Estimated debt service payments for the 2016 Sales Tax Revenue Refunding Bonds are \$4,940,000 for principal and \$2,513,100 for interest payments.

In July 2017, the Commission issued \$158,760,000 in fixed rate 2017A Bonds, at a premium, to fund the I-15 Express Lanes project and completion of the 91 Project. The Commission used the proceeds of the 2017A Bonds to fund I-15 Express Lanes project costs, completion of the 91 Project, retire outstanding commercial paper notes, and pay issuance costs. Estimated debt service payments for the 2017A Bonds in FY 2018/19 are \$4,470,000 for principal and \$7,545,500 for interest payments.

In December 2017 as a result of pending federal tax reform legislation that eliminated advance refundings, the Commission issued \$392,730,000 in fixed rate sales tax revenue refunding bonds (2017B Refunding Bonds), at a premium, to refund all of the outstanding 2010A Bonds and the callable portion of the 2013 Sales Tax Bonds and pay issuance costs. Estimated debt service payments for the 2017B Refunding Bonds in FY 2018/19 are \$0 for principal and \$19,366,300 for interest payments.

In April 2018 due to federal tax reform legislation impacts, the Commission issued \$64,285,000 in fixed rate sales tax revenue refunding bonds (2018 Refunding Bonds), at a premium, to refund all of the outstanding Series B and Series C bonds issued in 2009, finance the related swap termination payment, and pay issuance costs. Estimated debt service payments for the 2018 Refunding Bonds are \$4,465,000 for principal and \$3,177,000 for interest payments.

The Commission received long-term debt ratings of Aa2, AA+, and AA from Moody's, S&P, and Fitch Ratings (Fitch), respectively on its currently outstanding sales tax revenue bonds.

Toll Revenue Bonds and TIFIA Loans

91 Project

In July 2010, the Commission authorized the issuance of up to \$900,000,000 in toll revenue bonds in anticipation of the financing requirements for the 91 Project.

In July 2013, the Commission issued \$176,654,600 in 2013 Toll Bonds, at a discount, that consist of \$123,825,000 in current interest bonds (CIBs) and \$52,829,600 in capital appreciation bonds (CABs). The CIBs have maturity dates through June 2048, while the CABs mature at the accreted value commencing June 2022 through June 2043. Estimated debt service payments for the 2013 Toll Bonds in FY 2018/19 are \$0 for principal and \$7,119,900 for interest payments. The 2013 Toll Bonds are secured by a lien on the trust estate, which consists primarily of toll revenues and non-toll transaction and account revenues less operating and maintenance expenses of the RCTC 91 Express Lanes.

In July 2013, the Commission executed the 2013 TIFIA Loan with the United States Department of Transportation (U.S. DOT) in an amount up to \$421,054,400, which provided the final puzzle piece needed for the full funding of the 91 Project. The 2013 TIFIA Loan is a toll revenue bond subordinate to the 2013 Toll Bonds unless and until the occurrence of a bankruptcy related event. The Commission obtained proceeds on the full amount of the 2013 TIFIA Loan through FY 2016/17 after meeting certain conditions. Interest on outstanding disbursements is 3.47% and is compounded semiannually. The 2013 TIFIA Loan matures in June 2051. Interest payments commence on the fifth anniversary of the substantial completion date (March 2017) or the first interest payment date occurring prior to the fifth anniversary date. Accordingly, semiannual interest payments commence December 2021; principal payments commence annually in June 2030. The RCTC 91 Express Lanes trust estate also secures the 2013 TIFIA Loan, similar to the 2013 Toll Bonds. The Commission is required to fund a \$20,000,000 TIFIA debt service reserve prior to July 2019 from sale proceeds of excess land acquired for the 91 Project or other available revenues, including surplus toll revenues. The Commission included the 2013 TIFIA Loan reserve funding in the enterprise fund.

The 2013 Toll Bonds and the 2013 TIFIA Loan received long-term ratings of BBB from S&P and Fitch.

I-15 Express Lanes Project

In May 2017, the Commission authorized the issuance of up to \$165,000,000 in toll revenue bonds in anticipation of the financing requirements for the I-15 Express Lanes project.

In July 2017, the Commission executed the 2017 TIFIA Loan with the U.S. DOT in an amount up to \$152,214,260. The 2017 TIFIA Loan as well as the 2017 Bonds, \$110,000,000 in federal funds, and project expenses already paid from 2009 Measure A revenues provided the full funding of the I-15 Express Lanes project. The 2017 TIFIA Loan is a senior toll revenue bond, and proceeds of the 2017 TIFIA Loan may be drawn upon after certain conditions are met. Interest on outstanding disbursements is 2.84% and is compounded semiannually. The 2017 TIFIA loan is expected to mature on the earlier of 35 years after substantial completion of the I-15 Express Lanes project or June 1, 2056. Interest payments are expected to commence on the fifth anniversary of the substantial completion date or the first interest payment date occurring prior to the fifth anniversary date. Accordingly, semiannual interest payments are anticipated to commence June 2025; principal payments are expected to commence in June 2030.

The Commission is required to fund an \$18,000,000 TIFIA debt service reserve no later than June 30, 2024 from toll revenues and a Commission loan from sales tax revenues to the extent that toll revenues are insufficient. The FY 2018/19 budget includes a \$3,000,000 transfer from the 2009 Measure A Western County highway fund to the Debt Service fund to establish the initial reserve funding.

The Commission also anticipates providing additional liquidity support in the form of a Commission backstop loan from sales tax revenues in the annual amount up to \$3,850,000 up to a maximum total amount of \$38,500,000 from FY 2024/25 through FY 2038/2039. The Commission loans will be repaid from available toll revenues after meeting certain blocked payment tests. The 2017 TIFIA Loan is secured by a lien on the trust estate, which consists primarily of toll revenues and non-toll revenues (including account and violations revenues) less operating and maintenance expenses of the I-15 Express Lanes.

Debt Capacity Analysis

The Commission is legally prohibited from issuing additional sales tax revenue debt if its debt coverage ratio is less than 1.5 to 1 on all senior sales tax revenue debt. The Commission adopted a higher standard of 2 to 1 as part of its debt management policy. As Chart 33 and Table 42 indicate, the Commission successfully met its policy standard for sales tax revenue debt issued under the 2009 Measure A. The 1989 Measure A related debt consistently exceeded the Commission's standard, and coverage for the 2009 Measure A related debt of 2.8 is anticipated for FY 2018/19. Any coverage less than 2 to 1 would necessitate using other program funding to cover all debt service expenditures.

Chart 33 – Measure A Sales Tax Debt Capacity Analysis

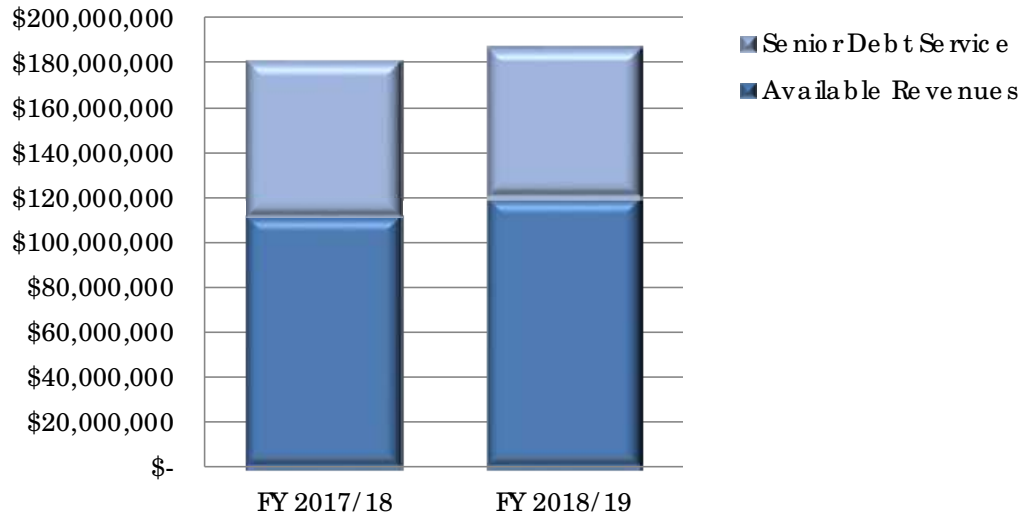


Table 42 – Measure A Sales Tax Debt Capacity Analysis

		FY 17/18	FY 18/19
Sales Tax Revenues	\$	181,000,000	\$ 187,000,000
Senior Debt Service	\$	69,167,100	\$ 66,755,500
Coverage Ratio - Senior Debt		2.6	2.8
Long-Term Debt Rating		Aa 2/AA+/AA	Aa 2/AA+/AA
Commercial Paper Rating		P-1/A-1+	P-1/A-1+

Upon the execution of the 2017 TIFIA Loan, the toll-supported debt consists of the 2013 Toll Bonds and 2017 TIFIA Loan as senior debt and the 2013 TIFIA Loan as subordinate debt.

Beginning in the first full fiscal year following substantial completion of the express lanes projects, the Commission is required to establish and collect tolls in connection with the toll road to produce net revenues equal to or in excess of the following ratios:

Coverage Ratios	2013 Toll Bonds/ 2013 TIFIA Loan	2017 TIFIA Loan
Senior lien debt	150%	130%
Total debt	130%	130%
Total debt plus reserve deposits and certain other funds established under the applicable indenture	100%	100%

The Commission expects to exceed the toll coverage ratio requirements for the 2013 Toll Bonds and 2013 TIFIA Loan with a coverage ratio of 262% for FY 2018/19.

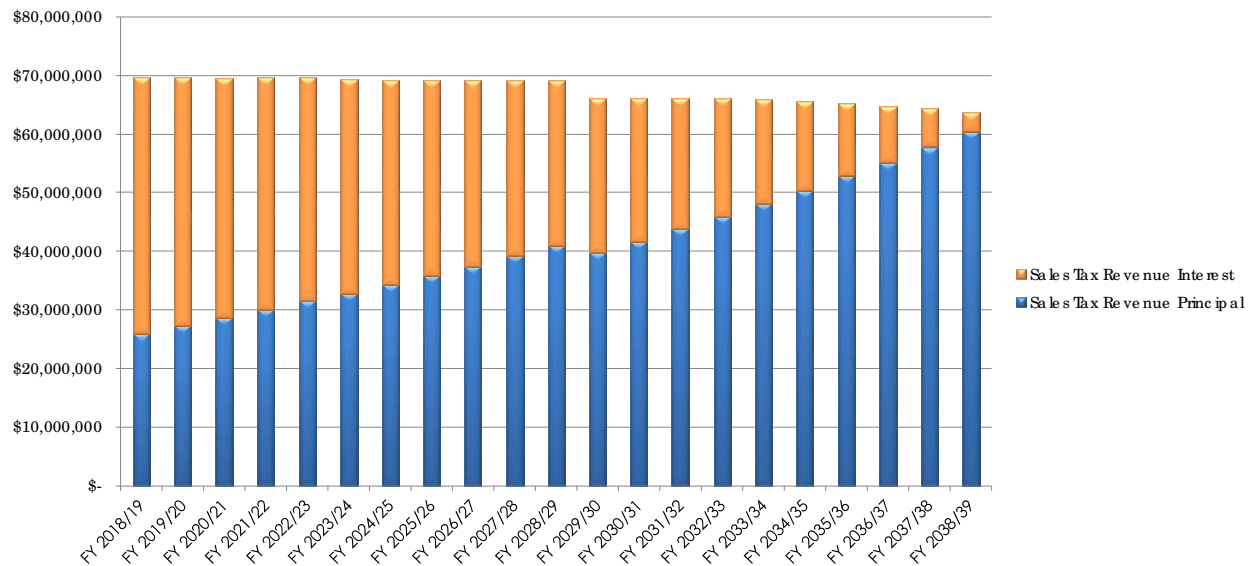
Aggregate Debt Service Schedule for Sales Tax Bonds

Debt service requirements (Table 43 and Chart 34) for the sales tax revenue bonds are based on a amortization schedules for the 2010B Bonds, net of the BABs subsidy; 2013A Sales Tax Bonds; 2016 Refunding Bonds; 2017A Bonds; 2017B Refunding Bonds; and 2018 Refunding Bonds.

Table 43 – Commission Sales Tax Revenue Bonds Net Debt Service Requirements

Fiscal Year	Principal	Interest	Subsidy Payments	Net Debt Service
2019	\$ 25,965,000	\$ 43,590,700	\$ (2,800,200)	\$ 66,755,500
2020	27,245,000	42,897,100	(2,982,100)	67,160,000
2021	28,495,000	42,263,200	(2,982,100)	67,776,100
2022	29,995,000	41,504,600	(2,982,100)	68,517,500
2023	31,405,000	40,755,300	(2,982,100)	69,178,200
2024-2028	178,120,000	167,826,500	(14,910,500)	331,036,000
2029-2033	219,095,000	122,256,900	(14,897,900)	326,454,000
2034-2038	264,305,000	61,148,300	(9,470,800)	315,982,500
2039	60,400,000	3,344,800	(550,800)	63,194,000
Total	\$ 865,025,000	\$ 565,587,400	\$ (54,558,600)	\$ 1,376,053,800

Chart 34 – Commission Sales Tax Revenue Bonds Debt Service through Maturity



Outstanding Debt and Debt Service Requirements as of June 30, 2019

The following is a summary of debt issued and secured by 2009 Measure A sales tax revenues, receipt of which began in FY 2009/10:

2005 Commercial Paper Notes (Limited Tax Bonds), Series A: In February 2005, the Commission authorized a \$200 million commercial paper program. In March 2005, the Commission established the program for \$185,000,000 Commercial Paper Notes (Limited Tax Bonds), Series A and B. In October 2010, the Commission reduced the program to \$120 million; in September 2013, the Commission further reduced the program to \$60 million. The repayment of principal and interest on the commercial paper notes is secured by an irrevocable direct draw letter of credit issued by State Street Bank, and the Measure A sales tax revenues secure such repayment. Maturities of the commercial paper notes may range from one to 270 days, and interest rates are variable and dependent on current market conditions. The Commission anticipates no outstanding commercial paper notes at June 30, 2019.

The note agreements require the trustee to hold all note proceeds and a portion of sales tax revenues and to segregate all funds into separate accounts as required by the indentures.

2010 Sales Tax Revenue Bonds (Limited Tax Bonds), Series A Tax-Exempt and Series B Taxable: In November 2010, the Commission issued \$150,000,000 principal amount of serial bonds to retire all of the outstanding principal amount of the commercial paper notes, fund project costs, and pay issuance costs. The Commission refunded the 2010A Bonds in December 2017. The

outstanding 2010B Bonds mature in annual installments ranging from \$530,000 to \$17,980,000 on various dates from June 1, 2032 through June 1, 2039. The interest rate for the 2010B Bonds is 6.807%. The Commission expects to receive BAB cash subsidies from the U.S. Treasury related to the 2010B Bonds; however, sequestration cuts may continue to affect the subsidy amounts.

The 2010B Bond agreements require the trustee to hold all bond proceeds and a portion of sales tax revenues and to segregate all funds into separate accounts as required by the indentures.

Table 44 summarizes the debt service requirements, net of subsidy payments for the 2010B Bonds.

Table 44 – 2010 Sales Tax Revenue Bonds Net Debt Service Requirements

Fiscal Year	Principal	Interest	Subsidy	Net Debt Service
2019	\$ -	\$ 7,649,000	\$ (2,800,200)	\$ 4,848,800
2020	-	7,649,000	(2,982,100)	4,666,900
2021	-	7,649,000	(2,982,100)	4,666,900
2022	-	7,649,000	(2,982,100)	4,666,900
2023	-	7,649,000	(2,982,100)	4,666,900
2024-2028	-	38,245,000	(14,910,500)	23,334,500
2029-2033	14,540,000	38,208,900	(14,897,900)	37,851,000
2034-2038	79,850,000	22,887,600	(9,470,800)	93,266,800
2039	17,980,000	1,223,800	(550,800)	18,653,000
Total	\$ 112,370,000	\$ 138,810,300	\$ (54,558,600)	\$ 196,621,700

2013 Sales Tax Revenue Bonds (Limited Tax Bonds), Series A Tax-Exempt: In July 2013, the Commission issued \$462,200,000 principal amount of serial bonds at a premium of \$38,328,800 to retire all of the outstanding principal amount of commercial paper notes, fund a portion of the 91 Project costs, pay capitalized interest during construction, and pay issuance costs. In December 2017, the Commission refunded the callable portion of the outstanding 2013 Sales Tax Bonds. The bonds mature in annual installments ranging from \$12,090,000 to \$14,695,000 on various dates from June 1, 2019 through June 1, 2023; the interest rate is 5.00%.

The 2013 Sales Tax Bond agreements require the trustee to hold all bond proceeds and a portion of sales tax revenues and to segregate all funds into separate accounts as required by the indentures. Table 45 summarizes debt service requirements for the 2013 Sales Tax Bonds.

Table 45 – 2013 Sales Tax Revenue Bonds Debt Service Requirements

Fiscal Year	Principal	Interest	Total Debt Service
2019	\$ 12,090,000	\$ 3,339,800	\$ 15,429,800
2020	12,690,000	3,339,800	16,029,800
2021	13,325,000	3,339,800	16,664,800
2022	13,995,000	3,339,800	17,334,800
2023	14,695,000	3,339,800	18,034,800
Total	\$ 66,795,000	\$ 16,699,000	\$ 83,494,000

2016 Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series A Tax Exempt: In September 2016, the Commission issued \$76,140,000 in fixed rate sales tax revenue refunding bonds, at a premium of \$8,414,007, to refund all of the outstanding Series A bonds issued in 2009, retire all of the commercial paper notes, and pay issuance costs. The bonds mature in annual installments ranging from \$2,900,000 to \$7,305,000 on various dates from June 1, 2019 through June 1, 2029 with interest rates ranging from 2.00% to 5.00%. Table 46 summarizes debt service requirements for the 2016 Refunding Bonds.

Table 46 – 2016 Sales Tax Revenue Refunding Bonds Debt Service Requirements

Fiscal Year	Principal	Interest	Total Debt Service
2019	\$ 4,940,000	\$ 2,513,100	\$ 7,453,100
2020	5,185,000	2,266,100	7,451,100
2021	5,445,000	2,006,900	7,451,900
2022	5,720,000	1,734,600	7,454,600
2023	6,005,000	1,448,600	7,453,600
2024-2028	32,775,000	4,494,500	37,269,500
2029-2030	14,470,000	435,500	14,905,500
Total	\$ 74,540,000	\$ 14,899,300	\$ 89,439,300

2017 Sales Tax Revenue Bonds (Limited Tax Bonds), Series A Tax Exempt: In July 2017, the Commission issued \$158,760,000 principal amount, at a net premium of \$28,931,909, to primarily fund the I-15 Express Lanes project and completion of the 91 Project. The bonds mature in installments ranging from \$3,710,000 to \$11,440,000 on various dates from June 1, 2019 through June 1, 2039 with interest rates ranging from 3.00% to 5.00%. Table 47 summarizes debt service requirements for the 2017A Bonds.

Table 47 – 2017 A Sales Tax Revenue Bonds Debt Service Requirements

Fiscal Year	Principal	Interest	Total Debt Service
2019	\$ 4,470,000	\$ 7,545,500	\$ 12,015,500
2020	4,690,000	7,322,000	12,012,000
2021	4,835,000	7,181,300	12,016,300
2022	5,075,000	6,939,500	12,014,500
2023	5,280,000	6,736,500	12,016,500
2024-2028	30,620,000	29,450,000	60,070,000
2029-2033	39,050,000	21,022,900	60,072,900
2034-2038	49,590,000	10,477,300	60,067,300
2039	11,440,000	572,000	12,012,000
Total	\$ 155,050,000	\$ 97,247,000	\$ 252,297,000

2017 Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series B Tax Exempt: In December 2017, the Commission issued \$392,730,000 in fixed rate sales tax revenue refunding bonds, at a premium of \$80,058,109, to refund all of the outstanding 2010A Bonds, refund a portion of the 2013 Sales Tax Bonds, and pay issuance costs. The bonds mature in annual installments ranging from \$15,045,000 to \$30,980,000 on various dates from June 1, 2024 through June 1, 2039 with interest ranging from 4.00% to 5.00%. Table 48 summarizes the debt service requirements for the 2017B Refunding Bonds.

Table 48 – 2017 B Sales Tax Revenue Refunding Bonds Debt Service Requirements

Fiscal Year	Principal	Interest	Total Debt Service
2019	\$ -	\$ 19,366,300	\$ 19,366,300
2020	-	19,366,400	19,366,400
2021	-	19,366,400	19,366,400
2022	-	19,366,400	19,366,400
2023	-	19,366,400	19,366,400
2024-2028	83,140,000	88,923,100	172,063,100
2029-2033	143,745,000	62,225,100	205,970,100
2034-2038	134,865,000	27,783,400	162,648,400
2039	30,980,000	1,549,000	32,529,000
Total	\$ 392,730,000	\$ 277,312,500	\$ 670,042,500

2018 Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series A Tax Exempt: In April 2018, the Commission issued \$64,285,000 in fixed rate sales tax revenue refunding bonds, at a premium of \$10,723,789, to refund all of the outstanding Series B and Series C bonds issued in 2009, finance the swap termination payment, and pay issuance costs. The bonds mature in annual installments ranging from \$745,000 to \$7,290,000 on various dates from June 1, 2019 through June 1, 2029 with interest rates ranging from 4.00% to 5.00%. Table 49 summarizes debt service requirements for the 2018 Refunding Bonds.

Table 49 – 2018 Sales Tax Revenue Refunding Bonds Debt Service Requirements

Fiscal Year	Principal	Interest	Total Debt Service
2019	\$ 4,465,000	\$ 3,177,000	\$ 7,642,000
2020	4,680,000	2,953,800	7,633,800
2021	4,890,000	2,719,800	7,609,800
2022	5,205,000	2,475,300	7,680,300
2023	5,425,000	2,215,000	7,640,000
2024-2028	31,585,000	6,713,900	38,298,900
2029-2033	7,290,000	364,500	7,654,500
Total	\$ 63,540,000	\$ 20,619,300	\$ 84,159,300

Chart 35 presents the allocation of the sales tax revenue bonds to the 2009 Measure A programs. A significant portion of the sales tax revenue bonds funded highway and regional arterial projects in the Western County and Coachella Valley; however, less than 1% funded local streets and roads projects in the Coachella Valley and Palo Verde Valley.

Chart 35 – Program Long-Term Debt

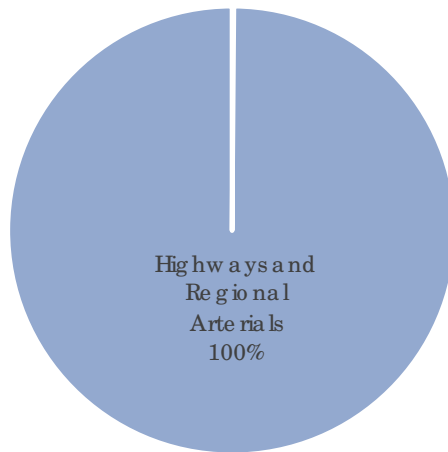
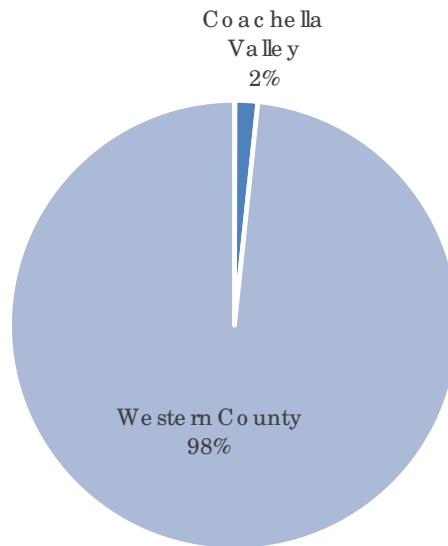


Chart 36 presents the allocation of the sales tax revenue bonds by the benefiting geographic area.

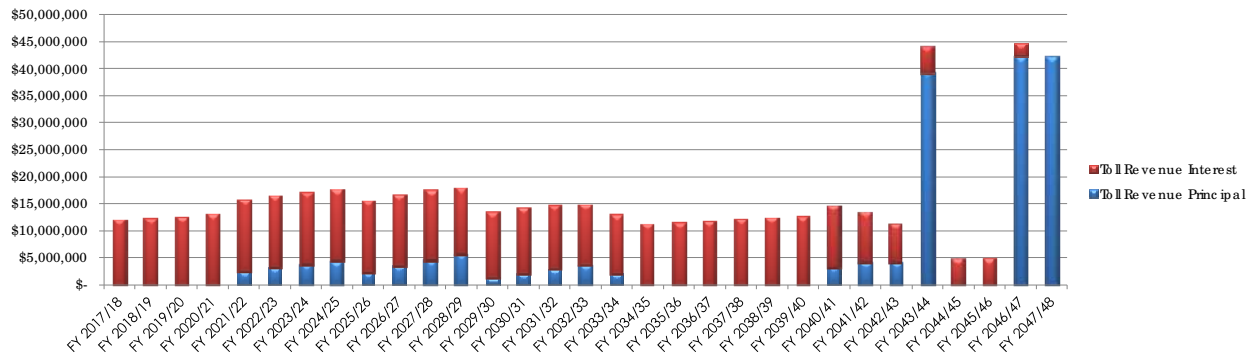
Chart 36 – Long-Term Debt by Geographic Area



Debt Service Schedules for Toll Revenue Bonds

Chart 37 depicts the debt service requirements for the 2013 Toll Bonds. The 2013 Toll Bond agreements require the trustee to hold all bond proceeds and segregate funds into separate accounts as required by the indenture.

Chart 37 – Toll Revenue Bonds Debt Service through Maturity



2013 Toll Revenue Bonds, Series A (Current Interest Obligations): In July 2013, the Commission issued \$123,825,000 principal amount of serial CIBs to fund a portion of the 91 Project, pay capitalized interest during construction, fund a debt service reserve fund, fund an initial amount for an operations and maintenance fund, and pay issuance costs. The CIBs consist of a serial bond maturing on June 1, 2044 in the amount of \$39,315,000 at an interest rate of 5.75% and a term bond due on June 1, 2048 in the amount of \$84,510,000 with annual sinking funds payments of \$42,255,000 on June 1, 2047 and June 1, 2048 at an interest rate of 5.75%. Table 50 summarizes the debt service requirements for the 2013 Toll Revenue CIBs.

Table 50 – 2013 Toll Revenue Current Interest Obligation Bonds Debt Service Requirements

Fiscal Year	Principal	Interest	Total Debt Service
2019	\$ -	\$ 7,119,900	\$ 7,119,900
2020	-	7,119,900	7,119,900
2021	-	7,119,900	7,119,900
2022	-	7,119,900	7,119,900
2023	-	7,119,900	7,119,900
2024-2028	-	35,599,500	35,599,500
2029-2033	-	35,599,500	35,599,500
2034-2038	-	35,599,500	35,599,500
2039-2043	-	35,599,500	35,599,500
2044-2048	81,570,000	28,817,700	110,387,700
2049	42,255,000	2,430,700	44,685,700
Total	\$ 123,825,000	\$ 209,245,900	\$ 333,070,900

2013 Toll Revenue Bonds, Series A (Capital Appreciation Obligations): In July 2013, the Commission issued \$52,829,600 principal amount of serial CABs to fund a portion of the 91 Project, pay capitalized interest during construction, fund a debt service reserve fund, fund an initial amount for an operations and maintenance fund, and pay issuance costs. The CABs do not pay current interest as interest is compounded semiannually and paid at maturity. Therefore, the CABs increase in value, or accrete, by the accumulation of such compounded interest from its initial principal amount to the maturity value in installments ranging from \$3,440,000 to \$34,220,000 on various dates from June 1, 2022 through June 1, 2043. Interest rates and yield to maturity range from 5.30% to 7.15%. Table 51 summarizes the debt service requirements for the 2013 Toll Revenue CABs.

Table 51 – 2013 Toll Revenue Capital Appreciation Obligation Bonds Debt Service Requirements

Fiscal Year	Principal	Accreted Interest	Total Debt Service
2019	\$ -	\$ 4,828,700	\$ 4,828,700
2020	-	5,150,800	5,150,800
2021	-	5,495,300	5,495,300
2022	2,396,706	5,846,900	8,243,606
2023	3,098,100	6,025,400	9,123,500
2024-2028	16,888,400	30,402,200	47,290,600
2029-2033	16,178,300	26,588,000	42,766,300
2034-2038	5,574,500	20,625,200	26,199,700
2039-2043	7,607,000	24,630,700	32,237,700
2044-2048	4,184,800	2,140,600	6,325,400
Total	\$ 55,927,806	\$ 131,733,800	\$ 187,661,606

2013 TIFIA Loan – 91 Project: In July 2013, the Commission executed a TIFIA loan of up to \$421,054,400 for the 91 Project. In FY 2016/17, the Commission drew down the balance of the TIFIA loan for the 91 Project. During construction and for a period of up to five years following substantial completion, interest is compounded and added to the initial TIFIA loan. The 2013 TIFIA loan requires mandatory debt service payments at a minimum and scheduled debt service payments to the extent additional funds are available. TIFIA debt service payments commence on December 1, 2021 through June 1, 2051. The 2013 TIFIA Loan interest rate is 3.47%.

Table 52 presents mandatory debt service on the 2013 TIFIA Loan.

Table 52 – 2013 TIFIA Loan (91 Project) Debt Service Requirements

Fiscal Year	Mandatory		
	Principal	Interest	Total
2019-2023	\$ -	\$ 3,840,000	\$ 3,840,000
2024-2028	-	23,604,000	23,604,000
2029-2033	201,000	73,743,000	73,944,000
2034-2038	97,548,000	81,787,000	179,335,000
2039-2043	99,208,000	61,359,000	160,567,000
2044-2048	177,427,000	41,287,000	218,714,000
2049-2051	128,954,000	6,521,000	135,475,000
Total	503,338,000	\$ 292,141,000	\$ 795,479,000
Accretion	(82,283,600)		
Initial Loan	\$ 421,054,400		

In connection with the 2013 financing for the 91 Project, the Commission covenanted to deposit amounts with the toll trustee as an equity contribution of \$136,451,515 to the 91 Project. In FY 2016/17, the final equity contribution was funded by a transfer from the 2009 Measure A Western County New Corridors fund.

2017 TIFIA Loan – I-15 Express Lanes: In July 2017, the Commission executed the 2017 TIFIA Loan up to \$152,214,260 for the I-15 Express Lanes project. The Commission requested no draws in FY 2017/18, but it anticipates draws aggregating \$106,081,000 in FY 2018/19 on the 2017 TIFIA Loan. During construction and for a period of up to five years following substantial completion, interest is compounded and added to the initial TIFIA loan. The 2017 TIFIA Loan requires mandatory debt service payments at a minimum and scheduled debt service payment to the extent additional funds are available. TIFIA debt service payments are expected to commence on June 1, 2025, which is five years after the projected substantial completion date of the I-15 Express Lanes project, through June 1, 2053. The interest rate of the TIFIA loan is 2.84%.

Based on a projected draw schedule, Table 53 presents an estimate of mandatory debt service requirements.

Table 53 – 2017 TIFIA Loan (I-15 Express Lanes) Debt Service Requirements

Fiscal Year	Mandatory		
	Principal	Interest	Total
2024-2028	\$ -	\$ 17,738,500	\$ 17,738,500
2029-2033	4,057,200	25,241,100	29,298,300
2034-2038	17,654,800	23,995,600	41,650,400
2039-2043	21,685,800	21,057,700	42,743,500
2044-2048	41,077,900	17,179,400	58,257,300
2049-2053	64,774,500	9,804,900	74,579,400
2054-2055	29,206,500	1,251,000	30,457,500
	178,456,700	\$ 116,268,200	\$ 294,724,900
Accretion	(26,242,400)		
Initial Loan	\$ 152,214,300		

Outstanding Debt and Legal Debt Margin at June 30, 2019

Table 54 presents a summary of the Commission's outstanding debt secured by Measure A sales tax revenues and related legal debt margin projected at June 30, 2019:

Table 54 – Legal Debt Margin

	2009 Measure A
Authorized Sales Tax Revenue Debt	\$ 975,000,000
2010B Bonds	112,370,000
2013 Sales Tax Bonds	54,705,000
2016 Refunding Bonds	69,600,000
2017A Bonds	150,580,000
2017B Refunding Bonds	392,730,000
2018 Refunding Bonds	59,075,000
Total Outstanding Debt	839,060,000
Legal Debt Margin	\$ 135,940,000

Table 55 – Budget Comparison by Department FY 2017 – 2019

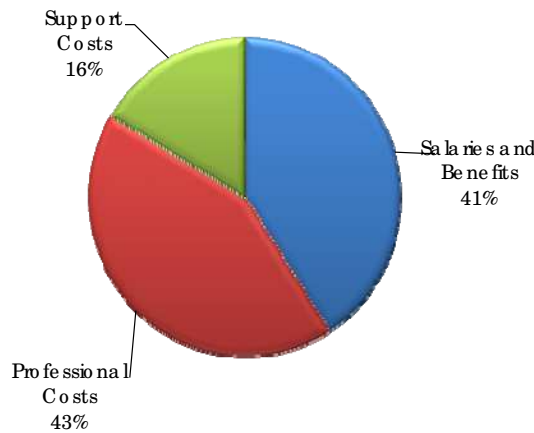
	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Revenues						
Measure A Sales Tax	\$ 175,320,200	\$ 181,000,000	\$ 181,000,000	\$ 187,000,000	\$ 6,000,000	3%
LIF Sales Tax	88,206,900	91,000,000	91,000,000	94,000,000	3,000,000	3%
STA Sales Tax	6,432,600	10,469,000	20,204,800	23,203,600	12,734,600	122%
Federal Reimbursements	20,201,700	78,563,200	105,408,300	59,105,700	(19,457,500)	-25%
State Reimbursements	8,538,500	16,589,100	8,275,100	165,442,400	148,853,300	897%
Local Reimbursements	3,727,400	6,840,100	7,435,100	24,037,900	17,197,800	251%
TUMF Revenue	19,594,800	22,250,000	22,250,000	22,922,200	672,200	3%
Tolls, Penalties, and Fees	10,125,300	16,835,800	42,812,600	36,940,500	20,104,700	119%
Other Revenue	6,746,000	2,803,700	574,200	539,000	(2,264,700)	-81%
Investment Income	4,495,300	3,509,400	7,595,300	3,408,000	(101,400)	-3%
Total Revenues	343,388,700	429,860,300	486,555,400	616,599,300	186,739,000	43%
Expenditure/Expense						
Management Services:						
Executive Management	73,200	507,300	391,600	539,600	32,300	6%
Administration	1,615,600	2,619,400	2,280,200	2,939,600	320,200	12%
External Affairs	1,428,000	2,194,200	2,158,600	2,228,900	34,700	2%
Finance	3,518,000	4,549,400	3,186,900	4,360,200	(189,200)	-4%
Total Management Services	6,634,800	9,870,300	8,017,300	10,068,300	198,000	2%
Regional Programs:						
Planning and Programming Services	2,541,000	13,007,100	6,153,300	19,508,800	6,501,700	50%
Rail Maintenance and Operations	24,298,600	36,283,500	29,059,700	36,236,900	(46,600)	0%
Public and Specialized Transit	82,798,500	122,719,100	104,905,000	160,131,400	37,412,300	30%
Commuter Assistance	2,686,100	4,143,000	3,860,900	4,501,300	358,300	9%
Motorist Assistance	4,177,200	4,693,900	4,022,200	6,185,900	1,492,000	32%
Total Regional Programs	116,501,400	180,846,600	148,001,100	226,564,300	45,717,700	25%
Capital Project Development and Delivery	339,435,700	484,311,900	335,616,100	550,654,400	66,342,500	14%
Operations	3,039,700	15,044,200	12,851,300	17,366,800	2,322,600	15%
Debt Service						
Principal Payments	27,317,200	62,145,000	62,120,000	25,965,000	(36,180,000)	-58%
Interest Payments	46,705,400	54,712,600	54,712,600	50,710,600	(4,002,000)	-7%
Cost of Issuance	654,000	3,767,200	2,257,100	-	(3,767,200)	-100%
Total Debt Service	74,676,600	120,624,800	119,089,700	76,675,600	(43,949,200)	-36%
Total Expenditure/Expense	540,288,200	810,697,800	623,575,500	881,329,400	70,631,600	9%
Exc excess (deficiency) of Revenue over (under) Expenditure/Expense						
	(196,899,500)	(380,837,500)	(137,020,100)	(264,730,100)	116,107,400	-30%
Other Financing Sources (Uses)						
Transfers In	188,488,900	313,676,500	298,371,800	181,899,300	(131,777,200)	-42%
Transfers Out	(210,150,600)	(313,676,500)	(298,371,800)	(181,899,300)	131,777,200	-42%
Debt Proceeds	106,140,000	636,250,000	632,775,000	-	(636,250,000)	-100%
TIFIA Loan Proceeds	143,358,100	81,810,000	-	106,081,000	24,271,000	30%
Payment to Escrow Agent	(63,900,000)	(546,300,000)	(541,889,900)	(20,000,000)	526,300,000	-96%
Bond Premium	8,414,000	119,722,000	119,713,800	-	(119,722,000)	-100%
Net Financing Sources (Uses)	172,350,400	291,482,000	210,598,900	86,081,000	(205,401,000)	-70%
Exc excess (deficiency) of Revenue over (under) Expenditure/Expense and Other Financing Sources (Uses)						
	(24,549,100)	(89,355,500)	73,578,800	(178,649,100)	(89,293,600)	100%
Beginning Fund Balance	740,421,500	715,872,400	715,872,400	789,451,200	73,578,800	10%
Ending Fund Balance	\$ 715,872,400	\$ 626,516,900	\$ 789,451,200	\$ 610,802,100	\$ (15,714,800)	-3%

Executive Management

Mission Statement:

Executive Management maintains the highest level of achievement and professionalism while managing the activities of the Commission to effectuate sound transportation policies, projects and services to meet Riverside County's mobility needs.

Chart 38 – Executive Management



Expenditures

Executive Management has a budget of \$539,600 (Table 56) for oversight of all Commission functions. The 15% increase in salaries and benefits reflects the net allocation of FTEs, an increase to the Commission's contribution to employee health benefits, and merit-based salary increases. Professional costs of \$230,000 include legal fees and consulting services for organizational training. Support costs include various membership dues and staff-related travel costs of \$88,600.

Table 56 – Executive Management Expenditure Detail

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Salaries and Benefits	\$ 254,600	\$ 191,400	\$ 191,100	\$ 221,000	\$ 29,600	15%
Professional Costs						
Legal Services	88,900	175,000	90,000	175,000	-	0%
Professional Services - General	(340,900)	50,000	30,000	55,000	5,000	10%
Total Professional Costs	(252,000)	225,000	120,000	230,000	5,000	2%
Support Costs	70,600	90,900	80,500	88,600	(2,300)	-3%
TOTAL Executive Management	\$ 73,200	\$ 507,300	\$ 391,600	\$ 539,600	\$ 32,300	6%

Executive Management Staffing Summary

Position	FY 16/17	FY 17/18	FY 18/19
Administrative Assistant	0.05	0.00	0.02
Deputy Executive Director	0.08	0.05	0.10
Executive Director	0.29	0.11	0.32
IT Administrator	0.00	0.05	0.00
Senior Administrative Assistant	0.00	0.00	0.01
Senior Office Assistant	0.15	0.15	0.15
FTE	0.57	0.36	0.60

Department Budget Overview

Department Description

The Executive Director is responsible for developing and implementing new strategies at the local, regional, and statewide levels to assure delivery of transportation improvements and programs throughout the County. Furthermore, Executive Management is committed to fostering a positive and supportive work environment for staff that emphasizes quality work and encourages teamwork and open communication, with a commitment to serving the public. This is accomplished through a productive and collaborative effort with the members of the Commission and the oversight of the Commission's Executive Committee.

Key Assumptions for FY 2018/19

- The Executive Director will play a prominent role with external audiences and an emphasis on working with Congress, the California Legislature, Riverside County business organizations, southern California transportation agencies, and local governments regarding advancing transportation policy in California. Policy concerns include the need for ongoing transportation investment, flexibility in project delivery methods, streamlining environmental processes, and a renewed focus of the connection between transportation projects and the overall quality of life in the County.
- Project delivery will be a top priority in FY 2018/19 with construction proceeding on the I-15—a project that travels through the cities of Jurupa Valley, Eastvale, Norco and Corona. This project will construct an additional two-tolled express lanes in each direction between SR-60 and Cajalco Road.
- Advancement of other large scale projects will take place including completion of the environmental permit process on the SR-79 realignment project and resolving litigation regarding the SR-60 truck climbing lanes and Mid County Parkway.
- The Commission will complete a study to address the impact of truck traffic serving large-scale logistics facilities. The study could lead to the creation of a fee program to mitigate the impact of trucks that serve these facilities.
- Promoting the use of public transit will be an important Commission priority which will include marketing of the PVL Metro link extension and express bus service that utilizes the 91 Express Lanes.
- There will be a continued focus on enhanced cost-effective Metro link and Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor service along with continuing development of a Service Development Plan (SDP) and environmental document for intercity rail service for the Coachella Valley-San Geronimo Pass corridor.
- The advancement of projects will require a requisite increase in public outreach for traditional and social media. This will be part of an effort to enhance awareness of the Commission's activities and service to the public at large, including updating the Commission's website to be more informative, easier to use, and compatible with mobile devices.

- As part of a regionwide effort, the Commission will work with local governments and stakeholders to advance active transportation projects such as bicycling, walking, and transit use.
- The Commission will remain an active participant in a concerted statewide effort to seek and protect transportation funding — most notably implementing and advocating projects, such as the 71/91 interchange project, to be funded by SB 1, the state gas tax increase approved in April 2017.
- The Commission will continue preconstruction activities for the 15/91 Express Lanes connector project, which received funding from SB 132.
- The Commission will also coordinate the implementation of other SB 132-funded Riverside County Transportation Efficiency Corridor projects with the respective lead agencies to ensure timely completion.

Accomplishments in FY 2017/18

FY 2017/18 witnessed extraordinary accomplishments at the Commission, placing it in the top tier of California transportation organizations. In several areas, the Commission stood by itself in successful advocacy, innovation, and leadership.

- Successfully operated the RCTC 91 Express Lanes since its opening in March 2017.
- Accepted the completion of the design-build contract to close out the 91 Project.
- Launched additional traffic studies on the SR-91 corridor to improve congestion hot spots located at the two end points of the RCTC 91 Express Lanes and on the direct connector from I-15 to the RCTC 91 Express Lanes.
- Improved ridership on the Metrolink PVL extension through additional marketing and a discount program.
- Led implementation of Coachella Valley-San Geronimo Pass Corridor Rail Study and obtained FRA funding grant for next phase.
- Participated in continued efforts to seek funding and approvals for special event trains for Coachella and Stagecoach music festivals.
- Continued engineering and right of way acquisition for first phase of Mid County Parkway while defending against litigation to challenge the project.
- Completed property acquisitions on the SR-60 truck climbing lanes project.
- Continued efforts to ensure interagency reviews and progress of SR-79 realignment, including environmental permits.
- Completed financing, including a TIFIA Loan, for the I-15 Express Lanes project — allowing early design-build and toll services provider contract activities to begin.
- Successfully refinanced \$410 million in existing debt to save more than \$52 million over the next 21 years.
- Issued fixed rate debt to refinance \$70.8 million of variable rate debt and terminate an interest rate swap — providing more certainty as to future debt service costs.
- Actively engaged in statewide advocacy efforts regarding legislation impacting transportation funding, process, and/or programs and in federal transportation policy development.
- Actively engaged in Metrolink budget, operations, and service discussions to ensure increased service for Riverside County Metrolink users and to effectively manage administrative costs.
- Focused on collaborative efforts with other transportation agencies including Riverside Transit Agency (RTA), Sunline, SBC TA, OCTA, WRCOG, CVAG, SCAG, and Western Riverside County Regional Conservation Authority (RCA).
- Engaged with member agency staff to ensure open communication and dialogue particularly regarding funding issues; provided project delivery support and advice to member agencies; and supported efforts to develop subregional priorities.
- Partnered with Caltrans management at District 8 and headquarters to maintain progress on initiatives and projects.

- Continued to fund the acquisition of needed habitat for the Western Riverside County Multi-Species Habitat Conservation Plan (MSHCP) as outlined in the 2009 Measure A Expenditure Plan.

Major Initiatives in FY 2018/19

FY 2018/19 will mark the active construction of yet another major toll facility project. Much like the recently-completed 91 Project, the I-15 Express Lanes project will be delivered via a design-build contract which results in significant time savings for the delivery of the work. Unlike the 91 Project, the I-15 Express Lanes project effort will be located primarily in the center median of the existing freeway and will not require extensive right of way acquisitions. Construction impacts to the community will be much less pronounced.

The Commission is now a toll road operator with new responsibilities for maintenance, operations, debt service, and marketing of the RCTC 91 Express Lanes, which opened in March 2017. The responsibilities will expand in 2020 with the opening of the I-15 Express Lanes and in 2022 with the opening of the 15/91 Express Lanes connector from the 91 Express Lanes to the northern segment of I-15.

In looking toward the future, the Commission is conducting a long-range transportation plan to guide future transportation priorities for the County. The technical work and public outreach for the plan will be completed by a consultant by the end of the calendar year in anticipation of Commission approval in January 2019.

In addition to the technical work, the success of many of these efforts will rely on proactive external communications. While traditional media relations will continue to be used, the Commission will continue implementation of a comprehensive social media outreach program to build awareness of the Commission and its role in the community. A key part of this effort includes completion of a revamped website that will be easier to use, more informative, and compatible with mobile devices. An expanding and systematic outreach to business and civic groups, focusing on Commission efforts in terms of funding, construction, and services, will be the central feature of the communications program.

Project development work is also an important priority and continues for the Mid County Parkway, SR-79 realignment, and SR-60 truck climbing lanes projects. Regarding public transit, the Commission will continue alternatives analysis and planning efforts to advance the goal of additional passenger rail service to serve the Coachella Valley-San Geronio Pass corridor. A federal grant from the FRA supports the second phase of the project to develop an environmental impact report and conceptual service plan.

As a member of Metrolink, funding and providing public transit connections for commuters is an important priority for the Commission. The Commission funded and completed construction on the PVL extension in 2016. While ridership on that line is steadily growing, a continued marketing and discount ticket effort will take place during the year.

The Commission is taking an active role throughout the County to advance active transportation projects for bicyclists and pedestrians. Working in partnership with the District, the Commission will continue to provide project delivery support services for Santa Ana River Trail projects. The Commission will also advocate and support funding of the CV Link project in the Coachella Valley. The focus on these type of projects remains consistent with southern California's RIP which seeks to limit GHG emissions.

In terms of advancing policy, a major concern in moving forward is the State's financial position and commitment to funding infrastructure and transportation. The Commission will continue to take an aggressive and active role in protecting existing transportation funding and advocating

for State investments in transportation. The April 2017 approval of SB 132 to fund five key transportation projects in Riverside County, was achieved thanks to the work of State Senator Richard Roth and Assemblywoman Sabrina Cervantes, who worked closely with Board commissioners and staff. The Commission is an active member of the Self-Help Counties Coalition (SHCC), California Association of Councils of Governments (CALCOG), and Mobility 21; a major focus of these organizations will be placed on advocacy to educate the public regarding the impact of SB 1 – a bill which raised state gas taxes and vehicle fees to fund transportation priorities.

Federal funding is also an important issue for the Commission's future, and the Commission will play an active role in allocating and competing for funding which has been made available by the current transportation bill, Fixing America's Surface Transportation Act (FAST Act). With a potential new emphasis on infrastructure investment being made by the Executive Branch, the Commission will work closely with Congressional members and the U.S. DOT should new opportunities arise for funding on the federal front.

While actively participating in all of these major endeavors, the Executive Director will maintain and improve administrative efficiency and fiscally sound practices characteristic of the Commission. With 51 staff positions included in the FY 2018/19 budget, the Commission's organization remains consistent with the Commission's direction.

The Commission must continue to be competitive in the employment market and retain capable staff as well as attract high quality applicants. Staff training development and succession planning will continue, enabling our small and dedicated staff to enhance skills, productivity, and value. The Commission's goal is to maintain the most effective mid-sized transportation agency in California.

Department Goals

EM1 – Focus on timely and effective completion of capital projects and implementation of needed transportation services. (*Policy Goals: Quality of Life, Responsible Partner*)

Objectives:

- Successfully manage financial responsibilities and investments for the RCTC 91 Express Lanes as a toll operator.
- Continue implementation of Toll Program management strategy with active construction of the I-15 Express Lanes project and development of the 15/91 Express Lanes connector project.
- Provide successful Metro link service and bolster ridership on the PVL extension.
- Adopt the Long Range Transportation Plan (LRTP) to establish integrated transportation visions and priorities.
- Continue progress and outreach for Coachella Valley-San Geronimo Pass corridor rail service study.
- Complete the logistics related truck-impact study.
- Actively seek resolution of litigation challenging the Mid County Parkway and SR-60 truck climbing lanes projects so that work can progress to the next phase.
- Maintain Metro link coordination and engage in collaborative efforts to address significant funding and organizational challenges.
- Continue engagement in rail discussions regarding Metro link, LOSSAN, and high-speed rail to ensure protection of Riverside service and the Commission's rights.
- Support CVAG's transportation initiatives and projects.
- Continue to support RTA's express bus service in its operational plans.
- Continue collaboration with member agencies on planning, funding and construction of local and regional bike, trail, and pedestrian facilities.
- Update Transit Vision to address long-term transit funding challenges.

- Implement the Commission's adopted state and federal legislative platforms.
- Pursue all funding opportunities to keep projects funded.
- Ensure the Commission's active participation in RIP implementation.
- Place a high priority in working with neighboring counties in San Bernardino, Orange, and San Diego to address commuting needs that impact highway and transit facilities.
- Continue collaborative efforts with local agencies regarding priorities; communicate effectively and timely with community groups and leaders.
- Launch a new vanpool program to provide a new and flexible commute.

EM2 – Maximize funding for transportation improvements in Riverside County through legislative advocacy. (Policy Goals: Quality of Life)

Objectives:

- Place an emphasis on implementing federally authorized and funded projects and services that are consistent with the federal transportation bill and the Commission's ongoing project priorities.
- Continue to advocate for federal investment in freight and goods movement infrastructure with the goal of mitigating community impacts while increasing capacity and local job creation and economic development.
- Advocate for additional funding from the state's Cap and Trade programs for projects in Riverside County.
- Pursue SB 1 funding of discretionary programs.

EM3 – Support regional transportation solutions in cooperation with surrounding counties that are of benefit to Riverside County. (Policy Goals: Quality of Life, Operational Excellence, Responsible Partner)

Objectives:

- Partner with OCTA on the administration and operation of the 91 Express Lanes in both counties.
- Work with neighboring counties regarding corridor improvements on SR-91 and I-15.
- Maintain an effective working relationship with the agencies that comprise MetroLink to ensure that the County commuter rail needs are served in an efficient, effective, and safe manner.
- Partner with SBC TA to enhance and publicize the Inland Empire Commuter (IE Commuter) system and work with agencies in San Diego, Orange, and Los Angeles counties to provide effective, regional 511 traveler information services.
- Play an active role in the implementation of intercity rail and commuter rail service in the LOSSAN rail corridor.
- Be an active participant in discussions involving high-speed rail, especially concerning connectivity investments in the overall rail system in southern California.
- Advocate for and take an active effort for additional intercity rail service to the Coachella Valley-San Geronimo Pass corridor.

EM4 – Maintain effective working relationships with Commissioners to strengthen and expand the Commission's leadership in transportation policy decision-making at all levels of government and raise the Commission's profile in the community. (Policy Goals: Quality of Life, Operational Excellence)

Objectives:

- Facilitate Commissioner participation at the regional, state, and federal levels to raise the interests of the Commission and seek favorable action.
- Continue regular communication between the Executive Director, senior staff, and the Board.

- Continue collaborative efforts with member agency staff regarding local priorities and funding challenges.
- Work with other levels of local government such as the County's Transportation and Land Management Agency, County Health Department, District, and local universities on quality of life issues that are connected to transportation such as air quality and the environment.
- Provide assistance to Commissioners who serve on outside boards such as SCAG, Metrolink, LOSSAN, and the Mobile Sources Air Pollution Review Committee (MSRC) to assist their efforts to represent the County.
- Upgrade the Commission's website to be easier to use, more informative, and compatible with mobile devices.

EM5 – Promote the Commission’s effectiveness by improving and developing staff skills, using state-of-the-art working tools, and fostering an environment that encourages and rewards individual and team effort. (Policy Goal: Operational Excellence)

Objectives:

- Make needed investments in information technology to ensure staff efficiency.
- Continue to maintain a well-documented employee appraisal process that provides clear, understandable, and measurable performance criteria for all employees.
- Maintain and encourage staff morale and seek continuous improvement of staff effectiveness.
- Retain quality staff and evaluate staff retention strategies and options.
- Complete and implement organizational initiatives.

EM6 – Develop the framework for a Commission culture that enhances productivity, encourages regular and open communication among staff, and promotes the mutual achievement of individual and organizational goals and objectives. (Policy Goal: Operational Excellence)

Objective:

- Facilitate open communications and coordination between management, professional staff, and support staff through regular meetings.

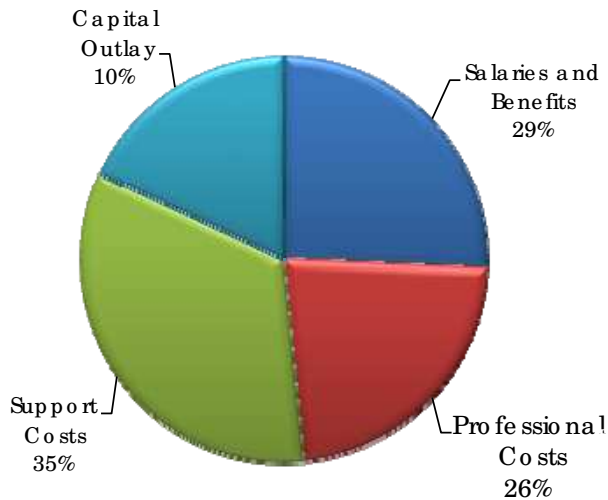
ID	Executive Management Performance Measures and Results	FY 16/17 Estimated	FY 16/17 Actual	FY 17/18 Estimated	FY 18/19 Projected
EM1	Expenditures / Expenses	\$541,439,300	\$540,288,200	\$623,575,500	\$881,329,400
EM5 EM6	Staffing levels	49	47	50	51
	Administration costs as percentage of expenditures / expenses	1.23%	1.22%	1.29%	1.14%

Administration

Mission Statement:

Comprised of office operations, clerk of the board, and human resources, Administration provides quality and efficient services to the Board of Commissioners, staff, and external customers in compliance with applicable federal and state requirements.

Chart 39 - Administration



Expenditures

As noted in Table 57, the Administration Department's total budget is \$2,939,600 for office operations including management of office space, lease, and equipment; records; Commission and committee meetings; and special events as well as for the clerk of the board and human resources functions.

Salaries and benefits expenditures of \$755,700 reflect an increase of 60% related to the net allocation of FTEs, an increase to the Commission's contribution to employee health benefits, and merit-based salary increases. Professional costs of \$667,100 cover various services including, but not limited to, Commissioners' per diem, legal fees, and consultant and other professional services and reflects an increase of 25%. Support costs of \$986,800 cover administrative overhead including office maintenance; information technology updates, support, and maintenance; and recruitments. Capital outlay of \$530,000 covers office space improvements, information technology support services, and equipment upgrades.

Table 57 – Administration Expenditure Detail

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Salaries and Benefits	\$ 585,500	\$ 473,600	\$ 473,300	\$ 755,700	\$ 282,100	60%
Professional Costs						
Commissioner Per Diem	55,300	65,000	60,000	65,000	-	0%
Legal Services	24,400	32,000	27,500	28,000	(4,000)	-13%
Professional Services - General	206,200	436,500	430,900	574,100	137,600	32%
Total Professional Costs	285,900	533,500	518,400	667,100	133,600	25%
Support Costs	656,800	977,300	763,500	986,800	9,500	1%
Capital Outlay	87,400	635,000	525,000	530,000	(105,000)	-17%
Debt Service	24,900	-	-	-	-	N/A
TOTAL Administration	\$ 1,640,500	\$ 2,619,400	\$ 2,280,200	\$ 2,939,600	\$ 320,200	12%

Administration Staffing Summary

Position	FY 16/17	FY 17/18	FY 18/19
Administrative Assistant	0.14	0.15	0.08
Clerk of the Board	1.00	1.00	1.00
Deputy Clerk of the Board	1.00	1.00	1.00
Executive Director	0.00	0.04	0.00
Facilities Administrator	0.00	0.00	0.10
Human Resources Administrator	1.00	1.00	1.00
IT Administrator	0.00	0.46	0.87
Procurement Analyst	0.01	0.00	0.00
Records Technician	1.00	1.00	1.00
Senior Administrative Assistant	0.00	0.01	0.00
Senior Management Analyst	0.00	0.03	0.00
Senior Office Assistant	0.59	0.55	0.59
FTE	4.74	5.24	5.64

Department Budget Overview – Office Operations**Department Description**

Office Operations oversees the daily maintenance needs of the Commission's office facilities and staff; manages information technology and records management systems; oversees the office lease with the County; purchases office supplies and equipment; posts public notices on the website and local newspaper; maintains a safe working environment for Board members, staff, and consultants; and provides support services.

Key Assumptions for FY 2018/19

- Support will be provided to 51 full-time Commission staff at the Commission's Riverside office and other project-related facilities.
- Information technology staff in coordination with an information technology consultant will maintain the Commission's investments in a state of good repair to ensure efficient and effective operations.
- The Commission will maintain an accurate and efficient records management system.
- Staff will respond to requests for public records in accordance with the California Public Records Act.

Accomplishments in FY 2017/18

- Executed a new lease with the County that includes additional office space for co-location of staff and capital program management in Riverside.

- Maintained a disaster recovery plan to ensure uninterrupted Commission operations.
- Responded to public records requests in accordance with the California Public Records Act.
- Posted legal notices on the website and in local newspapers in a timely manner.
- Maintained a records management system to ensure accurate and efficient processing of incoming and outgoing correspondence and documents.

Major Initiatives in FY 2018/ 19

The Commission will invest in a new records management system in order to achieve greater efficiencies and strengthen the Commission's records management processes and procedures. The system pertains to the management, storage, and accessibility of the Commission's actions and documents and the retention capability for incoming and internally created records.

Office Operations will continue to provide high quality support services to the Board and to internal and external customers by providing a work environment that enhances the overall mission of the Commission. The Commission moved to its current office in Riverside in 2002. In connection with the expansion of the office space to co-locate staff and capital program management, the Commission will complete an update of the office and workspaces to provide a productive and efficient environment in a prudent and economical manner.

Department Goals – Office Operations

OO1 – Ensure quality service that demonstrates responsiveness and flexibility and provides services at the most reasonable cost. (Policy Goal: Operational Excellence)

Objectives:

- Support 51 full-time Commission staff.
- Manage the Commission's information technology systems.
- Continue to improve administrative efficiency through automation of records processing.
- Post legal notices on the Commission's website and in the newspapers on a timely basis and in accordance with applicable federal, state, and local regulations.
- Provide office supplies, equipment, and services consistent with intended quality and capabilities at the most advantageous price afforded in the market.

OO2 – Facilitate access to Commission information and records. (Policy Goal: Operational Excellence)

Objectives:

- Respond to requests for records and information on a timely basis and in accordance with state law.
- Continue to improve the Commission's recordkeeping practices by updating the electronic records management system.
- Maintain Commission agreements, amendments, MOUs, resolutions, and ordinances.

Department Budget Overview – Clerk of the Board

Department Description

The Clerk of the Board provides support services to the Board of Commissioners and its alternates and for Commission and committee meetings. It serves as an important resource for the Commission and has the responsibility for:

- Recording, publishing, preserving, and filing meeting proceedings of documents acted upon by the Commission and its committees;

- Processing claims against the Commission;
- Fulfilling requirements of the Commission and the committees as it relates to the Conflict of Interest Code;
- Serving as the Filing Officer for Economic Interest and Campaign Disclosure statements and legal claims against the Commission;
- Coordinating Commission special events and meetings; and
- Performing all duties required by law, rules, or order of the Board.

As such, this department has a direct link and responsibility to serve local taxpayers and the public while supporting the actions of the Commission. The need to be accountable to the public at large is further amplified by the need to comply with federal and state law requiring prompt responses to California Public Records Act requests.

Key Assumptions for FY 2018/ 19

- The Clerk of the Board will provide staff support and meeting services to 34 Commissioners and their alternates, the Commission, standing committees, and a number of ad hoc committees.
- Staff will publish and distribute monthly agenda packets and supporting documents in accordance with the Brown Act.
- The Clerk of the Board will keep officers and members of the Commission informed by providing them with the most current and accurate data to assist them and facilitate their decision-making responsibilities.
- Frequent communication with Commissioners will continue in order to provide news and updates on Commission items and transportation-related meetings.
- Available technology will be used to provide simplified access of agenda items and Commission actions to the public, local agencies, and staff.

Accomplishments in FY 2017/ 18

- Updated the web page and the bulletin board for the agenda, minutes, and supporting documents.
- Regularly advised officers and members of the Commission and their staff on changes to Commission meetings and other transportation-related meetings.
- Arranged Commission and committee meetings and special events of the Commission.
- Processed and transmitted Commission-approved resolutions to appropriate agencies in a timely manner.
- Implemented NetFile to enable the electronic submission of Form 700 Statement of Economic Interest filings.

Major Initiatives in FY 2018/ 19

Each year, local agencies make changes to their appointments regarding their representation on the Commission. Staff will continue to ensure that the newly appointed representatives, as well as their respective staff, are aware of operational policies of the Commission and other transportation-related meetings. There will be continued emphasis on the utilization of electronic mail with Commissioners for more efficient communications.

Clerk of the Board staff will continue to provide high quality support services to the Board. Staff will also continue to update technology to streamline processes and procedures for easier access to Commission actions, minutes, resolutions, and ordinances, including electronic agenda distribution.

Department Goals – Clerk of the Board

CB1 – Ensure coordination and documentation of Commission and committee meetings and provide public accessibility to agenda items as required by state regulations. (*Policy Goal: Operational Excellence*)

Objectives:

- Provide accurate, high quality agenda packets for Commission and committee meetings.
- Continue to provide support to Commission members, staff, and attendees of Commission and committee meetings.
- Post meeting agendas and supporting documents in compliance with Brown Act requirements.
- Maintain an accurate list of Commissioners and alternates and submit membership roster changes to the Secretary of State.
- Maintain and file all Commission and committee meetings and official records of the Commission.
- Perform all duties within mandated deadlines.
- Maintain and promote good Commission and staff relations.

CB2 – Facilitate access to Commission meetings and activities. (*Policy Goal: Operational Excellence*)

Objectives:

- Implement an agenda program that is compatible with a new records management system and other Commission software.
- Coordinate special activities, meetings, events, and conferences as requested by the Executive Director and the Commission.

Department Budget Overview – Human Resources

Department Description

Human Resources responsibilities include:

- Planning, administering, and implementing human resources programs, including the recruitment, selection, and appraisal process; employee training and development; classification and compensation studies; benefits administration; employee relations; and
- Recommending, implementing and maintaining personnel policies, procedures, and practices.

Key Assumptions for FY 2018/19

- Staff will maintain quality service levels in all Human Resources programs.
- The assessment of Human Resources policies, practices and procedures will continue.
- Continuous improvement in communication with employees regarding Human Resources information will be an ongoing process.
- The Commission will comply with state and federal labor law regulations.

Accomplishments in FY 2017/18

- Maintained the employee performance appraisal system.
- Conducted annual benefits open enrollments with all employees.
- Updated the personnel policies and procedures manual.

- Regularly provided information to employees on changes to health insurance, 401(a) defined contribution, 457 deferred compensation plans, and the personnel policies and procedures manual through the Commission's intranet.
- Recruited and filled two interns, five temporary employees, five staff promotions, four service retirements, and six new hires in full-time positions.
- Coordinated training sessions on business writing, intermediate and advanced Microsoft Excel, presentations skills, effective communications, and prevention of violence in the workplace training for staff as well as sexual harassment prevention training for managers.
- Disclosed employees' compensation on the Commission's website in compliance with the State Controller's Office and CalPERS.
- Created a new job description for the Information Technology Administrator and revised job descriptions for Clerk of the Board and Public Affairs Manager.

Major Initiatives in FY 2018/ 19

Human Resources focuses on managing employees and consists of a framework of activities and practices that support and develop a motivated workforce while at the same time complying with legislation and regulations that govern the employer/employee relationship and ensuring parameters for fair and consistent decision-making and good workplace practices. Staff uses written position descriptions and performance expectations in order to obtain a clear and consistent understanding of what is expected.

Department Goals – Human Resources

HR1 – Administer human resources policies, procedures, and programs in order to align personnel laws and the Commission's policies with continuous improvement principles. (Policy Goal: Operational Excellence)

Objectives:

- Review and update personnel policies and procedures to comply with federal and state requirements.
- Provide information to enhance the employee's knowledge of current personnel policies and procedures in various forms including electronic access, workshops, and printed information.
- Ensure that employee personnel records are documented and updated timely for various personnel actions.

HR2 – Continue to employ and recruit a dynamic and talented workforce. (Policy Goal: Operational Excellence)

Objectives:

- Maintain a compensation program that ensures internal equity and external competitiveness within the pay structure for Commission employees.
- Exercise care in making high-quality, diverse appointments to fill staff positions.
- Maintain a comprehensive new employee orientation program.

HR3 – Develop people to be their best in order to meet the needs of the organization. (Policy Goal: Operational Excellence)

Objectives:

- Build and maintain an effective performance system to include timely performance evaluations, personal development, and a supportive work environment.
- Provide appropriate and timely training to meet the demands of the organization and professional growth and development of all staff members.
- Foster teamwork through cooperative efforts and support for shared success.

HR4 – Understand and consistently deliver excellent customer service to all employees. (Policy Goal: Operational Excellence)

Objectives:

- Focus on “employee as customer” and consistently strive to exceed expectations by supporting and maintaining individual respect, appreciation, management accessibility, and communication.
- Determine system requirements and identify options for an employee intranet.
- Assist employees in utilizing employer-provided benefits to enhance their health, wellness, and quality of life.

HR5 – Improve the quality of the work culture. (Policy Goal: Operational Excellence)

Objectives:

- Develop and maintain a safe and healthy working environment by retaining open lines of communication throughout the organization; complying with established federal, state, and local regulations; and implementing best practices to promote safety and prevent legal risks.
- Provide a safe working environment with the maintenance of an injury and illness prevention program.
- Maintain a proactive employee relations process by facilitating a collaborative, professional working environment with all staff members.
- Promote a work/family balance.
- Recognize and reward individual contributions, innovation, and learning from experience.

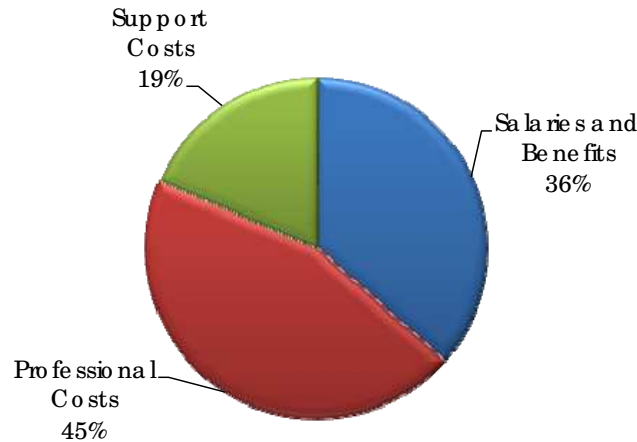
ID	Administration Performance Measures and Results	FY 16/17 Estimated	FY 16/17 Actual	FY 17/18 Estimated	FY 18/19 Projected
OO1	Staff supported: Regular full-time	49	47	50	51
OO2	Legal notices	26	31	25	30
CB1, CB2	Commission, Committee, and Ad Hoc meetings	45	50	47	50
CB1	Commissioners supported (including alternates)	62	62	62	62
HR1, HR4	Employee rule s/ Benefits review sessions held	2	2	2	2
HR2	Recruitments	7	7	6	5
HR2	Positions filled	7	2	6	5

External Affairs

Mission Statement:

External Affairs communicates, engages in, and develops relationships with the public, key stakeholders, and governmental decision-makers to connect the lives of Riverside County residents.

Chart 40 – External Affairs



Expenditures

The External Affairs Department has a total budget of \$2,228,900 (Table 58), an overall 2% increase. Salaries and benefits reflect a decrease of 7% related to net changes in FTEs, an increase to the Commission’s contribution to employee health benefits, and merit-based salary increases. Professional costs of \$1,003,400 includes legislative advocacy, graphic design, and website updates. Legislative advocacy costs remain unchanged from FY 2017/18. Overall, professional costs reflect a decrease of 12% due to anticipated completion of the new RCTC.org website and restructuring of contracts for integrated communication services. Support costs of \$412,400 include advertising, various membership dues, subscriptions to business software products and journalistic publications. Support costs also include staff-related travel costs, which remain at flat levels, to Sacramento, Washington, D.C., and professional conferences. Support costs reflect a 127% increase primarily due to planned public engagement and education efforts undertaken at the Commission’s direction, a large component of which may include social media and online marketing, as well as restarting the Commission’s Annual Report distributed to the citizens of Riverside County.

Table 58 - External Affairs Expenditure Detail

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Salaries and Benefits	\$ 654,200	\$ 877,100	\$ 876,400	\$ 813,100	\$ (64,000)	-7%
Professional Costs						
Legal Services	45,000	41,500	41,500	41,500	-	0%
Professional Services - General	641,900	1,094,000	1,064,000	961,900	(132,100)	-12%
Total Professional Costs	686,900	1,135,500	1,105,500	1,003,400	(132,100)	-12%
Support Costs	86,900	181,600	176,700	412,400	230,800	127%
TOTAL External Affairs	\$ 1,428,000	\$ 2,194,200	\$ 2,158,600	\$ 2,228,900	\$ 34,700	2%

External Affairs Staffing Summary

Position	FY 16/17	FY 17/18	FY 18/19
Administrative Assistant	0.68	0.40	0.45
Deputy Executive Director	0.72	0.40	0.55
External Affairs Director	0.91	0.95	0.66
IT Administrator	0.00	0.06	0.00
Legislative Affairs Manager	0.87	0.00	0.89
Procurement Analyst	0.21	0.05	0.12
Procurement Manager	0.00	0.05	0.00
Public Affairs Manager	0.50	0.45	0.25
Senior Management Analyst	0.72	1.42	0.76
Senior Office Assistant	0.26	0.00	0.00
FTE	4.87	3.78	3.68

Department Budget Overview

Department Description

The External Affairs Department manages two core functions: legislative affairs and public affairs. These are public-facing functions with high impact on how citizens, stakeholders, and decision-makers interact with the Commission.

Legislative Affairs

Improved mobility for Riverside County residents requires the financial resources and public policy to implement transportation projects and programs. Through proactive advocacy at all levels of government, the Commission exercises leadership to advance the agenda of Riverside County taxpayers. The Commission's legislative engagement takes many forms including, but not limited to:

- Seeking specific items in state or federal budgets;
- Changing the law;
- Shaping rules and regulations;
- Educating elected, appointed, and career government officials, as well as interest groups; and
- Pursuing grant funds.

Coverage of the many policy and funding issues that affect mobility within Riverside County requires a team approach. The Commission's historically effective and savvy approach to legislative advocacy is consistent with the Commission's overall theme of a lean staff and utilizing consultants in the ir areas of expertise. The Commission retains legislative consultants with decades of experience on transportation policy and funding based in Washington, D.C. and Sacramento, providing day-to-day representation and insights that help guide staff. The consultants, often referred to as legislative advocates or lobbyists, are procured every few years through a competitive and transparent process that seeks to acquire the greatest talent and the best value for the Commission. The FY 2018/19 budget does not contemplate any increases in retainer fees for legislative consulting services, as the 2016 procurement of these consultants yielded level overall fees compared to FY 2017/18.

Staff, in consultation with the legislative advocates, provides recommendations and support to Commissioners, who set legislative policy priorities and are often the Commission's most effective advocates in Washington, D.C. and Sacramento. Commissioner engagement takes the form of actions such as adopting a legislative platform; taking positions on individual bills; and communicating with government decision-makers in writing, verbally, or through physical trips to capital cities. Thus, the Commission's team approach for legislative advocacy is best likened to a three-legged stool held up by Commissioners, professional staff, and professional legislative consultants.

An essential component of the Commission's legislative affairs program is participation in formal and informal coalitions of similarly-interested agencies and stakeholders. Examples of formal coalitions are:

- Mobility 21 – a coalition of public agencies, the Automobile Club of Southern California, and business advocacy groups in southern California;
- SHCC – an alliance of all California counties with voter-approved sales taxes for transportation projects;
- CALCOG – a diverse alliance of transportation and planning agencies that are impacted by the State's laws and regulations on land use, air quality, and transportation;
- California Toll Operators Committee (CTOC) – an industry group of tolling agencies that collaborate on matters of common interest pertaining to operations, technology, finance and public policy; and
- International Bridge, Tunnel, and Turnpike Association – an industry group of public and private stakeholders in the tolling industry that focuses on federal policy and developing best business practices within the tolling community.

Although participation in these coalitions requires staff and consultant time, they leverage the collective strength of more voices beyond the Commission, which is often necessary to affect policy change. Additionally, members of these coalitions may have expertise and resources outside of the Commission's current capability that can contribute significant value to the Commission.

FY 2018/19 brings the possibility of a major setback for transportation in California and a potentially significant step forward in Washington, D.C. Staff in the External Affairs Department will educate Riverside County residents about the importance of transportation funding to the Commission and its member agencies' abilities to deliver needed transportation improvements. Additionally, active engagement by the Commission in the development and implementation of significant federal infrastructure legislation will be necessary to ensure Riverside County taxpayers receive a proportional benefit to any federal investment. Moreover, implementation of the federal FAST Act will continue, meaning significant rulemakings and release of grant funding opportunities are anticipated.

A key recommendation of the RCTC Strategic Assessment is for the Commission to pursue state and federal funding for priority projects, given the yawning gap of funding for Riverside County's long-term mobility needs. In pursuit of executing this recommendation, the Commission developed a non-call grant writing bench comprised of four highly qualified firms. This bench was utilized in FY 2017/18 to pursue competitive state funding from SB 1 and will continue to be called upon in FY 2018/19 and beyond to pursue additional competitive grant funding opportunities.

Public Affairs

RTC's commitment to engage and educate residents, business operators, and motorists requires a comprehensive public affairs program. The Commission is continuing to develop relationships with the public and major stakeholders through many channels, including:

- Participation in or hosting public meetings;
- Interacting with communities of interest and stakeholder groups, such as chambers of commerce, industry associations, service clubs, and other community-based organizations and businesses;
- Production and provision of resource materials, such as fact sheets, brochures, and newsletters in print and digital form;
- Maintenance and enhancement of RTC.org and support to other Commission project-related websites;
- Media communications in all varieties, including news releases, radio and television interviews, advertisements, cable television recordings, social media outreach, and video production;
- Public education programs to increase awareness of RTC projects and services and to explain the challenges of transportation funding;
- Annual reports to the citizens of Riverside County; and
- Analysis of public affairs activities to determine the most effective means of reaching various stakeholders.

The Commission will place continued emphasis on providing communications support to major projects, such as the I-15 Express Lanes project, Mid County Parkway, SR-79 realignment, Santa Ana River Trail, 91/PVL passenger marketing, and Coachella Valley-San Geronimo Pass corridor rail service. The Commission also will continue to promote high-value public services provided by the Commission, such as FSP and other motorist and commuter assistance programs.

Operation Life Saver is a well-received and effective public education campaign provided by the Commission. Operation Life Saver teaches target audiences, especially school children and their families, how to remain safe around train tracks, with the goal of reducing injuries and fatalities associated with trains.

The Commission's communications efforts will also focus on marketing and customer service for Metrolink commuter rail service, the 91 Express Lanes, and the future I-15 Express Lanes. The Commission has a vested interest in ensuring positive experiences by the public with these rail and toll services.

A major emphasis for the Commission is increased digital communications. The FY 2018/19 budget will include major investments to improve the Commission's engagement in online and mobile communications with its customers and constituents. The public can expect to continue to see changes and adaptations of the Commission's information mechanisms, such as *The Point*, the Commission's new e-newsletter and blog; RTC.org, the Commission's website; and social media accounts.

The public can also expect a robust engagement initiative to ascertain public priorities and provide information on how the Commission is exercising stewardship over taxpayer dollars. The RTC Strategic Assessment and recent actions by the Commission at the January 2018 Commission Workshop moved the Commission on a path to potentially seek new local revenues for transportation projects, necessitating public feedback and meaningful engagement with communities of interest throughout Riverside County. RTC will support its internal staff efforts with

its marketing and public outreach consultants, as well as other consultant services to help the public understand the complexities of transportation funding and the \$12.8 billion shortfall that RCTC faces for the delivery of projects through 2039.

Key Assumptions for FY 2018/ 19

- The Commission will continue to implement recommendations of the RCTC Strategic Assessment.
- The Commission will engage in a multi-faceted public engagement effort to ascertain transportation priorities and needs of Riverside County residents and stakeholders.
- Californians will uphold SB 1, the \$5.2 billion transportation funding package passed by the Legislature and signed by Governor Brown in April 2017.
- Congress and the Trump Administration will continue to focus on infrastructure funding.
- The Commission will remain an engaged party in public policy and funding matters at the state and federal levels.
- Toll operations on the RCTC 91 Express Lanes and future I-15 Express Lanes will necessitate focused attention on public affairs and marketing regarding the new express lanes.
- Construction of the I-15 Express Lanes project as well as the advancement of other Commission projects will require ongoing public outreach and engagement.
- The External Affairs Department will work internally to inform, coordinate, and support initiatives across all Commission departments to ensure a high level of collaboration and cohesiveness, especially related to external-facing work products.
- The External Affairs Department will carry out an intensive overall work program, consistent with the reorganization that took place in FY 2017/18, under the leadership of the External Affairs Director with guidance from the Deputy Executive Director and Executive Director.

Accomplishments in FY 2017/ 18

Legislative Affairs

- Guided Commission-sponsored legislation Assembly Bill (AB) 1189 (Garcia) to approval by the Legislature and Governor, enabling the Commission to consider a sales tax supplemental to Measure A.
- Supported the I-15 Express Lanes project team and Finance Department in obtaining the TIFIA loan to fund the project.
- Collaborated with SCAG, Metro link, and other southern California transportation commissions to communicate critical potential impacts in the federal tax reform legislation passed in December 2017 and lobby for changes.
- Guided the pursuit of two competitive grant applications seeking more than \$100 million of funding for two priority projects: I-15 Railroad Canyon Road interchange and 71/91 interchange improvement.
- Authored numerous letters of correspondence to governmental decision-makers detailing the Commission's positions.
- Participated in advocacy by coalitions of which the Commission is a member.
- Partnered with local business advocacy groups on advocacy trips to Washington, D.C. and Sacramento.
- Provided technical assistance and policy briefings to legislators representing Riverside County.

Public Affairs

- Expanded the Commission's social media program on multiple platforms.
- Continued updates to the Commission's website, RCTC.org, to meet modern standards and expectations, creating a more transparent and accessible platform for customers to receive information about multiple transportation projects and services.
- Completed a visual identity audit to establish a consistent and high quality brand for all Commission projects and programs being delivered for the taxpayers.
- Continued the Operation Life saver rail safety program throughout the County.
- Hosted informational booths and tables and a variety of community events throughout the County.
- Publicized the 91/PV Land special rail service to the Mission Inn Festival of Lights and supported school and senior center tours on public transit and other similar efforts.
- Supported the 91 Project team by actively communicating with stakeholders, local businesses, and the public at-large regarding construction activities and operations of the new toll lanes and the general purpose lane improvements.
- Met with every city manager or city management team in Riverside County.
- Met with 40 diverse stakeholder groups across Riverside County to ascertain transportation needs and priorities.
- Conducted a countywide voter survey and focus groups on a potential countywide sales tax to fund transportation improvements.
- Assisted the Rail Department with an online survey of potential new transit corridors.
- Gave presentations to numerous service clubs and business groups and at town hall meetings for cities and County supervisors.
- Participated in industry gatherings, such as the Mobility 21 summit and SHCC Focus on the Future – providing informational materials and discussing the Commission's work within the transportation industry.
- Upgraded the internal RCTC photo library and file transfer protocol file sharing system to facilitate easier internal and external communication.
- Began I-15 Express Lanes project stakeholder meetings and construction outreach planning.
- Held a successful ground breaking ceremony for the I-15 Express Lanes project.
- Supported the Rail Department with public meetings for the Coachella Valley-San Geronimo Pass corridor rail service.
- Supported marketing efforts for the 91 Express Lanes.
- Created essential internal procedures for social media, including guidelines for creating content, oversight, legal policies, and analytics.

Major Initiatives in FY 2018/19

Legislative Affairs

The Legislative Affairs team will continue monitoring and engaging on individual legislation that moves through Congress and the State Legislature, plus policies emerging from the Gubernatorial and Presidential Administrations.

It is also possible that a federal infrastructure funding package will move forward in FY 2018/19, potentially as large as \$1 trillion. If such a package begins to move forward, significant Commission engagement will be necessary to ensure Riverside County is able to receive its fair share of funding.

Much attention regarding Sacramento will be devoted to the implementation and protection of SB 1, pursuant to the Commission's adopted state legislative platform.

Finally, the legislative affairs team will continue to manage the consultant bench procured to assist the Commission in applying for state, federal, and regional grant funds.

Public Affairs

An ambitious year is planned for the Commission's public affairs program. The RCTC Strategic Assessment charged staff with planning an increasingly robust public communication and engagement effort to make the Commission's work more accessible and transparent to its constituents, with an emphasis on using modern technology to reach people where they get their information. Accordingly, major initiatives for communication for FY 2018/19 include:

- Complete the RCTC.org website overhaul and visual identity refresh. Continuous upgrade and maintenance of the new RCTC.org will be a key focus. Staff will also continue to integrate new visual identity features into Commission materials published for public consumption, with a goal of increasing awareness of Commission activities among the general public.
- Ascertain stakeholder needs, establish relationships, and execute communications plans for construction of the I-15 Express Lanes project.
- Continue close coordination with OCTA on developing a marketing and communications plan for the 91 Express Lanes.
- Procure consultant resources for a complete public education and engagement strategy. Commission staff will augment lean staff resources with the innovation and capacity of the private sector to operate a robust public engagement effort, as directed by the Commission.
- Continue Operation Life Saver's effective rail safety education campaign at Riverside County schools and community sites.
- Assist the Rail Department with Metro link marketing efforts.

Department Goals

The External Affairs Department plays a unique role by providing broad internal support to all Commission departments while also being the conduit for a wide variety of external actors to receive information and advance the public's general interest in better mobility in Riverside County. To that extent, the External Affairs Department's goals truly are the Commission-wide goals of quality of life, operational excellence, connecting the economy and being a responsible partner. The External Affairs Department will adapt and maneuver to ensure achievement of these broader organizational aims.

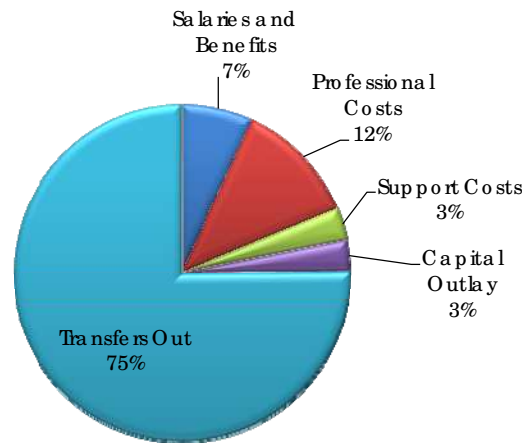
External Affairs Performance Measures and Results	FY 16/17 Estimated	FY 16/17 Actual	FY 17/18 Estimated	FY 18/19 Projected
Legislative action submittals to Commission	8	7	8	8
Commission-adopted legislative positions	N/A	N/A	N/A	25
State/federal/regional grants pursued	3	3	3	1
Items of state or federal legislation sponsored by the Commission	1	1	1	0
Speakers bureau/stakeholder presentations/events	196	35	116	120
Social media postings per week (average)	2	5	5	6
Facebook "Likes"	N/A	N/A	7,467	8,000
Twitter followers	N/A	N/A	992	1,200
Instagram followers	N/A	N/A	170	500
"The Point" postings per month (average)	N/A	N/A	2	4
"The Point" subscribers	N/A	N/A	800	1,200
Website visitors per month (average)	N/A	N/A	10,000	12,000
Operation Life saver school and community presentations/events	65	95	65	65

Finance

Mission Statement:

Finance safeguards the Commission's assets and maintains strong and prudent fiscal controls in accounting, budgeting, procurements, debt financing, investing, and financial reporting including ongoing disclosure to all interested parties. Finance seeks financing alternatives that complement the Commission's strategic direction.

Chart 41 - Finance



Expenditures

The Finance Department's total budget is \$17,543,600 (Table 59) and reflects a 2% decrease over the prior year's budget. Department staffing costs will total \$1,218,300, reflecting a net increase in FTE allocations, an increase to the Commission's contribution to employee health benefits, and merit-based salary increases. Professional costs of \$2,084,700 include various services related to general and specialized legal, financial and investment advisory, audits, debt management, CAFR and annual budget graphic design, and procurement. Support costs of \$543,500 include insurance, printing, and staff training. Capital outlay of \$513,700 includes ERP updates. Transfers out of \$13,100,000 and \$83,400 are related to funding a portion of the debt service interest payments and administrative costs to the General fund, respectively, from the 2009 Measure A Western County bond financing program.

Table 59 - Finance Expenditure Detail

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Salaries and Benefits	\$ 967,500	\$ 1,110,200	\$ 1,109,600	\$ 1,218,300	\$ 108,100	10%
Professional Costs						
Legal Services	24,200	175,000	83,900	155,000	(20,000)	-11%
Audit Services	331,900	466,000	402,500	427,500	(38,500)	-8%
Financial Advisory	140,800	175,000	150,000	150,000	(25,000)	-14%
Professional Services - General	1,111,500	1,379,200	884,100	1,352,200	(27,000)	-2%
Total Professional Costs	1,608,400	2,195,200	1,520,500	2,084,700	(110,500)	-5%
Support Costs	941,500	964,000	471,800	543,500	(420,500)	-44%
Capital Outlay	600	280,000	85,000	513,700	233,700	83%
Transfers Out	10,000,000	13,277,000	13,199,900	13,183,400	(93,600)	-1%
TOTAL Finance	\$ 13,518,000	\$ 17,826,400	\$ 16,386,800	\$ 17,543,600	\$ (282,800)	-2%

Finance Staffing Summary

Position	FY 16/17	FY 17/18	FY 18/19
Accountant	0.96	1.00	0.98
Accounting Assistant	1.00	1.95	2.00
Accounting Technician	2.00	2.00	2.00
Administrative Assistant	0.08	0.00	0.00
Chief Financial Officer	0.45	0.44	0.65
Deputy Director of Finance	0.93	0.65	0.91
IT Administrator	0.00	0.01	0.00
Procurement Analyst	0.17	0.20	0.10
Procurement Manager	0.12	0.15	0.12
Senior Administrative Assistant	0.63	0.68	0.65
Senior Financial Analyst	0.65	0.20	0.60
Senior Management Analyst	0.04	0.02	0.00
Senior Office Assistant	0.00	0.30	0.26
FTE	7.03	7.60	8.27

Department Budget Overview

Department Description

Finance and Accounting

Commission resources are allocated to assure financial stability and fiscal accountability. Finance activities include investing the Commission's cash resources, planning and directing financial transactions, and subsequent monitoring of legal and regulatory requirements. Adequate cash flow must be maintained while at the same time prudently investing operating and capital funds. Borrowing needs are carefully planned using both short- and long-term debt. Once debt is issued, there are ongoing responsibilities including interaction with financial advisors, bankers, dealers and remarketing agents, underwriters, bond counsel, bond insurers, trustees, issuing and paying agents, arbitrage consultants, investment managers, and rating agencies as well as providing regular and consistent information disclosure to investors.

Fiscal accountability involves receiving all funds due the Commission, paying all Commission obligations, maintaining the general ledger, reporting regularly on the Commission's fiscal results, and preparing and monitoring the budget. Fiscal accountability requires the coordination of budget planning and monitoring and the accurate and timely accounting for all funding sources, including compliance with all applicable laws and regulations governing those funds. Accounting encompasses cash receipt and disbursement functions, maintenance of the general ledger including project cost accounting, payroll processing, debt and investment management, quarterly and annual financial reporting, and retention of and coordination with independent auditors.

The Commission also recognizes the importance of accountability for the organization. As a result, the Commission is highly regarded by individuals, peers, other organizations, and government officials at a local, regional, state, and national basis. A formal organizational accountability program was approved in January 2006 to address fraud risk, ethical conduct, financial and operational disclosure, and maintaining the public's confidence in the Commission. Accordingly, measures have been implemented based on a conceptual framework related to oversight, reporting, fraud, internal control, and ethics.

Procurement Management

In the management of the procurements and contracts process, the responsibility of the procurement management function is to ensure that the procurement policies approved by the Commission are followed and procurement procedures are updated as required. The function is responsible for the purchase of all goods and services, except for real property acquisition, in accordance with Commission policies and federal and state funding requirements to ensure the implementation of the Commission's projects and programs. This includes the administration of the Commission's DBE and SBE program.

Procuring goods and services for the Commission is a cooperative effort. All Commission staff involved in procurements for their projects and programs are responsible to employ sound judgment and appropriate standards of ethics and fairness to procure in a manner most advantageous to the Commission. The Procurement division also conducts a review of and updates insurance coverage for the Commission and its properties.

Key Assumptions for FY 2018/19

- The commercial paper letter of credit facility will be maintained with strong short-term ratings.
- The Commission will maintain strong AA category long-term credit ratings related to its sales tax bonds and investment grade ratings related to its toll bonds and TIFIA loans.
- Proceeds from the 2017A Bonds, 2017 TIFIA Loan, and federal funds will be used to fund the I-15 Express Lanes project; proceeds from the 2017A Bonds will also be used to fund the completion of the 91 Project.
- A consultant will perform annual arbitrage calculations related to the outstanding debt issues.
- The Commission will pay 100% of the actuarially determined contribution related to postretirement health care benefits based on a current actuarial valuation.
- Finance will commence migration and implementation of a new cloud-based ERP system.
- Implement GASB Statement No. 87 related to the accounting and financial reporting for leases.
- Directors and program managers will continue to have adequate project budget and accounting information to make informed decisions.
- Toll operations accounting information will be processed and provided by the toll operations contractor's back office, and a service organization report, or SOC 1-Type 2 report, will be obtained annually.
- Construction fund bond proceeds will be invested in mid-term securities that mature in accordance with the construction draw schedule. Operating funds will be invested in state and local agency investment pools for short-term liquidity purposes and in mid-term treasury and federal agency securities as available funds are identified. The overall interest rate is conservatively projected to be 0.50% for operating funds managed by state and County investment pools as well as an investment management firm and 0.75% for debt service and construction funds managed by an investment management firm.
- Procurements will be conducted in accordance with the Commission's procurement policy manual.
- Procurement will continue to maintain a standardized procurement filing system and centralized procurement files.
- Procurement will conduct outreach activities to encourage DBE and SBE participation in various contracts and projects.

Accomplishments in FY 2017/18

- Issued \$158.8 million of 2017A Bonds and executed the 2017 TIFIA Loan to finance the I-15 Express Lanes project; a portion of the 2017A Bonds also provided funding for 91 Project completion.
- Extended the commercial paper program's letter of credit and reimbursement agreement with State Street Bank for an additional three years.
- Issued \$392.7 million of 2017B Refunding Bonds to advance refund all of the outstanding 2010A Bonds and the callable portion of the 2013 Sales Tax Bonds—achieving a net present value savings of \$39 million or 9.7%; this was accomplished in less than two months following the introduction of federal tax reform.
- Issued \$64.3 million of 2018 Refunding Bonds to refinance variable rate bonds issued in 2009 with fixed rate debt and finance a swap termination payment; this resulted in termination of the related standby bond purchase agreements.
- Prepared and submitted to TIFIA the Initial Financial Plan and the Financial Plan Annual Update for the I-15 Express Lanes project and the 91 Project, respectively.
- Prepared and submitted required continuing disclosure reports related to the 91 Project financing to TIFIA and/or the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) System, including the monthly construction progress report.
- Fulfilled other continuing disclosure requirements with timely filings to EMMA.
- Worked with Toll Operations staff, OCTA, and the 91 Express Lanes operator to ensure that proper accounting and financial reporting processes were maintained for the 91 Express Lanes operations.
- Early implemented GASB Statement No. 75 related to the accounting and financial reporting for the post-retirement benefits.
- Presented an update to the rating agencies of the Commission's sales tax and toll financing programs.
- Obtained financial reporting excellence award from the Government Finance Officers Association (GFOA) (25th year) related to the CAFR for the fiscal year ended June 30, 2017.
- Obtained GFOA distinguished budget award (22nd year) for an annual budget for the fiscal year beginning July 1, 2017.
- Generated approximately \$8.5 million in additional Measure A sales tax revenue since the engagement of a firm in January 2008 to provide sales tax audit services in order to detect and correct sales tax reporting errors.
- Participated in small business networking activities and met with potential DBE and SBE vendors.

Major Initiatives in FY 2018/19

Finance and Accounting

The commercial paper program has been in place for 13 years and provides short-term, advance funding for projects included in the 2009 Measure A and related Western Riverside County Delivery Plan. Commission management will continue to utilize the commercial paper program in FY 2018/19 to fund the 91 Project completion, as required. The current credit and liquidity support for the commercial paper program is \$60,000,000, and the existing letter of credit and reimbursement agreement with State Street Bank expires in October 2020. The Commission will monitor the credit quality of State Street Bank for any actions that may affect the short-term ratings of the commercial paper program.

The Commission will continue to invest project finance funds with the advice and assistance of an investment management and advisory firm. Operating funds available for investment are coordinated with the assistance of a second investment management and advisory firm. The Commission invests its funds in accordance with the Commission's priorities of safety, liquidity, and then yield. The investment managers and advisors will continuously review the Commission's investment policy for any required updates and other recommendations.

Staff maintains a comprehensive financing plan to support the highway and rail capital projects to be delivered through 2019 and to assess future financing requirements. This financing plan incorporates revised sales tax revenue forecasts as well as other potential federal, state, and local revenue sources, including tolls. Based on the updated cost estimates for these projects and identified revenues, potential project funding shortfalls may result in project deferrals or require alternative financing strategies. Financing alternatives to be considered include commercial paper, long-term bond issues to finance Measure A and toll projects, and federal loan programs.

To ensure that the Commission receives the proper amount of Measure A sales taxes, the Commission will continue to engage a firm to conduct sales tax audit services. The firm will also provide quarterly sales tax analysis and reporting services, of which a summary report is presented to the Commission on a quarterly basis. The Commission will also continue to engage a consultant to provide semi-annual sales tax forecasts for use in the development of revenue projections for the annual budget process and comprehensive financing plan updates.

The Finance Department will continue to keep abreast of GASB technical activities affecting the Commission's accounting and financial reporting activities, including a recently issued statement related to the accounting for leases. The Finance Department will continue to assess financial policies, procedures, and reporting and ensure proper internal control. Consultants may be engaged to assist staff in the development of efficient accounting and reporting processes and development of an investor relations page on the Commission's website.

The Finance Department will update its ERP system to integrate data processing across the Commission, automate administrative processes, and embrace data integration. The continued ERP efficiency gains include an automated paperless workflow system, advanced project accounting, budgeting, multi-year contract management, grant tracking, and readily available scanned images that retrievable by all users.

Procurement Management

A centralized procurements process will continue to be maintained to manage requests for proposals, qualifications, invitations for bids, small purchases, and related contract administration issues. The Procurement Policy Manual reflects best practices and applicable federal, state, and local laws and regulations. The procurement system has strengthened controls to ensure consistency in the development and application of procurement policies and procedures and adherence to applicable laws and regulations, especially those related to federal and state grants.

Procurement utilizes PlanetBids to assist staff in its efforts to administer and manage an efficient procurement process and conduct outreach to small businesses and DBEs for Commission projects and programs. PlanetBids is a web-based vendor and bid-management software. The PlanetBids e-procurement application helps streamline the complete bidding process and enables the collection and analysis of all aspects of vendor data, purchasing activities, and corresponding history. PlanetBids provides a better service and convenience to vendors and automatically notifies potential vendors of bid alerts. In order to improve the efficiency and productivity of resources, the Commission will continue to outsource the administration of the insurance certificate tracking process related to agreements.

Procurement Management is responsible for developing, implementing, and monitoring DBE and SBE program requirements in coordination with contractors and other appropriate officials. Duties and responsibilities include:

- Establishing DBE attainment goals;
- Monitoring reporting and utilization by contractors;
- Gathering and reporting statistical data and other information as required;

- Reviewing third-party contracts and purchase requisitions for compliance with the program;
- Ensuring that bid notices and requests for proposals are made available to DBEs and SBEs in a timely manner;
- Reporting to and advising the Executive Director and Commission on DBE and SBE matters; and
- Providing outreach to DBEs and SBEs to fully advise them of contracting opportunities.

Additionally, the Commission recognizes the vital role that local businesses play in the County, and it strongly encourages, supports, and promotes the participation of local businesses in providing goods and services to the Commission. Procurement is committed to providing contracting opportunities to local businesses to strengthen the County's local economy and to promote the development of the small, local business community. During FY 2018/19, the Commission will jointly participate in other outreach events in order to acquaint potential local, small, and disadvantaged businesses with the Commission's procurement procedures and opportunities.

Staff also consults with the Commission's insurance broker in procuring competitive quotes, on an annual basis, for various insurance coverages secured by the Commission in order to provide cost effective solutions to meet its diverse insurance needs.

Department Goals

F1 – Protect the Commission's cash resources by regular monitoring of investment practices to ensure consistency with established investment policy. (Policy Goal: Operational Excellence)

Objectives:

- Utilize investment management and advisory services to prudently invest operating and capital funds in accordance with the Commission's investment policies.
- Achieve a rate of return at least equal to the County of Riverside Treasury Pool rate for operating funds.
- Establish an appropriate benchmark for the investment of debt proceeds and excess operating funds.

F2 – Manage the Commission's outstanding debt ensuring compliance with applicable laws and regulations and continued investor awareness and receptivity to the Commission's program. (Policy Goal: Operational Excellence)

Objectives:

- Provide an annual update and review of the debt programs with at least three of the rating agencies no later than June 30, 2019.
- Meet continuing disclosure requirements of the sales tax and toll revenue debt programs and comply with the TIFIA loan reporting requirements.
- Enhance the Commission's website to provide timely and useful information to investors.
- Prepare arbitrage calculations as required.

F3 – Ensure the Commission and funding recipients comply with Measure A and TDA laws and regulations as they relate to the annual financial and compliance audits as well as close cooperation and coordination with independent auditors. (Policy Goal: Operational Excellence)

Objectives:

- Minimize the number of audit adjustment, substantive management letter comments, and compliance findings requiring corrective action by the Commission.
- Maintain appropriate fiduciary review and monitoring procedures for Measure A recipient and TDA claimant audits.

F4 – Maintain fiscal and budgetary control through monitoring of periodic results and ensuring consistency with the Commission’s strategic direction. (Policy Goal: Operational Excellence)**Objectives:**

- Obtain the GFOA Distinguished Budget Award for the FY 2018/19 budget.
- Facilitate a comprehensive budgeting approach that effectively involves management staff, requiring full accountability for all department expenditures.
- Fund 100% of the actuarially determined contribution related to the postretirement health care benefits.

F5 – Assure fiscal accountability for Commission funds with general ledger accounting and financial reporting consistent with generally accepted accounting principles. (Policy Goal: Operational Excellence)**Objectives:**

- Ensure proactive communication and timely responses to any noted errors, corrections, and budget transfers related to program and project management reviews of accounting and budget information.
- Obtain an unmodified opinion on the basic financial statements.
- Receive financial reporting excellence award from the GFOA related to the preparation and issuance of the CAFR.
- Stay abreast of finance, accounting, and financial reporting developments by attending training and conferences in these general areas or in specialized areas applicable to job duties.
- Update and maintain the fiscal policies and procedures manual.
- Update and maintain complete accounting desk procedures manual for ERP system to facilitate cross training.
- Support staff and consultants with training opportunities in order to effectively utilize the ERP system capabilities.
- Assist local governments with Measure A funding by providing timely allocation of funds for eligible projects and programs.
- Maintain ERP system to reflect technical updates and current technology.

F6 – Develop and maintain an organizational accountability program encompassing financial and operational functions. (Policy Goal: Operational Excellence)**Objectives:**

- Establish and implement measures related to oversight, fraud, internal control, and ethics.
- Issue annual disclosure statements related to financial and operational responsibilities.
- Continue to revise and develop finance and accounting policies and procedures that reflect the requirements of federal, state, and local requirements and the Commission’s operating practices.

F7 – Procure goods and services from qualified consultants, contractors, and other vendors in accordance with laws and regulations at a competitive price. (Policy Goal: Operational Excellence)

Objectives:

- Assist departments and programs to procure and obtain goods and services in a cost effective and efficient manner.
- Ensure that procurements are conducted in accordance with the Procurement Policy Manual.
- Ensure that agreements, amendments, and MOUs are entered into with appropriate legal considerations.
- Process agreements, amendments, and MOUs in a timely and efficient manner.
- Ensure that consistent procedures, processes, and tools are used for procurements.

F8 – Review existing procurement policies and procedures. (Policy Goal: Operational Excellence)

Objectives:

- Ensure that the procurement policies reflect Commission requirements and practices.
- Segregate policies and procedures so that procedures can be easily updated without Commission approval.
- Ensure that procurement policies and procedures reflect the requirements of the Commission’s federal, state, and other funding sources.
- Continue to provide an easy to read desktop quick procurement policies reference guide for use by Commission staff.
- Maximize the value received for the Commission’s expenditure of public funds.
- Provide all vendors an equal opportunity to provide needed goods and/or services.

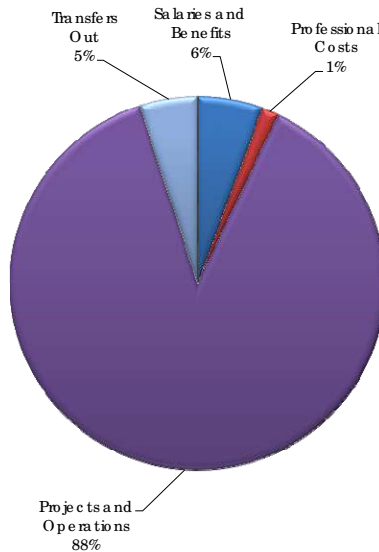
ID	Finance Performance Measures and Results	FY 16/17 Estimate	FY 16/17 Actual	FY 17/18 Estimate	FY 18/19 Projected
F2	Sales tax revenue bonds rating	Aa2/AA+/AA	Aa2/AA+/AA	Aa2/AA+/AA	Aa2/AA+/AA
F2	Toll revenue bond rating	BBB-/BBB-	BBB-/BBB-	BBB-/BBB	BBB-/BBB
F2	TIFIA loan rating: 2013 TIFIA Loan 2017 TIFIA Loan	BBB- N/A	BBB- N/A	BBB- BBB-/BBB	BBB- BBB-/BBB
F2	Commercial paper rating	P-1/A-1+	P-1/A-1+	P-1/A-1+	P-1/A-1+
F1	Average yield on investments	0.25% operating/0.75 % debt proceeds	1.04% operating/1.46 % debt proceeds	0.50% operating/0.75 % debt proceeds	0.50% operating/0.75% debt proceeds
F5	GFOA Certificate of Achievement	Awarded	Awarded	Awarded	Awarded
F4	GFOA Distinguished Budget Award	Pro ficient	Pro ficient	Pro ficient	Pro ficient
F5	Invoices processed	6,810	7,599	7,700	7,800
F5	Checks processed	3,900	4,183	4,300	4,400
F3	Audit adjustments	0	0	0	0
F5	Payroll hours processed	93,400	96,402	96,400	98,400
F5	Accounts receivable invoices processed	240	189	200	200
F7	Agreements processed	220	249	260	260

Planning and Programming

Mission Statement:

Planning and Programming exerts leadership in transportation planning and the programming of funds to improve mobility, foster environmental stewardship, expedite project delivery, and form partnerships with local, regional, state, and federal agencies resulting in maximum returns on local investment. Planning and Programming also supports a coordinated regional approach to solve transportation funding issues.

Chart 42 - Planning and Programming



Expenditures

Planning and Programming expenditures of \$20,526,200 increased 48% from last year's budget (Table 60). Salaries and benefits represent 6% of total uses and reflect a net increase in FTE allocations, an increase to the Commission's contribution to employee health benefits, and merit-based salary increases. Professional services totaling \$295,500 decreased 52% due to project database upgrades in the previous year. Professional services include congestion management program (CMP) implementation efforts, air quality analysis, project database management, local and regional planning activities, on-call goods movement consultants, and legal services. Support costs increased 4% or \$19,100 and include various membership dues and staff-related travel costs. Projects and operations costs increased 59% primarily due to engineering and construction work for the Santa Ana River Trail project for the District, operating disbursements to local agencies, and regional transportation model update. A transfer out of \$1,017,400 is related to administrative costs to the General fund.

Table 60 – Planning and Programming Expenditure Detail

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Salaries and Benefits	\$ 1,023,200	\$ 983,400	\$ 983,400	\$ 1,147,400	\$ 164,000	17%
Professional Costs						
Legal Services	34,800	77,500	32,000	44,500	(33,000)	-43%
Audit Services	-	18,000	29,400	20,000	2,000	11%
Professional Services - General	82,900	525,000	116,000	231,000	(294,000)	-56%
Total Professional Costs	117,700	620,500	177,400	295,500	(325,000)	-52%
Support Costs	27,400	18,300	14,500	19,100	800	4%
Projects and Operations						
Program Operations	124,400	243,000	243,000	271,800	28,800	12%
Engineering	-	2,993,400	1,000,000	2,620,000	(373,400)	-12%
Construction	(74,600)	3,963,500	450,000	10,708,000	6,744,500	170%
Right of Way	50,800	265,000	140,000	255,000	(10,000)	-4%
Special Studies	188,300	2,600,000	1,825,000	1,372,000	(1,228,000)	-47%
Operating and Capital Disbursements	1,083,800	1,320,000	1,320,000	2,820,000	1,500,000	114%
Total Projects and Operations	1,372,700	11,384,900	4,978,000	18,046,800	6,661,900	59%
Transfers Out	-	870,300	762,600	1,017,400	147,100	17%
TOTAL Planning and Programming	\$ 2,541,000	\$ 13,877,400	\$ 6,915,900	\$ 20,526,200	\$ 6,648,800	48%

Planning and Programming Staffing Summary

Position	FY 16/17	FY 17/18	FY 18/19
Capital Projects Manager	0.17	0.28	0.20
Chief Financial Officer	0.01	0.00	0.02
Deputy Executive Director	0.04	0.13	0.05
Executive Director	0.45	0.45	0.43
External Affairs Director	0.03	0.00	0.06
IT Administrator	0.00	0.03	0.00
Management Analyst	0.79	1.00	1.00
Multimodal Services Director	0.01	0.00	0.05
Planning and Programming Director	0.97	0.89	0.91
Planning and Programming Manager	0.99	0.99	0.98
Procurement Analyst	0.14	0.03	0.15
Procurement Manager	0.01	0.03	0.00
Project Delivery Director	0.03	0.10	0.00
Right of Way Manager	0.00	0.01	0.02
Senior Administrative Assistant	0.21	0.18	0.20
Senior Management Analyst	1.05	1.09	1.03
Capital Construction Manager	0.00	0.00	0.20
FTE	4.90	5.21	5.30

Department Budget Overview**Department Description**

The Commission is responsible for short- and long-range transportation planning and programming. Short-range planning and programming involves the development of the five-year SIIP and preparation of the six-year FIIP for the County. These programming documents identify projects funded from Measure A, transit operators' SRIPs, state and federally funded projects, locally funded regionally significant projects, and local jurisdiction Capital Improvement Plans (CIPs).

The Commission is responsible for approving projects for RIP funds in Western County and coordinating with Caltrans on the selection of Interregional Improvement Program (IIP) funds as part of the SIIP approved by the CTC every two years. The Commission delegated the authority to nominate projects for RIP funds in the Coachella Valley to CVAG. A MOU between the city of

Blythe, representing Palo Verde Valley, and the Commission allows the city to trade RIP funds for local Measure A sales tax funds.

The Commission's involvement with long-range planning efforts includes the coordination and input into planning efforts throughout the County, so the in California region, and state wide. These efforts involve participation in local, bi-county, and regional corridor studies, including the continued development of the CETAP corridors.

- The Commission commenced its first Countywide LRIP in 2017 with completion anticipated in spring 2019. The LRIP will provide a vision of Riverside County's future integrated transportation system and will serve as a document to advocate for changes to transportation policy, legislation, and funding. It will also include a comprehensive review of projects, including highways, arterials, grade separations, transit, and active transportation improvements.
- The RIP is a 30-year transportation plan developed by SCAG in conjunction with county transportation commissions, sub-regional agencies, local agencies, transit operators, and other interested parties within the SCAG six-county region. The SCAG 2016 RIP incorporates SCS as required under SB 375. The SCS component establishes goals for projects, programs, and land-use designed to reduce GHG emissions.
- Statewide planning efforts involve participation in the development of goods movement, interregional highways, and air quality plans, to name a few.

The Commission also serves as the CMA for the County and is responsible for developing and updating the CMP. The CMP was developed to meet state legislation and federal Congestion Management System requirements. The CMP's highways and regional arterials are regularly monitored to ensure that they are operating at acceptable levels (above Level of Service (LOS) "F"). If a deficiency occurs along the CMP system, a deficiency plan must be prepared that identifies mitigation measures and/or projects that will improve the LOS to "E" or higher.

In November 2006, the voters of California approved Proposition 1B, which provided \$20 billion in transportation infrastructure funding and established various program categories including a \$2 billion infusion into the STIP. Other competitive program categories included Corridor Mobility Improvement Account (CMIA) and Trade Corridors Improvement Fund (TCIF). The County succeeded in receiving CMIA funding for the SR-91 HOV lanes and I-215 widening projects, which were completed with the exception of the Pachappa underpass portion of the SR-91 HOV lanes project. The Pachappa underpass project was split off as a separate project and will be funded with SB 1 Local Partnership Program formula funding. TCIF funding was approved for 11 grade separation projects and a ground access improvement project at the I-215/Van Buren interchange. All grade separation projects were completed with the exception of the Avenue 66 Grade Separation Bypass. An amendment to the CTC will be submitted in 2019 to request that savings from other TCIF projects be reprogrammed to the Avenue 66 Grade Separation Bypass project.

The FASTAct, signed into law in December 2015, established a new formula freight fund under the National Highway Freight Program for a five-year period. The CTC is responsible for allocating these funds. In October 2017, the CTC finalized guidelines for a call for projects that was combined with funding established for the Trade Corridor Enhancement Program (TCEP) under SB 1. The CTC adopted the TCEP projects in May 2018.

The Commission is responsible for allocating the following local, state, and federal funding sources:

Local Sources	State Sources	Federal Sources
1989 and 2009 Measure A	SB 821 for pedestrian and bicycle projects	SIBG
2009 Measure A Western County Regional Arterial (MARA)	SIIP-RIP	CMAQ
Western County TUMF regional arterial program	ATP Metropolitan Planning Organization (MPO)/County share	Transportation Alternatives Program (TAP)
	SB 1 Local Partnership Program Formula Share	

Programming specifically involves the development, review, and approval of projects for various funding programs, particularly those where the Commission has a responsibility for project nominations. Additionally, programming involves the monitoring of projects from project selection through construction close-out. In order to receive federal funds and approvals, all projects funded with federal and state dollars, or local projects that are regionally significant, must be included in the RIP and FIIP in accordance with project delivery schedules and financial constraint requirements.

SCAG, as the MPO, is responsible for incorporating all six-county (Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura) transportation improvement programs into one regional programming document or the RIP/SCS. SCAG also conducts a conformity analysis with the adopted air plans to ensure compliance with the National Ambient Air Quality Standards, as stipulated by Environmental Protection Agency's Transportation Conformity Rule, and GHG reduction targets adopted by CARB. The RIP/SCS is updated every four years, and the FIIP update effort is performed every 18 to 24 months. Multiple amendments occur within each FIIP cycle; RIP amendments are less frequent as they require air quality conformity analyses. FIIP amendments can occur for minor project changes that do not affect the conformity determination.

Partnership development, public and private, is critical to the Commission's continued success in affecting positive transportation decisions to meet future demands. Commission staff works in close coordination with its partners to advocate for federal, state, and local funding to improve mobility and mitigate the impacts of goods movement.

Key Assumptions for FY 2018/19

- The Commission will continue its efforts to work with transportation partners to streamline and improve project delivery.
- The Commission will maintain consultant contracts to provide assistance with the CMP, air quality analysis, project database management, LRIP, regional truck study, on-call grant writing, and other related planning activities.
- The Commission will utilize all available funding sources on transportation projects identified in the 2009 Measure A as well as other regional high priority projects, including TUMF regional arterial projects and grade separation projects.
- The Commission will continue participation in local, bi-county, and regional planning efforts representing the interests of the County.
- The Commission will work with the CTC, Caltrans, SCAG, and local project sponsors to implement projects funded with SIIP/RIP, SB 1, ATP, or other available fund sources to ensure that the programming and allocations are consistent with project schedules.
- The Commission will continue to assist local project sponsors with the processing of state and federal funding approvals/obligations/allocations and overall project delivery.

Accomplishments in FY 2017/18

- Facilitated the process of over 25 CTC actions that consisted of, but were not limited to: ATP Cycle 3 awards, financial allocations, and extensions of time.
- Completed two local agency agreements and/or amendments for the implementation of TUMF regional arterial projects.
- Processed over 128 project amendments into the 2017 FIIP.
- Submitted the 2019 FIIP Update consisting of 396 projects.
- Submitted the 2016 RIP/SCS Amendment No. 3 consisting of 17 new projects and several existing projects.
- Coordinated with Caltrans and project sponsors monthly regarding the obligation of federal and state funding, met obligation deadlines, and prevented loss of funding to the County.
- Monitored federal funding expenditures of inactive projects to ensure funds were not deobligated.
- Advised local agencies and coordinated the use of toll credits and local match waiver for federally funded projects funded at the maximum reimbursement level, saving the Commission and local agencies up to \$1,757,000 in local match funds programmed in FY 2017/18.
- Reviewed and approved the Measure A five-year CIPs for each local agency in the County.
- Worked with SCAG and southern California agencies to develop ATP Cycle 3 Augmentation funding distribution recommendations for the MPO region programming \$11.4 million for Riverside County projects.
- Collaborated with local agencies and community organizations, such as the Active Transportation Network, Safe Routes to School Partnership, Active Transportation Resource Team, to provide resources for active transportation projects.
- Continued to work collaboratively with other regional and statewide working groups, such as the Transportation Conformity Working Group and California Federal Programming Group to share information and more effectively stay abreast of changes to federal and state program guidelines.
- Continued to take a leadership role and worked collaboratively with Mobility 21, SCAG's Southern California National Freight Gateway Collaboration, and other regional transportation planning agencies (RIPAs) on goods movement and freight issues.
- Represented the Commission at monthly MSRC Technical Advisory Committee (TAC) meetings to monitor and track funding programs and opportunities.
- Represented the Commission at SB 1 workshops throughout the State to participate in the development of program guidelines for various programs, including the Local Partnership Program, Solutions for Congested Corridors, TCEP, and ATP.
- Continued efforts related to the development of the LRIP.
- Completed a draft of the Regional Truck Fee Study.
- Monitored three SB 821 Bicycle and Pedestrian Facilities Call for Projects Cycles and processed 15 claims and 18 extension requests.
- Evaluated the current ATP MPO Regional Program 10-point policy, which allows the Commission to add up to 10 points to each project application.
- Approved and monitored all 29 member agency Measure A CIPs and amendments, totaling over \$54 million.

Major Initiatives in FY 2018/19

Each county transportation commission throughout the State is responsible for programming RIP funds, which represents 75% of the total STIP funding available statewide for capital enhancement projects. The 75% funding level is then further distributed with 60% of the funds allocated to southern California and 40% to northern California. A population formula is then applied to determine county funding levels called "county shares." The Commission is responsible for ensuring that projects funded with STIP funding are administered and implemented consistent with CTC and Caltrans policies. It is the Commission's policy to set aside 2% off the top of new programming

capacity for staff support to carry out SIIP PPM activities. The remaining RIP funds are further distributed geographically among Western County, Coacheila Valley, and Palo Verde Valley per the Commission's intra-county SIIP formula. The Commission also may consider a call for projects for RIP discretionary funds when sufficient programming capacity is available. The CTC administers federal TAP funds similar to SIIP funds under the State's ATP that was created by SB 99 and AB 101 to encourage increased use of active modes of transportation, such as biking and walking. Federal TAP funds are not subject to general fund diversions; however, TAP funds are authorized each year by the passage of the state budget.

WRCOG administers the Western County TUMF program and collects the fees from participating jurisdictions. WRCOG disburses to the Commission approximately 46.4% of the TUMF funds collected. The Commission further distributes these funds equally to the Commission's TUMF CETAP corridors and regional arterial programs. In September 2004, the Commission established a program and approved the programming of 23 regional arterial projects. To date, \$135 million has been programmed for TUMF regional arterial projects. Due to fluctuating TUMF revenues over the past few years, \$14.5 million in 2009 Western County MARA funds and \$25.5 million in TUMF CETAP funds were programmed on two projects to fulfill the TUMF commitment. Of the 23 TUMF regional arterial projects, 15 projects completed construction, six projects are currently under construction or in pre-construction, and two projects are in the development phase and remain to be programmed for future TUMF funds. The Planning and Programming Department also manages the 2009 Western County MARA program and to date approximately \$64 million has been programmed. The expenditures for these regional arterial capital projects are included in the Capital Project Development and Delivery Department budget.

Transportation Planning

The Commission's planning role throughout the year will involve working with Federal Highway Administration (FHWA), FTA, CTC, Caltrans, SCAG, councils of governments, local agencies, and the other county transportation commissions in the region on various planning efforts relative to the implementation of the 2016 RIP/SCS, corridor and goods movement studies, LRIP, and the development and update of corridor plans as required for SB 1 funding programs. The 2020 RIP/SCS process will also begin in late 2018 and will require coordination amongst local jurisdictions, transit operators, and Caltrans. In addition, the LRIP will be well underway and will serve as a document to include regional projects and identify potential "bundling" of multi-modal projects for a more systematic and holistic approach in applying for competitive grant opportunities. These planning efforts will be supported through consultant contracts in FY 2018/19 using LIF planning and SIIP PPM funds.

Transportation Programming

As mentioned above, the Commission is responsible for programming and allocating various local, state and federal funds. These funds will be monitored to ensure that regulations are adhered to in order to prevent funds from lapsing. The following summarizes the status of these funding programs:

Local Funding

Western County TUMF Regional Arterial Program

Planning and Programming staff will monitor TUMF regional arterial projects based on the agreements between local agencies and the Commission. In addition, Commission staff will work with local agencies regarding amendments to agreements and any issues regarding project delivery. To date, the Commission executed project agreements with local agencies for CETAP TUMF and regional arterial funds totaling approximately \$135 million. By the end of FY 2018/19, the majority of expenditures will have been reimbursed to local agencies for TUMF regional arterial

projects, which expenditures are included in the Capital Projects Development and Delivery Department. Project programming for the remaining projects will be forwarded to the Commission and will be based on project readiness and funding availability. Staff will coordinate future programming of additional TUMF regional arterial projects with WRCOG and local jurisdiction staff.

2009 Measure A Western County Regional Arterial Program

Prior to 2014, the Commission programmed \$40 million of MARA funds on six projects. During the 2014 multi-funding call for projects, the Commission approved five projects in Western County for an additional \$24 million of MARA funds. Of the 11 MARA-funded projects, eight were completed and three are under construction.

2009 Measure A Local Streets and Roads

In order to receive Measure A local streets and roads funding each year, the Commission requires the local jurisdictions to submit a five-year CIP based on Measure A revenue projections. Additionally, the local jurisdictions are required to submit a Maintenance of Effort (MOE) certification consistent with adopted MOE guidelines and participate in the MSHCP and in the local agency's respective TUMF program, as applicable. The Planning and Programming Department processes administrative amendments to CIPs for minor changes that do not affect the total programmed amount or are within budget levels. Significant changes require Commission approval.

State Funding

SB 1

The State Legislature and Governor approved SB 1 in April 2017. This gasoline tax provides approximately \$5.2 billion in annual revenues for transportation purposes statewide, with more than \$113 million to Riverside County. The CTC is responsible for administering the majority of the new SB 1 programs. The Commission received over \$13 million in Local Partnership Program formula funds covering FYs 2017/18 and 2018/19 and allocated the funds to the following projects:

- 71/91 interchange connector (environmental revalidation);
- Pachappa underpass (construction); and
- Temescal Canyon widening (construction).

The Commission also submitted two project applications for the following SB 1 competitive programs:

- Local Partnership Competitive Program – Railroad Canyon interchange improvement (construction); and
- Solutions for Congested Corridors Program – 71/91 interchange connector (construction).

The CTC selected the Railroad Canyon interchange improvement project for the award of Local Partnership Competitive Program funds.

SIIP-RIP

This year the Commission will continue to deliver projects programmed in the SIIP and work with local agencies to ensure the allocation and expenditure of projects by the respective deadlines. Staff will also be involved with the development and implementation of current and future SB 1 and ATP cycles, working with the CTC, Caltrans, SCAG, and RIPAs to ensure projects in the County are successful in these funding programs.

SB 821

SB 821, also known as TDA Article 3, projects are funded by 2% of LIF revenues; the expenditures under this program are included in the LIF special revenue fund and reflected in the Public and Specialized Transit Department since this fund's activities relate primarily to transit funding. For the last call for projects released in February 2017, the Commission awarded over \$3.3 million to 22 pedestrian and bicycle projects in the County. The Commission will release its next call for projects in February 2019, and an estimated \$3.5 million will be available for programming.

Federal Funding

CMAQ, SIBG, and TAP/ATP

The Commission is responsible for allocating CMAQ and SIBG (formerly Surface Transportation Program or SIP) funds to transportation projects in the County. The Commission selects and approves CMAQ funds and SIBG funds through a call for projects in addition to programming funds for Measure A and regional priority projects. The Commission delegates the selection of projects for CMAQ funds apportioned to the Salton Sea Air Basin to CVAG.

Through SB 99 and AB 101, the State developed the ATP, which consolidated federal and state funding that traditionally funded bicycle and pedestrian projects, including the federal TAP. The CTC administers the ATP, a program designed to encourage increased use of active modes of transportation such as biking and walking. The Planning and Programming Department has been involved with the development of the guidelines and participates in workshops and through the RTPA group to represent the County's best interest for each programming cycle.

Project Monitoring

The high demand for reporting and monitoring the progress of projects is essential to prevent federal and state funds from lapsing. The Planning and Programming Department assists the Capital Project Development and Delivery Department and local agencies by participating in regular project delivery team meetings and preparing and submitting the request for authorization (RFA)/allocation of federal and state funding. In addition, staff monitors allocation and award deadlines, expenditures, project closeouts, and inactive projects of federal and state funded projects to prevent loss of funds.

Regional Issues - Freight

The Commission will continue to focus on facilitating ongoing commitments as well as being responsive to various emerging regional and statewide issues relating to freight/goods movement that traverses the southern California region. The Commission will continue working with partners from the Southern California Consensus Group (Ports of Long Beach and Los Angeles, Alameda Corridor Transportation Authority, Alameda Corridor East Construction Authority, SBC TA, OCTA, Los Angeles County Metropolitan Transportation Authority, Ventura County Transportation Commission, SCAG, and SCRRA) regarding goods movement issues. Recently the Commission coordinated with legislative staff and advocacy groups, such as Mobility 21 and SHCC, to secure funding through the FAST Act for goods movement-related needs such as the funding of Alameda Corridor East grade separations in the County. The authorization of \$10.8 billion in funding dedicated to freight and goods movement was a direct result of this effort nationally; \$6.3 billion will be available through an existing formula based on current apportionment data and \$4.5 billion will be allocated pursuant to a merit-based, multimodal competitive grant program.

At its January 2017 meeting, the Commission approved a consultant contract to conduct a Regional Truck Study to evaluate a logistics-related regional fee. The Planning and Programming Department will forward the results of the study to the Commission for review and consideration.

Department Goals

PP1 – Build upon relationships with local, state, and federal agencies to coordinate short- and long-range planning to ensure that transportation projects receive funding and approvals. (Policy Goals: Quality of Life, Operational Excellence, Responsible Partner)

Objectives:

- Work with CVAG, WRCOG, Caltrans, transit operators, local agencies, and SCAG to coordinate project amendments to the RIP and/or FIP.
- Provide the Commissioners information to assist in advocating Commission projects.
- Continue CEIAP intra-county corridor work.
- Continue working with the RCA to implement the MSHCP.
- Maintain maximum flexibility in project selection for FAST Act or state fund sources (i.e., STIP/SB 1) to serve the diverse needs of the County.

PP2 – Continue to seek a stronger role for county transportation commissions in state and regional transportation and air quality programs in order to direct funding for programs and projects that will improve air quality, mobility, and the economy in the County. (Policy Goals: Quality of Life, Connecting the Economy)

Objectives:

- Support efforts to seek additional funding at the local, state, and federal levels for projects and planning efforts.
- Support ongoing efforts to regulate federal emission sources.
- Support efforts that allow more flexibility in funding transit operating and capital costs.
- Continue participation in the development of guidelines for funding programs.

PP3 – Develop a countywide long-range transportation plan to serve as a guide for decision making and as input to SCAG’s next RIP/SCS. (Policy Goals: Quality of Life, Responsible Partner)

Objectives:

- Complete the Commission’s first LRIP.
- Direct consultant work on development of the second 10-year Measure A Western County Delivery Plan (2019-2029).
- Provide LRIP project and policy information to SCAG for next RIP/SCS.

PP4 – Support local, regional, and state planning efforts in cooperation with SCAG, WRCOG, CVAG, Caltrans, and local agencies including, but not limited to, implementation of the CMP, transportation and air quality modeling updates/upgrades, corridor or focused area studies, development of active transportation plans or any planning related to the implementation of the RIP/SCS. (Policy Goals: Quality of Life, Responsible Partner)

Objectives:

- Work with Caltrans and local agencies to review project alternatives that include travel demand management or integration of mode choices as required by the federal CMP for programming of federal SIBG and CMAQ funds.

- Continue to work with Caltrans to monitor traffic conditions and focus transportation funds on congested corridors and system deficiencies.
- Work with local agencies, WRCOG, CVAG, and transportation and interest groups to develop project applications for ATP, state Cap and Trade, and SCAG planning funds.

PP5 – Continue to advocate for jobs/housing balance and attracting high income jobs to the County in addition to addressing intercounty congestion. (*Policy Goal: Connecting the Economy*)

Objectives:

- Participate in ongoing studies and activities to improve the job market and housing demand in Riverside County.
- Support the County interests pertaining to transportation planning as population, job, and housing forecasts are developed by SCAG and the State to ensure consistency with those local forecasts.
- Support efforts by local agencies to provide transportation improvement projects that will attract jobs.

PP6 – Maintain support of the SCAG regional FIIP and Caltrans project databases to allow for efficient monitoring of projects and funding obligations with the ability to share project information with local jurisdictions. (*Policy Goal: Operational Excellence*)

Objectives:

- Work with SCAG and other county transportation commissions to refine and maintain the SCAG regional FIIP database including the ability to create customized reports.
- Coordinate with Caltrans to assure database compatibility and promote information-sharing including timely reporting of fund obligation information.

PP7 – Ensure maximum funding and flexibility for projects funded with STIP-RIP, SB 1, Proposition 1B, ATP, and federal FAST Act funds. (*Policy Goal: Quality of Life*)

Objectives:

- Participate in various state and federal forums to increase funding levels, streamline programming and allocation processes, and provide flexibility in obligating funds.
- Support efforts advocating the continuation and protection of state transportation funding and the payback of loans taken from state transportation accounts.
- Advocate that RIP county share reserves receive priority programming over counties that advance shares.
- Advocate that regions that program local and federal funds to replace state funding or advance an allocation due to state budget issues (or limited allocation capacity) be given high priority for repayment or in future programming in the next STIP programming cycle.
- Continue to strategically program and fund projects to meet local, state, and federal goals and to obligate and/or allocate funds in an expeditious manner for the maximum use of all available funding.
- Participate in Southern California Programming Roundtable meetings to ensure that 100% of federal obligation authority (OA) for CMAQ and SIBG funding is obligated within the SCAG region.
- Participate at CTC and Caltrans forums in the preparation and evaluation of ATP projects for the statewide and MPO funding programs.
- Continue to monitor project implementation through the use of milestone reporting on a quarterly basis to maintain maximum funding levels for projects and prevent loss of funds to the County.
- Monitor and influence the development of the National Freight Network required under FAST Act.

- Advocate to increase funding to regions based on distribution language in the FAST Act, or successor federal transportation legislation.

PP8 – Provide support to the Commission’s Capital Project Development and Delivery and Finance departments to maintain project funding and schedules and minimize programming issues. (Policy Goals: Quality of Life, Operational Excellence)

Objectives:

- Provide input to the budget development process.
- Attend regular meetings with the Capital Projects Development and Delivery Department.
- Serve in an oversight role regarding project reporting, invoicing, and close-outs.
- Coordinate project RFA/OA packages.
- Monitor progress of project milestones and RFAs as they are processed through Caltrans headquarters and FHWA.
- Prepare CTC allocation requests, extensions, and amendments for STIP, SB 1, and Proposition 1B funded projects.

PP9 – Provide assistance to local agencies in reviewing funding guidelines and grant applications, and facilitate allocation and obligation processes required for project delivery. (Policy Goals: Quality of Life, Operational Excellence)

Objectives:

- Continue coordination of TAC meetings.
- Provide information regarding project programming data, including funding status, to project sponsors on a quarterly basis.
- Provide local agencies with recommendations on project programming to minimize unnecessary requirements and delays.
- Upon request, attend local agency project delivery team meetings to provide advice on programming issues.
- Meet regularly with Caltrans local assistance staff to monitor project submittals and resolve project implementation and obligation issues.
- Assist local jurisdictions to review and prepare grant applications, air quality conformity, RFAs, STIP submittals, and inactive reporting justifications.

PP10 – Continue to work with state and federal agencies to streamline processes for funding and project approvals. (Policy Goals: Quality of Life, Operational Excellence)

Objectives:

- Maintain relationships with key staff at regional, state, and federal agencies.
- Participate in SCAG’s National Freight Gateway Collaboration to define a system that meets the region’s long-term mobility, safety, environmental, and energy needs including developing a brand specific to goods movement projects in southern California.
- Identify problematic areas with project delivery and/or programming and work with state/federal lobbyists to develop solutions for streamlining and clarifying processes under FAST Act.
- Participate in regional, state, and federal forums addressing issues related to project programming, implementation, and air quality conformity.

PP11 – As a result of goods movement funding available under the FAST Act, determine where future efforts regarding addressing the County goods movement issues would prove most effective. (Policy Goal: Quality of Life).

Objectives:

- Work with SCAG, CTC, and Caltrans on FASTACT freight guidelines and Critical Urban Freight Corridor/Critical Rural Freight Corridor corridors in Riverside County.
- Identify drivers of demand for goods movement services and performance of modal systems and services as well as public benefits, specific areas of inefficiency, and the impacts of goods movement on communities.
- Review the Commission's 2017 *Grade Separation Priority Update Study* and work with local jurisdictions to apply for funding programs such as TCEP.
- Review progress of remaining TCIF-funded projects.

PP12 – Facilitate public and private investments in clean air technology in support of the broader air quality programs for SCAG, South Coast Air Quality Management District (SCAQMD), and the County local entities. (Policy Goal: Quality of Life)

Objectives:

- Work with SCAG, SCAQMD, CARB, and academia in monitoring GHG emission reduction from light trucks and automobiles through the implementation of the 2016 RIP/SCS.
- Provide input and comments on guidelines developed by CARB, SCAQMD, and other state agencies regarding the implementation of AB 32/SB 375 and SB 743 CEQA implementation.
- Actively participate on the MSRC's TAC to ensure equitable funding is available in support of emissions reducing projects within the County.
- Work with local agencies to identify projects that can compete for state Cap and Trade funding programs.

ID	Planning and Programming Measures and Results	FY 16/17 Estimated	FY 16/17 Actual	FY 17/18 Estimated	FY 18/19 Projected
PP7 PP8 PP9 PP10	Federal projects monitored for obligation authority delivery	26	15	17	5
PP4 PP7	ATP projects monitored for allocation	18	15	15	4**
PP8	TUMF Regional Arterial projects monitored for implementation/expenditures	4	4	4	4
PP8	TUMF agreements/amendments	4	2	2	0
PP8	MARA projects monitored for implementation/expenditures	6	6	6	6
PP8	MARA agreements/amendments	1	1	1	0
PP1 PP6	2017 FIIP amended projects (Biennial)*	180	155	128	0
PP6	2019 FIIP Update (Biennial)	N/A	N/A	396	140
PP1 PP7	SIIP/TCIF programming, allocations, amendments, and extensions for Commission projects/local agency projects	6	6	8	7
PP2	SB821 projects awarded and monitored for extensions and reimbursements	45	48	33	38

*Includes 389 projects included in the 2017 FIIP

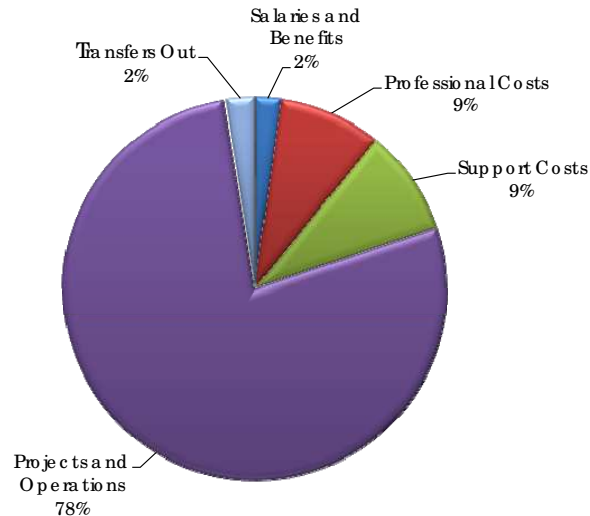
**Excludes projects to be awarded through ATP Cycle 4 in March 2019.

Rail

Mission Statement:

Rail develops and supports passenger rail transportation options for increased mobility within Riverside County and the region.

Chart 43 – Rail



Expenditures

Rail expenditures of \$37,119,800 include Metrolink operations and capital support as well as maintenance and operations of the nine Commission-owned and operated commuter rail stations (Table 61). Salaries and benefits reflect a 12% increase due to the allocation of FTEs, increase to the Commission's contribution to employee health benefits, and merit-based salary increases. Professional costs, which include legal and consultant services, decreased 27% due to a reduction in on-call rail consultants who support rail grants applications, management, and oversight and perform service planning and modeling for the Coachella Valley-San Gorgonio Pass corridor rail service. Support costs include station maintenance, media ads, printing services, and marketing incentives.

Projects and operations expenditures of \$28,778,800 increased 4%. Project and operations comprises planning and development for the Coachella Valley-San Gorgonio Pass corridor rail service and an operating contribution increase to \$19 million for SCRRA Metrolink operations including the PVL service. The Commission's commuter rail program intends to utilize existing mechanisms within Metrolink to assess and monitor operations and budget performance. Program operations relate primarily to station operations, and engineering and construction expenditures relate to the Coachella Valley-San Gorgonio Pass corridor rail service. The "next generation" rail feasibility study is included in special studies. Capital outlay reflects a 3% increase and is due to a series of station related improvement projects and an increase in SCRRA Metrolink capital needs. Transfers out of \$882,900 relate to administrative costs to the General fund.

Table 61 – Rail Expenditure Detail

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Salaries and Benefits	\$ 755,400	\$ 732,700	\$ 728,300	\$ 820,900	\$ 88,200	12%
Professional Costs						
Legal Services	79,800	175,000	65,000	170,000	(5,000)	-3%
Professional Services - General	1,383,400	4,229,000	2,342,700	3,054,000	(1,175,000)	-28%
Total Professional Costs	1,463,200	4,404,000	2,407,700	3,224,000	(1,180,000)	-27%
Support Costs	1,891,100	3,391,100	2,919,800	3,320,700	(70,400)	-2%
Projects and Operations						
Program Operations	2,658,900	2,856,500	2,522,100	2,728,800	(127,700)	-4%
Engineering	-	250,000	200,000	-	(250,000)	-100%
Construction	-	4,009,200	500,000	3,700,000	(309,200)	-8%
Special Studies	22,800	550,000	300,000	250,000	(300,000)	-55%
Operating and Capital Disbursements	17,499,700	20,000,000	19,401,800	22,100,000	2,100,000	11%
Total Projects and Operations	20,181,400	27,665,700	22,923,900	28,778,800	1,113,100	4%
Capital Outlay	7,500	90,000	80,000	92,500	2,500	3%
Transfers Out	-	948,500	908,500	882,900	(65,600)	-7%
TOTAL Rail Maintenance and Operations	\$ 24,298,600	\$ 37,232,000	\$ 29,968,200	\$ 37,119,800	\$ (112,200)	0%

Rail Staffing Summary

Position	FY 16/17	FY 17/18	FY 18/19
Administrative Assistant	0.00	0.15	0.00
Chief Financial Officer	0.02	0.02	0.02
Deputy Executive Director	0.01	0.11	0.10
Executive Director	0.00	0.05	0.00
External Affairs Director	0.00	0.00	0.05
Facilities Administrator	1.00	0.94	0.90
IT Administrator	0.00	0.02	0.00
Legislative Affairs Manager	0.00	0.00	0.01
Management Analyst	0.51	1.00	1.00
Multimodal Services Director	0.36	0.40	0.29
Procurement Analyst	0.24	0.18	0.40
Procurement Manager	0.14	0.18	0.20
Project Delivery Director	0.06	0.15	0.00
Public Affairs Manager	0.02	0.20	0.15
Rail Manager	1.00	1.00	1.00
Senior Administrative Assistant	0.03	0.02	0.05
Senior Management Analyst	0.91	0.07	0.05
FTE	4.30	4.49	4.22

Department Budget Overview—Rail Operations**Department Description**

The Commission directs efforts in the areas of regional commuter rail, intercity passenger rail, high speed rail, and capital improvements to support enhanced passenger and freight rail service. The entire program includes elements of planning, programming, commuter and intercity rail development and support, station and corridor management, mitigation of community and environmental impacts, legislative and regulatory advocacy, and construction of capital projects. Many elements are managed or supported by other Commission departments, legal counsel, and consultants. Departmental efforts contributing to the rail program are found throughout the budget document.

Coordination and consultation also occur with a variety of public and private entities including the California State Transportation Agency, CTC, Caltrans, California Public Utilities Commission, California High Speed Rail Authority (CHSRA), FRA, FTA, Amtrak, environmental agencies, University of California Riverside (UCR), transit providers, SCAG, WRCOG, CVAG, San Diego

Association of Governments, LOSSAN, local governments, private freight railroads, businesses, and property owners.

The Commission participates in the ongoing funding and governance of Metrolink through SCRRRA, a joint powers authority consisting of the county transportation commissions of Riverside, San Bernardino, Orange, Los Angeles, and Ventura counties. The Commission holds two voting positions on SCRRRA's eleven-member board. The role of chair rotates between the member agencies every two years; the Commission's representative currently holds that position through 2018. Commission staff serves on the five-county TAC that negotiates service and funding levels, based upon the County's established priorities. The TAC provides technical assistance, coordination between various SCRRRA and Commission departments, and linkages to local communities.

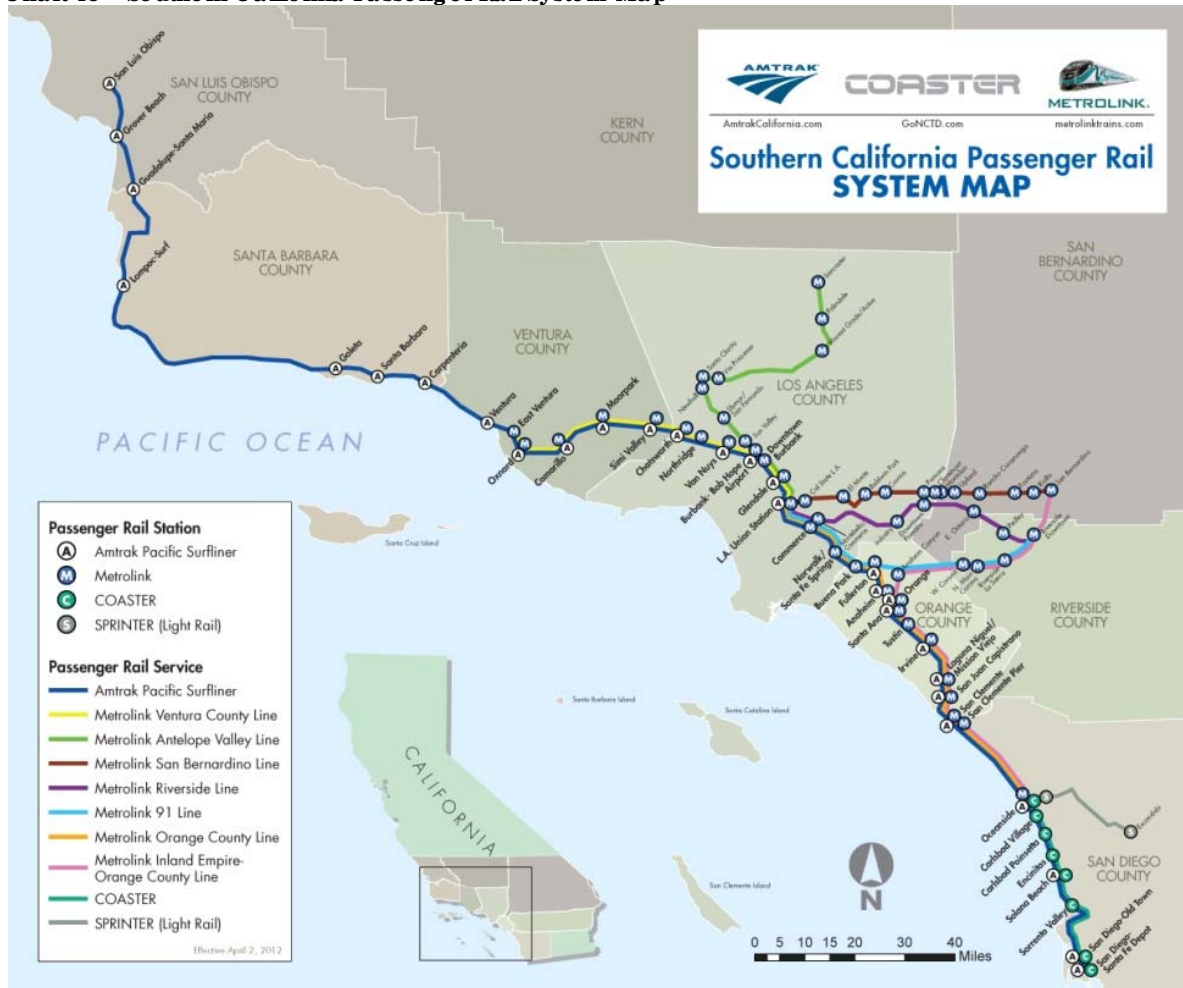
Of the seven commuter rail lines operated by Metrolink, three routes consisting of the Riverside, Inland Empire-Orange County (IEOC), and 91/PVL directly serve Western County. Unlike the other SCRRRA member agencies, the Commission owns and operates the commuter rail stations serving the County: Riverside Downtown, Jurupa Valley – Pedley, Riverside – La Sierra, West Corona, Corona – North Main, Riverside – Hunter Park/ UCR, Moreno Valley – March Field, Perris – Downtown, and Perris – South (Chart 44). The Riverside Downtown Operations Control Center (RDOCC), located at the west end of the Riverside Downtown station, provides monitoring of closed circuit televisions (CCTV) at the stations as well as facilities for train crews. Layover track facilities are located at the Riverside Downtown and Perris – South stations; however, SCRRRA maintains the layover facilities. Station operation and maintenance costs are included in the Rail Department budget with services currently coordinated by the Capital Projects Development and Delivery Department through the Facilities Administrator. New and ongoing construction projects at these stations are described in the Capital Project Development and Delivery Department.

Chart 44 – Riverside County Metrolink Station Locations



In addition to Metro link, the Commission participates in the governance of LOSSAN, a 351-mile network through a six-county coastal region in southern California that is the second busiest intercity passenger rail corridor in the United States (Chart 45). LOSSAN is a joint powers authority originally formed in 1989 to increase ridership, revenue, capacity, reliability, coordination, and safety on the coastal rail line between San Diego, Los Angeles, and San Luis Obispo. The Commission is the newest voting member of the 11-member Board of Directors composed of elected officials representing rail owners, operators, and planning agencies along the rail corridor. In recent years, LOSSAN has gained more local control over the management and coordination of the southern California rail services. The Commission is involved to promote travel options and connections for County residents and to be engaged in decisions impacting the rail track rights the Commission purchased for commuter rail service. Commission staff also participates in the TAC that provides technical assistance, service planning, and coordination between various agencies to improve customer service.

Chart 45 – Southern California Passenger Rail System Map



Key Assumptions for FY 2018/ 19

- The Commission and SCRRRA adopt Metrolink’s preliminary FY 2018/19 budget. In the event that additional funds are needed during the budget year for Metrolink operations, staff will present a mid-year budget adjustment to the Commission for approval.
- Ridership and fare revenues will continue to grow slightly on the Riverside, IEOC, and 91/PVL lines.
- The 91/PVL extension will continue to grow ridership and provide additional options for the County’s commuters.

- LOSSAN will continue to demonstrate its effectiveness with local control, and the Commission will be an active voting member in the process.

Accomplishments in FY 2017/18

- Expanded marketing efforts to establish a ridership base for the PVL and other routes serving Riverside County.
- Actively participated as a voting member on the LOSSAN board.
- To promote use of MetroLink for more than the regular commute, provided several successful special trains programs including a record breaking Festival of Lights Program, a new Rose Parade train, and expanded Angels and Rams sporting events trains.

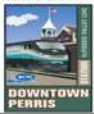




Major Initiatives in FY 2018/19

Over the last 25 years, the Commission has invested more than \$130 million in capital improvements to develop stations and secure access to support the Commission's commuter rail services operations. The PVL project and related projects added over \$250 million more to the Commission's investment in commuter rail. The Commission completed the PVL construction, including four new commuter rail stations, and service began in June 2016.

Unlike the other SCRRA member agencies, the Commission owns and maintains the nine commuter rail stations and RDOCC serving the County. A general description of each of the Commission-owned rail station facilities is presented in Chart 46.

Chart 46 – Commission-Owned Rail Station Facilities

<i>Location</i>	<i>In Service Date</i>	<i>Size</i>	<i>Transit Services</i>	<i>Primary Features</i>
Riverside Downtown (P244001) 4066 Vine Street, Riverside 	June 1993	26.5 acres	Rail: 91/PVL IEOC Line Riverside Line Amtrak Bus: RTA OmniTrans SunLine Amtrak MegaBus	2 platforms with 4 boarding tracks 4 parking lots (1,240 spaces) Enclosed pedestrian bridge, elevators, stairwells
Jurupa Valley-Pedley (P244002) 6001 Pedley Road, Jurupa Valley 	June 1993	4.5 acres	Rail: Riverside Line Bus: RTA	Platform with boarding track Parking lot (288 spaces)
Riverside-La Sierra (P244003) 10901 Indiana Avenue, Riverside 	October 1995	24.69 acres	Rail: 91/PVL IEOC Line Bus: RTA	Platform with 2 boarding tracks Parking lot (1,065 spaces) Enclosed pedestrian bridge, elevators, stairwells
Corona-West (P244004) 155 South Auto Center Drive, Corona 	October 1995	5.49 acres	Rail: 91/PVL IEOC Line Bus: RTA Corona Cruiser	Platform with 2 boarding tracks Parking lot (564 spaces) Enclosed pedestrian bridge, elevators, stairwells
Corona-North Main (P244006) 250 East Blaine Street, Corona 	November 2002	6.72 acres	Rail: 91/PVL IEOC Line Bus: RTA Corona Cruiser	Platform with 2 boarding tracks Parking lot (579 spaces) Parking structure (1,000 spaces) Enclosed pedestrian bridge, elevators, stairwells

Location	In Service Date	Size	Transit Services	Primary Features
Perris-Downtown (P244010) 121 South C Street, Perris 	June 2016 (bus transit center opened 2010)	5.5 acres	Rail: 91/PVL Bus: RTA	Platform with boarding track Parking lot (444 spaces)
Riverside-Hunter Park/UCR (P244020) 1101 Marlborough Avenue, Riverside 	June 2016	9.35 acres	Rail: 91/PVL Bus: RTA	Platform with boarding track Parking lot (528 spaces)
Moreno Valley/March Field (P244021) 14160 Meridian Parkway, Riverside 	June 2016	14.47 acres	Rail: 91/PVL Bus: RTA Amtrak	Platform with boarding track Parking lot (476 spaces) Stairwell
Perris-South (P244022) 1304 Case Road, Perris 	June 2016	40.57 acres	Rail: 91/PVL Bus: RTA Amtrak	Platform with boarding track Parking lot (907 spaces)
RDOCC (P244024) 4344 Vine Street, Riverside 	April 2016	3,000 square feet	N/A	CCTV operations center Offices and meeting rooms

Station maintenance includes property management, utilities, grounds maintenance, repairs, cleaning, and security services at the Commission-owned rail stations, including the RDOCC. Through FY 2015/16 station operating costs were primarily funded with LIF Western County rail allocations. As a result of the new PVL service, the LIF allocations will be used for MetroLink operating contributions and 2009 Measure A Western County rail funds will be used for station maintenance going forward. Table 62 summarizes the rail station maintenance costs.

Table 62 - Rail Station Maintenance Summary

	FY 16/17 Actual	FY 17/18 Budget	FY 17/18 Projected	FY 18/19 Budget
Equipment maintenance and repairs	\$ 379,885	\$ 594,000	\$ 550,600	\$ 508,700
Grounds maintenance and repairs	925,489	1,040,500	882,100	984,100
Utilities and support	433,565	546,800	470,100	527,600
Property management and operations	501,397	1,001,600	1,034,700	1,138,200
Security	2,181,692	2,427,100	2,233,500	2,382,600
Improvements	7,450	85,600	80,000	82,500
Total expenditures	\$ 4,429,478	\$ 5,695,600	\$ 5,251,000	\$ 5,623,700

In FY 2018/19, the Commission anticipates completion of the parking lot and transit center expansion at the Riverside – La Sierra station. This major capital improvement will increase park and ride opportunities and facilitate commuter bus operations at the station.

Department Goals—Rail Operations

RO1 – Improve utilization and increase efficiency of commuter rail lines serving the County.

(Policy Goals: Quality of Life, Responsible Partner)

Objectives:

- Support improved Metro link system safety and security initiatives.
- Implement enhanced safety and security features at all stations.
- Work with Metro link staff to increase patronage on the County lines, including the 91/PVL.
- Collaborate with Metro link and member agencies to expand service on Metro link lines with increased train frequencies.
- Coordinate with Metro link staff to develop future service plans that best meet the needs of the County's residents.
- Continue to monitor Metro link's financial performance to ensure efficient and responsible use of the County's transportation funds.

RO2 – Maximize opportunities for public use of rail-related investment.

(Policy Goals: Quality of Life, Responsible Partner)

Objectives:

- Support transit operator efforts to expand availability and use of connecting transit in order to improve access and reduce demand on parking capacity; currently the Commission budgets for and reimburses transit operators costs associated with transfers.
- Build out the Riverside – La Sierra station with additional bus bays and parking to allow for more commuter buses and park and ride opportunities.
- Explore track rights opportunities.
- Expand opportunities with the Commuter Assistance Program's park and ride operations for the designation of specific carpool/vanpool/buspool parking at commuter rail stations with available capacity.
- Increase opportunities for interline travel through coordination of schedules with LOSSAN and Amtrak intercity trains, such as the Sunset Limited, and other Metro link lines, including encouraging joint ticketing options.

RO3 – Implement energy efficient systems and generate revenue to offset maintenance costs of rail properties.

(Policy Goals: Quality of Life, Operational Excellence)

Objectives:

- Explore potential for joint development opportunities at stations.
- Evaluate the installation of cell phone towers as a revenue source to offset operating costs, including the development of the Jurupa Valley – Pedley station cell tower project.
- Explore additional revenue potential at the rail stations.
- Assess alternative and emergency power systems.

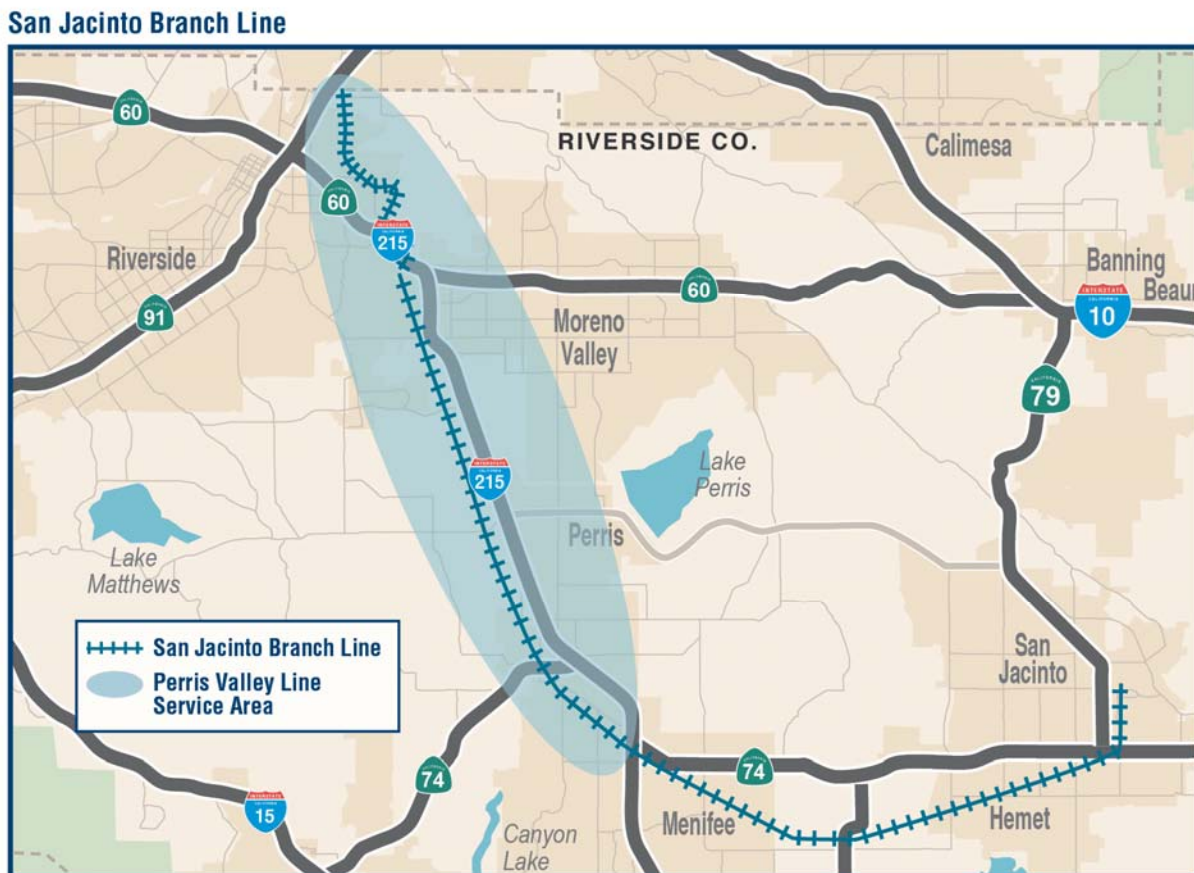
Department Budget Overview – Rail Development

In order to expand passenger rail options throughout the County, the Commission conducts feasibility studies to assess the viability of commuter rail expansion. In the past the Commission completed the commuter rail feasibility study that examined the viability of extending Metro link commuter rail service largely within existing rail right of way. The Commission approved the study and recommended advanced study of extensions on the San Jacinto Branch Line (SJBL) to Hemet/San Jacinto and Murietta/Temecula. The next phase of Alternatives Analysis for these corridors will be pursued in future years. The Commission engaged a consultant to perform a “next generation” rail feasibility study based on findings from the RCTC Strategic Assessment completed in January 2016. Significant planning efforts are also underway to explore intercity passenger rail service to the Coachella Valley-San Geronimo Pass corridor.

San Jacinto Branch Line

The Commission holds title to and manages the 38-mile SJBL (Chart 47) and several adjacent properties, preserved for future passenger rail service. BNSF Railway (BNSF) holds the freight rights in the corridor, providing service to local shippers, and performs maintenance on the line.

Chart 47 – San Jacinto Branch Line



Perris Valley Line Project

The Commission substantially completed the PVL in September 2016, and operations commenced in June 2016. The construction project was a 24-mile extension of the 512-mile Metro link commuter rail system. It extended the existing Metro link 91 Line, which provides service between Riverside and Downtown Los Angeles via Fullerton. There are timed connections to the

other routes out of the Riverside Downtown station. The project included the construction of four passenger stations at Riverside – Hunter Park/UCR, Moreno Valley/March Field, Perris – Downtown, and Perris – South; construction of a park-and-ride lot at each of the four new stations, totaling approximately 2,250 parking spaces; and a layover facility at Perris – South for vehicle storage and servicing. The hours of operation are from 4:30 a.m. to 8:00 p.m. on weekdays with no scheduled service yet on weekends. The service has 12 trains a day between Perris – South and Riverside Downtown with connections to IEOC and Riverside line trains as well.



In recent years the Commission also focused attention on the creation of intercity passenger rail service between the Coachella Valley, the Pass Area, Riverside, and the Los Angeles basin through advocacy efforts with state, federal, and local government entities and negotiation with the freight railroads. The Commission ensured the corridor was prominently featured in the updated 2013 California State Rail Plan. In May 2013, the Caltrans Division of Rail completed the first phase of a planning study and initial alternatives analysis for the rail corridor. This planning study was very supportive of the potential for a viable service, and future studies can expand on this by determining ridership demand and better cost estimates. Caltrans also included an updated project description and analysis of the Coachella Valley-San Gorgonio Pass corridor rail service in the latest state rail plan, approved by the California State Transportation Agency on September 5, 2013. The next update is scheduled for 2018 and initial drafts include the Coachella Valley-San Gorgonio Pass corridor rail service as an integral part of future growth.

Since its inclusion of the project into the State Rail Plan, the Commission has led the planning elements required of the project in order to secure additional funding and project approvals at various state and federal levels. The Commission established a MOU with CVAG for its cooperation on the planning as well as funding through a new TDA bus/rail split for the Coachella Valley. This agreement also included the application of Proposition 1B funds toward the initial Phase I analysis that included public outreach, development of the project Purpose and Need Statement, and development of the Preliminary Alternatives Analysis Report. As part of this effort, the Commission secured a letter of agreement with Caltrans for its cooperation and modeling support. The Commission completed the Phase I planning efforts, including the Alternatives Analysis, and the FRA approved the Phase I work.

In the July 2010 Federal Register notice on High-Speed Intercity Passenger Rail (HSIPR) program, it clearly outlines the planning process needed to be eligible for HSIPR funds. This process identifies the need for a SDP with the following requirements:

- Clearly demonstrate the purpose and need;
- Analyze alternatives for the proposed passenger rail service;
- Identify the alternative that best meets the purpose and need;
- Identify the discrete capital projects required; and
- Demonstrate the operational and financial feasibility.

To continue the development of this project, the Commission partnered with Caltrans and successfully applied for and was awarded a \$2,900,000 FRA grant to complete the corridor study's SDP. This was the only rail corridor in the country awarded these planning grant funds. Staff worked through the multiple agreements needed in order to utilize this funding in coordination with the FRA and Caltrans. In order to expedite project development, a highly

qualified consultant will prepare the SDP and lead the environmental process needed for the NEPA documentation. This project is ongoing and incorporated in the FY 2018/19 budget. The Commission prepares an annual SRIP for the Coachella Valley-San Gorgonio Pass corridor rail service project.

As the result of the many studies performed to date by both CVAG and the Commission, it was determined that using state-supported intercity trains presents the best alternative for developing service along the corridor. The 141-mile trip between Los Angeles and the Coachella Valley would cross four counties (Chart 48). Stops and station locations are yet to be determined. Due to the trip length and time of approximately three hours, Amtrak-style service with larger seats and food service would be more appealing to the riders. In addition, the service would operate over Union Pacific and BNSF tracks, and, in general, Amtrak has a greater ability to initiate service over freight railroads based on a national agreement. The initial service plan anticipates two daily round trips along the corridor. The approved Alternative Analysis recommended a preferred alignment.

Chart 48 – Coachella Valley-San Gorgonio Pass Corridor Rail Service – Proposed Alternative



High Speed Rail

The Commission continues to play a proactive role in the development of a statewide, high speed passenger rail system, including routing of the backbone corridor through the Inland Empire with possible stations in the Riverside/Corona and Murrieta/Temecula areas. With the passage of Proposition 1A in November 2008, there is a proposed funding mechanism to move the state high speed rail project forward. The CHSRA began work on a project level environmental assessment and corridor alignment study for the section between Los Angeles and San Diego via the Inland Empire. The Commission directed the review to include an alignment alternative along I-15 for analysis. The Commission entered into a MOU to be supportive in the development of this high speed rail project and participates in the Southern California Inland Corridor Group meetings. The Commission actively contributed to the development of the supplemental Alternatives Analysis efforts. Work on this effort has slowed down with the release of the latest business plan that extends the development of this Phase II section from Los Angeles to San Diego via the Inland Empire to beyond 2030. The Commission signed a MOU along with the other southern California transportation entities and SCAG to commit \$1 billion in unallocated Proposition 1A funds for early investment to be spent locally for rail transportation improvement projects.

Key Assumptions for FY 2018/19

- Progress on the development of the Coachella Valley-San Gorgonio Pass corridor rail service will continue.

Accomplishments in FY 2017/ 18

- Completed the Alternatives Analysis for the Coachella Valley-San Gorgonio Pass corridor rail SDP.
- Continued Phase II efforts for the Coachella Valley-San Gorgonio Pass corridor rail project and related environmental process.
- Conducted additional public scoping outreach for the Coachella Valley-San Gorgonio Pass corridor rail project.

Major Initiatives in FY 2018/ 19

During FY 2018/19, the Commission will continue progress on the Coachella Valley-San Gorgonio Pass corridor rail project’s SDP and environmental work. Additionally, the Commission will develop the “next generation” rail feasibility study to evaluate future growth opportunities for passenger rail service in the County.

Department Goals–Rail Development

RD1 – Identify and plan for capital improvements necessary to increase the scope, appeal, and reliability of commuter rail operations. (Policy Goals: Quality of Life, Operational Excellence, Responsible Partner)

Objectives:

- Build ridership on the 91/PVL
- Explore passenger rail options and conduct detailed studies on the Coachella Valley-San Gorgonio Pass corridor.
- Evaluate high speed rail plans and programs and look for opportunities for early investment that benefit existing passenger rail services.
- Evaluate future rail needs as part of the “next generation” rail feasibility study.

RD2 – Maintain efforts with local agencies, other southern California counties, and the state and federal governments to expand intercity passenger rail service into the County and the Coachella Valley. (Policy Goals: Quality of Life, Responsible Partner)

RD3 – Continue to monitor the state efforts in the creation of a high speed passenger rail system along an Inland Empire alignment through coordination with state and local agencies. In addition, continue to identify and advocate for high speed rail funding to be spent on beneficial local rail projects in the County. (Policy Goals: Quality of Life, Responsible Partner)

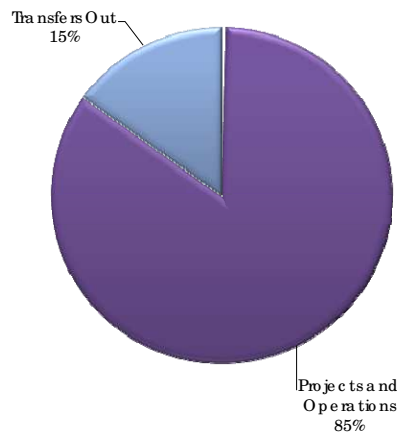
ID	Rail Performance Measures and Results	FY 16/ 17 Estimated	FY 16/ 17 Actual	FY 17/ 18 Estimated	FY 18/ 19 Projected
RO 1 RD1	Average daily ridership on existing commuter lines <ul style="list-style-type: none"> • Riverside Line • IEOC Line • 91/PVL 	4,387	4,050	3,795	3,721
		4,421	4,900	4,599	4,624
		2,600	3,258	2,925	3,330
RO 1	Fare box recovery ratio <ul style="list-style-type: none"> • Riverside Line • IEOC Line • 91/PVL 	47.7%	47.2%	43.2%	40.5%
		33.4%	31.8%	30.0%	27.5%
		27.7%	26.5%	23.9%	24.6%

Public and Specialized Transit

Mission Statement:

Public and Specialized Transit coordinates the operation of all public transportation services within the County with a goal toward promoting compliance and improving mobility as well as program efficiency and effectiveness between transit operators. Public and Specialized Transit also maintains and improves, as resources allow, mobility options to meet travel needs of seniors, persons with disabilities, and persons of limited means to enhance quality of life through innovative solutions and better coordination of existing services.

Chart 49 – Public and Specialized Transit



Expenditures

Public and specialized transit uses are budgeted at \$188,418,700 for FY 2018/19, as presented in Table 63, and consist primarily of capital projects and operations costs as well as transfers out to Commission funds for administration, planning, and rail purposes.

LIF disbursements consist of transit operating and capital allocations to public transit operators of \$85,035,000; bicycle and pedestrian facilities allocations to cities and the County of \$8,286,000; and planning and administration allocations to other agencies of \$717,000. STA disbursements of \$52,415,300 are for bus capital purposes in Western County, Coachella Valley, and Palo Verde Valley.

LIF and STA transfers out comprise:

- \$21,200,000 for rail operations;
- \$2,000,000 for grade separations;
- \$3,969,900 for planning;
- \$377,600 for administration; and
- \$350,000 for Coachella Valley rail operations and capital.

The LIF and STA transit allocations reflect the use of \$26,779,000 and \$29,471,900 in fund balances, respectively.

Measure A disbursements include \$2,800,000 for Western County specialized transit funding of the first year of the 2018 Call for Projects. The majority of other Measure A disbursements relate to other Measure A public transit programs:

- \$850,000 for Western County Consolidated Transportation Service Agency (CTSA) allocations;
- \$5,500,000 for Coachella Valley public and specialized transit; and
- \$3,700,000 for Western County intercity bus services.

The Western County allocations are disbursed monthly to RTA, the major transit provider in the Western County, while the Coachella Valley allocation is disbursed monthly to SunLine, the major transit provider in the Coachella Valley. Transfers out of \$389,800 relate to administrative costs to the General fund.

Table 63 – Public and Specialized Transit Expenditure Detail

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Salaries and Benefits	\$ 366,800	\$ 415,500	\$ 397,700	\$ 450,200	\$ 34,700	8%
Professional Costs						
Legal Services	4,100	14,000	5,000	6,000	(8,000)	-57%
Audit Services	33,100	20,000	-	100,000	80,000	400%
Financial Advisory	12,700	15,000	15,300	16,000	1,000	7%
Professional Services - General	76,900	155,300	151,500	192,000	36,700	24%
Total Professional Costs	126,800	204,300	171,800	314,000	109,700	54%
Support Costs	39,400	88,700	53,800	63,900	(24,800)	-28%
Projects and Operations						
Operating and Capital Disbursements	82,265,500	122,010,600	104,281,700	159,303,300	37,292,700	31%
Transfers Out	21,786,700	24,934,200	24,786,400	28,287,300	3,353,100	13%
TOTAL Public and Specialized Transit	\$ 104,585,200	\$ 147,653,300	\$ 129,691,400	\$ 188,418,700	\$ 40,765,400	28%

Public and Specialized Transit Staffing Summary

Position	FY 16/17	FY 17/18	FY 18/19
Accountant	0.04	0.00	0.02
Administrative Assistant	0.04	0.05	0.14
Chief Financial Officer	0.03	0.03	0.03
Executive Director	0.00	0.01	0.00
External Affairs Director	0.00	0.00	0.01
Management Analyst	1.18	1.00	1.00
Multimodal Services Director	0.28	0.22	0.31
Senior Management Analyst	0.00	0.02	0.00
Transit Manager	1.00	1.00	1.00
FTE	2.57	2.33	2.51

Department Budget Overview

Department Description

The Commission is responsible for short-range transportation planning and programming within the County. Planning includes the development of the countywide SRIPs for eight public transit operators consisting of:

- The cities of Banning, Beaumont, Corona, and Riverside;
- SCRRRA's Metro link commuter rail;
- Palo Verde Valley Transit Agency;
- RTA; and
- SunLine.

The Commission assists in coordinating the annual development, review, and approval of the operator SRIPs as well as allocates Measure A, LIF, STA, and FTA transit funding resources to

public transit programs. The Commission disburses LIF, STA including SB 1 SGR, and Measure A funds for public transit. The FTA administers the traditional Section 5307 (urban) and Section 5311 (rural) transit grant programs, while SCAG directly administers new FTA grant programs, Section 5337 for state of good repair and Section 5339 for bus and bus facilities.

In July 2012, Congress passed the Moving Ahead for Progress in the 21st Century (MAP-21) two-year reauthorization bill that authorized federal funding for public transportation programs. This legislation restructured prior funding by consolidating several grant programs, revising project eligibility, and amending funding allocation requirements from discretionary to a formula-based process. Under the new long-term transportation bill, FAST Act, signed into law on December 4, 2015, Jobs Access Reverse Commute and New Freedom type projects continue to be eligible activities supported with FTA Section 5307, Section 5311, and Section 5310 funding.

Following a competitive call for projects, funding through the consolidated FTA Section 5310 program administered by Caltrans is provided to nonprofit transportation and social service agencies and public operators (under special circumstances) for the purchase of capital equipment as well as operations. Eligible activities include transportation projects for finance planning, capital, and operating costs that support the development and maintenance of transportation services designed to transport welfare recipients and eligible low-income individuals to and from jobs and activities related to their employment. These activities also include transportation projects that facilitate the provision of public transportation services from urbanized areas and rural areas to suburban employment locations including vanpool programs. Additional activities include:

- Former New Freedom activities related to improvements that exceed the requirements of the Americans with Disabilities Act (ADA);
- Public transportation projects to improve access to fixed-route transit;
- Public transit projects expressly designed for seniors and people with disabilities, where transit is insufficient, inappropriate or unavailable; and
- Alternatives to public transportation that assist seniors and people with disabilities.

Eligibility for the FTA Section 5310 funds requires recipients to comply with all federal coordinated planning requirements in accordance with MAP-21 and the new FAST Act provisions. Projects selected for funding must be derived from a locally-developed Coordinated Public Transit—Human Services Transportation Plan (Coordinated Plan) and must be developed through a process that includes representatives of the public, private, and nonprofit transportation and human service providers. The Commission's recommendations for award are subject to Caltrans approval. Projects will be fully funded with federal funds using Transportation Development Credits (to l credits) as matching funds.

In partnership with the County's transit operators, the Commission coordinates the allocation of available state Proposition 1B transit funding and ensures that proposed projects meet the mobility needs of the County. Annually appropriated by the legislature, Proposition 1B funds are used for transit related capital purchases, infrastructure/facility improvements, and security enhancements. Since FY 2007/08, the County's public transit operators annually applied for Proposition 1B funds; however, the program ended in FY 2016/17 and operators programmed the remaining balances in FY 2017/18. Operators must expend these funds within three fiscal years.

Since 2015, the Commission coordinates with Riverside County transit operators the preparation and submission of transit projects to Caltrans for award of LC TOP funds under CARB's Cap and Trade Program. The LC TOP funds support operating and capital transit projects that reduce carbon emissions and improve mobility with a priority of serving disadvantaged communities. The State Controller's Office annually appropriates the LC TOP funds. Riverside County's share supported the construction of RTA's UCR Mobility Hub, station upgrades for the Commission's

new PVL to encourage active transportation, and installation and operation of a solar energy system in Palo Verde Valley. Funds will also be used to increase service frequency on selected bus routes that operate in disadvantaged communities in the Coachella Valley and city of Beaumont. The County's share of the annual allocations have fluctuated based on state appropriations.

The 2009 Measure A Western County specialized transit program provides a valuable service to the community by serving the needs of residents, mainly seniors and persons with disabilities, whose transportation needs are not met by traditional services. Social service and nonprofit agencies typically administer specialized transit operations. The Commission awards 2009 Measure A Western County funds for specialized transit through a competitive call for projects. The 2015 Call for Projects, which provided funding for a three-year term, will end in June 2018. Under the new 2018 Call for Projects, Measure A funds will be utilized by projects until June 30, 2021.

The Commission has public transit operator oversight and fiduciary responsibilities and ensures that annual fiscal audits and a state triennial performance audit are conducted in accordance with TDA regulations. The Commission also reviews public transit operator activities on an annual basis and recommends potential productivity improvements to lower operating costs. To ensure that specialized transit allocations are expended in accordance with funding agreements, the Commission engages audit firms to perform certain agreed-upon procedures for the Measure A specialized transit funding recipients.

Key Assumptions for FY 2018/19

- LIF, STA, and Measure A budgeted disbursements are based on projected allocations but may be adjusted after the Commission approves actual allocations in July 2018.
- Fluctuating LIF and Measure A sales tax revenues will continue to require efforts to streamline operating expenses by all operators while maintaining efficiency and quality of service.
- The Commission will allocate Western County LIF and discretionary STA funds based on a split of 78% for bus and 22% for rail.
- The Commission will continue to allocate 25% of 2009 Measure A Western County specialized transit funds to RTA as the CTSA for Western County.

Accomplishments in FY 2017/18

- Oversaw the successful third-year implementation of the ongoing specialized transit services resulting from the 2015 Measure A Call for Projects funding allocation process.
- Assisted in the implementation of 29 capital projects awarded to ten successful County recipients under the FTA Section 5310 program FY 2012/13 and FY 2013/14 funding; projects were derived from the locally-developed Coordinated Plan.
- Received approval notification of 17 capital projects awarded to nine successful County recipients of FTA Section 5310 urbanized area program FY 2014/15, FY 2015/16 and FY 2016/17 funding, in addition to three capital projects from two small urban and rural agencies.
- Approved the allocation of FY 2017/18 SB 1 SGR program funds for eligible replacement and rehabilitation projects identified by transit operators following release of program funding and guidelines by Caltrans.
- Completed the Coordinated Plan Update that reflects new service plans and opportunities resulting from five workshops and one transit needs public hearing held in different areas of the County including unincorporated areas of Mecca and North Shore in eastern Riverside County.
- Incorporated FY 2016/17 LC TOP formula funds with transit operating and capital funding sources for development of the FY 2018/19 SRIPs following the Caltrans release of program funding.

Major Initiatives in FY 2018/19

The Commission has long demonstrated a strong commitment to assist in the mobility of those with specialized transit needs. Through its 1989 Measure A specialized transit program, the Commission provided millions of dollars to public and nonprofit transit operators for the provision of special transit services to improve the mobility of seniors and persons with disabilities. Along with support of traditional dial-a-ride services, the Commission supports innovative programs that provide transit assistance in hard to serve rural areas or for riders having very special transit needs. The riders, many frail and elderly, have come to depend on these services that provide a higher level of assistance than can be provided by the public transit providers and/or operate in areas not served by public transit. As a result of the 2009 Measure A, these specialized transit programs will continue through 2039.

In June 2018, 16 programs in Western County will complete their third year of specialized transit services under the 2015 Measure A Call for Projects. The Commission approved specialized transit award in April 2018 for 18 programs in Western County under the 2018 Measure A Call for Projects. As identified in the Coordinated Plan, the specialized transit projects approved for funding will require implementation and continuous performance monitoring through June 2021.

The Commission adopted the Transit Vision for 2009-2019 in May 2008 that included continuation of the TDA funding formula for LIF and STA funds and established a funding formula for the 2009 Measure A public transit funds, which include specialized transit funds. In FY 2018/19, staff will submit recommendations to the Commission for changes, if any, to the TDA and Measure A funding formulas and an implementation plan.

Department Goals

PST1 – Provide timely information to the public regarding Commission-implemented projects and support public relations activities of Measure A funded programs by grant recipients. (Policy Goals: Operating Excellence, Responsible Partner)

Objectives:

- Produce and distribute public information materials as needed including press releases, flyers, brochures, marketing materials, and newspaper ads.
- Leverage the IE Commuter traveler information system in order to more fully market the availability of specialized transit programs.

PST2 – Allocate Measure A specialized transit and federal funds to support services that will maintain and/or enhance mobility by alleviating transportation barriers for seniors, persons with disabilities, and the truly needy. (Policy Goals: Quality of Life, Operational Excellence, Responsible Partner)

Objectives:

- Monitor performance of specialized transit grant recipients through analysis of their monthly performance reports.
- Support the consolidated FTA Section 5310 grant processes to improve mobility for seniors, persons with disabilities and individuals of limited means by working with Caltrans, public operators, and social service agencies to ensure a competitive process statewide for the allocation of federal transportation dollars for social service programs.
- Provide technical assistance and program support to agencies offering specialized transit programs to ensure the maximum benefit of funding for improved mobility for seniors, persons with disabilities, and individuals of limited means.

PSTB – Coordinate the operation of all public transportation services within the County with a goal toward promoting program efficiency and harmony between transit operators as outlined in state law. (*Policy Goals: Quality of Life, Operational Excellence, Connecting the Economy, Responsible Partner*)

Objectives:

- Review transit planning, resource allocation, and service implementation policy requirements including appropriate coordination of commuter rail, intercounty and intercity bus, local bus and paratransit, and social service transportation services to ensure convenient service for passengers.
- Implement recommendations resulting from the TDA-mandated triennial performance audits of the Commission and the seven County bus transit operators.
- Assure the ongoing effectiveness of the SRIP process and work with the County's eight transit operators to assure productivity and efficiency as well as compliance with the productivity improvement program.
- Coordinate regional transit connections among commuter rail, buses, and paratransit services to ensure convenient service for passengers.
- Monitor transit operators' quarterly capital grants reports.
- Monitor transit operators' performance through analysis of their quarterly performance reports using the TransTrack computer-based tracking program.
- Continue initiative working with the transit operator partners in providing connecting bus services to the new PVL stations.

PST4 – Continue to provide staff resources to assist and support the coordination of transit services within the County and throughout the State. (*Policy Goals: Quality of Life, Operational Excellence, Connecting the Economy, Responsible Partner*)

Objectives:

- Participate and influence intercounty discussions between Riverside, Orange, San Diego, and San Bernardino counties regarding the enhancement of intermodal options. This includes additional transit services (rail and express bus) and rideshare services.
- Regularly participate in meetings that focus on the coordination of transit services, such as the California Association for Coordinated Transportation, SunLine's Access Committee, RTA's ADA Committee, the Riverside County Foundation on Aging Board of Directors, Riverside Regional Coalition, and the Commission's Citizens Advisory Committee/Social Service Transportation Advisory Council.
- Continue the development of a marketing and distribution network for communicating specialized transit mobility options to seniors, the disabled, and persons of limited means.

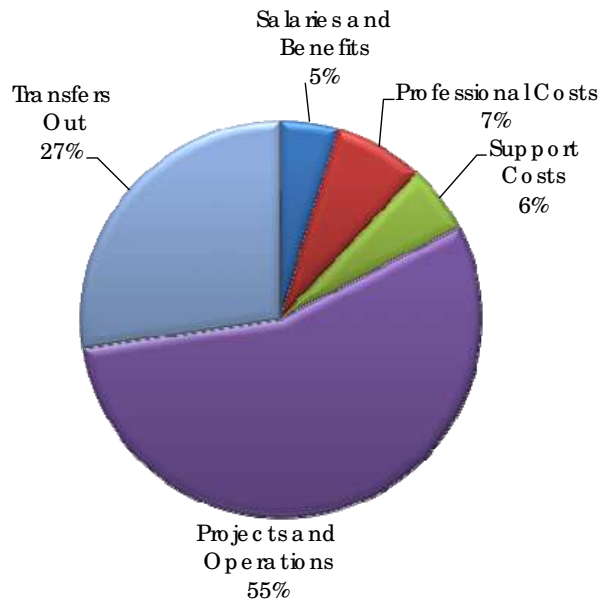
ID	Public and Specialized Transit Performance Measures and Results	FY 16/17 Estimated	FY 16/17 Actual	FY 17/18 Estimated	FY 18/19 Projected
PST3	SRIPs submitted by operators and reviewed	9	9	9	9
PST3	SRIP amendments	3	3	3	3
PST2	Specialized Transit grants awarded	17	17	17	18
PST2 PST3	One-way trips provided by Measure A funded projects	103,952	106,843	111,945	270,500
PST2 PST3	One-way trips provided by FTA Section 5310 funded projects	93,464	95,929	95,000	96,000
PST2 PST3	One-way trips reimbursed through the Western County Transportation Reimbursement and Information Project by Measure A funded projects	38,570	55,180	39,600	71,181
PST2 PST3	One-way trips reimbursed through the Western County Transportation Reimbursement and Information Project by FTA Section 5310	98,910	55,172	99,500	88,785
PST3	Transit tickets provided through the Transportation Access Program	70,000	31,377	91,019	88,785
PST3	Clients served through Blindness Support Services	54	42	54	36
PST3	Unique persons served through Vetlink 211 Services	1,930	1,654	2,600	1,600

Commuter Assistance

Mission Statement:

Commuter Assistance actively works to improve the commuter experience by promoting multimodal transportation options through advancing technology, employer partnerships, user incentives, and meaningful community engagement.

Chart 50 – Commuter Assistance



Expenditures

Commuter Assistance expenditures total \$6,197,800, which represents a 6% increase from last year's budget (Table 64) due to costs for a new vanpool incentive program. Salaries and benefits of \$288,200 reflect a 9% increase due to a change in FIE allocations, the Commission's contribution to employee health benefits, and merit-based salary increases. Professional costs of \$449,700 decreased 44% over the prior year due to completion of ride matching system enhancements and vanpool incentive program implementation. Support costs of \$342,500, which include mail and printing services, communications, and other office expenditures, increased 33% due to the new vanpool project.

Projects and operations expenditures of \$3,420,900 consist of:

- Park and ride lease payments of \$150,000;
- Regional transportation consultant services totaling \$2,172,000 to manage and implement the program; and
- Commuter incentives and subsidies vouchers valued at \$1,098,900.

Reimbursements from SBC TA for rideshare services provided by the Commission are included in revenues to offset a portion of these expenditures. Transfers out include \$1,500,000 for a transit incentive project in Western County and \$196,500 for administrative costs.

Table 64 – Commuter Assistance Uses Detail

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Salaries and Benefits	\$ 257,000	\$ 264,800	\$ 264,400	\$ 288,200	\$ 23,400	9%
Professional Costs						
Legal Services	21,800	25,000	31,000	31,000	6,000	24%
Financial Advisory	7,600	7,600	7,600	8,000	400	5%
Professional Services - General	329,600	767,100	668,600	410,700	(356,400)	-46%
Total Professional Costs	359,000	799,700	707,200	449,700	(350,000)	-44%
Support Costs	57,100	257,400	247,200	342,500	85,100	33%
Projects and Operations						
Program Operations	2,013,000	2,821,100	2,642,100	3,420,900	599,800	21%
Transfers Out	-	1,712,300	1,048,000	1,696,500	(15,800)	-1%
TOTAL Commuter Assistance	\$ 2,686,100	\$ 5,855,300	\$ 4,908,900	\$ 6,197,800	\$ 342,500	6%

Commuter Assistance Staffing Summary

Position	FY 16/17	FY 17/18	FY 18/19
Chief Financial Officer	0.00	0.00	0.01
Commuter and Motorist Assistance Manager	0.65	0.60	0.65
Deputy Executive Director	0.01	0.02	0.02
IT Administrator	0.00	0.01	0.00
Legislative Affairs Manager	0.04	0.00	0.00
Management Analyst	0.31	0.30	0.60
Multimodal Services Director	0.28	0.30	0.28
Procurement Analyst	0.00	0.05	0.00
Procurement Manager	0.01	0.05	0.00
Public Affairs Manager	0.00	0.00	0.05
Senior Administrative Assistant	0.06	0.05	0.00
Senior Management Analyst	0.01	0.03	0.02
FTE	1.37	1.41	1.63

Department Budget Overview**Department Description**

While much of the Commission's work focuses on enhancing transportation infrastructure, there is significant value in ensuring that the transportation systems are used efficiently. To foster a more efficient use of these systems, the Commission's Commuter Assistance Program seeks to increase the awareness of all commute options and incentives available to County constituents and commuters and to increase consideration for alternative modes of transportation such as a riding a bus or train, carpooling, vanpooling, walking, bicycling, or telecommuting.

The Commuter Assistance Program seeks to influence driver behavior by nurturing a mode-shifting decision at both the employer and commuter levels via the following methods:

- Partner with employers and provide them with a suite of services to implement an employer-based mode-shift and rideshare programs at worksites throughout the region;
- Provide public information services for rideshare across multiple platforms – IECOMMUTE.ORG, 866-RIDESHARE, mobile application, and social media;
- Produce personalized commute options and traveler information to educate commuters of all travel options available and to adopt congestion avoidance behavior when traveling;
- Incentivize commuters for beginning and then maintaining a mode-shift/rideshare arrangement; and
- Leverage technology to deliver easy-to-use online resources and tools to serve more efficiently employer partners, their employees, and other commuters.

The Commission implemented the Commuter Assistance Program in Western County as a specific requirement under Measure A to address congestion mitigation. While ridesharing has a beneficial impact on air quality, first and foremost, it is a strategy to improve mobility through increased use of alternative modes of transportation.

Key Assumptions for FY 2018/ 19

- The Commission will continue to contract with a consulting firm to administer an Inland Empire Commuter Assistance Program with regional reach.
- Maintaining its long-term partnership with the Commission, SBC TA will contract with the Commission to manage and implement a “sister” Commuter Assistance Program for its residents and employers in San Bernardino County.

Accomplishments in FY 2017/ 18

- Launched a new vanpool subsidy program in Riverside County to complement transit options in the County and provide an attractive commute option for commuters traveling to Riverside County worksites.
- Developed a new IE Commuter mobile application to enhance accessibility of rideshare information and convenience to participate in incentive programs that can be completed online and across mobile platforms.
- Funded and provided outreach support for a new and rapidly growing RIA CommuterLink Express Bus service (Route 200 and Route 205) between the Inland Empire and Orange County.
- Enhanced the IE Commuter rideshare system with a website refresh including a new design and on-line resources and tools for employers to more effectively manage employee commuters and market rideshare within their organizations.
- Expanded IE Commuter outreach across social media platforms (Facebook, Twitter, Instagram) to help efficiently grow the direct-to-commuter model and accompanying introduction to new employers for partnering opportunities.
- Coordinated with regional rideshare partners and transit agencies to deploy a shared theme across southern California for Rideshare Week; Riverside/San Bernardino County participation metrics far exceeded those of neighboring regions.
- Continued leases for park and ride facilities at the following locations:

City	Location
Corona	Canyon Community Church of the Nazarene
	Living Truth Christian Fellowship
	Corona Friends Church
	Tom’s Farms
Lake Elsinore	Lake Elsinore Market
	Lake Elsinore Outlets
	Shepherd of Life
Menifee	The View Church
Munietta	Mulligan’s Family Fun Center
	Promise Lutheran Church
Temecula	Orchard Christian Fellowship
	United Methodist Church

Major Initiatives in FY 2018/ 19

A cornerstone of the Commuter Assistance Program is its continued partnership with commuters, employers, and government. The partnership, based on voluntary efforts, makes a collective difference to increase the efficiency of the County’s transportation system—local roads,

freeways, commuter rail, and public bus. The combined effort results in less congestion, decreased vehicle miles traveled, and improved air quality. The major initiatives to continue these partnerships and efforts in FY 2018/19 are described below.

- Conduct a Strategic Assessment: The Commuter Assistance Program will take a comprehensive look at the current program structure, incentives, technology, outreach/approach with consideration of the rapidly changing future of mobility (e.g., autonomous vehicles, micro-transit, shared mobility, and transportation network companies). In doing so, the goal is to reassess and redefine Commission's transportation demand management role in the County. Accordingly, initiating plans and beginning to restructure for the future will further enhance the program and capitalize on opportunities within the changing landscape of mobility.
- Maximize Employer Partnerships: Given that the highest percentage of rideshare arrangements is formed at work sites, voluntary employer participation is critical to address congestion and air quality goals; employers are the conduit to directly influence their employees' personal transportation choices. The ongoing success of the core Western County rideshare program is a testament to the significance of employer partnerships. However, the prior economic downturn created a corporate culture of doing more with less. Many employer transportation coordinators (ETCs) feel spread too thin to commit to offering a rideshare program. Delivery of value-added services and tools to make the ETC's job easier is a critical motivation to continue partnerships and develop new ones.
- Expand with New Market Development: The primary go-to-market strategy has been to leverage larger employer (250+) partnerships to cost effectively access and market to employee commuters. While this channel has historically proven to be efficient over the years, it results in a rather limited base of commuters compared to the broader universe of commuters available. Therefore, in addition to maximizing the number of employer partners and maximizing rideshare participation within those employers, a direct business-to-consumer strategy will continue to be phased in to expand the awareness and consideration of rideshare options.
- Support Multimodal Travel: In addition to ride matching, information services, and incentives to facilitate ridesharing, the Commuter Assistance Program also provides park and ride facilities to support ridesharing efforts. The last Caltrans park and ride facility in the County was built in 1999. The Commission leases park and ride spaces from property owners to supplement the network of park and ride spaces in the County. A continued focus for FY 2018/19 will be increasing the number of leased spaces and coordinating with ridesharing, transit, and rail partners to identify areas where the lease program can help support car/vanpool arrangements and facilitate transit connections.

Department Goals

CA1 - Operate a cost-effective Commuter Assistance Program resulting in a demonstrable reduction in single occupant vehicle trips, thus assisting with congestion mitigation and improving air quality. (Policy Goals: Quality of Life, Responsible Partner)

Objectives:

- Leverage Commuter Assistance Program resources to support outreach and transportation demand management objectives of major Commission projects, including but not limited to, the new vanpool subsidy program and RTA CommuterLink Express Route 200 and Route 205 service, MetroLink's 91/PVL service, and RCTC 91 Express Lanes.
- Continue to enhance the IE Commuter user experience with improvements in functionality and services offered through the website and mobile application.
- Continue to offer short-term incentives for commuters to try a transportation mode other than driving alone.

- Continue to provide a rewards program for long-term rideshareers to encourage their continued use of alternative modes of transportation.
- Ensure the effectiveness of the Commuter Assistance Program through program analysis and recurring assessments of participation and retention of rideshareers. The Commission will continue to evaluate options to trim program costs without impacting service delivery or participation.
- Increase participation and use of the IE Commuter website by employer partners to reduce administrative costs.
- Optimize the number of leased park and ride spaces and address gaps in the system.

CA2 – Ensure the coordination of ridesharing programs throughout the Inland Empire and the southern California region. (Policy Goals: Quality of Life, Operational Excellence, and Responsible Partner)

Objectives:

- Continue to administer a “sister” Commuter Assistance Program in San Bernardino County on a contract basis, thus expanding the reach and effectiveness of commuter programs throughout the Inland Empire area.
- Continue to provide leadership with the ongoing operation, maintenance, and enhancement of the bi-county ride matching system with regional reach.
- Continue to explore and implement opportunities to coordinate regional rideshare/transit campaigns with neighboring rideshare agencies and transit partners.

CA3 – Broaden the reach of the program to encourage alternative transportation modes amongst all travelers and continue to grow the core base of employers and their employees. (Policy Goals: Quality of Life, Operational Excellence, Responsible Partner)

Objectives:

- Continue to grow and support on-line resources and tools for employers to more effectively manage and market their organizations’ rideshare programs.
- Provide program results to both commuter incentive participants and employer partners that translate individual or worksite rideshare participation into money saved, congestion reduced, and emissions reduced.
- Publicize the participation of local employers in the Commuter Assistance Program through various media channels.

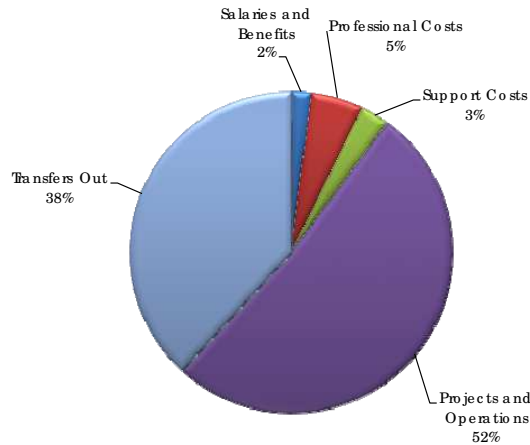
ID	Commuter Assistance Performance Measures and Results	FY 16/17 Estimated	FY 16/17 Actual	FY 17/18 Estimated	FY 18/19 Projected
CA1	Number of one-way single occupant vehicle trips reduced as a result of Rideshare Incentives	150,000	166,535	171,000	176,000
CA2	Number of Rideshare Plus Rewards Members	3,000	1,608	1,700	1,800
CA2	Number of incoming 1-866-RIDESHARE telephone calls	5,500	5,231	5,340	5,440
	Number of services provided by IE Commuter to support employer trip reduction efforts at worksites:				
CA3	<ul style="list-style-type: none"> • Employer worksites requesting survey services 	125	172	177	182
CA3	<ul style="list-style-type: none"> • Ride Guides produced 	15,000	11,924	12,100	12,400

Motorist Assistance

Mission Statement:

Motorist Assistance improves safety, reduces congestion, and enhances access to traveler information for motorists through the provision of a comprehensive motorist aid system.

Chart 51 – Motorist Assistance



Expenditures

Motorist Assistance expenditures and uses are budgeted at \$10,006,400, an increase of 68% compared to the prior year budget (Table 65) due to FSP service expansion and increased SAFE matching funds for FSP services. Salaries and benefits reflect an increase of 30% due to net changes to FTE allocations, the Commission’s contribution to employee health benefits, and merit-based salary increases. Professional costs of \$528,200 reflect an increase of 2% due to FSP service expansion, and support costs of \$290,000 decreased \$8,900, or 3%, due to a reduced number of call boxes to support and maintain. Reimbursement from SBC TA for half of all IE511 related expenditures is included in revenues.

Budgeted expenditures for program operations include \$4,203,000 in towing contract costs for the FSP program. Projects and operations costs increased 39% due to an increase in construction FSP activity. Transfers out represent SAFE matching funds of \$3,600,000 for FSP services and a \$220,500 allocation for administrative costs.

Table 65 – Motorist Assistance Uses Detail

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Salaries and Benefits	\$ 126,000	\$ 154,000	\$ 153,000	\$ 200,000	\$ 46,000	30%
Professional Costs						
Legal Services	19,500	35,500	18,500	30,500	(5,000)	-14%
Professional Services - General	386,000	482,500	441,700	497,700	15,200	3%
Total Professional Costs	405,500	518,000	460,200	528,200	10,200	2%
Support Costs	388,600	298,900	155,000	290,000	(8,900)	-3%
Projects and Operations						
Program Operations	3,257,100	3,723,000	3,254,000	5,167,700	1,444,700	39%
Transfers Out	1,068,400	1,257,500	1,257,500	3,820,500	2,563,000	204%
TOTAL Motorist Assistance	\$ 5,245,600	\$ 5,951,400	\$ 5,279,700	\$ 10,006,400	\$ 4,055,000	68%

Motorist Assistance Staffing Summary

Position	FY 16/17	FY 17/18	FY 18/19
Commuter and Motorist Assistance Manager	0.35	0.40	0.35
External Affairs Director	0.00	0.00	0.08
IT Administrator	0.00	0.02	0.00
Legislative Affairs Manager	0.09	0.00	0.05
Management Analyst	0.21	0.70	0.40
Multimodal Services Director	0.07	0.08	0.07
Procurement Analyst	0.05	0.05	0.07
Procurement Manager	0.01	0.05	0.05
Public Affairs Manager	0.00	0.00	0.05
Senior Administrative Assistant	0.00	0.00	0.05
Senior Management Analyst	0.02	0.06	0.02
FTE	0.80	1.36	1.19

Department Budget Overview

Department Description

As a SAFE, the Commission is responsible for providing a motorist aid system for the County. This system is comprised of three components:

- The I511 traveler information system is a telephone, website, and mobile app-based service that delivers real-time traffic information, including incidents and travel times, bus and rail trip planning, and ride share information;
- The FSP program clears debris in freeway lanes and assists stranded motorists on the most congested Riverside County freeways by towing, changing flat tires, and temporarily taping cooling system hoses at no charge to motorists. FSP service is also provided in construction zones through separate funding agreements with Caltrans and Commission-funded construction projects to help mitigate congestion; and
- The call box system allows motorists to call for assistance in the event of a mechanical breakdown, accident, or other emergency on the freeway.

Key Assumptions for FY 2018/19

- In partnership with regional county transportation partners, the Commission will transition from a locally-provided I511 system to a regional southern California 511 solution.
- The FSP will continue as long as state funding support is available.
- Tow truck contractor costs for the nine existing FSP beats will be based on Commission-approved contracts.
- The call box system program will continue to serve as a “safety-net” for stranded motorists in the County.
- Annual call box maintenance costs will be based on a flat-fee contract based on the number of call box units.
- Current percentage levels of vandalism, knockdowns, and miscellaneous repairs to call boxes will remain consistent with the past year.

Accomplishments in FY 2017/18

- Achieved one of the highest benefit-to-cost ratio statewide for FSP in the latest statewide FSP Management Information System Report.

- Secured and leveraged grant funding to provide weekend FSP service throughout the SR-91 corridor in Corona and Riverside and along a segment of SR-60 in Moreno Valley.
- Provided traveler information service through the IE511 system to support more than 46,000 monthly IE511.org web visits and 16,000 monthly IE511 phone calls. To date, more than 61,000 users have downloaded the IE511 mobile application.
- Continued to coordinate with local transportation agencies to migrate the IE511 system to a regional traveler information system.
- Continued the “cost recovery” program for call box knockdowns in an effort to collect reimbursements from motorists involved in accidents that damage Commission property.

Major Initiatives in FY 2018/19

Since 2010, the Commission, along with its partner, SBC TA, has operated, maintained, and enhanced the IE511 system which includes a website interface and an interactive voice response telephone system that serves Riverside and San Bernardino counties residents and commuters. While the system has served local commuters garnering an average of 46,000 monthly web visits and 16,000 monthly calls plus 61,000 mobile app downloads to date, the program will transition to a regional and more cost effective 511 solutions in partnership with local southern California transportation agencies.

Other initiatives will focus on long-term SAFE planning, system efficiencies, and evaluating and/or implementing new program services such as a mobile call box program. Staff will focus on maintaining a high benefit-to-cost ratio for FSP and maximize anticipated SB 1 funding to expand FSP coverage.

Department Goals

MA1 – Provide efficient delivery of a comprehensive motorist aid system (511, FSP, Call Box) and an outstanding level of service to the traveling public. (*Policy Goals: Quality of Life, Operational Excellence, Responsible Partner*)

Objectives:

- Reduce 511 costs and enhance access to real-time traveler information by transitioning to a regional 511 southern California solution.
- Support local venues and attractions with the implementation of expanded FSP service hours to optimize traffic flow related to the arrival and departure of regional traffic to large scale events in the Coachella Valley.
- Maximize available FSP funding by continually evaluating opportunities to provide more efficient FSP coverage through changes in service days, service hours, or number of vehicles assigned to each beat.
- Deploy new FSP service with anticipated SB 1 funding to areas along the I-15 and I-215 corridors in southern Riverside County that are projected to provide the greatest benefit/impact.
- Review proposed construction projects with Commission, Caltrans, and local cities and coordinate the use of temporary construction tow service to mitigate congestion.
- Continue coordination with San Bernardino SAFE to monitor the operation of the call answering center contractor.

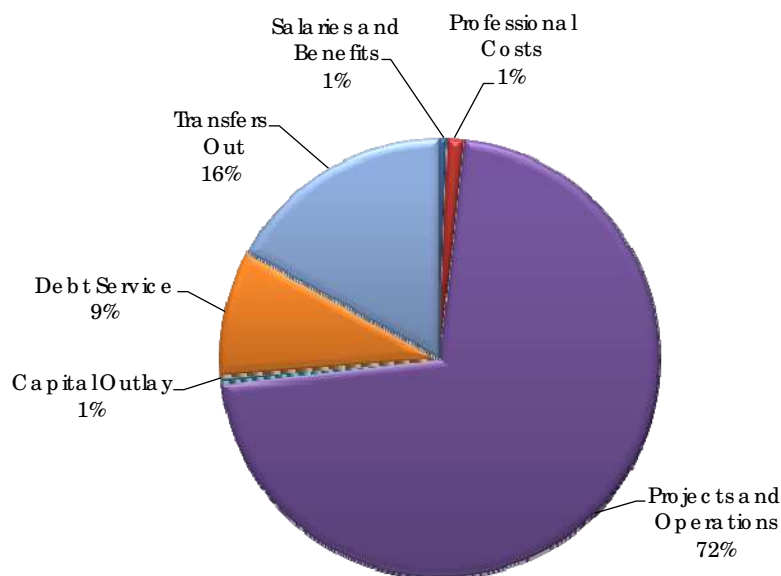
ID	Motorist Assistance Performance Measures and Results	FY 16/17 Estimated	FY 16/17 Actual	FY 17/18 Estimated	FY 18/19 Projected
MA1	Number of call boxes	250	240	240	240
MA1	Number of call box calls	2,246	2,650	2,074	2,200
MA1	Number of vehicle assists	37,500	40,180	38,904	40,000
MA1	Number of 511 phone calls	211,000	201,099	162,000	186,000
MA1	Number of 511 web visits	497,000	562,507	425,000	425,000

Capital Project Development and Delivery

Mission Statement:

Capital Project Development and Delivery (Capital Projects) keeps the Commission's contract with the voters of the County by accelerating the planning, programming, and implementation of projects and programs in the Measure A TIP, as enhanced by the Toll Program, to the extent that funds are available. Capital Projects ensures that capital projects are environmentally acceptable, expertly designed, and implemented in a cost effective manner. Capital Projects acquires and manages required right of way in the fairest, most economical, efficient, and timely manner possible.

Chart 52 – Capital Project Development and Delivery



Expenditures

The budgeted expenditures and transfers out total \$746,914,200 to cover all of the Commission's major capital projects (Table 66). Salaries and benefits expenditures represent less than 1% of the budgeted uses and reflects a net increase of 6% due to the net allocation of FTEs, an increase to the Commission's contribution to employee health benefits, and merit-based salary increases. Professional costs of \$8,723,600 primarily relate to general legal costs, specialized legal and financial advisory services related to the toll program, public communications, and property management services. Support costs of \$632,700 consist primarily of services needed to maintain the Commission's real properties in a condition that complies with all local codes and regulations governing property maintenance.

General project costs of \$5,564,800 comprise program management provided by Bechtel Infrastructure (Bechtel) and permits for highway and rail capital projects.

Significant projects included in engineering expenditures of \$33,113,800 relate to the I-15 Express Lanes southern extension project; Mid County Parkway; the 71/91 connector project; the I-15/Railroad Canyon interchange (on behalf of the city of Lake Elsinore); various commuter rail

improvement and rehabilitation projects; and various Western County TUMF regional arterial projects.

Construction expenditures of \$111,950,000 primarily relate to the I-15 Express Lanes project; 15/91 Express Lanes connector project; the I-15/Limonite interchange; SR-60 truck climbing lanes; the Pachappa underpass; various Western County Measure A and TUMF regional arterial projects; Santa Ana River Trail; and rail improvement and rehabilitation projects.

Design-build costs of \$188,565,500 pertain to the I-15 Express Lanes project and the 15/91 Express Lanes connector project.

Right of way expenditures of \$91,965,600 on significant projects include the 91 Project; I-15 Express Lanes project; 71/91 connector project; Mid County Parkway (I-215/Placentia interchange); McKinley Avenue grade separation project; and various Western County TUMF regional arterial projects. Funding will also be provided for MSHCP land mitigation.

Local tumback payments to jurisdictions and the County for local streets and roads repair, maintenance, and construction amount to \$56,951,500. Disbursements to CVAG for the 2009 Measure A Coachella Valley highway and regional arterial program comprise substantially all of the regional arterial expenditures. The Planning and Programming Department monitors the eligibility for locals streets and roads funding and reviews reimbursement claims for Coachella Valley highway and regional arterial program expenditures.

Special studies of \$50,000 relate to the PVL Operating and capital disbursements of \$15,750,000 will be made for commuter rail station rehabilitation costs. Rail capital purchases for station rehabilitation projects represent 92% of the capital outlay expenditures.

Interest payments on outstanding sales tax revenue bonds (2010B Bonds, 2013 Sales Tax Bonds, 2016 Refunding Bonds, 2017A Bonds, 2017B Refunding Bonds, and 2018 Refunding Bonds) are \$43,590,700. The Commission will make principal payments of \$25,965,000 for the outstanding sales tax revenue bonds.

Significant transfers out consist of the following:

- \$16,983,500 in sales tax debt proceeds to fund the 91 Project completion;
- \$28,061,000 in sales tax revenue bond proceeds to fund the I-15 Express Lanes project;
- \$69,555,700 from 2009 Measure A Western County highway fund to the Debt Service fund for sales tax revenue bonds debt service;
- \$5,163,700 from Measure A and TUMF for the allocation of administrative costs to the General fund;
- \$3,000,000 from 2009 Measure A Western County highway fund to the Debt Service fund for the I-15 Express Lanes project TIFIA reserve;
- \$590,000 from the TUMF regional arterial fund to the 2009 Measure A Western County highway fund for advance construction on the I-15/Limonite interchange project;
- \$300,000 from 2009 Measure A Western County highway fund to the TUMF regional arterial fund for the SR-79 realignment project;
- \$250,000 from 2009 Measure A Western County rail fund Proposition 1B funding for rail station rehabilitation and improvement expenditures; and
- \$2,800,200 from the Debt Service fund to the 2009 Measure A Western County highway and Coachella Valley highway funds for BABs subsidy reimbursements.

Table 66 – Capital Project Development and Delivery Uses Detail

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Salaries and Benefits	\$ 3,306,500	\$ 3,606,400	\$ 3,625,000	\$ 3,836,900	\$ 230,500	6%
Professional Costs						
Legal Services	6,355,900	5,216,100	5,082,300	3,351,200	(1,864,900)	-36%
Audit Services	5,200	33,800	7,300	27,000	(6,800)	-20%
Financial Advisory	307,400	696,700	495,000	473,900	(222,800)	-32%
Professional Services - General	12,312,100	4,313,600	3,657,400	4,871,500	557,900	13%
Total Professional Costs	18,980,600	10,260,200	9,242,000	8,723,600	(1,536,600)	-15%
Support Costs	710,500	951,500	614,000	632,700	(318,800)	-34%
Projects and Operations						
Program Operations	5,580,800	10,527,900	9,102,000	5,564,800	(4,963,100)	-47%
Engineering	3,167,700	8,764,500	7,115,100	33,113,800	24,349,300	278%
Construction	35,590,400	67,102,400	39,682,100	111,950,000	44,847,600	67%
Design Build	170,452,800	192,599,700	145,452,500	188,565,500	(4,034,200)	-2%
Right of Way and Land	27,293,000	87,847,500	36,795,900	91,965,600	4,118,100	5%
Local Streets and Roads	51,864,000	55,037,500	55,037,500	56,951,500	1,914,000	3%
Regional Arterials	14,597,000	30,416,000	20,000,000	30,000,000	(416,000)	-1%
Special Studies	2,700	802,000	300,000	50,000	(752,000)	-94%
Operating and Capital Disbursements	2,314,800	11,175,000	5,650,000	15,750,000	4,575,000	41%
Total Projects and Operations	310,863,200	464,272,500	319,135,100	533,911,200	69,638,700	15%
Capital Outlay	5,574,900	5,221,300	3,000,000	3,550,000	(1,671,300)	-32%
Debt Service	136,530,500	659,804,900	653,859,700	69,555,700	(590,249,200)	-89%
Transfers Out	175,903,300	266,623,800	255,699,000	126,704,100	(139,919,700)	-52%
TOTAL Capital Project Development and Delivery	\$ 651,869,500	\$ 1,410,740,600	\$ 1,245,174,800	\$ 746,914,200	\$ (663,826,400)	-47%

Capital Project Development and Delivery Staffing Summary

Position	FY 16/17	FY 17/18	FY 18/19
Administrative Assistant	0.01	0.25	0.31
Capital Construction Manager	0.00	0.00	1.00
Capital Construction Manager	0.00	0.00	0.80
Capital Projects Manager	2.83	3.72	2.80
Chief Financial Officer	0.49	0.41	0.27
Deputy Director of Finance	0.07	0.20	0.06
Deputy Executive Director	0.12	0.24	0.08
Executive Director	0.25	0.24	0.25
External Affairs Director	0.06	0.05	0.12
Facilities Administrator	0.00	0.06	0.00
IT Administrator	0.00	0.29	0.03
Legislative Affairs Manager	0.00	0.00	0.05
Management Analyst	1.00	1.00	1.00
Planning and Programming Director	0.03	0.11	0.09
Planning and Programming Manager	0.01	0.01	0.02
Procurement Analyst	0.18	0.39	0.16
Procurement Manager	0.71	0.39	0.48
Project Delivery Director	0.91	0.75	1.00
Public Affairs Manager	0.48	0.35	0.50
Right of Way Manager	1.00	0.99	0.98
Senior Administrative Assistant	0.07	0.06	0.04
Senior Financial Analyst	0.23	0.10	0.10
Senior Management Analyst	1.98	2.16	2.12
Toll Operations Manager	0.85	0.50	0.70
Toll Program Director	0.97	0.85	0.65
Toll Project Manager	0.96	1.00	1.00
Toll Senior Management Analyst	0.71	0.25	0.30
Toll Technology Manager	0.83	0.30	0.60
FTE	14.75	14.67	15.51

Department Budget Overview

Department Description

The primary responsibility of Capital Projects is the development and delivery of major highway and rail capital projects where the Commission is identified as the lead agency. The delivery of a capital project can include tasks such as feasibility studies, preliminary engineering, environmental clearance, final design, right of way acquisition, utility relocation, construction, construction management, and design-build in addition to the management of various types of agreements. Capital Projects also develops and delivers a limited number of highway and regional arterial projects on behalf of local jurisdictions; these efforts are funded by the local jurisdictions through funding agreements with the Commission. Approximately 62.5% of the Commission's FY 2018/19 budgeted expenditures originates in this department managed by the Toll Program and Project Delivery Directors responsible for the capital program.

Capital Projects accelerates delivery of the Measure A, toll, state, and federally funded highway, regional arterial, and rail capital improvement projects throughout the County. Highway improvements currently in progress include the addition of mixed flow, truck climbing, and tolled express lanes; widening and realignment projects; interchange improvements; and a new CETAP corridor. Commuter rail capital improvements include the expansion of commuter rail service in Western County and related station improvement and rehabilitation projects.

Regional arterial capital improvements include Western County TUMF and Measure A regional arterial projects administered by the Planning and Programming Department and reimbursements to CVAG related to the highway and regional arterial program that it administers in the Coachella Valley. Capital Projects may develop and deliver Western County regional arterial projects on behalf of local jurisdictions, as noted previously.

The 2009 Measure A program includes funding to the incorporated cities and the County for local streets and roads maintenance, repair, and construction. The budgeted amount is set by formula established in the Measure A TIP. Each jurisdiction's respective allocation is based on population (Western County and Palo Verde Valley) or dwelling units (Coachella Valley) and the amount of sales tax generated. The Planning and Programming Department administers the local streets and roads funding eligibility reviews.

Capital Projects provides the necessary coordination between the Commission and Caltrans for the development of scope, cost, and project delivery schedules for Measure A projects that include STIP funding.

Given the support required to oversee and participate in the project development work, costs for Commission staff and related support are included in this department budget. The projects identified in the FY 2018/19 budget funded by Measure A, TUMF, state, or federal funds as well as future toll revenues require the continued support of the Bechtel program management team which includes program managers, project engineers, construction engineers, inspectors, contracts administration, and support staff.

Right of Way Acquisition and Support Services

The Commission authorized the development of a Right of Way Acquisition Program in 2006. The primary goal of the Right of Way Management Division is the delivery of right of way in the most cost-effective manner and within project schedules, while adhering to federal and state regulations. To implement the Commission's directive, the Commission maintains on-call agreements with right of way consultant services in the fields of right of way engineering and surveying, environmental assessment, appraisal and appraisal review, acquisition and relocation, feasibility studies and cost estimates, property management, and utility relocation. The Right of

Way Management Division supervises and manages right of way services and related support for individual projects that are included in the Capital Projects Department budget.

Property Management

The Commission strives to manage its real property with the objective of maximizing existing and future public transportation benefits, safety, and income by means of professional property management policies and procedures. This includes issuing licenses and rights of entry for authorized third-party uses, as well as investigating and resolving issues regarding uses not authorized by the Commission. During FY 2014/15 the Commission performed a comprehensive analysis of existing licenses and encroachments. The Commission resolved private use and utility encroachments on the SJBL, resulting in additional licenses. The Commission will continue to monitor, identify and, if necessary, enter into new licenses or eliminate encroachments on the SJBL. In certain limited situations, the Commission may also grant easements.

The property management scope of work on all Commission-owned properties consists of general maintenance activities and security measures. The property management function includes the demolition and clearance of structures and other improvements on acquired property, excluding commuter rail stations. Additionally, the Commission must manage real property acquired for a project until required for construction.

Since 1990, the Commission acquired property assets in the course of rail and highway project implementation. To date the rail properties number over 225 parcels. The Commission acquired approximately 500 parcels for the SR-74 widening project (Segments 1 and 2) and transferred to Caltrans most of these parcels, which were related to Segment 1. The Commission has closed or is in escrow for 22 of the 26 excess SR-74 parcels. In addition, approximately 140 properties have been acquired for the SR-91 HOV lanes, Mid County Parkway, SR-79 realignment, SR-74 curve widening, PVL, I-215 corridor improvements (central segment), I-215/Placentia interchange, and 60/215 east junction HOV connectors.

Property acquisition for the 91 Project began in 2010 with all of the 197 required parcels acquired and delivered to the design-builder by June 2015; the Commission acquired 98 parcels through escrow and 87 parcels through eminent domain actions. The remaining 12 parcels acquired through condemnation actions are in active litigation. The Commission acquired fee and permanent easement rights that will be transferred primarily to Caltrans, the County, and the city of Corona upon completion of the project.

Upon project completion, all remaining portions of properties within every project are reassessed and deemed surplus when it has been determined that the continued retention of the property no longer supports the Commission's policy goals and objectives. In connection with the 2013 TIFIA Loan for the 91 Project, the Commission is required to establish a \$20 million TIFIA debt service reserve by June 30, 2019. The Commission anticipates that proceeds from the sales of excess properties related to the 91 Project of approximately \$10 million through June 2019 will be used to fund the reserve in addition to surplus revenues from the RCTC 91 Express Lanes and/or 2009 Measure A Western County highway funds.

Long-Term Strategic Planning

The Commission completed a significant effort in December 2006 to develop an implementation plan strategy for the 2009 Measure A state highway program, with a focus on the first 10 years of the program through 2019. The effort, known as the Western County Highway Delivery Plan, included an objective-based assessment of the Western County portion of the 2009 Measure A TIP along with the prioritization of the program of projects. The Commission selected four highway corridors (I-215, I-15, I-10, and SR-91) as the priority focus for the first 10 years of the 2009 Measure A program, and long-term development work was approved for large-scale projects such as the

development of the Mid County Parkway, realignment of SR-79, and the bi-county widening of I-215 to San Bernardino County.

Project development activities for these projects have been ongoing, including an update and reprioritization in January 2010 in response to the economic downturn. Since 2010, the Commission completed a scope reevaluation of the I-15 Express Lanes project and adopted a new scope of work that consists of tolled express lanes on the northern 15 miles of I-15 in the County. The Commission deferred the I-10 truck climbing lanes project several years and replaced it with added safety improvements on SR-60. For the strategic projects, the Commission completed preliminary engineering and environmental clearance for the Mid County Parkway, SR-79 realignment and the SR-60 truck climbing lanes; right of way acquisition for the first construction package of the Mid County Parkway is proceeding and acquisitions for the remainder of Mid County Parkway will be considered for extraordinary acquisitions on a pay-as-you-go basis. Project costs and anticipated funding for these projects are updated annually, and a status update has been included in each of the annual Commission workshops since 2011.

The Commission anticipates an update of the capital project implementation strategic plans in 2019 and 2029, as required by the 2009 Measure A. CVAG developed a strategic plan for Coachella Valley highway and regional arterial projects based upon a transportation project prioritization study that is updated periodically.

The PVL project, included in the 1989 and 2009 Measure A programs, is now complete and in operation since June 2016. The Commission develops other rail capital projects in coordination with SCRRA or based on a rail station plan that is updated periodically. Station operation costs are included in the Rail Department (Section 5.2).

Four new Western County transportation corridors were identified through CETAP and are eligible for 2009 Measure A Western County new corridor and TUMF CETAP funding. Given the size and anticipated cost of these new corridors, they are moving forward on varied schedules with the work on the internal corridors, the Mid County Parkway and I-215 corridor improvement project (south segment completed in 2013 and central segment completed fall 2016), being the most advanced.

Additionally, the Commission will participate in the improvement of a wildlife corridor crossing under SR-91, B Canyon, in collaboration with Caltrans, U.S. Fish and Wildlife, U.S. National Forest, California Department of Fish and Wildlife, and the California Department of Parks and Recreation.

These strategic planning activities play a significant part of the Commission's annual budget process, in particular the capital budget.

Key Assumptions for FY 2018/19

- The Commission will continue its emphasis on the close out of the 1989 Measure A Western County highway and rail programs.
- The Western County Highway Delivery Plan will serve as the basis for defining the 2009 Measure A project selection and prioritization.
- In connection with agreements for the advancement of 2009 Measure A funds with CVAG and cities participating in the Commission's debt programs, the Commission will deduct annual principal and interest payments for these loans from each agency's respective disbursements based on the terms of the loan agreements.
- The Commission will develop highway project costs based on engineers' estimates and scope agreements with Caltrans.
- The Commission will competitively bid construction projects to minimize costs and comply with public contracting law.

- The Commission will competitively procure using a best value selection process for design-build projects to maximize value to the Commission.
- All projects will be built to required federal and state standards.
- Upon project completion, the Commission will transfer all highway projects, with the exception of toll express lane facilities, to Caltrans; operation and maintenance of these facilities is the responsibility of Caltrans. The Commission will operate and maintain toll express lane facilities, when completed, for the term agreed to by Caltrans and the Commission. Toll operations costs are included in Section 5.4 of this document.
- The Commission will develop strategies to implement alternative financing structures including public toll facilities.
- Construction of the Mid County Parkway will proceed based on construction packages carefully scoped to provide maximum immediate public benefit while also matching funding availability.
- The Planning and Programming Department administers the Western County TUMF regional arterial projects approved by the Commission in 2004; however, Capital Projects will continue project development of the I-15/Railroad Canyon Road interchange project on behalf of the city of Lake Elsinore.

Accomplishments in FY 2017/18

- Continued implementation of the Western County Highway Delivery Plan.
- Completed work on right of way acquisition, railroad agreement work, and design for the Pachappa underpass project.
- Completed 91 Project construction work, design-build contract close out, the fourth Financial Plan annual update, and reaffirmed the Commission's toll revenue bond ratings.
- Continued right of way acquisition and performed utility relocations for the 71/91 connector project; submitted an application to the SB 1 Solutions for Congested Corridors competitive grant program for project construction funding.
- Continued to advance the development of the I-15 Express Lanes project in numerous areas:
 - Significantly advanced final design of the civil and toll improvements and started construction.
 - Completed the project financing including obtaining the 2017 TIFIA Loan.
 - Commenced final design of the toll Regional Operations Center.
- Obtained Board approval of an overall contracting strategy for the 15/91 Express Lanes connector project, amended professional services contracts, and started environmental study and preliminary engineering work.
- Obtained Board approval to seek and apply SIIIP funding for the Project Approval/Environmental Document phase of the I-15 Express Lanes – southern extension project from Cajalco Road to SR-74.
- Procured and awarded a professional services contract and started work on the Next Generation Toll Feasibility Study to help determine the Commission's future toll projects.
- Acquired most of the property required for environmental mitigation for the Mid County Parkway project, and commenced required cultural and biological resource mitigation for the project.
- Continued final design for the I-215/Placentia interchange project, the first construction package of Mid County Parkway.
- Continued post environmental impact report/environmental impact statement close out tasks including cultural and biological resource mitigation for the SR-79 realignment project.
- Completed construction for the PVL project that began service in June 2016.
- Completed design and commenced construction of the Riverside – La Sierra station parking lot expansion project.
- Commenced construction of the Riverside Downtown station pedestrian improvements project.
- Completed design, right of way, and construction of the PVL station pedestrian shelters.

- Completed environmental approval and commenced construction management of the Riverside Layover Facility.
- Completed procurement of on-call design and environmental services and construction management and construction support services for rail projects.
- Received environmental approval and continued design and right of way acquisition for the SR-60 truck climbing lanes project.
- Completed construction of the I-215 central widening project.
- Completed preliminary engineering and environmental clearance and commenced final design and right-of-way phases for the I-15/Railroad Canyon interchange project for the city of Lake Elsinore.
- Continued preliminary engineering and environmental clearance work for the Santa Ana River Trail project for the District.
- Commenced preliminary engineering and environmental clearance work for the Santa Ana River Trail-Green River Golf Course Trail Project for the District.
- Supported public outreach activities by providing graphics from the right of way project management database for Commission presentations to facilitate public understanding of project issues.
- Continued to declare property no longer needed for transportation purposes as surplus and sold several surplus properties.

Major Initiatives in FY 2018/19

FY 2018/19 will mark the tenth year of the 2009 Measure A program as the Commission closes out the 1989 Measure A programs and continues project activities related to the 2009 Measure A programs, of which the highway, rail, regional arterial, and local streets and roads programs represent the majority of the funding allocations. All of the 1989 Measure A highway projects have been completed, except for the Pachappa underpass project, which is a portion removed from the SR-91 HOV lanes project and will be constructed beginning in FY 2018/19. Various stages of project development work for projects included in the Western County Highway Delivery Plan such as the I-15 Express Lanes project will continue in FY 2018/19.

Detailed descriptions of the capital projects, including local streets and roads funding, that are included in the FY 2018/19 budget follow the Performance/Workload Indicators.

Department Goals

CAP1 – Build upon and strengthen the partnership with Caltrans toward timely delivery of identified Measure A, toll program, and SIIP projects. (*Policy Goals: Quality of Life, Connecting the Economy*)

Objectives:

- Develop agreements with Caltrans and FHWA, as may be required, to finalize project scoping and cost issues for the SIIP, toll, and Measure A funded highway projects in the County.
- Meet the project milestones identified in agreements between Commission, Caltrans, and the CTC.

CAP2 – To the extent permitted by law, pursue reasonable involvement of local DBE and SBE firms in contract work. (*Policy Goal: Operational Excellence*)

Objective:

- Maintain and monitor goal for a minimum DBE participation in all federally funded contracts.

CAP3 – Provide effective communication of project progress to the Board, city councils, the County Board of Supervisors, Caltrans, CTC, FTA and FHWA. (Policy Goal: Operational Excellence)

Objective:

- Develop a strategy with Caltrans District 8 that would allow the Commission to advance specific projects identified in the Western County Highway Delivery Plan to take advantage of any unexpected state or federal funding which may become available through increased state or federal budget authorizations, federal stimulus, or potential loan programs to advance construction.

CAP4 – Work with Caltrans and other agencies toward completion of preliminary engineering and environmental clearance of all projects. (Policy Goal: Quality of Life)

Objective:

- Work with Caltrans, the County, and the cities in the County to complete preliminary design and environmental clearance for Measure A projects that could be eligible to receive additional or early funding from various sources that could become available if a project is sufficiently developed.

CAP5 – Construct the highway projects identified in the budget. (Policy Goals: Quality of Life, Operational Excellence, Connecting the Economy)

Objective:

- Achieve close out of completed highway construction projects.

CAP6 – In coordination with the Rail Program Manager, construct capital improvements at existing commuter rail stations as identified in the budget. (Policy Goals: Quality of Life, Operational Excellence, Responsible Partner)

Objectives:

- Complete close out activities related to the PVL
- Commence or continue construction of rail station capital improvements and rehabilitation projects.
- Complete close out activities related to the 91 Project.

CAP7 – Acquire right of way for rail and highway projects identified in the budget. (Policy Goals: Quality of Life, Operational Excellence)

Objectives:

- Acquire right of way for the following projects: Mid County Parkway, 71/91 connector project, Pachappa underpass, I-15/Railroad Canyon interchange, I-215/Placentia interchange, and SR-60 truck climbing lanes.
- Protect and maintain properties acquired for future projects.
- Dispose of Commission-approved excess land in a timely manner and in accordance with applicable regulations.

CAP8 – Identify alternative financing strategies to fully fund projects identified in the Western County Highway Delivery Plan. (Policy Goals: Quality of Life, Operational Excellence)

Objectives:

- Commence a “next generation” toll feasibility study to identify potential toll projects.

- Continue the assessment and evaluation of available financing strategies, including federal credit assistance.

Chart 53 – Location of FY 2018/19 Major Capital Projects within Riverside County

[GEOGRAPHICS TO INSERT MAP HERE]

- | | |
|------------------------------------|--|
| 1) SR-79 | Continue preliminary engineering work for realignment between Gilman Springs Road and Domenigoni Parkway. |
| 2) SR-91 | (A) Begin construction of the Pachappa underpass.

(B) Complete close out activities for the 91 Project.

(C) Continue design and right of way activities of the 71/91 connector project.

(D) Begin design-build and construction of the 91 Corridor Operations project. |
| 3) Mid County Parkway | (A) Continue design and right of way, and begin construction related to the I215/Placentia interchange.

(B) Continue environmental permitting work and acquisition of property for environmental mitigation related to entire length of project. |
| 4) I15 | (A) Continue design-build and toll services activities for the tolled express lanes from SR-60 to Cajalco Road in Corona.

(B) Continue design-build and toll services development for the addition of the 15/91 Express Lanes connector.

(C) Begin environmental studies and preliminary engineering for the I15 Express Lanes southern extension project. |
| 5) SR-60 Truck Climbing Lanes | Complete right of way acquisition and design and begin construction. |
| 6) Local Streets and Roads | Allocate Measure A revenues to each city and the County to improve, maintain, and repair high priority local streets and roads. |
| 7) I15/Railroad Canyon Interchange | Continue design and right of way acquisition for modification of interchange. |
| 8) Santa Ana River Trail | Complete environmental and design phases and begin construction of a multi-use trail. |

ID	Capital Project Development & Delivery Performance Measures and Results	FY 16/17 Estimated	FY 16/17 Actual	FY 17/18 Estimated	FY 18/19 Projected
CAP1 CAP4	Preliminary engineering (project reports and environmental documentation) contracts awarded	1	0	2	4
CAP1	Plans, specifications, and estimate contracts awarded	3	2	5	3
CAP6	Number of projects with active right of way acquisition	4	5	7	8
CAP1	Construction, design-build, and toll system awards	2	0	3	2
CAP6	License agreements managed	570	563	550	550
CAP6	Appraisal and appraisal reviews completed	125	92	85	75

Capital Projects Summary

The following is a summary of the capital projects included in the FY 2018/19 budget with costs generally categorized by preliminary engineering, final design, right of way, construction, and design-build phases in addition to other project-related costs such as salaries and benefits, Bechtel project management, and legal fees.

Western County Highway and Regional Arterial Projects

SR-60 Truck Climbing Lanes (P003029)

Provide funding and support to begin construction for eastbound climbing and westbound descending truck climbing lanes from Gilman Springs Road to west of Jack Rabbit Trail; upgrade existing shoulders to standard widths. Construction of the project is expected to be completed by 2021. The total project cost is estimated at \$138 million.

FY 2018/19 Cost	\$ 615,000	Preliminary engineering
	\$ 25,200,000	Construction/construction support
	\$ 385,000	Right of way acquisition/support services
	\$ 661,200	Other project-related costs

Measure A Budget Impact Costs funded with CMAQ, STIP/RIP, State Highway Operation and Protection Program, and 2009 Measure A highway funds. Caltrans is the lead agency for preliminary engineering and design. The Commission is the lead agency for right of way acquisition and construction.

Operating Budget Impact N/A; state highway operations are the responsibility of Caltrans.

SR-79 Realignment (P003003)

Complete post-environmental phase work and permitting for realignment from Gilman Springs Road to Domenigoni Parkway. The total estimated project cost is \$1.2 billion. Initiation of subsequent phases will be dependent upon the availability of funding.

FY 2018/19 Cost	\$ 300,000	Preliminary engineering
	\$ 94,500	Other project-related costs

Measure A Budget Impact Costs funded using TUMF regional arterial, 2009 Measure A highway, and federal funds.

Operating Budget Impact N/A; state highway operations are the responsibility of Caltrans.

91 Project (P003028)

Close out design-build and toll system implementation activities for the tolled express and mixed flow lanes project from the Orange County line to Pierce Street, including tolled express lanes connectivity to I-15 and improvements to the 15/91 interchange. Project development activities began in September 2007 and lanes were open to traffic in March 2017. The 91 Project cost is estimated at \$1.4 billion, including financing costs.

FY 2018/19 Cost	\$ 2,000,000	Construction/support services
	\$ 24,000,000	Right of way acquisition/support services
	\$ 1,132,900	Design-build
	\$ 1,625,200	Other project-related costs
Measure A Budget Impact	Costs funded using 2009 Measure A highway and new corridor funds including sales tax revenue bonds and commercial paper, toll revenue bonds, a federal TIFIA loan, STIP and State Local Partnership Program funds, and 1989 Measure A contribution.	
Operating Budget Impact	Operation and maintenance of the tolled express lanes facilities are the responsibility of the Commission, while all other state highway operations are the responsibility of Caltrans. Current estimates of annual operating and maintenance costs are \$14.5 million. Such costs are paid from the collection of toll revenues beginning in March 2017. Toll operating costs are included in Toll Operations, as discussed in Section 5.4.	

71/91 Connector Project (P003021)

Continue right of way acquisition and utility relocation work and begin environmental revalidation work for improvements to the 71/91 connector in anticipation of funding from the SB1 programs. Final design began in March 2012. The total estimated project cost is \$118 million.

FY 2018/19 Cost	\$ 3,950,000	Final design
	\$ 5,100,000	Right of way acquisition/support services
	\$ 395,900	Other project-related costs
Measure A Budget Impact	Costs for right of way acquisition and utility relocation work primarily funded using Congressionally-designated federal funding remaining from previous area projects. Other costs funded with 2009 Measure A highway funds.	
Operating Budget Impact	N/A; state highway operations are the responsibility of Caltrans.	

SR-91 HOV Lanes/ Adams Street to 60/91/215 Interchange (P003005)

Complete project close out. Preliminary engineering began in 2001. Construction of the project was completed in fall 2016. The estimated total project cost is \$273 million.

FY 2018/19 Cost	\$ 635,000	Right of way acquisition/support services, including utility relocation
	\$ 30,700	Other project-related costs
Measure A Budget Impact	Remaining right of way costs funded with CMAQ and 1989 Measure A highway funds. Caltrans is the lead agency.	
Operating Budget Impact	N/A; state highway operations are the responsibility of Caltrans.	

91 Corridor Operations Project (P623046)

Complete environmental approvals, final design, and construction of several operational improvements along the SR-91 including I-15 northbound 91 Express Lanes ingress and SR-91 westbound general purpose lanes improvements at the County line. Project development activities began in May 2018. The 91 Corridor Operations Project costs is estimated at \$6,000,000, including contingency.

FY 2018/19 Cost	\$ 1,000,000	Construction
	\$ 4,500,000	Design-build
	\$ 500,000	Other project-related costs
Measure A Budget Impact	Costs for environmental, final design, and construction work will be funded using surplus toll revenues. The Commission's authorizing legislation, SB1316, requires that all surplus revenue be spent for transportation purposes within the SR-91 corridor.	
Operating Budget Impact	Operation and maintenance of the tolled express lanes facilities are the responsibility of the Commission (Section 5.4), while all other state highway operations are the responsibility of Caltrans.	

I-15 Express Lanes Project (P003027)

Continue design-build and toll system design and construction to add two tolled express lanes in each direction from SR-60 to Cajalco Road in Corona. The project is using the design-build method of project delivery. Project development activities began in April 2008, and lanes are expected to be open to traffic in 2020. The estimated total project cost is \$472 million, including financing costs.

FY 2018/19 Cost	\$ 150,000	Preliminary engineering
	\$ 9,350,000	Construction
	\$ 1,402,500	Right of way support services
	\$ 134,950,000	Design-build
	\$ 4,012,300	Other project-related costs
Measure A Budget Impact	Project development costs funded using 2009 Measure A highway funds. Federal CMAQ and SIBG funds to fund interagency support and a portion of design-build costs. A federal TIFIA loan secured by the Commission will fund a portion of design-build and toll system costs. Proceeds from sales tax revenues debt completed the project financing.	
Operating Budget Impact	Operation and maintenance of future tolled express lanes facilities are the responsibility of the Commission, while all other federal and state highway operations are the responsibility of Caltrans. Preliminary estimates of annual operating and maintenance costs are \$14 million. Such costs will be paid from the collection of toll revenues.	

15/91 Express Lanes Connector (P003039)

Continue design-build and construction to add an express lanes connector between SR-91 and I-15 to the north. The project is using the design-build method of project delivery through amendments to existing contracts related to the 91 Project (P003028) and the I-15 Express Lanes project (P003027), as permitted by AB 115 signed by the Governor in June 2017. Project development activities began in May 2017, and lanes are expected to be open to traffic by 2023 or earlier. The estimated total project cost is \$180 million.

FY 2018/19 Cost	\$ 5,772,000	Construction
	\$ 47,982,600	Design-build
	\$ 2,055,200	Other project-related costs
Measure A Budget Impact	All project development costs funded by State SB 132.	
Operating Budget Impact	Operation and maintenance of future tolled express lanes facilities are the responsibility of the Commission. Such costs will be paid from the collection of toll revenues.	

I-15 Express Lanes Southern Extension (P003044)

Commence preliminary engineering and environmental studies to add express lanes between SR-74 and Cajalco Road. The project seeks to extend express lanes south of the I-15 Express Lanes project (P003027) currently under construction. Project development activities began in September 2017 when the Board approved STIP funds for the next phase of project development.

FY 2018/19 Cost	\$ 4,000,000	Preliminary engineering
	\$ 1,061,300	Other project-related costs
Measure A Budget Impact	All project development costs funded by State SB 1 STIP funds.	
Operating Budget Impact	Operation and maintenance of future tolled express lanes facilities are the responsibility of the Commission, while all other federal and state highway operations are the responsibility of Caltrans. Commission costs will be paid from the collection of toll revenues.	

I-15/Railroad Canyon Interchange (005104)

Begin final design and right-of-way acquisition of Phase 1 for the city of Lake Elsinore. The estimated total project cost is \$35 million.

FY 2018/19 Cost	\$ 2,400,000	Final design
	\$ 4,000,000	Right of way acquisition/support services
	\$ 585,200	Other project-related costs
Measure A Budget Impact	None; costs funded using TUMF, SB1 Local Partnership Program, and STIP.	
Operating Budget Impact	N/A; federal highway operations are the responsibility of Caltrans.	

I-215 Corridor Improvements/Scott Road to Nuevo Road (Central Segment) (P003023)

Complete three-year plant establishment period (October 2018) and project close out (June 2019). Project added one mixed flow lane in each direction. Preliminary engineering began in 2007 and was completed in 2011. Final design began in 2011 and was completed in December 2012; construction began in 2013 and was completed in 2016. The total project cost is estimated at \$120 million.

FY 2018/19 Cost	\$ 925,000	Construction/construction management/support services
	\$ 5,000	Right of way acquisition/support services
	\$ 66,600	Other project-related costs
Measure A Budget Impact	Costs funded using CMIA, STIP-RIP, and 2009 Measure A highway funds.	
Operating Budget Impact	N/A; federal highway operations are the responsibility of Caltrans.	

Mid County Parkway (P002302, P612317 & P612320)

Commence construction of I-215/Placentia interchange, the first construction package, and perform activities related to post-environmental/permitting, design and right of way for a new corridor from I-215 to SR-79. Construction of this new facility will be completed over many years as funding becomes available and is estimated to cost \$1.7 to \$1.9 billion.

FY 2018/19 Cost	\$ 5,400,000	Preliminary engineering/final design
	\$ 7,300,000	Construction/construction management/support services
	\$ 21,725,000	Right of way acquisition/support services
	\$ 959,300	Other project-related costs
Measure A Budget Impact	Costs funded with TUMF CEIAP funds and 2009 Measure A new corridor funds.	
Operating Budget Impact	N/A; responsibility for highway operations has not been determined.	

Pachappa Underpass (P003038)

Perform activities related to design, right of way, and construction phases. Design will be performed by Caltrans. Project will remove the Pachappa shoofly activities and construct the retaining wall, drainage, and track work for the permanent Pachappa underpass. The total project cost is estimated at \$18 million with an anticipated completion date in 2020.

FY 2018/19 Cost	\$ 388,000	Environmental engineering/surveying/material testing
	\$ 12,460,000	Construction/construction management/support services
	\$ 625,000	Right of way acquisition/support services
	\$ 980,400	Other project-related costs
Measure A Budget Impact	Costs funded with federal earmarks, CMAQ, and SB 1 Local Partnership funds.	
Operating Budget Impact	N/A; federal highway operations are the responsibility of Caltrans and railroad operations are the responsibility of Union Pacific Railroad.	

Various Western County State SB 132 Projects (P003042, P003043, P003132, P003040 & P003041)

Provide funding and support for the engineering, construction, and right of way activities related to various Western County highway and grade separation projects.

FY 2018/19 Cost	\$ 12,050,000	Preliminary engineering
	\$ 30,000,000	Construction
	\$ 20,000,000	Right of way acquisition/support costs
	\$ 558,600	Other project-related costs
Measure A Budget Impact	Costs funded using State SB 132 funds.	
Operating Budget Impact	N/A; federal highway operations are the responsibility of Caltrans.	

Santa Ana River Trail (P007201 & P007202)

Provide support to the District for the Santa Ana River Trail project under a cooperative planning and development agreement. The District is the lead agency for environmental compliance for NEPA and CEQA, and the Commission is responsible for project oversight and approval, final design, and construction. The District is responsible for 100% of costs.

FY 2018/19 Cost	\$ 970,000	Preliminary engineering
	\$ 10,208,000	Construction/construction support services
	\$ 255,000	Right of way acquisition/support costs
	\$ 913,600	Other project-related costs
Measure A Budget Impact	None; costs will be funded by the District.	
Operating Budget Impact	N/A; operations are the responsibility of the District.	

Various Western County Highway Projects (P003001, P003009, P003017, P005133, P005134, P623999, P629199, P613999, P615133, P622402, P735119 & 735120)

Provide funding and support for the engineering, construction, and right of way activities related to various Western County highway and grade separation projects.

FY 2018/19 Cost	\$ 724,500	Engineering/final design
	\$ 1,950,000	Construction
	\$ 788,100	Right of way acquisition/support costs
	\$ 74,136,500	Other project-related costs
Measure A Budget Impact	Costs funded using primarily 2009 Measure A highway funds.	
Operating Budget Impact	N/A; federal highway operations are the responsibility of Caltrans.	

Various Western County Measure A and TUMF Regional Arterial Projects (P005203, P005102, P005107, P005116, P005127, P725000, P665102 & P005200)

Provide Western County Measure A and TUMF funding and support through the Planning and Programming Department for the engineering, right of way, and construction activities related to various Western County Measure A and TUMF regional arterial projects approved by the Commission. Total project costs approved for MARA and TUMF regional arterial projects approximate \$143 million.

FY 2018/19 Cost	\$ 364,300	Engineering and final design
	\$ 7,358,000	Construction
	\$ 10,020,000	Right of way acquisition
	\$ 1,544,700	Other project-related costs
Measure A Budget Impact	Costs funded using TUMF regional arterial and 2009 Measure A regional arterial funds with various local jurisdictions as lead agency for the ir respective projects.	
Operating Budget Impact	N/A; regional arterial operations are the responsibility of the local jurisdictions.	

MSHCP Land Acquisition in Western County (P002800)

Provide funding and support for the acquisition of land as mitigation for the cumulative and indirect impacts associated with construction of future highway projects as required by 2009 Measure A. The annual commitment through December 2019 is \$3 million.

FY 2018/19 Cost	\$ 3,000,000	Land acquisition
Measure A Budget Impact	Costs funded using 2009 Measure A highway funds.	
Operating Budget Impact	N/A; land mitigation operations are the responsibility of RCA.	

Rail Projects

Pemis Valley Line and Other Rail Projects (P003800, P003823 & P003834)

Complete closeout of extension of commuter rail services to Pemis. Project commenced in December 2007 when the Commission received approval from FTA to move into project development. Other rail projects include adding a fourth main track between the Riverside Downtown station to the connector to the SJBL branch line at Highgrove. Project was substantially completed in September 2016 for a total project cost of \$248.3 million, excluding other rail project costs. Revenue service commenced in June 2016.

FY 2018/19 Cost	\$ 210,000	Construction/construction management/support services
	\$ 10,000	Right of way acquisition/support services
	\$ 194,600	Other project-related costs
Measure A Budget Impact	Costs will be funded using FTA, CMAQ, STP, STIP, and 1989 Measure A Western County and 2009 Measure A Western County rail funds as well as proceeds from sales of surplus properties.	
Operating Budget Impact	Rail station operations related to this project, which will be the responsibility of the Commission upon completion of the project, will be funded with LIF and property management fees. Rail service and capital operations will be the responsibility of Metro link and will be funded by the Commission with LIF and STA based on an allocation determined by Metro link. Annual operating costs for nine stations and the RDOCC approximate \$6.2 million and are included in Rail Operations as discussed in Section 5.2. Station operations costs will be funded by the Commission with 2009 Measure A Western County rail funds.	

Peris Valley Line Platform Canopies (P004025)

Install seven major canopies and four small canopies at the Riverside – Hunter Park, Moreno Valley – March Field, and Peris – South rail stations. The project is expected to commence spring 2018 and be completed in fall 2018. Total project costs is \$2.9 million.

FY 2018/19 Cost	\$ 22,000	Material testing
	\$ 1,525,000	Construction/construction support services
	\$ 15,000	Right of way acquisition/support costs
	\$ 492,400	Other project-related costs
Measure A Budget Impact	Costs funded using FTA Section 5307 grant and 2009 Measure A County rail funds.	
Operating Budget Impact	Operations will be the responsibility of the Commission and are funded using 2009 Measure A Western County rail funds.	

Riverside - La Sierra Station Improvements (P653826)

Improve the multimodal benefits of the station to serve the express bus network following completion of the 91 Project and provide a dedicated park and ride facility for carpools and vanpools along SR-91. Facility improvements include the addition of 500 parking spaces, six new bus bays, a new signalized street entrance, and dedicated bus stops and passenger loading area. Construction started spring 2018 and is anticipated to be completed in summer 2018. Construction is estimated at \$3 million.

FY 2018/19 Cost	\$ 1,790,000	Construction/construction management
	\$ 5,000	Right of way support costs
	\$ 205,000	Other project-related costs
Measure A Budget Impact	Costs funded with FTA Section 5309 and Section 5307 grant funds, property sale proceeds, and 2009 Measure A Western County rail funds.	
Operating Budget Impact	Operations will be the responsibility of the Commission and are funded using 2009 Measure A Western County rail funds.	

Riverside Layover Facility (P653822)

Increase capacity and maintenance service improvements to Metro link's West Layover Facility north of the Riverside Downtown station. Improvements include expansion of the facility to accommodate three storage tracks with an overall storage capacity of three 6-train sets. The total estimated project cost is \$6.3 million.

FY 2018/19 Cost	\$ 350,000	Preliminary engineering
	\$ 5,110,000	Construction/construction management
	\$ 100,000	Right of way support costs
	\$ 707,600	Other project-related costs
Measure A Budget Impact	Costs funded using FTA Section 5307 grant funds.	
Operating Budget Impact	Operations will be the responsibility of SCRRRA.	

Moreno Valley – March Field Station Upgrade (P004026)

Perform activities related to engineering and construction to add an additional platform and pedestrian overpass, and rehabilitate and replace an existing second track and add a new signal system. Engineering and construction are expected to be completed by 2022. The total project cost is estimated at \$40 million.

FY 2018/19 Cost \$ 1,100,000 Engineering
Measure A Budget Impact Costs funded using FTA Section 5307 grant funds.
Operating Budget Impact Operations will be the responsibility of the Commission and are funded using 2009 Measure A Western County rail funds.

Riverside Station Track & Platform (P004027)

Expand operational flexibility through the construction of an additional center platform and associated tracks on the south side of the station, and extend the existing pedestrian bridge and add an additional elevator for the new platform. Engineering, construction, and right of way are expected to be completed by 2024. The total project cost is estimated at \$24 million.

FY 2018/19 Cost \$ 1,300,000 Engineering
Measure A Budget Impact Costs funded using FTA Section 5307 grant funds.
Operating Budget Impact Operations will be the responsibility of the Commission and are funded using 2009 Measure A Western County rail funds.

Station Rehabilitation and Security (P004011, P004012 & P004017)

Provide funding and support for station rehabilitation and security at the Riverside Downtown, Riverside – La Sierra, Corona – North Main, West Corona, and Jurupa Valley – Pedley stations. Improvements include lighting, parking lot repaving and restriping, security camera replacements, and deck coating. Construction began in FY 2017/18 with completion anticipated in FY 2019/20.

FY 2018/19 Cost \$ 3,250,000 Property improvements (capital outlay)
\$ 15,266,300 Other project-related costs
Measure A Budget Impact Costs funded using FTA, Proposition 1B security funds, and 2009 Measure A Western County rail funds.
Operating Budget Impact Operations will be the responsibility of the Commission and are funded using 2009 Measure A Western County rail funds.

Various Western County Rail Projects (P654199, P336000 & P652402)

Provide Measure A funding and support for right of way activities related to various rail projects.

FY 2018/19 Cost \$ 150,000 Right of way support services
\$ 3,718,700 Other project-related costs
Measure A Budget Impact Costs funded using 2009 Measure A Western County rail funds.
Operating Budget Impact N/A; these rail projects may be improvements beyond the rail station boundaries that benefit local jurisdictions who are responsible for operations in those areas.

Local Streets and Roads

Western County Area

Distribute local return funding for local streets and roads projects in Western County.

FY 2018/19 Cost	\$	601,000	Banning
		945,000	Beaumont
		171,000	Calimesa
		190,000	Canyon Lake
		4,251,000	Corona
		1,351,000	Eastvale
		1,813,000	Hemet
		2,067,000	Jurupa Valley
		1,389,000	Lake Elsinore
		1,776,000	Menifee
		4,130,000	Moreno Valley
		2,494,000	Murietta
		697,000	Norco
		1,673,000	Peiris
		7,863,000	Riverside
		902,000	San Jacinto
		3,267,000	Temecula
		658,000	Wildomar
		5,668,000	Riverside County
		41,906,000	Total Western County
		(81,700)	Less: Allocation of administrative costs
	\$	<u>41,824,300</u>	Total Western County, net

Measure A Budget Impact All costs distributed in accordance with 2009 Measure A local streets and roads funds.

Operating Budget Impact N/A; local streets and roads operations are the responsibility of the local jurisdiction.

Coachella Valley Area

Distribute local return funding for local streets and roads projects in Coachella Valley.

FY 2018/19 Cost	\$	1,529,000	Cathedral City
		624,000	Coachella
		490,000	Desert Hot Springs
		273,000	Indian Wells
		2,008,000	Indio
		1,565,000	La Quinta
		2,871,000	Palm Desert
		2,174,000	Palm Springs
		948,000	Rancho Mirage
		1,815,000	Riverside County
		14,297,000	Total Coachella Valley
		(81,700)	Less: Allocation of administrative costs
	\$	<u>14,215,300</u>	Total Coachella Valley, net

Measure A Budget Impact All costs distributed in accordance with 2009 Measure A local streets and roads funds.

Operating Budget Impact N/A; local streets and roads operations are the responsibility of the local jurisdiction.

Palo Verde Valley Area

Distribute local return funding for local streets and roads projects in Palo Verde Valley.

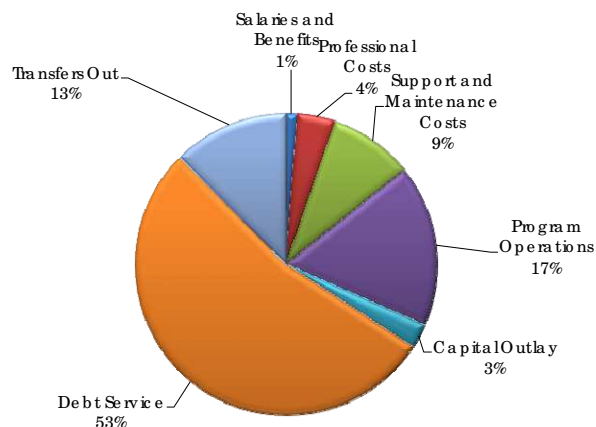
FY 2018/19 Cost	\$ 799,000	Blythe
	<u>194,000</u>	Riverside County
	993,000	Total Palo Verde Valley
	<u>(81,100)</u>	Less: Allocation of administrative costs
	<u>\$ 911,900</u>	Total Palo Verde Valley, net
Measure A Budget Impact	All costs distributed in accordance with 2009 Measure A local streets and roads funds.	
Operating Budget Impact	N/A; local streets and roads operations are the responsibility of the local jurisdiction.	

Toll Operations

Mission Statement:

Toll Operations efficiently operates express lanes with high customer satisfaction to reduce congestion, improve mobility, and manage demand.

Chart 54 – Toll Operations



Expenditures

Toll operations expenses of \$50,793,900 represent the second full year of operating expenses and debt service for the RCTC 91 Express Lanes (Table 67). The I-15 Express Lanes capital project expenditures are included in the Capital Project Development and Delivery Department. Approximately 26% of the expenses and other uses are comprised of operations, maintenance, and support costs. Salaries and benefits reflect a decrease of 19% due to net changes to FIE allocations, an increase to the Commission's contribution to employee health benefits, and merit-based salary increases. Professional costs of \$2,061,000, or 4% of expenses and other uses, consist of traffic and revenue consultants and financial advisors, general and specialized legal counsel, audit and financial services, and rating agency and TIFIA loan servicing fees. Support and maintenance costs of \$4,576,700 include road and systems maintenance, insurance, credit card processing fees, violations enforcement, transponder costs, marketing, lease, travel, and other support costs. Program operations costs of \$8,786,100, or 17% of expenses and other uses, primarily includes the toll contractor cost to operate the Express Lanes, system changes to comply with statewide technology requirements, and FSP services. Debt service includes \$7,119,900 interest payment for the 2013 Toll Bonds and \$20,000,000 of toll-operation surplus revenues for deposit to the 2013 TIFIA Loan reserve fund as required under the TIFIA loan agreement. Transfers out comprise \$6,000,000 of toll operations surplus revenues to fund the 91 Corridor Operations project and \$307,200 for the administrative cost allocation.

Table 67 – Toll Operations Uses Detail

	FY 16/17 Actual	FY 17/18 Revised Budget	FY 17/18 Projected	FY 18/19 Budget	Dollar Change	Percent Change
Salaries and Benefits	\$ 148,700	\$ 745,100	\$ 644,600	\$ 603,000	\$ (142,100)	-19%
Professional Costs						
Legal Services	26,100	310,000	150,000	300,000	(10,000)	-3%
Audit Services	-	47,500	47,000	47,000	(500)	-1%
Financial Advisory	-	75,000	75,000	75,000	-	0%
Professional Services - General	73,400	1,003,600	928,200	1,639,000	635,400	63%
Total Professional Costs	99,500	1,436,100	1,200,200	2,061,000	624,900	44%
Support and Maintenance Costs	897,600	4,228,500	3,374,300	4,576,700	348,200	8%
Projects and Operations						
Program Operations	1,893,900	7,984,500	6,711,200	8,786,100	801,600	10%
Capital Outlay	-	650,000	921,000	1,340,000	690,000	106%
Debt Service	2,021,200	7,119,900	7,119,900	27,119,900	20,000,000	281%
Transfers Out	1,392,200	4,052,900	709,900	6,307,200	2,254,300	56%
TOTAL Toll Operations	\$ 6,453,100	\$ 26,217,000	\$ 20,681,100	\$ 50,793,900	\$ 24,576,900	94%

Toll Operations Staffing Summary

Position	FY 16/17	FY 17/18	FY 18/19
Accounting Assistant	0.00	0.05	0.00
Chief Financial Officer	0.00	0.10	0.00
Deputy Director of Finance	0.00	0.15	0.03
Deputy Executive Director	0.02	0.05	0.10
Executive Director	0.01	0.10	0.00
External Affairs Director	0.00	0.00	0.02
IT Administrator	0.00	0.05	0.10
Procurement Analyst	0.00	0.05	0.00
Procurement Manager	0.00	0.10	0.15
Senior Financial Analyst	0.12	0.70	0.30
Senior Management Analyst	0.27	0.10	0.00
Toll Operations Manager	0.15	0.50	0.30
Toll Program Director	0.03	0.15	0.35
Toll Project Manager	0.04	0.00	0.00
Toll Senior Management Analyst	0.29	0.75	0.70
Toll Technology Manager	0.17	0.70	0.40
FTE	1.10	3.55	2.45

Department Budget Overview**Department Description**Alternative Funding Studies

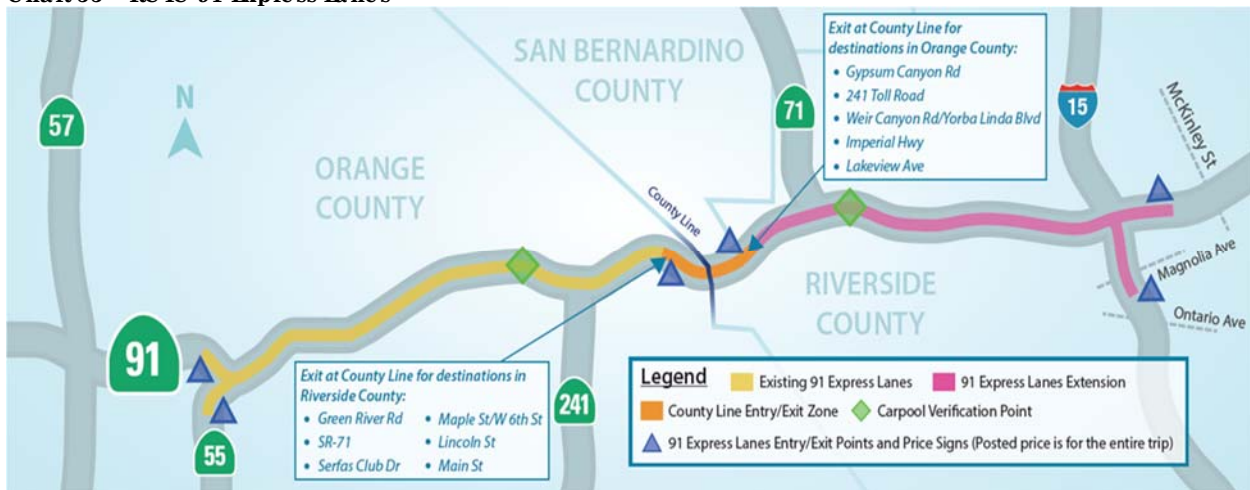
In December 2006, the Commission adopted the Western Riverside County Delivery Plan that serves as a 10-year capital improvement plan from 2009-2019 for Western County freeways and highways. To address unprecedented population, economic, and travel demand growth in Western County, the Commission desired to provide freeway corridor improvements beyond what traditional funding sources would be able to provide. The Commission studied alternative funding sources, including tolling, in advance of the adoption of the Western Riverside County Delivery Plan as a means to provide more transportation improvements.

In 2006, the Commission conducted a toll feasibility study that determined that SR-91 and I-15 were both feasible corridors to introduce tolling via high occupancy toll lanes (now referred to as express lanes). The Western Riverside County Delivery Plan detailed ambitious improvements to the SR-91 and I-15 corridors including the addition of two tolled express lanes in each direction and the ability to operate and maintain these tolled express lanes for a long-term period. The Commission's commitment in 2006 to toll also indicated its future intent to become an operating toll agency and establish the Toll Operations Department. In FY 2017/18, the Commission initiated a second toll feasibility study (Next Generation Toll Feasibility Study) to assist in the determination of the location and type of future toll projects. This study is more fully described in the Capital Project Development and Delivery Department section.

First Express Lanes Project

In FY 2017/18, the Commission entered its first full year of operation of the RCTC 91 Express Lanes. The completed 91 Project connects the OCTA 91 Express Lanes with the RCTC 91 Express Lanes using a two-mile long mixing area, which allows vehicles to use either or both sections of the 91 Express Lanes (Chart 55). The RCTC 91 Express Lanes continue approximately eight miles to the I-15 interchange in Riverside County. A two-lane (one lane in each direction) direct tolled connector approximately 2.8 miles in distance provides the RCTC 91 Express Lanes with access/egress to I-15 south of SR-91/I-15 interchange. The Commission has the authority to charge tolls on the RCTC 91 Express Lanes for 50 years following the March 2017 opening of the express lanes, based on a toll facility agreement between the Commission and Caltrans.

Chart 55 – RCTC 91 Express Lanes



OCTA owns and operates the Orange County portion of the 91 Express Lanes. Under a cooperative agreement entered into in December 2011, the Commission and OCTA agreed on use of the same operator for the operation of the 91 Express Lanes. The joint operation of the 91 Express Lanes provides for cost sharing and a seamless customer experience.

Commission staff, as supported by the operator, operates and maintains the RCTC 91 Express Lanes from the existing Toll Operations Center and administrative offices in Anaheim and Customer Service Center in Corona. The operator's responsibilities for the RCTC 91 Express Lanes include processing of toll transactions, collection of revenue, opening and management of customer accounts, violation processing, traffic operations center management, customer service, financial management, reporting, maintenance of the Revenue and Account Management System and toll lane system, and maintenance of the Anaheim and Corona facilities.

Toll Operations provides direct oversight to the operator and administers contracts with the CHP performing toll enforcement, Caltrans performing road maintenance, and various maintenance contracts that fall outside of the operator's scope of work. Staff coordinates ongoing joint 91 Express Lanes marketing efforts with OCTA; the Commission utilizes a marketing services consultant and CTOC for planning and implementing marketing efforts related to the RCTC 91 Express Lanes and future I-15 Express Lanes. Toll Operations prepares and/or distributes all required reports and provides support for the annual financial audit of the RCTC 91 Express Lanes.

While the Commission and OCTA jointly operate and maintain the 91 Express Lanes, tolls for each of the RCTC 91 Express Lanes and the OCTA 91 Express Lanes are charged independently and reported separately. In connection with an agreement between the Commission, OCTA, and a master custodian, tolls related to the RCTC 91 Express Lanes and the Commission's portion of non-toll revenues are deposited with the Commission's trustee into the trust estate for the 2013 Toll Bonds and 2013 TIFIA Loan. The Commission uses these revenues to pay for operation and maintenance expenses and debt service related to the 2013 Toll Bonds and 2013 TIFIA Loan as well as fund repair and rehabilitation reserves.

Future Express Lanes Projects

After securing the financing in July 2017, the Commission commenced design and pre-construction of the I-15 Express Lanes project using the design-build delivery method. A component of the project includes acquisition and development of a toll Regional Operations Center located in Corona for the I-15 Express Lanes back office support and customer service center. The Commission also is developing an express lanes connector to connect the RCTC 91 Express Lanes to the I-15 Express Lanes to the north (Chart 56). Toll Operations supports project development by providing comprehensive input to the tolling concept of operations, contractor procurements, systems design, agency agreements, public outreach, toll Regional Operations Center development, creation of toll policies and business rules, and other support.

The costs for the development of the I-15 Express Lanes project, the 15/91 Express Lanes connector project, and the toll Regional Operations Center are included in the Capital Project Development and Delivery Department. The Commission's I-15 Express Lanes are scheduled to open in 2020 with the 15/91 Express Lanes connector anticipated to open by 2022, at which time the daily operations and maintenance and related costs will become the responsibility of the Toll Operations Department. Under a toll facility agreement with Caltrans, similar to the RCTC 91 Express Lanes, the Commission will have the authority to charge tolls on the I-15 Express Lanes for a 50-year period upon commencement of operations.

Chart 56 – Future I-15 Express Lanes



State and Regional Toll Efforts

Toll Operations is also working on several important efforts related to tolling. The Commission is coordinating with SBC TA regarding its development of express lanes on the I-15 corridor that commence near the vicinity of the Riverside/San Bernardino County line to the north. Staff is actively involved in the CTOC, which addresses many statewide toll issues including toll technology to improve the customer experience across the state, create synergy among toll agencies, improve legislation related to tolling, and comply with State’s Title 21 transition to new 6c transponder technology.

Key Assumptions for FY 2018/ 19

- Construction of the I-15 Express Lanes project will be underway with tolled express lanes to open by 2020.
- Tolled express lane facilities, when completed, will be operated and maintained by the Commission for the term agreed to by Caltrans and the Commission.
- The Commission will estimate RCTC 91 Express Lanes toll revenues based on consideration of actual performance pending and updated investment grade traffic and revenue studies.
- The Commission will estimate RCTC 91 Express Lanes toll operation costs based on actual expenditures from the first full year of operations and anticipated improvements.
- The Commission will have a small Toll Operations staff and contract for a significant portion of toll operation services.

Accomplishments in FY 2017/18

- Successfully operated the RCTC 91 Express Lanes in its first full year.
- Supported presentations to the rating agencies regarding the successful opening and operation of the RCTC 91 Express Lanes.
- Developed a plan for the transition to national 6c transponder technology.
- Participated in the CTOC efforts to establish a statewide plan for transition to the 6C transponder technology, statewide marketing, toll enforcement legislation, and advancement of toll collection technology related to clean air vehicles.
- Performed extensive coordination with the I-15 Express Lanes project toll services provider and design-builder for the toll system design.
- Developed the 15/91 Express Lane Connector concept of operations.
- Successfully procured an express lanes marketing services consultant.

Major Initiatives in FY 2018/19

Toll Operations will manage the operations of the RCTC 91 Express Lanes in a manner that adheres to the RCTC 91 Express Lanes Toll Policy adopted in June 2012:

- Provide a safe, reliable, and predictable commute for 91 Express Lanes customers;
- Optimize vehicle throughput at free flow speeds;
- Pay debt service and maintain debt service coverage;
- Increase average vehicle occupancy;
- Balance capacity and demand to serve customers who pay tolls as well as carpoolers with three or more persons who are offered discounted tolls;
- Generate sufficient revenue to sustain the financial viability of the RCTC 91 Express Lanes;
- Ensure all covenants in the financing documents are met; and
- Provide net revenues for Riverside freeway/SR-91 corridor improvements, as allowable under SB 1316.

Monitoring and reporting on actual toll transactions and related toll revenues is a primary responsibility for Toll Operations. Actual transactions and revenue are compared to projected revenue utilizing the Riverside County 91 Express Lanes Extension Investment Grade Study prepared by Stantec Consulting Services Inc. (Stantec) in May 2012 as supplemented by Stantec's supplemental letter in June 2013. While the Commission relied on this study for its projection of gross revenues generated by the RCTC 91 Express Lanes over the 50-year toll authorization period, the Commission's actual financing case for the 91 Project assumed more conservative toll revenues. As a result of the successful opening of the RCTC 91 Express Lanes, the Commission will obtain an updated investment grade study in FY 2018/19. Toll Operations projected the FY 2018/2019 budgeted toll revenue of \$31,681,800 based on actual performance to date; accordingly, the Commission expects the FY 2018/19 toll revenues to exceed the Stantec and financing case estimates.

The development of Toll Operations budgeted non-toll revenues (penalties and fees) and expenses also considered the non-toll revenue and operating cost estimates for the RCTC 91 Express Lanes included in Engineer's Technical Report prepared by Parsons Transportation Group, Inc. (Parsons) in June 2013. As the project and construction manager for the 91 Project, Parsons analyzed and projected the RCTC 91 Express Lanes non-toll revenues and operation and maintenance expenses. The Commission relied on the Engineer's Technical Report to project non-toll revenues and operation and maintenance expenses in order to project cash flow and debt service coverage for the financing of the 91 Project using the 2013 Toll Bonds and 2013 TIFIA Loan.

Toll Operation projected FY 2018/19 non-toll revenues using actual results since opening. In connection with the 6c transponder technology transition during FY 2018/19, RCTC and OCTA are considering changes to 91 Express Lanes transponders and account plans that may impact non-

toll revenues during the second half of FY 2018/19; however, such changes are not expected to significantly affect the budgeted non-toll revenues.

For the second full year of operations, the Engineer's Technical Report assumed costs of approximately \$14.4 million, whereas the FY 2018/19 budget is approximately \$17.4 million, or 21% above the amount in the Engineer's Technical Report. The \$3 million operations cost increase relates to the statewide transition to 6c transponder technology, higher credit card fees due to higher transactions than originally estimated, and relocation costs of the customer service center to the toll Regional Operations Center. In addition to monitoring toll revenues during FY 2018/19, Toll Operations will analyze these operation and maintenance costs during the fiscal year.

Toll Operations will also continue to support the design and development of the I-15 Express Lanes and 15/91 Express Lanes connector projects, which will consist of facility design with the design-builder and toll system design with the toll systems provider. Toll Operations will also continue efforts in the area of environmental management and public outreach.

Toll Operations will support the development of a "next generation" toll feasibility study to consider future tolling opportunities. Consultant costs for this feasibility study are included in the Planning and Programming Department, while Commission staff and other costs are included in the Capital Project Development and Delivery Department.

Cash Flows from Toll Operations

The Commission pledged toll revenues as security for the toll-supported debt for the RCTC 91 Express Lanes. Information regarding the 2013 Toll Bonds and 2013 TIFIA Loan is included in Section 5, Commission Debt.

The Commission does not anticipate any deposits to the repair and rehabilitation fund nor does it expect any repair and rehabilitation expenditures permitted under the master indenture and 2013 TIFIA Loan agreement during the second full year of operations. The financial model for the 91 Project also did not assume such funding or expenditures.

The projected cash flows for the RCTC 91 Express Lanes for the year ending June 30, 2019 are presented in Table 68.

Table 68 – RC/TC 91 Express Lanes Projected Cash Flows FY 2018/19

<i>Cash balance at July 1, 2018, as projected</i>	\$ 33,605,400
<i>Cash flows from operating activities:</i>	
Sources of operating funds:	
Toll revenue	31,681,800
Non-toll revenue	5,258,700
Reimbursements	8,500,000
Total sources of operating funds	<u>45,440,500</u>
Uses of funds for operations and maintenance:	
Salaries and benefits	603,000
Professional costs	2,061,000
Support and maintenance costs	4,576,700
Projects and operations	8,786,100
Capital outlay	1,340,000
Total uses of funds for operations and maintenance	<u>17,366,800</u>
Net cash provided by operations	<u>28,073,700</u>
<i>Cash flows from non-capital financing activities:</i>	
91 Corridor Operations project	(6,000,000)
Administrative allocation to General fund	(307,200)
Net cash used by non-capital financing activities	<u>(6,307,200)</u>
<i>Cash flows from capital and related financing activities:</i>	
TIFIA reserve fund	(20,000,000)
Interest paid on 2013 Toll Bonds	(7,119,900)
Net cash used by capital and related financing activities	<u>(33,427,100)</u>
<i>Cash flows from investing activities:</i>	
Interest on investments	141,300
Net cash provided by investing activities	<u>141,300</u>
Net decrease in cash	(5,212,100)
<i>Available cash balance at June 30, 2019, as projected</i>	<u>\$ 28,393,300</u>

Department Goals

TO1 – Provide effective communication of project progress and toll operations to the Board members, city councils, County Board of Supervisors, Caltrans, CTC, FHWA, TIFIA, and bondholders. (Policy Goal: Operational Excellence)

Objectives:

- Provide timely and effective reporting of toll operation metrics including revenue, transactions, car pool usage, and other performance indicators.
- Share certain express lane traffic information with Caltrans and other agencies as requested.
- Comply with continuing disclosure requirements to bondholders and TIFIA regarding express lanes development and operations.

TO2 – Focus on timely and effective completion of toll-related capital projects and implementation of needed transportation services. (Policy Goals: Quality of Life, Connecting the Economy, Responsible Partner)

Objectives:

- Support the development of the Commission's toll capital projects in all areas of planning, financing, design, and construction.
- Provide opportunity for expansion of express bus services to employment centers, as this will contribute to congestion relief on impacted corridors.

TO3 - Support regional transportation solutions in cooperation with toll operators in surrounding counties that are of benefit to Riverside County. (Policy Goals: Quality of Life, Operational Excellence, Responsible Partner)

Objectives:

- Coordinate with surrounding counties in the development of toll facilities in general and those toll facilities that impact the Commission's toll operations in particular.
- Participate in the CTC to advance regional and statewide tolling initiatives, technology interoperability, and coordination among California toll agencies.

ID	Toll Operations Performance Measures and Results	FY 16/17 Estimated	FY 16/17 Actuals	FY 17/18 Estimated	FY 18/19 Projected
TO1	Toll transactions	N/A	5,700,000	20,500,000	18,000,000
TO1	Toll revenues	N/A	\$8,000,000	\$36,000,000	\$32,000,000
TO1	Non-toll revenues	N/A	\$1,900,000	\$7,700,000	\$3,600,000

Community Profile

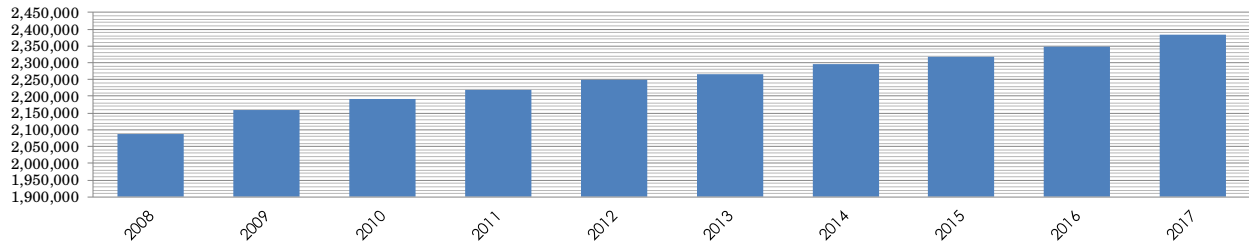
Riverside County is the fourth largest county in California, stretching westward nearly 200 miles from the Colorado River and comprising more than 7200 square miles that include 28 incorporated cities. The County can trace its beginning back to 1893 when voters approved the formation of a new county. The area was carved from parts of San Bernardino and San Diego counties.

More than its 125 years of existence, the County's economy has diversified and prospered. Originally, the County was a very agricultural area, known for a wide variety of crops grown on its fertile soils. The County remains a strong agricultural area, but it is increasingly becoming a leader in manufacturing, transportation, construction, and tourism.

Demographics

The success of the area has brought dramatic population growth to the County (Chart 57). Since the 1980's, the County has been one of the fastest growing counties in the State.

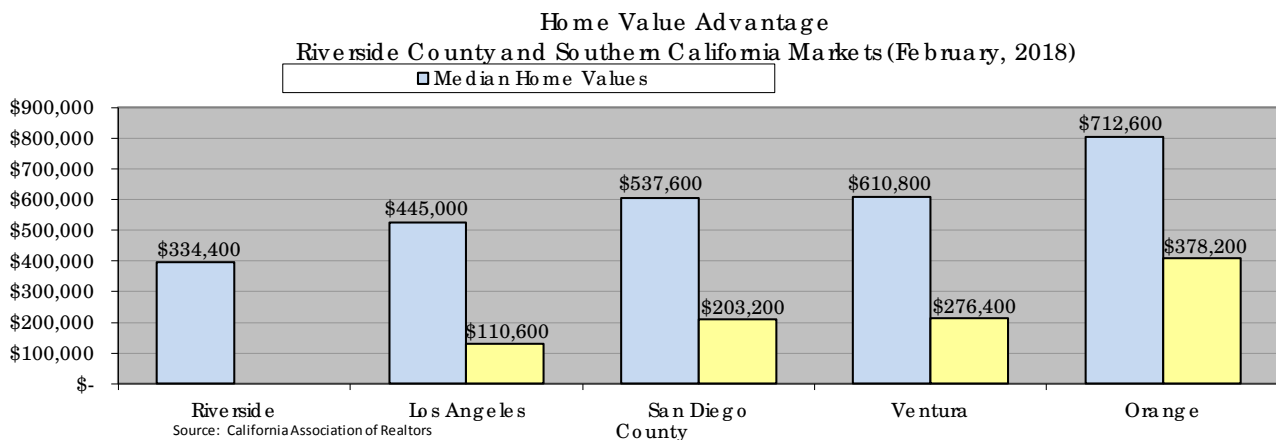
Chart 57 - Population - Last Ten Years



Source: California Department of Finance

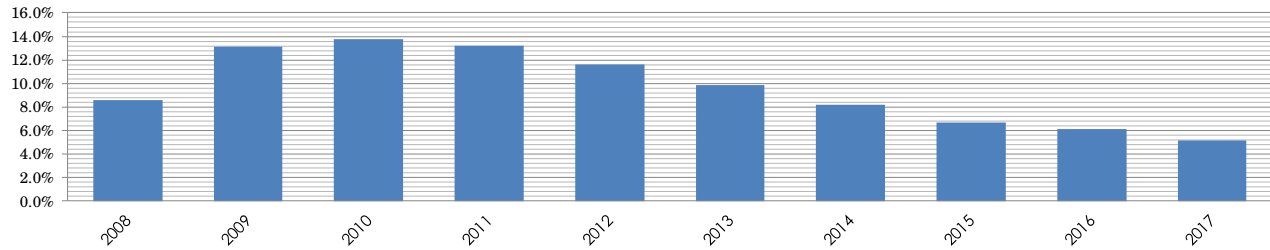
The available and affordable housing in the County has attracted many people to the County (Chart 58); however, housing is gradually recovering from a slowdown due to the effect of the subprime mortgages, ensuing credit crisis, and recession.

Chart 58 - Home Price Advantage



During the growth period, jobs also increased as many firms relocated to the area and moved away from older communities. During the recent economic slowdown, the County's unemployment rate rose to an all-time high; however, the unemployment rate has decreased significantly during the recovery period (Chart 59).

Chart 59 – Unemployment Rate (%) – Last Ten Years



Source: California Employment Development Department

The area is preparing for its future as well in supporting better education. The County is home to a number of colleges and universities including UCR. Riverside County's economy is benefiting from employment gains. Population migration to the Inland Empire has occurred due to the area's employment opportunities and a lower cost of living compared to the coastal counties. Although wage growth has been flat and centered on lower and moderate income, improvements in the local labor market with increased economic activity support stable sales tax revenue growth.

Statistical Information

Retail Sales

As a result of demographic changes and growth, retail sales (Chart 60 and Table 69) in the County have shown continued improvements following the recent recession.

Chart 60 – Retail Sales (%) - \$34 Billion – 2016 Data

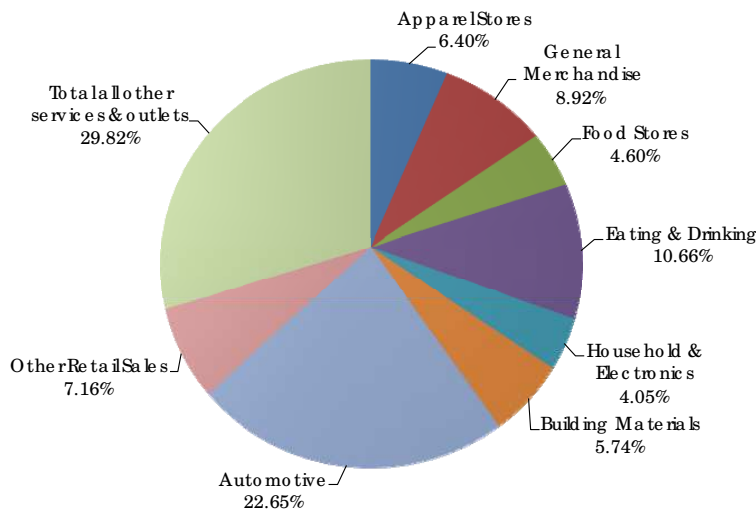


Table 69 – Riverside County Taxable Sales by Business Type (in 000's) – Last Five Years

	2016 ¹	2015	2014	2013	2012
Apparel Stores	\$ 2,190,228	\$ 2,136,727	\$ 1,989,623	\$ 1,771,603	\$ 1,672,482
General Merchandise	3,052,409	3,040,243	3,289,057	3,298,920	3,174,022
Food Stores	1,574,030	1,727,517	1,509,403	1,421,590	1,356,148
Eating & Drinking	3,648,980	3,384,494	3,093,862	2,836,388	2,668,324
Household & Electronics	1,386,985	1,135,234	1,030,454	996,484	930,068
Building Materials	1,965,101	1,826,293	1,706,183	1,535,178	1,364,513
Automotive	7,751,812	7,693,172	7,844,773	7,421,523	7,009,138
Other Retail Sales	2,452,591	2,338,039	2,182,987	1,781,754	1,841,973
Total all other services & outlets	10,209,008	9,629,185	9,389,345	9,002,027	8,079,341
	\$ 34,231,144	\$ 32,910,904	\$ 32,035,687	\$ 30,065,467	\$ 28,096,009

Source: State Board of Equalization

¹ Year represents most recent data available

The 2016 taxable sales generation by jurisdiction in the County, including ranking compared to 2006, is presented in Table 70.

Table 70 – Taxable Sales Generation by Jurisdiction in Riverside County for 2016¹

	Taxable Sales (in 000's)	% of Total ²	2016	2006
City of Riverside	\$ 5,507,805	16.1%	2	2
City of Corona	3,396,905	9.9%	3	3
City of Temecula	3,208,193	9.4%	4	4
City of Palm Desert	1,618,078	4.7%	5	5
City of Moreno Valley	1,571,730	4.6%	6	6
City of Murietta	1,340,131	3.9%	7	7
City of Palm Springs	1,067,028	3.1%	8	10
City of Hemet	1,015,877	3.0%	9	8
City of Indio	986,137	2.9%	10	11
City of Perris	980,763	2.9%	11	14
City of Jurupa Valley	888,190	2.6%	12	N/A
City of Lake Elsinore	791,622	2.3%	13	13
City of Cathedral City	790,202	2.3%	14	9
City of La Quinta	724,252	2.1%	15	12
City of Eastvale	633,526	1.9%	16	N/A
City of Menifee	628,923	1.8%	17	N/A
City of Norco	565,886	1.7%	18	15
City of Rancho Mirage	459,544	1.3%	19	16
City of Beaumont	414,906	1.2%	20	19
City of Coachella	299,236	0.9%	21	17
City of San Jacinto	244,673	0.7%	22	21
City of Banning	192,449	0.6%	23	18
City of Blythe	150,104	0.4%	24	20
City of Wildomar	146,087	0.4%	25	N/A
City of Desert Hot Springs	125,456	0.4%	26	23
City of Indian Wells	106,587	0.3%	27	22
City of Calimesa	63,982	0.2%	28	24
City of Canyon Lake	20,820	0.1%	29	25
Incorporated	27,939,092	81.9%		
Unincorporated county area	6,292,052	18.1%	1	1
Countywide	\$ 34,231,144	100.0%		
California	\$ 649,079,371			

Source: California State Board of Equalization

¹ Year represents most recent data available² Subject to rounding differences

Measure A Sales Taxes

Measure A is a one-half of one cent transaction and use tax for transportation improvements in the County. The County had an 8.00% sales tax rate including the Measure A rate through December 2016. In January 2017, it increased 0.25% to 8.25% and in April 2018, it decreased 0.50% to 7.75% (Table 71).

Table 71 – Direct and Overlapping Sales Tax Rates – Last Five Years

Fiscal Year	Measure A Direct Rate	County of Riverside
2018	0.50%	7.75%
2017	0.50%	8.25%
2016	0.50%	8.00%
2015	0.50%	8.00%
2014	0.50%	8.00%

Source: Commission Finance Department and California of Tax and Fee Administration

Since the end of the recent economic slowdown, changes have occurred in the economic categories in which the Measure A sales tax was generated (Table 72). General retail and transportation represent the two highest economic categories and approximately 53.6% of sales taxes generated. Transportation has decreased in recent years due to lower fuel prices offset by increases in new auto purchases.

Table 72 – Sales Tax by Economic Category

Economic Category	2014/4 % of Total	2015/4 % of Total	2016/4 % of Total	2017/4 % of Total
General Retail	28.4%	28.8%	28.9%	28.3%
Transportation	26.6%	25.9%	25.1%	25.3%
Food Products	16.6%	17.3%	17.7%	17.6%
Business to Business	14.4%	15.1%	15.3%	15.6%
Construction	12.0%	10.8%	10.8%	10.8%
Miscellaneous	2.0%	2.1%	2.2%	2.4%
Total	100.0%	100.0%	100.0%	100.0%

Source: MuniServices, LLC

Each economic category consists of several economic segments, which provide additional information regarding economic activity in the County. In 2012 the top six economic segments consisted of service stations, department stores, auto sales–new, restaurants, building materials–wholesale, and miscellaneous retail. Over the next five calendar years, auto sales–new, restaurants, and department stores moved into the top three economic segments. The top six economic segments in 2017 with comparisons to previous years are presented in Table 73.

Table 73 – Sales Tax by Economic Segment

Top Six Economic Segments (Category)	2014/4 % of Total	2015/4 % of Total	2016/4 % of Total	2017/4 % of Total
Auto Sales - New (Transportation)	10.9%	11.7%	11.8%	11.5%
Restaurants (Food Products)	10.4%	11.0%	11.4%	11.5%
Department Stores (General Retail)	10.4%	10.4%	10.1%	9.9%
Service Stations (Transportation)	10.3%	8.5%	7.2%	7.7%
Miscellaneous Retail (Miscellaneous)	7.0%	7.2%	7.4%	7.4%
Building Materials - Wholesale (Construction)	7.5%	6.2%	6.1%	6.0%

Source: MuniServices, LLC

Commission Facts

Programs and Services

Measure A: The Commission administers Measure A, the local half-cent sales tax for new transportation projects in the County. Under Measure A, funding is used to improve highways, commuter rail, regional arterials, local streets and roads, transit and specialized transportation services including commuter assistance, economic development, new corridors, and Commission administration. Measure A expires in 2039.

Transportation Development Act: The TDA is comprised of two elements: Local Transportation Fund and State Transit Assistance funding. The Commission administers the LTF one-quarter of one cent of the state sales tax on behalf of the County. STA is generated from the statewide sales tax on diesel fuel and is allocated by the State to the Commission on the basis of population and as a percentage of transit fare revenues. TDA funding is allocated primarily to bus and rail transit operators for transit operating and capital needs. Additionally, LTF funding is available for bicycle and pedestrian facilities, planning, and administration and allocated to the Commission and local jurisdictions in the County.

Highways: The Commission assists with the planning and funding for highway improvements. Major current projects include: 91 Project, I-15 Express Lanes project, and Mid County Parkway. State highway maintenance is generally the responsibility of Caltrans; however, the Commission will be responsible for the operations and maintenance of toll facilities during a 50-year term upon commencement of toll operations for each facility.

Local Streets and Roads: The Commission administers funding to local jurisdictions to improve streets, intersections, signal coordination, and pavement. Local streets and roads maintenance is the responsibility of the local jurisdictions.

Commuter Rail: The Commission funds and oversees Metro link rail services within the County. The Commission's three Metro link lines are the Riverside, IEOC, and 91/Perris Valley Lines. The Commission owns and maintains nine Metro link stations and an operations control center located at:

- Riverside Downtown operations control center, 4344 Vine Street, Riverside
- Perris—South, 1304 Case Road, Perris
- Perris—Downtown, 121 South C Street, Perris
- Moreno Valley/March Field, 14160 Meridian Parkway, Riverside
- Riverside—Hunter Park/UCR, 1101 Marlborough Avenue, Riverside
- Riverside Downtown station, 4066 Vine Street, Riverside
- Riverside—La Sierra station, 10901 Indiana Avenue, Riverside
- Jurupa Valley—Piedley station, 6001 Piedley Road, Riverside
- Corona—North Main station, 250 East Blaine Street, Corona
- Corona—West station, 155 South Auto Center Drive, Corona

Motorist Assistance: The Commission provides emergency call boxes and the 511 traveler information system through the SAFE and offers emergency towing services through the FSP.

Commuter Assistance: The Commission provides a variety of rideshare services both to employers and commuters. Through voluntary participation, commuters and employers receive a direct benefit from their sales tax dollars, and the entire region benefits from reduced traffic congestion and improved air quality.

Specialized Transit: The Commission maintains a strong commitment to assist in the mobility of those with specialized transit needs. Through its Specialized Transit Program, the Commission has provided millions of dollars to public and nonprofit transit operators to assist in the provisions of special transit services to improve the mobility of seniors and persons with disabilities.

Tolled Expressed Lanes: In March 2017, the Commission opened its RCTC 91 Express Lanes, including a tolled direct connector from SR-91 to I-15 south, following the substantial completion of the 91 Project through the city of Corona. A second facility on I-15 from SR-60 to Cajalco Road in Corona is currently under construction with opening expected in 2020. The Commission commenced project development for the 15/91 Express Lanes Connector, a tolled direct connector from SR-91 to I-15 north; completion is expected prior to 2023. In 2017, the Commission began preliminary engineering and environmental studies to add express lanes on I-15 between Cajalco Road and SR-74.

Appendix A – Glossary of Acronyms

AB	–	Asse m b ly B ill
ADA	–	Ame ric a ns w ith D isa b ilitie s A ct
ARRA *	–	Ame ric a n Re co ve ry a nd Re in ve st me nt A ct
ATP	–	A ct ive T ra ns po r ta ti on P ro g ra m
BABs	–	B u il d A me ric a B o n d s
Be c h te l	–	Be c h te l I n f ra s t r u c t u re
BNSF	–	B NS F R a il w a y
Bo a rd	–	Bo a rd o f Co m m is s i o n e rs f o r t h e R i v e r s i d e Co u n t y T ra ns po r ta ti on Co m m is s i o n
CABs	–	C a p i t a l i z e d A p p r e c i a t i o n B o n d s
CAFR	–	C o m p r e h e n s i v e A n n u a l F i n a n c i a l R e p o r t
CALCOG	–	C a l i f o r n i a A s s o c i a t i o n o f C o u n c i l s o f G o v e r n m e n t s
Ca l i f o r n i a	–	S t a t e o f C a l i f o r n i a
Ca l P E R S	–	C a l i f o r n i a P u b l i c E m p l o y e e s R e t i r e m e n t S y s t e m
Ca l t r a n s	–	C a l i f o r n i a D e p a r t m e n t o f T r a n s p o r ta ti on
Ca p i t a l P r o j e c t s	–	C a p i t a l P r o j e c t s D e v e l o p m e n t a n d D e l i v e r y, a R C T C d e p a r t m e n t
CARB	–	C a l i f o r n i a A i r R e s o u r c e s B o a r d
CCTV	–	C l o s e d - C i r c u i t T e l e v i s i o n
CDTFA	–	C a l i f o r n i a D e p a r t m e n t o f T a x a n d F e e A d m i n i s t r a t i o n
CEQA	–	C a l i f o r n i a E n v i r o n m e n t a l Q u a l i t y A c t
CEIAP	–	C o m m u n i t y E n v i r o n m e n t a l T r a n s p o r ta ti o n A c c e p t a b i l i t y P r o c e s s
CHP	–	C a l i f o r n i a H i g h w a y P a t r o l
CHSRA	–	C a l i f o r n i a H i g h S p e e d R a i l A u t h o r i t y
CIBs	–	C u r e n t I n t e r e s t B o n d s
CIP	–	C a p i t a l I m p r o v e m e n t P l a n
CMA	–	C o n g e s t i o n M a n a g e m e n t A g e n c y
CMAQ *	–	C o n g e s t i o n M i t i g a t i o n a n d A i r Q u a l i t y
CMIA *	–	C o r i d o r M o b i l i t y I m p r o v e m e n t A c c o u n t (P r o p o s i t i o n 1 B f u n d i n g c a t e g o r y)
CMP	–	C o n g e s t i o n M a n a g e m e n t P r o g r a m
Co m m i s s i o n	–	R i v e r s i d e Co u n t y T r a n s p o r ta ti o n Co m m i s s i o n
Co o r d i n a t e d P l a n	–	C o o r d i n a t e d P u b l i c T r a n s i t — H u m a n S e r v i c e s T r a n s p o r ta ti o n P l a n
Co u n t y	–	C o u n t y o f R i v e r s i d e
CTC	–	C a l i f o r n i a T r a n s p o r ta ti o n Co m m i s s i o n
CTOC	–	C a l i f o r n i a T o l l O p e r a t o r s Co m m i t t e e
CTSA	–	C o n s o l i d a t e d T r a n s p o r ta ti o n S e r v i c e A g e n c y
CVAG	–	C o a c h e l l a V a l l e y A s s o c i a t i o n o f G o v e r n m e n t s
DBE	–	D i s a d v a n t a g e d B u s i n e s s E n t e r p r i s e
District	–	R i v e r s i d e Co u n t y R e g i o n a l P a r k a n d O p e n S p a c e D i s t r i c t
DMV	–	D e p a r t m e n t o f M o t o r V e h i c l e s
EMMA	–	E l e c t r o n i c M u n i c i p a l M a r k e t A c c e s s s y s t e m m a n a g e d b y t h e M u n i c i p a l S e c u r i t i e s R u l e m a k i n g B o a r d
ERP	–	E n t e r p r i s e R e s o u r c e P l a n n i n g
ETC	–	E m p l o y e r T r a n s p o r ta ti o n C o o r d i n a t o r s
FAST Act	–	F i x i n g A m e r i c a ’ s S u r f a c e T r a n s p o r ta ti o n A c t
FHWA *	–	F e d e r a l H i g h w a y A d m i n i s t r a t i o n
Fitc h	–	F i t c h R a t i n g s
FRA	–	F e d e r a l R a i l r o a d A d m i n i s t r a t i o n
FSP	–	F r e e w a y S e r v i c e P a t r o l
FTA *	–	F e d e r a l T r a n s i t A d m i n i s t r a t i o n

FTE	– Full-time Equivalent
FTIP	– Federal Transportation Improvement Program
FY	– Fiscal Year
Gann	– Gann Initiative approved by California voters in 1979
GASB	– Governmental Accounting Standards Board
GFOA	– Government Finance Officers Association
GHG	– Greenhouse Gas
HOV	– High Occupancy Vehicle (Carpool Lane)
HSIPR	– High Speed Intercity Passenger Rail
I	– Interstate
IE511	– Inland Empire 511
IE Commuter	– Inland Empire Commuter ride share system
IEOC	– Inland Empire–Orange County Metro link Service
IIP*	– Interregional Improvement Program
Inland Empire	– Region covering Riverside and San Bernardino counties
LC TOP	– Low Carbon Transit Operations Programs
Limited Tax Bonds	– Indebtedness secured by a specified tax or group of taxes
LOS	– Level of Service
LOSSAN	– Los Angeles-San Diego-San Luis Obispo, a rail corridor
LRIP	– Long Range Transportation Plan
LIF*	– Local Transportation Fund
MAP-21	– Moving Ahead for Progress in the 21 st Century
MARA	– 2009 Measure A Regional Arterial funding for Western County
MCP	– Mid County Parkway
Measure K	– Increase of sales tax revenue bonds debt limit to \$975 million approved by voters in November 2010
Metro link	– Operating Name for SCRRA (see SCRRA)
Moody's	– Moody's Investors Service
MOE	– Maintenance of Effort
MOU	– Memorandum of Understanding
MPO	– Metropolitan Planning Organization
MSHCP	– Multi-Species Habitat Conservation Plan
MSRC	– Mobile Source Air Pollution Reduction Review Committee (AB2766)
NEPA	– National Environmental Policy Act
OA	– Obligation Authority
OCTA	– Orange County Transportation Authority
Parsons	– Parsons Transportation Group, Inc.
Perris Valley Line	– Perris Valley Line Metro link Extension Project
PPM	– Planning, Programming, and Monitoring
PVL	– Perris Valley Line Metro link Extension Project
RCA	– Western Riverside County Regional Conservation Authority
RCTC	– Riverside County Transportation Commission
RDOCC	– Riverside Downtown Operations Control Center
RFA	– Request for Authorization
RIP*	– Regional Improvement Program
RTA	– Riverside Transit Agency
RTP	– Regional Transportation Plan
RTPA	– Regional Transportation Planning Agencies
RZEDBs	– Recovery Zone Economic Development Bonds
S&P	– Standard & Poor's Rating Service
SAFE	– Service Authority for Freeway Emergencies
Sales tax	– Reference including transaction and use tax such as Measure A

SB	-	Se na te Bill
SBC TA	-	San Be mar d ino Co un ty Tra ns po r ta ti on Au th o ri ty
SBE	-	Sm al l Bu si ne ss En te r pr ise
SCAG	-	So ut he m Ca li fo ni a As so ci a ti on of Go ve rn me nts
SCAQMD	-	So ut he m Ca li fo ni a Ai r Qu a li ty Ma na ge me n t Dis tr ic t
SCRRA	-	So ut he m Ca li fo ni a Re gi o na l Ra il Au th o ri ty
SCS	-	Sus ta in a ble Co m mu ni ti es St ra te gy
SDP	-	Se rv ic e De ve lo p me n t Pla n
SGR	-	St a te of Go o d Re pa ir (SB 1 Pro gra m)
SHCC	-	Se lf-He lp Co un ti es Co a li ti on
SJBL	-	San Ja c in to Bra nch Li ne
SR	-	St a te Ro ut e
SRIP	-	Sho rt Ra nge Tra ns it Pla n
STA*	-	St a te Tra ns it As si sta nce
Sta nte c	-	St a nte c Co n su lti ng Se rv ic es Inc .
Sta te	-	St a te of Ca li fo ni a
Sta te Stre et Bank	-	St a te Stre et Bank and Trust Co m pa ny
SIBG*	-	Sur fa ce Tra ns po r ta ti on Blo ck Gra nt (re pl a ce d SIP)
SIIP*	-	St a te Tra ns po r ta ti on Im pro ve me n t Pro gra m
SIP*	-	Sur fa ce Tra ns po r ta ti on Pro gra m
SunLine	-	SunLi ne Tra ns it Ag en cy
TAC	-	Te c hni ca l Ad vi so ry Co m mi tte e
TAP	-	Tra ns po r ta ti on Al te r na ti ve s Pro gra m
TEP	-	Tr a de Co ri do r En ha nce me n t Pro gra m
TCIF*	-	Tr a de Co ri do rs Im pro ve me n t Fund (Pro po si ti on 1B fund ing ca te go ry)
TDA*	-	Tra ns po r ta ti on De ve lo p me n t Act
TIFIA*	-	Tra ns po r ta ti on In fra st ru c tu re Fi na nce and In no va ti on Act
TIP	-	Tra ns po r ta ti on Im pro ve me n t Pla n
TUMF*	-	Tra ns po r ta ti on/Tra ffic Uni fo rm Mi ti ga ti on Fee (We ste m Co un ty/Co a che lla Va lley)
UCR	-	Un i ve r si ty of Ca li fo ni a at Ri ve r si de
U.S. DOT	-	Un ite d St a te s De pa r t me n t of Tra ns po r ta ti on
We ste m Co un ty	-	We ste m a re a of Ri ve r si de Co un ty
WRCOG	-	We ste m Ri ve r si de Co un cil of Go ve rn me nts
91 Expre ss La nes	-	To l le d ex pre ss la nes on SR-91 in Or a nge Co un ty o pe ra te d by OC TA (OC TA 91 Ex pre ss La nes) and in Ri ve r si de Co un ty by the Co m mi s si on (RC TC 91 Ex pre ss La nes)
91 Proje ct	-	SR-91 co ri do r im pro ve me n t pro je ct co n si st ing of two tol le d ex pre ss la nes in ea ch di re c ti on of SR-91 be t we en the Or a nge Co un ty li ne and I-15, the ad di ti on of a ge ne ra l pu r po se la ne be t we en SR-71 and I-15, and o the r im pro ve me nts
1989 Me a su re A*	-	Or i gi na l 1/2 ce n t tra ns po r ta ti on sa le s ta x me a su re ap pro ve d by vo te rs in No ve m ber 1988 tha t ex pi re d in Ju ne 2009
2009 Me a su re A*	-	Ex te n si on of sa le s ta x me a su re ap pro ve d by vo te rs in No ve m ber 2002 wh ic h be ca me ef fe c ti ve up on ex pi ra ti on of or i gi na l sa le s ta x me a su re on Ju ly 1, 2009
2010A Bonds	-	Sa le s Ta x Re ve nu e Bonds, Se ri es A Ta x-ex e m pt is su ed in No ve m ber 2010
2010B Bonds	-	Sa le s Ta x Re ve nu e Bonds, Se ri es B Ta xa ble is su ed in No ve m ber 2010
2013 Sa le s Ta x Bonds	-	Sa le s Ta x Re ve nu e Bonds is su ed in Ju ly 2013 fo r the 91 Pro je ct
2013 TIFIA Lo an	-	TIFIA Lo an ex e cu te d in Ju ly 2013 fo r the 91 Pro je ct

- 2013 Toll Bonds – Toll Revenue Bonds issued in July 2013 for the 91 Project
- 2016 Refunding Bonds – Sales Tax Revenue Refunding Bonds issued in September 2016 to refund the Series A portion of bonds issued in 2009
- 2017A Bonds – Sales Tax Revenue Bonds issued in July 2017 for the I-15 Express Lanes project and completion of the 91 Project
- 2017B Refunding Bonds – Sales Tax Revenue Refunding Bonds issued in December 2017 to refund all of the outstanding 2010A Bonds and a portion of the 2013 Sales Tax Bonds
- 2017 TIFIA Loan – TIFIA Loan executed in July 2017 for the I-15 Express Lanes project
- 2018 Refunding Bonds – Sales Tax Revenue Refunding Bonds issued in April 2018 to refund all of the Series B and Series C bonds issued in 2009

* Additional information provided in Funding Definitions.

Appendix B – Glossary of Funding Definitions

Federal Funding Sources

Transportation Infrastructure Finance and Innovation Act

The TIFIA program provides credit assistance for qualified projects of regional and national significance that are critical improvements to the nation's surface transportation system. It is designed to fill market gaps and leverage substantial private and non-federal co-investment by providing supplemental and subordinate capital. TIFIA credit assistance is often available on more advantageous terms than in the financial market making it possible to obtain financing, in the form of a secured loan, loan guarantee, and/or standby line of credit, for needed projects when it might not otherwise be possible.

American Recovery and Reinvestment Act of 2009

Commonly referred to as the Stimulus or The Recovery Act, ARRA is an economic stimulus package “intended to create jobs and promote investment and consumer spending” during the recent recession. It includes domestic spending in infrastructure with investment transportation, environmental protection, and other infrastructure providing long-term economic benefits. ARRA also created the Build America Bond program, which authorized state and local governments to issue in 2009 and 2010 such bonds as taxable bonds to finance capital expenditures for which would otherwise be financed with tax-exempt governmental bonds. State and local governments issuing BABs receive a direct federal subsidy payment for a portion of their borrowing costs on BABs equal to 35 to 45 percent of the total coupon interest paid to investors. The BAB program was intended to assist state and local governments finance capital projects at lower borrowing costs and to stimulate the economy and create jobs.

Federal Transit Administration

Section 5307 formula funds made available to urbanized areas for operating subsidies, capital projects and planning. Operating match is up to 50% of the net operating cost; capital and planning match is 80% federal and 20% local.

Section 5309 discretionary funds generally provided to urbanized areas for funding new start rail projects, major bus fleet replacement, and transit facility construction. Matching ratios range from 50/50 to 80% federal and 20% local.

Section 5310 funds made available to states for providing capital support to private non-profit and, in certain circumstances, public transit operators. This is a state administered discretionary program providing funds on an 88.53% federal and 11.47% local basis.

Section 5311 funds provided to support rural transit operating subsidies and capital projects. Operating match is up to 50% of the net operating cost; capital match is 80% federal and 20% local.

Federal Highway Administration

In 1991, the Intermodal Surface Transportation Efficiency Act (ISTEA) was approved by Congress to replace the former Federal Aid Urban/Federal Aid System funding programs. ISTEA was established as a six-year funding program and was reauthorized for another six years in 1997. This new transportation act was renamed as the Transportation Equity Act of the Twenty-first Century (TEA21) and was extended through August 10, 2005 when the President signed into law the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Nine short-term extensions of SAFETEA-LU were passed until July 2012 when Moving Ahead for Progress in the 21st Century (MAP-21) was enacted. In December 2015, the Fixing America's Surface Transportation (FAST) Act was signed into law and became the first federal law in over a decade to provide long-term funding certainty for surface transportation infrastructure. Under these programs the following fund sources are allocated to each county, and the Commission further allocates these funds based on federal provisions.

Surface Transportation Block Grant (formerly Surface Transportation Program)

Funds allocated by the Commission and administered by Caltrans that provide funding for local street and road improvements. Current matching rate is 88.53% federal and 11.47% local.

Congestion Mitigation and Air Quality

Funds allocated by the Commission for transportation related air quality improvement projects in air quality non-attainment areas. Current matching rate is 88.53% federal and 11.47% local. Safety projects can qualify for 100% of CMAQ funding.

State Local Funding Sources

Transportation Development Act

The TDA is comprised of two elements: LIF and STA funds.

LIF funds are derived from 1/4 of one cent of the state sales tax and are returned to source. There are three areas of apportionment within Riverside County comprised of Western County, Coachella Valley, and Palo Verde Valley (Blythe). The Commission administers the LIF on behalf of the County of Riverside. Funds are provided for program administration, Southern California Association of Governments regional planning, local transportation planning, and transit services in Western County and the Coachella Valley. In the Palo Verde Valley, funds support transit services and local street and road improvements. Additionally, under SB 821, 2% of LIF funds are made available for bicycle and pedestrian projects.

STA funds are generated from the statewide sales tax on diesel fuel and are allocated by the state to the Commission based on population and as a percentage of transit fare revenue. The Commission has generally used these funds to support capital purchases and improvements as these funds have been subject to state budgetary actions.

State Transportation Improvement Program

The STIP consists of RIP and IIP funds. The RIP and IIP programs are mainly supported by Proposition 42 funding. The RIP component represents 75% of STIP funds available for capacity projects. Regional Transportation Planning Agencies are responsible for selection of projects proposed for RIP funds. The IIP component represents the remaining 25% of STIP funds available for capacity projects and Caltrans is responsible for the selection of IIP-funded projects. The Commission and Caltrans District 8 work closely in coordinating projects for these fund sources.

Proposition 1B Program

In November 2006, the voters in California approved Proposition 1B, which will fund various transportation programs from bonds issued by the state of California. Programs to be funded include CMIA, transit capital (PTMISEA), transit security (TSSSDRA), STIP supplement, goods movement (TCIF), SLPP funds, and cities and counties.

Cap and Trade

State legislation in 2006 requires GHG emissions in the State to be reduced. A key element of the GHG reduction program is the Cap and Trade Program in which entities regulated under the program can “trade” or buy and sell a portion of emission allowances issued by the CARB at auctions held during the year. The revenues generated for the State through these auctions are appropriated for infrastructure investments that include LC/TOP and road programs, high speed rail projects, and transit and intercity rail projects.

Local Funding Sources

Measure A

Measure A is a half-cent local retail transaction and use tax that was initially approved by the voters in November 1988 for 20 years (Ordinance 88-1) and extended in November 2002 for an additional 30 years (Ordinance 02-001), through June 2039, to help fund key transportation improvements in Riverside County. It provides funds to improve highways, regional arterials, and local streets and roads; to develop new transportation corridors; to expand commuter rail, public transit, specialized transportation services, and commuter programs; develop a program of economic incentives to attract commercial and industrial development and jobs; and support bond financing. These types of improvements are needed to maintain and improve the quality of life in the County, reduce current congestion, and provide adequate transportation facilities to accommodate reasonable growth. Since existing state and federal sources provide only a limited amount of funding for a limited number of projects, Measure A will cover the shortfall for key projects with a funding source that is under local control. It will use the revenue generated in Western County, Coachella Valley, and Palo Verde Valley to meet the unique transportation needs of each of those areas.

Transportation Uniform Mitigation Fee

The TUMF program was adopted by all local jurisdictions in the Western County area of Riverside County in July 2003. Under this program, which is administered by the WRCOG, fees are assessed on new residential and commercial development in Western County to ensure that new development pays its fair share toward providing the needed infrastructure improvements on the regional system of highways and arterials. In accordance with the extension of Measure A in 2002 and an amended MOU with WRCOG, the Commission shall receive 48.7% of the TUMF revenues to fund equally the regional arterial system and the development of new corridors.

Appendix C – Glossary of Program Terms

The following explanations of terms are presented to aid in understanding the various program terms used and discussed in the narrative.

Bicycle and Pedestrian

LIF provides revenues for the construction of bicycle and pedestrian facilities and related right-of-way costs.

Bond Financing

In order to accomplish the construction of the highway and rail projects and implementation of the local streets and roads and other programs identified in the Measure A TIP as soon as possible, some level of borrowing will be required. A portion of the revenues generated in the Western County will be made available for this purpose.

Commuter Assistance

The purpose of this program is to provide short-term incentives to encourage single occupant vehicle drivers to use alternate modes of transportation including carpools, vanpools, bus pools, public bus, commuter rail, walking, and bicycling.

Commuter Rail

Measure A provides operating and capital revenue for commuter rail service to Orange and Los Angeles counties. LIF provides revenue for commuter rail operations in Riverside County. These trains operate on existing railroad tracks parallel to major freeways. Commuter rail service provides a safe and reliable transit alternative to driving alone during the peak period. Plans to expand commuter rail service in Western Riverside County from Riverside to Perris via Moreno Valley are currently underway.

Economic Development

Measure A will be used to create an infrastructure improvement bank to improve existing interchanges, construct new interchanges, provide public transit linkages or stations, and make other improvements to the transportation system in Western County. These incentives are intended to attract commercial and industrial development and jobs to locate within the Western County area.

Highways

Measure A provides revenues to widen existing highways, expand interchanges, and improve remote freeways. These improvements are needed to control traffic congestion in Western County and improve access and safety in Coachella Valley. Costs of these improvements will be covered by funds from state and federal sources. Measure A revenue will be used to supplement—not replace—these other sources and to accelerate work on projects deferred for lack of funding.

Local Streets and Roads

Measure A provides revenues to local jurisdictions for the construction, repair, and maintenance of local streets and roads. The County and local cities are required to supplement those expenditures with other previously dedicated revenue sources to maintain road improvements at a level equal to or greater than the base year amount. LIF provides revenue for local street and road improvements in the Palo Verde Valley.

Metro link

The Commission's commuter rail program is part of the regional network operated by SCRRA operating under the name of Metro link, a five-county joint powers agency composed of the transportation commissions of Los Angeles, San Bernardino, Orange,

Riverside, and Ventura. The purpose of this agency is to manage the operation and maintenance of commuter rail in the five-county metropolitan area.

Motorist Assistance

The Motorist Assistance program has three elements. The FSP is a special team of tow trucks that travel on selected Riverside County freeways during peak commute hours to assist drivers when their cars break down. Another element is the call box system, which installation and operation is made possible with revenue provided by the public. Call boxes are being provided by the Commission, which serves as the County's SAFE. The third element is the Inland Empire 511 traveler information system. One dollar per year from every motor vehicle registration pays for the call boxes and their operation and maintenance, I511 operations, and matching funds for FSP.

New Corridors

Four new transportation corridors were identified through the CETAP. Measure A and TUMF funds will be used for environmental clearance, right of way, and construction of these new corridors.

Public Transit

The Commission is the agency responsible for short-range transportation planning and programming and coordinating the operation of all public transportation service within the County. The Commission allocates and disburses TDA as well as Measure A funds to the transit operators for operating and capital purposes.

Regional Arterials

Measure A funds generated within the Western County and Coachella Valley areas are used for major regional road projects. The system is to be implemented with a mix of funding required from new development under a Transportation Uniform Mitigation Fee to be paid by developers from new development and from Measure A funds returned to the Western County and Coachella Valley areas. The Transportation Uniform Mitigation Fee schedule shall be established in order to generate at least the equivalent of Measure A funding toward the regional arterial system.

Specialized Transit

Measure A provides public transit revenues to improve transportation services for seniors, persons with disabilities and commuters. For seniors and persons with disabilities, it provides dial-a-ride cab service at night for emergency purposes, guarantees half-price bus fares, and assists centers with their transit programs. For commuters, it improves express bus service and expands ridesharing programs. In the Coachella Valley, revenues also are available for bus replacement and local bus service.

Transportation Improvement Plan

This plan also acts as the County's expenditure plan and was prepared by the Commission for the proposed 1/2% local retail transaction and use tax for transportation purposes to be collected. This was proposed by the Commission as a means to fill the funding shortfall to implement needed highway, regional arterial, economic development incentives, and new corridors; local street and road programs; commuter rail projects and operations; public bus transit and specialized transportation improvements; commuter assistance programs; and bond financing.

Appendix D – Glossary of General Terms

The following explanations of terms are presented to aid in understanding the narrative discussions and illustrations included in this budget document and the terminology generally used in governmental accounting, auditing, financial reporting, and budgeting.

Accountability

The state of being obliged to explain one's actions, to justify what one does. Accountability requires a government to answer to its citizenry to justify the raising of public resources and the purposes for which they are used.

Accounting System

The methods and records established to identify, assemble, analyze, classify, record, and report a government's transactions and to maintain accountability for the related assets and liabilities.

Accrual Basis of Accounting

The accounting of the financial effects of transactions, events, and interfund activities when they occur, regardless of when cash is received or paid.

Audit

A systematic collection of the sufficient, competent evidential matter needed to attest to the fairness of management's assertions in the financial statements or to evaluate whether management has efficiently and effectively carried out its responsibilities. The auditor obtains this evidential matter through inspection, observation, inquiries, and confirmations with third parties.

Balanced Budget

The identification of revenues and other financing sources as well as available fund balances to fund operating and capital expenditures and other financing uses on an annual basis.

Basis of Accounting

A term used to refer to when the effects of transactions or events are recognized for financial reporting purposes. For example, the timing of recognition can be when the transaction or event occurs (accrual basis) or when cash is received or paid (cash basis).

Bond

A written promise to pay a specified sum of money (face or principal amount) at a specified date or dates in the future (maturity date), together with periodic interest at a specified rate. Bonds are primarily used to finance capital projects.

Budget

A plan of financial activity for a specified period indicating all planned revenues and expenditures for the budget period. Annual budgets are usually required by law and are essential to sound financial management. The Commission prepares an annual budget that is applicable to a single fiscal year.

Budgetary Control

The control or management of a government in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

Budget Document

The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating governing body.

Capital Outlay

Expenditures resulting in the acquisition of or addition to the government's capital assets or assets to be transferred to Caltrans, such as highway projects.

Capital Project

A long-term strategic project requiring relatively large sums of revenues, accumulated reserves, and/or financing to acquire, develop, construct, improve, and/or maintain a capital asset such as land, buildings, and infrastructure.

Capital Projects Fund

A governmental fund type created to account for financial resources to be used for the acquisition or construction of major capital projects. The Commission has two capital projects funds for Commercial Paper and Sales Tax Bonds to account for debt proceeds from 2009 Measure A commercial paper notes and sales tax revenue bonds related to highway, commuter rail, regional arterial, and local streets and roads projects and one capital project fund for Toll Revenue Bonds to account for proceeds from toll-supported debt related to toll facilities.

Commercial Paper

An unsecured short-term promissory note issued primarily by corporations with maturities ranging from two to 270 days. The credit risk of almost all commercial paper is rated by a rating service.

Comprehensive Annual Financial Report

A financial report that encompasses all funds of the government. In the financial section of the CAFR are the basic financial statements and required supplementary information as well as combining and individual fund financial statements, as necessary. The CAFR also contains introductory information and statistical data.

Current Financial Resources Measurement Focus

A measurement focus that reports on the near-term or current inflows, outflows, and balances of spendable financial resources. This focus is unique to accounting and financial reporting for state and local governments and is used for reporting the financial position and results of operations of governmental funds.

Debt

An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants, and notes.

Debt Coverage Ratio

The ratio of pledged revenues to related debt service for a given year.

Debt Limit

The maximum amount of outstanding gross or net debt legally permitted.

Debt Proceeds

The difference between the face amount of debt and the issuance discount or the sum of the face amount and the issuance premium. Debt proceeds differ from cash receipts to the extent issuance costs, such as underwriters' fees, are withheld by the underwriter.

Debt Service Fund

A governmental fund type created to account for the accumulation of resources for and payment of general long-term debt principal and interest. The Commission has two debt service funds for its sales tax revenue bonds and for its toll revenue bonds.

Economic Resources Measurement Focus

A measurement focus that reports on all inflows, outflows, and balances affecting or reflecting the entity's net position. This focus is used for proprietary funds as well as for government-wide financial reporting.

Expenditures

Represents decreases in net financial resources on the transfer of property or services for acquiring an asset, service, or settling a loss.

Financial Advisor

In the context of the issuance of debt, a consultant who advises the issuer on any of a variety of matters related to the issuance. The financial advisor sometimes also is referred to as the fiscal consultant.

Financial Audit

An audit made to provide independent assurance whether the financial statements of a government are presented fairly in conformity with generally accepted accounting principles.

Financial Resources

Resources that are or will become available for spending and include cash, resources ordinarily expected to be converted to cash such as receivables, inventory, and prepaid assets.

Fiscal Year

For the Commission, the 12-month period that begins July 1 and ends June 30 of the designated fiscal or operating year for accounting and budgeting purposes.

Fund

A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities, and residual equities or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance

The excess of a governmental fund's assets over its liabilities.

Fund Type

Any one of eleven classifications into which all funds are categorized in governmental accounting. Governmental fund types include general, special revenue, debt service, capital projects, and permanent funds. Proprietary fund types include enterprise and internal service funds. Fiduciary fund types include pension trust, investment trust, and private-purpose trust funds and agency funds.

GASB 68

Statement No. 68, *Accounting and Financial Reporting for Pensions*, issued by the Governmental Accounting Standards Board implemented by the Commission in FY 2014/15. GASB 48 requires reporting the net pension liability of the plan on the accrual accounting-based financial statements and enhancing the notes to the financial statements to provide a more comprehensive picture of the pension obligation and costs.

General Fund

The governmental fund type used to account for all financial resources, except those required to be accounted for in another fund.

General Ledger

A record containing the accounts needed to reflect the financial position and the results of operations of a government. In double-entry bookkeeping, debit balances equal the credit balances in the general ledger.

Generally Accepted Accounting Principles (GAAP)

Minimum standards and guidelines for financial accounting and reporting. GAAP encompasses the conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements. The GASB is the primary authoritative accounting and financial reporting standard-setting body on the application of GAAP to state and local governments.

Generally Accepted Auditing Standards (GAAS)

Rules and procedures established by the American Institute of Certified Public Accountants (AICPA) for the conduct of a financial audit. There are ten basic GAAS, classified into three broad categories: general standards, standards of fieldwork, and standards of reporting. The Auditing Standards Board of the AICPA publishes Statements on Auditing Standards (SAS) and related interpretations to comment and expand upon these basic standards.

Generally Accepted Government Auditing Standards (GAGAS)

Standards established by the General Accounting Office (GAO) in its publication, *Government Auditing Standards*, for the conduct and reporting of both financial and performance audits in the public sector. GAGAS set forth general standards applicable to both types of audits and separate standards of fieldwork and reporting for financial and performance audits. The GAGAS standards of fieldwork and reporting for financial audits incorporate and build upon GAAS.

Governmental Funds

Funds generally used to account for tax-supported activities. The Commission's governmental funds are comprised of general, special revenue, debt service, and capital projects funds.

Grant

A contribution by a government or other organization to support a particular function or program.

Independent Auditor

An auditor meeting the independence criteria set forth in GAAS and GAGAS.

Internal Control

Policies and procedures established to provide reasonable assurance that specific government objectives will be achieved.

Legal Level of Budgetary Control

The level at which a government's management may not reallocate resources without special approval from the legislative body.

Loans Receivable

An asset account reflecting amounts loaned to individuals or organizations external to the Commission, including notes taken as security for such loans.

Measurement Focus

The objective of a measurement that is what is being expressed in reporting a government's financial performance and position. A particular measurement focus considers not only which resources are measured (financial or economic), but also when the effects of transactions or events involving those resources are recognized (basis of accounting). The measurement focus of the Commission's government-wide and fiduciary fund financial statements is economic resources, whereas the measurement focus of governmental fund financial statements is current financial resources.

Modified Accrual Basis

The accrual basis of accounting adapted to the governmental funds' measurement focus according to which revenues and other financial resource increments (e.g., bond issue proceeds) are recognized when they become susceptible to accrual, that is when they become both "measurable" and "available to finance expenditures of the current period." Expenditures are recognized when the fund liability is incurred except for unmatured interest on general long-term debt and certain similar accrued obligations when due. The Commission's governmental funds are accounted for using the modified accrual basis of accounting.

Other Financing Sources

Amounts classified separately from revenues to avoid distorting revenue trends that represent an increase in current financial resources. Other financing sources generally include general long-term debt proceeds, amounts equal to the present value of minimum lease payments arising from capital leases, proceeds from the sale of capital assets, and transfers in.

Other Financing Uses

Amounts classified separately from expenditures to avoid distorting expenditure trends and represent a decrease in current financial resources. Other financing uses generally include transfers out and the amount of refunding bond proceeds deposited with the escrow agent.

Overhead

Indirect costs that cannot be specifically associated with a given service, program, or department and thus, cannot be clearly associated with a particular functional category.

Principal

In the context of bonds other than deep-discount debt, the face value or par value of a bond or issue of bonds payable on stated dates of maturity.

Program

Group of activities, operations, or organizational units directed to attaining specific purposes or objectives.

Program Budget

A budget wherein expenditures are based primarily on the functions or activities of a government rather than to specific items of cost or to specific departments.

Purchase Order

A document authorizing the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

Refunding Bonds

Bonds issued to retire bonds already outstanding. The proceeds of refunding bonds may be used to repay the previously issued debt (current refunding) or to be placed with an escrow agent and invested until used to pay principal and interest on old debt at a future date (advance refunding).

Reimbursement Grant

A grant for which a potential recipient must first incur qualifying expenditures to be eligible.

Restricted Fund Balance

Those portions of fund balance which are restricted for specific purposes by third parties or enabling legislation.

Special Revenue Fund

A governmental fund type used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes. The Commission maintains special revenue funds for Measure A Western County, Coachella Valley, and Palo Verde Valley; Transportation Uniform Mitigation Fee; Freeway Service Patrol; Service Authority for Freeway Emergencies; State Transit Assistance; Local Transportation Fund; Coachella Valley/San Geronimo Pass; and Other Agency Projects.

Transfers

All interfund transfers representing flows of assets between funds of the government without equivalent flows of assets in return and without a requirement for repayments.

Trustee

A fiduciary holding property on behalf of another.

Appendix E- Salary Schedule Effective 7/5/2018

Department/Position	FTE	Range No.	Monthly Minimum	Monthly Maximum	Exempt/Non-Exempt
ADMINISTRATION					
Administrative Assistant	1.0	17	\$ 4,004	\$ 5,405	NE
Clerk of the Board	1.0	45	\$ 7,928	\$ 10,702	E
Deputy Clerk of the Board	1.0	32	\$ 5,771	\$ 7,791	NE
Human Resources Administrator	1.0	45	\$ 7,928	\$ 10,702	E
IT Administrator	1.0	45	\$ 7,928	\$ 10,702	E
Records Technician	1.0	17	\$ 4,004	\$ 5,405	NE
Senior Administrative Assistant	1.0	25	\$ 4,867	\$ 6,570	NE
Senior Office Assistant	1.0	13	\$ 3,632	\$ 4,903	NE
Administration Subtotal:	8.0				
CAPITAL PROJECT DEVELOPMENT AND DELIVERY					
Capital Projects Manager	4.0	53	\$ 9,636	\$ 13,009	E
Facilities Administrator	1.0	45	\$ 7,928	\$ 10,702	E
Project Delivery Director	1.0	67	\$ 13,559	\$ 18,304	E
Right of Way Manager	1.0	53	\$ 9,636	\$ 13,009	E
Senior Management Analyst	2.0	43	\$ 7,550	\$ 10,193	E
Management Analyst	1.0	35	\$ 6,211	\$ 8,385	E
Capital Project Development and Delivery Subtotal:	10.0				
EXECUTIVE MANAGEMENT					
Deputy Executive Director	1.0	75	\$ 16,481	\$ 22,249	E
Executive Director	1.0	83	\$ 20,033	\$ 27,044	E
Executive Management Subtotal:	2.0				
FINANCE					
Accountant	1.0	33	\$ 5,916	\$ 7,986	E
Accounting Assistant	2.0	17	\$ 4,004	\$ 5,405	NE
Accounting Technician	2.0	25	\$ 4,867	\$ 6,570	NE
Chief Financial Officer	1.0	67	\$ 13,559	\$ 18,304	E
Deputy Director of Finance	1.0	57	\$ 10,496	\$ 14,170	E
Procurement Analyst	1.0	36	\$ 6,363	\$ 8,590	E
Procurement Manager	1.0	53	\$ 9,636	\$ 13,009	E
Senior Financial Analyst	1.0	43	\$ 7,550	\$ 10,193	E
Finance Subtotal:	10.0				
External Affairs					
External Affairs Director	1.0	63	\$ 12,298	\$ 16,603	E
Goods Movement Manager	1.0	51	\$ 9,177	\$ 12,389	E
Legislative Affairs Manager	1.0	51	\$ 9,177	\$ 12,389	E
Public Affairs Manager	1.0	51	\$ 9,177	\$ 12,389	E
External Affairs Subtotal:	4.0				
MULTIMODAL SERVICES					
Commuter and Motorist Assistance Manager	1.0	51	\$ 9,177	\$ 12,389	E
Multimodal Services Director	1.0	63	\$ 12,298	\$ 16,603	E
Management Analyst	2.0	35	\$ 6,211	\$ 8,385	E
Transit Manager	1.0	51	\$ 9,177	\$ 12,389	E
Multimodal Services Subtotal:	5.0				
PLANNING AND PROGRAMMING SERVICES					
Planning and Programming Director	1.0	63	\$ 12,298	\$ 16,603	E
Planning and Programming Manager	1.0	51	\$ 9,177	\$ 12,389	E
Senior Management Analyst	1.0	43	\$ 7,550	\$ 10,193	E
Management Analyst	1.0	35	\$ 6,211	\$ 8,385	E
Planning and Programming Services Subtotal:	4.0				
RAIL MAINTENANCE AND OPERATIONS					
Rail Manager	1.0	51	\$ 9,177	\$ 12,389	E
Management Analyst	1.0	35	\$ 6,211	\$ 8,385	E
Rail Maintenance and Operations Subtotal:	2.0				
TRAIL OPERATIONS					
Capital Project Manager	1.0	53	\$ 9,636	\$ 13,009	E
Senior Management Analyst	1.0	43	\$ 7,550	\$ 10,193	E
Trail Operations Manager	1.0	63	\$ 12,298	\$ 16,603	E
Trail Program Director	1.0	71	\$ 14,949	\$ 20,181	E
Trail Project Manager	1.0	65	\$ 12,913	\$ 17,433	E
Trail Technology Manager	1.0	53	\$ 9,636	\$ 13,009	E
Trail Operations Subtotal:	6.0				
TOTAL AUTHORIZED POSITIONS					
Administration	8.0				
Capital Project Development and Delivery	10.0				
Executive Management	2.0				
Finance	10.0				
External Affairs	4.0				
Multimodal Services	5.0				
Planning and Programming Services	4.0				
Rail Maintenance and Operations	2.0				
Trail Operations	6.0				
Total Authorized Positions	51.0				