



# MEETING AGENDA

## Budget and Implementation Committee

**Time:** 9:30 a.m.

**Date:** February 26, 2024

**Location:** BOARD ROOM  
County of Riverside Administration Center  
4080 Lemon St, First Floor, Riverside, CA 92501

### TELECONFERENCE SITES

COUNCIL CHAMBER CONFERENCE ROOM  
City of Palm Desert  
73510 Fred Waring Drive, Palm Desert, CA 92260

LARGE CONFERENCE ROOM  
French Valley Airport  
37600 Sky Canyon Drive, Murrieta, CA 92563

## COMMITTEE MEMBERS

Jeremy Smith, **Chair** / Jennifer Dain, City of Canyon Lake  
Linda Molina, **Vice Chair** / Wendy Hewitt, City of Calimesa  
Lloyd White / Julio Martinez, City of Beaumont  
Raymond Gregory / Mark Carnevale, City of Cathedral City  
Steven Hernandez / Stephanie Virgen, City of Coachella  
Scott Matas / Russell Betts, City of Desert Hot Springs  
Bob Magee / Natasha Johnson, City of Lake Elsinore  
Ulises Cabrera / Edward Delgado, City of Moreno Valley

Cindy Warren / Lori Stone, City of Murrieta  
Jan Harnik / Kathleen Kelly, City of Palm Desert  
Lisa Middleton / To Be Appointed, City of Palm Springs  
Valerie Vandever / Alonso Ledezma, City of San Jacinto  
James Stewart / Jessica Alexander, City of Temecula  
Chuck Washington, County of Riverside, District III  
Yxstian Gutierrez, County of Riverside, District V

## STAFF

Anne Mayer, Executive Director  
Aaron Hake, Deputy Executive Director

## AREAS OF RESPONSIBILITY

Annual Budget Development and Oversight  
Competitive Federal and State Grant Programs  
Countywide Communications and Outreach Programs  
Countywide Strategic Plan  
Legislation  
Public Communications and Outreach Programs  
Short Range Transit Plans



**RIVERSIDE COUNTY TRANSPORTATION COMMISSION  
BUDGET AND IMPLEMENTATION COMMITTEE**

[www.rctc.org](http://www.rctc.org)

**AGENDA\***

*\*Actions may be taken on any item listed on the agenda*

**9:30 a.m.**

**Monday, February 26, 2024**

**BOARD ROOM**

**County of Riverside Administrative Center  
4080 Lemon Street, First Floor  
Riverside, California**

**TELECONFERENCE SITES**

**COUNCIL CHAMBER CONFERENCE ROOM**

**City of Palm Desert**

**73510 Fred Waring Drive, Palm Desert, California**

**LARGE CONFERENCE ROOM**

**French Valley Airport**

**37600 Sky Canyon Drive, Murrieta, California**

*In compliance with the Brown Act and Government Code Section 54957.5, agenda materials distributed 72 hours prior to the meeting, which are public records relating to open session agenda items, will be available for inspection by members of the public prior to the meeting at the Commission office, 4080 Lemon Street, Third Floor, Riverside, CA, and on the Commission's website, [www.rctc.org](http://www.rctc.org).*

*In compliance with the Americans with Disabilities Act, Government Code Section 54954.2, and the Federal Transit Administration Title VI, please contact the Clerk of the Board at (951) 787-7141 if special assistance is needed to participate in a Commission meeting, including accessibility and translation services. Assistance is provided free of charge. Notification of at least 48 hours prior to the meeting time will assist staff in assuring reasonable arrangements can be made to provide assistance at the meeting.*

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. PLEDGE OF ALLEGIANCE**

**4. PUBLIC COMMENTS** – *Each individual speaker is limited to speak three (3) continuous minutes or less. The Committee may, either at the direction of the Chair or by majority vote of the Committee, waive this three minute time limitation. Depending on the number of items on the Agenda and the number of speakers, the Chair may, at his/her discretion, reduce the time of each speaker to two (2) continuous minutes. Also, the Committee may terminate public comments if such comments become repetitious. In addition, the maximum time for public comment for any individual item or topic is thirty (30) minutes. Speakers may not yield their time to others without the consent of the Chair. Any written documents to be distributed or presented to the Committee shall be submitted to the Clerk of the Board. This policy applies to Public Comments and comments on Agenda Items.*

*Under the Brown Act, the Board should not take action on or discuss matters raised during public comment portion of the agenda which are not listed on the agenda. Board members may refer such matters to staff for factual information or to be placed on the subsequent agenda for consideration.*

5. **ADDITIONS/REVISIONS** *(The Committee may add an item to the Agenda after making a finding that there is a need to take immediate action on the item and that the item came to the attention of the Committee subsequent to the posting of the agenda. An action adding an item to the agenda requires 2/3 vote of the Committee. If there are less than 2/3 of the Committee members present, adding an item to the agenda requires a unanimous vote. Added items will be placed for discussion at the end of the agenda.)*
6. **CONSENT CALENDAR** - *All matters on the Consent Calendar will be approved in a single motion unless a Commissioner(s) requests separate action on specific item(s). Items pulled from the Consent Calendar will be placed for discussion at the end of the agenda.*

**6A. APPROVAL OF MINUTES – NOVEMBER 27, 2023**

*Page 1*

**6B. QUARTERLY SALES TAX ANALYSIS**

*Page 13*

**Overview**

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the sales tax analysis for the Quarter 3, 2023 (3Q 2023).

**6C. QUARTERLY FINANCIAL STATEMENTS**

*Page 22*

**Overview**

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the Quarterly Financial Statements for the six months ended December 2023.

**6D. MONTHLY INVESTMENT REPORT**

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**Overview**

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the Monthly Investment Report for the month ended January 31, 2024.

**6E. QUARTERLY PUBLIC ENGAGEMENT METRICS REPORT, OCTOBER - DECEMBER 2023**  
*Page 34*

***Overview***

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the Quarterly Public Engagement Metrics Report for October - December 2023.

**7. PROPOSED POLICY GOALS AND OBJECTIVES FOR FISCAL YEAR 2024/25 BUDGET**  
*Page 40*

***Overview***

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Review and approve the proposed Commission Policy Goals and Objectives for the Fiscal Year (FY) 2024/25 Budget; and
- 2) Review and approve the Fiscal Accountability Policies for the FY 2024/25 Budget.

**8. REIMBURSEMENT AGREEMENT WITH UNION PACIFIC RAILROAD FOR THE COACHELLA VALLEY RAIL PROJECT**  
*Page 52*

***Overview***

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Approve Reimbursement Agreement No. 24-25-063-00 with Union Pacific Railroad (UP) for preliminary engineering services for the Coachella Valley Rail Project in an amount not to exceed \$100,000;
- 2) Authorize the Executive Director or designee to approve future amendments to address the anticipated additional scope of work required by UP as the project progresses for an amount not to exceed \$500,000 as may be required for the Project for a total not to exceed contract of \$600,000;
- 3) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreement on behalf of the Commission; and
- 4) Approve a budget adjustment of \$20,000 for expenses to be incurred in Fiscal Year 2023/24.

**9. STATE AND FEDERAL LEGISLATIVE UPDATE**

**Page 60**

**Overview**

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file a state and federal legislative update; and
- 2) Adopt the following bill position:
  - a) AB 2535 (Bonta)—Oppose.

**10. ELECTION OF OFFICERS FOR THE BUDGET AND IMPLEMENTATION COMMITTEE**

**Page 66**

**Overview**

This item is for the Committee to:

- 1) Conduct an election of officers for 2024 – Chair and Vice Chair.

**11. ITEM(S) PULLED FROM CONSENT CALENDAR AGENDA**

**12. EXECUTIVE DIRECTOR REPORT**

**13. COMMISSIONER COMMENTS**

**Overview**

This item provides the opportunity for brief announcements or comments on items or matters of general interest.

**14. ADJOURNMENT**

The next Budget and Implementation Committee meeting is scheduled to be held at **9:30 a.m., March 25, 2024.**

# **AGENDA ITEM 6A**

## **MINUTES**



# **RIVERSIDE COUNTY TRANSPORTATION COMMISSION**

## **BUDGET AND IMPLEMENTATION COMMITTEE**

Monday, November 27, 2023

### **MINUTES**

#### **1. CALL TO ORDER**

The meeting of the Budget and Implementation Committee was called to order by Chair Jeremy Smith at 9:30 a.m. in the Board Room at the County of Riverside Administrative Center, 4080 Lemon Street, First Floor, Riverside, California 92501 and at the teleconference sites: Council Chamber Conference Room, City of Palm Desert, 73510 Fred Waring Drive, Palm Desert, California 92260, and the Large Conference Room, French Valley Airport, 37600 Sky Canyon Dr., Murrieta, California 92563.

#### **2. ROLL CALL**

##### **Members/Alternates Present**

Raymond Gregory\*\*  
Yxstian Gutierrez\*\*\*  
Jan Harnik\*\*  
Bob Magee  
Lisa Middleton\*\*  
Linda Molina  
Jeremy Smith  
Cindy Warren\*  
James Stewart  
Chuck Washington\*

##### **Members Absent**

Ulises Cabrera  
Steven Hernandez  
Alonso Ledezma  
Scott Matas  
Lloyd White

\*Joined the meeting at French Valley.

\*\*Joined the meeting at Palm Desert.

\*\*\*Arrived after the meeting was called to order.

#### **3. PLEDGE OF ALLEGIANCE**

Commissioner Bob Magee led the Budget and Implementation Committee in a flag salute.

#### **4. PUBLIC COMMENTS**

There were no requests to speak from the public.

**5. ADDITIONS / REVISIONS**

There were no additions or revisions to the agenda.

At this time, Commissioner Yxstian Gutierrez joined the meeting.

**6. CONSENT CALENDAR** - *All matters on the Consent Calendar will be approved in a single motion unless a Commissioner(s) requests separate action on specific item(s). Items pulled from the Consent Calendar will be placed for discussion at the end of the agenda.*

**M/S/C (Molina/Gregory) to approve the following Consent Calendar item(s):**

**6A. APPROVAL OF MINUTES – AUGUST 28, 2023**

**6B. QUARTERLY PUBLIC ENGAGEMENT METRICS REPORT, JULY - SEPTEMBER 2023**

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the Quarterly Public Engagement Metrics Report for July - September 2023.

**6C. QUARTERLY REPORTING OF CONTRACT CHANGE ORDERS FOR CONSTRUCTION CONTRACTS**

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the Quarterly Report of Contract Change Orders for Construction Contracts for the three months ended September 30, 2023.

**6D. MONTHLY INVESTMENT REPORT**

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the Monthly Investment Report for the month ended October 31, 2023.

**7. TRAFFIC RELIEF PLAN PUBLIC ENGAGEMENT PROGRAM**

David Knudsen, External Affairs Director, presented Traffic Relief Plan Public Engagement Program and procurement update, highlighting the following areas:

- Outreach and communication at RCTC
- Transportation needs have grown
  - February 2023 Commission Workshop
    - ✓ Reduce traffic congestion
    - ✓ Support multimodal transportation
    - ✓ Reduce the burden of goods and freight movement
    - ✓ Evaluate the 2020 Commission adopted Traffic Relief Plan
  - County residents perceive at least some additional funding for transportation is needed (2023)
  - Commission approved 2024 Draft Traffic Relief Plan for public outreach and engagement (October 2023)
- Three strategic goals of the request for proposals (RFP)
- Public outreach goals
- Maximize return on investment
- Procurement
- AlphaVu outreach approach
- Workplan schedule

David Knudsen noted that Scott Wilkinson, AlphaVu CEO, is here to answer any questions.

**M/S/C (Harnik/Warren) for the Committee to recommend the Commission take the following action(s):**

- 1) **Award Agreement No. 24-15-032-00 to AlphaVu for Public Engagement Program services for an eight-month term, in an amount not to exceed \$986,034; and**
- 2) **Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreement on behalf of the Commission.**

**8. SENATE BILL 125 FORMULA-BASED FUNDING FOR THE TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM AND ZERO EMISSION TRANSIT CAPITAL PROGRAM**

Lorelle Moe-Luna, Multimodal Services Director, presented the Senate Bill 125 Formula-Based Funding for the Transit and Intercity Rail Capital Program (TIRCP) and Zero Emission Transit Capital Program (ZETCP) update, highlighting the following:

- Background
  - TIRCP was created by the state in 2014 as a competitive program from cap-and-trade proceeds. Today, the SB 1 gas tax also contributes to TIRCP
  - AB 102 and SB 125 amended the Budget Act of 2023
    - ✓ \$4 billion of general fund to TIRCP over 2 years
    - ✓ \$910 million of the GGRF and \$190 million from the Public Transportation Act over 4 years

- ✓ Created the formula-based TIRCP and ZETCP
  - Administered by CalSTA
- Program objectives
  - Reduce greenhouse gas emissions
  - Expand and improve transit service to increase ridership
  - Integrate the rail service of the state's various rail operations
  - Improve transit safety
- Process
  - CalSTA established program guidelines
  - Eligible projects
    - ✓ Transit/rail operations and capital
    - ✓ Grade separations and rail crossing improvements
  - All funding distributed to RTPAs such as RCTC for allocation
  - Submit recommendations to CalSTA by Dec 31, 2023
  - Recommendations based on RCTC goals, plans, and priorities
- Available funding
- A list of the proposed Zero Emission (ZE) and Transit Capital Projects by transit agency
- A Map of transit projects
- Passenger Rail Project Development
- A map of the rail projects

Lorelle Moe-Luna noted there are a few representatives from some of the local agencies that are here in case there are any technical questions on their specific projects.

Commissioner Cindy Warren asked about the open loop system for debit and credit cards and what security measures are going to be on those systems.

Lorelle Moe-Luna replied that the open loop payment systems are used with various transit agencies today. Caltrans is also looking into this further because they are looking at more of an integrated system and the goal would be to allow passengers to use one method that is more convenient. She stated in terms of security a lot of them are also in pilot demonstration programs so that is something that will continue to be looked into as well.

In response to Commissioner Gutierrez's question in terms of the TIRCP and the ZETCP if there will be ongoing funding after those three years, Lorelle More-Luna replied it is four years, but this is a one-time opportunity.

In response to Commissioner Gutierrez's clarification for more specifics regarding how the funding amounts and the projects are identified, Lorelle Moe-Luna replied that RCTC is required by the guidelines to make sure they consult with all their transit agencies, which they have. Staff requested a list of projects from all their transit agencies, and they reviewed their list. The needs in the county are greater than what is available so in this

first year it is only a portion of what everyone is asking for and are hopeful that in the next year they can fund more of them. In terms of the other projects such as the grade separations staff has been in contact with those cities for a while and with the 2017 Grade Separation Priority Study that staff conducted one of the things staff has always wanted to do is to try to get as many projects as they can to be construction ready because that would make them more competitive for other federal funds. Putting more local funds on those projects is something staff has tried to do, and those cities have already identified some funding to get those through the pre-construction phases and this will help complete design and/or can be used for construction.

Commissioner Gutierrez expressed appreciation that it is a great thing especially for that area and the whole Pass Area.

Commissioner Linda Molina asked what the average construction time frame for a grade separation project is because there is so much freight travel and it is a problem for people trying to cross the tracks at the various places.

Anne Mayer replied sometimes, and used the Sunset Grade Separation project as an example as it went through a lot of challenges in the early stages, but the County of Riverside took over the project and it started moving quickly at that point. A normal grade separation project and not a complicated one, probably environmental and design at least two years and construction another couple of years. RCTC has grade separations like the Jurupa Valley Grade Separation is currently under construction it has been under construction for several years and it still has ways to go and McKinley Grade Separation is very complicated. The Third Street Grade Separation here in Riverside it has been in the works for years and it will be years more because there is so much right of way to be acquired. She explained it depends on how complicated it is how much right of way is needed, but Pennsylvania and Hargrave grade separation projects have started and the one out on Broadway they should be relatively straight forward. She stated when working with the railroad just the railroad process alone can take two to three years in order to get to a construction and maintenance agreement.

**M/S/C (Harnik/Molina) for the Committee to recommend the Commission take the following action(s):**

- 1) Approve the funding recommendations in Attachment 1 for the Senate Bill 125 (SB 125) Formula-Based Funding for the Transit and Intercity Rail Capital Program (TIRCP) and Zero Emission Transit Capital Program (ZETCP) for Fiscal Year 2023/24;**
- 2) Direct staff to prepare and execute funding agreements with the project sponsors to outline the project schedule and local funding commitments;**
- 3) Authorize the Executive Director to execute the funding agreements with the project sponsors, pursuant to legal counsel review;**

- 4) **Approve an amendment to the FY 2023/24 budget to receive the first-year allocations of TIRCP and ZETCP formula funds in the amounts of \$123,382,700 and \$14,828,290, respectively; and**
- 5) **Approve a FY 2023/24 budget adjustment of \$791,214 for expenses related to the TIRCP and ZETCP formula funds.**

**9. SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS CORRECTIVE ACTION FOR FEDERAL FORMULA FUNDS**

Jillian Guizado, Planning and Programming Director, provided a detailed overview for the Southern California Association of Governments (SCAG) corrective action for Federal Formula Funds and for the 2024 Call for Project Nominations (nomination procedures).

In response to Commissioner James Stewart’s question regarding what are the projects that will qualify for this program, Jillian Guizado replied basically any project that is federally eligible could seek funding from the program.

In response to Commissioner Stewart’s clarification if staff will create a criteria of projects that would fit into that category, Jillian Guizado replied that the nomination procedures in Attachment 3 is how staff is recommending they proceed. RCTC staff is not able to tell anybody that they cannot pursue these funds but the intake form, which is the initial process they are hoping to conduct is intended to inform interested applicants on how competitive they might be in the process.

Commissioner Stewart asked if SCAG is picking the projects that they are going to fund and Jillian Guizado replied yes. Commissioner Stewart clarified that RCTC is acting as the middleman and Jillian Guizado replied yes.

Commissioner Gregory stated this could be quite disruptive to the status quo as far as funding for these federal funds go. He clarified that any Coachella Valley Association of Governments (CVAG) project no matter how highly it scores on the CVAG Transportation Project Prioritization Study (TPPS) the maximum would be scored as a recommended project. Jillian Guizado replied yes that is staff’s recommendation.

Commissioner Gregory expressed that can be quite disruptive because it sounds like it does not matter how important some of these projects are they are already going to be problematic as far as getting the necessary points to be funded to be chosen by SCAG. He asked if staff or Anne Mayer know how likely the Commission is going to come out in this both as RCTC and as the subregions of RCTC in the future under this scoring that is being proposed.

Anne Mayer replied the RCTC Board no longer will have control or discretion over any of these fund types in terms of how the funding is allocated. There will be no more fair share proportional population base share between Western County, CVAG, and Palo Verde

Valley. She explained from an overall county standpoint it would be to the Commission's collective advantage to put forward the projects that will compete the best at the SCAG level. In looking at all the rest of the scoring criteria that SCAG has, an interchange in almost any jurisdiction is not going to compete well in this program because it probably will not be able to meet the performance measures in the program and to be able to compete. The Commission should be putting up their biggest projects such as the Coachella Valley Rail Project, rail stations, grade separations, and express lanes because they will compete well. Staff is encouraging their member agencies' staff to bring forward the most projects that are going to be the most competitive. She explained when they set up the structure of 50-point ranking for the measure projects this board has taken action in the past that the priority for these funding types is the Measure A Highway Projects and they are fulfilling that board action here. In the next cycle they have Western County Transportation Uniform Mitigation Fee (TUMF) Projects in that second tier as well so most of the regular TUMF projects and many of the projects in the TPPS are not going to compete well in a six-county competition. For the Congestion Mitigation and Air Quality (CMAQ) funding it cannot be used for an interchange that CMAQ money is meant for congestion mitigation strategies so it is express lanes and the signal synchronization in the Coachella Valley and in Western Riverside County could be potential eligible projects. She expressed this is a very significant change in how federal funding is distributed with these programs and they will no longer have the flexibility to just move money around as a project needs. There will probably be member agencies who will for a variety of different reasons feel that it is important to submit an application even if it is not particularly going to be competitive and these are expensive applications to submit as well. This first round they will see how it goes and this is a very small first round in terms of the pot of money that is available and for the next round their target will be well over \$100 million but those are just targets and they could get nothing. It depends on the strength of their applications and of their projects.

Commissioner Gregory stated he is not pleased but he appreciates the transparency and that RCTC has always strived to make sure the applications that are put forward are ones that will score the best and if there is a way to fix some of the lower scored ones that they try to do that. It appears as Anne Mayer mentioned this is going to be a little bit difficult to try to work with that especially for CVAG projects and the same for Western Riverside Council of Governments (WRCOG) projects but also Riverside County projects just in general are potentially going to have a hard time competing now with the other transportation commission's projects.

Anne Mayer expressed in talking about transparency, they cannot have their own internal formulas, they cannot recommend that decisions get made to fulfill past practice, because if SCAG does that there is a potential this region could lose its ability to allocate federal formula dollars. It is important especially in the first couple of rounds because Caltrans and the federal government will be monitoring this new process to see how it is working and to make sure it is compliant as they will conduct audits. Also, it is important in this round and in the next one to make sure they are staying true to the work that the team

did. She clarified with Jillian Guizado as to where they put the federal projects that need additional funding. Jillian Guizado replied that they ended up taking that out in favor of putting in CVAG TPPS and the WRCOG TUMF projects.

Anne Mayer noted to Commissioner Gregory that the only projects ahead of the TPPS projects as well as the WRCOG TUMF projects are the Western County Highway Projects, which is the next Interstate 15 express lane project which will likely compete well on a regional basis.

Commissioner Molina stated she wanted to ask how badly this is going to hurt Riverside County but per Anne Mayer comments she explained what was not going to happen and she expressed this is going to have a very serious effect on Riverside County.

Commissioner Bob Magee stated Jillian Guizado commented about the tribal governments and asked if staff anticipates any of their tribal partners submitting something here.

Jillian Guizado replied she does not; they have a plan to do outreach but with their tribal governments all throughout Southern California and that there is a conflict with Caltrans and the federal government where in order to receive funding through the state even if it were federal funding through the state, they would have to waive their sovereign immunity and tribal governments have not been willing to do that. She believes there is an effort in California to work through that, so they do not continue to be disadvantaged in that way, but she does not expect that issue to be resolved when this moves forward.

Commissioner Magee asked at its June 2024 Commission meeting will staff have the list of SCAG's recommendations for the entire commission. Jillian Guizado replied she probably will not have it turned around by the June Commission meeting but if they have a July Commission meeting, she can absolutely report back on the outcome. She can work with Lisa Mobley, Clerk of the Board, to distribute the SCAG agenda to all the Commissioners.

Anne Mayer thanked Jillian Guizado for all her work on this for the past two years and she thanked SCAG as this had the potential to be something that completely went out of any of the transportation commission's control in terms of being able to weigh in on the process. She noted SCAG Executive Director Kome Ajise made it very clear that he knew how important these funding sources were to every single one of the counties. She explained a strong and small working group was put together with one representative from each of the transportation commissions. Jillian Guizado has been their representative and she, her colleagues at the other transportation commissions, and SCAG have done a phenomenal job in coming up with a process that meets the federal and state requirements and at the same time acknowledges the county transportation commissions are the regional transportation planning agencies and have a critical role in getting these projects delivered.

**M/S/C (Harnik/Stewart) for the Committee to recommend the Commission take the following action(s):**

- 1) Approve the RCTC Procedures for the Southern California Association of Governments (SCAG) 2024 Call for Project Nominations (nomination procedures);**
- 2) Authorize the Executive Director to submit to SCAG the project nomination list based on the nomination procedures;**
- 3) Approve Agreement No. 24-66-041-00, a Memorandum of Understanding (MOU) with SCAG; and**
- 4) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreement on behalf of the Commission.**

At this time, Yxstian Gutierrez left the meeting.

#### **10. RIVERSIDE COUNTY ZERO-EMISSION BUS ROLLOUT PLANS AND FUNDING AND IMPLEMENTATION STRATEGY**

Eric DeHate, Transit Manager, stated he is joined by the Commission's consultant from the Center for Transportation and the Environment (CTE) Niki Rinaldi El-Abd, Lead Managing Consultant. Eric DeHate then presented an update for the Riverside County Zero-Emission Bus (ZEB) Rollout Plans and Funding and Implementation Strategy (Project), highlighting the following:

- Background information
  - California Air Resources Board (CARB) Innovative Clean Transit (ICT) Regulation was adopted in December of 2018
  - The small transit operators approached staff to conduct ZEB Rollout Plans on their behalf to meet June 30, 2023, deadline
  - In April 2022, the Commission awarded a contract to CTE to complete this effort
  - Primary focus of the project
    - ✓ ICT ZEB Rollout Plans
    - ✓ Countywide cost analysis

Niki Rinaldi El-Abd presented the CTE analysis, highlighting the following:

- About CTE
- CARB ICT Regulation
  - 100 percent ZEB fleet by 2040 is not a mandate, but a goal
  - There is a purchasing rule: Starting January 1, 2026-2028, 25% ZEB percentage of total new bus purchases; by January 1, 2029, 100% ZEB percentage of total new bus purchases

- Small CA Transit Agencies (<100 buses) are required to submit a board-approved ZEB Rollout Plan by July 1, 2023
- Large agencies submitted their Rollout Plans in July 2020
- Bus styles operated in the County: 24'/27' cutaway bus and 35'/40' bus
- Analysis overview
  - Baseline fleet and procurement schedules collected from agencies
  - Transition scenarios developed based on assessed block feasibility and ICT purchasing requirements
  - Annual fleet, fuel, maintenance and facilities costs were estimated from state contract pricing and industry averages
    - ✓ Tax and inflation (PPI, Caltrans index, EIA and CPI) were also applied
  - Resulting transition costs were presented to each agency's staff and board and a ZEB transition scenario was selected
- Technology selection: BEB Fleet – city of Banning; Mixed Fleet – cities of Beaumont, Corona, and Riverside; FCEB Fleet – Palo Verde Valley Transit Agency
- Facility assessments
  - Facility site visits conducted in July 2023
  - Confirmed infrastructure estimates included in ICT Rollout Plan
  - Recommended redundancy and resiliency components
- Cost analysis for implementation
  - Total added costs for ZE transition (including solar and resilience measures): \$608,267,000

At this time, Eric DeHate presented the countywide analysis, highlighting the following:

- Countywide funding gap analysis
- Next steps

He noted they also have some staff from each of the transit operators if the Commissioners has any questions about the ICT Rollout Plans.

**M/S/C (Gregory/Harnik) for the Committee to recommend the Commission take the following action(s):**

- 1) Receive and file an update on the Riverside County Zero-Emission Bus (ZEB) Rollout Plans and Funding and Implementation Strategy (Project);**
- 2) Direct staff to review existing transit funding policies and continue to work with the transit operators to strategize and leverage revenue sources to support the transition to zero-emission; and**
- 3) Award sole source Agreement No. 24-62-042-00 with Center for Transportation and the Environment (CTE) for ongoing plan updates and zero-emission technical assistance for a three-year term in the amount of 150,000, plus a contingency of \$15,000, for a total amount not to exceed \$165,000.**

## **11. STATE AND FEDERAL LEGISLATIVE UPDATE**

Andrew Sall, Senior Management Analyst, presented the Commission's proposed 2024 State and Federal Legislative Platform.

**M/S/C (Stewart/Molina) for the Committee to recommend the Commission take the following action(s):**

- 1) Adopt the Commission's 2024 State and Federal Legislative Platform; and**
- 2) Receive and file a state and federal legislative update.**

## **12. ITEM(S) PULLED FROM CONSENT CALENDAR AGENDA**

There were no items pulled from the consent calendar.

## **13. EXECUTIVE DIRECTOR REPORT**

Anne Mayer announced:

- Earlier on the agenda they heard the item related public outreach and communication related to the draft Traffic Relief Plan. The Traffic Relief Plan has been up on the RCTC website for a couple of weeks, and it was interesting how quickly RCTC started receiving comments, including some constructive feedback from the public. Staff has had several Commissioners already ask for staff to come out to a city council meeting or a workshop to present the draft Traffic Relief Plan for their fellow council members and their communities. She noted any other Commissioners that are interested in a presentation to let staff know.
- The 15/91 Express Lanes Connector Event is being held on December 6 @ 10:00 a.m. at the North Main Corona Commuter Rail station. She expressed appreciation to Jennifer Crosson, Toll Operations Director, and David Thomas, Toll Project Delivery Director, and their incredible teams along with Myers-Rados team who got that connector open on November 21 in time for holiday travel.
- The California Transportation Commission will be in Riverside on December 6-7. There is a Mobility 21 Reception in the lobby starting @ 5:00 p.m. on December 6 if anyone is interested in attending and has not RSVP'd to let staff know.
- There was a very hefty agenda at its Budget and Implementation Committee and this afternoon with the Western Riverside County Programs and Projects Committee so the December 13 Commission meeting may go longer than usual.

## **14. COMMISSIONER COMMENTS**

There were no comments from the Commissioners.

**15. ADJOURNMENT**

There being no further business for consideration by the Budget and Implementation Committee, the meeting was adjourned at 10:35 a.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Lisa", with a long horizontal flourish extending to the right.

Lisa Mobley  
Administrative Services  
Director/Clerk of the Board

# **AGENDA ITEM 6B**



<b>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</b>	
<b>DATE:</b>	February 26, 2024
<b>TO:</b>	Budget and Implementation Committee
<b>FROM:</b>	Matt Wallace, Deputy Director of Financial Administration
<b>THROUGH:</b>	Sergio Vidal, Chief Financial Officer
<b>SUBJECT:</b>	Quarterly Sales Tax Analysis

**STAFF RECOMMENDATION:**

This item is for the Committee to recommend the Commission to take the following action(s):

- 1) Receive and file the sales tax analysis for the Quarter 3, 2023 (3Q 2023).

**BACKGROUND INFORMATION:**

At its May 2023 meeting, the Commission awarded an agreement with MuniServices, an Avenu Insights and Analytics Company (MuniServices), for quarterly sales tax reporting services plus additional fees contingent on additional sales tax revenues generated from the transactions and use tax (sales tax) audit services. The services performed under this agreement pertain to only the Measure A sales tax revenues.

Since the commencement of these services, MuniServices submitted audits, which reported findings and submitted to the California Department of Tax and Fee Administration (CDTFA), for review and determination of errors in sales tax reporting related to 1,657 businesses. Through 2Q 2023, the CDTFA approved \$17,251,462 of cumulative sales tax revenues recovered for the Commission. If CDTFA concurs with the error(s) for the remaining claims, the Commission will receive additional revenues; however, the magnitude of the value of the remaining findings was not available. It is important to note that while the recoveries of additional revenues will be tangible, it will not be sufficient to alter the overall trend of sales tax revenues.

MuniServices provided the Commission with the Quarterly Sales Tax Digest Summary report for 3Q 2023. Most of the 3Q 2023 Measure A sales tax revenues were received in the third quarter of calendar year 2023, during September 2023 through November 2023, due to a lag in the sales tax calendar. The summary section of the 3Q 2023 report is attached and includes an overview of California’s economic outlook, local results, historical cash collections analysis by quarter, top 25 sales/use tax contributors, historical sales tax amounts, annual sales tax by business category, and five-year economic trend (general retail).

Taxable transactions for the top 25 contributors in Riverside County generated 26.47 percent of taxable sales for the benchmark year ended 3Q 2023, slightly more than the benchmark year

ended 3Q 2022 at 26.22 percent. The top 100 tax contributors generated 40.42 percent for the benchmark year ended 3Q 2023, more than the 39.73 percent for the benchmark year ended 3Q 2022.

In the Economic Category Analysis below, three of the six categories experienced new highs in the 3Q 2023 benchmark year compared to the prior eight benchmark years.

ECONOMIC CATEGORY ANALYSIS									
% of Total / % Change	RCTC	State Wide	Orange County	Riverside County	S.F. Bay Area	Sacramento Valley	Central Valley	South Coast	North Coast
<b>General Retail</b>	28.5 / -1.0	28.3 / 0.6	27.1 / 0.4	34.4 / 0.5	23.6 / -4.0	28.5 / 0.5	37.0 / 0.8	26.9 / 2.2	27.1 / 2.6
<b>Food Products</b>	16.6 / 2.2	21.0 / 2.7	20.6 / 0.4	17.8 / 0.5	23.0 / 4.0	16.6 / 2.2	14.7 / 2.8	22.9 / 3.1	18.2 / 1.4
<b>Transportation</b>	23.3 / -5.2	23.9 / -3.8	25.6 / 1.3	23.8 / -3.5	19.9 / -5.2	26.6 / -5.9	22.8 / -3.2	24.9 / -2.5	28.9 / -7.2
<b>Construction</b>	10.9 / -1.9	9.8 / -4.3	8.2 / -2.6	12.6 / -2.1	10.5 / -7.2	12.5 / -9.1	10.0 / -5.3	8.8 / -1.6	14.6 / -4.7
<b>Business to Business</b>	16.2 / 6.4	16.0 / -4.2	17.6 / -3.8	10.9 / 3.1	21.7 / -5.8	14.7 / 0.3	14.8 / -3.4	15.6 / -4.5	10.2 / -9.6
<b>Miscellaneous</b>	4.6 / 8.8	1.0 / -0.5	1.0 / 11.2	0.6 / -2.5	1.3 / 3.3	1.1 / 1.8	0.7 / -6.9	1.1 / -0.4	1.0 / 11.0
<b>Total</b>	<b>100.0 / -0.1</b>	<b>100.0 / -1.3</b>	<b>100.0 / -0.3</b>	<b>100 / -0.6</b>	<b>100.0 / -3.2</b>	<b>100.0 / -2.3</b>	<b>100.0 / -1.2</b>	<b>100.0 / -0.3</b>	<b>100.0 / -2.9</b>

General Retail: Apparel Stores, Department Stores, Furniture/Appliances, Drug Stores, Recreation Products, Florist/Nursery, and Misc. Retail  
 Food Products: Restaurants, Food Markets, Liquor Stores, and Food Processing Equipment  
 Construction: Building Materials Retail and Building Materials Wholesale  
 Transportation: Auto Parts/Repair, Auto Sales - New, Auto Sales - Used, Service Stations, and Misc. Vehicle Sales  
 Business to Business: Office Equip., Electronic Equip., Business Services, Energy Sales, Chemical Products, Heavy Industry, Light Industry, Leasing, Biotechnology, I.T. Infrastructure, and Green Energy  
 Miscellaneous: Health & Government, Miscellaneous Other, and Closed Account Adjustments

An analysis of sales tax performance through 3Q 2023 is attached and illustrates consistent cycles for sales tax performance for most of the economic categories since 3Q 2018, apart from COVID-19 impacts for some categories.

For the top 10 economic segments (miscellaneous retail, auto sales – new, restaurants, department stores, building materials – wholesale, service stations, food markets, heavy industry, apparel stores and building materials – retail) during the past eight benchmark year quarters, sales tax reached a new high point in 3Q 2023 for five out of ten categories. The economic segments represent 73.07 percent of the total sales tax receipts. For the remaining 21 economic segments representing 26.93 percent of total sales tax receipts, 7 economic segments representing 9.53 percent of total sales tax receipts reached new high points in the benchmark year 3Q 2023.

In the Economic Segment Analysis below, miscellaneous retail, which includes online retailers, is RCTC’s largest economic segment, followed by auto sales – new and restaurants. Since the benchmark year 3Q 2016, each of these segments has realized significant sales tax growth. Miscellaneous retail has increased 155 percent, auto sales – new has increased 58 percent, and the restaurant segment has increased 57 percent when comparing benchmark year 3Q 2016 to benchmark year 3Q 2023. The increase related to online sales is largely a result of the recent legislation to tax online sales along with general consumer spending shifting from brick and mortars to online.

As noted, auto sales-new and restaurants have also experienced increases since 3Q 2016 due to general price increases (inflation) and improved consumer demand.

ECONOMIC SEGMENT ANALYSIS									
	RCTC	State Wide	Orange County	Riverside County	S.F. Bay Area	Sacramento Valley	Central Valley	South Coast	North Coast
<b>Largest Segment</b>	Miscellaneous Retail	Restaurants	Restaurants	Miscellaneous Retail	Restaurants	Miscellaneous Retail	Miscellaneous Retail	Restaurants	Restaurants
% of Total / % Change	11.7 / 0.9	15.1 / 5.1	15.3 / 3.4	17.1 / 2.4	17.0 / 6.2	11.7 / 10.5	14.8 / 11.0	16.9 / 5.3	11.5 / 1.4
<b>2nd Largest Segment</b>	Auto Sales - New	Auto Sales - New	Auto Sales - New	Restaurants	Auto Sales - New	Restaurants	Department Stores	Auto Sales - New	Auto Sales - New
% of Total / % Change	11.3 / -2.4	11.5 / -0.3	14.8 / 6.0	11.4 / 4.8	9.6 / -2.7	11.3 / 3.1	10.9 / -1.9	12.8 / 0.4	11.4 / 0.9
<b>3rd Largest Segment</b>	Restaurants	Miscellaneous Retail	Miscellaneous Retail	Auto Sales - New	Department Stores	Auto Sales - New	Restaurants	Miscellaneous Retail	Department Stores
% of Total / % Change	10.6 / 3.8	9.9 / 9.4	9.1 / 8.3	11.0 / 0.9	7.7 / -2.9	11.3 / -1.1	9.8 / 4.8	8.6 / 14.9	10.8 / 20.0

Information regarding sales tax comparison by city and change in economic segments (two highest gains and two highest declines) for 3Q 2023 to 3Q 2022 is attached.

Staff will monitor sales tax receipts and other available economic data to determine the need for any adjustments to the revenue projections. Staff will utilize the forecast scenarios with the complete report and receipt trends in assessing such projections.

**FISCAL IMPACT:**

This is an information item. There is no fiscal impact.

**Attachments:**

- 1) Sales Tax Digest Summary 3Q 2023
- 2) Sales Tax Performance Analysis by Quarter 3Q 2023
- 3) Quarterly Sales Tax Comparison by City for 3Q 2023 to 3Q 2022



# Riverside County Transportation Commission Sales Tax Digest Summary

Attachment 1

## Collections through December 2023 Sales through September 2023 (2023Q3)

### CALIFORNIA'S ECONOMIC OUTLOOK

California sales tax receipts decreased by 3.2% over the same quarter from the previous year, with Northern California reporting a 4.5% decrease compared to a 2.3% decrease for Southern California. Receipts for the RCTC decreased by 3.1% over the same periods.

Real Gross Domestic Product (GDP) increased at an annual rate of 3.0% in the third quarter of 2023. U.S. inflation decreased to 3.6% in October of 2023 compared to 7.7% the same month a year ago. California's headline inflation decreased to 3.6% year over year as of August of 2023, down from 7.5% in August of 2022. (DIR, BEA, BLS, October Finance Bulletin)

The U.S. unemployment rate increased slightly to 3.8% in September of 2023. California's unemployment rate decreased to 4.7% in September of 2023, 0.3 percentage point higher than March of 2023 rate of 4.4%. (BLS, October Finance Bulletin)

U.S. personal income increased by 4.8% for the third quarter of 2023, compared to same quarter previous year. Compensation of employees increased by 5.4% while personal current taxes decreased by 11.4% from the previous period, resulting in a net gain of 7.6% in disposable income. The increase of disposable income generated a 33.1% increase in US personal savings for the third quarter of 2023, compared to same quarter previous year. (BEA)

### LOCAL RESULTS

#### Net Cash Receipts Analysis

Local Collections	\$68,692,320
Less: Cost of Administration	\$(584,040)
Net 3Q2023 Receipts	\$68,108,280
Net 3Q2022 Receipts	\$70,317,461
Actual Percentage Change	-3.1%

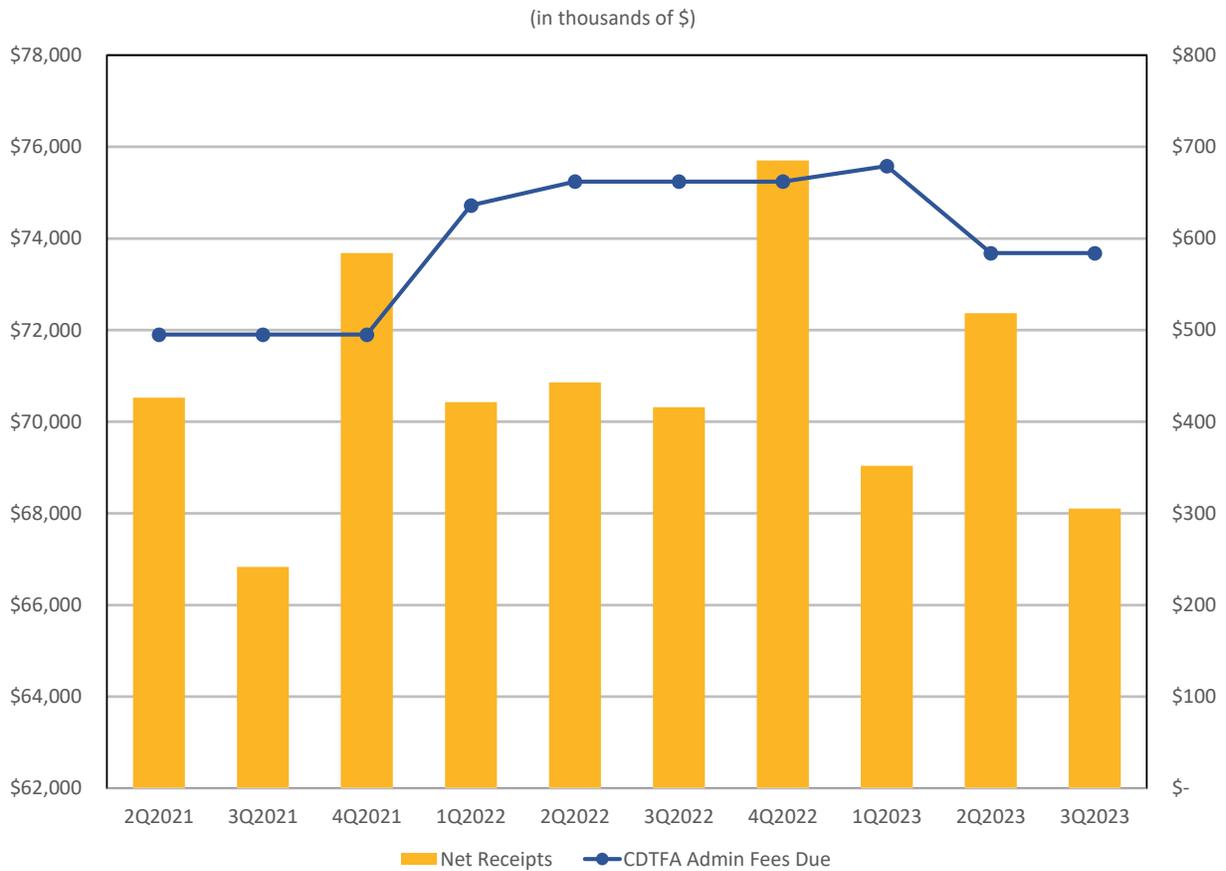
#### Business Activity Performance Analysis

Local Collections – Economic Basis 3Q2023	\$68,039,000
Local Collections – Economic Basis 3Q2022	\$73,728,386
Quarter over Quarter Change	-\$1,486,243
Quarter over Quarter Percentage Change	-2.1%

#### Avenu Insights & Analytics' On-Going Audit Results

Total Recovered Since Inception	\$17,251,462
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## HISTORICAL CASH COLLECTIONS ANALYSIS BY QUARTER



## TOP 25 SALES/USE TAX CONTRIBUTORS

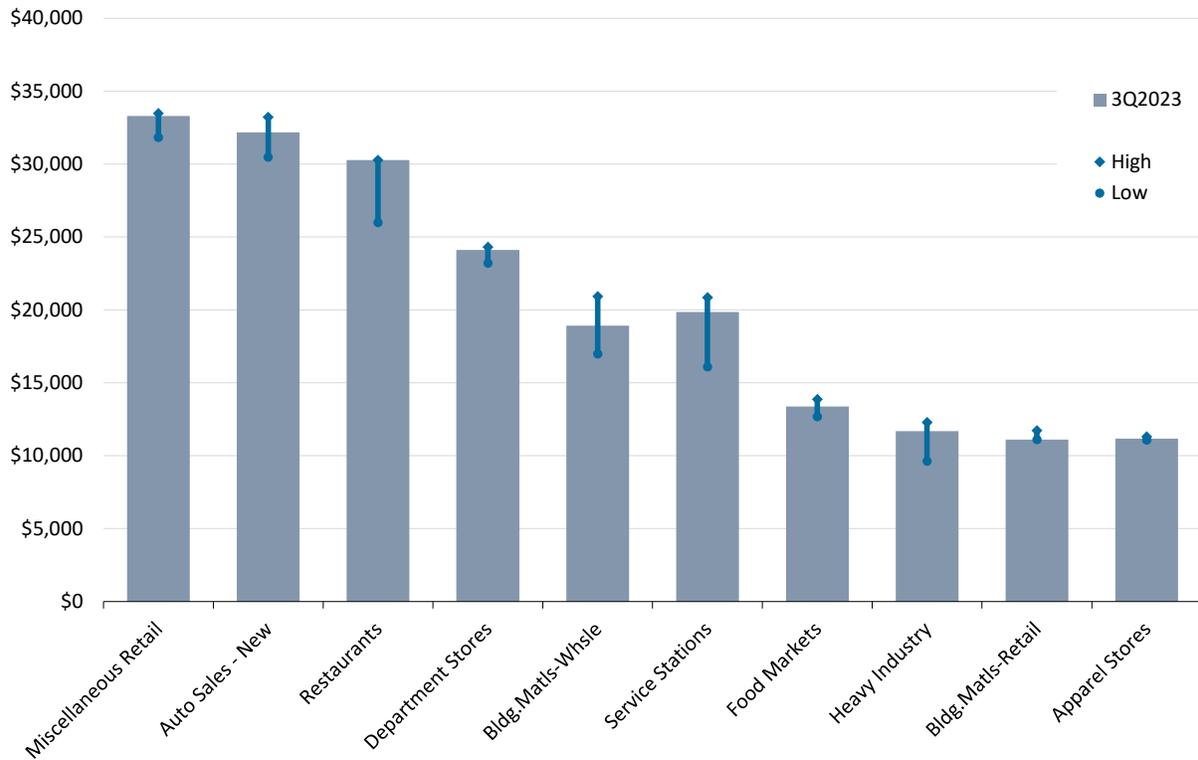
The following list identifies RCTC’s Top 25 Sales/Use Tax contributors. The list is in alphabetical order and represents sales from October 2022 to September of 2023. The Top 25 Sales/Use Tax contributors generate 26.5% of RCTC’s total sales and use tax revenue.

- |                              |                         |
|------------------------------|-------------------------|
| 7-ELEVEN FOOD STORES         | MCDONALD'S RESTAURANTS  |
| AMAZON.COM – EC              | PILOT TRAVEL CENTER     |
| AMAZON.COM SERVICES – EC     | RALPH'S GROCERY COMPANY |
| ARCO AM/PM MINI MARTS        | ROSS STORES             |
| BEST BUY STORES              | SAM'S CLUB              |
| CARMAX AUTO SUPERSTORES      | SHELL SERVICE STATIONS  |
| CED LIGHTING SOLUTIONS       | STATER BROS MARKETS     |
| CHEVRON SERVICE STATIONS     | TARGET STORES           |
| CIRCLE K FOOD STORES         | TESLA                   |
| COSTCO WHOLESALE             | TRINA SOLAR             |
| DEPARTMENT OF MOTOR VEHICLES | VERIZON WIRELESS        |
| HOME DEPOT                   | WAL MART STORES         |
| LOWE'S HOME CENTERS          |                         |

\* "- EC" added to the end of business names represents electronic commerce.

## HISTORICAL SALES TAX AMOUNTS

The following chart shows the sales tax level from annual sales through September of 2023, the highs, and the lows for the top ten segments over the last two years in thousands of \$.

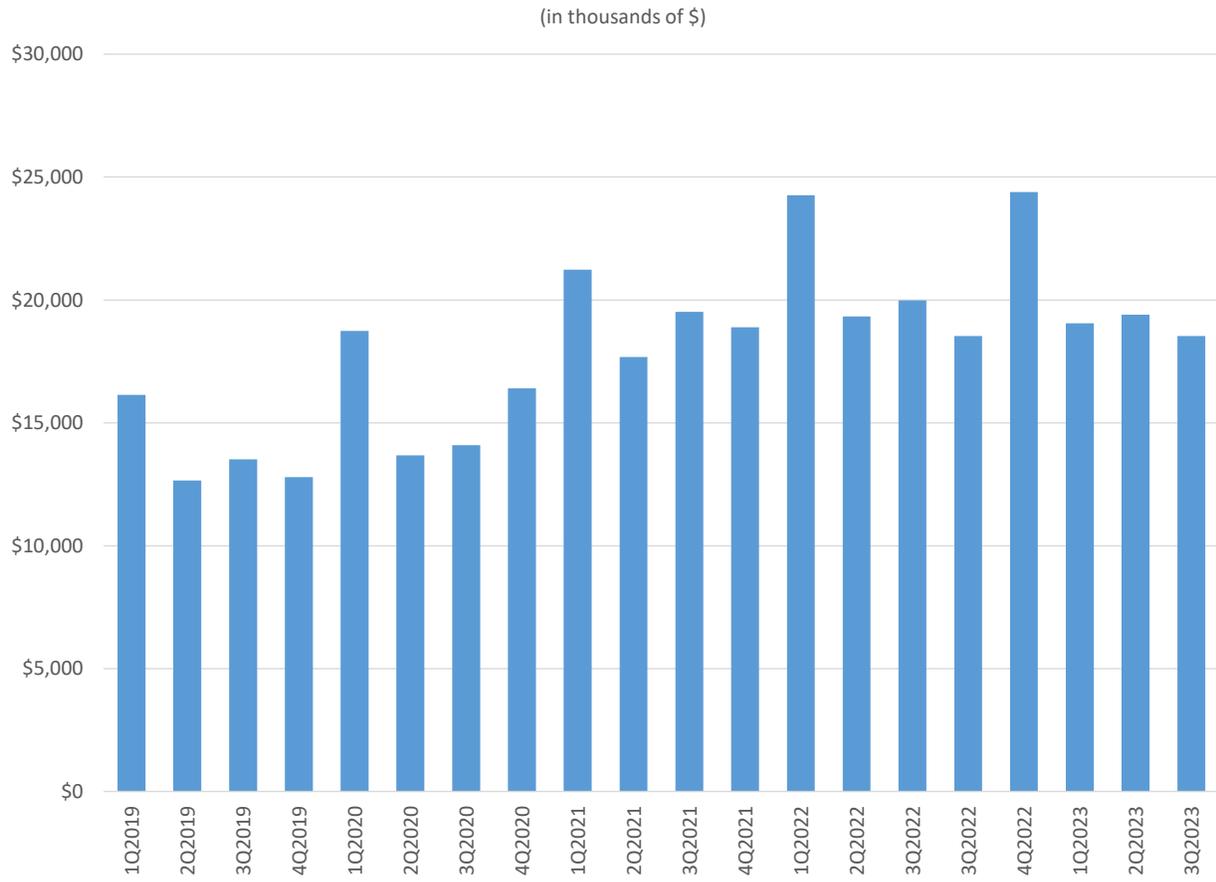


## ANNUAL SALES TAX BY BUSINESS CATEGORY

(in thousands of \$)



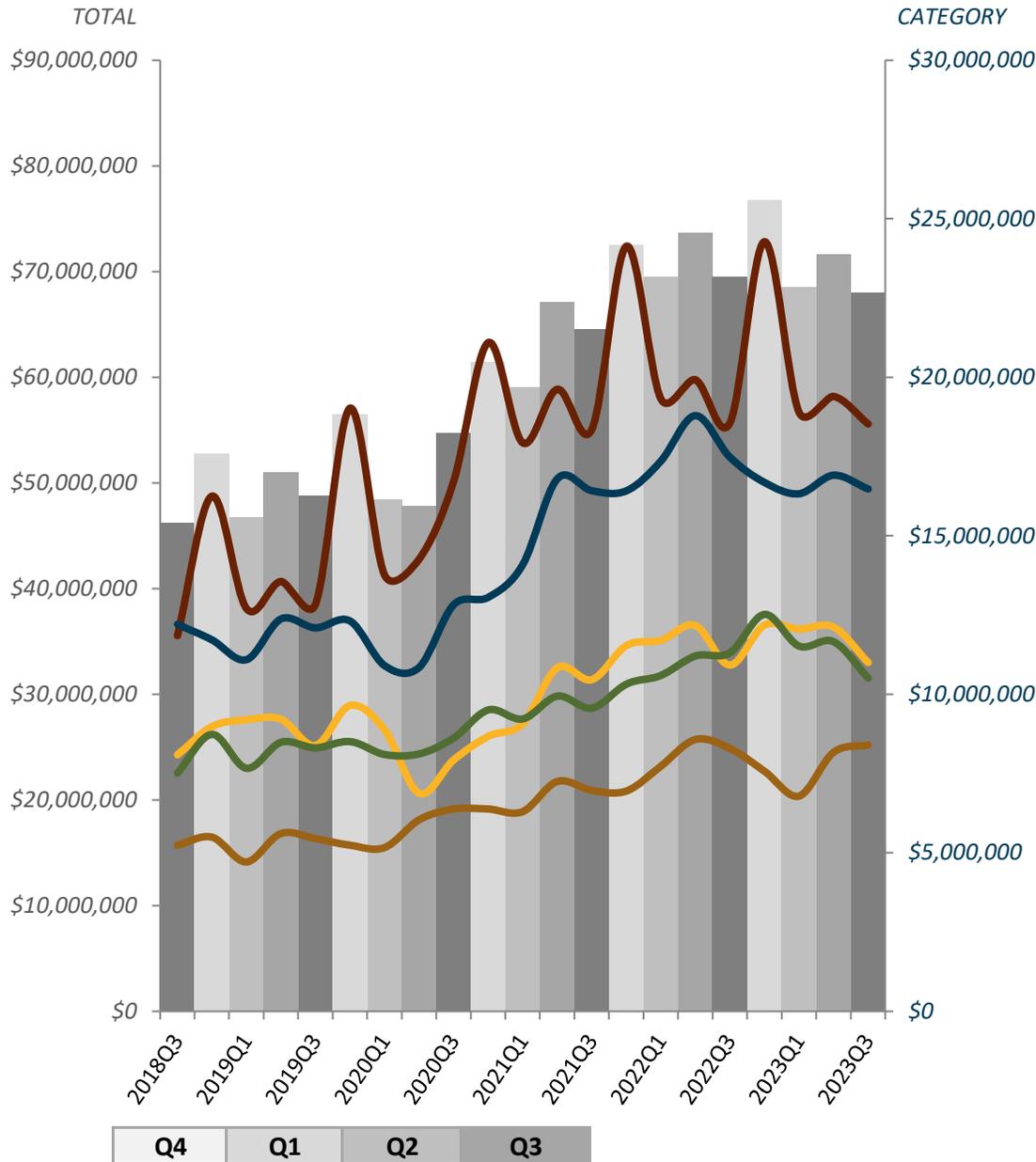
## FIVE-YEAR ECONOMIC TREND: General Retail



**TOTAL**

**Confidential**

**Economic**



TOTAL				
2023Q3	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$68,039,000	-2.1%	-\$1,486,243	-0.1%	-\$236,105

GENERAL RETAIL				
2023Q3	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$18,533,695	-0.2%	-\$30,331	-1.0%	-\$842,306
% of 2023Q3 Total:		27.2%		

FOOD PRODUCTS				
2023Q3	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$10,999,728	0.7%	\$76,281	2.2%	\$1,030,482
% of Total:		16.2%		

TRANSPORTATION				
2023Q3	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$16,481,516	-5.7%	-\$1,001,692	-5.2%	-\$3,644,117
% of Total:		24.2%		

CONSTRUCTION				
2023Q3	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$8,403,096	1.3%	\$109,189	-1.9%	-\$609,916
% of Total:		12.4%		

BUSINESS TO BUSINESS				
2023Q3	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$10,512,555	-7.1%	-\$798,153	6.4%	\$2,778,695
% of Total:		15.5%		

QoQ = 23Q3 / 22Q3

YoY = YE 23Q3 / YE 22Q3



## RCTC: Quarterly Comparison of 2022Q3 and 2023Q3 (July through September Sales)

	General Retail	Food Products	Transportation	Construction	Business To Bus	Miscellaneous	Jul - Sep 2023 (2023Q3)	Jul - Sep 2022 (2022Q3)	% Chg	Gain	Gain	Decline	Decline
<b>RIVERSIDE COUNTY</b>													
BANNING	7.5%	1.6%	-2.4%	2.4%	34.8%	-23.2%	<b>801,332</b>	784,028	<b>2.2%</b>	Electronic Equipment	Apparel Stores	Misc. Vehicle Sales	Auto Sales - Used
BEAUMONT	2.5%	0.2%	-7.9%	-7.0%	-24.3%	-19.4%	<b>5,763,452</b>	5,739,790	<b>0.4%</b>	Miscellaneous Retail	Electronic Equipment	Heavy Industry	Service Stations
BLYTHE	-10.7%	2.7%	0.9%	-16.6%	4.4%	74.5%	<b>395,732</b>	401,379	<b>-1.4%</b>	Auto Sales - New	Restaurants	Service Stations	Bldg.Matls-Whsle
CALIMESA	2.9%	5.6%	-3.7%	5.8%	-25.2%	-61.9%	<b>356,092</b>	360,893	<b>-1.3%</b>	Florist/Nursery	Restaurants	Miscellaneous Retail	Light Industry
CANYON LAKE	42.5%	-8.7%	-0.2%	-65.7%	50.7%	8.7%	<b>82,374</b>	79,853	<b>3.2%</b>	Miscellaneous Retail	Recreation Products	Restaurants	Service Stations
CATHEDRAL CITY	-6.1%	-4.0%	0.7%	-15.2%	-4.3%	6.0%	<b>2,809,523</b>	2,849,390	<b>-1.4%</b>	Auto Sales - New	Office Equipment	Service Stations	Misc. Vehicle Sales
COACHELLA	-14.4%	7.2%	-0.5%	-5.6%	12.8%	9.5%	<b>1,165,457</b>	1,157,752	<b>0.7%</b>	Light Industry	Restaurants	Drug Stores	Florist/Nursery
CORONA	44.6%	0.2%	-8.4%	9.6%	-3.3%	-28.9%	<b>13,335,064</b>	12,296,542	<b>8.4%</b>	Miscellaneous Retail	Bldg.Matls-Whsle	Service Stations	Auto Sales - New
COUNTY OF RIVERSIDE	-5.2%	4.5%	-5.4%	-8.0%	-21.6%	57.5%	<b>9,953,105</b>	10,580,799	<b>-5.9%</b>	Restaurants	Heavy Industry	Leasing	Miscellaneous Retail
DESERT HOT SPRINGS	-3.7%	4.5%	-5.2%	14.4%	1.5%	-0.8%	<b>496,105</b>	501,372	<b>-1.1%</b>	Bldg.Matls-Whsle	Restaurants	Service Stations	Bldg.Matls-Retail
EASTVALE	7.5%	2.7%	0.4%	3.9%	-21.2%	-17.9%	<b>10,649,249</b>	10,020,714	<b>6.3%</b>	Miscellaneous Retail	Restaurants	Department Stores	Office Equipment
HEMET	1.5%	2.3%	-17.1%	-2.4%	1.5%	35.4%	<b>3,495,500</b>	3,791,808	<b>-7.8%</b>	Restaurants	Florist/Nursery	Auto Sales - New	Service Stations
INDIAN WELLS	-10.3%	5.3%	0.0%	-23.1%	-32.8%	361.6%	<b>160,385</b>	155,895	<b>2.9%</b>	Restaurants	Miscellaneous Other	Miscellaneous Retail	Bldg.Matls-Whsle
INDIO	7.7%	2.6%	3.6%	-8.6%	0.8%	-42.1%	<b>3,621,200</b>	3,568,084	<b>1.5%</b>	Auto Sales - New	Heavy Industry	Bldg.Matls-Whsle	Food Markets
JURUPA VALLEY	-12.9%	3.5%	-6.3%	-7.1%	-0.1%	-44.9%	<b>4,595,004</b>	4,870,901	<b>-5.7%</b>	Light Industry	Restaurants	Service Stations	Department Stores
LA QUINTA	0.4%	-0.3%	-2.1%	-2.0%	-15.6%	5.3%	<b>2,112,911</b>	2,133,162	<b>-0.9%</b>	Apparel Stores	Liquor Stores	Furniture/Appliance	Business Services
LAKE ELSINORE	-8.5%	2.1%	-4.7%	-10.4%	34.7%	40.0%	<b>3,192,730</b>	3,252,413	<b>-1.8%</b>	Heavy Industry	Restaurants	Department Stores	Drug Stores
MENIFEE	-0.4%	3.5%	-2.3%	178.1%	0.5%	7.9%	<b>3,279,506</b>	2,704,444	<b>21.3%</b>	Bldg.Matls-Whsle	Restaurants	Heavy Industry	Bldg.Matls-Retail
MORENO VALLEY	-13.8%	3.4%	-7.6%	-8.9%	14.4%	37.5%	<b>7,355,241</b>	7,919,109	<b>-7.1%</b>	Heavy Industry	Restaurants	Miscellaneous Retail	Auto Sales - New
MURRIETA	15.5%	2.2%	-12.0%	-2.2%	-10.1%	-22.6%	<b>5,741,159</b>	5,737,586	<b>0.1%</b>	Department Stores	Restaurants	Auto Sales - Used	Auto Sales - New
NORCO	-0.1%	1.1%	-13.1%	6.9%	-2.1%	7.7%	<b>2,342,246</b>	2,508,649	<b>-6.6%</b>	Florist/Nursery	Bldg.Matls-Whsle	Auto Sales - Used	Service Stations
PALM DESERT	-8.6%	0.9%	-9.1%	-5.8%	30.6%	-2.0%	<b>4,339,560</b>	4,559,612	<b>-4.8%</b>	Office Equipment	Restaurants	Furniture/Appliance	Miscellaneous Retail
PALM SPRINGS	0.4%	-17.3%	-9.8%	-8.4%	-23.7%	30.0%	<b>3,243,301</b>	3,653,967	<b>-11.2%</b>	Apparel Stores	Business Services	Restaurants	Auto Sales - New
PERRIS	-11.4%	-0.4%	-7.9%	-1.8%	-5.6%	-47.2%	<b>6,134,221</b>	6,562,925	<b>-6.5%</b>	Department Stores	Business Services	Miscellaneous Retail	Light Industry
RANCHO MIRAGE	-9.3%	3.8%	-21.5%	-10.3%	-8.6%	-8.4%	<b>1,238,737</b>	1,361,669	<b>-9.0%</b>	Restaurants	Health & Government	Auto Sales - New	Bldg.Matls-Whsle
RIVERSIDE	-1.5%	-0.5%	7.6%	-3.7%	-4.5%	-4.1%	<b>19,833,423</b>	19,638,858	<b>1.0%</b>	Auto Sales - New	Heavy Industry	Leasing	Electronic Equipment
SAN JACINTO	20.0%	-0.3%	-17.2%	-14.1%	-5.6%	7.0%	<b>1,041,080</b>	1,031,267	<b>1.0%</b>	Department Stores	Restaurants	Service Stations	Food Markets
TEMECULA	-8.7%	0.2%	-4.4%	-13.3%	1.2%	-14.8%	<b>10,172,388</b>	10,650,879	<b>-4.5%</b>	Light Industry	Electronic Equipment	Department Stores	Furniture/Appliance
WILDOMAR	15.5%	-0.5%	-4.8%	-38.2%	162.6%	9.2%	<b>711,295</b>	690,703	<b>3.0%</b>	Heavy Industry	Drug Stores	Bldg.Matls-Whsle	Service Stations



# **AGENDA ITEM 6C**



<b>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</b>	
<b>DATE:</b>	February 26, 2024
<b>TO:</b>	Budget and Implementation Committee
<b>FROM:</b>	Michele Cisneros, Deputy Director of Finance
<b>THROUGH:</b>	Sergio Vidal, Chief Financial Officer
<b>SUBJECT:</b>	Quarterly Financial Statements

**STAFF RECOMMENDATION:**

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the Quarterly Financial Statements for the six months ended December 2023.

**BACKGROUND INFORMATION:**

During the first six months of the fiscal year, staff monitored the revenues and expenditures of the Commission. The attached financial statements present the revenues and expenditures for the first six months of the fiscal year. Period closing accrual adjustments are not included for revenues earned but not billed and expenditures incurred for goods and services received but not yet invoiced, as such adjustments are normally made during the year-end closing process.

The operating statement shows the Measure A and Local Transportation Fund (LTF) sales tax revenues for the first quarter at 32 percent of the budget. This is a result of Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for nonexchange Transactions*. GASB Statement No. 33 requires sales tax revenues to be accrued for the period in which they are collected at the point of destination or sale, as applicable. The California Department of Tax and Fee Administration collects the sales tax funds and remits these funds to the Commission after the reporting period for the businesses. This creates a two-month lag in the receipt of revenues by the Commission. Accordingly, these financial statements reflect the revenues related to collections thru October 2023.

On a cash basis, the Measure A and LTF sales tax receipts are 3.78 percent and 2.31 lower percent, respectively, then the same period last fiscal year. State Transit Assistance revenues, including State of Good Repair for the second quarter of Fiscal Year 2023/24, are expected to be received in the third quarter of FY 2023/24. Staff will continue to monitor the trends in the sales taxes and report to the Commission any necessary adjustments in revenue projections.

Federal, state, and local reimbursements are generally on a reimbursement basis. The Commission will receive these revenues as eligible project costs are incurred and invoiced to the respective agencies. The negative revenue amounts for state reimbursements reflect the reversal of the FY 2022/23 accrued revenues at the beginning of FY 2023/24 in excess of amounts billed through the second quarter. Reimbursement invoices for expenditures for the second quarter will be prepared and submitted in the third quarter.

During the FY 2023/24 budget process, the Commission estimated the Transportation Uniform Mitigation Fee (TUMF) revenues at \$30 million passed through from Western Riverside Council of Governments. Through the second quarter of FY 2023/24, the Commission received TUMF revenues through October 2023 of \$13.2 million. The Commission expects to receive November and December TUMF revenues in the third quarter. The \$1 million TUMF zone reimbursement budget reflects the Interstate 10 Highland Springs Avenue Interchange project and eligible expenditures will be invoiced as incurred.

The RCTC 91 Express Lanes and 15 Express Lanes toll revenues, penalties, and fees are at \$42.5 million and \$20.8 million, respectively, totaling \$63.3 million for the second quarter of FY 2023/24. The operating statement shows toll revenues, penalties, and fees at 65 percent of the budget. This reflects periodic toll rate changes made based on traffic volumes according to the approved toll policy on the RCTC 91 Express Lanes. Staff will continue to monitor the toll transactions and/or trips and non-toll revenues.

The operating statement shows other revenues at 98 percent of the \$723,500 budget and reflects property management lease revenues.

During the FY 2023/24 budget process, the Commission estimated investment income at \$13,242,700 due to current market conditions. The operating statement shows investment income, which includes net unrealized investment gains and losses at \$19.4 million.

The expenditures/expenses and other financing sources/uses categories are in line overall with the expectations with the following exceptions:

- Salaries and benefits are under budget primarily due to unfilled positions for an Accounting Technician, IT Administrator, and Senior Capital Projects Manager;
- Professional services are under budget primarily due to unused budget authority for general legal services; financial advisory services; audit services; rail operations and development activities; and highway, commuter assistance, specialized transportation, and regional conservation other professional services;
- Support costs are under budget due to unused budget authority for rail station maintenance and repairs; express lanes operations and maintenance; call box maintenance and repairs; advertising; and software and computer maintenance and repairs;

- Program operations are under budget due to unused budget authority for rail station security; toll operations; motorist and commuter assistance program operations; and highway and rail program management;
- The status of significant Commission capital projects (engineering, construction, design-build, and right of way/land) with budget amounts exceeding \$5 million is discussed within Attachment 1;
- Operating and capital disbursements are made as claims are submitted to the Commission by transit operators;
- Special studies unused budget authority is related to feasibility studies;
- Local street and roads expenditures are related to Measure A sales tax revenues. These financial statements reflect the turnback payments thru October 2023;
- Regional arterial expenditures represent expenditures for the highway and regional arterial program administered by the Coachella Valley Association of Governments (CVAG). CVAG requests reimbursements from the Commission based on available funds and sufficient budget authority;
- Debt service principal payments are made annually on June 1, while debt service interest payments are made semiannually on December 1 and June 1. In accordance with the applicable accounting standards related to the Enterprise funds, both the RCTC 91 and 15 Express Lanes Enterprise funds record accrued and compounded interest on its related debt such as the RCTC 91 Express Lanes 2021 Toll Refunding Bonds and 2013 Toll Revenue Bonds, Series B capital appreciation bonds for the 91 Project as well as the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan for the 15 Express Lanes project. Therefore, \$3.5 million of the \$14.6 million interest cost through the second quarter will not be paid in the current year for the RCTC 91 and 15 Express Lanes Enterprise funds and therefore, not included in the FY 2023/24 budget;
- Capital outlay expenditures are under budget due to unused budget authority for office improvements, property improvements for station rehabilitation, toll operations equipment, and Commission network, hardware, and software improvements;
- Depreciation is recorded as part of the accrual adjustments in the RCTC 91 and 15 Express Lanes Enterprise funds accounting records; however, depreciation is considered a non-cash transaction and not included in the FY 2023/24 budget; and
- Transfers in and out include the second quarter administrative cost allocation process, Measure A Sales Tax Bonds debt funding, and LTF disbursements for planning and programming activities.

**FISCAL IMPACT:**

This is an information item. There is no fiscal impact.

Attachments:

- 1) Quarterly Project Status – December 2023
- 2) Quarterly Financial Statements – December 2023



**RIVERSIDE COUNTY TRANSPORTATION COMMISSION  
QUARTERLY PROJECT STATUS  
2<sup>nd</sup> QUARTER  
FOR SIX MONTHS ENDED 12/31/2023**

Project Description	FY 2023/24 through 2 <sup>nd</sup> Quarter Budget	Expenditures through 2 <sup>nd</sup> Quarter Actuals	Project Status
<p><b>91 Express Lanes (P009103 &amp; P009104)</b> These projects provide repair and rehabilitation of SR-91 general purpose and express lanes, as well as the implementation of a new back-office system. <b>The FY2023/24 budget amount is \$8,516,200.</b></p>	\$5,210,850	\$3,271,328	The under run of the FY 2023/24 budget at the second quarter is due to lower than anticipated expended costs for Phase 2 corridor improvements and associated project construction (\$1.1 million), construction management (\$0.1 million) and back-office system implementation (\$0.8 million).
<p><b>I-15 Express Lanes Southern Extension (P003044)</b> The project will add express lanes between SR-74 and Cajalco Road. The estimated project cost is \$544 million with the Project Approval and Environmental Document (PA/ED) phase of work funded by federal Congestion Mitigation and Air Quality (CMAQ) funds and Measure A. <b>The FY 2023/24 budget amount is \$16,803,200.</b></p>	4,901,700	1,372,761	The under run of the FY 2023/24 budget at the second quarter is due to lower than anticipated expended costs for the preliminary engineering and environmental document contract (\$2.6 million), program management, staff labor, legal, and other professional services (\$1.0 million).
<p><b>15/91 Express Lanes Connector (P003039)</b> The 15/91 Express Lane Connector (ELC) project constructs an express lanes median direct connector from southbound I-15 to westbound SR-91 and from eastbound SR-91 to northbound I-15 in the city of Corona. The project also adds tolled express lanes in each direction of I-15 from the 15/91 ELC to Hidden Valley Parkway; adds a tolled express lane in each direction of SR-91 from east of Lincoln Avenue to the 15/91 ELC; extends the tolled express lane along eastbound SR-91 from I-15 to west of Promenade Avenue; and extends an eastbound auxiliary lane along SR-91 from west of I-15 to west of Promenade Avenue. The project also includes the addition of a toll collection system infrastructure along I-15 and SR-91. The estimated project cost is \$270 million and the project is partially funded by state funds allocated under Senate Bill (SB) 132 legislation. The connector is expected to open to traffic in 2023. <b>The FY 2023/24 budget amount is \$36,914,000.</b></p>	17,995,300	12,392,561	The under run of the FY 2023/24 budget at the second quarter is due to delayed invoicing from the design builder (\$4.7 million) and lower than anticipated expended costs from the project construction management contract (\$0.8 million), and toll marketing (\$0.4 million).

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION  
 QUARTERLY PROJECT STATUS  
 2<sup>nd</sup> QUARTER  
 FOR SIX MONTHS ENDED 12/31/2023**

Project Description	FY 2023/24 through 2 <sup>nd</sup> Quarter Budget	Expenditures through 2 <sup>nd</sup> Quarter Actuals	Project Status
<p><b>Mid County Parkway (MCP) (P002302, P002317, P002320, P002324, &amp; P002328)</b>            The environmental document for a new corridor from I-215 to SR-79 was approved in April 2015. The first design package is under construction. Construction of this new facility will be completed over many years as funding becomes available; the total project cost is estimated at \$1.3 to \$2.1 billion. <b>The FY 2023/24 budget amount is \$ \$29,874,700.</b></p>	5,552,700	3,216,607	<p>The under run of the FY 2023/24 budget at the second quarter is primarily due to the following for each project:</p> <ul style="list-style-type: none"> <li>• MCP: The minimal under run is due to right of way (ROW) acquisition and ROW support (\$0.07 million).</li> <li>• MCP I-215/Placentia Interchange: The over run for this project was due to the ROW acquisitions (\$0.8 million) and construction (\$0.2 million).</li> <li>• MCP Mitigation: The first year of plant establishment was completed at the beginning of the third quarter in FY 2020/21 and the under run in the second quarter of FY 2023/24 was due to mitigation property monitoring (\$1.5 million).</li> <li>• MCP2 and MCP3: The Commission approved the shift from MCP2 to MCP3 at the May 2022 Commission meeting. The under run was due to unused ROW acquisition/support services on MCP2 (\$0.07 million) and final design on MCP3 (\$1.0 million).</li> </ul>
<p><b>71/91 Connector Project (P003021)</b>            The project includes ROW acquisition, utility relocation, and environmental revalidation work for improvements to the 71/91 connector. The estimated project cost is \$118 million. <b>The FY 2023/24 budget amount is \$66,221,900.</b></p>	27,615,950	19,412,144	<p>The under run of the FY 2023/24 budget at the second quarter is due to construction (\$6.8 million), construction management (\$0.7 million), less than anticipated costs for ROW acquisitions (\$0.3 million) and program management (\$0.3 million).</p>
<p><b>Smart Freeways (P003051)</b>            The project includes environmental clearance, design, and commence construction of a pilot project to install a smart freeway system on northbound I-15 in the city of Temecula. <b>The FY 2023/24 budget amount is \$16,180,000.</b></p>	2,080,000	223,807	<p>The under run of the FY 2023/24 budget at the second quarter is due to FY 2022/23 accrual reversal, delayed invoicing from the preliminary design firm (\$0.1 million), engineering &amp; environmental support services (\$0.7 million), and lower than expected costs for construction management (\$0.8 million). Construction is not scheduled to commence until the second half of FY 2023/24.</p>

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION  
 QUARTERLY PROJECT STATUS  
 2<sup>nd</sup> QUARTER  
 FOR SIX MONTHS ENDED 12/31/2023**

Project Description	FY 2023/24 through 2 <sup>nd</sup> Quarter Budget	Expenditures through 2 <sup>nd</sup> Quarter Actuals	Project Status
<p><b>Santa Ana River Trail Extension (SART) (P007201 &amp; P007202)</b>            The Commission provides support to the Riverside County Regional Park and Open Space District (District) for the projects 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 projects are a joint effort with several public and private agencies including the county of Orange and the United States Army Corps of Engineers. The District is responsible for 100% of costs. <b>The FY 2023/24 budget amount is \$6,756,700.</b></p>	2,796,000	399,639	The under run of the FY 2023/24 budget at the second quarter is due to final design (\$0.2 million) and preliminary engineering (\$0.09 million) for SART 1. Additionally, the underrun in SART 2 is due to ROW acquisition and support (\$1.6 million) and final design (\$0.2 million).
<p><b>Moreno Valley-March Field station upgrade (P004026)</b>            The project will remove and replace approximately 2.5 miles of existing rail and wood ties with new rail and concrete ties, remove / replace / regrade track ballast, improve track drainage, install new track signals and Positive Train Control system, connect to existing signals and communication systems, build a new second passenger loading platform, extend the existing passenger loading platform to current Metrolink station standards, and perform other improvements necessary to bring the tracks into compliance with Metrolink standards. <b>The FY 2023/24 budget amount is \$ 18,398,900.</b></p>	8,299,450	6,933,607	The under run of the FY 2023/24 budget at the second quarter is primarily due to construction support (\$1.5 million) that is offset by the slight overrun in construction and construction management (\$0.2 million).

This list discusses the significant capital projects (i.e., total budgeted costs in excess of \$5 million) and related status. Capital project expenditures are generally affected by lags in invoices submitted by contractors and consultants, as well as issues encountered during certain phases of the projects. The capital projects budgets tend to be based on aggressive project schedules.



**RIVERSIDE COUNTY TRANSPORTATION COMMISSION**  
**QUARTERLY BUDGET TO ACTUAL**  
**2ND QUARTER**  
**FOR SIX MONTHS ENDED 12/31/2023**

ATTACHMENT 2

	FY 2023/24 BUDGET	2ND QUARTER ACTUAL	REMAINING BALANCE	PERCENT UTILIZATION
<b>Revenues</b>				
Sales tax	\$ 473,394,500	\$ 149,417,627	\$ 323,976,873	32%
Federal reimbursements	92,672,300	32,964,672	59,707,628	36%
State reimbursements	83,141,100	10,372,018	72,769,082	12%
Local reimbursements	30,075,000	5,460,867	24,614,133	18%
Transportation Uniform Mitigation Fee	31,000,000	13,646,969	17,353,031	44%
Tolls, penalties, and fees	97,989,000	63,324,422	34,664,578	65%
Other revenues	723,500	706,612	16,888	98%
Investment income	13,242,700	19,438,809	(6,196,109)	147%
<b>Total revenues</b>	<b>822,238,100</b>	<b>295,331,997</b>	<b>526,906,103</b>	<b>36%</b>
<b>Expenditures/Expenses</b>				
Salaries and benefits	17,563,900	7,249,308	10,314,592	41%
Professional and support				
Professional services	24,786,900	4,957,684	19,829,216	20%
Support costs	21,676,800	8,101,173	13,575,627	37%
<b>Total Professional and support costs</b>	<b>46,463,700</b>	<b>13,058,857</b>	<b>33,404,843</b>	<b>28%</b>
<b>Projects and operations</b>				
Program operations	49,584,200	10,240,237	39,343,963	21%
Engineering	34,591,600	4,829,299	29,762,301	14%
Construction	272,316,900	29,625,155	242,691,745	11%
Design Build	40,510,200	11,308,776	29,201,424	28%
Right of way/land	45,974,200	6,758,354	39,215,846	15%
Operating and capital disbursements	252,871,300	96,355,493	156,515,807	38%
Special studies	14,890,000	448,745	14,441,255	3%
Local streets and roads	84,545,100	27,258,523	57,286,577	32%
Regional arterials	30,000,000	9,352,252	20,647,748	31%
<b>Total projects and operations</b>	<b>825,283,500</b>	<b>196,176,833</b>	<b>629,106,667</b>	<b>24%</b>
<b>Debt service</b>				
Principal	32,635,000	-	32,635,000	N/A
Interest	58,781,200	32,926,797	25,854,403	56%
<b>Total debt service</b>	<b>91,416,200</b>	<b>32,926,797</b>	<b>58,489,403</b>	<b>36%</b>
Capital outlay	7,842,200	2,491,360	5,350,840	32%
Depreciation	-	9,449,546	(9,449,546)	N/A
<b>Total Expenditures/Expenses</b>	<b>988,569,500</b>	<b>261,352,701</b>	<b>727,216,799</b>	<b>26%</b>
<b>Excess revenues over (under) expenditures/expenses</b>	<b>(166,331,400)</b>	<b>33,979,296</b>	<b>(200,310,696)</b>	<b>-20%</b>
<b>Other financing sources/(uses)</b>				
Transfer in	212,463,600	73,821,624	138,641,976	35%
Transfer out	(212,463,600)	(73,821,624)	(138,641,976)	35%
<b>Total financing sources/(uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>
<b>Net change in fund balances</b>	<b>(166,331,400)</b>	<b>33,979,296</b>	<b>200,310,696</b>	<b>-20%</b>
Fund balance July 1, 2023	1,382,220,300	1,200,727,959	(181,492,341)	87%
<b>Fund balance December 31, 2023</b>	<b>\$ 1,215,888,900</b>	<b>\$ 1,234,707,255</b>	<b>\$ 18,818,355</b>	<b>102%</b>

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION**  
**QUARTERLY BUDGET TO ACTUAL BY FUND**  
**2ND QUARTER**  
**FOR SIX MONTHS ENDED 12/31/2023**

	SPECIAL REVENUE FUNDS												
	MEASURE A SALES TAX				TRANSPORTATION DEVELOPMENT ACT								
	GENERAL FUND	FSP/ SAFE	WESTERN COUNTY	COACHELLA VALLEY	PALO VERDE VALLEY	LOCAL TRANSPORTATION FUND	STATE TRANSIT ASSISTANCE	STATE OF GOOD REPAIR	TRANSPORTATION UNIFORM MITIGATION FEE (TUMF)	COACHELLA VALLEY RAIL	OTHER AGENCY PROJECTS	REGIONAL CONSERVATION	SB132
Revenues													
Sales tax	\$ -	\$ -	\$ 72,632,078	\$ 17,447,180	\$ 347,121	\$ 49,797,659	\$ 7,690,734	\$ 1,502,854	\$ -	\$ -	\$ -	\$ -	\$ -
Federal reimbursements	3,342,538	-	28,216,068	-	-	-	-	-	-	-	-	-	-
State reimbursements	1,048,413	1,781,267	7,772,655	-	-	-	-	(41,014)	(189,302)	-	-	-	-
Local reimbursements	24	1,225	1,442,676	-	-	-	-	-	-	299,493	3,717,450	-	-
Transportation Uniform Mitigation Fee	-	-	-	-	-	-	-	-	13,646,969	-	-	-	-
Tolls, penalties, and fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenues	15	-	354,357	-	-	-	-	-	9,000	-	-	-	292,750
Investment income	343,093	118,061	4,155,954	1,104,951	-	2,881,020	1,626,194	120,142	1,687,053	20,620	5,689	7,688	310,639
<b>Total revenues</b>	<b>4,734,083</b>	<b>1,900,553</b>	<b>114,573,787</b>	<b>18,552,132</b>	<b>347,121</b>	<b>52,678,680</b>	<b>9,316,928</b>	<b>1,581,982</b>	<b>15,153,720</b>	<b>20,620</b>	<b>305,182</b>	<b>3,725,138</b>	<b>603,389</b>
Expenditures/Expenses													
Salaries and benefits	3,232,544	50,744	1,355,131	1,464	-	-	-	-	68,177	20,314	40,036	1,468,259	201,710
Professional and support													
Professional services	1,366,001	44,235	1,404,544	3,679	-	-	7,360	98,520	114,181	19,741	2,359	1,298,468	40,498
Support costs	2,224,068	46,504	1,440,389	-	-	-	-	-	326	4,901	(13)	294,493	2,378
<b>Total Professional and support costs</b>	<b>3,590,069</b>	<b>90,739</b>	<b>2,844,934</b>	<b>3,679</b>	<b>-</b>	<b>-</b>	<b>7,360</b>	<b>98,520</b>	<b>114,507</b>	<b>24,641</b>	<b>2,345</b>	<b>1,594,961</b>	<b>42,876</b>
Projects and operations													
Program operations	11,076	1,729,013	4,722,366	-	-	-	-	-	74,244	4,102	58,963	21,564	153,159
Engineering	-	-	3,174,428	-	-	-	-	-	170,877	-	257,433	-	1,226,561
Construction	-	-	28,349,420	-	-	-	-	-	(450,106)	-	-	-	(249,815)
Design Build	-	-	(500,433)	-	-	-	-	-	-	-	-	-	10,870,538
Right of way/land	-	-	6,165,631	-	-	-	-	-	41,978	-	41,499	361,908	147,339
Operating and capital disbursements	16,574,482	-	1,545,275	2,758,333	-	75,842,815	(355,561)	(9,852)	-	-	-	-	-
Special studies	448,745	-	-	-	-	-	-	-	-	-	-	-	-
Local streets and roads	-	-	20,889,789	6,028,113	340,621	-	-	-	-	-	-	-	-
Regional arterials	-	-	-	9,352,252	-	-	-	-	-	-	-	-	-
<b>Total projects and operations</b>	<b>17,034,303</b>	<b>1,729,013</b>	<b>64,346,476</b>	<b>18,138,699</b>	<b>340,621</b>	<b>75,842,815</b>	<b>(355,561)</b>	<b>(9,852)</b>	<b>(163,008)</b>	<b>4,102</b>	<b>357,895</b>	<b>383,472</b>	<b>12,147,781</b>
Debt service													
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total debt service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capital outlay	69,446	369	2,421,545	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures/Expenses</b>	<b>23,926,362</b>	<b>1,870,864</b>	<b>70,948,085</b>	<b>18,143,842</b>	<b>340,621</b>	<b>75,842,815</b>	<b>(348,201)</b>	<b>88,668</b>	<b>19,675</b>	<b>49,057</b>	<b>400,276</b>	<b>3,446,692</b>	<b>12,392,367</b>
Excess revenues over (under)	(19,192,279)	29,689	43,605,702	408,290	6,500	(23,164,136)	9,665,129	1,493,313	15,134,044	(28,437)	(95,094)	278,446	(11,788,978)
Other financing sources/(uses)													
Transfer in	23,477,245	-	3,318,838	-	-	-	-	-	25,257	-	-	-	12,392,561
Transfer out	(493,800)	(131,300)	(37,132,876)	(284,800)	(18,900)	(18,241,645)	(35,200)	(9,800)	(51,200)	(8,500)	-	(618,000)	-
<b>Total financing sources/(uses)</b>	<b>22,983,445</b>	<b>(131,300)</b>	<b>(33,814,038)</b>	<b>(284,800)</b>	<b>(18,900)</b>	<b>(18,241,645)</b>	<b>(35,200)</b>	<b>(9,800)</b>	<b>(25,943)</b>	<b>(8,500)</b>	<b>-</b>	<b>(618,000)</b>	<b>12,392,561</b>
Net change in fund balances	3,791,166	(101,611)	9,791,664	121,490	(12,400)	(41,405,781)	9,629,929	1,483,513	15,108,101	(36,937)	(95,094)	(339,554)	603,583
Fund balance July 1, 2023	37,100,151	13,328,700	438,154,128	96,210,303	-	336,576,925	142,158,549	12,661,636	148,270,737	2,257,390	28,174	(2,362)	1,003,665
<b>Fund balance December 31, 2023</b>	<b>\$ 40,891,317</b>	<b>\$ 13,227,089</b>	<b>\$ 447,945,792</b>	<b>\$ 96,331,793</b>	<b>\$ (12,400)</b>	<b>\$ 295,171,144</b>	<b>\$ 151,788,478</b>	<b>\$ 14,145,149</b>	<b>\$ 163,378,838</b>	<b>\$ 2,220,453</b>	<b>\$ (66,920)</b>	<b>\$ (341,916)</b>	<b>\$ 1,607,248</b>

RIVERSIDE COUNTY TRANSPORTATION COMMISSION  
 QUARTERLY BUDGET TO ACTUAL BY FUND  
 2ND QUARTER  
 FOR SIX MONTHS ENDED 12/31/2023

	ENTERPRISE FUND		CAPITAL PROJECTS FUNDS			
	15 EXPRESS LANES	91 EXPRESS LANES	COMMERCIAL PAPER	SALES TAX BONDS	DEBT SERVICE	COMBINED TOTAL
Revenues						
Sales tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 149,417.627
Federal reimbursements	-	-	-	-	1,406,066	32,964.672
State reimbursements	-	-	-	-	-	10,372.018
Local reimbursements	-	-	-	-	-	5,460.867
Transportation Uniform Mitigation Fee	-	-	-	-	-	13,646.969
Tolls, penalties, and fees	20,794.552	42,529.870	-	-	-	63,324.422
Other revenues	50,491	-	-	-	-	706,612
Investment income	2,185,870	3,559,912	402,696	461,420	447,806	19,438,809
Total revenues	23,030,912	46,089,782	402,696	461,420	1,853,872	295,331,997
Expenditures/Expenses						
Salaries and benefits	239,464	571,465	-	-	-	7,249,308
Professional and support	-	-	-	-	-	-
Professional services	183,213	374,885	-	-	-	4,957,684
Support costs	1,754,020	2,332,108	-	-	-	8,101,173
Total Professional and support costs	1,937,233	2,706,994	-	-	-	13,058,857
Projects and operations						
Program operations	2,192,588	1,273,163	-	-	-	10,240,237
Engineering	-	-	-	-	-	4,829,299
Construction	-	1,975,457	-	-	-	29,625,155
Design Build	-	938,672	-	-	-	11,308,776
Right of way/land	-	-	-	-	-	6,758,354
Operating and capital disbursements	-	-	-	-	-	96,355,493
Special studies	-	-	-	-	-	448,745
Local streets and roads	-	-	-	-	-	27,258,523
Regional arterials	-	-	-	-	-	9,352,252
Total projects and operations	2,192,588	4,187,491	-	-	-	196,176,833
Debt service						
Principal	-	-	-	-	-	-
Interest	2,159,660	12,477,118	-	-	18,290,019	32,926,797
Total debt service	2,159,660	12,477,118	-	-	18,290,019	32,926,797
Capital outlay	-	-	-	-	-	2,491,360
Depreciation	6,235,532	3,214,014	-	-	-	9,449,546
Total Expenditures/Expenses	12,764,477	23,157,082	-	-	18,290,019	261,352,701
Excess revenues over (under)	10,266,436	22,932,700	402,696	461,420	(16,436,147)	33,979,296
Other financing sources/(uses)						
Transfer in	204	-	-	-	34,607,519	73,821,624
Transfer out	(201,500)	(13,273,061)	-	(1,912,976)	(1,406,066)	(73,821,624)
Total financing sources/(uses)	(201,296)	(13,273,061)	-	(1,912,976)	33,201,453	-
Net change in fund balances	10,065,140	9,659,639	402,696	(1,451,556)	16,745,306	33,979,296
Fund balance July 1, 2023	262,717,804	(333,152,076)	13,392,732	18,149,828	11,871,675	1,200,727,959
Fund balance December 31, 2023	\$ 272,782,944	\$ (323,492,437)	\$ 13,795,428	\$ 16,698,272	\$ 28,636,981	\$ 1,234,707,255



# **AGENDA ITEM 6D**



<b>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</b>	
<b>DATE:</b>	February 26, 2024
<b>TO:</b>	Budget and Implementation Committee
<b>FROM:</b>	Megan Kavand, Senior Financial Analyst
<b>THROUGH:</b>	Sergio Vidal, Chief Financial Officer
<b>SUBJECT:</b>	Monthly Investment Report

**STAFF RECOMMENDATION:**

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the Monthly Investment Report for the month ended January 31, 2024.

**BACKGROUND INFORMATION:**

The Commission’s investment reports have generally reflected investments primarily concentrated in the Riverside County Pooled Investment Fund as well as investments in mutual funds for sales tax revenue bonds debt service payments.

As a result of significant project financings such as the State Route 91 Corridor Improvement Project (91 Project or 91 CIP) and the Interstate 15 Express Lanes Project (I-15 ELP), the Commission engaged MetLife Investment Management, LLC, formerly Logan Circle Partners, L.P. (MetLife), as the investment manager for the bond proceeds and other required funds. Additionally, the Commission engaged Payden & Rygel Investment Management (Payden & Rygel) to make specific investments for Commission operating funds. The Commission approved initial agreements with the investment managers in May 2013 following a competitive procurement and has extended the agreements through the annual recurring contracts process.

MetLife invested the debt proceeds and subsequent other required contributions for the 91 Project and I-15 ELP in separate accounts of the Short-Term Actively Managed Program (STAMP). The Commission completed the 91 Project financing in 2013, the I-15 ELP and 91 Project completion financing (2017 Financing) in July 2017 and the 2021 91 Project refinancing (2021 Financing) in October 2021. Consistent with financing expectations, the Commission expended all 91 Project debt proceeds and equity contributions, except for the toll revenue bonds debt service reserve, and subsequent to commencement of operations, established other required accounts. The Commission continues to expend the 2017 Financing bond proceeds on the I-15 ELP and funded required reserve accounts.

The monthly investment report for January 2024, as required by state law and Commission policy, reflects the investment activities resulting from the 91 Project, 2017 Financing, 2021 Financing

and available operating cash. As of January 31, 2024, the Commission’s cash and investments were comprised of the following:

CASH AND INVESTMENTS PORTFOLIO	AMOUNTS <sup>1</sup>
Operating	\$ 948,686,855
Trust	297,792,540
Commission-managed	223,167,488
STAMP for 91 CIP	59,814,163
STAMP for 2017 Financing	15,999,130
<b>Total</b>	<b>\$ 1,545,460,176</b>
Note: <sup>1</sup> Unreconciled and unaudited	

As of January 31, 2024, the Commission’s cash and investments are in compliance with both the Commission’s investment policy adopted on October 11, 2023, and permitted investments described in the indenture for the Commission’s sales tax revenue bonds and the master indentures for the Commission’s toll revenue bonds. Additionally, the Commission has adequate cash flows for the next six months.

**FISCAL IMPACT:**

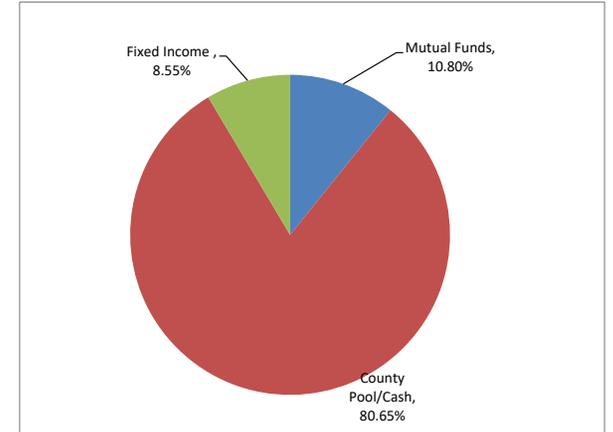
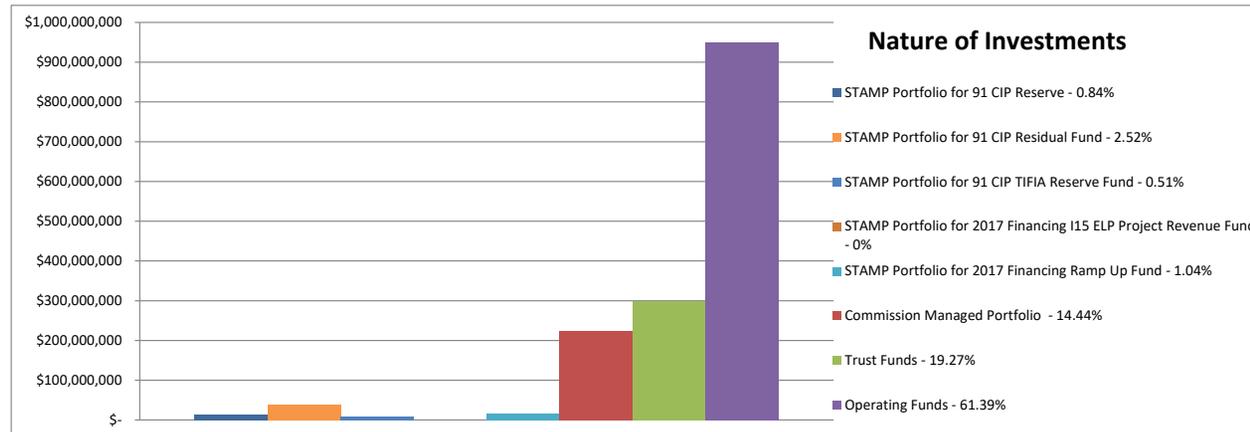
This is an information item. There is no fiscal impact.

Attachment: Investment Portfolio Report

Riverside County Transportation Commission  
Investment Portfolio Report  
Period Ended: January 31, 2024

	STATEMENT BALANCE <sup>1</sup>	FINANCIAL INSTUTION	STATEMENTS	RATING MOODY'S / S&P	COUPON RATE	PAR VALUE	PURCHASE DATE	MATURITY DATE	YIELD TO MATURITY	PURCHASE COST	MARKET VALUE	UNREALIZED GAIN (LOSS)
<b>OPERATING FUNDS</b>												
City National Bank Deposits	11,608,778	City National Bank	Available upon request	A3/BBB+	N/A				N/A			
County Treasurer's Pooled Investment Fund	937,078,077	County Treasurer	Available upon request					Available upon request				
<b>Subtotal Operating Funds</b>	<b>948,686,855</b>											
<b>FUNDS HELD IN TRUST</b>												
County Treasurer's Pooled Investment Fund: Local Transportation Fund	297,792,540	County Treasurer	Available upon request					Available upon request				
<b>Subtotal Funds Held in Trust</b>	<b>297,792,540</b>											
<b>COMMISSION MANAGED PORTFOLIO</b>												
US Bank Payden & Rygel Operating	56,291,822	US Bank	Available upon request					Available upon request				
First American Government Obligation Fund	166,875,666	US Bank	Available upon request	N/A	N/A				N/A			
<b>Subtotal Commission Managed Portfolio</b>	<b>223,167,488</b>											
<b>STAMP PORTFOLIO for 91 CIP</b>												
2013 Series A & Series B Reserve Fund	13,031,833	US Bank	Available upon request					Available upon request				
2021 Series B Reserve Fund	38,923,953	US Bank	Available upon request					Available upon request				
2021 Series C Reserve Fund	7,858,377	US Bank	Available upon request					Available upon request				
<b>Subtotal STAMP Portfolio - 91 CIP</b>	<b>59,814,163</b>											
<b>STAMP PORTFOLIO for 2017 Financing</b>												
Ramp Up Fund	15,999,130	US Bank	Available upon request					Available upon request				
<b>Subtotal STAMP Portfolio - 2017 Financing</b>	<b>15,999,130</b>											
<b>TOTAL All Cash and Investments</b>	<b>\$ 1,545,460,176</b>											

Notes:  
<sup>1</sup> Unreconciled and unaudited





# **AGENDA ITEM 6E**



<b>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</b>	
<b>DATE:</b>	February 26, 2024
<b>TO:</b>	Budget and Implementation Committee
<b>FROM:</b>	Jonathan Marin, Senior Management Analyst
<b>THROUGH:</b>	David Knudsen, External Affairs Director
<b>SUBJECT:</b>	Quarterly Public Engagement Metrics Report, October - December 2023

**STAFF RECOMMENDATION:**

This item is for the Committee to recommend the Commission to take the following action(s):

- 1) Receive and file the Quarterly Public Engagement Metrics Report for October - December 2023.

**BACKGROUND INFORMATION:**

The Public Affairs staff continues to measure a wide range of public engagement activities to prepare the Quarterly Public Engagement Metrics Report for the Commission. Activities include social media interactions, website visits, public sentiment, and other forms of engagement originating from the Commission’s various digital communication channels. Through these channels, staff continuously highlight the Commission’s successes, project deliveries and updates, significant milestones, partnerships, programs, and investments made through Measure A.

The quarterly reports are a data-driven approach to monitor the Commission’s progress toward public engagement goals, its efforts’ effectiveness, and provide transparency into how the Commission is using its resources to engage with the public. This report covers the fourth quarter of 2023, from October to December.

The metrics provided are compared against the previous quarter, which can produce varying results based on the activity level in any one quarter.

This quarter’s report includes three sets of data:

- 1) Metrics for RCTC’s overall public engagement activities including public sentiment on social media; social media followers, engagement, and reach; email notifications; website use and access; and top pages visited.
- 2) Metrics for RCTC’s 15/91 Express Lanes Connector Project including email activity, text messages, website sessions, and social media followers. The 15/91 Express Lanes

Connector opened on November 21, 2023. Construction closures are no longer nightly. This will be the last metrics reporting for this project.

- 3) Metrics for RCTC's 71/91 Interchange Project including email activity, website sessions, and social media following.

### **RCTC Overall Public Engagement**

#### **1) Social Media**

- a. Public sentiment during the fourth quarter was positive overall. Posts highlighting the IE Commuter program, completion of the Clinton Keith Project in southwest Riverside County, and Traffic Relief Plan presentations to city councils contributed to increased levels of positive engagement experienced during this quarter.
- b. **Facebook:** A modest increase of 0.1% in followers occurred during the fourth quarter – increasing to 13,502 from 13,491. Engagement (likes, comments, video views, and shares) increased 61%, totaling 39,267 compared to 24,613 in the third quarter. Posts reached 330,304 unique users (followers and non-followers), representing a 19% increase from the previous quarter's mark of 227,261.
- c. **X (formerly known as Twitter):** Followers on the platform grew slightly from 1,745 to 1,772 – a 2% increase. Engagement decreased 47%, from 975 to 520, while impressions decreased by 43%, from 19,337 to 10,923.
- d. **Instagram:** The platform experienced a 3% growth in followers, increasing to 3,843 compared to the previous quarter's mark of 3,796. Engagement during the fourth quarter grew by 45%, from 7,966 to 11,585. Content on this platform reached 296,973 users – representing an increase of 66% compared to last quarter's 179,160.
- e. The strong increase in engagement and reach from quarter-to-quarter was due to the high-profile 71/91 Interchange Project closures that took place during this fourth quarter.

- 2) **The Point E-Newsletter:** Producing engaging and high-quality content for RCTC's official blog, *The Point*, continues to be a priority. The monthly email newsletter features news stories about the Commission's successes, project milestones, and local transportation programs. During the fourth quarter of 2023, newsletter subscribers grew from 6,191 to 6,685 – an 8% increase. 43% of the newsletter subscribers opened *The Point* email, and 4.7% clicked on the email links to read more. The open rate for the newsletter continues to outperform the industry (government) average of 34%.

#### **3) Website**

- a. Website sessions were down slightly during this quarter, from 124,781 to 123,330 - a 1% decrease. 100,078 unique users visited the website, a decrease of 9%, compared to the previous quarter's mark of 111,025.
- b. Direct website visits (typing in *rctc.org*) made up 57% of total sessions, while visitors using a search engine accounted for 26%. Paid search Google Ads were responsible for 7% of all website visits during this quarter. Referrals from external

sites, such as the Go511 and The Press-Enterprise websites, made up 5% of total visits. Social media links drove 4% of website traffic and email links were responsible for 1%.

- c. Website access by desktop comprised most of the web traffic at 64%, while mobile (phones and tablets) made up the remaining 36%.
- d. The 71/91 Interchange Project closures webpage was the most visited during the fourth quarter, followed by the 71/91 Interchange Project construction updates page, then the homepage (rctc.org).

### **15/91 Express Lanes Connector Public Engagement**

- 1) **Emails:** Subscribers during the past quarter totaled 3,135, a decrease from the previous quarter's total of 3,152. The project team has received 34 emails to date.
- 2) **Texts:** A total of 727 people registered to receive text message updates, representing a 38% increase from the previous quarter.
- 3) **Webpage:** 6,140 visits to the project page occurred during the third quarter, totaling 48,426 visits to date.
- 4) **Social Media:** Followers on the project's Facebook page increased to 3,392, an increase from the previous quarter's total of 3,365. X (formerly known as Twitter) followers grew from 448 to 474. Instagram followers increased from 971 to 982 followers.

### **71/91 Interchange Project Public Engagement**

- 1) **Emails:** Email sign-ups during the fourth quarter totaled 2,903, representing a 16% increase in subscribers. The project team received 17 inquiries.
- 2) **Texts:** 1,527 people registered to receive text message updates of the project – a 38% increase from the previous quarter.
- 3) **Webpage:** 34,643 visits to the project, construction update, and closures webpages occurred during the fourth quarter.
- 4) **Social Media:** Facebook page followers totaled 1,413 compared to the third quarter's 1,195 - a 18% increase. Instagram followers increased by 13%, from 1,748 to 1,982. Followers on X (formerly known as Twitter) grew by 25% from 135 to 161.

### **FISCAL IMPACT:**

This is an informational item. There is no fiscal impact.

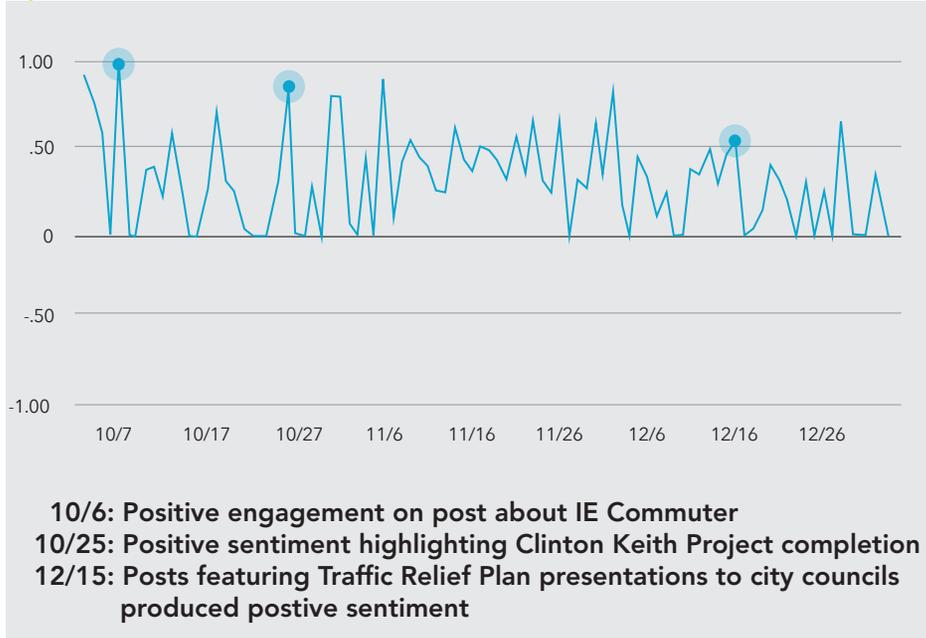
#### Attachments:

- 1) RCTC Overall Public Engagement Metrics
- 2) 15/91 Express Lanes Connector Construction Public Engagement Metrics
- 3) 71/91 Interchange Construction Public Engagement Metrics

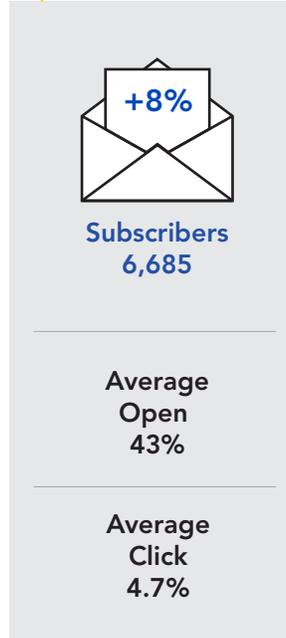


RCTC **Public Engagement Metrics: Q4**

**Overall Social Media Sentiment**



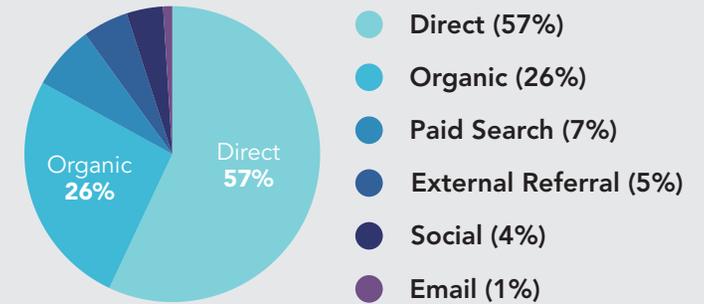
**Eblasts**



**Web**



**Top Channels**

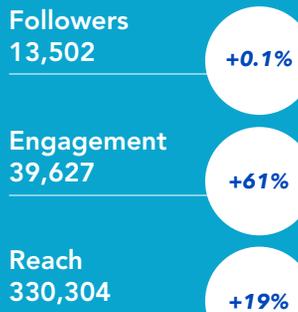


**Differences**

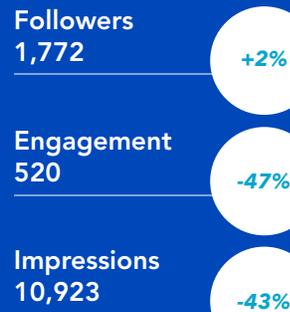
Organic and paid search web traffic increased during the quarter as a result of the 71/91 Interchange Project closures. Referrals from external websites, such as FasTrak, Go511, and Press Enterprise, also increased.

**Social Media**

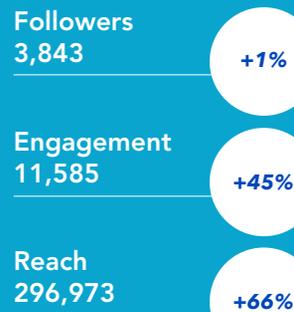
**Facebook**



**X**  
formerly known as Twitter



**Instagram**



**Top Pages Visited**

- 71/91 Interchange Project - Closures
- 71/91 Interchange Project - Construction Updates
- Home Page

**Desktop vs Mobile Users**

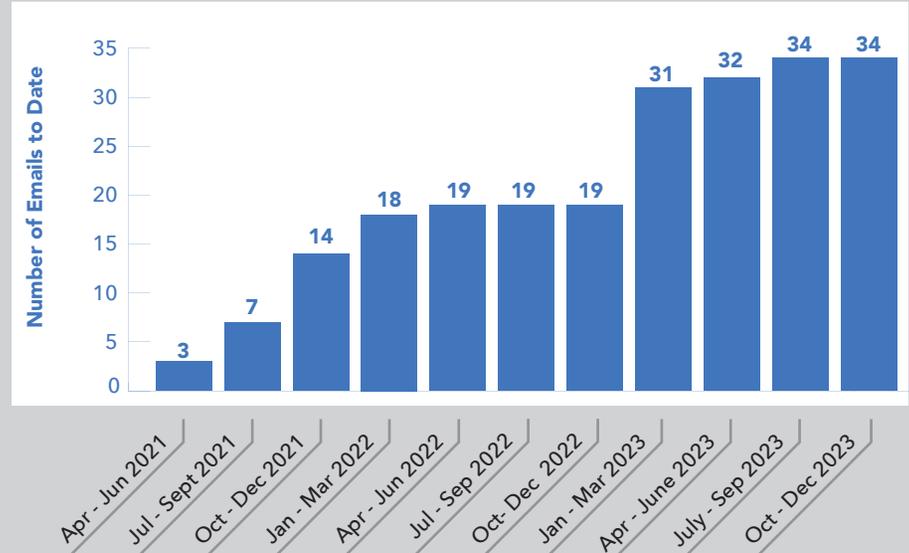




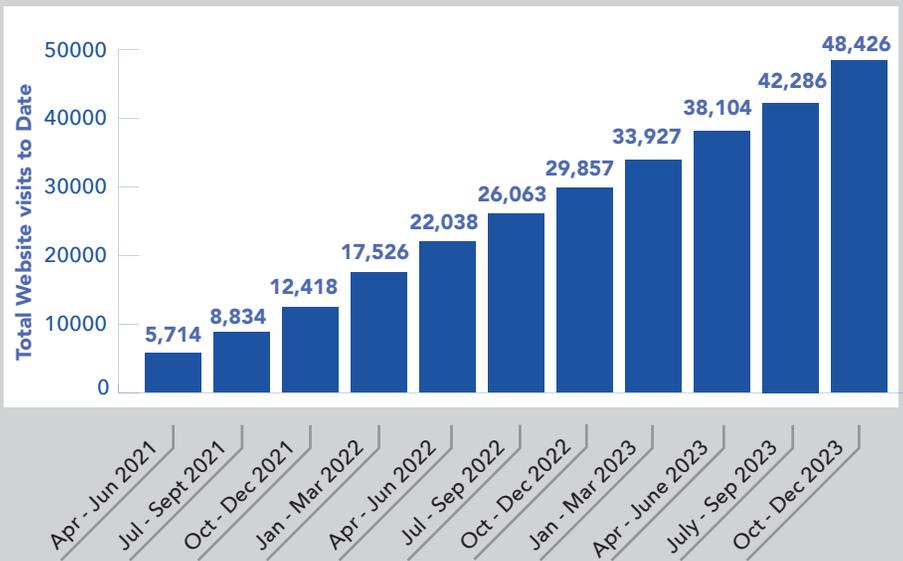
## Email & Text Alert Sign-Ups



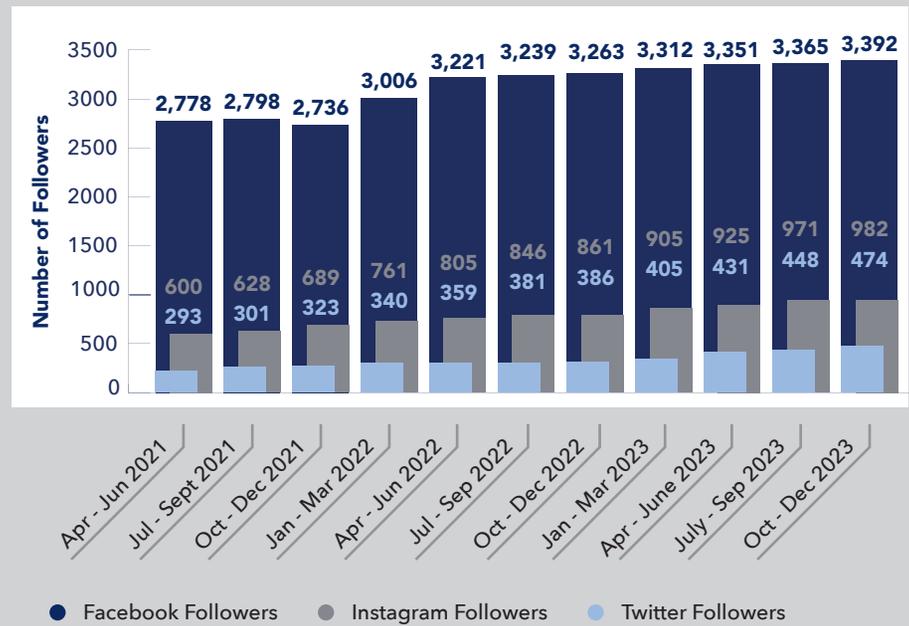
## Emails to Project Team



## Website Sessions

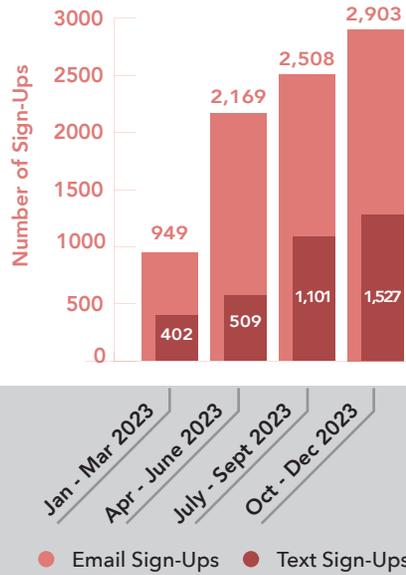


## Social Media Followers

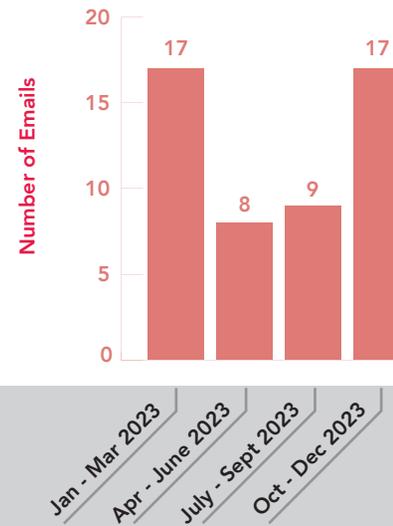




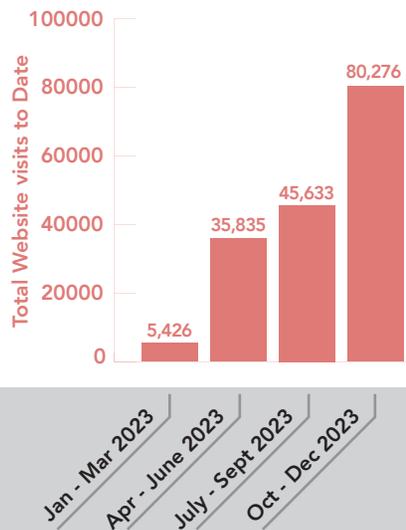
## Email & Text Alert Sign-Ups



## Emails to Project Team

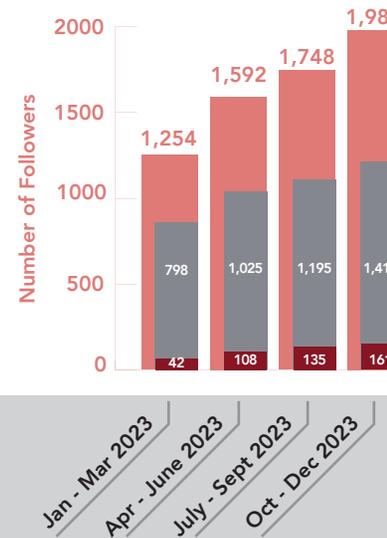


## Website Sessions



Includes project, construction update, and closures pages

## Social Media Followers



Instagram Followers Facebook Followers Twitter Followers



# **AGENDA ITEM 7**



<b>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</b>	
<b>DATE:</b>	February 26, 2024
<b>TO:</b>	Budget and Implementation Committee
<b>FROM:</b>	Sergio Vidal, Chief Financial Officer
<b>THROUGH:</b>	Aaron Hake, Deputy Executive Director
<b>SUBJECT:</b>	Proposed Policy Goals and Objectives for Fiscal Year 2024/25 Budget

**STAFF RECOMMENDATION:**

This item is for the Committee to recommend the Commission to take the following action(s):

- 1) Review and approve the proposed Commission Policy Goals and Objectives for the Fiscal Year (FY) 2024/25 Budget; and
- 2) Review and approve the Fiscal Accountability Policies for the FY 2024/25 Budget.

**BACKGROUND INFORMATION:**

The initial step in the budget process is to develop policy goals and objectives for the upcoming fiscal year consistent with the Commission’s overall strategic direction. Furthermore, the adoption of the Commission Policy Goals and Objectives (Goals) along with the Fiscal Accountability Policies (Policies) for the annual fiscal year budget provides an opportunity to match the Commission’s spending priorities in a manner that implements commitments made to the citizens of the County of Riverside in the Measure A Expenditure Plan along with fulfilling other Commission responsibilities. The Commission FY 2024/25 Goals and Policies also reflects feedback received from the recent Commission workshop held in January 2024, along with minor administrative changes from the prior year’s approved FY 2023/24 Goals and Policies.

The Commission is driven by four core objectives for the people of Riverside County and the transportation system upon, which they rely:

- Quality of life;
- Operational excellence;
- Connecting the economy; and
- Responsible partner

*Summary of the changes by objectives are as follows:*

- *Quality of life*
  - Administrative changes
- *Operational Excellence*

- Administrative changes
- *Connecting the Economy*
  - Administrative changes
- *Responsible Partner*
  - RCTC will seek to form partnerships with public and private stakeholders ensuring support for projects, relief from regulatory restrictions, and developing solutions for shared challenges

Furthermore, based on the above-referenced objectives, the following short-term objectives were added for the upcoming fiscal year:

- Continue final design for SR-60/Portrero Blvd. Interchange project
- Continue communicating current and future financial performance for RCTC issued debt financings ensuring strong ratings

Additionally, the fiscal accountability policies that promote fiduciary responsibility and organizational excellence are summarized in six categories:

- Financial planning;
- Revenues;
- Expenditures/expenses;
- Debt management;
- Cash management; and
- Accounting and financial reporting.

The Commission Policy Goals and Objectives will be linked to the individual department goals and objectives included within the FY 2024/25 Budget, and the Fiscal Accountability Policies will guide the development and monitoring of the FY 2024/25 Budget.

**FISCAL IMPACT:**

There is no fiscal impact related to the approval of the Commission Policy Goals and Objectives and the Fiscal Accountability Policies for the FY 2024/25 Budget. The fiscal impact will be determined upon adoption of the FY 2024/25 Budget during the upcoming June 2024 Commission meeting.

Attachments:

- 1) Proposed Commission Policy Goals and Objectives – FY 2024/25
- 2) Fiscal Accountability Policies - FY 2024/25

## POLICY GOALS AND OBJECTIVES

As approved at its March 13, 2024 meeting, the Commission is driven by four core mission statements and underlying goals for the residents of Riverside County and the transportation system upon which they rely:

### QUALITY OF LIFE

*RCTC is focused on improving life for the people of Riverside County and empowering them to live life at their pace.*

Choice	RCTC empowers the residents of Riverside County to choose how to safely get to where they are going.
Environmental Stewardship	
Mobility	RCTC provides access, equity, and choice in transportation; RCTC is a multimodal mobility partner.
Equity	RCTC supports transportation services and projects that address inequities, especially those in rural, low income, and disadvantaged communities.
Access	RCTC projects and programs are the connection to employment, housing, schools, community institutions, parks, medical facilities, and shopping in the region, and should be equitably accessible to all communities served.
Goods Movement	RCTC facilitates the funding and delivery of projects that mitigate the impact of increased goods movement flow through Riverside County and advocates for a reasonable balance between the need to maintain the supply chain and to protect public health. RCTC identifies solutions to reduce truck congestion and community impacts from the flow of goods from nearby ports.
Public Engagement	RCTC is committed to engaging Riverside County residents through ongoing two-way public communication and outreach.

### OPERATIONAL EXCELLENCE

*RCTC is a responsible and conservative steward of taxpayer dollars.*

State of Good Repair	RCTC invests in road safety and maintenance in its residents' neighborhoods as well as sustainable practices to maintain its stations and facilities.
Promises Fulfilled	Projects are completed on-time, on-budget; RCTC delivers on its promises as a steward of Riverside County residents' investment.
Efficiency	RCTC operates in an efficient and cost-effective manner.
Innovation	RCTC seeks to implement innovative transportation solutions.
Information	RCTC seeks to provide information to the public that is transparent and easily accessible; ensures customers receive prompt, dependable, and quality service.

## CONNECTING THE ECONOMY

*RCTC is a driver of economic growth in Riverside County.*

Workforce Mobility	RCTC improves the economy by creating a robust workforce-to-workplace system; RCTC fosters workforce development by improving transportation access from housing to employment and education centers.
Population Growth	Since 1976, RCTC has been responsible for connecting the County's economy as the County's population has quadrupled from 550,000 to nearly 2.5 million today. RCTC is sensitive to each geographic area's unique needs.
Economic Impact	RCTC has invested over \$4.8 billion in the County's economy in both Measure A and toll revenues, which has a multiplier impact in terms of jobs and economic opportunity throughout Riverside County.

## RESPONSIBLE PARTNER

*RCTC partners with local, tribal, regional, and state governments to deliver transportation projects and programs.*

Streets and Roads	RCTC has invested over \$1.5 billion in local priorities for maintaining streets and roads and fixing potholes.
Transit	RCTC partners with transit operators to provide residents mobility choices, flexibility, intercity and intercounty connectivity, and access—especially during a post-pandemic recovery.
Active Transportation Facilities	RCTC continually improves its stations for better bicycle and pedestrian access and partners 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 plans and active transportation plans.
Grants	RCTC is a steward of state and federal grants to leverage Measure A dollars and improve mobility for our communities.
Local Measure A Value	RCTC invests Measure A dollars into projects and programs that benefit local communities throughout the County.
Partnerships	RCTC strives to form collaborative partnerships with key stakeholders in both the public and private sector to ensure support for projects and programs, relief from regulations, and to find solutions for shared challenges.

Staff used these core mission statements and goals to prepare this budget and develop the following short-term objectives to further guide the planning for the FY 2024/25 budget.

## CAPITAL PROJECT DEVELOPMENT AND DELIVERY

- Continue preliminary engineering, design, right of way acquisition, and/or construction of projects included in the Western County Highway Delivery Plan and development of those projects that improve operations of Metrolink commuter rail service.
- Continue to support operations planning and design of projects led by other agencies.
- Continue as lead agency for partner agency projects, continue preliminary engineering of the I-10/Highland Springs Avenue Interchange project, continue environmental clearance, design, and construction efforts for the Santa Ana River Trail, continue final design and eventual construction for SR-60/Potrero Boulevard Interchange Phase II Project, commence design of the I-15 Franklin interchange project, and commence development of Project Study Reports for I-15 Wildomar Trail and I-15 Bundy Canyon Road interchanges.
- Consider opportunities to implement technology-based strategies, or Smart Freeway projects, to manage traffic, reduce congestion and pollution, increase safety, and improve the quality of commutes. Continue implementation of the Smart Freeway project on I-15 in Temecula.
- Maintain and enhance communication and collaboration with the California Department of Transportation (Caltrans) to improve the Commission's ability to deliver critical projects.

- Collaborate with local jurisdictions to implement 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.

## **OPERATIONS**

- Efficiently operate the 91 and 15 Express Lanes and achieve high customer satisfaction through reduction in congestion, mobility improvements, and management of demand.
- Efficiently and cost effectively operate the nine Commission owned and operated commuter rail stations and 91/ Perris Valley Line (PVL) rail corridor to ensure reliable high quality commuter rail service.
- Efficiently provide motorist assistance services so that motorists can conveniently travel and use transportation facilities as safely as possible.

## **REGIONAL PROGRAMS**

- Proactively engage state and federal legislators and agencies to advance principles identified in the adopted Legislative Platform to ensure that the Commission receives due consideration for transportation projects and funding to key regional needs and mobility choice.
- Monitor transit trends and the associated economic, social, and public health factors that impact ridership and create barriers to transit growth.
- Continue to subsidize reliable and cost-effective Metrolink commuter rail service to and from Riverside County; the Southern California Regional Rail Authority (SCRRA) is the operator of Metrolink.
- Provide continued leadership in the planning and development for the Coachella Valley Rail Corridor Service (CV Rail).
- Support innovative programs that provide transit assistance in rural areas as well as 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 telework and motorized and non-motorized transportation alternatives such as vanpools.

## **MANAGEMENT SERVICES**

- Maintain close communication with Commissioners and educate policy makers on all issues of importance to the Commission including Measure A and Key Commission Funding Sources.
- Develop and execute a communication, public information, and community engagement strategy for the purposes of education, partnership building, information sharing, and customer service.
- Maintain administrative program delivery costs below the policy threshold of 4% of Measure A revenues; the FY 2024/25 Management Services budget is X.XX% of Measure A revenues.
- Maintain administrative salaries and benefits at less than 1% of Measure A revenues; the FY 2024/25 administrative salaries and benefits is X.XX% of Measure A revenues.
- Maintain prudent cash reserves to provide for unplanned expenditures or economic downturns.
- Continue communicating current and anticipated financial performance for RCTC issued debt financings ensuring the corresponding rating is achieved and issued by the applicable rating agencies.
- Establish and maintain revenues and related reserves generated from toll operations to be available for debt service in accordance with toll supported debt agreements, maintenance, repair and rehabilitation, administration, operations, and capital projects within the corridor.

## LINKING COMMISSION AND DEPARTMENTAL MISSION STATEMENTS

The following matrix (Table 1) illustrates the linkage of the Commission’s core mission statements described in this section to the individual departmental mission statements included in each department’s section.

**TABLE 1 – RELATIONSHIP BETWEEN COMMISSION AND DEPARTMENTAL MISSION STATEMENTS**

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	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
Motorist Assistance	X	X	X	X
Regional Conservation	X	X	X	X
Capital Project Development and Delivery	X	X	X	X
Toll Operations	X	X	X	X

## 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 recurring operating and capital expenditures and other financing uses are equal to or less than identified / recurring revenues and other financing sources including 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"> <li>• Administrative salaries and benefits cannot exceed 1% of Measure A sales tax revenues.</li> <li>• Administrative costs will not exceed 4% of Measure A sales tax revenues (inclusive of the 1% salary limitation).</li> </ul>
Retirement Benefits	RCTC contributes 100% of the annual requirement related to its proportionate share of the unfunded accrued actuarial liability (UAL) and for postretirement
Capital Projects	Multi-year capital projects are consistent with the strategic plan and budgeted each fiscal year, based on best available estimates.
Reserves	RCTC establishes and maintains reserves in accordance with Measure A and TDA policies as well as existing financing agreements.

#### REVENUES

Sales Tax	RCTC prepares annual and mid-year revenue projections incorporating current and relevant data; staff may adjust amounts during the budget process to reflect current economic trends.
Tolls	<p>RCTC-adopted policies establish congestion pricing to optimize throughput on toll facilities while generating revenue to meet all financial commitments related to:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Development, maintenance, repair, rehabilitation, improvement, reconstruction, administration, and operation of the toll facilities, including toll collection and enforcement and applicable reserves; and</li> <li>• Projects within the corridor that generated the revenue.</li> </ul>
Funding Sources	RCTC leverages local funding sources to maximize federal and state funding of
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 annually 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 explains, and justifies significant deviations.
Procurement	RCTC ensures competitive, transparent, objective, and fair procurement selection processes in accordance with policies adopted on February 10, 2021.
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"><li>• RCTC does not capitalize infrastructure, which title will be vested with Caltrans or another governmental agency.</li><li>• RCTC depreciates capital and amortizes intangible assets over the estimated useful life or service concession term.</li></ul>

## 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 March 11, 2020, and Interest Rate Swap Policy, as adopted July 12, 2006, for matters related to sales tax revenue and toll-supported indebtedness.
Coverage	RCTC maintains a minimum debt service coverage ratio 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 October 11, 2023 or debt agreements.
Receipts	Where possible, RCTC encourages receipt of funds by wire or electronic funds transfer to its accounts.
Payments	RCTC remits 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 expenditures/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 an annual financial report; separate financial reports for the LTF, STA, Proposition 1B Rehabilitation and Security Project Accounts, SB 1 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 toll operations, multimodal programs (transit planning, rail operations, and commuter and motorist assistance services), and regional conservation. 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 2024/25**

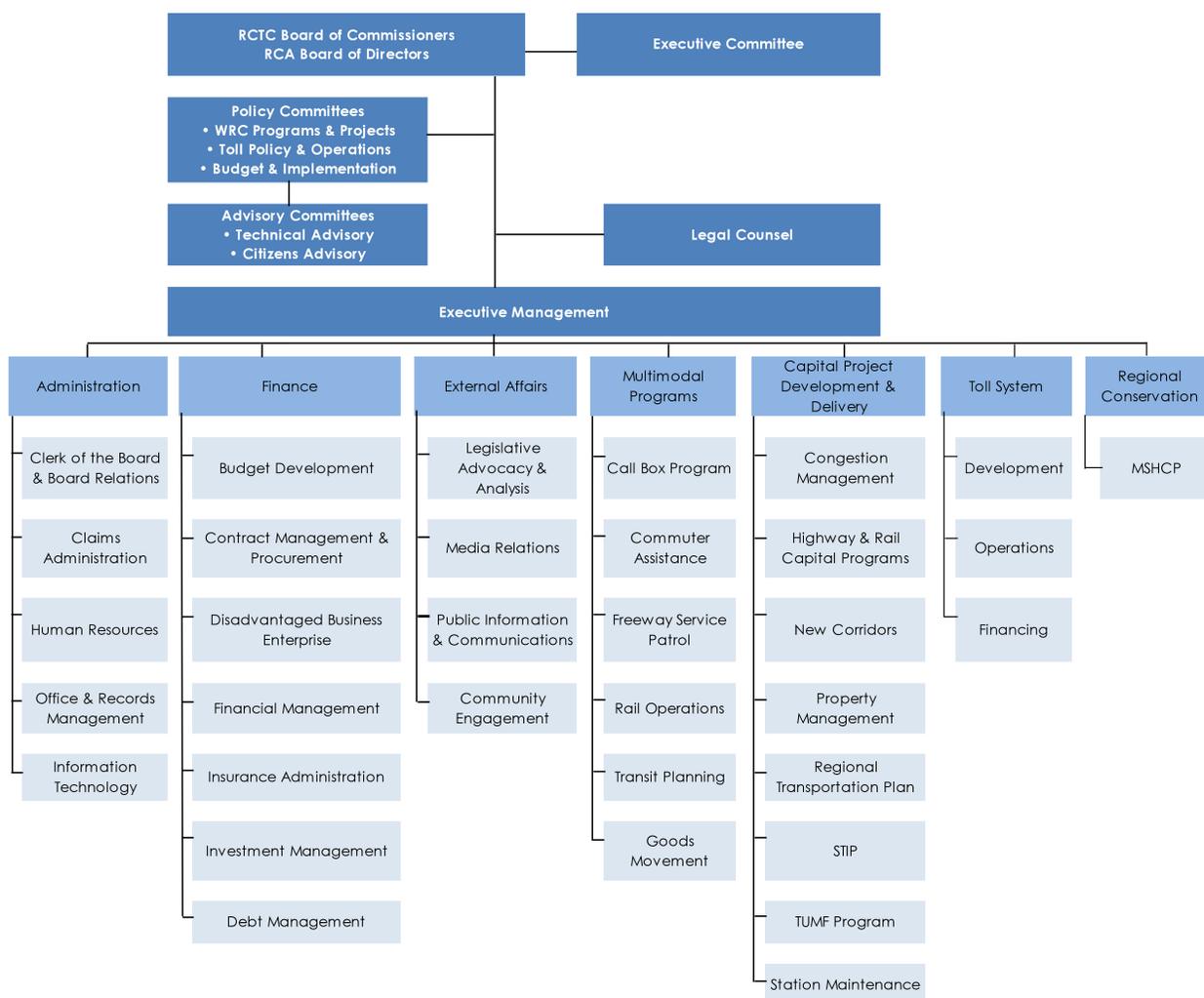


Chart 10 illustrates the relationship between the Commission’s functional management or departments and the Commission’s fund structure.

**CHART 10 – RELATIONSHIP OF FUNCTIONAL MANAGEMENT AND FUND STRUCTURE**

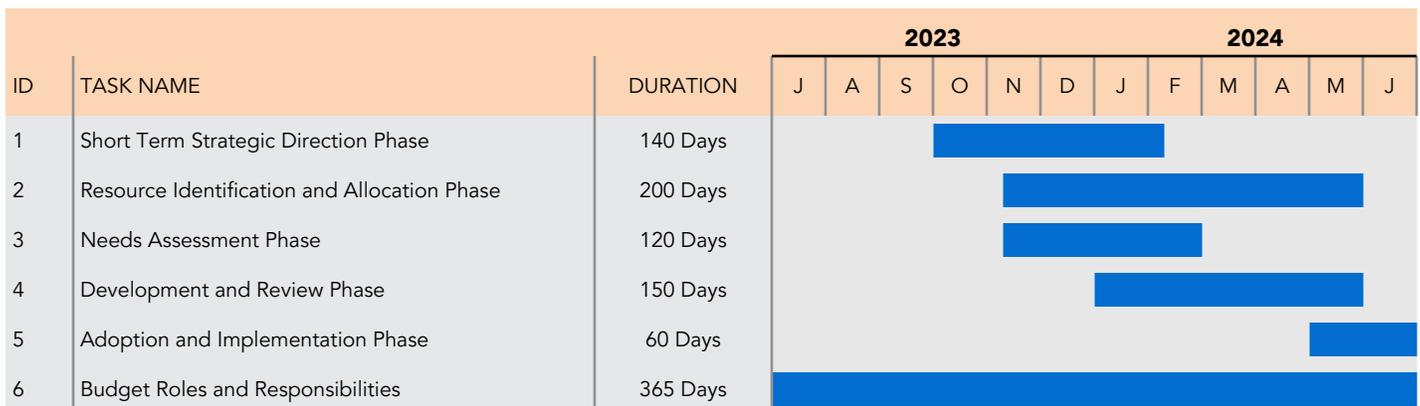
Functional Management/Department	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Enterprise Fund
Management Services					
Executive Management	X				
Administration	X				
External Affairs	X				
Finance	X	X		X	
Regional Programs					
Planning and Programming Services	X	X			
Rail Maintenance and Operations	X	X			
Public and Specialized Transit	X	X			
Commuter Assistance		X			
Motorist Assistance		X			
Regional Conservation		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 2024/25 budget and monitoring of the FY 2023/24 budget. Each task is summarized below.

**CHART 11 – BUDGET PROCESS**



## **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 County Delivery Plan as updated and discussed in the Capital Project Development and Delivery department section. 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 10 years. The Commission held a workshop in January 2024 . Priorities identified by Commissioners include but not limited to the following: Need to update the Traffic Relief Plan and identify a method towards funding recognized projects and initiatives; prioritize traffic/congestion/bottlenecks/projects/goods movement related projects; match growth with capacity and utilize it more effectively; form strategic partnerships with key stakeholders; develop job creation and retention ideas; and educate the public on existing transportation options. 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 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. 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 no later than its June meeting, and the Commission conducts a public hearing 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 ROLES AND RESPONSIBILITIES**

Involvement in the budget permeates all staffing levels at the Commission, as presented in the staff organization chart in Appendix B, 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 the Rail and Toll Operations department sections, 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, LTF, STA, TUMF, Other Agency Projects, Regional Conservation, 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 fiscal responsibility unit according to function or may provide support for supplemental budget appropriations requests, including reallocating budget authority between/across all Commission fund types if the overall authorized Commission approved budget authority is not increased. Supplemental budget appropriation requests that increase approved budget authority amounts, require the authorization of the Commission. The Commission may act 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 annual financial report in the final budget amounts reported in the budgetary schedules.

# **AGENDA ITEM 8**



<b>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</b>	
<b>DATE:</b>	February 26, 2024
<b>TO:</b>	Budget and Implementation Committee
<b>FROM:</b>	David Lewis, Capital Projects Manager
<b>THROUGH:</b>	Erik Galloway, Projects Delivery Director
<b>SUBJECT:</b>	Reimbursement Agreement with Union Pacific Railroad for the Coachella Valley Rail Project

**STAFF RECOMMENDATION:**

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Approve Reimbursement Agreement No. 24-25-063-00 with Union Pacific Railroad (UP) for preliminary engineering services for the Coachella Valley Rail Project in an amount not to exceed \$100,000;
- 2) Authorize the Executive Director or designee to approve future amendments to address the anticipated additional scope of work required by UP as the project progresses for an amount not to exceed \$500,000 as may be required for the Project for a total not to exceed contract of \$600,000;
- 3) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreement on behalf of the Commission; and
- 4) Approve a budget adjustment of \$20,000 for expenses to be incurred in Fiscal Year 2023/24.

**BACKGROUND INFORMATION:**

**Project Scope**

The Coachella Valley – San Geronio Pass Corridor Program, also called the CV Rail Project, is a proposed 144-mile intercity passenger rail service starting from Los Angeles Union station and ending in the city of Coachella, pending final station selection. The proposed rail service potentially include construction of a third main track for the length, 77.5 miles, of the corridor in Riverside County, including a new connecting track between rail subdivisions, and five new rail stations and 1 existing rail station. The proposed rail service in this section will be operated over tracks primarily owned by UP. A draft reimbursement agreement has been developed between UP and RCTC for reimbursement of preliminary engineering services performed by UP as a part of the proposed project.

## **Project Status**

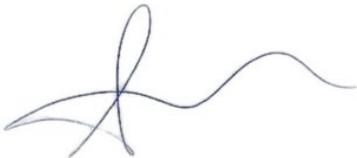
The Tier 1 Environmental Impact Report (EIR) / Environmental Impact Study (EIS) was completed and adopted by the Commission on July 13, 2022, and the Tier 2 project level environmental analysis is planned to begin this year. The Tier 1 EIR/EIS evaluated at a broad level of build alternatives and their potential cultural and environmental impacts. The Tier 2 project level environmental analysis will include refined engineering design, additional public involvement, site specific quantitative analysis of environmental effects as well as identify any site-specific avoidance, minimization, and mitigation measures. Staff is anticipating releasing a Request for Proposals (RFP) for the Tier 2 EIR/EIS later this year.

## **DISCUSSION**

The proposed reimbursement agreement between UP and RCTC would allow UP staff and consultants to review design and environmental technical studies along with allowing access to conduct the necessary field studies needed for the project. This reimbursement agreement specifies an initial estimated cost of \$100,000 for this work to be completed by UP. Staff anticipates that UP will exceed the proposed amount as the work progresses and foresees UP eventually exceeding estimated costs prior to receiving formal RCTC authorization. To ensure UP is not delayed in their reviews and participation in the project due to RCTC approval processes for additional funding, staff proposes to include an additional \$500,000 that will only be authorized in future amendments subject to legal counsel and Executive Director approval. The additional funding will allow staff to pivot quickly if issues arise as the consultant team commences the detailed Tier II tasks and UP could potentially require additional resources to review the Tier II environmental deliverables and design packages. This work includes but is not limited to field diagnostics, inspections, plan, specification and construction review, project design, preparation of project estimates, meetings, and travel time. At this time, the draft reimbursement agreement is under review by legal counsel. The agreement will not be executed until legal counsel approval is received.

## **FISCAL IMPACT:**

The Commission approved an allocation of State Transit Assistance (STA) Funds for the FY 2023/24 Short-Range Transit Plan. Staff anticipates that approximately \$20,000 will be utilized in FY 2023/24. The remaining \$580,000 will be included in future budgets.

Financial Information					
In Fiscal Year Budget:	No	Year:	FY 2023/24 FY 2024/2025+	Amount:	\$20,000 \$580,000
Source of Funds:	STA Funds \$20,000			Budget Adjustment:	Yes
GL/Project Accounting No.:	004203 81101 00000 0000 245 25 81101				
Fiscal Procedures Approved:				Date:	02/15/2024

Attachment: Draft Agreement No. 24-25-063-00



**REIMBURSEMENT AGREEMENT  
PRELIMINARY ENGINEERING SERVICES**

**Effective Date:**

**Estimate: \$100,000.00**

THIS REIMBURSEMENT AGREEMENT (**Agreement**) is made and entered into as of the **Effective Date**, by and between UNION PACIFIC RAILROAD COMPANY, a Delaware corporation (**Railroad**), and RIVERSIDE COUNTY TRANSPORTATION COMMISSION (**Agency**).

RECITALS

- A. Agency desires to initiate the project more particularly described on Exhibit A attached hereto (**the Project**).
- B. The Project will affect Railroad's track and right of way at or near the Project area more particularly described on Exhibit A.
- C. Railroad agrees to collaborate with Agency on the conceptualization and development of the Project in accordance with the terms and conditions of this Agreement.

AGREEMENT

1. NOW THEREFORE, the parties hereto agree as follows:
2. Railroad, and/or its representatives, at Agency's sole cost and expense, agrees to perform (or shall cause a third-party consultant to perform on Railroad's behalf) the preliminary engineering services work described on Exhibit B attached hereto (**PE Work**). Agency acknowledges and agrees that: (a) Railroad's review of any Project designs, plans and/or specifications, as part of the PE Work, is limited exclusively to potential impacts on existing and future Railroad facilities and operations; (b) Railroad makes no representations or warranties as to the validity, accuracy, legal compliance or completeness of the PE Work; and (c) Agency's reliance on the PE Work is at Agency's own risk.
3. Notwithstanding the Estimate (**Estimate**), Agency agrees to reimburse Railroad and/or Railroad's third-party consultant, as applicable, for one hundred percent (100%) of all actual costs and expenses incurred for the PE Work. During the performance of the PE Work, Railroad will provide (and/or will cause its third-party consultant to provide) progressive billing to Agency based on actual costs in connection with the PE Work. Within sixty (60) days after completion of the PE Work, Railroad will submit (and/or will cause its third-party consultant to submit) a final billing to Agency for any balance owed for the PE Work. Agency shall pay Railroad (and/or its third-party consultant, as applicable) within thirty (30) days after Agency's receipt of any progressive and final bills submitted for the PE Work. Bills will be submitted to the Agency using the contact information provided on **Exhibit C**. Agency's obligation hereunder to reimburse Railroad (and/or its third-party consultant, as applicable) for the PE Work shall apply regardless if Agency declines to proceed with the Project or Railroad elects not to approve the Project.

4. Agency acknowledges and agrees that Railroad may withhold its approval for the Project for any reason in its sole discretion, including without limitation, impacts to Railroad's safety, facilities or operations. If Railroad approves the Project, Railroad will continue to work with Agency to develop final plans and specifications and prepare material and force cost estimates for any Project related work performed by Railroad.

5. If the Project is approved by Railroad, Railroad shall prepare and forward to Agency a Construction and Maintenance Agreement (**C&M Agreement**) which shall provide the terms and conditions for the construction and ongoing maintenance of the Project. Unless otherwise expressly set forth in the C&M Agreement, the construction and maintenance of the Project shall be at no cost to Railroad. No construction work on the Project affecting Railroad's property or operations shall commence until the C&M Agreement is finalized and executed by Agency and Railroad.

6. Neither party shall assign this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed.

7. No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties.

8. This Agreement sets forth the entire agreement between the parties regarding the Project and PE Work. To the extent that any terms or provisions of this Agreement regarding the PE Work are inconsistent with the terms or provisions set forth in any existing agreement related to the Project, such terms and provisions shall be deemed superseded by this Agreement to the extent of such inconsistency.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

**RIVERSIDE COUNTY TRANSPORTATION  
COMMISSION**

**UNION PACIFIC RAILROAD COMPANY,**  
a Delaware Corporation

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Kenneth Tom  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Manager I, Engineering – Public Projects  
Title

# Exhibit A

## Project Description and Location

### Project Description

Riverside County Transportation Commission proposes to evaluate the feasibility of conducting passenger service within Railroad's existing corridor at the location referred to below.

### Location

Yuma Subdivision

Milepost
540-620

DRAFT

## **Exhibit B Scope of Project Services**

Scope of work includes, but is not limited to the following

- Field diagnostic(s) and inspections
- Plan, specification and construction review
- Project design
- Preparation of Project estimate for force account or other work performed by the Railroad
- Meetings and travel

DRAFT

**Exhibit C**  
**Billing Contact Information**

<b>Name</b>	Erik Galloway
<b>Title</b>	Project Delivery Director
<b>Address</b>	4080 Lemon Street, Riverside, CA, 90504
<b>Work Phone</b>	(951) 757-4015
<b>Cell Phone</b>	
<b>Email</b>	egalloway@rctc.org
<b>Agency Project No.</b>	

DRAFT



# **AGENDA ITEM 9**



<b>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</b>	
<b>DATE:</b>	February 26, 2024
<b>TO:</b>	Budget and Implementation Committee
<b>FROM:</b>	Andrew Sall, Senior Management Analyst, Legislative Affairs Tyler Madary, Legislative Affairs Manager
<b>THROUGH:</b>	David Knudsen, External Affairs Director
<b>SUBJECT:</b>	State and Federal Legislative Update

**STAFF RECOMMENDATION:**

This item is for the Committee to recommend the Commission to take the following action(s):

- 1) Receive and file a state and federal legislative update; and
- 2) Adopt the following bill position:
  - a) AB 2535 (Bonta)—Oppose.

**BACKGROUND INFORMATION:**

**State Update**

***California State Legislature Update***

The second year of the 2023-2024 Legislative Session is in full swing as legislators consider policy proposals and begin to hold hearings on the FY 2024-2025 Budget. Two-year bills originally introduced in 2023 were required to pass out of their house of origin by January 31. One bill that failed passage includes Assembly Bill 1525 by Assemblymember Mia Bonta (Oakland), which was opposed by RCTC on April 11, 2023, as it sought to drastically shift how a majority of state transportation funds are expended and narrow the location and type of projects eligible for funding. Additionally, legislators faced a deadline to introduce any new bills by February 16. Staff continue to monitor bill proposals for opportunities to support, oppose, and provide feedback on legislation pertinent to the Commission’s transportation priorities, including lessening the impact that vehicle miles traveled (VMT) policies have on the planning, funding, and delivery of vital mobility improvements in Riverside County and across the state.

On February 8, newly elected Senate Speaker Pro Tempore Mike McGuire (Healdsburg) announced new Senate leadership and committee assignments. Senator David Cortese (San Jose) was appointed Chair of the Senate Transportation Committee, replacing Senator Lena Gonzalez (Long Beach), who was appointed Senate Majority Leader. Senator Aisha Wahab (Hayward) was named the Chair of Senate Budget Subcommittee 5 on Corrections, Public Safety, Judiciary and Transportation. Notably, Senator Anna Caballero (Salinas) was appointed as Chair

of the Senate Appropriations Committee. Senator Caballero represents a Central Valley district and has a history of advocating against one-size-fits-all applications of VMT policies.

### ***Regional Advocacy Meetings***

On January 26, Executive Director Anne Mayer participated in a discussion hosted by Senator Rosilicie Ochoa Bogh in Beaumont to discuss regional infrastructure priorities. The panel included a discussion on regional transportation challenges, investments, and opportunities to improve mobility for residents across Riverside County.

Separately, over recent weeks and months RCTC staff have conducted several meetings with district office staff from Riverside County's state legislative delegation. In addition to meeting with Senator Kelly Seyarto (Murrieta), meetings were held with staff from the offices of Assemblymembers Bill Essayli (Corona), Eduardo Garcia (Coachella), Corey Jackson (Moreno Valley), Kate Sanchez (Rancho Santa Margarita), and Greg Wallis (Bermuda Dunes), as well as Senator Steve Padilla (Chula Vista) to provide updates on the draft Traffic Relief Plan and legislative priorities for RCTC and the Western Riverside County Regional Conservation Authority (RCA).

### ***Assembly Bill 1957 (Wilson) – Support via Platform***

On February 15, RCTC took a support position on Assembly Bill 1957 by Assemblymember Lori Wilson (Suisun City), per the Commission's adopted 2024 State and Federal Legislative Platform. AB 1957 would remove the sunset date on a pilot program allowing for counties to utilize the best value procurement process for construction projects in excess of \$1 million. The current pilot program is utilized only in the counties of Alameda, Los Angeles, Monterey, Riverside, San Bernardino, San Diego, San Mateo, Santa Clara, Solano, and Yuba, and Assembly Bill 1957 removes this restriction.

Extending this program indefinitely will enable the County of Riverside to continue to benefit from utilizing the best value procurement process for construction projects.

Supporting this legislation is consistent with the Commission's adopted 2024 State and Federal Legislative Platform, including:

#### **Innovation**

- Support implementation and expansion of state and federal initiatives to expedite and advance innovative transportation policies, programs, and technologies.

#### **Project Delivery Streamlining**

- Support the availability of project delivery tools such as the design-build and progressive design-build project delivery methods, construction manager/general contractor (CM/GC, or construction manager at-risk) project delivery method, and public-private partnerships to the Commission, the state, federal agencies, and

other infrastructure agencies. Oppose efforts to add barriers to effective implementation of such tools.

*Alignment of Responsibilities*

- Support policies that provide decision-making authority and flexibility to agencies bearing financial risk for projects. Oppose policies that place unfunded mandates and other undue burdens and restrictions on agencies that bear financial risk for projects.

**Assembly Bill 2535 (Bonta) Staff Recommendation – Oppose**

RCTC staff recommend that the Commission oppose Assembly Bill 2535 by Assemblymember Mia Bonta (Oakland). AB 2535 would prohibit the California Transportation Commission (CTC) from allocating funding under the Trade Corridor Enhancement Program (TCEP) established under Senate Bill 1 in 2017 towards projects that add a general-purpose lane to a highway or expand highway capacity in communities with high levels of pollution.

Additionally, the bill proposes that the CTC may only allocate TCEP funding towards expanding a highway’s footprint if the project completed project-level environmental review, ensures smooth and free-flowing truck traffic on limited-access rights-of-way, deploys zero-emission freight technology, and completes an analysis of cumulative pollution burdens and potential adverse cumulative impacts caused by the project, along with a mitigation plan.

Furthermore, the bill requires that at least 50 percent of TCEP funding be allocated to investments in zero-emission freight infrastructure.

While RCTC continues to support a regionally equitable, environmentally responsible, and multi-modal approach to transportation, as well as incentives to advance zero-emission vehicle adoption, Assembly Bill 2535 constitutes a rewrite of the TCEP program. If enacted, the bill would limit the discretion of the California Transportation Commission and could harm RCTC’s competitiveness for vital trade corridor improvements in the region.

Opposing this legislation is consistent with the Commission’s adopted 2024 State and Federal Legislative Platform, including:

*Equity and Fairness*

- State and federal funding should be distributed equitably to Riverside County. This includes core formula funding as well as supplemental distributions.

*Projects*

- Oppose policies that inhibit the efficient, timely delivery of such projects.

### *Funding*

- Support maintaining the legislative intent behind Senate Bill 1 (Statutes 2017) and historic base program funding, by:
  - Opposing efforts to tie distribution of transportation funding to ancillary policy matters, such as housing.
  - Opposing efforts to deviate from legislative intent and existing statute.
  - Ensuring program guidelines are as broad as possible with respect to mode, to the extent appropriate while adhering to legislative intent.

### **Federal Update**

Fiscal Year 2024 Appropriations discussions continue between the House and Senate. As previously reported, Congress approved an additional Continuing Resolution to keep the government open at existing funding levels on January 18. Congress has a new deadline of March 1 to pass budget legislation related to Agriculture, Energy-Water, Military Construction-Veterans Affairs, and Transportation-Housing and Urban Development, and must pass all other appropriations legislation by March 8.

As discussions to finalize and approve funding for Fiscal Year 2024 continue, staff await details regarding Fiscal Year 2025 appropriations, which includes the Community Project Funding (CPF)/Congressionally Directed Spending (CDS) process, otherwise known as earmarks. While application and funding guidelines for CPF/CDS requests are typically released in February, this information is likely to be released in early March following President Biden's budget proposal. Staff anticipate a shortened timeline to prepare and submit CPF/CDS applications and are preparing accordingly.

As noted above, staff have been conducting meetings with district office staff with elected officials, which includes Riverside County's federal elected representatives. Meetings were held with staff from the Offices of Senator Alex Padilla and Laphonza Butler, as well as the Office of Representative Raul Ruiz to discuss the draft Traffic Relief Plan and legislative priorities for RCTC and RCA.

### **FISCAL IMPACT:**

This is a policy and information item. There is no fiscal impact.

Attachment: Legislative Matrix – March 2024

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION - POSITIONS ON STATE AND FEDERAL LEGISLATION – MARCH 2024**

<b>Legislation/ Author</b>	<b>Description</b>	<b>Bill Status</b>	<b>Position</b>	<b>Date of Board Adoption</b>
<b>AB 6 (Friedman)</b>	This bill provides significant new oversight to the California Air Resources Board in the approval process of a metropolitan planning organization’s Sustainable Communities Strategy and the methodology used to estimate greenhouse gas emissions. These new burdensome requirements will likely result in significant delays to transportation projects.	Passed the Assembly, referred to the Senate Transportation and Environmental Quality Committees on June 14, 2023.  Two-year bill.  September 15, 2023	<i>Oppose Based on Platform</i>	5/24/2023
<b>AB 7 (Friedman)</b>	This bill requires the California State Transportation Agency, California Department of Transportation, and California Transportation Commission to consider specific goals as part of their processes for project development, selection, and implementation. AB 7 may impact the allocation of billions of dollars in state transportation funding, infringing on RCTC’s ability to deliver critically needed transportation infrastructure in Riverside County.	Ordered to the inactive file. Two-year bill.  September 11, 2023	<i>Oppose Based on Platform</i>	5/25/2023
<b>AB 558 (Arambula)</b>	This bill restructures the Fresno County Transportation Authority (FCTA) by increasing its board membership from nine to thirteen members. This restructuring is done without the consensus and support from regional stakeholders and sets a concerning precedent for RCTC and other regional transportation agencies that rely upon a collaborative process to be effective.  Additionally, the bill was amended on April 18 to subject a county transportation expenditure plan prepared by the Fresno County Transportation Authority (FCTA) to the requirements of the California Environmental Quality Act.	Failed deadline.  January 31, 2024	<i>Oppose Based on Platform</i>	4/10/2023
<b>AB 1385 (Garcia)</b>	This bill would raise RCTC’s maximum tax rate authority from 1% to 1.5%.	Approved by the Governor.  October 8, 2023	<i>Support</i>	3/8/2023
<b>AB 1525 (Bonta)</b>	This bill significantly narrows the location and types of projects eligible to receive state transportation funding by requiring 60% of funds to be allocated to priority populations.	Failed deadline.  January 31, 2024	<i>Oppose Based on Platform</i>	4/11/2023

Legislation/ Author	Description	Bill Status	Position	Date of Board Adoption
<b>AB 1957 (Wilson)</b>	This bill removes the sunset date on a pilot program allowing for specified counties to utilize the best value procurement process for construction projects in excess of \$1 million. The bill additionally expands the program to all counties.	Referred to the Assembly Local Government Committee.  February 12, 2024	<i>Support Based on Platform</i>	2/15/2024
<b>SB 617 (Newman)</b>	This bill, until January 1, 2029, would authorize a transit district, municipal operator, consolidated agency, joint powers authority, regional transportation agency, or local or regional agency, as described, to use the progressive design-build process for up to 10 public works projects in excess of \$5 million for each project. The bill would specify that the authority to use the progressive design-build process.	Approved by the Governor.  October 4, 2023	<i>Support Based on Platform</i>	4/5/2023

# **AGENDA ITEM 10**



<b>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</b>	
<b>DATE:</b>	February 26, 2024
<b>TO:</b>	Budget and Implementation Committee
<b>FROM:</b>	Lisa Mobley, Administrative Services Director/Clerk of the Board
<b>THROUGH:</b>	Aaron Hake, Deputy Executive Director
<b>SUBJECT:</b>	Election of Officers for the Budget and Implementation Committee

**STAFF RECOMMENDATION:**

This item is for the Committee to:

- 1) Conduct an election of officers for 2024 – Chair and Vice Chair.

**BACKGROUND INFORMATION:**

The election of officers for the full Commission and its Committees are held on an annual basis. Commissioners Jeremy Smith (Chair) and Linda Molina (Vice Chair) were elected as the Budget and Implementation Committee’s officers in January 2023. Once the election for 2023 is conducted, the new Chair and Vice Chair will immediately assume the positions.

Past Chairs of the Budget and Implementation Committee are as follows:

- 2023 – Jeremy Smith, City of Canyon Lake
- 2022 – Raymond Gregory, City of Cathedral City
- 2021 – Lloyd White, City of Beaumont
- 2020 – Lloyd White, City of Beaumont
- 2019 – Linda Krupa, City of Hemet
- 2018 – Rusty Bailey, City of Riverside
- 2017 – Jan Harnik, City of Palm Desert
- 2016 – Bob Magee, City of Lake Elsinore
- 2015 – Bob Magee, City of Lake Elsinore
- 2014 – Douglas Hanson, City Indian Wells
- 2013 – Ella Zanowic, City of Calimesa
- 2012 – Rick Gibbs, City of Murrieta
- 2011 – Scott Matas, City of Desert Hot Springs
- 2010 – Greg Pettis, City of Cathedral City
- 2009 – Mary Craton, City of Canyon Lake
- 2008 – Steve Adams, City of Riverside
- 2007 – Rick Gibbs, City of Murrieta