



MEETING AGENDA

Budget and Implementation Committee

Time: 9:30 a.m.

Date: April 24, 2023

Location: BOARD ROOM

County of Riverside Administration Center
4080 Lemon St, First Floor, Riverside CA 92501

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 / Ron Holliday, City of Murrieta
Jan Harnik / Kathleen Kelly, City of Palm Desert
Lisa Middleton / To Be Appointed, City of Palm Springs
Alonso Ledezma / Valerie Vandever, 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

AGENDA*

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

9:30 a.m.

Monday, April 24, 2023

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.

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 – FEBRUARY 27, 2023

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6B. SINGLE SIGNATURE AUTHORITY REPORT

Page 10

Overview

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

- 1) Receive and file the Single Signature Authority report for the third quarter ended March 31, 2023.

6C. 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 March 31, 2023.

7. PROPOSED BUDGET FOR FISCAL YEAR 2023/24

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Overview

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

- 1) Discuss, review, and provide guidance on the proposed Fiscal Year 2023/24 Budget; and
- 2) Conduct a public hearing to receive input and comments on the proposed FY 2023/24 Budget on May 10 and June 14, 2023, and thereafter close the public hearing.

8. AGREEMENT FOR SALES TAX AUDIT AND REPORTING SERVICES

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Overview

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

- 1) Approve Agreement No. 23-19-040-00 with MuniServices an Avenue Insights and Analytics Company (MuniServices) to provide sales tax audit and reporting services for a three-year term, and one two-year option to extend the agreement in an amount not to exceed \$110,000;
- 2) Adopt Resolution No. 23-002, "Authorization of the Riverside County Transportation Commission to Examine Transactions and Use Tax Records"; and
- 3) Authorize the Chair or Executive Director, pursuant to legal counsel review, to finalize and execute the agreement, on behalf of the Commission.

9. STATE AND FEDERAL LEGISLATIVE UPDATE

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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.

10. ITEM(S) PULLED FROM CONSENT CALENDAR AGENDA

11. EXECUTIVE DIRECTOR REPORT

12. COMMISSIONER COMMENTS

Overview

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

13. ADJOURNMENT

The next Budget and Implementation Committee meeting is scheduled to be held at **9:30 a.m., May 22, 2023.**

AGENDA ITEM 6A

MINUTES

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

BUDGET AND IMPLEMENTATION COMMITTEE

Monday, February 27, 2023

MINUTES

1. CALL TO ORDER

The meeting of the Budget and Implementation Committee was called to order by Chair Jeremy Smith at 9:31 a.m. via Zoom Meeting ID 823 0632 0247 and joined Chair Smith in a moment of silence for Norco Commissioner Ted Hoffman who recently passed away. This meeting was conducted virtually in accordance with AB 361 due to state or local officials recommending measures to promote social distancing.

2. ROLL CALL

Members/Alternates Present

Ulises Cabrera
Raymond Gregory
Yxstian Gutierrez*
Jan Harnik*
Bob Magee
Scott Matas
Lisa Middleton
Linda Molina
Jeremy Smith
Cindy Warren
Lloyd White
James Stewart
Valerie Vandever
Chuck Washington

Members Absent

Steven Hernandez

*Arrived after the meeting was called to order.

3. PLEDGE OF ALLEGIANCE

Chair Smith 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.

- 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 – JANUARY 23, 2023

6B. QUARTERLY SALES TAX ANALYSIS

- 1) Receive and file the sales tax analysis for the Quarter 3, 2022 (3Q 2022).

6C. QUARTERLY FINANCIAL STATEMENTS

- 1) Receive and file the Quarterly Financial Statements for the six months ended December 31, 2022.

6D. MONTHLY INVESTMENT REPORT

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

6E. QUARTERLY PUBLIC ENGAGEMENT METRICS REPORT, OCTOBER-DECEMBER 2022

- 1) Receive and file the Quarterly Public Engagement Metrics Report for October-December 2022.

6F. AMENDMENT TO PALO VERDE VALLEY TRANSIT AGENCY’S FISCAL YEAR 2022/23 SHORT RANGE TRANSIT PLAN

- 1) Approve a \$97,500 allocation increase of Local Transportation Funds (LTF) for the Palo Verde Valley Transit Agency (PVVTA) for Fiscal Year 2022/23; and
2) Approve PVVTA’s amended FY 2022/23 Short Range Transit Plan (S RTP) to reflect the LTF increase in the amount of \$97,500 for operating expenses.

6G. ACTIVE TRANSPORTATION PROGRAM CYCLE 6 - RIVERSIDE COUNTY PROJECT RECOMMENDATIONS FOR METROPOLITAN PLANNING ORGANIZATION REGIONAL PROGRAM

- 1) Receive and file the Cycle 6 Active Transportation Program (ATP) list of recommended projects in Riverside County for Metropolitan Planning Organization (MPO) adoption in the amount of \$46,394,000.

6H. STATE AND FEDERAL LEGISLATIVE UPDATE

- 1) Receive and file a state and federal legislative update.

At this time, Commissioner Yxstian Gutierrez joined the meeting.

7. PROPOSED POLICY GOALS AND OBJECTIVES FOR FISCAL YEAR 2023/24 BUDGET

Sergio Vidal, Chief Financial Officer, presented the proposed Policy Goals and related fiscal policies for Fiscal Year 2023/24, highlighting the following areas:

- Budget development
 - Commission Goals and Policies
 - Department Goals and Objectives
 - Budget Development and Adoption
- Commission Goals and Objectives
 - Quality of Life
 - Operational Excellence
 - Connecting the Economy
 - Responsible Partner
- Commission Goals and Objectives – Updated for FY 2023/24
 - Quality of Life, includes a goal for mitigating truck congestion and reimaging goods movement. Also seeks to enhance public engagement strategies
 - Operational Excellence, engage users of the various modes in transportation in an easily accessible manner
 - Connecting the Economy changes within this goal were primarily administrative in nature
 - Within the responsible partner objective, RCTC will seek to engage both public and private stakeholders and develop those relationships to provide relief from various obstacles such as regulatory restrictions and to developing shared solutions
- Short-Term Objectives
 - Capital Project Development and Delivery
 - ✓ Continue as lead agency for partner projects such as Interstate 10/Highland Springs Inter-change project and continue design

- efforts and related environmental clearance for the Santa Ana River trail
- ✓ Consider opportunities to implement technology-based strategies such as Smart Freeway project
- Operations
 - ✓ Efficiently operate both existing Commuter rail stations and the 15 and 91 express lanes along with providing motorist assistance services.
- Regional Programs
 - ✓ Updates includes engaging state and federal legislators to ensure consideration for transportation projects and related funding is secured for key regional projects
- Management Services
 - ✓ Continue to provide true, current and accurate financial information while also developing partnerships to enhance information sharing
- Guiding Fiscal Policies
 - Financial Planning
 - Revenues
 - Expenditures/Expenses
 - Debt Management
 - Cash Management
 - Accounting and Reporting
- Next steps

M/S/C (Warren/Molina) to:

- 1) **Review and approve the proposed Commission Policy Goals and Objectives for the Fiscal Year (FY) 2023/24 Budget; and**
- 2) **Review and approve the Fiscal Accountability Policies for the FY 2023/24 Budget.**

8. FORMULA FUNDING DISTRIBUTION WITHIN RIVERSIDE COUNTY

Jillian Guizado, Planning and Programming Director, provided a detailed overview of the formula funding distributions throughout Riverside County. She noted that she is joined with Jonathan Hoy, Coachella Valley Association of Governments (CVAG) Director of Transportation, if there were any questions.

M/S/C (Gregory/Stewart) to:

- 1) **Approve Agreement No. 23-66-052-00, a Memorandum of Understanding (MOU) between the Commission and the Coachella Valley**

Association of Governments (CVAG) to outline certain formula funding distributions as follows:

- a. **Measure A – Distribute Measure A funds as directed in the Measure A Ordinance and Expenditure Plan approved by Riverside County voters in 2002;**
 - b. **Local Transportation Fund Planning – Distribute Local Transportation Fund (LTF) Planning funds to CVAG following RCTC-adopted distribution formula;**
 - c. **State Transportation Improvement Program – Distribute State Transportation Improvement Program (STIP) funds consistent with the 1998 MOU with Western Riverside Council of Governments (WRCOG) and CVAG;**
 - d. **State Transportation Improvement Program – Revise STIP Planning, Programming, and Monitoring (PPM) distribution to CVAG from a set annual dollar amount to the Coachella Valley percentage share of taxable sales applied to annual STIP PPM allocation amounts following the procedures contained herein;**
 - e. **Local Partnership Program Formula – Distribute Local Partnership Program (LPP) Formula funds to CVAG for the Coachella Valley share of taxable sales;**
 - f. **Local Partnership Program Formula – Coordinate with CVAG leading up to each LPP Formula cycle to communicate the Coachella Valley LPP Formula share balance and determine if there is an eligible Coachella Valley project on which to program the funds; and**
- 2) **Approve entering into a revised MOU with the city of Blythe (Blythe) to process a biennial LPP Formula funding swap in tandem with each biennial STIP cycle, beginning in calendar year 2023; and**
 - 3) **Authorize the Executive Director, pursuant to legal counsel review, to execute the agreement on behalf of the Commission.**

9. FUNDING REQUEST FOR INTERSTATE 10 MONROE STREET INTERCHANGE PROJECT

Jillian Guizado provided an overview of the funding request for Interstate 10 Monroe Street Interchange Project. She noted that she was joined by John Ashlock, County of Riverside Project Manager, should there be any questions.

M/S/C (Stewart/Molina) to:

- 1) **Approve programming \$26,232,000 of Surface Transportation Block Grant (STBG) funds for the Interstate 10/Monroe Street Interchange Project;**
- 2) **Approve Agreement No. 23-72-051-00 between the Commission and the County of Riverside for the programming of \$26,232,000 of STBG for the**

construction phase of the Interstate 10/Monroe Street Interchange Project.

10. SETTLEMENT AGREEMENT CONTRIBUTIONS INVOLVING THE WORLD LOGISTICS CENTER FROM THE CITY OF MORENO VALLEY AND HIGHLAND FAIRVIEW FOR THE CENTER FOR ENVIRONMENTAL RESEARCH AND TECHNOLOGY AND THE COMMUNITY TRANSLATIONAL RESEARCH INSTITUTE

Lorelle Moe-Luna, Multimodal Services Director, presented the settlement agreement contributions involving the World Logistics Center from the city of Moreno Valley and Highland Fairview for the Center for Environmental Research and Technology (CERT) and Community Translational Research Institute (CTRI), highlighting the following:

- Background information
 - In 2016, a settlement was reached between RCTC, the County, Highland Fairview, and city of Moreno Valley over the suit filed by RCTC and the County challenging the environmental impact report regarding the World Logistics Center
 - Terms of settlement required that RCTC collect a total of \$200,000 from Highland Fairview and the City and provide \$100,000 each to CERT and CTRI
 - Settlement contributions were received last fiscal year
- UCR CE-CERT background
 - UCR Bourns College of Engineering (CE) is home to CERT, better known as CE-CERT
 - Established in 1992, largest research center at UCR
 - Five research focus areas:
 - ✓ Renewable Energy Production & Integration
 - ✓ Vehicle Technology & Combustion Optimization
 - ✓ Transportation Systems: Vehicle Infrastructure & Interaction
 - ✓ Pollution Formation in the Atmosphere
 - ✓ Exposure and Health Effects
- UCR CE-CERT Proposal - Project: Health-Based Truck Route Assessment for the cities of Riverside and Moreno Valley, the scope, and the proposal
- CTRI background
 - CTRI, a non-profit research institute, and a program of Heluna Health
 - CTRI connects academic, government, and community organizations to prevent chronic diseases from emerging
 - Three strategic goals:
 - ✓ Design a community health system that works synergistically
 - ✓ Empower these organizations to communicate with key decision-makers to advocate sustainable solutions
 - ✓ Discover unofficial community leaders and develop them into official leadership positions within the community

- CTRI Proposal – Project: Environmental Sources of Early Life adversity in Northwest Riverside County and Prevention and Remediation of their Adverse Behavioral Health Sequelae, and the objectives
- Next steps

At this time, Commissioner Jan Harnik joined the meeting.

Lorelle Moe-Luna noted that Dr. Matt Barth, UCR Professor and Director of CE-CERT, as well as Dr. Andy Johnson, Professor at Claremont Graduate University and President CEO of CTRI, are available to answer any questions about their respective projects.

Commissioner James Stewart clarified these studies are to figure out what the effects of these truck trips are as a result of this project.

Lorelle Moe-Luna replied they do not have to be tied specifically to the project, it just has to be related to goods movement in general in the region.

Dr. Andy Johnson stated the CTRI project in scoring cities communities for adversity does include in the six-item index traffic and pollution as two of the factors and others include socio-economic factors and several health indicators. He noted they are particularly interested in discovering in the screenings what might be the relationship between all those adversity factors including traffic and pollution on both metabolic function, diabetes risk, heart disease risk, stroke risk, and on social emotional disfunction.

Commissioner Chuck Washington explained when the County joined RCTC in the lawsuit there were comments made that the main framework for why they are pushing for some sort of relief from the approval of the project was that although one agency had approval authority the impact of this immense amount of truck traffic affects a good portion of Riverside County, especially Western Riverside County. Those impacts are mounting today and will continue to mount and if anybody spent any time during the day on Interstate 215, State Route 91, SR-60, I-15 they will see tremendous amounts of trucks and they may not be driving through where they initiated their travel, but the impacts are on many communities in Riverside County. He noted looking forward to the results of this study and it will help the Commissioners be better informed about the decisions they make about increasing truck traffic on the roads.

Commissioner Ulises Cabrera expressed appreciation for the report and concurred with Commissioner Washington's comments about this being good and it will hopefully give the Commission more information and data to look at so they can better plan moving forward. The Commissioners are aware there is an ongoing transition to try to electrify everything which is also good, but this should help the Commission in those efforts. He asked those that are going to be receiving this funding and conducting the studies when can the Commissioners anticipate some initial reports and when do you expect to have everything finalized for this funding for the work that is being done with this.

Dr. Matt Barth replied they will probably spend the first six months collaborating and setting up their transportation model specifically for certain kinds of truck routing schemes, so they will probably have some initial results in that timeframe to get preliminary results and then it will be documented after a year's time.

Dr. Andy Johnson replied as Lorelle Moe-Luna indicated they are on an 18 month timeframe and approximately the first six months will be devoted to the community screenings to help identify sites where they will be doing population screenings and by the end of the first six months they will have begun the intervention phase, which is to work with people who are identified either as social, emotional, or metabolic risk. They will be triaged and enter them into services so by the end of the six or seventh month they should be able to report to the Commission preliminary findings on the screenings and at the end of 12 months they should be able to report preliminary findings on the program interventions.

M/S/C (White/Middleton) to:

- 1) Award Agreement No. 23-67-042-00 to the University of California Regents for the Center for Environmental Research and Technology (CERT) at the University of California, Riverside (UCR) in the amount of \$100,000 from settlement funds received from Highland Fairview and the city of Moreno Valley (Moreno Valley);**
- 2) Award Agreement No. 23-67-043-00 to the Community Translational Research Institute (CTRI), a program of the Public Health Foundation Enterprises Inc., dba Heluna Health, in the amount of \$100,000 from settlement funds received from Highland Fairview and Moreno Valley; and**
- 3) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreements on behalf of the Commission.**

11. ITEM(S) PULLED FROM CONSENT CALENDAR AGENDA

There were no items pulled from the consent calendar.

12. EXECUTIVE DIRECTOR REPORT

Anne Mayer announced:

- Tonight from 5:30 p.m. – 7:00 p.m. RCTC will be hosting a Public Information meeting for the I-10/Highland Springs Interchange project. This is an important project in the Pass Area, and it will be held at the Senior Community Center on Oak Valley Parkway.

In response to Commissioner Lloyd White's clarification, Anne Mayer replied that it is at the Albert A. Chatigny Senior Community Center.

13. COMMISSIONER COMMENTS

There were no Commissioner comments.

14. ADJOURNMENT

There being no further business for consideration by the Budget and Implementation Committee, the meeting was adjourned at 10:04 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

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	April 24, 2023
TO:	Budget and Implementation Committee
FROM:	Alicia Johnson, Senior Procurement Analyst Jose Mendoza, Procurement Manager
THROUGH:	Matthew Wallace, Deputy Director of Financial Administration
SUBJECT:	Single Signature Authority Report

STAFF RECOMMENDATION:

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

- 1) Receive and file the Single Signature Authority report for the third quarter ended March 31, 2023.

BACKGROUND INFORMATION:

Certain contracts are executed under single signature authority as permitted in the Commission’s Procurement Policy Manual adopted in March 2021. The Executive Director is authorized to sign services contracts that are less than \$250,000 individually and in an aggregate amount not to exceed \$2 million in any given fiscal year. Additionally, in accordance with Public Utilities Code Section 130323(c), the Executive Director is authorized to sign contracts for supplies, equipment, materials, and construction of all facilities and works under \$50,000 individually.

The attached report details all contracts that have been executed for the third quarter ended March 31, 2023, under the single signature authority granted to the Executive Director. The unused capacity of single signature authority for services as of March 31, 2023, is \$1,550,231.

Attachment: Single Signature Authority Report as of March 31, 2023

**SINGLE SIGNATURE AUTHORITY
AS OF MARCH 31, 2023**

CONTRACT #	CONSULTANT	DESCRIPTION OF SERVICES	ORIGINAL CONTRACT AMOUNT	PAID AMOUNT	REMAINING CONTRACT AMOUNT
AMOUNT AVAILABLE July 1, 2022			\$2,000,000.00		
22-45-099-00	California Highway Patrol	Call Box Coordinator Services	15,900.00	1,354.00	14,546.00
19-31-030-04	Arcadis	I-15/Railroad Canyon Interchange Project	214,293.00	123,253.00	91,040.00
23-65-045-00	KOA Corporation	2022/2023 SCAG's County Transportation Commission REAP 2.0 Grant Writing Services	70,630.00	41,025.00	29,605.00
22-62-008-02	Center for Transportation and the Environment, Inc	Implementation Plan Services for the Riverside County Zero-Emission Bus Rollout and Implementation Plans	48,946.00	0.00	48,946.00
23-31-054-00	RailPros	SR 71/SR91 Flagging Services	100,000.00	0.00	100,000.00
AMOUNT USED			449,769.00		
AMOUNT REMAINING through March 31, 2023			\$1,550,231.00		
<u>Agreements that fall under Public Utilities Code 130323 (C)</u>					
None	N/A		\$-	\$-	\$-
Alicia Johnson Prepared by		Matthew Wallace Reviewed by			

Note: Shaded area represents new contracts listed in the third quarter.

AGENDA ITEM 6C

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	April 24, 2023
TO:	Budget and Implementation Committee
FROM:	Megan Kavand, Senior Financial Analyst
THROUGH:	Sergio Vidal, Chief Financial Officer
SUBJECT:	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 March 31, 2023.

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 March 2023, 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 March 31, 2023, the Commission’s cash and investments were comprised of the following:

CASH AND INVESTMENTS PORTFOLIO	AMOUNTS ¹
Operating	\$ 837,558,729
Trust	274,296,985
Commission-managed	190,294,038
STAMP for 91 CIP	57,546,887
STAMP for 2017 Financing	30,974,268
Total	\$ 1,390,670,907
Note: ¹ Unreconciled and unaudited	

As of March 31, 2023, the Commission’s cash and investments are in compliance with both the Commission’s investment policy adopted on December 14, 2022, 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:

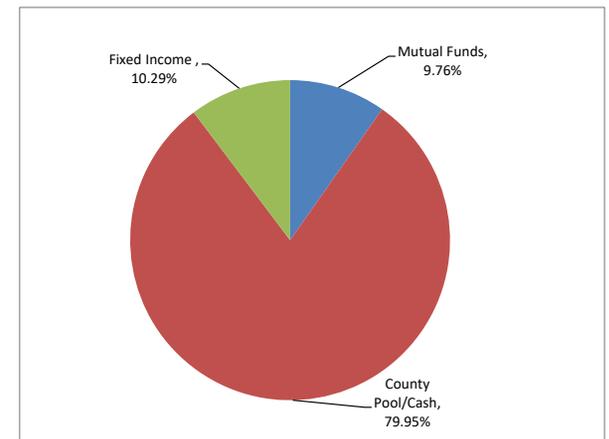
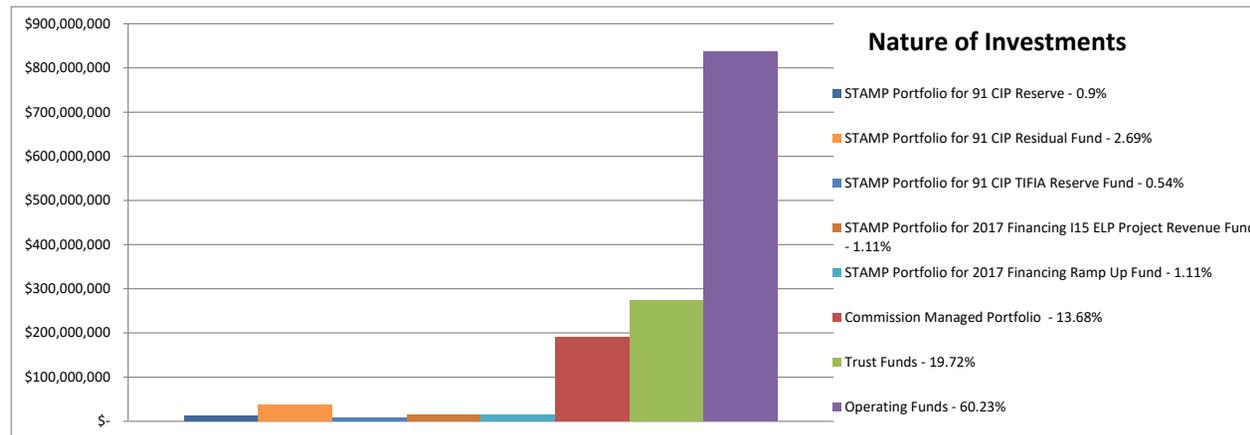
This is an information item. There is no fiscal impact.

Attachment: Investment Portfolio Report

Riverside County Transportation Commission
Investment Portfolio Report
Period Ended: March 31, 2023

	STATEMENT BALANCE ¹	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)
OPERATING FUNDS												
City National Bank Deposits	9,069,614	City National Bank	Available upon request	A3/BBB+	N/A				N/A			
County Treasurer's Pooled Investment Fund	828,489,115	County Treasurer	Available upon request					Available upon request				
Subtotal Operating Funds	837,558,729											
FUNDS HELD IN TRUST												
County Treasurer's Pooled Investment Fund: Local Transportation Fund	274,296,985	County Treasurer	Available upon request					Available upon request				
Subtotal Funds Held in Trust	274,296,985											
COMMISSION MANAGED PORTFOLIO												
US Bank Payden & Rygel Operating	54,633,738	US Bank	Available upon request					Available upon request				
First American Government Obligation Fund	135,660,300	US Bank	Available upon request	N/A	N/A				N/A			
Subtotal Commission Managed Portfolio	190,294,038											
STAMP PORTFOLIO for 91 CIP												
2013 Series A & Series B Reserve Fund	12,564,346	US Bank	Available upon request					Available upon request				
2021 Series B Reserve Fund	37,421,365	US Bank	Available upon request					Available upon request				
2021 Series C Reserve Fund	7,561,176	US Bank	Available upon request					Available upon request				
Subtotal STAMP Portfolio - 91 CIP	57,546,887											
STAMP PORTFOLIO for 2017 Financing												
Sales Tax I15 ELP Project Revenue Fund	15,502,349	US Bank	Available upon request					Available upon request				
Ramp Up Fund	15,471,919	US Bank	Available upon request					Available upon request				
Subtotal STAMP Portfolio - 2017 Financing	30,974,268											
TOTAL All Cash and Investments	\$ 1,390,670,907											

Notes:
¹ Unreconciled and unaudited



AGENDA ITEM 7

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

DATE:	April 24, 2023
TO:	Budget and Implementation Committee
FROM:	Sergio Vidal, Chief Financial Officer
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Proposed Budget for Fiscal Year 2023/24

STAFF RECOMMENDATION:

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

- 1) Discuss, review, and provide guidance on the proposed Fiscal Year 2023/24 Budget; and
- 2) Conduct a public hearing to receive input and comments on the proposed FY 2023/24 Budget on May 10 and June 14, 2023, and thereafter close the public hearing.

BACKGROUND INFORMATION:

Staff completed the initial budget preparation process culminating with the attached executive summary for the proposed FY 2023/24 Budget. The policy goals and objectives approved by the Commission on March 8 formulate the basis for the upcoming FY 2023/24 budget. The long-term policy goals that support the Commission’s objectives considered during the preparation of the budget relates to promoting quality of life; achieving operations excellence; connecting the economy; being a responsible partner; and maintaining fiscal accountability.

The Commission’s budget is primarily project-driven and includes service-driven enterprise operations such as the Interstate 15 and State Route 91 Express Lanes. As a project driven-agency, the Commission accumulates funds, or reserves, for specific projects and programs – resulting in flexibility to adjust project development or programs in the event of an economic downturn.

The proposed FY 2023/24 Budget (Attachment 1, Tables 18 anticipates that total uses will exceed sources by approximately \$160 million. Similar to prior years, accumulated reserves will fund the deficiency, largely related to the use of fund balance for the following projects: Regional Arterial call for projects funded by both Transportation Uniform Mitigation Fees (TUMF) and Measure A regional arterial revenues; and 15/91 Express Lanes Connector funded by SR-91 Surplus Toll Revenues.

Furthermore, Tables 18-20 (Attachment 1) provide a summary of budgeted sources and uses from different perspectives (comparative, operating and capital, and fund type).

Sources

The proposed budget for FY 2023/24 reflects sources at approximately \$1.02 billion, including transfers in, a five percent decrease from the prior year. The decrease is largely attributable to lower intergovernmental revenues related to project reimbursements offset by increases in local sales taxes and investment income.

Measure A and Local Transportation Fund (LTF) revenues are each estimated to be \$5 million more than prior year largely due to continued strong economic activity in the County and taxation of online sales (Measure A). State Transit Assistance estimated to be \$7.4 million greater than the prior year, largely due continued elevated costs related to fuel sales. Due to the higher than anticipated interest rates the portfolio yield has been amended, translating to an estimated \$12 million from the prior year.

Furthermore, the estimated sources represents a cautiously optimistic outlook to the County's economic activity. Key trends to be monitored by staff impacting our estimates include but not limited to following unemployment rate, interest, and inflation rates.

Uses

FY 2023/24 uses is estimated to be \$1.19 billion, representing a two percent increase from the prior year. The increases are largely related to the Public and Specialized Transit expenditures due to exhausting COVID-19 pandemic relief funding by transit operators and higher operating and capital contributions to Southern California Regional Rail Authority (SCRRA). Planning and Programming anticipated increase in uses is largely attributable to grant funded Regional Early Action Plan (REAP) 2.0 special study expenses and LTF disbursements.

Since the Commission is primarily project-driven, personnel costs represent less than two percent of budgeted expenditures totaling approximately \$17.6 million. As approved by the Executive Committee, on April 10, 2023, budgeted personnel costs reflect the following changes for the upcoming fiscal year:

Changes in Personnel Costs - FY 2023/24:

- Four (4) percent pool for performance merit-based salary increases; and
- Four (4) percent annual salary range cost of living adjustment (COLA). The COLA only applies to the Commission's salary range structure and is not automatically applied to the current employees' salaries. In June 2019, the Board approved the COLA will be predicated on the percent change in the Consumer Price Index (CPI) – All-Urban Wage Earners, covering Riverside, CA for the 12-month period ending December 31, rounded to the nearest half a percent, with a maximum adjustment of 4 percent. The COLA will be equal to the CPI, but no less than 0 percent and no greater than 4 percent. The CPI for the All-Urban Wage Earners, covering Riverside, CA for the 12-month period ending December 31, 2022, was 8.7 percent. In accordance with the Board's action, CPI was

capped at 4 percent and applied to the Commission's salary range structure for FY 2023/24.

With the FY 2023/24 Budget, the Commission will continue to move forward current capital projects to construction, thereby providing a stimulus to the local economy. Significant capital projects and its current project phase are as follows:

Construction and/or Design-Build Phase:

- 71/91 Connector in Corona
- 15/91 Express Lanes Connector in Corona

Completion Phase (*Anticipated*):

- I-15 Express Lanes Project in northwestern Riverside County,
- Moreno Valley-March Field station upgrades and grade separation projects
- Design-build activities on the 15/91 Express Lanes Connector in Corona
- Mid County Parkway's (MCP)
 - I-215/Placentia Avenue interchange in Perris

Preliminary engineering, final design, and/or right of way acquisitions Phase(s):

- I-15 Express Lanes Project-Southern Extension
- I-15 Express Lanes Corridor Operations Project
- MCP's construction project and I-215/Placentia Avenue interchange in Perris
- 71/91 Connector in Corona

Other major capital projects:

- Pass-through funding for Measure A local streets and roads
- SB 132 projects in northwestern Riverside County
- Western County TUMF and Measure A regional arterial projects
- Several commuter rail station upgrades and improvements

Table 21 in the executive summary presents a summary of highway, regional arterial, rail, and regional conservation program projects.

A public hearing to allow for public comment on the proposed budget is required prior to the adoption of the proposed budget, including proposed salary schedule. **Accordingly, staff recommends the Commission opens the public hearing on May 10, continues the public hearing to June 14 followed by adoption of the proposed FY 2023/24 Budget.** In accordance with the Commission's fiscal policies, the budget must be adopted no later than June 15 of each year.

A summary of the proposed FY 2023/24 Budget is as follows:

	FY 2023/24 Budget
Revenues and other financing sources:	
Sales taxes-Measure A and Local Transportation Funds	\$ 435,000,000
Reimbursements (federal, state, and local)	201,941,200
Transportation Uniform Mitigation Funds, including reimbursements	31,000,000
State Transit Assistance	38,363,900
Tolls, penalties, and fees	97,989,000
Other revenues	723,500
Interest on investments	13,305,000
Transfers in	211,674,800
Total revenues and other financing sources	<u>1,029,997,400</u>
Expenditures and other financing uses:	
Personnel salaries and fringe benefits	17,563,900
Professional services	23,618,500
Support services	21,648,300
Projects and operations	816,406,100
Capital outlay	7,837,200
Debt service (principal and interest)	91,416,200
Transfers out	211,674,800
Total expenditures and other financing uses	<u>1,190,165,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(160,167,600)
Beginning fund balance (projected)	1,382,668,800
Ending fund balance (projected)	<u>\$ 1,222,501,200</u>

At its June 14 Commission meeting, staff will present the entire budget document with detailed narratives and the FY 2023/24 salary schedule.

Attachment: Executive Summary for the Proposed FY 2023/24 Budget

Executive Summary

Introduction

The budget for Fiscal Year (FY) 2023/24 is presented to the Board of Commissioners (Board) and the citizens of Riverside County. The budget outlines the projects and programs the Commission plans to undertake during the year and appropriates expenditures to accomplish these tasks. The budget also shows the funding sources and fund balances for these projects and programs. This document serves as the Commission's monetary guideline for the fiscal year. To provide the reader a better understanding of the projects and programs, staff included descriptive information regarding each department and major programs and projects. This budget is presented based on the best available economic information. The Board and staff will continuously monitor, assess, and re-prioritize the budgeted revenues and expenditures as necessary. The discussion in each department includes a review of accomplishments, major initiatives, and key assumptions.

Policy Goals and Objectives

As approved at its March 8, 2023, 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 <i>RCTC is focused on improving life for the people of Riverside County and empowering them to live life at their pace.</i>	
Choice	RCTC empowers the residents of Riverside County to choose how to safely get to where they are going.
Environmental Stewardship	RCTC protects and preserves the County's environment for its residents.
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. Also identifies solutions to reduce truck congestion and the community impacts from the flow of goods from nearby ports.
Public Engagement	RCTC is committed to engaging Riverside County residents through ongoing two-way communication and public outreach.

OPERATIONAL EXCELLENCE <i>RCTC is a responsible and conservative steward of taxpayer dollars.</i>	
State of Good Repair	RCTC invests in road safety and maintenance in its residents' neighborhoods and 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; ensure customers receive prompt, dependable, and quality service.

CONNECTING THE ECONOMY <i>RCTC is a driver of economic growth in Riverside County.</i>	
Workforce Mobility	RCTC improves the economy by creating a robust workforce to workplace system; RCTC 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 over 2.5 million today. RCTC is sensitive to each geographic area's unique needs.
Economic Impact	RCTC has invested over \$4.5 billion in the County's economy thanks to Measure A and toll revenues, which has a multiplier impact in terms of jobs and economic opportunity throughout Riverside County.

RESPONSIBLE PARTNER <i>RCTC partners with local, tribal, regional, and state governments to deliver transportation projects and programs.</i>	
Streets and Roads	RCTC has invested over \$1.4 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 master 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 will strive to form partnerships with key stakeholders in both the public and private sector. The goal of collaborating with other entities is 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 2023/24 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 projects to 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, closeout the I-15/Railroad Canyon Interchange project, continue preliminary engineering of the I-10/Highland Springs Avenue Interchange project, and continue environmental clearance and design efforts for the Santa Ana River Trail.
- 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. Finalize plans, specifications and estimates for 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 commuter rail station facilities, 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 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.
- Subsidize reliable and cost-effective Metrolink commuter rail service to and from Riverside County; Southern Regional Rail Authority (SCRRRA) is the operator of Metrolink.
- Provide continued leadership in the planning and development for the Coachella Valley-San Gorgonio Pass Rail Corridor Service (CV Rail).
- Support innovative programs that provide transit assistance in rural areas or for riders with special transit needs.
- Promote cost controls and operating efficiency for transit operators.
- Maintain effective partnerships among commuters, employers, and government to increase the efficiency of our transportation system by encouraging and promoting 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.
- 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 2023/24 Management Services budget is 1.30% of Measure A revenues.
- Maintain administrative salaries and benefits at less than 1% of Measure A revenues; the FY 2023/24 administrative salaries and benefits is 0.46% of Measure A revenues.
- Maintain prudent cash reserves to provide some level of insulation for unplanned expenditures or economic downturns.
- Maintain strong bond ratings with rating agencies.
- Establish and maintain revenues and reserves generated from toll operations to be available for debt service in accordance with toll supported debt agreements; maintenance, repair, 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

Budget Overview

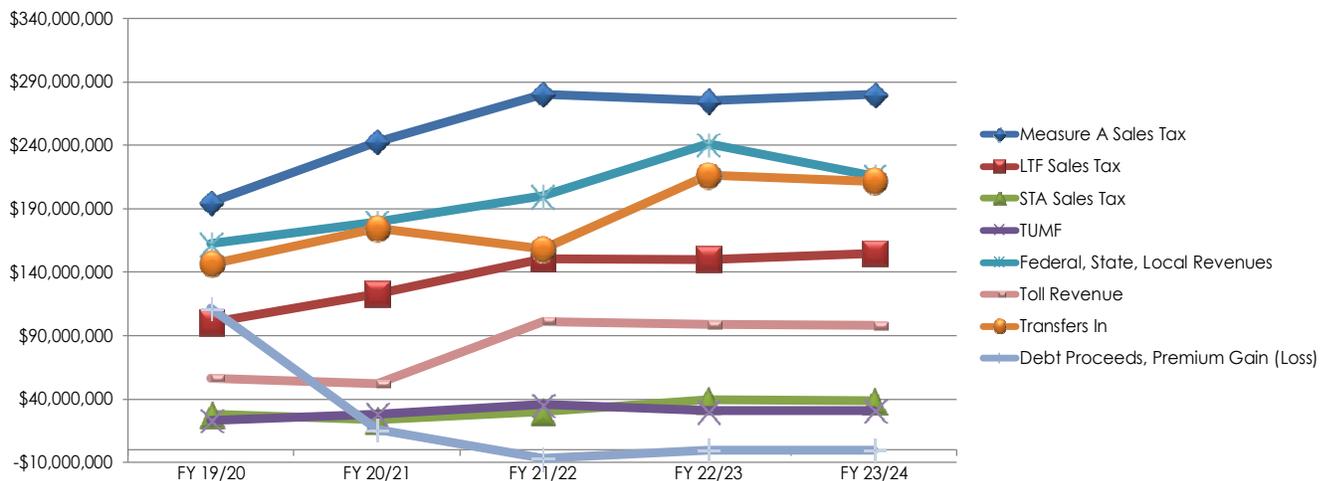
Total sources (Table 2) are budgeted at \$1,029,997,400, a 5% decrease over the FY 2022/23 budget. The decrease is largely a result in the reduction in intergovernmental revenues primarily related to various SB 132 projects nearing completion. Total sources are comprised of revenues of \$818,322,600 and transfers in of \$211,674,800. The projected fund balance at June 30, 2023, available for expenditures/expenses (excluding amounts restricted for debt service of \$11,282,000 and advances receivable of \$15,469,900) is \$1,355,916,900. Accordingly, total funding available for the FY 2023/24 budget totals \$2,385,914,300.

Table 2 – Sources FY 2022-2024

	FY 21/22 Actual	FY 22/23 Revised Budget	FY 22/23 Projected	FY 23/24 Budget	Dollar Change	Percent Change
Measure A Sales Tax	\$ 280,170,600	\$ 275,000,000	\$ 275,000,000	\$ 280,000,000	\$ 5,000,000	2%
LTF Sales Tax	150,694,000	150,000,000	150,000,000	155,000,000	5,000,000	3%
STA Sales Tax	29,988,300	30,964,600	39,055,000	38,363,900	7,399,300	24%
Intergovernmental	213,865,000	246,701,300	235,145,100	201,941,200	(44,760,100)	-18%
TUMF Revenue	35,509,000	31,000,000	30,750,000	31,000,000	-	0%
Tolls, Penalties, and Fees	100,992,600	97,771,800	98,794,100	97,989,000	217,200	0%
Other Revenue	3,926,900	707,000	719,100	723,500	16,500	2%
Investment Income (Loss)	(17,686,500)	1,168,400	5,103,000	13,305,000	12,136,600	1039%
Transfers In	158,254,900	247,462,200	216,171,100	211,674,800	(35,787,400)	-14%
Debt Proceeds, Premium Gain (Loss)	(6,733,700)	-	-	-	-	N/A
TOTAL Sources	\$ 948,981,100	\$ 1,080,775,300	\$ 1,050,737,400	\$ 1,029,997,400	\$ (50,777,900)	-5%

Riverside County has specific competitive advantages over nearby coastal counties (Los Angeles, Orange, and San Diego), including housing that is more available and affordable as well as plentiful commercial real estate and land available for development at lower costs. Prior to the COVID-19 pandemic in early 2020, Riverside County's economy benefitted from employment gains due to the County's ability to attract businesses with lower commercial rents and a skilled labor force. Population migration to the Inland Empire (i.e., Riverside and San Bernardino counties) occurred due to these employment opportunities and a lower cost of living compared to the coastal counties. Stability in the local labor market and housing advantages has increased economic activity and post COVID-19 pandemic recovery contributing to stable sales tax revenue growth as noted on Chart 3.

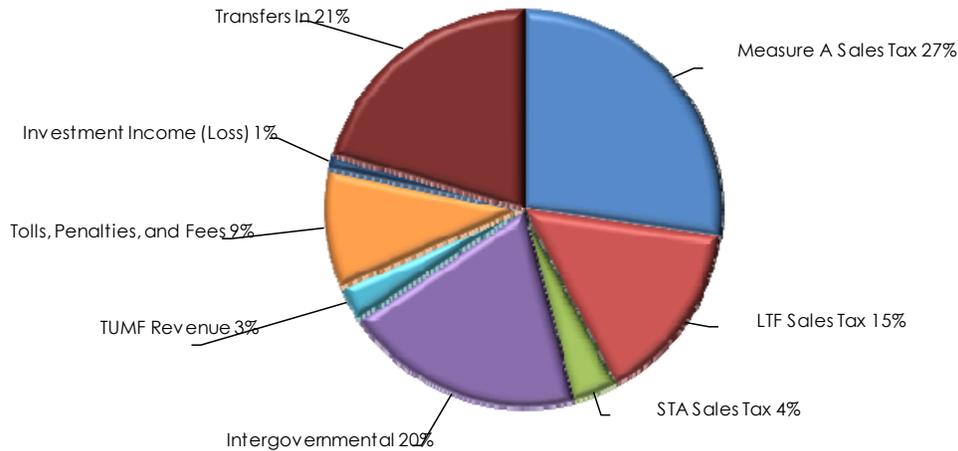
Chart 3 – Sources: Five-Year Trend



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

While the Commission's primary revenues are the Measure A and LTF sales taxes, other revenues and financing sources are required to fund the Commission's programs and projects as illustrated in Chart 4. The Commission receives Measure A and LTF sales tax revenues from the California Department of Tax and Fee Administration (CDTFA), as statutorily created and authorized successor to the former California State Board of Equalization.

Chart 4 – Sources: Major Categories



After considering the state of the local economy, staff projects Measure A sales tax revenues of \$280,000,000 for FY 2023/24. This is a 2% change from the FY 2022/23 revised projection of \$275,000,000. Generally, the Commission reassesses its sales tax revenue projections at midyear based on the economy and revenue trends; however, the Commission anticipates more frequent reviews throughout FY 2023/24 as other key economic indicators such as the County's unemployment rate and interest rates become known.

On behalf of the County, the Commission administers the LTF for public transportation needs, local streets and roads, and bicycle and pedestrian facilities. The majority of LTF funding received by the County and available for allocation is distributed to all public transit operators in the County. The Commission receives allocations for administration, planning, and programming in addition to funding for Western County rail operations included in the commuter rail Short Range Transit Plan (SRTP). LTF sales tax revenue is budgeted at \$155,000,000, a 3% change from the FY 2022/23 revised \$150,000,000 projection. The projection for the upcoming year is based on economic activity remaining relatively flat due to uncertainty with the economy.

A statewide sales tax on motor vehicle diesel fuel generates STA funds, which the State Controller allocates by formula to the Commission for allocations to the County's public transit operators. SB 1 provides additional STA revenues, including State of Good Repair (SGR) funds for transit maintenance, rehabilitation, and capital projects. The FY 2023/24 STA/SGR allocations, based on recent State estimates, is \$38,363,900.

Intergovernmental revenues, estimated to be \$201,941,200, include reimbursement revenues from federal sources of \$89,308,100, state sources of \$82,343,100, and local agencies of \$30,290,000 for highway and rail capital projects, rail operations and station maintenance, commuter assistance, and motorist assistance programs as well as planning and programming activities. The anticipated decrease of 18% in FY 2023/24 compared to the revised FY 2022/23 budget is related to decreases in state reimbursements primarily related to SB 132 funding expended on various projects. SB 132 enacted in April 2017 provided state funding for the 15/91 Express Lanes Connector and pass-through funding to the County for projects such as the Hamner Bridge widening and to both the County and city of Corona for various grade separation projects. Other state reimbursements will fund the 71/91 Connector, Mid County Parkway (MCP) projects, station rehabilitation and planning and programming projects. Federal reimbursements provide funding for the I-15 Express Lanes–Southern Extension, SR-91 East Corridor Operations project, 71/91 Connector, MCP projects, Smart Freeways, and station rehabilitation projects. Local reimbursements will fund the I-15 Express Lanes – Northern Extension, 91 Express Lanes eastbound to McKinley Avenue, Santa Ana River Trail Extension, rideshare services, and regional conservation. Reimbursement revenues vary from year to year depending on project activities and funding levels.

Based on an amended Memorandum of Understanding (MOU) with the Western Riverside Council of Governments (WRCOG), the Commission receives 48.1% of TUMF revenues (as updated by the most recent Nexus study). TUMF represents fees assessed on new residential and commercial development in Western County. The Commission projects FY 2023/24 TUMF related fees at \$31,000,000.

FY 2022/23 marked the sixth complete fiscal year of toll operations for the RCTC 91 Express Lanes following substantial completion of the 91 Project in March 2017. Since opening and through February 2020, the RCTC 91 Express Lanes traffic and toll revenues surpassed initial 2013 financing assumptions and an updated Riverside County 91 Express Lanes Extension Investment Grade Traffic and Revenue Study approved by the Commission in December 2018. The Commission estimates FY 2023/24 toll revenues, penalties, and fees of \$65,080,500 — comparable to the FY 2022/23 projected revenues of \$65,548,100.

FY 2022/23 marked the second full year of toll operations for the 15 Express Lanes following substantial completion of the I-15 Express Lanes Project and opening of the 15 Express Lanes in April 2021. For FY 2023/24, the Commission projects \$32,908,500 in toll revenues, penalties and fees for the 15 Express Lanes, a slight decrease of 2% compared to the FY 2022/23 projected revenues of \$33,246,000. The 2% decrease is based on a slight downward trend identified in the past few months. Staff will continue to monitor toll revenues and transactions and adjust the FY 2023/24 projections as necessary.

Other revenue of \$723,500 includes property management generated from properties acquired in connection with various highway and rail properties.

The Commission anticipates a 1039% increase in FY 2023/24 investment income from the FY 2022/23 budget due to higher estimated investment yields. The FY 2023/24 budget conservatively projects investment income at a 1.1% investment yield compared to a 0.10% investment yield budgeted in FY 2022/23.

Transfers in of \$211,674,800 relate to the transfer of LTF funding for general administration, planning and programming, rail operations, and grade separation project allocations; approved interfund allocations for specific projects and administrative cost allocations; and debt service requirements from highway, new corridors, and regional arterial funds.

Total uses (Table 3), including transfers out of \$211,674,800, are budgeted at \$1,190,165,000 a 2% increase from the prior year revised budget amount of \$1,165,858,200. Program expenditures and transfers out totaling \$1,072,639,700 represent 90.1% of total budgeted uses in FY 2023/24. Program costs increased by 2% from \$1,049,417,700 in FY 2022/23 due to projects and programs identified below.

Table 3 – Uses FY 2022-2023

	FY 21/22 Actual	FY 22/23 Revised Budget	FY 22/23 Projected	FY 23/24 Budget	Dollar Change	Percent Change
Capital Highway, Rail, and Regional Arterials	\$ 399,705,700	\$ 537,782,500	\$ 443,289,400	\$ 543,312,400	\$ 5,529,900	1%
Capital Local Streets and Roads	84,801,100	83,029,900	83,029,900	84,545,100	1,515,200	2%
Commuter Assistance	3,434,500	4,640,100	4,429,700	6,819,200	2,179,100	47%
Debt Service	98,396,400	91,756,300	91,756,400	91,416,200	(340,100)	0%
Management Services	18,544,400	24,684,200	21,211,600	26,109,100	1,424,900	6%
Motorist Assistance	6,755,000	9,560,300	7,363,400	8,952,100	(608,200)	-6%
Planning and Programming	5,009,400	10,683,600	8,606,500	29,600,500	18,916,900	177%
Public and Specialized Transit	95,994,500	202,068,600	185,862,300	243,247,900	41,179,300	20%
Rail Maintenance and Operations	16,869,100	53,671,400	47,896,500	59,091,100	5,419,700	10%
Regional Conservation	3,974,200	11,628,900	10,495,000	11,249,600	(379,300)	-3%
Toll Operations	34,909,000	136,352,400	105,139,600	85,821,800	(50,530,600)	-37%
TOTAL Uses	\$ 768,393,300	\$ 1,165,858,200	\$ 1,009,080,300	\$ 1,190,165,000	\$ 24,306,800	2%

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

Capital highway, rail, and regional arterials budgeted uses of \$543,312,400 are 1% higher compared to the FY 2022/23 budget due to project activities in various phases related to the 71/91 Connector, SR-79 realignment, I-15 Express Lanes project – southern extension, MCP projects, Smart Freeways, 91 eastbound COP, rail station improvements, and Western County Measure A and TUMF 2009 regional arterial call for projects.

Local streets and roads expenditures of \$84,545,100 reflects an increase of \$1,515,200 over the FY 2022/23 budget and represent the disbursements of 2009 Measure A sales tax revenues to local jurisdictions for the construction, repair, and maintenance of local streets and roads.

Commuter assistance budgeted expenditures of \$6,819,200 is 47% higher than the FY 2022/23 budget due to launching of a new free rail pass program and potential comprehensive bi-county Transportation Demand Management plan.

Debt service of \$91,416,200 is comparable to the FY 2022/23 budget.

Management services expenditures of \$26,109,100 increased 6% due to audit services, staff training and travel, technology equipment upgrades, and office improvements and expansion.

Motorist assistance expenditures of \$8,952,100 decreased 6% due to cost savings with current FSP radio systems and transfers out for SAFE matching funds to FSP and commuter assistance special projects.

Planning and programming budgeted expenditures of \$29,600,500 increased 177% due to increased projects and operation activities in connection with LTF disbursements for planning and programming, other agency projects, and special studies related to Regional Early Action Plan (REAP 2.0) and toll lanes.

Public and specialized transit budgeted expenditures of \$243,247,900 are 20% higher than the FY 2022/23 budget due to expiration of federal stimulus funds (CARES Act, Coronavirus Response and Relief Supplemental Appropriations Act, and American Rescue Plan Act of 2021) concur available in the prior year to help respond to COVID-19 impacts rather than traditional operating subsidies to public transit operators.

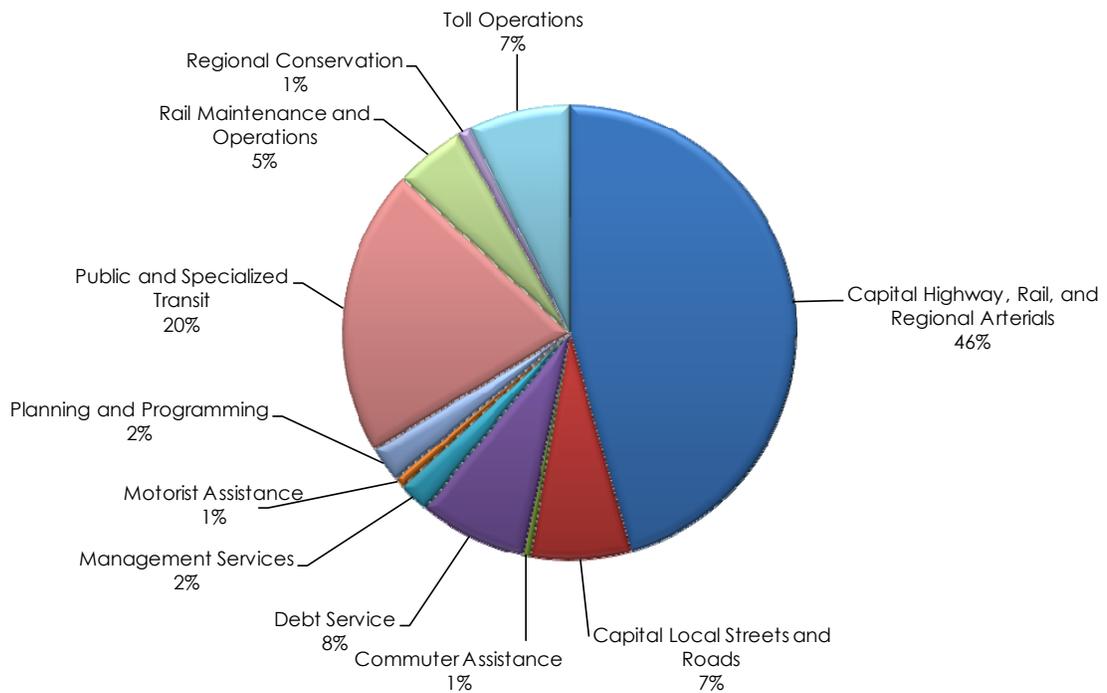
The rail maintenance and operations budgeted expenditures of \$59,091,100 are 10% higher than the FY 2022/23 budget due to increases in rail station security guards, program management, utilities, and Metrolink operations.

Regional conservation budgeted expenditures of \$11,249,600 reflects a second full year serving as the managing agency for the RCA. FY 2023/24 reflects a decrease of \$379,300 or 3% primarily due to a reduction in administration cost allocation and program management.

Toll operations expenses are budgeted at \$85,821,800 to manage the operations, maintenance, and capital support of the RCTC 91 Express Lanes and 15 Express Lanes. The 37% decrease for toll operational expenses is due to lower required repair and rehabilitation activity on the RCTC 91 Express Lanes, design build activity on the 91 Express Lanes eastbound lane to McKinley Avenue project, and transfer of surplus toll revenues required for the 15/91 Express Lanes Connector project than the previous year.

Chart 5 is an illustration of total uses included in the FY 2023/24 budget by major categories.

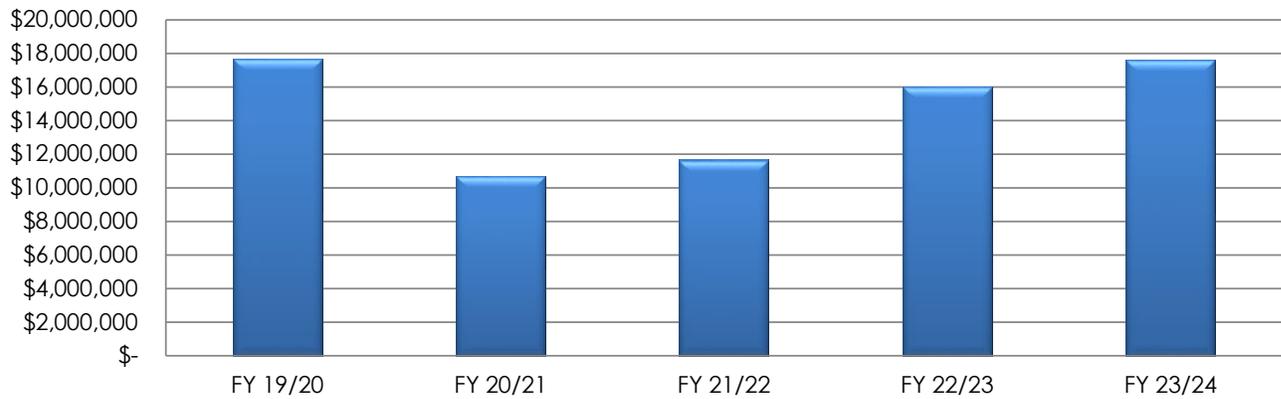
Chart 5 – Uses: Major Categories



Commission Personnel

The Commission's salaries and benefits total \$17,563,900 for FY 2023/24. This represents an increase of \$196,800 or 1% over the FY 2022/23 budget of \$17,367,100 (Chart 6). The increase relates primarily to a 4% pool for performance merit-based salary increases and a 4% annual salary range structure cost of living adjustment (COLA). The COLA only applies to the Commission's salary range structure and is not automatically applied to the current employees' salaries. In June 2019, the Board approved the COLA will be predicated on the percent change in the Consumer Price Index (CPI) – All Urban Wage Earners, covering Riverside, CA for the 12-month period ending December 31, rounded to the nearest half percent, with a maximum adjustment of 4%. The COLA will be equal to the CPI, but no less than 0% and no greater than 4%. The CPI for the All-Urban Wage Earners, covering Riverside, CA for the 12-month period ending December 31, 2022, was 8.7%. In accordance with the Board's action, CPI was capped at 4% and applied to the Commission's salary range structure for FY 2023/24. Significant variances in prior years (Chart 6) are primarily due to the Commission's one-time disbursement to pay down the California Public Employees Retirement System (CalPERS) unfunded actuarial pension liability of \$8.6 million in FY 2019/20; six months serving as the managing agency for the RCA in FY 2020/21; reorganization of the toll program, the addition of three new positions, and a full year serving as the managing agency for the RCA in FY 2021/22; and an increase to the Commission's contribution to employee health benefits in FY 2022/23. The Commission's salary schedule for FY 2023/24 is included in Appendix B and complies with Government Code §20636 "Compensation Earnable" and California Code of Register §570.5, "Requirements for a Publicly Available Pay Schedule."

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



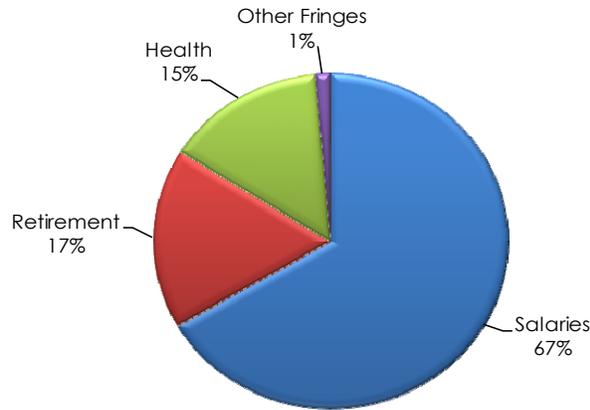
The 81 FTE positions included in the FY 2023/24 budget (Table 4) is comparable to the FY 2022/23 budget and Management continues its commitment with its intent for the Commission's enabling legislation requiring a lean organization. The Commission will continue providing staff the tools needed to ensure an efficient and productive work environment. However, small should not be viewed in an absolute context; it is relative to the required tasks and the demands to be met.

Table 4 – Full-Time Equivalents by Department FY 2022—2024

	FY 21/22	FY 22/23	FY 23/24
Executive Management	0.5	0.5	1.0
Administration	7.4	8.9	9.2
External Affairs	4.3	5.3	3.9
Finance	10.8	10.6	10.5
Planning and Programming	4.1	5.7	6.2
Rail Maintenance and Operations	3.8	4.0	4.1
Public and Specialized Transit	2.7	2.9	2.7
Commuter Assistance	0.9	1.3	1.3
Motorist Assistance	1.5	1.4	1.5
Regional Conservation	11.4	18.3	18.1
Capital Project Development and Delivery	13.1	14.7	14.7
Toll Operations	6.5	7.4	7.8
TOTAL	67.0	81.0	81.0

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

Chart 7 – Personnel Salaries and Benefits



Department Initiatives

Staff prepared each department's budget based on key assumptions, accomplishments in FY 2022/23, major initiatives for FY 2023/24, and department goals and related objectives. Tables 5 through 16 present the key initiatives and summary of expenditures/expenses for each department. The department budgets section contains detailed discussions about each department.

Executive Management

- Continue project development and delivery as the key Measure A priority.
- Foster growth in usage of express lanes and ensure their financial success.
- Continue planning efforts to advance passenger rail service in the CV Rail.
- Advocate for state and federal investments in transportation to fund needed transportation priorities in the County and stimulate the local economy.
- Maintain regional cooperation and collaboration as a significant effort consistent with the philosophy and mission of the Commission.
- Support a comprehensive social media outreach program to build awareness of the Commission and its role in the community.
- Maintain an effective mid-sized transportation agency with dedicated staff.

Table 5 – Executive Management

	FY 21/22 Actual	FY 22/23 Revised Budget	FY 22/23 Projected	FY 23/24 Budget	Dollar Change	Percent Change
Personnel	\$ 336,000	\$ 403,200	\$ 403,200	\$ 536,500	\$ 133,300	33%
Professional	61,300	300,000	126,300	300,000	-	0%
Support	59,000	96,700	97,200	130,900	34,200	35%
TOTAL	\$ 456,300	\$ 799,900	\$ 626,700	\$ 967,400	\$ 167,500	21%

Administration

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

Table 6 – Administration

	FY 21/22 Actual	FY 22/23 Revised Budget	FY 22/23 Projected	FY 23/24 Budget	Dollar Change	Percent Change
Personnel	\$ 850,200	\$ 1,169,100	\$ 815,500	\$ 1,290,700	\$ 121,600	10%
Professional	1,139,600	1,184,000	1,104,000	1,187,100	3,100	0%
Support	334,600	1,435,200	1,237,400	1,635,800	200,600	14%
Capital Outlay	172,500	325,000	75,000	1,365,000	1,040,000	320%
Debt Service	606,000	-	-	-	-	N/A
TOTAL	\$ 3,102,900	\$ 4,113,300	\$ 3,231,900	\$ 5,478,600	\$ 1,365,300	33%

External Affairs

- Develop effective partnerships with transportation providers to communicate a unified message to Congress regarding mobility needs.
- Advocate on behalf of Riverside County's interests regarding the State's Climate Action Plan for Transportation Infrastructure.
- Advocate positions in the State Legislature and in Congress that advance the County's transportation interests.
- Continue a leadership role in formulating a countywide direction on federal transportation policies.
- Conduct a concerted outreach effort to new federal and state representatives on local transportation issues.
- Use modern technology to support a robust public communication and engagement effort focusing on accessible and transparent communication of the Commission's projects and programs.
- Engage and seek understanding of the Riverside County's community-based stakeholders to build trust and gain support to inform the decision-making process.
- Build awareness and support for the RCA and the implementation of the MSHCP.

Table 7 – External Affairs

	FY 21/22 Actual	FY 22/23 Revised Budget	FY 22/23 Projected	FY 23/24 Budget	Dollar Change	Percent Change
Personnel	\$ 861,900	\$ 1,318,100	\$ 872,800	\$ 798,700	\$ (519,400)	-39%
Professional	654,700	1,335,000	793,000	1,306,000	(29,000)	-2%
Support	84,200	247,100	103,500	324,800	77,700	31%
Capital Outlay	-	5,000	-	5,000	-	0%
TOTAL	\$ 1,600,800	\$ 2,905,200	\$ 1,769,300	\$ 2,434,500	\$ (470,700)	-16%

Finance

- Proactively monitor, assess, manage, and minimize financial impacts on the Commission's programs and projects to the maximum extent possible.
- Continue appropriate uses of long- and short-term financing to advance the Commission's 2009 Measure A projects.
- Provide support to the RCTC 91 Express Lanes and 15 Express Lanes toll operations contractor back offices to ensure the proper accounting of toll revenues and operations and maintenance costs.
- Keep abreast of Governmental Accounting Standards Board (GASB) technical activities affecting the Commission's accounting and financial reporting activities and implement new pronouncements.
- Upgrade the Enterprise Resource Planning (ERP) system to benefit all staff in the management of accounting and project information and automation of a paperless workflow system.
- Manage a centralized procurements process in order to strengthen controls and ensure consistency in the application of procurement policies and procedures and adherence to applicable laws and regulations.
- Support outreach activities to encourage disadvantaged business enterprise (DBE) and small business enterprise (SBE) participation in various contracts.

Table 8 – Finance

	FY 21/22 Actual	FY 22/23 Revised Budget	FY 22/23 Projected	FY 23/24 Budget	Dollar Change	Percent Change
Personnel	\$ 1,748,600	\$ 1,974,000	\$ 1,953,400	\$ 2,052,800	\$ 78,800	4%
Professional	1,247,200	2,410,800	1,874,700	2,372,400	(38,400)	-2%
Support	865,000	1,086,300	1,085,900	1,879,900	793,600	73%
Capital Outlay	115,000	1,313,900	588,900	840,000	(473,900)	-36%
Transfers Out	10,014,600	10,080,800	10,080,800	10,083,500	2,700	0%
TOTAL	\$ 13,990,400	\$ 16,865,800	\$ 15,583,700	\$ 17,228,600	\$ 362,800	2%

Planning and Programming

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

Table 9 – Planning and Programming

	FY 21/22 Actual	FY 22/23 Revised Budget	FY 22/23 Projected	FY 23/24 Budget	Dollar Change	Percent Change
Personnel	\$ 957,100	\$ 1,117,300	\$ 899,700	\$ 1,478,200	\$ 360,900	32%
Professional	21,800	142,500	102,000	128,100	(14,400)	-10%
Support	10,100	323,500	184,200	176,100	(147,400)	-46%
Projects and Operations	3,131,500	6,855,300	6,309,300	23,080,700	16,225,400	237%
Capital Outlay	480,300	250,000	250,000	200,000	(50,000)	-20%
Transfers Out	408,600	1,995,000	861,300	4,537,400	2,542,400	127%
TOTAL	\$ 5,009,400	\$ 10,683,600	\$ 8,606,500	\$ 29,600,500	\$ 18,916,900	177%

Rail Maintenance and Operations

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

Table 10 – Rail Maintenance and Operations

	FY 21/22 Actual	FY 22/23 Revised Budget	FY 22/23 Projected	FY 23/24 Budget	Dollar Change	Percent Change
Personnel	\$ 721,100	\$ 970,400	\$ 970,400	\$ 917,100	\$ (53,300)	-5%
Professional	1,051,600	1,259,300	713,500	3,136,500	1,877,200	149%
Support	2,392,400	2,836,400	2,695,400	3,083,600	247,200	9%
Projects and Operations	10,431,600	45,887,900	41,885,800	49,978,300	4,090,400	9%
Capital Outlay	1,730,800	1,694,000	608,000	1,155,000	(539,000)	-32%
Debt Service	14,400	-	-	-	-	N/A
Transfers Out	541,600	1,023,400	1,023,400	820,600	(202,800)	-20%
TOTAL	\$ 16,883,500	\$ 53,671,400	\$ 47,896,500	\$ 59,091,100	\$ 5,419,700	10%

Public and Specialized Transit

- Coordinate the operation of all public transportation services, especially for disadvantaged communities and essential workers, within the County by promoting program efficiency between transit operators.
- Monitor and coordinate state and federal regulations for operating and/or capital impacts with transit operators.
- Continue public transit operator oversight and fiduciary responsibilities to ensure completion of annual fiscal audits and state triennial performance audits in accordance with TDA regulations.
- Support innovative programs that provide transit assistance in hard to serve rural areas or for riders having very special transit needs and monitor funding of these programs.
- Continue long-range planning activities to ensure that anticipated revenues are in line with projected levels of service by transit operators.

Table 11 – Public and Specialized Transit

	FY 21/22 Actual	FY 22/23 Revised Budget	FY 22/23 Projected	FY 23/24 Budget	Dollar Change	Percent Change
Personnel	\$ 518,600	\$ 574,600	\$ 468,100	\$ 534,200	\$ (40,400)	-7%
Professional	334,900	943,300	812,100	340,200	(603,100)	-64%
Support	69,100	119,700	116,000	392,300	272,600	228%
Projects and Operations	86,842,100	166,087,700	150,884,400	199,847,300	33,759,600	20%
Transfers Out	8,229,800	34,343,300	33,581,700	42,133,900	7,790,600	23%
TOTAL	\$ 95,994,500	\$ 202,068,600	\$ 185,862,300	\$ 243,247,900	\$ 41,179,300	20%

Commuter Assistance

- Position the program for the future by being more visible, regional, and innovative to enhance the experience and participation of employer partners, commuters, and communities.
- Transition from a locally provisioned Inland Empire-based rideshare and vanpool system to a regional platform/database.
- Maintain and grow employer partnerships through value-added services and tools for rideshare and telework programs.
- Maintain the long-term partnership with San Bernardino County Transportation Authority (SBCTA) to manage and implement a “sister” commuter assistance program for residents and employers in San Bernardino County.
- Launch a free rail pass program for Riverside and San Bernardino County residents to experience Metrolink for work, school, and play.
- Optimize Park and ride facilities to support shared-ride arrangements and facilitate transit connections.

Table 12 – Commuter Assistance

	FY 21/22 Actual	FY 22/23 Revised Budget	FY 22/23 Projected	FY 23/24 Budget	Dollar Change	Percent Change
Personnel	\$ 217,100	\$ 269,200	\$ 263,800	\$ 230,800	\$ (38,400)	-14%
Professional	228,800	382,900	223,800	695,000	312,100	82%
Support	2,900	59,900	13,600	19,200	(40,700)	-68%
Projects and Operations	2,823,600	3,668,400	3,668,800	5,693,000	2,024,600	55%
Debt Service	8,500	-	-	-	-	N/A
Transfers Out	162,100	259,700	259,700	181,200	(78,500)	-30%
TOTAL	\$ 3,443,000	\$ 4,640,100	\$ 4,429,700	\$ 6,819,200	\$ 2,179,100	47%

Motorist Assistance

- Maintain a high benefit-to-cost ratio related to the performance of the FSP program.
- Support regional mobility by providing 24/7 access to real-time traffic information, transportation options, and services.
- Enhance highway safety and reduce congestion by providing a roving motorist assistance service that patrols designated urban freeways and assists stranded or disabled vehicles.
- Continue to pilot focused effort that expands access to transportation demand management services and incentives to eastern Riverside County constituents.

Table 13 – Motorist Assistance

	FY 21/22 Actual	FY 22/23 Revised Budget	FY 22/23 Projected	FY 23/24 Budget	Dollar Change	Percent Change
Personnel	\$ 155,400	\$ 272,100	\$ 272,100	\$ 254,600	\$ (17,500)	-6%
Professional	325,200	214,900	188,800	209,600	(5,300)	-2%
Support	129,200	186,600	179,700	335,000	148,400	80%
Projects and Operations	3,651,400	5,454,500	3,939,600	5,076,700	(377,800)	-7%
Transfers Out	2,493,800	3,432,200	2,783,200	3,076,200	(356,000)	-10%
TOTAL	\$ 6,755,000	\$ 9,560,300	\$ 7,363,400	\$ 8,952,100	\$ (608,200)	-6%

Regional Conservation

- Maintain commitment to protecting sensitive habitat and ensuring open space is a key component in enhancing the quality of life for local residents.
- Enhance communications to stakeholders, members of the public, and elected officials to be transparent about the RCA's conservation efforts, funding, and collaboration opportunities.
- Build upon relationships with local, state, and federal agencies to manage lands purchased or controlled by the RCA.

Table 14 – Regional Conservation

	FY 21/22 Actual	FY 22/23 Revised Budget	FY 22/23 Projected	FY 23/24 Budget	Dollar Change	Percent Change
Personnel	\$ 2,525,400	\$ 3,776,800	\$ 3,776,400	\$ 3,749,100	\$ (27,700)	-1%
Professional	134,100	3,484,000	2,692,700	4,203,600	719,600	21%
Support	7,400	426,300	355,200	525,800	99,500	23%
Projects and Operations	489,800	2,072,400	1,801,300	1,821,400	(251,000)	-12%
Transfers Out	817,500	1,869,400	1,869,400	949,700	(919,700)	-49%
TOTAL	\$ 3,974,200	\$ 11,628,900	\$ 10,495,000	\$ 11,249,600	\$ (379,300)	-3%

Capital Project Development and Delivery

- Continue project work on the 91 COP, I-15 Express Lanes–Southern Extension, 15/91 Express Lanes Connector, MCP projects, 71/91 Connector, SR-79 realignment, and Smart Freeway projects included in the Western County Delivery Plan as well as projects on behalf of other agencies, including the I-15/Railroad Canyon Interchange, I-10/Highland Springs Road Interchange, and Santa Ana River Trail.
- Continue design and operations planning of the 15/91 Express Lanes Connector, 91 Express Lanes eastbound lane to McKinley Avenue, and design and development led by other agencies related to the 241/91 Express Lanes Connector and I-15 Express Lanes–Northern Extension.
- Provide 2009 Measure A funding to the incorporated cities and the County for local streets and roads maintenance, repair, and construction and to the Coachella Valley Association of Governments (CVAG) for highways and regional arterials.
- Provide TUMF regional arterial funding and support to local jurisdictions for regional arterial project engineering, right of way acquisition, and construction.
- Maintain a right of way acquisition and management program in support of capital projects and in the most cost-effective manner within project schedules, while adhering to federal and state regulations.

- Maintain and manage the access, use, safety, and security of Commission-owned properties including commuter rail stations, properties in acquisition process, and income-generating properties.
- Develop strategies to implement alternative financing structures including public express lanes.

Table 15 – Capital Project Development and Delivery

	FY 21/22 Actual	FY 22/23 Revised Budget	FY 22/23 Projected	FY 23/24 Budget	Dollar Change	Percent Change
Personnel	\$ 2,765,700	\$ 3,278,300	\$ 3,097,200	\$ 3,886,900	\$ 608,600	19%
Professional	2,246,700	3,192,100	3,078,600	6,271,000	3,078,900	96%
Support	280,900	1,583,100	266,200	2,517,500	934,400	59%
Projects and Operations	359,027,000	489,690,500	402,259,700	500,581,600	10,891,100	2%
Capital Outlay	3,739,300	5,150,000	5,150,000	4,187,200	(962,800)	-19%
Debt Service	69,594,300	69,555,300	69,555,400	69,215,200	(340,100)	0%
Transfers Out	116,447,200	117,918,400	112,467,600	110,413,300	(7,505,100)	-6%
TOTAL	\$ 554,101,100	\$ 690,367,700	\$ 595,874,700	\$ 697,072,700	\$ 6,705,000	1%

Toll Operations

- Manage the operations of the RCTC 91 Express Lanes and 15 Express Lanes adhering to the Commission's Express Lanes toll policies.
- Manage toll operations using investment grade traffic and revenue studies and cost estimate assumptions specific to each express lane facility.
- Provide timely and effective reporting of toll operation metrics including revenue, transactions, carpool usage, and performance indicators.
- Support the design-build activities related to the 15/91 Express Lanes Connector and 91 Express Lanes eastbound lane to McKinley Avenue; and the design and development led by other agencies related to the 241/91 Express Lanes Connector and I-15 Express Lanes–Northern Extension.
- Participate in the California Toll Operators Committee (CTOC) to advance regional and statewide tolling initiatives, technology, interoperability, and coordination among California toll agencies.

Table 16 – Toll Operations

	FY 21/22 Actual	FY 22/23 Revised Budget	FY 22/23 Projected	FY 23/24 Budget	Dollar Change	Percent Change
Personnel	\$ 1,357,200	\$ 2,244,000	\$ 2,243,800	\$ 1,834,300	\$ (409,700)	-18%
Professional	2,251,900	3,811,000	1,410,200	3,469,000	(342,000)	-9%
Support and Maintenance	5,309,400	9,895,400	7,077,500	10,627,400	732,000	7%
Projects and Operations	19,978,700	43,737,000	41,155,700	30,327,100	(13,409,900)	-31%
Capital Outlay	11,000	125,000	8,400	85,000	(40,000)	-32%
Debt Service	28,173,200	22,201,000	22,201,000	22,201,000	-	0%
Transfers Out	6,000,800	76,540,000	53,244,000	39,479,000	(37,061,000)	-48%
TOTAL	\$ 63,082,200	\$ 158,553,400	\$ 127,340,600	\$ 108,022,800	\$ (50,530,600)	-32%

Fund Balances

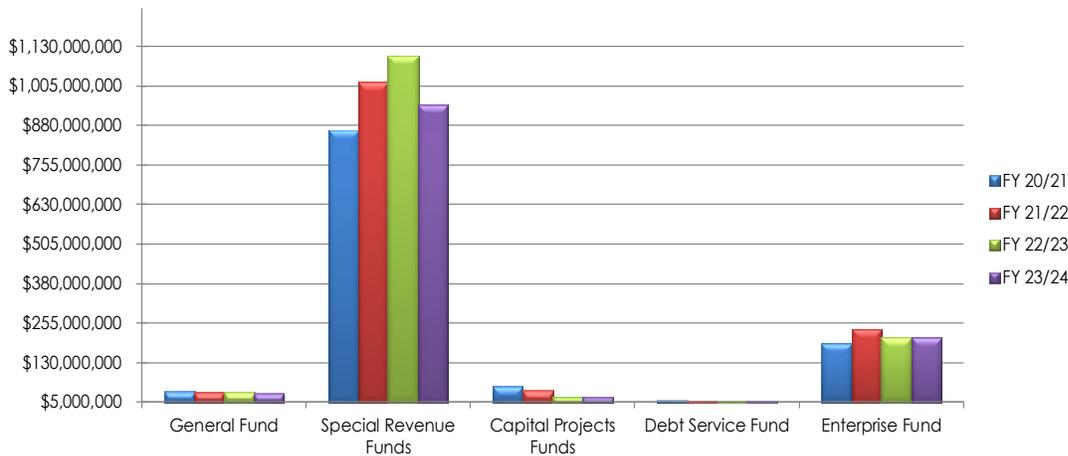
The projected total fund balance as of June 30, 2023, is \$1,382,668,800. The Commission expects the FY 2023/24 budgeted activities to result in a \$160,167,600 decrease of total fund balance at June 30, 2024 to \$1,222,501,200. The primary cause of the decrease is project activities in FY 2023/24 related to the 15/91 Express Lanes Connector, 15 COP, MCP projects close-out activity on the 91 Project, 91 Express Lanes repair and rehabilitation, Smart Freeways, SR-79 realignment, rail station rehabilitation and maintenance, Western County Measure A and TUMF regional arterial projects, and public transit allocations. Table 17 presents the components of the projected fund balance by program at June 30, 2024.

Table 17 – Projected Fund Balances by Fund Type and Program at June 30, 2024

	Measure A Sales Tax				Total
	Western County	Coachella Valley	Palo Verde	Other	
<i>Restricted:</i>					
Bond Financing	\$ 40,071,500	\$ -	\$ -	\$ -	\$ 40,071,500
Commuter Assistance	24,111,300	-	-	-	24,111,300
Debt Service	-	-	-	11,406,100	11,406,100
Economic Development	11,788,400	-	-	-	11,788,400
Highways	125,757,200	74,706,800	-	22,792,400	223,256,400
New Corridors	72,074,900	-	-	-	72,074,900
Planning and Programming	-	-	-	1,504,900	1,504,900
Public and Specialized Transit	19,800,300	506,200	-	417,253,200	437,559,700
Rail	54,934,100	-	-	26,320,800	81,254,900
CETAP	-	-	-	66,894,400	66,894,400
Regional Arterials	7,436,200	-	-	15,629,500	23,065,700
Motorist Assistance	-	-	-	11,455,900	11,455,900
Toll Operations	-	-	-	211,068,700	211,068,700
<i>Assigned:</i>					
Management Services	-	-	-	6,988,400	6,988,400
TOTAL Fund Balance	\$ 355,973,900	\$ 75,213,000	\$ -	\$ 791,314,300	\$ 1,222,501,200

Chart 8 illustrates the actual and projected trends in fund balances for each governmental and enterprise fund type from FY 2020/21 through FY 2023/24.

Chart 8 – Projected Fund Balance Trends by Fund Type FY 2021 – 2024



Budget Summary

The overall budget for FY 2023/24 is presented in Table 18 by summarized line items, Table 19 by operating and capital classifications, and Table 20 by fund type. Highway, regional arterial, rail, and regional conservation program projects expenditures are summarized in Table 21.

Table 18 – Budget Comparative by Summarized Line Item FY 2022—2024

	FY 21/22 Actual	FY 22/23 Revised Budget	FY 22/23 Projected	FY 23/24 Budget	Dollar Change	Percent Change
Revenues						
Measure A Sales Tax	\$ 280,170,600	\$ 275,000,000	\$ 275,000,000	\$ 280,000,000	\$ 5,000,000	2%
LTF Sales Tax	150,694,000	150,000,000	150,000,000	155,000,000	5,000,000	3%
STA Sales Tax	29,988,300	30,964,600	39,055,000	38,363,900	7,399,300	24%
Federal Reimbursements	45,608,400	82,205,900	49,581,100	89,308,100	7,102,200	9%
State Reimbursements	156,813,300	148,621,900	167,689,800	82,343,100	(66,278,800)	-45%
Local Reimbursements	11,443,300	15,873,500	17,874,200	30,290,000	14,416,500	91%
TUMF Revenue	35,509,000	31,000,000	30,750,000	31,000,000	-	0%
Tolls, Penalties, and Fees	100,992,600	97,771,800	98,794,100	97,989,000	217,200	0%
Other Revenue	3,926,900	707,000	719,100	723,500	16,500	2%
Investment Income (Loss)	(17,686,500)	1,168,400	5,103,000	13,305,000	12,136,600	1039%
TOTAL Revenues	797,459,900	833,313,100	834,566,300	818,322,600	(14,990,500)	-2%
Expenditures/Expenses						
Personnel Salaries and Benefits	13,014,300	17,367,100	16,036,400	17,563,900	196,800	1%
Professional and Support						
Professional Services	9,697,800	18,659,800	13,119,700	23,618,500	4,958,700	27%
Support Costs	9,544,200	18,296,200	13,411,800	21,648,300	3,352,100	18%
TOTAL Professional and Support Costs	19,242,000	36,956,000	26,531,500	45,266,800	8,310,800	22%
Projects and Operations						
Program Operations	32,467,700	40,768,600	36,179,400	49,582,800	8,814,200	22%
Engineering	10,967,600	30,339,200	18,197,200	33,235,000	2,895,800	10%
Construction	142,507,200	233,601,300	199,423,400	273,036,400	39,435,100	17%
Design Build	74,817,600	74,712,300	62,235,800	37,921,000	(36,791,300)	-49%
Right of Way/Land	23,332,900	56,897,300	29,708,400	45,923,500	(10,973,800)	-19%
Operating and Capital Disbursements	95,379,500	210,451,900	191,763,900	247,272,300	36,820,400	17%
Special Studies	1,075,100	1,874,200	1,366,600	14,890,000	13,015,800	694%
Local Streets and Roads	84,801,100	83,029,900	83,029,900	84,545,100	1,515,200	2%
Regional Arterials	21,027,000	31,779,000	30,000,000	30,000,000	(1,779,000)	-6%
TOTAL Projects and Operations	486,375,700	763,453,700	651,904,600	816,406,100	52,952,400	7%
Debt Service						
Principal Payments	30,573,200	31,405,000	31,405,000	32,635,000	1,230,000	4%
Interest Payments	64,039,700	60,351,300	60,351,400	58,781,200	(1,570,100)	-3%
Cost of Issuance	3,783,500	-	-	-	-	N/A
TOTAL Debt Service	98,396,400	91,756,300	91,756,400	91,416,200	(340,100)	0%
Capital Outlay	6,248,900	8,862,900	6,680,300	7,837,200	(1,025,700)	-12%
TOTAL Expenditures/Expenses	623,277,300	918,396,000	792,909,200	978,490,200	60,094,200	7%
Excess (deficiency) of Revenues over (under) Expenditures/Expenses	174,182,600	(85,082,900)	41,657,100	(160,167,600)	(75,084,700)	88%
Other Financing Sources (Uses)						
Transfers In	158,254,900	247,462,200	216,171,100	211,674,800	(35,787,400)	-14%
Transfers Out	(145,116,000)	(247,462,200)	(216,171,100)	(211,674,800)	35,787,400	-14%
Debt Proceeds, Premium Gain (Loss)	(6,733,700)	-	-	-	-	N/A
Net Financing Sources (Uses)	6,405,200	-	-	-	-	N/A
Excess (deficiency) of Revenues over (under) Expenditures/Expenses and Other Financing Sources (Uses)	180,587,800	(85,082,900)	41,657,100	(160,167,600)	(75,084,700)	88%
Beginning Fund Balance	1,160,423,900	1,341,011,700	1,341,011,700	1,382,668,800	41,657,100	3%
ENDING FUND BALANCE	\$ 1,341,011,700	\$ 1,255,928,800	\$ 1,382,668,800	\$ 1,222,501,200	\$ (33,427,600)	-3%

Table 19 – Operating and Capital Budget FY 2023/24

	FY 23/24 Operating Budget	FY 23/24 Capital Budget	FY 23/24 TOTAL Budget
Revenues			
Measure A Sales Tax	\$ 38,641,000	\$ 241,359,000	\$ 280,000,000
LTF Sales Tax	155,000,000	-	155,000,000
STA Sales Tax	38,363,900	-	38,363,900
Federal Reimbursements	19,828,900	69,479,200	89,308,100
State Reimbursements	23,146,000	59,197,100	82,343,100
Local Reimbursements	13,769,800	16,520,200	30,290,000
TUMF Revenue	-	31,000,000	31,000,000
Tolls, Penalties, and Fees	-	97,989,000	97,989,000
Other Revenue	-	723,500	723,500
Investment Income	5,966,200	7,338,800	13,305,000
TOTAL Revenues	294,715,800	523,606,800	818,322,600
Expenditures/Expenses			
Personnel Salaries and Benefits	11,572,700	5,991,200	17,563,900
Professional and Support			
Professional Services	13,859,500	9,759,000	23,618,500
Support Costs	8,401,400	13,246,900	21,648,300
TOTAL Professional and Support Costs	22,260,900	23,005,900	45,266,800
Projects and Operations			
Program Operations	15,269,400	34,313,400	49,582,800
Engineering	-	33,235,000	33,235,000
Construction	-	273,036,400	273,036,400
Design Build	-	37,921,000	37,921,000
Right of Way and Land	6,140,000	39,783,500	45,923,500
Operating and Capital Disbursements	247,272,300	-	247,272,300
Special Studies	14,890,000	-	14,890,000
Local Streets and Roads	-	84,545,100	84,545,100
Regional Arterials	-	30,000,000	30,000,000
TOTAL Projects and Operations	283,571,700	532,834,400	816,406,100
Debt Service			
Principal Payments	-	32,635,000	32,635,000
Interest Payments	-	58,781,200	58,781,200
TOTAL Debt Service	-	91,416,200	91,416,200
Capital Outlay	3,565,000	4,272,200	7,837,200
TOTAL Expenditures/Expenses	320,970,300	657,519,900	978,490,200
Excess (deficiency) of Revenues over (under) Expenditures/Expenses	(26,254,500)	(133,913,100)	(160,167,600)
Other Financing Sources (Uses)			
Transfers In	54,793,700	156,881,100	211,674,800
Transfers Out	(61,782,500)	(149,892,300)	(211,674,800)
Net Financing Sources (Uses)	(6,988,800)	6,988,800	-
Excess (deficiency) of Revenues over (under) Expenditures/Expenses and Other Financing Sources (Uses)	(33,243,300)	(126,924,300)	(160,167,600)
Beginning Fund Balance	569,628,600	813,040,200	1,382,668,800
ENDING FUND BALANCE	\$ 536,385,300	\$ 686,115,900	\$ 1,222,501,200

Table 20 – Budget by Fund Type FY 2023/24

	General Fund	Special Revenue	Capital Projects	Debt Service	Enterprise	FY 23/24 TOTAL Budget
Revenues						
Measure A Sales Tax	\$ -	\$ 280,000,000	\$ -	\$ -	\$ -	\$ 280,000,000
LTF Sales Tax	-	155,000,000	-	-	-	155,000,000
STA Sales Tax	-	38,363,900	-	-	-	38,363,900
Federal Reimbursements	19,221,100	67,274,900	-	2,812,100	-	89,308,100
State Reimbursements	13,541,900	68,801,200	-	-	-	82,343,100
Local Reimbursements	2,000	22,213,600	-	-	8,074,400	30,290,000
TUMF Revenue	-	31,000,000	-	-	-	31,000,000
Tolls, Penalties, and Fees	-	-	-	-	97,989,000	97,989,000
Other Revenue	-	623,500	-	-	100,000	723,500
Investment Income	358,500	10,277,800	248,100	124,100	2,296,500	13,305,000
TOTAL Revenues	33,123,500	673,554,900	248,100	2,936,200	108,459,900	818,322,600
Expenditures/Expenses						
Personnel Salaries and Benefits	6,912,700	8,816,900	-	-	1,834,300	17,563,900
Professional and Support						
Professional Services	5,549,100	14,600,400	-	-	3,469,000	23,618,500
Support Costs	4,679,100	6,341,800	-	-	10,627,400	21,648,300
TOTAL Professional and Support Costs	10,228,200	20,942,200	-	-	14,096,400	45,266,800
Projects and Operations						
Program Operations	-	24,661,000	-	-	24,921,800	49,582,800
Engineering	-	33,235,000	-	-	-	33,235,000
Construction	-	269,014,100	-	-	4,022,300	273,036,400
Design Build	-	36,538,000	-	-	1,383,000	37,921,000
Right of Way/Land	-	45,923,500	-	-	-	45,923,500
Operating and Capital Disbursements	47,425,000	199,847,300	-	-	-	247,272,300
Special Studies	14,890,000	-	-	-	-	14,890,000
Local Streets and Roads	-	84,545,100	-	-	-	84,545,100
Regional Arterials	-	30,000,000	-	-	-	30,000,000
TOTAL Projects and Operations	62,315,000	723,764,000	-	-	30,327,100	816,406,100
Debt Service						
Principal Payments	-	-	-	32,635,000	-	32,635,000
Interest Payments	-	-	-	36,580,200	22,201,000	58,781,200
TOTAL Debt Service	-	-	-	69,215,200	22,201,000	91,416,200
Capital Outlay	3,410,000	4,342,200	-	-	85,000	7,837,200
TOTAL Expenditures/Expenses	82,865,900	757,865,300	-	69,215,200	68,543,800	978,490,200
Excess (deficiency) of Revenues over (under) Expenditures/Expenses	(49,742,400)	(84,310,400)	248,100	(66,279,000)	39,916,100	(160,167,600)
Other Financing Sources (Uses)						
Transfers In	50,976,300	91,173,300	-	69,215,200	310,000	211,674,800
Transfers Out	(5,877,700)	(163,506,000)	-	(2,812,100)	(39,479,000)	(211,674,800)
Net Financing Sources (Uses)	45,098,600	(72,332,700)	-	66,403,100	(39,169,000)	-
Excess (deficiency) of Revenues over (under) Expenditures/Expenses and Other Financing Sources (Uses)	(4,643,800)	(156,643,100)	248,100	124,100	747,100	(160,167,600)
Beginning Fund Balance	37,228,600	1,101,292,400	22,544,200	11,282,000	210,321,600	1,382,668,800
ENDING FUND BALANCE	\$ 32,584,800	\$ 944,649,300	\$ 22,792,300	\$ 11,406,100	\$ 211,068,700	\$ 1,222,501,200

Table 21 – Highway, Regional Arterial, Rail, and Regional Conservation Program Projects FY 2023/24

Description	
15 COP	\$ 2,746,000
71/91 Connector	300,000
91 eastbound COP	2,000,000
I-15 Express Lanes—Ingress/Egress	1,000,000
I-15 Express Lanes—Southern Extension	8,178,000
MCP	50,000
MCP construction package	5,000,000
MCP I-215/Placentia Avenue Interchange	5,000
Riverside County-Santa Ana River Trail Extension <i>(details presented in Section 3.2 Planning and Programming)</i>	1,581,000
Smart Freeways	1,700,000
SR-60 Truck Lanes Habitat Mitigation	500,000
SR-74 corridor – Ethanac Road	565,000
SR-79 realignment	440,000
SUBTOTAL HIGHWAY ENGINEERING	24,065,000
REGIONAL ARTERIAL ENGINEERING	
I-10/Highland Springs Avenue Interchange	1,000,000
I-15/Railroad Canyon Interchange	30,000
Various Western County Measure A regional arterial (MARA) and TUMF regional arterial projects	3,910,000
SUBTOTAL REGIONAL ARTERIAL ENGINEERING	4,940,000
RAIL ENGINEERING	
Moreno Valley—March Field Station upgrade	200,000
Perris Valley Line Double Track	2,250,000
Perris Valley Line Layover Facility	1,030,000
Riverside Downtown Station grade crossing	500,000
Riverside Downtown Station track and platform	250,000
SUBTOTAL RAIL ENGINEERING	4,230,000
TOTAL HIGHWAY, REGIONAL ARTERIAL, AND RAIL ENGINEERING	\$ 33,235,000
HIGHWAY CONSTRUCTION	
15 Express Lanes <i>(details presented in Section 3.4 Toll Operations)</i>	\$ 100,000
15/91 Express Lanes Connector	3,114,000
71/91 Connector	64,000,000
91 Express Lanes <i>(details presented in Section 3.4 Toll Operations)</i>	3,922,300
91 Project	1,445,000
Hamner Bridge widening	15,000,000
I-15 Express Lanes Project	497,000
MCP I-215/Placentia Avenue Interchange	550,500
Riverside County—Santa Ana River Trail <i>(details presented in Sections 5.2 Planning and Programming and 5.3 Capital Projects)</i>	35,000
Smart Freeways	12,240,000
SR-60 Truck Lanes	520,000
General <i>(details presented in Section 3.3 Capital Projects)</i>	1,900,200
SUBTOTAL HIGHWAY CONSTRUCTION	104,566,400
REGIONAL ARTERIAL CONSTRUCTION	
I-15/Railroad Canyon Interchange	231,000
Various Western County MARA and TUMF regional arterial projects	150,864,000
SUBTOTAL REGIONAL ARTERIAL CONSTRUCTION	151,095,000
RAIL CONSTRUCTION	
Moreno Valley—March Field station upgrade	17,250,000
Perris Valley Line Station Layover Facility	125,000
SUBTOTAL RAIL CONSTRUCTION	17,375,000
TOTAL HIGHWAY, REGIONAL ARTERIAL, AND RAIL CONSTRUCTION	\$ 273,036,400

Table 21 - Highway, Regional Arterial, Rail, and Regional Conservation Program Projects FY 2023/24, continued

Description	
HIGHWAY DESIGN BUILD	
15/91 Express Lanes Connector	\$ 33,073,000
91 Express Lanes <i>(details presented in Section 3.4 Toll Operations)</i>	203,000
91 Express Lanes eastbound lane to McKinley Avenue <i>(details presented in Section 3.4 Toll Operations)</i>	1,180,000
91 Project	440,000
I-15 Express Lanes Project	542,000
I-15 Express Lanes—Northern Extension	483,000
I-15 Express Lanes—Southern Extension	2,000,000
TOTAL HIGHWAY DESIGN BUILD	\$ 37,921,000
HIGHWAY RIGHT OF WAY AND LAND	
15/91 Express Lanes connector	\$ 55,000
60/215 East Junction high occupancy vehicle (HOV) lane connectors	25,000
71/91 Connector	640,000
91 Project	700,000
I-15 Express Lanes Project	198,000
I-215 corridor improvements (central segment)/Scott Road to Nuevo Road	250,000
Jurupa Avenue grade separation	1,000,000
McKinley Avenue grade separation	2,400,000
MCP	5,150,000
MCP I-215/Placentia Avenue Interchange	20,862,000
Pachappa Underpass	4,000
Riverside County—Santa Ana River Trail Extension <i>(details presented in Section 3.2 Planning and Programming)</i>	4,440,000
SR-60 Truck Lanes Habitat Mitigation	25,000
SR-91 HOV lanes/Adams Street to 60/91/215 interchange	30,000
General <i>(details presented in Section 3.3 Capital Projects)</i>	150,500
SUBTOTAL HIGHWAY RIGHT OF WAY AND LAND	35,929,500
REGIONAL ARTERIAL RIGHT OF WAY AND LAND	
I-10/Highland Springs Avenue Interchange	10,000
I-15/Railroad Canyon Interchange	10,000
Various Western County MARA and TUMF regional arterial projects	7,814,000
SUBTOTAL REGIONAL ARTERIAL RIGHT OF WAY AND LAND	7,834,000
RAIL RIGHT OF WAY AND LAND	
Moreno Valley—March Field station upgrade	10,000
Perris Valley Line double track	150,000
General	300,000
SUBTOTAL RAIL RIGHT OF WAY AND LAND	460,000
REGIONAL CONSERVATION RIGHT OF WAY AND LAND	
Regional Conservation acquisition consultant costs <i>(details presented in Section 3.2 Regional Conservation)</i>	1,700,000
TOTAL HIGHWAY, REGIONAL ARTERIAL, RAIL, AND REGIONAL CONSERVATION RIGHT OF WAY AND LAND	\$ 45,923,500
GRAND TOTAL HIGHWAY, REGIONAL ARTERIAL, RAIL, AND REGIONAL CONSERVATION PROGRAMS	\$ 390,115,900

AGENDA ITEM 8

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	April 24, 2023
TO:	Budget and Implementation Committee
FROM:	Matt Wallace, Deputy Director of Financial Administration
THROUGH:	Sergio Vidal, Chief Financial Officer
SUBJECT:	Agreement for Sales Tax Audit and Reporting Services

STAFF RECOMMENDATION:

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

- 1) Approve Agreement No. 23-19-040-00 with MuniServices an Avenue Insights and Analytics Company (MuniServices) to provide sales tax audit and reporting services for a three-year term, and one two-year option to extend the agreement in an amount not to exceed \$110,000;
- 2) Adopt Resolution No. 23-002, *“Authorization of the Riverside County Transportation Commission to Examine Transactions and Use Tax Records”*; and
- 3) Authorize the Chair or Executive Director, pursuant to legal counsel review, to finalize and execute the agreement, on behalf of the Commission.

BACKGROUND INFORMATION:

The Measure A sales tax revenues is the largest revenue source for the Commission. Sales tax audit and recovery services are critical to ensure the Commission secures lost revenues, identifies non-compliance, and is able to project Measure A sales tax in current and future years. These services will allow staff to assess factors and trends that impact sales tax, recover revenue from businesses due to misreporting or failure to report sales tax, and forecast Measure A sales tax revenues. Additionally, these services will include legislative advocacy for legislation impacting sales taxes.

Consistent with the Commission’s philosophy of operating with a lean staff, the Commission relies on consultants to analyze short-term trends in taxable sales and related sales tax revenues on a timely basis or to ensure that the Commission is receiving the correct sales tax revenues. Therefore, in order to ensure the correct collection, allocation, and distribution of Measure A sales taxes, the Commission requires the services of a professional, qualified firm that specializes in revenue enhancement services consisting of sales and use tax audits and providing timely sales tax analysis.

DISCUSSION:

Staff conducted a formal, competitive procurement process, in accordance with the Commission’s Procurement Policy Manual, to obtain sales tax audit and reporting services.

Procurement Process

Staff determined the weighted factor method of source selection to be the most appropriate for this procurement, as it allows the Commission to identify the most advantageous proposal with price and other factors considered. Non-price factors include elements such as qualifications of firm and personnel and understanding and approach for sales tax audit and reporting services as set forth under the terms of Request for Proposals (RFP) No. 23-19-040-00.

RFP No. 23-19-040-00 for Sales Tax Audit and Reporting Services was released by staff on January 19, 2023. The RFP was posted on the Commission’s PlanetBids website, which is accessible through the Commission’s website. Utilizing PlanetBids, emails were sent to 341 firms, zero (0) of which are located in Riverside County. Through the PlanetBids site, 11 firms downloaded the RFP. Staff responded to all questions submitted by potential proposers by February 2, 2023. Two firms – HdL (Brea, CA) and MuniServices (Centreville, VA) - submitted responsive proposals prior to the 2:00 p.m. submittal deadline on February 16, 2023. Utilizing the evaluation criteria set forth in the RFP, all firms were evaluated and scored by an evaluation committee comprised of Commission staff.

Based on the evaluation committee’s assessment of the written proposals and pursuant to the terms of the RFP, the evaluation committee shortlisted and invited the two firms to the interview phase of the evaluation and selection process. Interviews of the shortlisted firms were conducted March 9, 2023.

As a result of the completion of the evaluation process, the evaluation committee recommends contract award to MuniServices, as this firm earned the highest total evaluation score. A summary of the proposed costs submitted with the written proposals and the total evaluation score rankings following the final evaluation are summarized below:

Firm	Annual Contract Price	Annual Estimated Recovery Cost	Overall Ranking
MuniServices	\$ 22,000	\$180,000*	1
HdL	\$ 4,200	\$ 150,000*	2

*The fees paid for these audit services are contingent on the actual recovery of the additional sales tax revenue. The Annual Estimated Recovery Cost assumes \$1m in recoveries per year.

In its role as the Commission’s sales tax audit and reporting services provider, MuniServices will audit Riverside County businesses’ quarterly sales tax reports and will submit findings to the California Department of Tax and Fee Administration (CDTFA) for review and determination of errors of sales tax reporting. Upon the CDTFA’s review and concurrence with the error, which

may take several months, the Commission would receive the additional revenues. The fees paid to MuniServices for these audit services are contingent on the actual recovery of the additional sales tax revenue. Based on MuniServices' proposal, recoveries under \$3 million will incur a higher fee percentage of 18 percent, while higher recoveries will be paid at a fee percentage that declines to 12 percent for recoveries over \$10 million.

MuniServices has also proposed providing sales tax analysis reporting service (STARS) on a quarterly basis. This would include sales tax analysis reports, sales tax tracking and analysis software updates, short-term sales tax forecast updates, and face-to-face sales tax review and training sessions. The annual fees for the STARS service would be \$22,000.

While HdI's cost is lower and both HdI and MuniServices perform sales tax audit services for the sales tax revenues allocated to cities and counties, MuniServices specializes in district taxes and local Bradley Burns sales taxes, has long-term Riverside County experience and knowledge, and works closely with the CDTFA on all phases of sales, use and district tax discovery and correction. MuniServices' data analytics, accurate forecasting, concise reporting tools have allowed the Commission to maximize revenues and make informed business decisions. Additionally, MuniServices would provide, at no additional charge, government relations services designed to keep the Commission well-informed of legislative activities that may threaten revenues. Furthermore, MuniServices has extensive experience with regional transportation agencies such as Orange County Transportation Authority, Los Angeles Metropolitan Transit Authority, San Diego Association of Governments, and Santa Clara Valley Transportation Authority. MuniServices is able to leverage experience within the region to identify trends that may impact the County of Riverside Sales Tax (Measure A).

Since 2008, MuniServices has recovered approximately \$15 million for the Commission. Based on the technology and enhanced discovery tools recently implemented by MuniServices along with leveraging the fifteen years of experience analyzing Measure A sales tax trends, the expectation is for the firm to continue strong collections on behalf of the Commission.

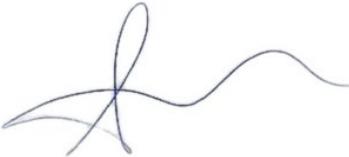
The proposed sales tax audit services may result in additional sales tax revenues that may have otherwise not been paid. Staff believes MuniServices offers the best value given their knowledge and expertise of both district sales tax and local sales tax, innovative tools, accurate forecasting, and history of providing similar services to other California transportation agencies. Accordingly, staff recommends that Agreement No. 23-19-40-00 be awarded to MuniServices for an initial term of three years plus one two-year option for sales tax audit services contingent on sales tax revenue recoveries and for STARS at an annual fee of \$22,000 and a five-year cost of \$110,000. The resolution accompanying this staff report must also be adopted by the Commission and submitted to the CDTFA to designate MuniServices as authorized by the Commission to examine the records of the CDTFA.

The Commission's standard form professional services agreement, with the added provisions required by law related to access sales or transactions and use tax records, will be entered into with MuniServices subject to any changes approved by the Executive Director, pursuant to legal

counsel review. Staff also recommends authorization for the Chair or Executive Director to finalize and execute the agreement.

FISCAL IMPACT:

This project has a budget of \$ 110,000 for up to a five-year period. Funding for this project is comprised of Measure A.

Financial Information					
In Fiscal Year Budget:	Yes N/A	Year:	FY 2023-24+	Amount:	\$ 110,000
Source of Funds:	Measure A			Budget Adjustment:	No N/A
GL/Project Accounting No.:	001001 65520 00000 0001 101 19 65520				
Fiscal Procedures Approved:				Date:	04/14/2023

Attachments:

- 1) Resolution No. 23-002, "Authorization of the Riverside County Transportation Commission to Examine Transactions and Use Tax Records"
- 2) Agreement No. 23-19-040-00 with MuniServices, LLC.

RESOLUTION NO. 23-002**AUTHORIZATION OF THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION TO EXAMINE
TRANSACTIONS AND USE TAX RECORDS**

WHEREAS, pursuant to Ordinance No. 88-1 and No. 02-001 of the Riverside County Transportation Commission (Commission) and Section 7270 of the Revenue and Taxation Code, the Commission has a contract with the California Department of Tax and Fee Administration (defined in the Revenue and Taxation Code as the "Board") to perform all functions incident to the administration and operation of the Transactions and Use Tax Ordinance; and

WHEREAS, the Commission deems it desirable and necessary for authorized representatives of the Commission to examine confidential transactions and use tax records of the Board pertaining to transactions and use taxes collected by the Board for the Commission pursuant to that contract; and

WHEREAS, Section 7056 of the Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Board records and establishes criminal penalties for the unlawful disclosure of information contained in or derived from, the transactions and use tax records of the Board;

NOW, THEREFORE IT IS RESOLVED AND ORDERED AS FOLLOWS:

Section 1. That the Executive Director or Chief Financial Officer of the Commission are hereby designated by the Board of Commissioners to the Board to represent the Commission with authority to examine transactions and use tax records of the Board pertaining to transactions and use taxes collected for the Commission by the Board pursuant to the contract between the Commission and the Board. The information obtained by examination of Board records shall be used only for purposes related to the collection of the Commission's transactions and use taxes by the Board pursuant to the contract.

Section 2. That the Executive Director or Chief Financial Officer of the Commission are hereby designated by the Board of Commissioners to the Board to represent the Commission with authority to examine those transactions and use tax records of the Board for purposes related to the following governmental functions of the Commission:

- a) Review of sales tax records to ensure proper allocation and remittance to the Commission;
- b) Economic development; and
- c) Other governmental functions as required by the Commission.

The information obtained by examination of Board records shall be used only for those governmental functions of the Commission listed above, and only as permitted by law.

Section 3. That MuniServices, LLC is hereby designated to examine the transactions and use tax records of the Board pertaining to transactions and use taxes collected for the Commission by the Board. The person or entity designated by this section meets all of the following conditions:

- a) Has an existing contract with the Commission to examine those transactions and use tax records;
- b) Is required by that contract to disclose information contained in, or derived from those transactions and use tax records only to the officer or employee authorized under Section 1 and Section 2 of this resolution to examine the information;
- c) Is prohibited by that contract from performing consulting services for a retailer during the term of that contract;
- d) Is prohibited by that contract from retaining the information contained in, or derived from those transactions and use tax records after that contract has expired.

BE IT FURTHER RESOLVED that the information obtained by examination of Board records shall be used only for purposes related to the collection of Commission's transactions and use taxes by the Board pursuant to the contracts between the Commission and Board.

ADOPTED this 10th day of May, 2023.

Robert E. Magee, Chair
Riverside County Transportation Commission

ATTEST:

Lisa Mobley, Clerk of the Board
Riverside County Transportation Commission

Agreement No. 23-19-040-00**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AGREEMENT FOR SALES TAX AUDIT & REPORTING SERVICES
WITH MUNISERVICES, LLC.****1. PARTIES AND DATE.**

This Agreement is made and entered into this ___ day of _____, 2023, by and between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION ("the Commission") and **MUNISERVICES** ("Consultant"), a **CORPORATION**.

2. RECITALS.

2.1 Consultant desires to perform and assume responsibility for the provision of certain professional consulting services required by Commission on the terms and conditions set forth in this Agreement. Consultant represents that it is a professional consultant, experienced in providing Transaction and Use Tax services to public clients, is licensed in the State of California, and is familiar with the plans of Commission.

2.2 Commission desires to engage Consultant to render certain consulting services for the Transaction and Use Tax (hereinafter referred to as ("Sales and Use Tax") Audit and Analysis Project ("Project") as set forth herein.

3. TERMS.

3.1 General Scope of Services. Consultant promises and agrees to furnish to Commission all labor materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately provide professional consulting services and advice on various issues affecting the decisions of Commission regarding the Project and on other programs and matters affecting Commission, hereinafter referred to as "Services". The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state, and federal laws, rules and regulations.

3.2 Term. The term of this Agreement shall be from the date first specified above to _____, unless earlier terminated as provided herein. Commission shall pay Consultant in accordance with Exhibit "C", as set forth in this Agreement.

3.3 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, the Commission shall respond to Consultant's submittals in a timely manner. Upon request of the Commission, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.4 Independent Contractor; Control and Payment of Subordinates. The Services shall be performed by Consultant under its supervision. Consultant will determine the means, method and details of performing the Services subject to the requirements of this Agreement. Commission retains Consultant on an independent contractor basis and Consultant is not an employee of Commission. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall not be employees of Commission and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.

3.5 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of Commission.

3.6 Substitution of Key Personnel. Consultant has represented to Commission that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence and experience upon written approval of Commission. In the event that Commission and Consultant cannot agree as to the substitution of key personnel, Commission shall be entitled to terminate this Agreement for cause, pursuant to provisions of Section 3.16 of this Agreement. The key personnel for performance of this Agreement are as follows: _____.

3.7 Commission's Representative. Commission hereby designates the Chief Financial Officer, or his or her designee, to act as its representative for the performance of this Agreement ("Commission's Representative"). Commission's representative shall have the power to act on behalf of Commission for all purposes under this Agreement. Consultant shall not accept direction from any person other than Commission's Representative or his or her designee.

3.8 Consultant's Representative. Consultant hereby designates **Carl Kumpf**, or his or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full

authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.9 Coordination of Services. Consultant agrees to work closely with Commission staff in the performance of Services and shall be available to Commission's staff, consultants and other staff at all reasonable times.

3.10 Standard of Care; Licenses. Consultant shall perform the Services under this Agreement in a skillful and competent manner, consistent with the standard generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services and that such licenses and approvals shall be maintained throughout the term of this Agreement. Consultant shall perform, at its own cost and expense and without reimbursement from Commission, any Services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein, and shall be fully responsible to the Commission for all damages and other liabilities provided for in the indemnification provisions of this Agreement arising from the Consultant's errors and omissions.

3.11 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to Commission, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold Commission, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.12 Insurance.

3.12.1 Time for Compliance. Consultant shall not commence work under this Agreement until it has provided evidence satisfactory to the Commission that it has secured all insurance required under this section, in a form and with insurance companies acceptable to the Commission. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

3.12.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subcontractors. Consultant shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001 or exact equivalent); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or exact equivalent); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability*: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *if Consultant has an employees, Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Practices Liability limits of \$1,000,000 per accident.

3.12.3 Professional Liability. Consultant shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of five (5) years following completion of the Project, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$1,000,000 **[INCREASE IF NECESSARY - OTHERWISE LEAVE AS IS AND DELETE THIS NOTE]** per claim. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

3.12.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms approved by the Commission to add the following provisions to the insurance policies:

(A) General Liability.

(i) Commercial General Liability Insurance must include coverage for (1) bodily Injury and property damage; (2) personal Injury/advertising Injury; (3) premises/operations liability; (4) products/completed operations liability; (5) aggregate limits that apply per Project; (6) explosion, collapse and underground (UCX) exclusion deleted; (7) contractual liability with respect to this Agreement; (8) broad form property damage; and (9) independent consultants coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to this Agreement.

(iii) The policy shall give the Commission, its directors, officials, officers, employees, and agents insured status using ISO endorsement forms 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(iv) The additional insured coverage under the policy shall be “primary and non-contributory” and will not seek contribution from the Commission’s insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing the exact same coverage.

(B) Automobile Liability. The automobile liability policy shall be endorsed to state that: (1) the Commission, its directors, officials, officers, employees and agents shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects the Commission, its directors, officials, officers, employees and agents, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant’s scheduled underlying coverage. Any insurance or self-insurance maintained by the Commission, its directors, officials, officers, employees and agents shall be excess of the Consultant’s insurance and shall not be called upon to contribute with it in any way.

(C) Workers' Compensation and Employers Liability

Coverage.

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) The insurer shall agree to waive all rights of subrogation against the Commission, its directors, officials, officers, employees and agents for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages.

(i) Defense costs shall be payable in addition to the limits set forth hereunder.

(ii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to the Commission, its directors, officials, officers, employees and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater.

(iii) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the Commission (if agreed to in a written contract or agreement) before the Commission's own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella/excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(iv) Consultant shall provide the Commission at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the Commission at least ten (10) days prior to the effective date of cancellation or expiration.

(v) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(vi) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the Commission, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(vii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Commission has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Commission will be promptly reimbursed by Consultant or Commission will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Commission may cancel this Agreement. The Commission may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(viii) Neither the Commission nor any of its directors, officials, officers, employees or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

3.12.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Commission. If the Commission does not approve the deductibles or self-insured retentions as presented, Consultant shall guarantee that, at the option of the Commission, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Commission, its directors, officials, officers, employees and agents; or, (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.12.6 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the Commission.

3.12.7 Verification of Coverage. Consultant shall furnish Commission with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the Commission. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved

by the Commission before work commences. The Commission reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.12.8 Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the Commission that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the Commission as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, the Commission may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

3.13 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.14 Fees and Payment.

3.14.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto. The total compensation for Consultant's Services, as further detailed in Exhibit "A-2", shall not exceed _____ without written approval of Commission's Executive Director ("Total Compensation"). Compensation for Consultant's Sales and Use Tax Audit Services, as further detailed in Exhibit "A-1", shall be on a contingency fee basis only and is not subject to the above referenced not-to-exceed Total Compensation amount. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.14.2 Payment of Compensation. Consultant shall submit to Commission a quarterly statement which indicates work completed. Commission shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.14.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by Commission.

3.14.4 Extra Work. At any time during the term of this Agreement, Commission may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by Commission to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from Commission's Executive Director.

3.15 Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred and fees charged under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of Commission during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.16 Termination of Agreement.

3.16.1 Grounds for Termination. Commission may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof. Upon termination, Consultant shall be compensated only for those services which have been fully and adequately rendered to Commission through the effective date of the termination, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.16.2 Effect of Termination. If this Agreement is terminated as provided herein, Commission may require Consultant to provide all finished or unfinished Documents and Data, as defined below, and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.16.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, Commission may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.17 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

CONSULTANT:
MuniServices, LLC.
5860 Trinity Parkway, Ste. 120
Centreville, VA 20120

Attn: Carl Kumpf

COMMISSION:
Riverside County
Transportation Commission
4080 Lemon Street, 3rd Floor
Riverside, CA 92501
Attn: Executive Director

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.18 Ownership of Materials/Confidentiality.

3.18.1 Documents & Data. This Agreement creates an exclusive and perpetual license for Commission to copy, use, modify, reuse, or sub-license any and all copyrights and designs embodied in plans, specifications, studies, drawings, estimates, materials, data and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement (“Documents & Data”).

Consultant shall require all subcontractors to agree in writing that Commission is granted an exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement.

Consultant represents and warrants that Consultant has the legal right to grant the exclusive and perpetual license for all such Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by the Commission.

Commission shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at Commission’s sole risk.

3.18.2 Intellectual Property. In addition, Commission shall have and retain all right, title and interest (including copyright, patent, trade secret and other proprietary rights) in all plans, specifications, studies, drawings, estimates, materials, data, computer programs or software and source code, enhancements, documents, and any and all works of authorship fixed in any tangible medium or expression, including but not limited to, physical drawings or other data magnetically or otherwise recorded on computer media (“Intellectual Property”) prepared or developed by or on behalf of Consultant under this Agreement as well as any other such Intellectual Property prepared or developed by or on behalf of Consultant under this Agreement.

The Commission shall have and retain all right, title and interest in Intellectual Property developed or modified under this Agreement whether or not paid for wholly or in part by Commission, whether or not developed in conjunction with Consultant, and whether or not developed by Consultant. Consultant will execute separate written assignments of any and all rights to the above referenced Intellectual Property upon request of Commission.

Consultant shall also be responsible to obtain in writing separate written assignments from any subcontractors or agents of Consultant of any and all right to the above referenced Intellectual Property. Should Consultant, either during or following termination of this Agreement, desire to use any of the above-referenced Intellectual Property, it shall first obtain the written approval of the Commission.

All materials and documents which were developed or prepared by the Consultant for general use prior to the execution of this Agreement and which are not the copyright of any other party or publicly available and any other computer applications, shall continue to be the property of the Consultant. However, unless otherwise identified and stated prior to execution of this Agreement, Consultant represents and warrants that it has the right to grant the exclusive and perpetual license for all such Intellectual Property as provided herein.

Commission further is granted by Consultant a non-exclusive and perpetual license to copy, use, modify or sub-license any and all Intellectual Property otherwise owned by Consultant which is the basis or foundation for any derivative, collective, insurrectional, or supplemental work created under this Agreement.

3.18.3 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of Commission, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use Commission's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of Commission.

3.18.4 Infringement Indemnification. Consultant shall defend, indemnify and hold the Commission, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use

on the Project by Commission of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.19 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.20 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of such actions.

3.21 Indemnification. To the fullest extent permitted by law, Consultant shall defend (with counsel of Commission's choosing), indemnify and hold Commission, its directors, officials, officers, employees, consultants, volunteers, and agents free and harmless from any and all claims, fines, penalties, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to alleged negligent acts, omissions, or willful misconduct of Consultant, its officials, officers, employees, agents, consultants, and contractors arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation the payment of consequential damages, expert witness fees, and attorneys fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against Commission, its directors, officials, officers, employees, consultants, agents, or volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against Commission or its directors, officials, officers, employees, consultants, agents, or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse Commission and its directors, officials, officers, employees, consultants, agents, and/or volunteers, for any and all legal expenses and costs, including reasonable attorney's fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Commission, its directors, officials officers, employees, consultants, agents, or volunteers.

If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance as a "design professional" (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

Consultant's obligations as set forth in this Section shall survive expiration or termination of this Agreement.

3.22 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be supplemented, amended, or modified by a writing signed by both parties.

3.23 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

3.24 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.25 Commission's Right to Employ Other Consultants. The Commission reserves the right to employ other consultants in connection with this Project.

3.26 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties, and shall not be assigned by Consultant without the prior written consent of Commission.

3.27 Prohibited Interests and Conflicts.

3.27.1 Solicitation. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, Commission shall have the right to rescind this Agreement without liability.

3.27.2 Conflict of Interest. For the term of this Agreement, no member, officer or employee of Commission, during the term of his or her service with Commission, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.27.3 Conflict of Employment. Employment by the Consultant of personnel currently on the payroll of the Commission shall not be permitted in the performance of this Agreement, even though such employment may occur outside of the employee's regular working hours or on weekends, holidays or vacation time. Further, the employment by the Consultant of personnel who have been on the Commission payroll within one year prior to the date of execution of this Agreement, where this employment is caused by and or dependent upon the Consultant securing this or related Agreements with the Commission, is prohibited.

3.27.4 Employment Adverse to the Commission. Consultant shall notify the Commission, and shall obtain the Commission's written consent, prior to

accepting work to assist with or participate in a third-party lawsuit or other legal or administrative proceeding against the Commission during the term of this Agreement.

3.28 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of Commission's Disadvantaged Business Enterprise program, Affirmative Action Plan or other related Commission programs or guidelines currently in effect or hereinafter enacted.

3.29 Subcontracting. Consultant shall not subcontract any portion of the work or Services required by this Agreement, except as expressly stated herein, without prior written approval of the Commission. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

3.30 No Waiver. Failure of Commission to insist on any one occasion upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any rights or powers hereunder at any one time or more times be deemed a waiver or relinquishment of such other right or power at any other time or times.

3.31 Subpoenas or Court Orders. Should Consultant receive a subpoena or court order related to this Agreement, the Services or the Project, Consultant shall immediately provide written notice of the subpoena or court order to the Commission. Consultant shall not respond to any such subpoena or court order until notice to the Commission is provided as required herein, and shall cooperate with the Commission in responding to the subpoena or court order.

3.32 Survival. All rights and obligations hereunder that by their nature are to continue after any expiration or termination of this Agreement, including, but not limited to, the indemnification and confidentiality obligations, and the obligations related to receipt of subpoenas or court orders, shall survive any such expiration or termination.

3.33 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.34 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.35 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.36 Incorporation of Recitals. The recitals set forth above are true and correct and are incorporated into this Agreement as though fully set forth herein.

3.37 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.38 Conflicting Provisions. In the event that provisions of any attached exhibits conflict in any way with the provisions set forth in this Agreement, the language, terms and conditions contained in this Agreement shall control the actions and obligations of the Parties and the interpretation of the Parties' understanding concerning the performance of the Services.

3.39 Headings. Article and Section Headings, paragraph captions or marginal headings contained in this Agreement are for convenience only and shall have no effect in the construction or interpretation of any provision herein.

3.40 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein, without the prior written consent of the Commission. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.41 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.42 Electronically Transmitted Signatures. A manually signed copy of this Agreement which is transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes. This Agreement may be signed using an electronic signature.

[Signatures on following page]

**SIGNATURE PAGE
TO
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AGREEMENT FOR SALES TAX AUDIT & REPORTING SERVICES
WITH [__CONSULTANT__]**

IN WITNESS WHEREOF, this Agreement was executed on the date first written above.

**RIVERSIDE COUNTY
TRANSPORTATION COMMISSION**

**CONSULTANT
MUNISERVICES, LLC**

By: _____
**Anne Mayer
Executive Director**

By: _____
Signature

Name

Title

Approved as to Form:

Attest:

By: _____
**Best Best & Krieger LLP
General Counsel**

By: _____

Its: _____

* A corporation requires the signatures of two corporate officers.

One signature shall be that of the chairman of board, the president or any vice president and the second signature (on the attest line) shall be that of the secretary, any assistant secretary, the chief financial officer or any assistant treasurer of such corporation.

If the above persons are not the intended signators, evidence of signature authority shall be provided to RCTC.

EXHIBIT "A"
SCOPE OF SERVICES

[INSERT]

EXHIBIT "B"
SCHEDULE OF SERVICES

[INSERT]

EXHIBIT "C"
COMPENSATION

[INSERT]

AGENDA ITEM 9

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	April 24, 2023
TO:	Budget and Implementation Committee
FROM:	David Knudsen, External Affairs Director
THROUGH:	Aaron Hake, Deputy Executive Director
SUBJECT:	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.

State Update

Assembly Bill 1525 (Bonta) – Oppose via Platform

Assembly Bill 1525 (AB 1525) authored by Assemblymember Mia Bonta (Oakland), requires that at least 60 percent of state transportation funds are allocated to disadvantaged, environmental justice, tribal, and other communities of concern. While RCTC supports greater investments across all modes of transportation and ensuring equity-based transportation planning and implementation policies, AB 1525 drastically narrows the location and types of projects that are eligible for funding.

Riverside County is among the fastest growing counties in the state and nation and depends upon flexibility to deliver projects at a regional level. Overly proscriptive policies, such as those outlined in AB 1525, limit RCTC’s ability to deliver projects that promote an interconnected transportation network between communities.

Opposing this legislation is consistent with the Commission’s adopted 2023 State and Federal Legislative Platform, including:

Regional Control:

- Project selection and planning authority for state/federal funds should be as local as possible, preferably in the hands of the Commission.

Funding:

- Funding sources should be discretionary and distributed by population share to facilitate expeditious project delivery and expenditure of funds.

- 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.

Assembly Bill 558 (Arambula) – Oppose via Platform

Assembly Bill 558 (AB 558), authored by Assemblymember Joaquin Arambula appears to interfere with the governing structure of the Fresno County Transportation Authority (FCTA) by increasing its board membership from 9 to 13 members. The four new positions must be filled by a labor organization representative, youth member, disadvantaged community member, and an educational member.

However, this restructuring of the FCTA is done without consensus and support from regional stakeholders. In addition, AB 558 establishes a concerning precedent for RCTC and other regional transportation agencies that rely upon a collaborative process to be effective.

Opposing this legislation is consistent with the Commission’s adopted 2023 State and Federal Legislative Platform, including:

Protect Our Authority and Revenue

- Oppose legislation that restructures or interferes with governance of the Commission or other local and regional transportation agencies without the support and consent of the entity affected.

RCTC staff submitted a letter of opposition to the Assembly Local Government Committee, where the bill is currently located and awaits a hearing date.

Assembly Bill 7 (Friedman) – Informational Only

On March 23, staff submitted a letter of concern to the Assembly Transportation Committee on Assembly Bill 7 (AB 7). Staff had limited time to review the full scope of the bill in the shortened timeframe between the publish date of amendments and the bill being scheduled for its first committee hearing. However, staff is concerned with a provision of the bill requiring specific policy principles to be incorporated when certain local transportation funds are used on a project.

Additionally, the author continues to engage a series of stakeholder committees, which includes RCTC’s Sacramento advocate, about potential amendments to AB 7. Staff will continue to monitor and engage on the bill as potential amendments are developed. The bill awaits a hearing date in the Assembly Appropriations Committee before it can receive a vote on the Assembly floor.

Assembly Bill 1385 (Garcia) – Update

With the Commission's decision on March 8, 2023, to sponsor legislation to change RCTC's sales tax authority, Assemblymember Eduardo Garcia amended Assembly Bill 1385 (AB 1385) to increase RCTC's sales tax authority from one cent to one and a half cents per dollar.

RCTC's sales tax authority was established by the state in 1987, allowing Riverside County voters to approve a county-wide half-cent sales tax measure to fund transportation improvements. Measure A, the Commission's half-cent sales tax measure was passed by the voters in 1988 and was renewed in 2002. Measure A expires in 2039.

While AB 1385 does not alter Measure A or impose any new taxes in Riverside County, the bill does enable local voters to seek changes to Measure A's sales tax rate in the future.

On behalf of the Commission, staff submitted a letter of support and sponsorship to Assemblymember Garcia and has engaged the offices of Assemblymembers Corey Jackson, Sabrina Cervantes, Greg Wallis, Bill Essayli, and Kate Sanchez as well as staff from the office of Senator Richard Roth regarding the bill. Staff anticipates meeting with the remaining offices from Riverside County's legislative delegation in the coming weeks before the bill works its way through the committee process.

Federal Update

On April 4, Executive Director Anne Mayer, Deputy Executive Director Aaron Hake, and Commissioner Linda Krupa attended a roundtable meeting with Representative Raul Ruiz and White House Senior Advisor and Infrastructure Coordinator Mitch Landrieu. The discussion focused on opportunities to leverage federal funding under the Infrastructure Investment and Jobs Act to deliver transportation improvements to local communities.

As part of the federal Fiscal Year 2024 appropriations process, RCTC staff submitted six applications to delegation members for Congressionally Directed Spending and Community Project Funding, totaling \$24 million. These requests include:

- \$5 million for the Coachella Valley Rail Project – Tier II Approval and Environmental Documentation each from Senator Dianne Feinstein, Senator Alex Padilla, and Representative Ken Calvert;
- \$3 million for the Metrolink Double Track Project: Moreno Valley to Perris from Representative Mark Takano;
- \$3 million for the Mid County Parkway Ramona Expressway Project from Representative Raul Ruiz; and
- \$3 million for the 91 Eastbound Corridor Operations Project from Representative Young Kim.

The House and Senate have different appropriations rules. In the House, each Member cannot submit more than a total of 15 appropriations requests to the Appropriations Committee across all 12 appropriations bills. Therefore, all House members must prioritize their funding requests.

RCTC recently learned that the following requests were submitted to the House Appropriations Committee:

- \$5 million for the Coachella Valley Rail Project – Tier II Approval and Environmental Documentation from Representative Ken Calvert. This project was ranked as the top priority out of 15 projects recommended for funding by Representative Calvert;
- \$3 million for the Metrolink Double Track Project: Moreno Valley to Perris from Representative Mark Takano; and
- \$3 million for the 91 Eastbound Corridor Operations Project from Representative Young Kim.

While the status of RCTC’s remaining applications is pending, members of Congress are expected to release their final list of projects for funding consideration in the coming weeks.

FISCAL IMPACT:

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

Attachments:

- 1) Legislative Matrix – May 2023
- 2) AB 1525 Oppose Letter
- 3) AB 558 Oppose Letter
- 4) AB 7 Letter of Concern
- 5) AB 1385 Support Letter

RIVERSIDE COUNTY TRANSPORTATION COMMISSION - POSITIONS ON STATE AND FEDERAL LEGISLATION – MAY 2023

Legislation/ Author	Description	Bill Status	Position	Date of Board Adoption
AB 558 (Arambula)	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.	Referred to Assembly Local Government Committee March 27, 2023	<i>Oppose Based on platform</i>	4/10/2023
AB 1525 (Bonta)	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 disadvantaged, environmental justice, tribal, and other communities of concern.	Scheduled for hearing in the Assembly Transportation Committee on April 24, 2023 March 23, 2023	<i>Oppose Based on platform</i>	4/11/2023
AB 1385 (Garcia)	This bill would raise RCTC's maximum tax rate authority from 1% to 1.5%.	Referred to Assembly Local Government Committee March 27, 2023	<i>Support</i>	3/8/2023
SB 617 (Newman)	This bill 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. The bill would specify that the authority to use the progressive design-build process.	Passed out of the Senate Transportation Committee on April 11, 2023. Referred to the Senate Appropriations Committee April 12, 2023	<i>Support Based on platform</i>	4/5/2023



4080 Lemon St. 3rd Fl. Riverside, CA 92501
 Mailing Address: P.O. Box 12008 Riverside, CA 92502-2208
 951.787.7141 • rctc.org

April 13, 2023

The Honorable Laura Friedman
 Chair, Assembly Transportation Committee
 1021 O Street, Suite 5740
 Sacramento, CA 95814

Subject: Opposition to AB 1525 (Bonta)

Dear Chair Friedman:

The Riverside County Transportation Commission (RCTC) respectfully opposes AB 1525, authored by Assemblymember Mia Bonta. RCTC recognizes efforts to promote greater equity and climate resilience in transportation. This is evidenced by RCTC's support for investments in all modes of transportation with a goal of improving mobility, air quality, and equity for residents of Riverside County. However, AB 1525 represents a monumental shift in how a majority of state transportation funds are expended and significantly narrows the location and types of projects that are eligible for funding.

Riverside County is one the fastest growing counties in the state and nation. Our region's population increase and corresponding economic growth requires flexibility for RCTC to deliver projects and investments in all modes of transportation, including roadways and reliable transit, to ensure residents can travel to work, school, and places of recreation. Diverting transportation funding to specific kinds of projects, as will occur under AB 1525, strays from RCTC's goal of promoting an interconnected transportation network and will consequently create new disadvantages among communities.

RCTC is a willing partner to discuss opportunities to uplift disadvantaged communities. This is why our legislative platform explicitly voices support to "ensure that rural, low-income, and disadvantaged communities in Riverside County benefit from equity-based transportation planning and implementation policies." However, RCTC encourages the state to advance equity in transportation without implementing overly proscriptive policy changes that will harm communities across California.

Therefore, we respectfully oppose AB 1525. Should you have any questions, please do not hesitate to contact me at amayer@rctc.org or (951) 787-7141.

Sincerely,

A handwritten signature in blue ink that reads "Anne E. Mayer".

Anne Mayer
 Executive Director

CC: Members, Assembly Transportation Committee
 Riverside County Delegation
 Assemblymember Mia Bonta, 18th Assembly District



4080 Lemon St. 3rd Fl. Riverside, CA 92501
Mailing Address: P.O. Box 12008 Riverside, CA 92502-2208
951.787.7141 • rctc.org

April 13, 2023

The Honorable Cecilia Aguiar-Curry
Chair, Assembly Local Government Committee
1021 O Street, Suite 6350
Sacramento, CA 95814

Subject: Opposition to AB 558 (Arambula)

Dear Chair Aguiar-Curry:

The Riverside County Transportation Commission (RCTC) respectfully opposes AB 558 authored by Assemblymember Joaquin Arambula. The bill interferes with the governing structure of the Fresno County Transportation Authority (FCTA) by increasing its board membership.

RCTC firmly believes in consensus, collaboration, and local control in decision-making regarding regional transportation priorities. Such collaboration results in the deployment of billions of dollars towards transportation infrastructure projects and the creation of tens of thousands of jobs annually in California. Like RCTC, FCTA was established to provide meaningful transportation improvements in a cooperative way and includes the vital input from the communities it serves.

AB 558 adds four new members to the FCTA, seemingly designed to restructure its board. RCTC is concerned that this restructure is being proposed without the support and consensus among regional stakeholders or the FCTA Board itself. In addition, this bill establishes a concerning precedent for RCTC and other regional transportation agencies that their structure and governance could be legislatively changed without a collaborative process.

For these reasons, RCTC opposes AB 558. Should you have any questions, please do not hesitate to contact me at amayer@rctc.org or (951) 787-7141.

Sincerely,

A handwritten signature in blue ink that reads 'Anne E. Mayer'.

Anne Mayer
Executive Director

CC: Members, Assembly Local Government Committee
Riverside County Delegation
Assemblymember Joaquin Arambula, 31st Assembly District
Mark Leonardo, Executive Director, Fresno County Transportation Authority



4080 Lemon St. 3rd Fl. Riverside, CA 92501
Mailing Address: P.O. Box 12008 Riverside, CA 92502-2208
951.787.7141 • rctc.org

March 23, 2023

The Honorable Laura Friedman
Chair, Assembly Transportation Committee
1021 O Street, Suite 5740
Sacramento, CA 95814

Re: Comments on Assembly Bill 7

Dear Chair Friedman:

The Riverside County Transportation Commission (RCTC) administers Measure A, Riverside County's voter-approved half-cent sales tax measure. These local funds, which were approved by a vote of more than two-thirds of Riverside County's voters, help deliver critically needed transportation infrastructure for the county's 2.5 million residents. As a result, we are carefully watching the recently amended Assembly Bill 7 (AB 7).

RCTC has had limited time to review the full scope of the bill in the shortened time frame between the publish date of amendments and the bill being scheduled for its first hearing. However, we are concerned with the provision in the bill that requires several new policy principles to be considered during the selection process for projects using local transportation funds.

During the 2021-2022 legislative session, RCTC opposed bills which sought to restrict the will of Riverside County voters related to local transportation project funding. We will continue to analyze AB 7 over the coming weeks to better understand the bill's objectives and we look forward to engaging you, committee staff, and relevant stakeholders to ensure the continued delivery of long-awaited transportation projects in Riverside County.

Should you have any questions, please do not hesitate to contact me at amayer@rctc.org or 951-787-7141.

Sincerely,

A handwritten signature in blue ink that reads 'Anne E. Mayer'.

Anne Mayer
Executive Director



4080 Lemon St. 3rd Fl. Riverside, CA 92501
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 951.787.7141 • rctc.org

March 28, 2023

The Honorable Eduardo Garcia
 California State Assembly
 1021 O Street, Suite 8120
 Sacramento, CA 95814

Subject: Support Sponsorship of AB 1385 (Garcia)

Dear Assemblymember Garcia:

On March 8, 2023, the Riverside County Transportation Commission (Commission) approved to sponsor Assembly Bill (AB) 1385. If enacted, this bill would increase the Commission's sales tax authority by a half-cent to provide Riverside County residents with future funding options to meet the growing transportation needs of our region.

In 1987, the Commission was granted tax administration and fee collection authority by the state (PUC 240000). Riverside County's voters subsequently passed a county-wide half-cent per dollar sales tax measure to fund transportation improvements in 1988, known as Measure A, with a 78.8 percent "yes" vote. Riverside County voters renewed Measure A in 2002 with a 69.2 percent "yes" vote. Measure A now sunsets in 2039.

As the administrator of Measure A, the Commission kept its promises to Riverside County voters for nearly 35 years by using the residents' tax dollars efficiently and effectively to build the projects voters said they wanted. Measure A generated thousands of jobs and provided more than \$4.1 billion in local sales tax funding for transportation projects across Riverside County that support its nearly 2.5 million residents, with public transit; commuter and motorist assistance; state highways; local streets and roads; and habitat conservation for 146 protected or endangered species.

While California's overall population decreased during the last few years, Riverside County is the fastest-growing county in the state and the fifth fastest-growing county in the nation. The California Department of Finance projects that by 2048, Riverside County will have 3 million people, up 20 percent from 2022. People are moving here because of housing affordability, economic opportunity, and open space.

The increase in the county's population necessitates evaluating how to fund much-needed improvements to our transportation infrastructure. Unfortunately, there is a significant backlog of critically needed transportation projects in Riverside County that existing fund sources cannot meet. AB 1385 provides options should Riverside County's voters choose to implement a new sales tax measure to fund future transportation needs.

The Honorable Eduardo Garcia
March 28, 2023
Page 2

AB 1385 does not raise taxes. The bill increases RCTC's sales tax authority from one cent to one and a half cents per dollar and does not alter Measure A's half-cent sales tax rate. Any changes to Measure A requires approval from Riverside County's voters.

We thank you for your leadership in prioritizing transportation investments and solutions for Riverside County and offer support in sponsoring AB 1385.

Should you have any questions, please do not hesitate to contact me at amayer@rctc.org or (951) 787-7141.

Sincerely,

A handwritten signature in blue ink that reads "Anne E. Mayer". The signature is written in a cursive style with a large initial "A".

Anne Mayer
Executive Director