

**FINANCE COMMITTEE MEMBERS WILL RECEIVE A UNIQUE PANELIST LINK BY EMAIL.  
PLEASE USE THIS LINK TO PARTICIPATE IN THIS MEETING.**



## **FINANCE COMMITTEE AGENDA**

**TUESDAY, MAY 31, 2022  
12:00 p.m.**

*Pursuant to Assembly Bill 361 and the findings made by CVAG, this meeting will only be conducted via video/teleconferencing.*

### **INSTRUCTIONS FOR PUBLIC PARTICIPATION**

Members of the public may use the following link:

<https://us02web.zoom.us/j/83911460833?pwd=dm5KQ0FaZnllM2tEUjB2aXlIRjJFZz09>

**Passcode: 963578**

**One Tap Mobile: 16699009128,,83911460833#**

**Dial In: +1 669 900 9128**

**Webinar ID: 839 1146 0833**

**Passcode: 963578**

*This will provide listening access and ability to address the  
Finance Committee when called upon.*

**IF YOU ARE UNABLE TO CONNECT VIA DIAL IN OPTION, PLEASE CALL 760-346-1127.**

Public Comment is encouraged to be emailed to the Finance Committee prior to the Meeting at [cvag@cvag.org](mailto:cvag@cvag.org) by 5:00 p.m. on the day prior to the committee meeting. Comments intended to be read aloud should be no more than 300 characters.

**THIS MEETING IS HANDICAPPED ACCESSIBLE.  
ACTION MAY RESULT ON ANY ITEMS ON THIS AGENDA.**

**UNLESS OTHERWISE STATED, ALL ACTION ITEMS WILL BE PRESENTED TO THE  
EXECUTIVE COMMITTEE FOR FINAL APPROVAL.**

1. **CALL TO ORDER / ROLL CALL** – Chair Richard Balocco, City of Indian Wells
  - A. **Roster** – Jennifer Nelson [4](#)
  
2. **PUBLIC COMMENTS ON AGENDA ITEMS**

This is the time and place for members of the public to address the Finance Committee on agenda items. At the discretion of the Chair, comments may be taken at the time items are presented. Please limit comments to three (3) minutes.
  
3. **CONSENT CALENDAR**
  - A. **Approve Minutes of the May 5, 2021 Finance Committee Meeting** [5](#)
  
  - B. **Receive and file the action to be taken by the CVAG Finance Director to modify the Fiscal Year 2019/20 \$1,016,741 UAL payment and distribute the costs across relevant programs in order to reduce the impact on the General Fund** [8](#)
  
4. **DISCUSSION /ACTION**
  - A. **CVAG’s Audit for Fiscal Year 2020/21 and Related Reports** – Claude Kilgore [10](#)

**Recommendation:** Receive and file the Audited Financial Statements for the fiscal year ended June 30, 2021, and the Auditor’s Communication with Those Charged with Governance
  
  - B. **Fiscal Year 2022/2023 Agency-Wide, Programs, and Individual Funds Budget** – Claude Kilgore [77](#)

**Recommendation:** Review the preliminary budget for Fiscal Year 2022/23, make any comments for inclusion and recommend the Executive Committee approve the budget, pending the inclusion of any Committee feedback
  
  - C. **Rotation of the Finance Committee Members** – Jennifer Nelson [151](#)

**Recommendation:** Appoint a city manager and an elected official to serve on the Finance Committee, and confirm the officer rotation so Palm Desert Mayor Pro Tem Sabby Jonathan serves as Committee Chair and Cathedral City Councilmember Raymond Gregory as Committee Vice Chair for Fiscal Year 2022/23
  
5. **INFORMATION**
  - A. **Rollout of CAL-Card Program and Procurement Cards** [153](#)
  
6. **PUBLIC COMMENTS ON NON-AGENDA ITEMS**



This is the time and place for members of the public to address the Finance Committee on items of general interest within the purview of this committee. Please limit comments to two (2) minutes.

7. **ANNOUNCEMENTS**

Upcoming Zoom Meetings:

**Executive Committee – Monday, June 6, 2022 at 4:30 p.m.**

**General Assembly – Monday, June 27, 2022 at 6:00 p.m.**

8. **ADJOURNMENT**

**ITEM 1A****FINANCE COMMITTEE  
ROSTER**

<b>Jurisdiction</b>	<b>Members</b>	<b>Term</b>
City of Indian Wells	<b>Richard Balocco, Chair</b> Councilmember	<b>FY 2021/2022</b>
City of Rancho Mirage	<b>Isaiah Hagerman</b> City Manager	<b>FY 2021/2022</b>
City of Palm Desert	<b>Sabby Jonathan, Vice Chair</b> Mayor Pro Tem	<b>FY 2022/2023</b>
City of Palm Springs	<b>Nancy Pauley</b> Director of Finance and Treasurer	<b>FY 2022/2023</b>
City of Cathedral City	<b>Raymond Gregory</b> Councilmember	<b>FY 2023/2024</b>
Torres Martinez Desert Cahuilla Indians	<b>Shawn Isaac</b> Tribal Administrator	<b>FY 2023/2024</b>

**ITEM 3A****FINANCE COMMITTEE  
MINUTES OF MEETING  
MAY 25, 2021****1. CALL TO ORDER**

The May 25, 2021 Finance Committee meeting was called to order at 12:00 p.m. by Vice Chair Richard Balocco, Councilmember of the City of Indian Wells, via Zoom videoconference, which was pursuant to Gov. Newsom's executive order governing how public meetings are held during the COVID-19 pandemic.

**ROLL CALL****MEMBERS PRESENT**

City Manager Luke Rainey  
Councilmember Richard Balocco  
Mayor Linda Evans  
Councilmember Sabby Jonathan  
City Manager Isaiah Hagerman  
Finance Director/Treasurer Nancy Pauley

**AGENCY**

City of Desert Hot Springs  
City of Indian Wells  
City of La Quinta (*Arrived at Item 2*)  
City of Palm Desert  
City of Rancho Mirage  
City of Palm Springs

**STAFF PRESENT**

Tom Kirk  
Claude Kilgore  
Joanna Stueckle

**2. PUBLIC COMMENTS ON AGENDA ITEMS**

None.

**3. CONSENT CALENDAR****A. APPROVE MINUTES OF THE FEBRUARY 9, 2021 FINANCE COMMITTEE MEETING**

**IT WAS MOVED BY COUNCILMEMBER JONATHAN AND SECONDED BY MAYOR EVANS TO APPROVE THE FEBRUARY 9, 2021 FINANCE COMMITTEE MEETING.**

**THE MOTION CARRIED UNANIMOUSLY.**

CITY MANAGER LUKE RAINEY	AYE
MAYOR RICHARD BALOCCO	AYE
MAYOR LINDA EVANS	AYE
COUNCILMEMBER SABBY JONATHAN	AYE
FINANCE DIRECTOR/TREASURER NANCY PAULEY	AYE
CITY MANAGER ISAIAH HAGERMAN	AYE

**4. DISCUSSION /ACTION**

**A. CVAG 2021/2022 Fiscal Year Budget – Claude T. Kilgore**

Claude Kilgore presented the preliminary budget for FY 2021/2022. Member discussion ensued.

**IT WAS MOVED BY MAYOR BALOCCO AND SECONDED BY COUNCILMEMBER JONATHAN TO RECOMMEND A 2.2% COST OF LIVING SALARY INCREASE AND A 2.2% INCREASE TO THE MEMBERSHIP DUES.**

**THE MOTION CARRIED UNANIMOUSLY.**

CITY MANAGER LUKE RAINEY	AYE
MAYOR RICHARD BALOCCO	AYE
MAYOR LINDA EVANS	AYE
COUNCILMEMBER SABBY JONATHAN	AYE
FINANCE DIRECTOR/TREASURER NANCY PAULEY	AYE
CITY MANAGER ISAIAH HAGERMAN	AYE

**B. Selection of CVAG/CVCC/DCE Independent Auditor – Claude T. Kilgore**

Mr. Kilgore presented the staff report and described the process of also using the auditor for the Coachella Valley Conservation Commission (CVCC) and Desert Community Energy. Member discussion ensued.

**IT WAS MOVED BY COUNCILMEMBER JONATHAN AND SECONDED BY MAYOR BALOCCO TO AUTHORIZE THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE A CONTRACT TO HIRE DAVIS FARR LLP TO SERVE AS CVAG'S INDEPENDENT AUDITOR.**

**THE MOTION CARRIED UNANIMOUSLY.**

CITY MANAGER LUKE RAINEY	AYE
MAYOR RICHARD BALOCCO	AYE
MAYOR LINDA EVANS	AYE
COUNCILMEMBER SABBY JONATHAN	AYE
FINANCE DIRECTOR/TREASURER NANCY PAULEY	AYE
CITY MANAGER ISAIAH HAGERMAN	AYE

**C. Rotation of the Finance Committee members – Claude T. Kilgore**

Mr. Kilgore presented the staff report. Members discussed which elected official to appoint to the Finance Committee. Executive Director Tom Kirk indicated that he would discuss the rotation issue at the upcoming roundtable meeting with city, county and Tribal managers to seek a volunteer. Members further discussed the rotation of the Chair and Vice Chair positions and concurred they should automatically go to the next elected officials in line, recommending Mayor Balocco as the next Chair and Councilmember Jonathan as Vice Chair for the term FY 2021/22.

IT WAS MOVED BY MAYOR BALOCCO AND SECONDED BY MAYOR EVANS TO APPOINT MAYOR RAYMOND GREGORY, CITY OF CATHEDRAL CITY, TO SERVE ON THE FINANCE COMMITTEE.

THE MOTION CARRIED UNANIMOUSLY.

CITY MANAGER LUKE RAINEY	AYE
MAYOR RICHARD BALOCCO	AYE
MAYOR LINDA EVANS	AYE
COUNCILMEMBER SABBY JONATHAN	AYE
FINANCE DIRECTOR/TREASURER NANCY PAULEY	AYE
CITY MANAGER ISAIAH HAGERMAN	AYE

5. **PUBLIC COMMENTS ON NON-AGENDA ITEMS**

None.

6. **ANNOUNCEMENTS**

Upcoming Zoom Meetings:

**Executive Committee – Monday, June 7, 2021 at 4:00 p.m.**

**General Assembly – Monday, June 28, 2021 at 6:00 p.m.**

7. **ADJOURNMENT**

There being no further business, the Finance Committee adjourned at 10:50 a.m.

Respectfully submitted,

*Joanna Stueckle*  
Executive Assistant/Clerk

### **ITEM 3B**

**Coachella Valley Association of Governments  
Finance Committee  
May 31, 2022**



### **STAFF REPORT**

**Subject:** CalPERS Unfunded Accrued Liability

**Contact:** Claude T. Kilgore, Director of Finance/Administration ([ckilgore@cvag.org](mailto:ckilgore@cvag.org))

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**Recommendation:** Receive and file the action to be taken by the CVAG Finance Director to modify the Fiscal Year 2019/20 \$1,016,741 UAL payment and distribute the costs across relevant programs in order to reduce the impact on the General Fund

**Administrative/ Personnel Committee:** Concurred, contingent on concurrence from the Finance Committee (Meeting of April 21)

**Background:** In 2019, the Administrative/Personnel Committee and the Finance Committee (formerly known as the Audit Committee) requested that CVAG staff look into the possibility of CVAG reigning in the escalating cost of the CalPERS Unfunded Accrued Liability (UAL). It is well known that the UAL for almost all agencies has been on the rise and continues to soar, placing an increasingly tight fiscal burden on agencies throughout California. In addition, the UAL calculation and pension valuation and accounting in general are an extremely complex concept that involve the use of numerous professionals and assumptions. The annual valuation report is typically on a two-year lag and the UAL is subject to increase or decrease due to investment strategies and results and assumption changes, payroll projections among other items year-to-year.

The discussions among committee members about the looming costs led to a decision by the Executive Committee to authorize the pay-down of the UAL in the amount of \$1,016,741 as part of the Fiscal Year 2019/20 General Fund budget. This dramatically impacted the balance in the General Fund, which was reduced to \$1,003,619 after the payment. Notably, this is different from all other CVAG staff and overhead allocations, which are charged based on mathematical percentages to each program instead of all to the General Fund and in line with standard practice.

Following prior guidance, CVAG staff will be budgeting for CVAG to make more than the minimum payment this year on the UAL, which will further reduce the balance. In addition, CVAG staff is seeking concurrence to revisit the 19/20 allocation and the decision to take the entire 19/20 payment out of the General Fund. With fresh eyes in the Finance/ Administration Department, staff is seeking concurrence to make an administrative, accounting adjustment that distributes the payment across funds and departments.

CVAG's General Fund is almost 100% funded by member jurisdictions' membership dues which, at the current rates, do not grow the General Fund substantially from year to year. CVAG also has a General Fund that provides additional financial support for its day-to-day operations and includes some administrative costs and general support to CVAG's policy committees. In light of changes to state law and in the unanticipated and unlikely case of funding shortfalls or liquidation of the CVAG JPA, the CVAG General Fund would stand to cover certain encumbrances such as the Unfunded Accrued Liability of CVAG's pension at CalPERS and shield member jurisdictions

from such liability. CVAG staff has held preliminary discussions with its external financial statement audit firm, Davis Farr LLP, related to the adjustment and Davis Farr indicated it would be in-line with US GAAP and it is possible for the adjustment to be made via operating transfers for the period ended June 30, 2022. This accounting reallocation will allow the previous, FY 19/20 payment to be divided into the various programs and result in a lesser impact to the General Fund. The percentage of how the \$1 million is allocated would mirror the percentage of those historic costs represented in the UAL where there is relevant and available funding. Any operating transfers that would not be covered by relevant and available funding would be absorbed by the General Fund. CVAG staff has identified certain funds that it anticipates billing in FY22 that were previously not billed and would stand to cover a large portion of the allocation out of the General Fund.

CVAG staff had conversations with several member agencies' staffs and this approach of ensuring the various cost-centers absorb some of the burden of the UAL appear in-line with standard practice. While this type of accounting entry would normally be an internal department-level decision, CVAG staff identified that the 19/20 UAL payment was approved as specifically coming out of the General Fund at that time. Out of an abundance of transparency, CVAG staff would like to specifically call out its intentions.

This item was supported by the Administrative/Personnel Committee, but the members noted that it was contingent on concurrence from the Finance Committee. The intent is for this proportional allocation and professional estimate based on available funding of the 19/20 UAL payment to be based on reasonable facts, figures, and assumptions and included as an audited item by the external CPA firm currently engaged by CVAG for its FY 2021/22 financial statements.

**Fiscal Analysis:** The anticipated paydown of CVAG's CalPERS UAL for Fiscal Year 2022/23 is \$200,394. This would include the full Minimum UAL Payment of \$111,188 and an Additional Discretionary Payment of \$88,812 to bring the Total UAL Contribution for Classic employees to \$200,000. It also would include a payment of \$394 to cover the Minimum UAL payment for PEPRA employees.

With this action, the prior \$1,016,741 payment would be distributed across relevant and available programs in order to reduce the impact on the General Fund. The percentage attributed to each program would be made up of those historic costs represented in the UAL. This proportional allocation of the 19/20 UAL payment is to be based on reasonable facts, figures, and assumptions and included as an audited item by the external CPA firm currently engaged by CVAG for its FY 2021/22 financial statement audit.

As the payment was previously made, there is no direct impact to agencywide fiscal items, yet there would be an impact to other relevant programs that will be identified in the proposed allocation during the FY2021/22 audit.

## **ITEM 4A**

# **Coachella Valley Association of Governments Finance Committee May 31, 2022**



## **STAFF REPORT**

**Subject:** CVAG's Audit for Fiscal Year 2020/21 and Related Reports

**Contact:** Claude T. Kilgore, Director of Finance/Administration ([ckilgore@cvag.org](mailto:ckilgore@cvag.org))

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**Recommendation:** Receive and file the Audited Financial Statements for the fiscal year ended June 30, 2021 and the Auditor's Communication with Those Charged with Governance

**Background:** CVAG's Financial Statements Audit Procurement Policy, adopted on June 3, 2002, requires CVAG to obtain from qualified auditing firms, proposals to perform CVAG's annual financial audit every five years. In June 2021, CVAG hired the audit firm of Davis Farr LLP – a firm with an impressive history of professional work in the Coachella Valley – for engagement as CVAG's, as well as the Coachella Valley Conservation Commission's and Desert Community Energy's, independent auditor for the five fiscal years starting with Fiscal Year 2020/21. The firm has an impressive history of professional work in the Coachella Valley.

Davis Farr LLP performed the annual audit over CVAG's Basic Financial Statements as of June 30, 2021, and for the fiscal year then ended which include the Government-Wide Financial Statements including the Statement of Net Position and Statement of Activities as well as the Fund Financial Statements which include the Balance Sheet – Governmental Funds, Reconciliation of the Governmental Funds Balance Sheets to the Statement of Net Position, Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds, Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities, and Notes to the Basic Financial Statements. Davis Farr issued an Unmodified Opinion, which means that CVAG's Basic Financial Statements present fairly, in all material respects, the respective financial position of the of the governmental activities, each major fund, and the aggregate remaining fund information of the agency, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America

In accordance with Government Auditing Standards, Davis Farr will issue their report on their consideration of CVAG's internal control over financial reporting and their tests of CVAG's compliance with certain provisions of laws, regulations, contracts, and grant agreements as well as other matters when they conclude the required Single Audit before the September 30, 2022 deadline. The work to finalize the Single Audit is schedule for mid-June. Finally, Davis Farr has provided a letter to the CVAG Commission Members outlining Significant Audit Findings as promulgated by AU-C Section 260, "The Auditor's Communication with Those Charged With Governance."



CVAG staff appreciated working with, and would like to thank, the Davis Farr team, led by Partner Shannon Ayala, for their diligence and hard work in issuing the reports. The audit team helped identify recommendations related to the timing of journal entries, and how certain multi-year expenses are tracked. As there are new staff in the CVAG Finance/Administration Department (including this Staff Report's author), FY 2021/22 financial reporting was a terrific opportunity for growth and improvement upon CVAG's current systems. A member of the Davis Farr team will present the reports and be available to address any Board questions or comments.

**Fiscal Analysis:** The professional fees associated with the audit services were previously budgeted and there is no additional financial impact.

**Attachments:**

1. CVAG's Audited Financial Statements for the year ended June 30, 2021
2. Auditor's Communication with Those Charged with Governance

**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

**Financial Statements**

**Year ended June 30, 2021**

**(With Independent Auditor's Report Thereon)**

# **COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

## **Financial Statements**

**Year ended June 30, 2021**

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## **Independent Auditor's Report**

To the Executive Committee  
Coachella Valley Association of Governments  
Palm Desert, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Coachella Valley Association of Governments (CVAG), as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise CVAG's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of CVAG, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

The financial statements of the Coachella Valley Association of Governments for the year ended June 30, 2020 were audited by other auditors whose report dated January 11, 2021 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* and *budgetary comparison schedules* for the General Fund and each major special revenue fund and *schedule of the proportionate share of the net pension liability – miscellaneous plan* and *schedule of plan contributions – miscellaneous plan* be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise CVAG's basic financial statements. The *combining and individual nonmajor fund financial statements* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *combining and individual nonmajor fund financial statements* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion,

the *combining and individual nonmajor fund financial statements* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2022 on our consideration of CVAG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CVAG's internal control over financial reporting and compliance.

DavisFarrLLP

Irvine, California  
May 24, 2022

# COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

The following discussion and analysis of the financial performance of Coachella Valley Association of Governments ("CVAG") provides an overview of CVAG's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the financial statements identified in the accompanying table of contents.

### Using the Accompanying Financial Statements

This annual report consists of a series of financial statements. The *Statement of Net Position* and the *Statement of Activities* provide information about the activities of CVAG as a whole and present a long-term view of CVAG's finances. Also included in the accompanying report are the *fund financial statements*. The fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report CVAG's operations in more detail than the government-wide statements by providing information about CVAG's most significant funds.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The annual report consists of four parts - *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and *supplementary information* that presents *combining statements* for nonmajor governmental funds. The *basic financial statements* include two kinds of statements that present different views of CVAG:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about CVAG's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting CVAG's operations in *more detail* than the government-wide statements.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that provided additional financial and budgetary information.

# COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

June 30, 2021

### **OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

#### **Reporting CVAG as a Whole**

The accompanying **government-wide financial statements** include two statements that present financial data for CVAG as a whole. One of the most important questions asked about CVAG's finances is, "Is CVAG as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about CVAG as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report CVAG's net position and changes in it. You can think of CVAG's net position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources - as one way to measure CVAG's financial health, or *financial position*. Over time, *increases and decreases* in CVAG's net assets are one indicator of whether its *financial health* is improving or deteriorating.

#### **Reporting CVAG's Major Funds**

The **fund financial statements** provide detailed information about CVAG's most significant funds - not CVAG as a whole. Some funds are required to be established by grant or legal requirements. However, the Executive Committee establishes other funds to help it control and manage money for particular purposes or to show that it is meeting administrative responsibilities for using certain resources.

*Governmental funds* - CVAG's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *current financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of CVAG's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance CVAG's programs.



COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2021

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

A summary of the government-wide *statement of net position* follows:

Statement of Net Position

	Fiscal Year 2021	Fiscal Year 2020	Dollar Change	Total Percentage Change
<b><u>Assets:</u></b>				
Cash and investments	\$57,483,992	\$52,487,432	\$ 4,996,560	9.52%
Accounts receivable	917	11,677	(10,760)	(92.15%)
Interest receivable	42,287	162,156	(119,869)	(73.92%)
Due from other governments	12,503,824	13,649,693	(1,145,869)	(8.39%)
Loans receivable	187,623	756,178	(568,555)	(75.19%)
Restricted cash and investments	15,109,753	15,136,406	(26,653)	(0.18%)
Capital assets:				
Land	15,696,238	10,682,344	5,013,894	46.94%
Other capital assets, net	57,989	76,575	(18,586)	(24.27%)
Total Assets	<u>101,082,623</u>	<u>92,962,461</u>	<u>8,120,162</u>	8.73%
<b><u>Deferred Outflows of Resources:</u></b>				
Deferred pension related items	<u>1,407,746</u>	<u>1,730,948</u>	<u>(323,202)</u>	(18.67%)
Total Deferred Outflows of Resources	<u>1,407,746</u>	<u>1,730,948</u>	<u>(323,202)</u>	(18.67%)
<b><u>Liabilities:</u></b>				
Current liabilities				
Accounts payable	2,687,998	1,521,250	1,166,748	76.70%
Due to other governments	8,501,528	5,245,146	3,256,382	62.08%
Accrued liabilities	39,236	-	39,236	100.00%
Deposits payable	15,109,753	15,136,406	(26,653)	(0.18%)

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2021

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)**

Statement of Net Position (continued)

	Fiscal Year 2021	Fiscal Year 2020	Dollar Change	Total Percentage Change
<b><u>Liabilities (continued):</u></b>				
Noncurrent liabilities:				
Due within one year:				
Revenue bonds payable	1,893,146	1,782,895	110,251	6.18%
Compensated absences	113,357	127,589	(14,232)	(11.15%)
Due in more than one year:				
Revenue bonds payable	17,480,279	19,373,425	(1,893,146)	(9.77%)
Compensated absences	37,785	14,176	23,609	166.54%
Net pension liability	1,631,820	2,457,681	(825,861)	(33.60%)
Total Liabilities	<u>47,494,902</u>	<u>45,658,568</u>	<u>1,836,334</u>	4.02%
<b><u>Deferred Inflows of Resources:</u></b>				
Deferred pension related items	<u>661,013</u>	<u>178,922</u>	<u>482,091</u>	269.44%
Total Deferred Inflows of Resources	<u>661,013</u>	<u>178,922</u>	<u>482,091</u>	269.44%
<b><u>Net Position:</u></b>				
Net investment in capital assets	15,754,227	10,758,919	4,995,308	46.43%
Restricted:				
Transportation	36,185,599	35,950,102	235,497	0.66%
Environmental	501,135	757,858	(256,723)	(33.87%)
Homeless	1,786,498	1,103,326	683,172	61.92%
Unrestricted	106,995	285,714	(178,719)	(62.55%)
Total Net Position	<u>\$ 54,334,454</u>	<u>\$48,855,919</u>	<u>\$ 5,478,535</u>	11.21%

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2021

A summary of the government-wide *statement of activities* follows:

Statement of Activities

	Fiscal Year 2021	Fiscal Year 2020	Dollar Change	Total Percentage Change
<b><u>Operating Expenses:</u></b>				
Administrative	\$ 1,734,634	\$ 1,742,152	\$ (7,518)	(0.43%)
Transportation	22,696,616	24,192,079	(1,495,463)	(6.18%)
Other	2,064,812	3,199,252	(1,134,440)	(35.46%)
Interest expense	1,229,338	1,333,066	(103,728)	(7.78%)
Total Expenses	<u>27,725,400</u>	<u>30,466,549</u>	<u>(2,741,149)</u>	(9.00%)
<b><u>Program Revenues:</u></b>				
Charges for services	1,330,421	607,001	723,420	119.18%
Operating contributions and grants	8,706,961	6,338,016	2,368,945	37.38%
Capital contributions and grants	23,075,935	23,137,092	(61,157)	(0.26%)
<b><u>General Revenues:</u></b>				
Interest income	73,454	196,778	(123,324)	(62.67%)
Total Revenues	<u>33,186,771</u>	<u>30,278,887</u>	<u>2,907,884</u>	9.60%
Changes in Net Position	5,461,371	(187,662)	5,649,033	(3010.22%)
Net Position – Beginning, as Restated	48,873,083	49,043,581	(170,498)	(0.35%)
Net Position - Ending	<u>\$ 54,334,454</u>	<u>\$ 48,855,919</u>	<u>\$ 5,478,535</u>	11.21%

The increase or decrease in net position can provide an indication as to whether the overall financial position of CVAG improved or deteriorated during the year. Net Position of CVAG's governmental activities increased by 11.21 percent (\$48.9 million compared to \$54.3 million).

# COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

June 30, 2021

### **MAJOR FUNDS**

**General Fund** - The General Fund accounts for all of the general revenues of CVAG not specifically levied or collected for some special purpose, and for the expenditures related to the rendering of general services by CVAG. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$1,650,320.

The reasons for significant changes in the revenues and expenditures of CVAG's General Fund from the prior year are as follows:

- A decrease in the Total Revenues by \$58,327 is mainly due to the completion of a grant program.
- A decrease in Total Expenditures by \$985,889 is mainly due to a one-time paydown of the CalPERS Unfunded Accrued Liability for over one million dollars in the prior fiscal year.

**Transportation Uniform Mitigation Fees (TUMF) Fund** - The TUMF Fund accounts for the revenues generated by the Traffic Mitigation Fees and provides additional funds necessary to construct the transportation improvements generated by the development in the valley. At the end of the current fiscal year, the total fund balance was \$4,299,513.

The reasons for significant changes in the revenues and expenditures of CVAG's TUMF Fund from the prior year are as follows:

- An increase in Total Revenues by \$1,484,751 is mainly due to an increase in TUMF revenues collected in the current fiscal year as opposed to the prior fiscal year which saw a decline in revenue due to the global Covid-19 pandemic.
- A decrease in Total Expenditures by \$1,288,996 is mainly due to a decrease in Project Cost reimbursements, which are dependent on work completed on various arterial projects as well as the timing of the jurisdictions submitting requests for reimbursements.

**Measure A Fund** - The Measure A Fund accounts for the revenues generated by the Measure A half cent sales tax and is used mainly for the construction and/or improvement of the regional arterials in the Coachella Valley. At the end of the current fiscal year, the total fund balance was \$44,806,324.

The reasons for significant changes in the revenues and expenditures of CVAG's Measure A Fund from the prior year are as follows:

- A decrease in Measure A revenues by \$9,208,146 is mainly due to a decrease in Measure A revenues recorded. This increase does not have a direct relationship to the actual amount of sales tax collected, but the amount of reimbursement that was requested by CVAG. Please see Note 15 for further clarification.
- A decrease in Total Expenditures by \$3,118,898 is mainly due to a decrease in Project Cost reimbursements, which are dependent on work completed on various arterial projects as well as the timing of the jurisdictions submitting requests for reimbursements.

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2021

**CV Link Fund** - The CV Link Fund accounts for the revenues generated from Grants and is used mainly for the construction of the CV Link project in the Coachella Valley. At the end of the current fiscal year, the total fund balance was (\$4,455).

The reasons for significant changes in the revenues and expenditures of CVAG's CV Link Fund from the prior year are as follows:

- An increase in Total Revenues by \$3,734,820 is mainly due to an increase in funds received from reimbursement fundings.
- An increase in Total Expenditures by \$6,471,173 is mainly due to an increase in construction work on the CV Link.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

A summary of CVAG's *capital assets* follows:

Capital Assets  
(net of depreciation)

	Balance June 30, 2021	Balance June 30, 2020	Increase (Decrease)
Land	\$ 15,696,238	\$ 10,682,344	\$ 5,013,894
Furniture and equipment	17,035	15,964	1,071
Vehicles	40,954	60,611	(19,657)
Total	<u>\$ 15,754,227</u>	<u>\$ 10,758,919</u>	<u>\$ 4,995,308</u>

The increase to Furniture and Equipment is mainly due to the purchase of a new server while the decrease in Vehicles is mainly due to depreciation.

Additional information on CVAG's capital assets is presented in Note 7 of the Notes to Basic Financial Statements.

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2021

**DEBT ADMINISTRATION**

The only activity relating to long-term debt was scheduled annual retirements.

Long-Term Debt

	Balance June 30, 2021	Balance June 30, 2020	Increase (Decrease)
Revenue bonds payable	\$ 19,373,425	\$ 21,156,320	\$ (1,782,895)
Compensated absences	151,142	141,765	9,377
Total	<u>\$ 19,524,567</u>	<u>\$ 21,298,085</u>	<u>\$ (1,773,518)</u>

Additional information on long-term debt is presented in Note 9 and 10 of the Notes to Basic Financial Statements.

**GENERAL FUND BUDGET**

There were some major deviations between the final budget of the General Fund and its actual operating results namely:

- Salaries expenditures under budget by \$ 281,365
- Benefits expenditures under budget by \$ 135,886
- Transfers in under budget by \$ 548,274

The deviations occurred because the budget reflected the budgeted expenditures for the General Fund with a Transfers In from other funds to cover the allocated costs to those funds. However, for the financial statements, instead of affecting the Transfers In, the expenditures allocations are transferred to the respective funds directly.

**CONTACTING THE ASSOCIATION'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, members, and resource providers with a general overview of CVAG's finances and to show CVAG's accountability for the money it receives. If you have questions about this report or need additional financial information, contact CVAG's Office, attention Director of Administrative Services Department, at 73710 Fred Waring Drive, Suite 200, Palm Desert, California 92260.

## **BASIC FINANCIAL STATEMENTS**

**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

**Statement of Net Position**

**June 30, 2021**

**(with comparative prior year information)**

	Governmental Activities	
	2021	2020
Assets:		
Cash and investments (note 3)	\$ 57,483,992	52,487,432
Accounts receivable	917	11,677
Interest receivable	42,287	162,156
Loans receivable (note 4)	187,623	756,178
Due from other governments	12,503,824	13,649,693
Restricted cash and investments (note 3)	15,109,753	15,136,406
Capital assets, not being depreciated (note 7)	15,696,238	10,682,344
Capital assets, net of depreciation (note 7)	57,989	76,575
Total Assets	<u>101,082,623</u>	<u>92,962,461</u>
Deferred Outflows of Resources:		
Deferred amounts from pension plans (note 13)	<u>1,407,746</u>	<u>1,730,948</u>
Total Deferred Outflows of Resources	<u>1,407,746</u>	<u>1,730,948</u>
Liabilities:		
Accounts payable	2,687,998	1,521,250
Accrued liabilities	39,236	-
Deposits payable	15,109,753	15,136,406
Due to other governments	8,501,528	5,245,146
Noncurrent Liabilities		
Due within one year		
Bonds payable (note 9)	1,893,146	1,782,895
Compensated absences (note 10)	113,357	127,589
Due in more than one year		
Bonds payable (note 9)	17,480,279	19,373,425
Compensated absences (note 10)	37,785	14,176
Net pension liability (note 13)	<u>1,631,820</u>	<u>2,457,681</u>
Total Liabilities	<u>47,494,902</u>	<u>45,658,568</u>
Deferred Inflows of Resources:		
Deferred amounts from pension plans (note 13)	<u>661,013</u>	<u>178,922</u>
Total Deferred Inflows of Resources	<u>661,013</u>	<u>178,922</u>
Net Position:		
Investment in capital assets	15,754,227	10,758,919
Restricted:		
Transportation	36,185,599	35,950,102
Environmental	501,135	757,858
Homeless	1,786,498	1,103,326
Unrestricted	<u>106,995</u>	<u>285,714</u>
Total Net Position	<u>\$ 54,334,454</u>	<u>48,855,919</u>

See accompanying notes to the basic financial statements.



**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

**Statement of Activities**

**Year ended June 30, 2021**

**(with comparative prior year information)**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities	
					2021	2020
Governmental Activities:						
Administrative	\$ 1,734,634	1,330,421	461,291	-	57,078	3,167,533
Transportation	22,696,616	-	5,519,078	23,075,935	5,898,397	(1,054,987)
Other	2,064,812	-	2,726,592	-	661,780	(1,163,920)
Interest expense	1,229,338	-	-	-	(1,229,338)	(1,333,066)
Total Governmental Activities	<u>\$ 27,725,400</u>	<u>1,330,421</u>	<u>8,706,961</u>	<u>23,075,935</u>	<u>5,387,917</u>	<u>(384,440)</u>
General Revenues:						
Investment income					<u>73,454</u>	<u>196,778</u>
Total General Revenues					<u>73,454</u>	<u>196,778</u>
Change in Net Position					5,461,371	(187,662)
Net Position - Beginning, as Restated (note 17)					<u>48,873,083</u>	<u>49,043,581</u>
Net Position - Ending					<u>\$ 54,334,454</u>	<u>48,855,919</u>

See accompanying notes to the basic financial statements.

**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

**Balance Sheet - Governmental Funds**

**June 30, 2021**

**(with comparative prior year information)**

		<u>Special Revenue Funds</u>		
	<u>General</u>	<u>Transportation Uniform Mitigation Fees</u>	<u>Measure A</u>	<u>CV Link</u>
<b>Assets:</b>				
Cash and investments (note 3)	\$ 999,073	6,120,554	42,789,831	4,940,042
Accounts receivable	560	-	-	-
Interest receivable	3,446	11,943	23,410	-
Due from other governments	-	823,782	6,753,264	1,784,671
Due from other funds (note 5)	683,168	13,720	4,941,249	-
Restricted cash and investments (note 3)	-	-	15,109,753	-
Total Assets	<u>\$ 1,686,247</u>	<u>6,969,999</u>	<u>69,617,507</u>	<u>6,724,713</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 22,788	349,908	729,576	990,242
Accrued liabilities	3,875	4,113	6,507	4,454
Due to other governments	4,284	2,048,085	3,803,586	2,157,966
Due to other funds (note 5)	4,980	61,462	259,972	3,576,506
Deposits payable	-	-	15,109,753	-
Total Liabilities	<u>35,927</u>	<u>2,463,568</u>	<u>19,909,394</u>	<u>6,729,168</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	206,918	4,901,789	-
Total Deferred Inflows of Resources	<u>-</u>	<u>206,918</u>	<u>4,901,789</u>	<u>-</u>
<b>Fund Balances (Deficits):</b>				
<b>Restricted:</b>				
Transportation	-	4,299,513	44,806,324	-
Environmental	-	-	-	-
Homeless	-	-	-	-
Unassigned	<u>1,650,320</u>	<u>-</u>	<u>-</u>	<u>(4,455)</u>
Total Fund Balances (Deficits)	<u>1,650,320</u>	<u>4,299,513</u>	<u>44,806,324</u>	<u>(4,455)</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<u>\$ 1,686,247</u>	<u>6,969,999</u>	<u>69,617,507</u>	<u>6,724,713</u>

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds	
	2021	2020
2,634,492	57,483,992	52,487,432
357	917	11,677
3,488	42,287	162,156
3,142,107	12,503,824	13,649,693
336,642	5,974,779	4,697,472
-	15,109,753	15,136,406
<u>6,117,086</u>	<u>91,115,552</u>	<u>86,144,836</u>

595,484	2,687,998	1,521,250
20,287	39,236	-
487,607	8,501,528	5,245,146
2,071,859	5,974,779	4,697,472
-	15,109,753	15,136,406
<u>3,175,237</u>	<u>32,313,294</u>	<u>26,600,274</u>

<u>1,320,558</u>	<u>6,429,265</u>	<u>1,743,368</u>
<u>1,320,558</u>	<u>6,429,265</u>	<u>1,743,368</u>

23,922	49,129,759	55,654,296
501,135	501,135	707,427
1,786,498	1,786,498	877,352
(690,264)	955,601	562,119
<u>1,621,291</u>	<u>52,372,993</u>	<u>57,801,194</u>

<u>6,117,086</u>	<u>91,115,552</u>	<u>86,144,836</u>
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See accompanying notes to the basic financial statements.

**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

**Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position**

**June 30, 2021**

Fund Balances of Governmental Funds \$ 52,372,993

Amounts reported for governmental activities in the statement of net position  
are different because:

Capital assets used in governmental activities are not financial resources  
and, therefore, are not reported in the funds.

Capital assets	16,488,460
Accumulated depreciation	(734,233)

Loans receivable that have not been included in the governmental fund  
activity that do not provide current financial resources and are recognized  
in the statement of activities.

187,623

Long-term liabilities are not due and payable in the current period and,  
therefore, are not reported in the governmental funds.

Bonds payable	(19,373,425)
Compensated absences	(151,142)
Net pension liability	(1,631,820)

Revenues reported as unavailable revenue in the governmental funds and  
recognized in the statement of activities. These are included in  
intergovernmental revenues in the governmental fund activity.

6,429,265

Deferred outflows of resources related to pensions 1,407,746

Deferred inflows of resources related to pensions (661,013)

Net Position of Governmental Activities \$ 54,334,454

See accompanying notes to the basic financial statements.

**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

**Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds**

**Year ended June 30, 2021**

**(with comparative prior year information)**

	<u>General</u>	<u>Transportation Uniform Mitigation Fees</u>	<u>Measure A</u>
Revenues:			
Member dues	\$ 450,834	-	-
Mitigation fees	-	6,490,521	-
Measure A	-	-	8,631,242
Grants	-	-	-
Investment income (loss)	(365)	25,209	33,130
Loan repayments	-	-	643,070
Other governmental	-	2,310	81,633
Miscellaneous	<u>10,822</u>	<u>208,950</u>	<u>-</u>
Total Revenues	<u>461,291</u>	<u>6,726,990</u>	<u>9,389,075</u>
Expenditures:			
Current:			
Salaries	187,620	199,117	315,059
Benefits	100,535	97,922	158,882
Communications	3,534	3,743	5,922
Advertising	2,440	1,593	2,876
Insurance	8,842	9,546	15,110
Memberships and per diem	9,740	3,200	5,656
General and office expenses	6,980	8,025	15,357
Professional services	9,993	50,137	90,387
Consultants	41,694	371,169	1,233,383
Leases and maintenance	13,068	12,862	20,415
Staff training	829	883	1,397
Transportation and meetings	2,577	1,034	1,724
Utilities	1,035	1,095	1,732
Project costs	-	4,188,611	7,777,055
Capital outlay	1,418	1,393	2,200
Debt service:			
Principal retirement	-	-	1,782,895
Interest and fiscal charges	-	-	1,229,338
Total Expenditures	<u>390,305</u>	<u>4,950,330</u>	<u>12,659,388</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>70,986</u>	<u>1,776,660</u>	<u>(3,270,313)</u>
Other Financing Sources (Uses):			
Transfers in (note 6)	-	-	-
Transfers out (note 6)	<u>(913)</u>	<u>-</u>	<u>(5,030,884)</u>
Total Other Financing Sources (Uses)	<u>(913)</u>	<u>-</u>	<u>(5,030,884)</u>
Net Change in Fund Balances	70,073	1,776,660	(8,301,197)
Fund Balance (Deficit) - Beginning, as Restated (note 17)	<u>1,580,247</u>	<u>2,522,853</u>	<u>53,107,521</u>
Fund Balance (Deficit) - Ending	<u>\$ 1,650,320</u>	<u>4,299,513</u>	<u>44,806,324</u>

See accompanying notes to the basic financial statements.

CV Link	Other Governmental Funds	Total Governmental Funds	
		2021	2020
-	-	450,834	442,466
-	-	6,490,521	4,990,263
-	1	8,631,243	16,581,438
7,853,414	667,597	8,521,011	3,423,020
11,742	3,373	73,089	1,176,097
-	-	643,070	568,595
73,854	3,828,610	3,986,407	4,047,932
26,563	26,919	273,254	2,200,818
<u>7,965,573</u>	<u>4,526,500</u>	<u>29,069,429</u>	<u>33,430,629</u>
215,635	982,249	1,899,680	1,810,003
100,872	479,577	937,788	1,665,689
4,246	19,424	36,869	28,809
331	13,984	21,224	6,240
10,379	44,165	88,042	104,044
1,134	10,806	30,536	26,039
7,899	112,581	150,842	343,005
763,377	214,406	1,128,300	1,693,747
586,046	2,017,655	4,249,947	4,793,245
13,661	275,728	335,734	116,680
958	4,516	8,583	10,611
610	13,680	19,625	14,232
1,185	14,631	19,678	9,178
4,597,615	994,728	17,558,009	19,644,867
5,000,801	11,892	5,017,704	4,242
-	-	1,782,895	1,679,167
-	-	1,229,338	1,333,066
<u>11,304,749</u>	<u>5,210,022</u>	<u>34,514,794</u>	<u>33,282,864</u>
<u>(3,339,176)</u>	<u>(683,522)</u>	<u>(5,445,365)</u>	<u>147,765</u>
3,695,697	1,938,654	5,634,351	2,631,461
-	(602,554)	(5,634,351)	(2,631,461)
<u>3,695,697</u>	<u>1,336,100</u>	<u>-</u>	<u>-</u>
356,521	652,578	(5,445,365)	147,765
<u>(360,976)</u>	<u>968,713</u>	<u>57,818,358</u>	<u>57,653,429</u>
<u>(4,455)</u>	<u>1,621,291</u>	<u>52,372,993</u>	<u>57,801,194</u>

See accompanying notes to the basic financial statements.

**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

**Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities**

**Year ended June 30, 2021**

Net Change in Fund Balances - Total Governmental Funds \$ (5,445,365)

Amounts reported for the governmental activities in the Statement of Activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in the  
statement of activities, the costs of these assets are allocated over their  
estimated useful lives as depreciation expense.

Cost of assets capitalized 5,017,706

Depreciation expense (22,398)

Repayment of bond principal is an expenditure in the governmental funds, but  
the repayment reduces long-term liabilities in the statement of net position. 1,782,895

Repayment on loans receivable are recorded as a reduction of the loan  
receivable balance for the statement of activities. (568,555)

Revenues are reported as unavailable revenue in the governmental funds and  
recognized in the statement of activities. These are included in the  
intergovernmental revenues in the governmental fund activity. 4,685,897

Some expenses reported in the statements of activities do not require the use  
of current financial resources and, therefore, are not reported as expenditures  
in the governmental funds.

Change in compensated absences (9,377)

Changes in net pension liability and related  
deferred inflows and outflows of resources 20,568

Change in Net Position of Governmental Activities \$ 5,461,371

See accompanying notes to the basic financial statements.

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**



# COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 1: Summary of Significant Accounting Policies**

(a) Description of Reporting Entity

The Coachella Valley Association of Governments (CVAG) was formed under California's Joint Powers Law on January 22, 1974 for the purpose of improving and coordinating the common governmental responsibilities and services on an area-wide and regional basis under Section 6500 et. seq. of the Government Code.

During its early years, CVAG served as an environmental watch dog and as a forum for the exchange of ideas. In 1984, as a result of a major rethinking of CVAG's purpose, goals and objectives, CVAG's work was expanded to include providing direct services along with its prior work. The basic financial statements of CVAG include all activities for which CVAG is financially accountable.

In June 1989, CVAG's Joint Powers Agreement was amended to provide additional powers that could be used to operate programs created through implementing agreements. The first such agreement was to make CVAG the Transportation Authority for the Coachella Valley. As this Authority, CVAG has the responsibility to coordinate the building of \$890,000,000 worth of regional arterials and advise the Riverside County Transportation Commission (RCTC) on State highway projects on Highways 86 and 111. The philosophy behind the new agreements is that CVAG should serve as an umbrella, for programs that might otherwise become single purpose special districts that could operate without concern for how their operations affect each other and general-purpose local governments. The structure of CVAG assures that regional programs will be integrated with each other, so we get a better overall result.

In 1991, CVAG and the South Coast Air Quality Management District (SCAQMD) pioneered a new way to address air quality issues around the PM-10 mitigation issue. Instead of promulgating rules for the area, SCAQMD indicates the standards that must be met and works with local government to develop measures tailored to the sub-region that can help it meet the standards.

In early 1992, CVAG and County Waste Management began implementation of the AB 939 garbage reduction plan previously developed by CVAG and its members. The goal is implementation of coordinated valley-wide efforts to meet the State's mandated goals of 25% reduction in waste going into landfills by 1995 and 50% by 2000. CVAG coordinates with Riverside County Waste Management on the implementation of AB939 which mandates reduction of waste disposal to local landfills. AB939 established an integrated framework for program implementation, solid waste planning, and solid waste facility and landfill compliance. Since implementation, CVAG has coordinated annual events for both used oil and tire recycling and often hosts recycling roundtables with member agencies and other counterparts.

Major sources of revenue for CVAG consists of Measure A half-cent sales taxes and Transportation Uniform Mitigation Fees. CVAG has an agreement with RCTC to receive a share of the Measure A half-cent sales taxes.

#### General Assembly

The General Assembly is a 65-member body composed of the five members of the Riverside County Board of Supervisors, Mayors, City Council members, and five Tribal members of each member Tribe.

# COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 1: Summary of Significant Accounting Policies (Continued)**

Current members are: The County of Riverside, the Cities of Blythe, Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, Rancho Mirage, the Agua Caliente Band of Cahuilla Indians, and the Cabazon Band of Mission Indians. The General Assembly is the top policy making body of CVAG and is required to meet annually to elect officers and adopt work plans and budgets for the ensuing year.

#### Executive Committee

The Executive Committee is a 17-member body composed of the five members of the Riverside County Board of Supervisors, Mayors of each City, and the Tribal Council Chairmen, unless a member's jurisdictional body designates another member of CVAG General Assembly or Tribal Council to serve as the member. It is the top policy making body of CVAG between sessions of the General Assembly and acts for the General Assembly except when the General Assembly is in session. It employs and oversees the work of CVAG's Executive Director and Legal Counsel. In turn, the Executive Director employs and terminates the staff needed to carry out the overall work programs of CVAG.

#### Advisory Committees

A number of advisory committees have developed over the years to provide input to CVAG's Executive Committee's decision making.

#### (b) Basis of Accounting and Measurement Focus

The basic financial statements of CVAG are composed of the following:

- Government-Wide financial statements
- Fund financial statements
- Notes to the basic financial statements

#### Government-Wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as its discretely presented component units. CVAG has no business-type activities or discretely presented component units. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, administrative expenses have not been allocated as indirect expenses to the various functions of CVAG.

Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources' measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

# COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 1: Summary of Significant Accounting Policies (Continued)**

Under the accrual basis of accounting, revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the Statement of Activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as expenditures.

#### Fund Financial Statements

The underlying accounting system of CVAG is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually and other governmental funds in the aggregate.

#### Governmental Funds

In the fund financial statements, governmental funds are presented using the modified-accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. CVAG generally considers revenues available if they are collected within 90 days after the fiscal year-end. Significant revenues subject to accrual under the measurable and available criteria include grant revenues.

Revenue recognition is subject to the measurable and availability criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed nonexchange transactions are recognized as revenues in the period for which they were imposed.

# **COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

## **Notes to the Basic Financial Statements**

**Year ended June 30, 2021**

### **Note 1: Summary of Significant Accounting Policies (Continued)**

If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first.

Government-mandated and voluntary nonexchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the current-financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Long-term loans to other agencies are reported as expenditures (outflows of current financial resources). Repayments of the same are reported as revenues (inflows of current financial resources). The reported fund balance (net current assets) is considered to be a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources", since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables are deferred until they become current receivables. Noncurrent portions of other long-term receivables are offset by fund balance reserve accounts because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing sources rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has one item that qualifies under this type of reporting; deferred items related to pension obligations.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

# COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 1: Summary of Significant Accounting Policies (Continued)**

The government has two items that qualifies for reporting in this category. Unavailable revenues, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source for a grant. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The second item, reported in the government-wide statement of net position, relates to deferred items related to pension obligations.

#### Net Pension Liability

In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting (see Note 13 and the required supplementary information (RSI) section immediately following the Notes to Financial Statements), regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, CVAG recognizes a net pension liability, which represents CVAG's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the California Public Employees' Retirement System (CalPERS). The net pension liability is measured as of CVAG's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

For purposes of measuring the net pension liability and deferred outflows/inflows or resources relating to pensions and pension expense, information about the fiduciary net position of CVAG's pension plan with CalPERS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

#### Net Position

In governmental-wide financial statements, Net Position are categorized as follows:

Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

# COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 1: Summary of Significant Accounting Policies (Continued)**

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When expenses are incurred for purposes for which both restricted and unrestricted Net Position are available, CVAG's policy is to apply restricted Net Position first, then unrestricted Net Position as they are needed.

#### Governmental Fund Balances

Fund balances are reported in the fund statements in the following classifications:

Nonspendable Fund Balance — this includes amounts that cannot be spent because they are either not spendable in form (such as inventory) or legally or contractually required to be maintained intact (such as endowments).

Restricted Fund Balance — this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation. If the Executive Committee action limiting the use of funds is included in the same action (legislation) that created (enables) the funding source, then it is restricted.

Committed Fund Balance — this includes amounts that can be used only for the specific purposes determined by a formal action of the Executive Committee. It includes legislation (Executive Committee action) that can only be overturned by new legislation requiring the same type of voting consensus that created the original action. Therefore, if the Executive Committee action limiting the use of the funds is separate from the action (legislation) that created (enables) the funding source, then it is committed, not restricted. CVAG considers a resolution to constitute a formal action of the Executive Committee for the purposes of establishing committed fund balance.

Assigned Fund Balance — this includes amounts that are designated or expressed by the Executive Committee but does not require a formal action like a resolution or ordinance. The Executive Committee may delegate the ability of an employee or committee to assign uses of specific funds, for specific purposes.

Unassigned Fund Balance — this includes the remaining spendable amounts which are not included in one of the other classifications.

It is CVAG's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the Executive Committee.

#### (c) Fund Classifications

CVAG reports the following major governmental funds:

# COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 1: Summary of Significant Accounting Policies (Continued)**

General Fund - This fund is used to account for all of the general revenues of CVAG not specifically levied or collected for some special purpose, and for the expenditures related to the rendering of general services by CVAG.

Transportation Uniform Mitigation Fees Special Revenue Fund - This fund is used to account for the revenues generated by the Traffic Uniform Mitigation Fees and provides additional funds necessary to construct the transportation improvements generated by the development in the valley.

Measure A Special Revenue Fund - This fund is used to account for the revenues generated by the Measure A half-cent sales tax and is used mainly for the construction and/or improvement of the regional arterials in the Coachella Valley.

CV Link Special Revenue Fund - This fund is used to account for revenues and expenditures specifically generated for and by the CV Link project.

CVAG's fund structure also includes the following fund type:

Special Revenue Funds - These funds are used to account for proceeds of specific revenue sources that are legally restricted or otherwise designated for specific purposes.

#### (d) Reclassification and Eliminations

Interfund balances must generally be eliminated in the government-wide financial statements, except for net residual amounts due between governmental activities. Any allocations must reduce the expenses of the function from which the expenses are being allocated, so that expenses are reported only once - in the function in which they are allocated.

#### (e) Cash and Investments

Investments are reported in the accompanying balance sheet at fair value, except for certain certificates of deposit that are reported at cost because they are not transferable, and they have terms that are not affected by changes in market interest rates.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

CVAG pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

#### (f) Employee Leave Benefits

Vacation time begins to accumulate as of the first day of employment to a maximum of two and a half times the employee's annual entitlement. Sick leave accumulates at the rate of 8.67 hours per month without limit. Employees are not entitled to compensation for accrued sick time upon separation from CVAG.

# COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 1: Summary of Significant Accounting Policies (Continued)**

(g) Capital Assets

Capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets, donated works of art and similar items, and capital assets received as part of a service concession arrangement are recorded at acquisition value at the date of acquisition. Generally, CVAG capitalizes capital assets purchases in excess of \$5,000 for capital assets. Capital outlay expenditures include payments to other governments for capital projects that are managed by other governments and ongoing maintenance of those assets lies with those other governments. As such those capital assets, have not been reflected in the statement of net position of CVAG.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements. Depreciation expense is charged as an expense against operations and accumulated depreciation is reported on the Statement of Net Position. The ranges of lives used for depreciation purposes for each capital asset class are as follows:

Furniture and equipment	7-25 years
Vehicles	7 years

(h) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

(i) Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's prior year financial statements, from which this selected financial data was derived. In addition, certain minor reclassifications of the prior year data have been made to enhance their comparability to the current year.

### **Note 2: Stewardship, Compliance, and Accountability**

(a) Deficit Fund Balance in Nonmajor Funds

The CV Link, Other Transportation, Tire Amnesty and Desert Community Energy Funds reported a fund deficit at June 30, 2021 in the amount of (\$4,455), (\$120,521), (\$98) and (\$569,945), respectively.



# COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 3: Cash and Investments**

Cash and investments of CVAG consisted of the following at June 30, 2021:

Cash on hand	\$ 300
Deposits with financial institutions	425,057
Total cash and deposits	<u>425,357</u>
Investments:	
Local Agency Investment Fund	30,495,778
Riverside County Pooled Investment Fund	26,562,857
California Asset Management Program	<u>15,109,753</u>
Total investments	<u>72,168,388</u>
Total cash and investments	<u>\$ 72,593,745</u>
Cash and investments	\$ 57,483,992
Restricted cash and investments	<u>15,109,753</u>
Total cash and investments	<u>\$ 72,593,745</u>

### Deposits

The Association's deposits with financial institutions were insured or collateralized as required by State Law.

### Investments Authorized by the California Government Code and CVAG's Investment Policy

The table below identifies the investment types that are authorized for CVAG by the California Government Code (or CVAG's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or CVAG's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
United States Treasury Obligations	3 years	None	None
Money Market Mutual Funds investing in			
United States Treasury Investments	N/A	20%	10%
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

### Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

# COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 3: Cash and Investments (Continued)**

One of the ways that CVAG manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

CVAG's investments in the Local Agency Investment Fund of \$30,495,778, Riverside County Pooled Investment Fund of \$26,562,857, and the California Asset Management Program of \$15,109,753 are available on demand.

#### Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, CVAG's investment policy, or debt agreements, and the actual rating as of year-end for each investment type:

<u>Investment Type</u>	<u>Minimum Rating</u>	<u>Amount</u>
Local Agency Investment Fund	N/A	\$ 30,495,778
Riverside County Pooled Investment Fund	AAA	26,562,857
California Asset Management Program	AAA	5,109,753
Total		<u>\$ 72,168,388</u>

#### Investment in State Investment Pool (LAIF)

CVAG is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of CVAG's investment in this pool is reported in the accompanying financial statements at amounts based on the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals in LAIF are made on the basis of \$1 and not fair value. Accordingly, CVAG's investment in this pool is measured on uncategorized inputs not defined as Level 1, 2, or 3.

#### Investment in Riverside County Investment Pool

CVAG is a voluntary participant in the County of Riverside Treasury Pool. The fair value of CVAG's investment in this pool is reported in the accompanying financial statements at amounts based upon CVAG's pro-rata share of the fair value provided by the County for the entire County portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County.

#### Investment in California Asset Management Program

CVAG is a voluntary participant in the California Asset Management Program (CAMP). The funds are invested in a short-term money market portfolio rated AAA and as such, the fair market value is equivalent to the amount invested. The balance available for withdrawal is based on the accounting records maintained by CAMP.

**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

**Notes to the Basic Financial Statements**

**Year ended June 30, 2021**

**Note 3: Cash and Investments (Continued)**

Fair Value Hierarchy

CVAG categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All CVAG investments are not subject to fair value rating.

**Note 4: Loans Receivable**

	<u>Outstanding Balance at June 30, 2021</u>
CVAG made a loan to the following entity for the construction of mesquite Avenue from Gene Autry Trail to Dinah Shore Drive:	
City of Palm Springs, payable through 2039	<u>\$ 187,623</u>
Total loans receivable	<u><u>\$ 187,623</u></u>

**Note 5: Interfund Receivables and Payables**

Interfund receivables and payables represent short-term borrowings to manage cash flows.

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>
Other Governmental Funds	General Fund	<u>\$ 683,168</u>
Other Governmental Funds	TUMF	<u>13,720</u>
Other Governmental Funds	Measure A	1,364,743
CV Link	Measure A	<u>3,576,506</u>
		<u>4,941,249</u>
General Fund	Other Governmental Funds	4,980
TUMF	Other Governmental Funds	61,462
Other Governmental Funds	Other Governmental Funds	10,228
Measure A	Other Governmental Funds	<u>259,972</u>
		<u>336,642</u>
		<u><u>\$ 5,974,779</u></u>

**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

**Notes to the Basic Financial Statements**

**Year ended June 30, 2021**

**Note 6: Interfund Transfers**

Transfers in and out between funds for the year ended June 30, 2021 were as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ 913
CV Link	Measure A	3,340,838
Other Governmental Funds	Measure A	<u>1,690,046</u>
		<u>5,030,884</u>
Other Governmental Funds	Other Governmental Funds	247,695
CV Link	Other Governmental Funds	<u>354,859</u>
		<u>602,554</u>
	Total	<u>\$ 5,634,351</u>

The two largest transfers above were from the Measure A Funds to the Other Governmental Funds in the amount of \$1,690,046, which were for expenditures incurred by the Signal Synchronization Project and from the Measure A Funds to the CV Link in the amount of \$3,340,838 for project expenditures incurred.

# COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 7: Capital Assets**

A summary of capital asset activity for the year ended June 30, 2021, is as follows:

	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021
Capital assets, not depreciated:				
Land	\$ 10,682,344	-	-	10,682,344
Construction in progress	<u>-</u>	<u>5,013,894</u>	<u>-</u>	<u>5,013,894</u>
Total capital assets, not depreciated	<u>10,682,344</u>	<u>5,013,894</u>	<u>-</u>	<u>15,696,238</u>
Capital asset, being depreciated:				
Furniture and equipment	101,337	3,812	-	105,149
Vehicles	<u>687,073</u>	<u>-</u>	<u>-</u>	<u>687,073</u>
Total capital assets, being depreciated	<u>788,410</u>	<u>3,812</u>	<u>-</u>	<u>792,222</u>
Less accumulated depreciation:				
Furniture and equipment	(85,373)	(2,741)	-	(88,114)
Vehicles	<u>(626,462)</u>	<u>(19,657)</u>	<u>-</u>	<u>(646,119)</u>
Total accumulated depreciation	<u>(711,835)</u>	<u>(22,398)</u>	<u>-</u>	<u>(734,233)</u>
Total capital assets, being depreciated, net	<u>76,575</u>	<u>(18,586)</u>	<u>-</u>	<u>57,989</u>
Total capital assets, net	<u>\$ 10,758,919</u>	<u>4,995,308</u>	<u>-</u>	<u>15,754,227</u>

Depreciation expense was charged to the following function in the Statement of Activities:

Transportation	<u>\$22,398</u>
----------------	-----------------

### **Note 8: Transportation Uniform Mitigation Fee Program**

As required under Measure A, Measure A monies cannot be allocated to individual cities in the Coachella Valley unless they participate in the Traffic Uniform Mitigation Fee (TUMF) program necessary for implementation of the planned Regional Arterial System. The participating cities collected the following amounts of TUMF since inception, which have been remitted to CVAG:

# COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 8: Transportation Uniform Mitigation Fee Program (Continued)**

<u>Fiscal Period</u>		<u>Fiscal Year Ending</u>	
<u>From</u>	<u>To</u>		
1990	1994		\$ 13,585,887
1995	1999		13,642,573
2000	2004		26,394,448
2005	2009		40,898,960
2010	2014		11,556,909
2015	2019		19,017,989
		2020	4,990,263
		2021	5,897,592
			<u>\$ 135,984,621</u>

In addition, CVAG received \$24,383,399 cumulatively through June 30, 2021 relating to Measure A in lieu of TUMF for the Cities of Coachella and Desert Hot Springs, which were not participating in the TUMF program previously, and the City of La Quinta, which was not participating in the TUMF program until April 22, 2013.

### **Note 9: Long-Term Liabilities**

A summary of changes in long-term liabilities for the year ended June 30, 2021, is as follows:

	<u>Balance at July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2021</u>	<u>Due within One Year</u>
Public offering:					
Revenue bonds payable	<u>\$ 21,156,320</u>	<u>-</u>	<u>(1,782,895)</u>	<u>19,373,425</u>	<u>1,893,146</u>

#### **Revenue Bonds Payable**

On October 1, 2009, Riverside County Transportation Commission (RCTC) issued \$185,000,000 of 2009 Sales Tax Revenue Bonds Series A, B and C (Bonds). CVAG's participation in the Bonds was \$25,349,990. CVAG's portion of the Bond proceeds is for reimbursement of CVAG's highway and regional arterial program expenditures.

Principal and interest on the Bonds are payable monthly through September 1, 2029. The rate of interest is 4.972% and 5.662% per annum.

On November 17, 2010, RCTC issued \$150,000,000 of 2010 Sales Tax Revenue Bonds, Series A and B. CVAG's participation in the Bonds was \$8,584,820. CVAG's portion of the Bond proceeds was for reimbursement of CVAG's highway and regional arterial program expenditures that were previously reflected in long-term liabilities as Advancement of Measure A funds. Principal and interest on the Bonds are payable monthly through September 1, 2029. The rate of interest is 7.307% per annum.

# COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 9: Long-Term Liabilities (Continued)**

As of June 30, 2021, annual debt service requirement of the revenue bonds payable is as follows:

Fiscal Year Ending	Principal	Interest	Total
2022	\$ 1,893,146	1,119,088	3,012,234
2023	2,010,339	1,001,895	3,012,234
2024	2,134,917	877,317	3,012,234
2025	2,267,354	744,880	3,012,234
2026	2,408,160	604,074	3,012,234
2027-2031	8,659,509	879,226	9,538,735
	<u>\$ 19,373,425</u>	<u>5,226,480</u>	<u>24,599,905</u>

There are no assets pledged as collateral for the debt, no required reserve, and no unused lines of credit. There are no finance-related consequences related to significant events of default or termination, and there are no acceleration clauses.

### **Note 10: Compensated Absences**

CVAG's policies relating to compensated absences are described in Note 1. This liability amounting to \$151,142 at June 30, 2021 is expected to be paid in future years from future resources and is typically liquidated from the General Fund.

	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021	Due within One Year
Compensated absences	\$ 141,765	112,012	(102,635)	151,142	113,357
Totals	<u>\$ 141,765</u>	<u>112,012</u>	<u>(102,635)</u>	<u>151,142</u>	<u>113,357</u>

### **Note 11: Liability, Property and Workers' Compensation Protection**

#### Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The Coachella Valley Association of Governments is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 116 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

# COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 11: Liability, Property and Workers' Compensation Protection (Continued)**

#### Primary Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

#### *Primary Liability Program*

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a sub-limit of \$40 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the following website: <https://cjpia.org/protection/coverage-programs>.

#### Purchased Insurance

##### *Property Insurance*

The Coachella Valley Association of Governments participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. Coachella Valley Association of Governments property is currently insured according to a schedule of covered property submitted by the Coachella Valley Association of Governments to the Authority.

Coachella Valley Association of Governments property currently has all-risk property insurance protection in the amount of "Non-participant." There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

##### *Crime Insurance*

The Coachella Valley Association of Governments purchases crime insurance coverage in the amount of "Non-Participant" with a "Non-Participant" deductible. The fidelity coverage is provided through the Authority.

#### Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2020-21.



## **COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

### **Notes to the Basic Financial Statements**

**Year ended June 30, 2021**

#### **Note 11: Liability, Property and Workers' Compensation Protection (Continued)**

The aforementioned information is not included in the accompanying financial statements. Complete financial statements for the Insurance Authority may be obtained at their administrative office located at 8081 Moody Street, La Palma, California 90623.

#### **Note 12: Operating Leases**

CVAG leases office space under an operating lease which was amended in September 1998 to extend the lease term to August 14, 2016. The lease was again amended in February 2008 to increase the amount of office space leased. The base rent is subject to annual revisions based on changes in the Consumer Price Index. The lease also requires payment of a share of common area operating costs. The rental expense for the fiscal year ended June 30, 2021 was \$102,348.

#### **Note 13: Pension Plan**

##### Plan Description

CVAG contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer public employee defined benefit pension plan. All qualified permanent and probationary employees are eligible to participate in the CVAG's Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by CalPERS. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and CVAG Executive Committee resolution. Copies of CalPERS' annual financial report may be obtained from their executive office located at 400 P Street, Sacramento, California 95814.

##### Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Public Employees' Pension Reform Act of 2013 (PEPRA) mandated new benefit formulas and new member contributions for new members (as defined by PEPRA) hired after January 1, 2013.

# COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### Note 13: Pension Plan (Continued)

The provisions and benefits of the plan in effect at June 30, 2021, are summarized as follows:

	Tier 1	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 and up	52 and up
Monthly benefits, as a % of eligible compensation	1.43% - 2.42%	1.00% - 2.50%
Required employee contribution rates	6.906%	7.3%
Required employer contribution rates	23.282%	8.058%

### Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Local Government is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2021, the contributions recognized as part of pension expense was \$1,341,435.

### Pension Liabilities, Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

The following table shows the Plan's proportionate share of the net pension liability over the measurement period.

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Measurement Date:			
Balance at: 6/30/20	\$ 10,547,727	8,090,046	2,457,681
Balance at: 6/30/21	11,263,336	9,631,516	1,631,820
Net Changes During 2020-21	<u>\$ 715,609</u>	<u>1,541,470</u>	<u>(825,861)</u>

# COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 13: Pension Plan (Continued)**

CVAG's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2020, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. CVAG's proportion of the net pension liability was based on a projection of the CVAG's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The CVAG's proportionate share of the net pension liability for each Plan as of June 30, 2019 and 2020, was as follows:

Proportion - June 30, 2019	0.02398%
Proportion - June 30, 2020	0.01500%
Change - Increase (Decrease)	<u>-0.00898%</u>

For the year ended June 30, 2021, CVAG recognized a total pension expense of \$546,324 for all plans in total. At June 30, 2021, the CVAG reported deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 552,524	-
Differences between expected and actual experience	84,093	-
Changes in assumptions	-	11,639
Adjustment due to difference in contributions	671,338	30,797
Adjustment due to difference in proportions	51,315	618,577
Net difference between projected and actual earnings on pension plan investments	48,476	-
	<u>\$ 1,407,746</u>	<u>661,013</u>

The \$552,524 reported as deferred outflows of resources related to contributions subsequent to the measurement date and contributions made in excess of CVAG's proportionate share of contributions; will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30,	Amount
2022	\$ 49,858
2023	71,001
2024	50,100
2025	23,250
2026	-
	<u>\$ 194,209</u>

# COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 13: Pension Plan (Continued)**

#### Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019 total pension liability. The June 30, 2020 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Salary Increase	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds <sup>(1)</sup>
Post Retirement Benefit Increase	Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

<sup>(1)</sup> The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

#### Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

# COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### Note 13: Pension Plan (Continued)

The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

Asset Class <sup>1</sup>	Assumed Asset Allocation	Real Return Years 1-10 <sup>2</sup>	Real Return Years 11+ <sup>3</sup>
Global equity	50%	4.80%	5.98%
Fixed income	28%	1.00	2.62
Inflation assets	0%	0.77	1.81
Private equity	8%	6.30	7.23
Real assets	13%	3.75	4.93
Liquidity	1%	-	(0.92)
Total	100%		

<sup>1</sup> In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>2</sup> An expected inflation of 2.00% used for this period.

<sup>3</sup> An expected inflation of 2.92% used for this period.

### Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the CVAG's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15% for each Plan, as well as what the CVAG's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.15%) or 1% point higher (8.15%) than the current rate:

	1% Decrease (6.15%)	Discount Rate (7.15%)	1% Increase (8.15%)
Net pension liability	\$ 3,130,695	\$ 1,631,820	\$ 393,346

### Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

# COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 14: Capital Projects and Programs**

The following represents the unexpended project budgets as of June 30, 2021. Unexpended project budgets may be reprogrammed to other projects upon finalization of all pending items (final bills, disposition of change orders, etc.)

Portola / I-10 Interchange	\$ 51,563,380
CV Link	16,304,303
Jefferson / I-10 Interchange	13,953,234
Avenue 50 (between Calhoun St. & Cesar Chaves)	9,861,543
Interchange Preparation Fund	8,537,424
Frank Sinatra Bridge over WWR & Frank Sinatra Dr. Intersection Hwy. 111	7,992,096
Airport Blvd. (Harrison Street to Hwy 111)	7,898,603
Vista Chino Drive Bridge	7,823,101
Ramon Road Bridge Widening	6,366,967
Avenue 50 Bridge	6,173,896
Indian Avenue (Garnet to and including Railroad Crossing Bridge)	5,710,954
Bicycle and Pedestrian Safety Program	3,929,205
Avenue 66 Grade Separation	3,226,975
Madison Street (Avenue 52 to Indio Boulevard)	2,977,596
Jefferson Street and Varner Road (North of I-10)	2,888,246
Regional Traffic Signal Synchronization	2,653,506
Date Palm Drive Improvement (I-10 and Varner Rd.) & Bridge	2,204,628
Interchange Improvement (I-10 and Avenue 50)	1,875,000
Varner Road (from Ramon Rd. to Monterey Ave.)	1,870,758
Cathedral Canyon Bridge	1,747,742
Avenue 56 Grade Separation	1,509,535
Indian Canyon Dr. (between Camino Parocela to Aleo Road)	1,500,000
Grapefruit Blvd (between Leoco Lane and 9th Street)	1,453,821
North Indian Canyon Drive Widening	1,354,051
Dune Palms Road Bridge	1,269,040
Avenue 50 and Jackson St. Intersection Improvements	1,222,428
Varner Road (Intersection Improvements at Ramon Rd.)	1,164,000
Avenue 44 Bridge	1,161,235
Portola Avenue (NW of Fred Waring Dr.) & (North of Gerald Ford)	1,134,935
East Palm Canyon Dr. Bridge (over Palm Canyon Wash)	910,031
Monterey Ave. Widening (Dinah Shore to Gerald Ford)	770,034
Changeable Message Signs Palm Drive and N Indian Canyon	703,591
S. Palm Canyon Dr. Bridge (over Tahquitz Creek Channel)	650,991
Avenue 48 (between Van Buren and Dillon Road)	517,946
Avenue 50 (between SR86 and I-10)	345,575
Washington St. & Fred Waring Dr. Intersection Improvements	213,518
Dillon Road (I-10 & Dillon Road/SR86S Interchanges)	149,239
Hwy 111 (between Rubidoux St. & 760 W. of Madison St.)	21,568
Total unexpended project budgets	181,610,695
Less: amounts to be provided in future years	(131,594,794)
Restricted fund balance associated with specific capital projects and programs	<u>\$ 50,015,901</u>

# COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 15: Measure A Fund Program**

Measure A is a half-cent local retail transaction and use tax that was initially approved by the voters in November 1988 for 20 years and extended in November 2009 for an additional 30 years, through June 2039, to fund key transportation improvements in Riverside County. RCTC has the responsibility of receiving and managing the Measure A funds, including the allocation of the Measure A funds to the three geographic areas of the County and the programs within each area. CVAG does not have direct control over the Coachella Valley highways and regional arterial program funds that are allocated by RCTC in accordance with the extended Measure A ordinance. Revenues are recognized when a Measure A highway or regional arterial program project expenditures, including debt service payments on advances (see Note 9), have been incurred. Measure A funds controlled by RCTC related to the Coachella Valley highway and regional arterial program that have not been expended by CVAG are held by RCTC in a separate restricted special revenue fund. CVAG's allocation of the Measure A funds for the past five years is as follows:

Fiscal Year Ended June 30,	
2017	\$ 19,027,147
2018	19,256,161
2019	21,619,378
2020	20,916,167
2021	26,018,189

### **Note 16: Commitments and Contingencies**

CVAG approved a contribution of \$30 million for the Coachella Valley Multiple Species Habitat Conservation Plan (CVMSHCP), which would mitigate all of the regional transportation projects listed in the current Transportation Project Prioritization Study (TPPS).

Under the CVMSHCP, the \$30 million of transportation funds would contribute to both land acquisition and the establishment of an Endowment Fund, which would ensure monitoring and management of the acquired lands. The CVMSHCP area includes 1.1 million acres, encompassing the entire Coachella Valley and the surrounding mountains. The MSHCP will benefit the local jurisdictions by providing Take Authorization for all development, including public infrastructure projects, undertaken by the Permittees (signatories to the MSHCP) outside the Conservation Areas. By providing Take Authorization for public and private development projects, the MSHCP eliminates the need for projects to conduct biological surveys and negotiate individual project mitigation with the US Fish and Wildlife Service and the California Department of Fish and Game. At June 30, 2021, the remaining commitment to the MSHCP is \$7,175,000. The liability has not been recorded in the accompanying financial statements because the contributions are contingent upon the receipt of future transportation revenues that are uncertain as to the timing and amount of collection.

**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

**Notes to the Basic Financial Statements**

**Year ended June 30, 2021**

**Note 17: Prior Period Adjustments**

During the year ended June 30, 2021, CVAG determined there were expenditures recorded in the current year that related to prior year. As a result the beginning net position/fund balance was adjusted as noted below.

Statement of Activities:

	Governmental Activities
Net Position at July 1, 2020	\$ 48,855,919
Adjustment to correct prior year expenditures	<u>17,164</u>
Net Position at July 1, 2020, as restated	<u><u>\$ 48,873,083</u></u>

Statement of Revenues, Expenditures and Changes in Fund Balances:

	Street Sweeping
Net Position at July 1, 2020	\$ 442,086
Adjustment to correct prior year expenditures	<u>17,164</u>
Net Position at July 1, 2020, as restated	<u><u>\$ 459,250</u></u>



## **REQUIRED SUPPLEMENTARY INFORMATION**

**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - General Fund**

**Year ended June 30, 2021**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Member dues	\$ 446,346	446,346	450,834	4,488
Grants	32,000	32,000	-	(32,000)
Investment income (loss)	7,000	7,000	(365)	(7,365)
Miscellaneous	-	-	10,822	10,822
Total Revenues	<u>485,346</u>	<u>485,346</u>	<u>461,291</u>	<u>(24,055)</u>
Expenditures:				
Salaries	468,985	468,985	187,620	281,365
Benefits	236,421	236,421	100,535	135,886
Communications	5,974	5,974	3,534	2,440
Advertising	227	227	2,440	(2,213)
Insurance	19,363	19,363	8,842	10,521
Memberships and per diem	33,028	33,028	9,740	23,288
General and office expenses	14,785	14,785	6,980	7,805
Professional services	33,663	33,663	9,993	23,670
Consultants	-	-	41,694	(41,694)
Leases and maintenance	32,574	32,574	13,068	19,506
Staff training	6,731	6,731	829	5,902
Transportation and meetings	36,841	36,841	2,577	34,264
Utilities	3,415	3,415	1,035	2,380
Capital outlay	<u>80,000</u>	<u>80,000</u>	<u>1,418</u>	<u>78,582</u>
Total Expenditures	<u>972,007</u>	<u>972,007</u>	<u>390,305</u>	<u>581,702</u>
Excess of Revenues over Expenditures	<u>(486,661)</u>	<u>(486,661)</u>	<u>70,986</u>	<u>(605,757)</u>
Other Financing Sources (Uses):				
Transfers in	548,274	548,274	-	548,274
Transfers out	<u>(56,245)</u>	<u>(56,245)</u>	<u>(913)</u>	<u>55,332</u>
Total Other Financing Sources (Uses)	<u>492,029</u>	<u>492,029</u>	<u>(913)</u>	<u>603,606</u>
Net Change in Fund Balance	5,368	5,368	70,073	64,705
Fund Balance - Beginning, as Restated	<u>1,580,247</u>	<u>1,580,247</u>	<u>1,580,247</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,585,615</u>	<u>1,585,615</u>	<u>1,650,320</u>	<u>64,705</u>

See accompanying notes to required supplementary information.

**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - Transportation Uniform Mitigation Fees**

**Year ended June 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Mitigation fees	\$ 3,000,000	3,000,000	6,490,521	3,490,521
Measure A	-	-	-	-
Investment income	10,000	10,000	25,209	15,209
Other governmental	-	-	2,310	2,310
Miscellaneous	-	-	208,950	208,950
Total Revenues	<u>3,010,000</u>	<u>3,010,000</u>	<u>6,726,990</u>	<u>3,716,990</u>
Expenditures:				
Salaries	211,928	211,928	199,117	12,811
Benefits	102,236	102,236	97,922	4,314
Communications	2,698	2,698	3,743	(1,045)
Advertising	1,503	1,503	1,593	(90)
Insurance	8,747	8,747	9,546	(799)
Memberships and per diem	7,348	7,348	3,200	4,148
General and office expenses	8,201	8,201	8,025	176
Professional services	19,905	19,905	50,137	(30,232)
Consultants	237,500	237,500	371,169	(133,669)
Leases and maintenance	15,115	15,115	12,862	2,253
Staff training	3,041	3,041	883	2,158
Transportation and meetings	2,594	2,594	1,034	1,560
Utilities	1,544	1,544	1,095	449
Project costs	2,300,000	2,300,000	4,188,611	(1,888,611)
Capital outlay	-	-	1,393	(1,393)
Total Expenditures	<u>2,922,360</u>	<u>2,922,360</u>	<u>4,950,330</u>	<u>(2,027,970)</u>
Excess of Revenues over Expenditures	<u>87,640</u>	<u>87,640</u>	<u>1,776,660</u>	<u>5,744,960</u>
Other Financing Sources (Uses):				
Transfers out	<u>(66,354)</u>	<u>(66,354)</u>	-	66,354
Total Other Financing Sources (Uses)	<u>(66,354)</u>	<u>(66,354)</u>	-	66,354
Net Change in Fund Balance	21,286	21,286	1,776,660	1,755,374
Fund Balance - Beginning	<u>2,522,853</u>	<u>2,522,853</u>	<u>2,522,853</u>	-
Fund Balance - Ending	<u>\$ 2,544,139</u>	<u>2,544,139</u>	<u>4,299,513</u>	<u>1,755,374</u>

See accompanying notes to required supplementary information.

**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - Measure A**

**Year ended June 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Measure A	\$ 17,159,000	17,159,000	8,631,242	(8,527,758)
Investment income	700,000	700,000	33,130	(666,870)
Loan repayments	568,595	568,595	643,070	74,475
Other governmental	<u>74,434,139</u>	<u>74,434,139</u>	<u>81,633</u>	<u>(74,352,506)</u>
Total Revenues	<u>92,861,734</u>	<u>92,861,734</u>	<u>9,389,075</u>	<u>(83,472,659)</u>
Expenditures:				
Salaries	384,143	384,143	315,059	69,084
Benefits	185,362	185,362	158,882	26,480
Communications	4,893	4,893	5,922	(1,029)
Advertising	2,787	2,787	2,876	(89)
Insurance	15,861	15,861	15,110	751
Memberships and per diem	13,642	13,642	5,656	7,986
General and office expenses	15,368	15,368	15,357	11
Professional services	36,338	36,338	90,387	(54,049)
Consultants	162,500	162,500	1,233,383	(1,070,883)
Leases and maintenance	26,684	26,684	20,415	6,269
Staff training	5,514	5,514	1,397	4,117
Transportation and meetings	4,765	4,765	1,724	3,041
Utilities	2,799	2,799	1,732	1,067
Project costs	108,223,532	108,223,532	7,777,055	100,446,477
Capital outlay	-	-	2,200	(2,200)
Debt service:				
Principal	1,679,167	1,679,167	1,782,895	(103,728)
Interest	<u>1,333,066</u>	<u>1,333,066</u>	<u>1,229,338</u>	<u>103,728</u>
Total Expenditures	<u>112,096,421</u>	<u>112,096,421</u>	<u>12,659,388</u>	<u>99,437,033</u>
Excess of Revenues over Expenditures	<u>(19,234,687)</u>	<u>(19,234,687)</u>	<u>(3,270,313)</u>	<u>(182,909,692)</u>
Other Financing Sources (Uses):				
Transfers out	<u>(2,775,179)</u>	<u>(2,775,179)</u>	<u>(5,030,884)</u>	<u>(2,255,705)</u>
Total Other Financing Sources (Uses)	<u>(2,775,179)</u>	<u>(2,775,179)</u>	<u>(5,030,884)</u>	<u>(2,255,705)</u>
Net Change in Fund Balance	(22,009,866)	(22,009,866)	(8,301,197)	13,708,669
Fund Balance - Beginning	<u>53,107,521</u>	<u>53,107,521</u>	<u>53,107,521</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 31,097,655</u>	<u>31,097,655</u>	<u>44,806,324</u>	<u>13,708,669</u>

See accompanying notes to required supplementary information.

**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - CV Link**

**Year ended June 30, 2021**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Grants	\$ -	-	7,853,414	7,853,414
Investment income	-	-	11,742	11,742
Other governmental	20,000	20,000	73,854	53,854
Miscellaneous	<u>29,576,000</u>	<u>29,576,000</u>	<u>26,563</u>	<u>(29,549,437)</u>
Total Revenues	<u>29,596,000</u>	<u>29,596,000</u>	<u>7,965,573</u>	<u>(21,630,427)</u>
Expenditures:				
Salaries	215,990	215,990	215,635	355
Benefits	104,556	104,556	100,872	3,684
Communications	2,750	2,750	4,246	(1,496)
Advertising	3,105	3,105	331	2,774
Insurance	8,916	8,916	10,379	(1,463)
Memberships and per diem	104	104	1,134	(1,030)
General and office expenses	5,502	5,502	7,899	(2,397)
Professional services	514,581	514,581	763,377	(248,796)
Consultants	1,170,000	1,170,000	586,046	583,954
Leases and maintenance	15,000	15,000	13,661	1,339
Staff training	3,099	3,099	958	2,141
Transportation and meetings	1,718	1,718	610	1,108
Utilities	1,573	1,573	1,185	388
Project costs	27,906,000	27,906,000	4,597,615	23,308,385
Capital outlay	<u>-</u>	<u>-</u>	<u>5,000,801</u>	<u>(5,000,801)</u>
Total Expenditures	<u>29,952,894</u>	<u>29,952,894</u>	<u>11,304,749</u>	<u>18,648,145</u>
Excess of Revenues over Expenditures	<u>(356,894)</u>	<u>(356,894)</u>	<u>(3,339,176)</u>	<u>(2,982,282)</u>
Other Financing Sources (Uses):				
Transfers in	424,484	424,484	3,695,697	3,271,213
Transfers out	<u>(67,590)</u>	<u>(67,590)</u>	<u>-</u>	<u>67,590</u>
Total Other Financing Sources (Uses)	<u>356,894</u>	<u>356,894</u>	<u>3,695,697</u>	<u>3,338,803</u>
Net Change in Fund Balance	-	-	356,521	356,521
Fund Balance (Deficit) - Beginning	<u>(360,976)</u>	<u>(360,976)</u>	<u>(360,976)</u>	<u>-</u>
Fund Balance (Deficit) - Ending	<u>\$ (360,976)</u>	<u>(360,976)</u>	<u>(4,455)</u>	<u>356,521</u>

See accompanying notes to required supplementary information.

**Coachella Valley Association of Governments**

**Notes to Required Supplementary Information**

**June 30, 2021**

**Note 1: Budgets and Budgetary Accounting**

CVAG adopts an annual budget prepared on the modified accrual basis of accounting for its governmental funds. The Executive Director or designee is authorized to transfer budgeted amounts between the accounts of any department. Revisions that alter the total appropriations of any department or fund are approved by the Executive Committee. Prior year appropriations lapse unless they are approved for carryover into the following fiscal year. Expenditures may not legally exceed appropriations at the fund level.

**Note 2: Expenditures in Excess of Appropriations**

The Traffic Uniform Mitigation Fee fund had expenditures in excess of appropriations of \$2,027,970.

**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

**Schedule of Proportionate Share of the Net Pension Liability - Miscellaneous Plan**

**Last Ten Years\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Measurement Date	06/30/20	06/30/19	06/30/18
Proportion of the net pension liability	0.01500%	0.02398%	0.02306%
Proportionate share of the net pension liability	\$ 1,631,820	2,457,681	2,222,478
Covered payroll **	\$ 1,787,612	1,757,237	1,399,410
Proportionate Share of the net pension liability as a percentage of covered payroll	91.28%	139.86%	158.82%
Plan fiduciary net position as a percentage of the total pension liability	77.71%	75.26%	73.39%

\* - Fiscal year 2015 was the first year of implementation, therefore, only seven years are shown.

\*\* - For the year ending on the measurement date

Summary of Changes of Benefits or Assumptions:

Benefit Changes: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees by granting Two Years Additional Service Credit to members retiring during a specified time period (a.k.a Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statements as CalPERS considers such amounts to be separate financed employer-specific liabilities.

Changes in Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent.

**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

**Schedule of Proportionate Share of the Net Pension Liability - Miscellaneous Plan (Continued)**

**Last Ten Years\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement Date	06/30/17	06/30/16	06/30/15	06/30/14
Proportion of the net pension liability	0.02283%	0.02221%	0.02071%	0.02196%
Proportionate share of the net pension liability	\$ 2,264,005	1,921,675	1,421,670	1,366,589
Covered payroll **	\$ 1,595,046	1,555,017	1,364,384	1,367,374
Proportionate Share of the net pension liability as a percentage of covered payroll	141.94%	123.58%	104.20%	99.94%
Plan fiduciary net position as a percentage of the total pension liability	73.31%	75.87%	79.89%	81.15%

\* - Fiscal year 2015 was the first year of implementation, therefore, only seven years are shown.

\*\* - For the year ending on the measurement date

Summary of Changes of Benefits or Assumptions:

Benefit Changes: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees by granting Two Years Additional Service Credit to members retiring during a specified time period (a.k.a Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statements as CalPERS considers such amounts to be separate financed employer-specific liabilities.

Changes in Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent.



**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

**Schedule of Pension Contributions - Miscellaneous Plan**

**Last Ten Years\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contributions - Miscellaneous	\$ 552,524	1,341,435	294,482
Contributions in relation to the actuarially determined contribution	<u>(552,524)</u>	<u>(1,341,435)</u>	<u>(294,482)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>
Covered payroll**	\$ 1,800,316	1,787,612	1,757,237
Contributions as a percentage of covered payroll	30.69%	75.04%	16.76%

\* - Fiscal year 2015 was the first year of implementation, therefore, seven years are shown.

\*\* - For the fiscal year ending on the date shown

Methods and assumptions used to determine contribution rates:

Actuarial Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Payroll
Asset Valuation Method	Market Value
Discount Rate	7.00%
Projected Salary	Varies by entry age and service
Inflation	2.50%
Payroll Growth	2.75%

Changes in Assumptions: At its December 2016 meeting, the CalPERS Board of Administration lowered the discount rate from 7.50 percent to 7.00 percent using a three-year phase-in beginning with the June 30, 2016 actuarial valuations. The minimum employer contributions for Fiscal Year 2019-20 determined in this valuation were calculated using a discount rate of 7.25 percent.

On December 19, 2017, the CalPERS Board of Administration adopted new actuarial assumptions based on the recommendations in the December 2017 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases and inflation assumption for Public Agencies. In addition, the Board adopted a new asset portfolio as part of its Asset Liability Management. The new asset mix supports a 7.00 percent discount rate. The reduction of the inflation assumption will be implemented in two steps in conjunction with the decreases in the discount rate. For the June 30, 2017 valuation an inflation rate of 2.625 percent will be used and a rate of 2.50 percent in the following valuation.

The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019.

**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

**Schedule of Pension Contributions - Miscellaneous Plan (Continued)**

**Last Ten Years\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contributions - Miscellaneous	\$ 242,382	221,669	217,333	214,845
Contributions in relation to the actuarially determined contribution	<u>(242,382)</u>	<u>(221,669)</u>	<u>(217,333)</u>	<u>(214,845)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll**	\$ 1,399,410	1,595,046	1,555,017	1,364,384
Contributions as a percentage of covered payroll	17.32%	13.90%	13.98%	15.75%

\* - Fiscal year 2015 was the first year of implementation, therefore, seven years are shown.

\*\* - For the fiscal year ending on the date shown

Methods and assumptions used to determine contribution rates:

Actuarial Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Payroll
Asset Valuation Method	Market Value
Discount Rate	7.00%
Projected Salary	Varies by entry age and service
Inflation	2.50%
Payroll Growth	2.75%

Changes in Assumptions: At its December 2016 meeting, the CalPERS Board of Administration lowered the discount rate from 7.50 percent to 7.00 percent using a three-year phase-in beginning with the June 30, 2016 actuarial valuations. The minimum employer contributions for Fiscal Year 2019-20 determined in this valuation were calculated using a discount rate of 7.25 percent.

On December 19, 2017, the CalPERS Board of Administration adopted new actuarial assumptions based on the recommendations in the December 2017 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases and inflation assumption for Public Agencies. In addition, the Board adopted a new asset portfolio as part of its Asset Liability Management. The new asset mix supports a 7.00 percent discount rate. The reduction of the inflation assumption will be implemented in two steps in conjunction with the decreases in the discount rate. For the June 30, 2017 valuation an inflation rate of 2.625 percent will be used and a rate of 2.50 percent in the following valuation.

The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019.

## **SUPPLEMENTARY INFORMATION**

**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

**Combining Balance Sheet  
Nonmajor Governmental Funds**

**June 30, 2021**

	Special Revenue Funds				
	Other Transportation	Special Projects	Multi-Species Habitat Conservation	AB2766 Grant	Oil Grant
<b>Assets:</b>					
Cash and investments	\$ 672,386	52,994	-	150,000	85,461
Accounts receivable	-	-	-	-	-
Interest receivable	1	-	-	-	196
Due from other governments	654,449	-	766,500	274,150	-
Due from other funds	322,045	-	10,097	392	-
Total Assets	<u>\$ 1,648,881</u>	<u>52,994</u>	<u>776,597</u>	<u>424,542</u>	<u>85,657</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 469,025	-	354	450	41,522
Accrued liabilities	1,560	-	9,145	207	127
Due to other governments	-	-	1,337	-	-
Due to other funds	644,368	-	742,576	99,045	-
Total Liabilities	<u>1,114,953</u>	<u>-</u>	<u>753,412</u>	<u>99,702</u>	<u>41,649</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenues	654,449	-	-	-	-
Total Deferred Inflows of Resources	<u>654,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficits):</b>					
<b>Restricted:</b>					
Transportation	-	23,922	-	-	-
Environmental	-	-	23,185	324,840	44,008
Homeless	-	29,072	-	-	-
Unassigned	(120,521)	-	-	-	-
Total Fund Balances (Deficits)	<u>(120,521)</u>	<u>52,994</u>	<u>23,185</u>	<u>324,840</u>	<u>44,008</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 1,648,881</u>	<u>52,994</u>	<u>776,597</u>	<u>424,542</u>	<u>85,657</u>

**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

**Combining Balance Sheet  
Nonmajor Governmental Funds**

**June 30, 2021**

Special Revenue Funds (Continued)

<u>AB939 Grant</u>	<u>Air Quality Enhancement</u>	<u>Street Sweeping</u>	<u>Homeless</u>	<u>Tire Amnesty</u>	<u>Tipping Fees</u>	<u>Desert Community Energy</u>	<u>Total Governmental Funds</u>
42,989	913	122,801	1,418,691	-	88,257	-	2,634,492
-	-	-	357	-	-	-	357
206	-	1,154	1,931	-	-	-	3,488
-	-	2,188	505,385	-	374,733	564,702	3,142,107
226	-	-	3,882	-	-	-	336,642
<u>43,421</u>	<u>913</u>	<u>\$ 126,143</u>	<u>1,930,246</u>	<u>-</u>	<u>462,990</u>	<u>564,702</u>	<u>6,117,086</u>
-	-	58,569	18,727	-	-	6,837	595,484
205	5	76	3,139	98	-	5,725	20,287
-	-	-	22,500	-	462,990	780	487,607
9	323	-	28,454	-	-	557,084	2,071,859
<u>214</u>	<u>328</u>	<u>58,645</u>	<u>72,820</u>	<u>98</u>	<u>462,990</u>	<u>570,426</u>	<u>3,175,237</u>
-	-	2,188	100,000	-	-	563,921	1,320,558
-	-	2,188	100,000	-	-	563,921	1,320,558
-	-	-	-	-	-	-	23,922
43,207	585	65,310	-	-	-	-	501,135
-	-	-	1,757,426	-	-	-	1,786,498
-	-	-	-	(98)	-	(569,645)	(690,264)
<u>43,207</u>	<u>585</u>	<u>65,310</u>	<u>1,757,426</u>	<u>(98)</u>	<u>-</u>	<u>(569,645)</u>	<u>1,621,291</u>
<u>43,421</u>	<u>913</u>	<u>126,143</u>	<u>1,930,246</u>	<u>-</u>	<u>462,990</u>	<u>564,702</u>	<u>6,117,086</u>

**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds**

**Year ended June 30, 2021**

	Special Revenue Funds				
	Other Transportation	Special Projects	Multi-Species Habitat Conservation	AB2766 Grant	Oil Grant
Revenues:					
Measure A	\$ 1	-	-	-	-
Grants	617,254	-	-	-	50,343
Investment income	1,676	-	-	-	164
Other governmental	369,000	-	766,500	513,027	-
Miscellaneous	-	2,500	-	-	-
Total Revenues	<u>987,931</u>	<u>2,500</u>	<u>766,500</u>	<u>513,027</u>	<u>50,507</u>
Expenditures:					
Current:					
Salaries	75,565	-	442,747	10,030	6,147
Benefits	37,345	-	224,031	4,922	2,957
Communications	1,443	-	8,444	191	116
Advertising	4,871	-	2,271	21	4,316
Insurance	3,159	-	18,719	433	282
Memberships and per diem	3,699	-	2,381	1,154	33
General and office expenses	2,807	-	22,233	395	883
Professional services	60,063	-	24,324	495	305
Consultants	1,242,537	-	-	1,780	77,655
Leases and maintenance	4,872	-	29,423	644	392
Staff training	323	-	2,247	44	27
Transportation and meetings	386	-	1,675	49	19
Utilities	428	-	2,365	56	34
Project costs	348,138	2,998	-	-	2,934
Capital outlay	851	-	4,834	103	52
Total Expenditures	<u>1,786,487</u>	<u>2,998</u>	<u>785,694</u>	<u>20,317</u>	<u>96,152</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(798,556)</u>	<u>(498)</u>	<u>(19,194)</u>	<u>492,710</u>	<u>(45,645)</u>
Other Financing Sources (Uses):					
Transfers in	1,693,498	-	-	-	4,877
Transfers out	<u>(358,311)</u>	<u>-</u>	<u>-</u>	<u>(231,542)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,335,187</u>	<u>-</u>	<u>-</u>	<u>(231,542)</u>	<u>4,877</u>
Net Change in Fund Balances	536,631	(498)	(19,194)	261,168	(40,768)
Fund Balance (Deficit) - Beginning, as Restated	<u>(657,152)</u>	<u>53,492</u>	<u>42,379</u>	<u>63,672</u>	<u>84,776</u>
Fund Balance (Deficit) - Ending	<u>\$ (120,521)</u>	<u>52,994</u>	<u>23,185</u>	<u>324,840</u>	<u>44,008</u>

**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
Nonmajor Governmental Funds**

**Year ended June 30, 2021**

Special Revenue Funds (Continued)

<u>AB939 Grant</u>	<u>Air Quality Enhancement</u>	<u>Street Sweeping</u>	<u>Homeless</u>	<u>Tire Amnesty</u>	<u>Desert Community Energy</u>	<u>Total Governmental Funds</u>
-	-	-	-	-	-	1
-	-	-	-	-	-	667,597
(110)	-	(137)	1,780	-	-	3,373
-	-	-	2,180,083	-	-	3,828,610
-	-	24,062	357	-	-	26,919
(110)	-	23,925	2,182,220	-	-	4,526,500
9,927	231	3,703	151,973	4,759	277,167	982,249
4,687	32	1,079	72,428	2,000	130,096	479,577
190	5	75	3,594	90	5,276	19,424
22	2	18	1,893	8	562	13,984
416	-	3,676	5,250	219	12,011	44,165
1,154	1	21	849	25	1,489	10,806
713	16	211	72,909	180	12,234	112,581
498	10	175	21,856	236	106,444	214,406
-	-	-	695,683	-	-	2,017,655
640	16	255	221,388	303	17,795	275,728
42	1	14	602	21	1,195	4,516
39	3	31	10,465	15	998	13,680
57	2	23	10,085	26	1,555	14,631
-	-	640,021	637	-	-	994,728
111	9	105	2,964	40	2,823	11,892
18,496	328	649,407	1,272,576	7,922	569,645	5,210,022
(18,606)	(328)	(625,482)	909,644	(7,922)	(569,645)	(683,522)
-	913	231,542	-	7,824	-	1,938,654
(12,701)	-	-	-	-	-	(602,554)
(12,701)	913	231,542	-	7,824	-	1,336,100
(31,307)	585	(393,940)	909,644	(98)	(569,645)	652,578
74,514	-	459,250	847,782	-	-	968,713
43,207	585	65,310	1,757,426	(98)	(569,645)	1,621,291

To the Executive Committee  
Coachella Valley Association of Governments  
Palm Desert, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Coachella Valley Association of Governments for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 30, 2021. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Coachella Valley Association of Governments are described in Note 1 to the financial statements. We noted no transactions entered into by Coachella Valley Association of Governments during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Coachella Valley Association of Governments' financial statements were:

Management's estimate of the which capital projects represent ordinary maintenance activities necessary to keep an asset operational for its originally intended useful life versus significant improvement, replacement, and life extending projects that should be capitalized as additions to capital assets is based on management's knowledge of the assets and their useful lives. We evaluated the key factors and assumptions used to develop the amounts added to capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of revenue and expense accruals related federal grant programs. We evaluated the key factors and assumptions used to develop the amounts recorded as accruals and determined that it is reasonable in relation to the financial statements taken as a whole.



Management's estimate of transactions related to net pension liabilities based on actuarial information. We evaluated the key factors and assumptions used to develop the amounts by the actuary and determined that it is reasonable in relation to the financial statements taken as a whole.

There were no particularly sensitive note disclosures affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements. Our audit procedures detected the following material misstatements:

- Adjustments to record expense and accounts payable in the Measure A, TUMF and Signal Sync funds.
- An adjustment to record accounts receivable and unavailable revenue in the Measure A and TUMF funds.

### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated May 24, 2022.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Coachella Valley Association of Governments financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Coachella Valley Association of Governments' auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

We applied certain limited procedures to the *Management's Discussion & Analysis, Budgetary Comparison Schedule – General Fund, Budgetary Comparison Schedule – Transportation and Uniform Mitigation Fees, Budgetary Comparison Schedule – Measure A, Budgetary Comparison Schedule – CV Link, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Plan Contributions* which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on *Combining Balance Sheet - Nonmajor Governmental Funds, Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds*, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

### **Restriction on Use**

This information is intended solely for the information and use of the Executive Committee and management of Coachella Valley Association of Governments and is not intended to be, and should not be, used by anyone other than these specified parties.

Irvine, California  
May 24, 2022

## **ITEM 4B**

# **Coachella Valley Association of Governments Finance Committee May 31, 2022**



## **STAFF REPORT**

**Subject:** Fiscal Year 2022/2023 Agency-Wide, Programs, and Individual Funds Budget

**Contact:** Claude T. Kilgore, Director of Finance/Administration ([ckilgore@cvag.org](mailto:ckilgore@cvag.org))

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**Recommendation:** Review the preliminary budget for Fiscal Year 2022/23, make any comments for inclusion and recommend the Executive Committee approve the budget, pending the inclusion of any Committee feedback

**Background:** One of the roles of the CVAG Finance Committee is to review the preliminary budget and provide feedback and comments that staff can include as the budget is finalized. This year, CVAG staff have been working hard to implement the new budget software, Questica, which CVAG is implementing across the agencies it staffs. CVAG's Finance/Administration staff have been attending weekly and ad-hoc integration meetings and constantly coordinating with the Questica integration team since January 2022 to streamline the budget process and transform the budget from a manual extraction and data entry process from the current accounting system into a mostly automated integration process. The development of CVAG's annual budget previously required extensive manual process involvement and was resource intensive and relied heavily on Microsoft Excel which is not an ideal tool to develop, analyze, and produce the annual budget. Staff views this as a transition year and anticipates even more efficiencies moving forward.

CVAG staff presented certain budget items that relate to personnel to the Administrative/Personnel Committee at its April 21, 2022 meeting. The items presented with related to membership dues and upcoming expenses, including the carry-over of prior year budgeted tenant improvements that have not been completed. The Administrative/Personnel Committee also supported the recommendation for a 3.5% Cost-of-Living Adjustment (COLA) increase. This increase is in line with or lower than other local agencies' budgets, some of which have recommended 4% and up to 10% increases for FY 2022/23. Staff also provided an update to the Administrative/Personnel Committee on the status of the ongoing Classification and Total Compensation Study, which was approved by the Executive Committee in fall 2021 and is expected to be complete this summer. The impact of the classification study is difficult to estimate as it will be assessed on a classification basis and may not affect every position. However, the budget incorporates preliminary feedback from the study and benchmarked a 5% increase to all staff (excluding the Executive Director) to conservatively predict personnel costs.

At the May 24 meeting, staff will present CVAG's preliminary budget for Fiscal Year 2022/2023 and cover budget areas of significance to the Committee. Based on the feedback and direction provided, staff will finalize the budget and present it at the CVAG Executive Committee meeting on June 6, 2022, with a final Executive Committee and ultimate General Assembly adoption via resolution on June 27, 2022. The budget covers the period July 1, 2022 through June 30, 2023.

Staff would like to thank the Committee for its review and input on this year's budget and looks forward to any and all suggestions provide by the Committee.

**Fiscal Impact:** The fiscal impact is included CVAG's Fiscal Year 2022/2023 Budget attachment.

**Attachments:** CVAG's FY2022/23 Draft Budget

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

# ANNUAL BUDGET

## FY 2022-23







## CVAG

### Member Jurisdictions

City of Blythe

City of Cathedral City

City of Coachella

City of Desert Hot Springs

City of Indian Wells

City of Indio

City of La Quinta

City of Palm Desert

City of Palm Springs

City of Rancho Mirage

County of Riverside

Agua Caliente Band of Cahuilla Indians

Cabazon Band of Mission Indians

Torres Martinez Desert Cahuilla Indians

Twenty-Nine Palms Band of Mission Indians



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# From the Executive Director

*To the honorable 75 members of the CVAG General Assembly,*

*Riverside County Board of Supervisors; Mayors and City Council Members from the Cities of Blythe, Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, and Rancho Mirage; and Tribal Council Chairmen and Members from the Agua Caliente Band of Cahuilla Indians, the Cabazon Band of Mission Indians, the Torres Martinez Desert Cahuilla Indians, and the Twenty-Nine Palms Band of Mission Indians*

*June 6, 2022*

In CVAG's nearly 50-year existence, perhaps no stretch of time has created as many challenges and opportunities as what we've seen in recent years. As we recover from the far-reaching effects of the world-wide COVID-19 pandemic, CVAG doubled down on its commitment to a shared vision of working together to improve the lives of the residents, businesses, and visitors across eastern Riverside County by addressing the transportation, energy, conservation, and social issues.

While we dealt with changes in the economy, in technology, and in our workforce, CVAG's leadership provided a steady hand and bold vision for what role we should play in the community. As a result, what began as a regional planning agency has become less of a planning agency and much more of an agency that also spearheads policies and delivers programs and projects on a regional level.

CVAG and its associated joint powers agencies — the Coachella Valley Conservation Commission (CVCC) and Desert Community Energy (DCE) — implement a wide-range of programs that include, but are not limited to: constructing transportation infrastructures such as CV Link and CV Sync; implementing air quality projects such as the regional street sweeping program to limit airborne dust; operating the CV Housing First regional homeless program that is led by CVAG staff; buying land through the CVCC and managing thousands of acres of habitat to protect threatened species and implement the Coachella

Valley Multiple Species Habitat Conservation Plan; and purchasing carbon free electricity for ratepayers as DCE becomes the default electric choice in the City of Palm Springs.

It reminds me of the wise words of retired Army Gen. Eric Shinseki, who said:

*"If you don't like change, you're going to like irrelevance even less."*

The budget itself, presented here for your review and approval, reflects how CVAG will continue to adapt to the changing world with forward-thinking projects and programs.

Some of the biggest transformations are coming along our roadways. Construction is well underway for the first phase of CV Sync, the long-awaited regional signal synchronization effort that will ultimately allow us to efficiently move traffic across 70 regional arterials connecting the entire Coachella Valley.

The project's first phase, which includes Highway 111, Ramon Road, and Washington Street, was greenlit by the CVAG Executive Committee in February 2021. In this fiscal year, we've been at intersections in all participating jurisdictions to replace conduits and install highly technical hardware and software systems.

Connected to a network of traffic management centers at city halls and CVAG's offices, CV Sync will establish a framework for a future "smart region" by connecting into a world-class regional network. It

also includes technology that allows all participating cities to communicate and coordinate in real-time to manage traffic flow, which will be especially useful for the large events that are resuming and drawing hundreds of thousands of tourists to the Coachella Valley.

This year, we moved forward with plans to deploy fiber-optic broadband technology: CV Sync is one of 18 projects in the state receiving an initial middle-mile broadband investment under Senate Bill 156. This positions the regional signal synchronization project as an opportunity to also create an open-access middle-mile network that provides a needed infrastructure to connect unserved and underserved areas in the Coachella Valley and increase competition in areas already being served. While we work with the state to finalize the details of this investment, we're working to prepare for the launch of CV Sync's second phase of construction, which starting in Fiscal Year 2022/23, will expand construction to another 21 corridors.

While we are being innovative and implementing new technologies, we must continue to plan for future growth. CVAG continues to work with our member jurisdictions on improving access on our major arterials, especially along State Route 86 and Interstate 10. From the funding to get the I-10/Jackson Interchange under construction or the completion of major projects — including the Avenue 66 grade separation in Mecca and Indian Avenue improvements in the west — significant investments are being made across the Coachella Valley.

I'm hopeful our focus on getting projects "shovel ready" means that these projects will be poised to benefit from the influx of infrastructure funding coming from the state and federal governments, especially with the new advocacy services that CVAG launched this year in Sacramento and Washington. But I also must acknowledge that there are new funding realities for projects like these. Simply put, state and federal resources simply haven't kept up with needs.

Our team, in the coming months, will be launching the next update of the Transportation Project

Prioritization Study. We will be asking you to consider our appetite for infrastructure — reviewing these large, expensive bridges, interchanges and roadways through a new lens like we did with the flooding and blowsand study for the western Coachella Valley. We'll also continue to be frank about the fiscal forecast and provide regular analysis, so you can decide how CVAG can address cash flow while keeping important regional transportation projects moving forward.

Our community is also benefiting from our commitment to active transportation investments. In October 2021, we joined the City of Palm Desert in celebrating 3.5 miles of CV Link that we had completed, including a signature access point at the Bump and Grind Trailhead.

Construction is now underway in multiple locations as part of the nearly \$53 million worth of construction contracts that allow us to build about 13.5 miles in the cities of Palm Springs, Palm Desert, La Quinta, Indio, and Coachella as well as unincorporated Riverside County, and another 3.5 of additional miles as right-of-way is finalized.

Along the Whitewater River (Coachella Valley Stormwater Channel), we're making progress on the bridge that connects the Cities of Indio and La Quinta at the future Promontory Point access point, creating undercrossings and pouring pavement — lots of pavement — with as many as 76 concrete trucks operating in a single day.

In March 2022, we started work in the City of Palm Springs and additional groundbreaking celebrations will be held in Palm Desert and Coachella as the pathway progresses.

CV Link alone won't solve our valley's problem of having far too many of our cyclists, joggers and walkers being hit and killed along our roadways. This year, the Executive Committee, at the recommendation of the Transportation Committee, adopted CVAG's Regional Active Transportation Design Guidelines. And we're working with our cities to go after large construction funding in the state's competitive Active Transportation Program, a program where we've done well historically, with applications being finalized for both the CV Link extension in Desert Hot Springs and

the Arts and Music Line in the cities of Coachella, Indio and La Quinta.

The investments we're making as a region also reflects CVAG's commitment to sustainability. CVAG continues to lead the regional street sweeping program, which provides the Coachella Valley's primary air quality control measure to reduce PM10 (particulate matter of less than 10 microns). After years of operating this program, CVAG is now undergoing an efficiency study to ensure its effectiveness and identify any opportunities for improvements, and will be presenting recommendations for next steps this fall. CVAG staff also is providing the operations for Desert Community Energy (DCE), a Community Choice Aggregation program that has been bringing locally controlled and carbon free electricity for the City of Palm Springs for more than two years. We're now serving nearly 90 percent of the City's electric customers. And data shows that it is helping the City achieve greenhouse gas emission reductions at a faster than expected pace: In the first year alone, this program resulted in the same greenhouse gas reduction equivalent as replacing all the cars in the city with bikes, all while giving customers a choice in their electricity service.

Perhaps the biggest change in the Energy & Sustainability Department relates to the launch of the Inland Regional Energy Network (I-REN), which is a partnership with Western Riverside Council of Governments (WRCOG) and San Bernardino Council of Governments. In years past, available funding resources were previously predominant in the communities served by Southern California Edison. The launch of the I-REN ushers in a new era of programs — with nearly \$66 million in resources coming to Riverside and San Bernardino Counties through 2027. I-REN will focus its activities in three distinct areas: Public Sector, Codes & Standards, and Workforce Education & Training. The vision of the I-REN is to connect residents, businesses, and local governments to a wide range of energy efficiency resources to increase energy savings and equitable access throughout Riverside and San Bernardino Counties. In the year ahead, we'll be working with the

Energy and Environmental Resources Committee and Executive Committee to guide how to deploy those programs and make sure the Coachella Valley is getting its fair share of the resources coming to the Inland Empire.

CVAG also provides the staff for the Coachella Valley Conservation Commission (CVCC) and the implementation of the Coachella Valley Multiple Species Habitat Conservation Plan. This model has proven efficient and successful, and was used as a model for our counterparts in western Riverside County when they were considering consolidation of resources.

The CVCC and its partners celebrated a significant milestone in terms of land acquisition, with more than 100,000 acres since 1996. The CVCC also authorized its single largest acquisition, closing on more than 3,200 acres of land at Palm Hills in Palm Springs — an area known for magnificent scenic resources and recreational opportunities such as the goat trails

While this is something to be applauded, it also comes with significant responsibilities in terms of land management. In the last year, CVCC staff resources have needed to expand and partnerships with Desert Hot Springs Police Department and Riverside County Sheriff's Office were used. We'll continue to look for the most cost-effective opportunities that ensure the CVCC protects these properties as key habitat areas for the endangered species outlined in the Plan. One of the species is the Peninsular bighorn sheep, whose habits of frequenting golf courses, roads and backyards in the City of La Quinta has become problematic. The anticipated construction start has been delayed as CVCC finalizes plans with the Coachella Valley Water District, but we're hopeful the work will begin in earnest this fiscal year.

In September 2021, CVAG's Executive Committee, with a recommendation from the Homelessness Committee, authorized CVAG to continue operating CV Housing First program as an in-house program with CVAG staff. This program is focused on the chronically homeless individuals who are named on the CV 200 list, and who are familiar faces to our

law enforcement, code enforcement and emergency room partners.

I've heard from many of you how impressive the project's impact has been: In the first full year, we found permanent housing solutions for 75 of the CV 200 individuals. For 2022, we reset the list and are using all our resources — rapid rehousing opportunities, crisis stabilization units and a grant-funded mobile access center — to provide a comprehensive approach to addressing homelessness. We're also finding creative solutions, including directly contracting with behavioral health partners and legal services, to get our clients case managed quickly and effectively.

Our successes this fiscal year include Leonard, who was recently profiled in a KESQ news story. A member of the CV 200, Leonard is well known among local law enforcement and service providers. He was living in his car in Dr. Carreon Park in Indio, and entered our program after a nearly deadly bout with pneumonia. Leonard worked with our case managers and much of our team to stabilize his life and get on his feet — and we found him a permanent apartment of his own shortly after the TV interview occurred.

Successes like these have a ripple effect in the community, as these individuals were often the ones who are frequenting local emergency rooms or requiring resources from public safety agencies. The initial feedback to our program has been resoundingly positive, as demonstrated in the financial support from our cities, Riverside County and the Desert Healthcare District/ Foundation. At a time when so many of our neighbors are struggling, this is program that is having a demonstrated impact in the community. We'll continue to be honest and transparent about our program metrics and the clients we can, and cannot, help get off the streets through this program. Despite our success, we know there are limitations to expanding the program, as we would also need more doors to exit our clients to, whether it is permanent supportive housing or affordable housing units.

It takes a hardworking and professional staff to achieve these milestones and the objectives that are outlined in the budget. I'm incredibly proud of their dedication to implementing programs that reflect CVAG's mission to improve transportation, conserve precious habitat, promote green energy solutions and provide social services to those who are less fortunate.

We also want to make sure we continue to retain and recruit the best, which is why CVAG is undergoing a classification and total compensation study in partnership with WRCOG. The study will be completed later this summer. But, with guidance from the Administrative/ Personnel Committee, we've incorporated some of the initial findings into the budget, particularly as it relates to staff costs. Much like the efforts to maximize use of non-local funding for transportation projects, CVAG staff continues to look for ways to fund staff with other money, particularly grants, state and federal funds. Emerging programs such as the I-REN come with significant administration duties, and funding — which is an investment that needs to be made to ensure the Coachella Valley's programs aren't managed by staff in our western counterpart agencies.

Our commitment to excellence is also reflected in our commitment to transparency and ensuring CVAG is accessible to its member jurisdictions and the general public. You may have noticed this year's budget is designed as a more engaging and user-friendly document, which is thanks in large part to streamlining led by the Finance Department and the implementation of budget software. We will again seek your feedback this summer on the effectiveness of our use of videoconference for meetings. And we'll use our newly designed websites — including online fee calculators — in order to make CVAG and CVCC programs and projects even more open and available to our members and to the residents and visitors of eastern Riverside County.

**Tom Kirk**

Executive Director

Coachella Valley Association of Governments







## Member Jurisdiction Roster

Few organizations, even councils of governments or joint powers authorities, benefit from as much engagement from elected officials as CVAG does. In Fiscal Year 2021/22, 72 percent of the region's city council members also served on CVAG's policy committees. This ensures policy recommendations and programming decisions are being considered by a diverse group of individuals before they are ultimately adopted.

### **Blythe**

Mayor Dale Reynolds  
Vice Mayor Joseph Deconinck  
Councilmember Joseph Halby III  
Councilmember Johnny Rodriguez  
Councilmember Sam Burton

### **City of Indio**

Mayor Waymond Fermon  
Mayor Pro Tem Oscar Ortiz  
Councilmember Lupe Ramos Amith  
Councilmember Elaine Holmes  
Councilmember Glenn Miller

### **County of Riverside**

1<sup>st</sup> District Supervisor Kevin Jeffries  
2<sup>nd</sup> District Supervisor Karen Spiegel  
3<sup>rd</sup> District Supervisor Chuck Washington  
4<sup>th</sup> District Supervisor V. Manuel Perez  
5<sup>th</sup> District Supervisor Jeff Hewitt

### **City of Cathedral City**

Mayor Ernesto Gutierrez  
Mayor Pro Tem Rita Lamb  
Councilmember Mark Carnevale  
Councilmember Nancy Ross  
Councilmember Raymond Gregory

### **City of La Quinta**

Mayor Linda Evans  
Mayor Pro Tem Kathleen Fitzpatrick  
Councilmember Robert Radi  
Councilmember John Peña  
Councilmember Steve Sanchez

### **Agua Caliente Band of Cahuilla Indians**

Tribal Chair Reid D. Milanovich  
Tribal Sec/Treas Vincent Gonzales III  
Tribal Member Jessica Norte  
Tribal Member John R. Preckwinkle III

### **City of Coachella – Vice Chair**

Mayor Steven Hernandez  
Mayor Pro Tem Josie Gonzalez  
Councilmember Denise Delgado  
Councilmember Megan Beaman Jacinto  
Councilmember Neftali Galarza

### **City of Palm Desert**

Mayor Jan Harnik  
Mayor Pro Tem Sabby Jonathan  
Councilmember Gina Nestande  
Councilmember Kathleen Kelly  
Councilmember Karina Quintanilla

### **Cabazon Band of Mission Indians**

Tribal Chair Douglas Welmas  
Tribal Vice Chair San Juanita Callaway  
Tribal Sec/Treas Helen Ruth Callaway  
Tribal Liaison Alexis Nichols  
Tribal Member At Large Brenda Soulliere

### **City of Desert Hot Springs**

Mayor Scott Matas  
Mayor Pro Tem Gary Gardner  
Councilmember Russell Betts  
Councilmember Jan Pye  
Councilmember Roger Nunez

### **City of Palm Springs – Chair**

Mayor Lisa Middleton  
Mayor Pro Tem Grace Garner  
Councilmember Christy Holstege  
Councilmember Geoff Kors  
Councilmember Dennis Woods

### **Torres Martinez Desert Cahuilla Indians**

Tribal Chair Thomas Torte  
Tribal Vice Chair Joseph Mirelez  
Tribal Treasurer Rosemarie Morreo  
Tribal Secretary Altrena Satillanes  
Tribal Member Richie Lopez

### **City of Indian Wells**

Mayor Dana Reed  
Mayor Pro Tem Donna Griffith  
Councilmember Richard Balocco  
Councilmember Kimberly Muzik  
Councilmember Greg Sanders

### **City of Rancho Mirage**

Mayor Charles Townsend  
Mayor Pro Tem Richard Kite  
Councilmember Steve Downs  
Councilmember Ted Weill  
Councilmember Iris Smotrich

### **Twenty-Nine Palms Band of Mission Indians**

Tribal Chair Darrell Mike

## Policy Committee Structure



# Accomplishments in FY 2021/22

## Transportation

- » Managed the construction of CV Link Segment 1 and Bid Alternate A that included more than \$30 million of active transportation improvements in the Cities of Palm Springs, Palm Desert, La Quinta, Indio and Coachella. This segment of the valleywide active transportation project is largely funded by state and federal dollars, as well as financial support from the Desert Healthcare District / Foundation and the South Coast Air Quality Management District.
- » In coordination with the City of Palm Desert, funded and finished the construction of the \$6 million Palm Desert on-Street segment of CV Link, which extended from the Coachella Valley Stormwater Channel at Deep Canyon westerly to the Bump and Grind Trailhead.
- » Managed the construction of Phase I of the CV Sync regional signal synchronization project, which included more than \$20 million of improvements along Highway 111, Ramon Road and Washington Street.
- » Completed environmental document and construction documents for CV Sync Phase 2; Submitted obligation and allocation request to the California Transportation Commission and Caltrans for approval in to start construction on CV Sync Phase 2 that includes over \$60 million of improvements on 18 corridors.
- » Developed regional broadband concept and secured approximately \$44 million in State funding for middle mile fiber optic installations throughout the Coachella Valley (contract to be considered by the Executive Committee in coming months).
- » Coordinated with the Riverside County Transportation Commission (RCTC) to program more than \$15 million of State Transportation Improvement Program funding for passenger rail service to the Coachella Valley.
- » Secured over \$1.1 million from Clean California Grant to provide CV Link connectors to new parks in the disadvantaged areas of Cathedral City and the City of Coachella.
- » Celebrated the completion of major projects such as Indian Avenue improvements and the Avenue 66 grade separation project.
- » Developed Regional Bike and Pedestrian Safety Guidelines to establish standards for the entire Coachella Valley.
- » Leading the Active Transportation Program Cycle 6 application for the Arts and Music Line through the Cities of Coachella, Indio and La Quinta.
- » Completed and continue monitoring cash-flow analysis to provide elected leadership with information needed to make fiscally responsible policy decisions.

## Energy & Environment

- » Approval of the Inland Empire Regional Energy Network (I-REN).
- » Completion of an Urban Greening guidebook.
- » Continued work on longstanding programs such as tire recycling, used oil recycling and Property Assessed Clean Energy (PACE) program.
- » Executed \$1.1 million agreement with South Coast Air Quality Management District for street sweeping, including an efficiency and effectiveness study that launched in mid-March 2022.
- » Coordinated efforts for the future electricity service in the eastern Coachella Valley, including working with Imperial Irrigation District to provide a Coachella Valley Energy Commission coordinator.
- » Partnered with OhmConnect to offer a smart plug and thermostat program to help residents save money and energy.





## Community Resources

- » Secured permanent housing solutions for 75 of the CV 200 in CVAG's first calendar (2021) year operating CV Housing First internally.
- » Led a homelessness program that had transparent and regularly reported data.
- » Coordinated additional resources for homeless individuals through no-cost MOUs with local colleges and other partners such as Inland County Legal Services.
- » Coordinated two Regional Early Action Planning (REAP) grants for a total of \$558,000, which will lead to long-term funding options for CVAG member jurisdictions to consider for affordable housing and support Lift to Rise's capital investment program.
- » Led regional conversations around pressing public safety issues, including earthquake preparedness, addressing illegal dumping and the deployment of needed behavioral health resources.
- » Facilitated up-to-date information on the COVID-19 pandemic, the distribution of vaccines and the use of shared resources.

## Administration / Finance

- » Adopted CVAG's first legislative platform and secured federal and state advocacy services.
- » Purchased and installed new budget software in order to streamline internal operations and gain efficiency for all three agencies.
- » Utilized a member survey to ensure committee meetings are responsive to the wishes of our elected officials.

## Desert Community Energy

- » Celebrated two years (April 2020 – April 2022) of serving Palm Springs residents and businesses with 100% Carbon Free electricity.

- » Reduced the City of Palm Springs' carbon footprint (greenhouse gas emissions (GHG)) by 115,070 metric tons in 2020, which is like taking 25,000 cars off the road in Palm Springs. Palm Springs exceeded the State of California's ambitious 2020 goals to reduce GHG emissions and help fight climate change.
- » Invested in new renewable energy and battery storage, including 11 megawatts of new wind energy produced in Palm Springs, that creates good paying clean energy jobs, invests in our local economy, and brings local renewable and carbon free energy sources close to home.
- » Signed a contract to bring an innovative pilot solar & battery storage program to Palm Springs.

## Coachella Valley Conservation Commission

- » Coordinated with partners to manage nearly 100,000 acres of conservation land, including partnerships with the Desert Hot Springs Police and Riverside County Sheriff's Office to address areas prone to off-road vehicles, illegal dumping and vandalism.
- » Continued to be ahead of plans in acquiring habitat, including the CVCC's largest ever acquisition of 3,218 acres as part of the Palm Hills conservation effort.
- » Opened the new Long Canyon Trail, which was led by the Coachella Valley Mountains Conservancy to provide access from Desert Hot Springs to Joshua Tree National Park.
- » Achieved progress on several, longstanding big projects that includes finalizing the construction plans for the bighorn sheep fence in La Quinta & the North Shore Ranch restoration project.
- » Securing two Local Assistance Grants from the California Department of Fish and Wildlife, for more than \$160,000, that will provide data on Peninsular Bighorn Sheep as well as assessing climate change vulnerability for covered species.







# Budget Overview

The CVAG 2022/23 Budget outlines the revenues and expenditures for the projects and programs that CVAG anticipates for the coming fiscal year. The budget itself mirrors the scope of topics that CVAG's programs cover, including transportation, energy, sustainability, community resources, and homelessness.

CVAG also has a General Fund that provides additional financial support for its day-to-day operations and includes some administrative costs and general support to CVAG's policy committees. In light of changes to state law and in the unanticipated and unlikely case of funding shortfalls or liquidation of the CVAG JPA, the CVAG general fund would stand to cover certain encumbrances such as the Unfunded Accrued Liability of CVAG's pension at CalPERS (discussed in the Expenditures section below) and shield member jurisdictions from such liability, which previously didn't. The General Fund is anticipated to grow by \$139,301, calculated after long-overdue tenant improvements are budgeted for completion in FY 2022/23.

This year's budget has a different appearance than previous years. Based on reports from CVAG's new budgeting software, it is more accessible for member jurisdictions and the general public. However, this year's budget uses the same conservative budget approach that CVAG has always maintained. It continues the long-standing philosophy of relying heavily on non-local revenue streams – including local contributions, grants, and state and federal funds – for projects and programs, including the staffing resources needed to implement them.

The following provides a condensed summary of FY 2022/23 Operating Revenues and Expenditures. Additional details about the projects and programs can be found on subsequent pages, generally organized by department.

## Revenues

Member Agency Dues will reflect a total increase of \$66,872 across all member agencies. Member Agency Dues are increased on a yearly basis in line with the Consumer Price Index (CPI) for all items indexed (all urban consumers,

Riverside–San Bernardino–Ontario from January to January) developed by the Bureau of Labor Statistics, United States Department of Labor. The Administrative/Personnel Committee, during its meeting on April 21, 2022, recommended the 8.6% CPI increase in the base amount.

Revenues from Measure A and the Transportation Uniform Mitigation Fee (TUMF) provide for the Coachella Valley's transportation program. CVAG is charged with all transportation planning and administration of a multi-million-dollar regional arterial construction program.

Budget inputs for Measure A revenues are projected by the Riverside County Transportation Commission (RCTC) and reflect an increase from the prior year as the local economy continues to rebound and more visitors and year-round residents make their way to the Coachella Valley.

The budget assumes the completion of capital improvement projects such that the entire amount of Measure A expected to be collected by RCTC in FY2022/23 will be drawdown to cover regional transportation project expenditures not already covered by external funding sources.

CVAG has approved increases to the TUMF rate by 8.2% starting in January 2023. The region's TUMF rate remains below other areas and continues to exempt affordable housing. As confirmed in discussions CVAG had with a key counterpart related to TUMF, the Desert Valley Builders Association, the construction of single-family and multi-family homes is expected to increase in 2022 compared to 2021 due to the initiation of some major new developments across the Valley. CVAG used the most recent FY actuals (2020/21) and increased the TUMF based on the new rates. This projection considers the ongoing global supply chain issues and the rising cost of inflation.

Other Transportation Funding revenues provide external resources for CVAG's internally led projects, such as the CV Link and CV Sync, which are multi-million-dollar regional projects led by CVAG.

As CVAG continues with the construction phases of CV Link in FY 2022/23, it anticipates receiving the vast majority of







its funding from external resources to cover project costs in the form of Active Transportation, State Transportation Improvement Program, Air Quality Management District funds as well as funds from the Desert Healthcare District / Foundation.

The CV Sync project brings in federal dollars in the form of Congestion Mitigation and Air Quality funds as well as State Transportation Improvement Program funds. It is budgeted that external funding sources not covering the project costs for these programs will be supplemented by Measure A transfers into the CV Link and CV Sync funds.

The launch of the Inland Regional Energy Network (I-REN) is a significant shift for energy programs in the Coachella Valley. In years past, available funding resources were previously predominant in the communities served by Southern California Edison. The launch of the I-REN ushers in a new era of programs and resources. The proposed I-REN budget through 2027 is nearly \$66 million, which is a huge influx of annual investments to Riverside and San Bernardino Counties.

Interestingly, CVAG is the one partner agency with a Community Choice Aggregation program (DCE) and the only partner with an existing Energy and Environmental Resources Committee to implement the associated, sustainability-related objectives and programs. Based on the I-REN business plan, this endeavor will require at least ten staff across the agencies, with WRCOG serving as the lead administrative agency. At CVAG, it is expected that I-REN could fund three full-time employees to manage and implement all the programs effectively. The I-REN budget will fund the increased staff being proposed for the energy and sustainability programs. This is a necessary investment: CVAG needs to staff up on I-REN to ensure that the region gets its fair share of the millions coming to the Inland Empire. Without this staff, CVAG will be left to rely on the staff in western Riverside County and San Bernardino County, and the region risks being shortchanged on programs.

CVAG expects to receive external funding from member jurisdictions for its growing CV Housing First Program nominally in line with amounts received in FY 2021/22. However, contributions to the programs are being finalized in the form of memorandums of understanding instead of informal agreements in prior years.

## Expenditures

The budget anticipates additional investments to streamline operations, including long-overdue tenet improvements. It also anticipates investment in an enterprise resource planning system (ERP), which will allow CVAG to fully integrate its contracting, accounts payable/receivable, personnel, and financial transaction and reporting systems.

The FY 2022/23 budget is also sensitive to unknown and continued inflationary factors in the coming fiscal year. All expenditures were evaluated on a line-by-line basis, and projected increases in prices were applied agency-wide for conservative budgetary practices. It should be noted that these conservative budgetary increases might not be as apparent when comparing across historical data as the new staffing for the new programs such as I-REN take a proportional share of these increased costs away from other long-standing programs. Like other overhead costs, these costs are budgeted across departments, and cost-centers/funds are based on budgeted personnel costs charged to each cost-center/fund.

For an agency with such wide-ranging responsibilities and annual budgeted expenses exceeding \$100 million, CVAG's staffing levels are extremely lean. Independent contractors and consultants are utilized extensively to deliver projects and run programs. However, the recent pandemic, associated impacts, and distortions to the labor market have challenged the ability of many employers to run programs and construction projects adequately.

As previously reported to the Administrative / Personnel Committee, CVAG experienced substantial staff turnover during the Great Resignation of 2021. CVAG management used this as an opportunity to assess its internal staffing structure and better position the agency to address its long-term needs. This resulted in some vacancies being replaced with new positions and new titles for positions that were not anticipated in the previous budget. These changes ensure CVAG's internal structure is better aligned with the staffing needs of the programs and policies that the Executive Committee approved – all while staying within CVAG's authorized personnel budget for the Fiscal Year 2021/22. The cost of positions filled is largely, if not entirely, covered by funding secured for the specific programs, including transportation funding for CV Sync and the launch of the new I-REN program. This allows overhead costs to be spread more widely across funding sources, reducing the impact on the general fund and all other funds accounted for as cost-centers in the agency.

CVAG is currently undergoing a class and total compensation study. When finalized this summer, it will provide insight into CVAG's internal organization and how to maximize resources. The CVAG Administrative / Personnel Committee has been authorized to help direct the next steps. In anticipation, CVAG projects five more full-time employee positions, although other reclassifications may be recommended through the study. They include two management analysts (one for the CV Sync program and another for DCE/ energy programs), an I-REN program manager, and two program assistants (for energy programs / DCE and CV Housing First). Some of these hires





are not anticipated until later in the fiscal year. Staffing levels also assume that long-vacant positions will be filled in the transportation department.

The Administrative / Personnel Committee, at its April 21, 2022 meeting, recommended a FY 2022/23 3.5% cost of living increase for salaries (based on the same index used when evaluating Member Agency Dues) and allowed for merit increases at the Executive Director's discretion. This increase is in line with or lower than other local agencies' budgets, some of which have recommended 4% and up to 10% increases for FY 2022/23. The impact of the classification study is difficult to estimate as it will be assessed on a classification basis and may not affect every position. However, the budget incorporates preliminary feedback from the study and benchmarked a 5% increase to all staff (excluding the Executive Director) to conservatively predict personnel costs.

A cost to the budget of every governmental agency in California is that of its unfunded pension liability. CVAG participates in the California Public Employee Retirement System (CalPERS) and contributes payment on behalf of its employees every pay period. In addition to these bi-weekly costs, government agencies have seen pension liability grow as retired populations live longer and healthcare costs continue to increase. In addition to any annual payments needed to meet CalPERS funding requirements, CVAG has an Unfunded Accrued Liability (UAL) that represents future costs to sustain the CalPERS plans. Although CVAG shares a smaller UAL than many other agencies, a prudent decision was made by CVAG Administrative / Personnel and Finance Committees to pay down the cost of the (UAL) to \$0 over approximately ten years. The first Additional Discretionary Payment (ADP) was made in the amount of \$1 million in FY 2019/20 with a target to pay down approximately \$200,000 each year thereafter for nine consecutive years to reduce the current UAL balance to \$0 on the final payment. CVAG made contributions in FY 2020/21 of \$197,530, and in FY 2021/22 of \$203,483. This budget anticipates a \$200,394 paydown of the UAL, which was an amount supported by the Administrative/Personnel Committee in April 2022.

The Capital Project Summary included in this document lists the major Capital Improvement Program projects scheduled for activity in FY 2022/23 and the following four fiscal years. The cost estimates for currently slated projects utilize many external sources of funding such as ATP, STIP, CMAQ, and AQMD, along with local funding sources such as Measure A. Budget projections of current capital projects demonstrate a 100% drawdown of Measure A funds estimated to be collected by RCTC in FY2022/23.

The projects listed in the Capital Project Summary will continue to be a focus of the CVAG Transportation and

Executive Committees, which have directed CVAG staff to complete a cash-flow analysis of regional transportation projects.

With costs escalating on projects, major sources of revenue for many of CVAG's projects – including state and federal funding for bridges and interchanges – have been drying up. A federal infrastructure bill or California's unexpected general fund surplus may inject needed funding into the region. In the coming fiscal year, CVAG will prepare a value-engineering study, update project expenditure estimates for projects within CVAG's Transportation Project Prioritization Study (TPPS), and seek policy guidance from the Transportation and Executive Committees to address cost-sharing in the future.

It should be noted that the budget also identifies non-personnel costs, which are defined as all costs other than Salaries and Benefits, Consultants, Construction/Project Costs, Tenant Improvements, and Debt Service expenditures. These non-personnel costs include indirect items to cover CVAG's overhead expenditures, such as office building rent, utilities, general supplies, and the staff's proportionate share of general administration salaries and benefits, which become allocated to each department.

In the current budget, these non-personnel costs have been grouped into broader categories of Office Operations, Meeting Attendance Stipends, Employee Travel or Training, Facility Expenses, and Professional Services. Office Operations represent expenditures such as printing, office supplies, and computer software. Meeting Attendance Stipends represents the costs paid in the form of meeting stipends to CVAG committee members and other nominal meeting support costs. Employee Travel or Training is largely represented by employee mileage reimbursements, largely born by the CV Housing First case-workers traveling across the Coachella Valley to provide rapid rehousing solutions to Housing First clients.

Another budgeted expenditure in this grouped category is a Training / Wellness reimbursement available to all CVAG employees as identified in the Personnel Rules and Benefits manual as approved by the CVAG Executive Committee. Facility Expenses include office rent and maintenance, general liability insurance, and utility costs. Examples of Professional Services expenditures represent the cost of consultants and independent contractors as well as legal and accounting services. CVAG also provides staff for the Coachella Valley Conservation Commission (CVCC) and Desert Community Energy (DCE), with those expenses reimbursed under the terms of administrative agreements.







# Fiscal Overview

## Member Agency Dues

The main source of revenues in the General Fund is dues assessed and collected from member cities, Tribal Governments, and CVAG boundaries within Riverside County. These membership dues are used to fund the expenses of CVAG and its programs, committees, and other budgeted expenses which are not otherwise chargeable to individual departments, projects, or other funding sources.

Jurisdiction	Population	% of Total	Dues	Assessed Value	% of Total	Dues	Total Dues
Blythe	13,562	3.01%	\$7,300	\$903,897,031	0.98%	\$2,377	\$9,677
Cathedral City	53,973	12.00%	\$29,103	\$5,345,023,091	5.77%	\$13,994	\$43,097
Coachella	47,825	10.63%	\$25,781	\$2,219,964,031	2.40%	\$5,821	\$31,601
Desert Hot Springs	30,086	6.69%	\$16,225	\$2,238,210,672	2.42%	\$5,869	\$22,094
Indian Wells	5,428	1.21%	\$2,935	\$6,599,612,415	7.13%	\$17,292	\$20,227
Indio	91,621	20.36%	\$49,379	\$9,739,066,718	10.52%	\$25,514	\$74,893
La Quinta	41,247	9.16%	\$22,216	\$15,209,866,340	16.42%	\$39,823	\$62,039
Palm Desert	53,892	11.98%	\$29,055	\$16,755,218,136	18.09%	\$43,873	\$72,928
Palm Springs	47,754	10.61%	\$25,732	\$15,501,878,913	16.74%	\$40,599	\$66,331
Rancho Mirage	18,799	4.18%	\$10,138	\$9,763,404,821	10.54%	\$25,562	\$35,700
Riverside County (CVAG Boundaries)	45,748	10.17%	\$24,665	\$8,327,212,154	8.99%	\$21,803	\$46,468
Agua Caliente Band of Cahuilla Indians	-	-	-	-	-	-	\$9,677
Cabazon Band of Mission Indians	-	-	-	-	-	-	\$9,677
Torres Martinez Desert Cahuilla Indians	-	-	-	-	-	-	\$9,677
Twenty-Nine Palms Band of Mission Indians	-	-	-	-	-	-	\$9,677
<b>Totals</b>	<b>449,935</b>	<b>100.00%</b>	<b>\$242,528</b>	<b>\$92,603,354,322</b>	<b>100.00%</b>	<b>\$242,528</b>	<b>\$523,764</b>

City Population Source: Demographic Research Unit, Department of Finance, State of California as of January 2021.

County Population Source: U.S. Census adjusted by an average increase/decrease for the C.V. Cities and Blythe. 1.07% in 2019, 0.18% in 2020, and 0.05% in 2021.

Population in the County of Riverside increased by 0.56% as of January 1, 2021.

Assessed Valuations: Riverside County 2020/21 Assessed Valuation Report.

The total assessed valuation for the Coachella Valley Unified, Desert Sands Unified and Palm Springs Unified School Districts for FY 2021/2022 was \$91,699,457,291.

CVAG's boundaries are the same as the boundaries of the above school districts within Riverside County's boundaries. Riverside County's share of that assessed valuation was calculated by subtracting the assessed valuation of all those cities within those school district boundaries which totals \$83,372,245,137. This leaves \$8,327,212,154 for the County of Riverside's assessed valuation in the Coachella Valley. These values use the Local Roll which does not include the State Assessed (SBE) Properties.

## Overall Agency Summary

The Overall Agency Summary Report summarizes the FY 2022/23 proposed budget. This report compares the proposed budget with the year-end revenue and expenditure estimates for FY 2021/22, the adopted budget for FY 2021/22, and the audited financial statements for FY 2020/21.

	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Yr. End Est.	FY 2022/23 Budget
<b>Beginning Fund Balance</b>	<b>\$57,796,958</b>	<b>\$100,049,976</b>	<b>\$51,286,964</b>	<b>\$48,186,891</b>
<b>Revenues / Funding Source</b>				
CVAG Dues	\$450,834	\$465,867	\$465,869	\$532,740
Signal Synchronization (CMAQ)	\$617,254	\$19,549,003	\$6,291,157	\$13,739,400
Active Transportation Program	\$2,762,674	\$6,836,998	\$2,475,223	\$5,332,858
AB 2766	\$513,027	\$428,000	\$430,431	\$420,374
AQMD-CV Link	\$5,090,740	\$10,666,348	\$6,039,982	\$6,039,982
AQMD-Street Sweeping	-	\$220,000	\$220,000	\$220,000
Used Oil Grant	\$50,343	\$89,750	\$79,790	\$85,800
SCAG	-	\$279,000	\$356,324	\$217,581
AB 939	-	\$31,860	\$15,404	\$15,404
County Tipping Fees	-	-	\$27,653	-
Air Quality Enhancement/Colmac	-	\$163,850	\$150,000	\$190,000
Measure A	\$5,695,212	\$21,121,120	\$9,343,926	\$46,729,882
Measure A - In-Lieu TUMF Rev	\$592,929	-	-	-
TUMF Revenues	\$5,897,592	\$5,000,000	\$6,500,000	\$6,746,155
Transportation Local Contribution	\$12,570	\$1,076,047	\$668,231	\$601,408
Loan Repayments	\$643,070	\$10,421	\$10,421	\$10,421
RCTC Admin Reimbursements	-	-	\$1,917,487	\$927,023
RCTC PP&M	\$145,227	\$50,000	\$565,000	\$214,500
LTF (RCTC)	\$369,000	\$450,000	\$472,500	\$479,588
STIP	-	\$15,537,765	\$1,234,839	\$19,675,336
Highway Bridge Program Funds	-	\$11,535,112	-	-
Bus Pass Program Contributions	\$2,500	-	\$27,000	-
CVCC Administrative Reimbursement	\$766,500	\$845,780	\$774,612	\$896,361
DCE Administrative Reimbursement	\$563,921	\$549,909	\$649,535	\$756,237
PACE Funding	\$3,667	\$7,500	\$621	\$7,500
Homeless Funding	\$2,180,083	\$1,725,000	\$1,576,808	\$1,455,678
Other Revenues	\$284,252	\$119,667	\$1,779,863	\$118,563
I-REN Admin Reimbursement	-	-	\$27,526	\$592,094
Investment Income	\$294,364	\$572,411	\$160,629	\$967,981
<b>Total Revenues / Funding Source</b>	<b>\$26,935,759</b>	<b>\$97,331,408</b>	<b>\$42,260,831</b>	<b>\$106,972,867</b>

## Overall Agency Summary

	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Yr. End Est.	FY 2022/23 Budget
<b>Expenditures / Expenditure</b>				
<b>Personnel</b>				
Salaries	\$1,860,440	\$2,442,387	\$2,298,772	\$3,571,247
Benefits	\$937,782	\$1,068,569	\$860,026	\$1,336,046
<b>Total Personnel</b>	<b>\$2,798,222</b>	<b>\$3,510,956</b>	<b>\$3,158,798</b>	<b>\$4,907,293</b>
<b>Non-Personnel</b>				
Office Operations	\$143,108	\$245,688	\$129,052	\$368,319
Meeting Attendance Stipends	\$26,700	\$58,735	\$28,500	\$59,397
Employee Travel or Training	\$29,662	\$69,596	\$54,138	\$95,848
Facility Expenses	\$443,450	\$228,956	\$562,587	\$567,768
Professional Services	\$1,809,161	\$1,252,122	\$881,903	\$1,287,747
<b>Total Non-Personnel</b>	<b>\$2,452,082</b>	<b>\$1,855,097</b>	<b>\$1,656,179</b>	<b>\$2,379,080</b>
<b>Project/Program</b>				
Tenant Improvements	-	\$195,000	\$19,890	\$190,169
Debt Service	\$3,012,233	\$3,012,233	\$3,012,233	\$3,012,233
Consultants/Service Providers	\$3,105,838	\$7,389,895	\$959,109	\$7,367,065
Construction/Project Costs	\$17,024,352	\$91,111,976	\$28,606,194	\$79,727,646
Rapids Resolutions - CVHF	\$20,749	-	\$70,000	\$100,000
Mobile Access Center - CVHF	-	-	\$24,500	\$22,500
Fixed Assets	\$5,032,277	-	\$7,854,000	\$10,200,000
<b>Total Project/Program</b>	<b>\$28,195,450</b>	<b>\$101,709,104</b>	<b>\$40,545,927</b>	<b>\$100,619,614</b>
<b>Other</b>				
Operating Transfers Out	\$5,474,859	\$8,570,853	\$5,535,807	\$27,266,788
Operating Transfers In	(\$5,474,859)	(\$8,570,853)	(\$5,535,807)	(\$27,266,788)
<b>Total Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures / Expenditure</b>	<b>\$33,445,753</b>	<b>\$107,075,156</b>	<b>\$45,360,905</b>	<b>\$107,905,987</b>
<b>Net Excess (Deficit)</b>	<b>(\$6,509,994)</b>	<b>(\$9,743,748)</b>	<b>(\$3,100,074)</b>	<b>(\$933,120)</b>
<b>Ending Fund Balance</b>	<b>\$51,286,964</b>	<b>\$90,306,228</b>	<b>\$48,186,891</b>	<b>\$47,253,770</b>





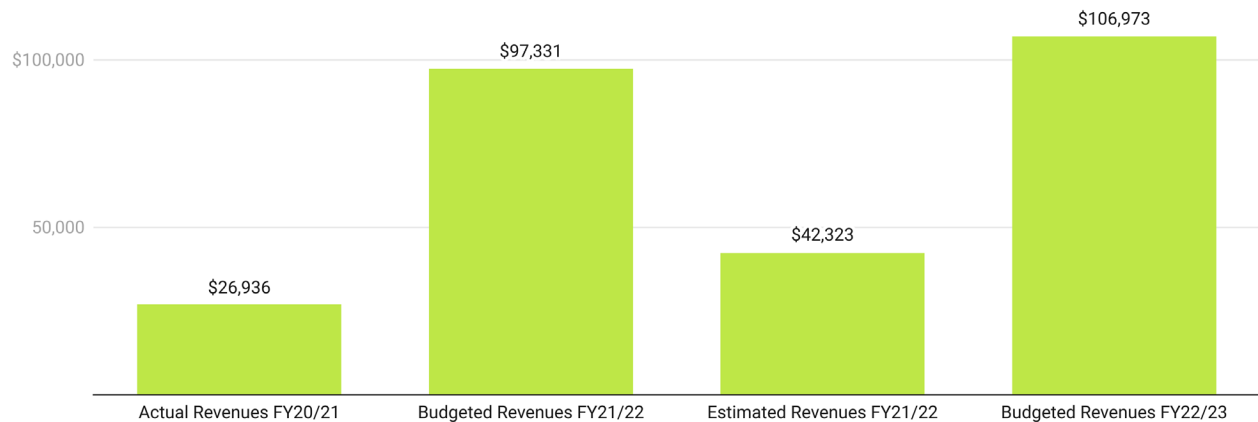


## Operating Transfers

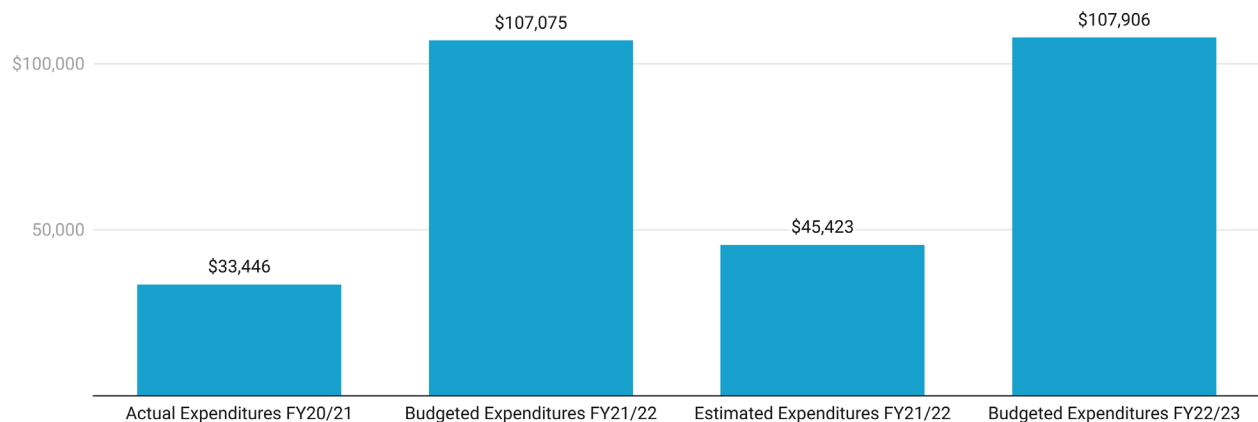
Operating transfers constitute cash transfers from a fund receiving revenues to a fund through which expenditures will be or have already been made.

Fund Transfer Out	Fund Transfer In	Amount
101 - General Fund	501 - AB 939	\$4,930
301 - AB 2766	711 - Lawn Scalping Program	\$12,183
301 - AB 2766	702 - Regional Street Sweeping	\$299,898
501 - AB 939	207 - Tire Recycling	\$4,952
501 - AB 939	321 - Used Oil Recycling Grant	\$9,809
611 - Measure A	618 - CV Link	\$2,759,095
611 - Measure A	624 - Signal Synchronization	\$23,500,805
612 - LTF / PP&M	411 - SCAG	\$15,053
612 - LTF / PP&M	618 - CV Link	\$660,063
<b>Total Operating Transfers</b>		<b>\$27,266,788</b>

## Revenues (\$000's)



## Expenditures (\$000's)



## Capital Project Five-Year Summary

The following capital project funding has been approved by the Executive Committee for Construction for Fiscal Year 2022/23.

Approved Capital Projects – Transportation	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
<b>Madison Street from Avenue 52 to Indio Boulevard</b> Phase 2 Under Construction Lead Agency: City of Indio FUNDED FROM REGIONAL / LOCAL FUND SOURCES	\$2,629,640	-	-	-
<b>Indian Canyon from Garnet Ave to/including RR Crossing Bridge</b> Right of Way, Utilities, Construction in 2022/23 Lead Agency: City of Palm Springs FUNDED FROM STIP / HBRR / REGIONAL / LOCAL FUND SOURCES	\$3,750,000	\$3,750,000	-	-
<b>Cathedral Canyon Drive Bridge over WWR</b> Design, Construction in 2019 Lead Agency: City of Cathedral City FUNDED FROM HBP / REGIONAL / LOCAL FUND SOURCES	\$917,341	-	-	-
<b>Avenue 66 Grade Separation over UPRR</b> Construction Lead Agency: County of Riverside FUNDED FROM REGIONAL / LOCAL FUND SOURCES	\$3,980,497	\$500,000	-	-
<b>Frank Sinatra Bridge over WWR (CANCELED)</b> PS&E, Construction in 2021 (Pending HBP Funding) Lead Agency: City of Rancho Mirage FUNDED FROM HBP / REGIONAL / LOCAL FUND SOURCES	-	-	-	-
<b>Ramon Road Bridge Widening over WWR</b> Final Design and Right of Way (Pending HBP Funding) Lead Agency: City of Palm Springs FUNDED FROM HBP / REGIONAL / LOCAL FUND SOURCES	\$849,441	\$3,822,483	\$3,822,483	-
<b>Vista Chino Bridge over WWR</b> Final Design and Right of Way (Pending HBP Funding) Lead Agency: City of Palm Springs FUNDED FROM HBP / REGIONAL / LOCAL FUND SOURCES	\$817,238	\$817,238	\$3,268,950	\$3,268,950
<b>South Palm Canyon Bridge over Tahquitz Creek</b> Final Design and Right of Way (Pending HBP Funding) Lead Agency: City of Palm Springs FUNDED FROM HBP / REGIONAL / LOCAL FUND SOURCES	\$394,425	\$394,425	-	-
<b>East Palm Canyon Bridge over Palm Canyon Wash</b> Environmental, Utility, Coordination and Right of Way Lead Agency: City of Palm Springs FUNDED FROM HBP / REGIONAL / LOCAL FUND SOURCES	\$554,806	\$554,806	-	-
<b>Dune Palms Bridge over WWR</b> Right of Way, Construction in late 2021 (Pending HBP Funding) Lead Agency: City of La Quinta FUNDED FROM HBP / REGIONAL / LOCAL FUND SOURCES	\$2,697,500	\$2,697,500	-	-
<b>Avenue 44 Bridge over WWR</b> Construction 2022 (Pending HBP Funding) Lead Agency: City of Indio FUNDED FROM HBP / REGIONAL / LOCAL FUND SOURCES	\$517,126	\$1,561,740	-	-

## Capital Project Five-Year Summary

Approved Capital Projects – Transportation	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
<b>Date Palm Drive (I-10 and Varner)</b> Design Lead Agency: City of Cathedral City FUNDED FROM REGIONAL / LOCAL FUND SOURCES	\$1,248,577	\$1,248,579	-	-
<b>North Indian Canyon Drive Widening (COMPLETE)</b> PS&E, Utility relocation Lead Agency: County of Riverside FUNDED FROM REGIONAL / LOCAL FUND SOURCES	-	-	-	-
<b>Portola Avenue / I-10 Interchange</b> Design Lead Agency: County of Riverside FUNDED FROM REGIONAL / LOCAL FUND SOURCES	\$300,000	-	-	-
<b>Bicycle &amp; Pedestrian Safety Program</b> Projects are either under construction or have been completed Lead Agency: Various FUNDED FROM REGIONAL / LOCAL FUND SOURCES	\$1,766,364	\$500,000	-	-
<b>Interchange Preparation Fund</b> Design Lead Agency: Various FUNDED FROM REGIONAL / LOCAL FUND SOURCES	\$872,848	-	-	-
<b>Varner Road Improvement (Ramon Road to Monterey)</b> Completed (Future Reimbursement) Lead Agency: County FUNDED FROM REGIONAL / LOCAL FUND SOURCES	\$2,494,343	-	-	-
<b>Portola Avenue (North of Gerald Ford Drive)</b> Completed (Future Reimbursement) Lead Agency: City of Palm Desert FUNDED FROM REGIONAL / LOCAL FUND SOURCES	\$2,139,739	-	-	-
<b>CV Link (Segment 1)</b> Construction Lead Agency: CVAG FUNDED FROM STIP/ATP/CMAQ/AQMD/DHCD/LOCAL FUND SOURCES	\$22,743,200	\$20,353,014	-	-
<b>CV Sync (Phase 1)</b> Construction Lead Agency: CVAG FUNDED FROM CMAQ / LOCAL FUND SOURCES	\$18,379,829	-	-	-
<b>CV Sync (Phase 2)</b> Construction Lead Agency: CVAG FUNDED FROM CMAQ / LOCAL FUND SOURCES	\$21,900,550	\$40,672,450	-	-
<b>Total</b>	<b>\$88,953,462</b>	<b>\$76,872,234</b>	<b>\$7,091,433</b>	<b>\$3,268,950</b>

## Budget By Programs

An overview of the financial activities anticipated in each program for FY 2022/23.

	Transportation	Community Resources	Energy & Sustainability	General Fund	Total
<b>Beginning Fund Balance</b>	<b>\$43,477,815</b>	<b>\$2,670,081</b>	<b>\$81,477</b>	<b>\$1,897,533</b>	<b>\$48,126,906</b>
<b>Revenues / Funding Source</b>					
Signal Synchronization (CMAQ)	\$13,739,400	-	-	-	\$13,739,400
Active Transportation Program	\$5,332,858	-	-	-	\$5,332,858
AB 2766	-	\$420,374	-	-	\$420,374
AQMD-CV Link	\$6,039,982	-	-	-	\$6,039,982
AQMD-Street Sweeping	-	\$220,000	-	-	\$220,000
Used Oil Grant	-	-	\$85,800	-	\$85,800
SCAG	\$217,581	-	-	-	\$217,581
AB 939	-	-	\$15,404	-	\$15,404
Air Quality Enhancement/Colmac	-	\$190,000	-	-	\$190,000
Measure A	\$46,729,882	-	-	-	\$46,729,882
TUMF Revenues	\$6,746,155	-	-	-	\$6,746,155
Transportation Local Contribution	\$601,408	-	-	-	\$601,408
Loan Repayments	\$10,421	-	-	-	\$10,421
RCTC Admin Reimbursements	\$927,023	-	-	-	\$927,023
RCTC PP&M	\$214,500	-	-	-	\$214,500
LTF (RCTC)	\$479,588	-	-	-	\$479,588
STIP	\$19,675,336	-	-	-	\$19,675,336
CVCC Admin Reimbursement	-	-	\$896,361	-	\$896,361
DCE Admin Reimbursement	-	-	\$756,237	-	\$756,237
PACE Funding	-	-	\$7,500	-	\$7,500
Homeless Funding	-	\$1,455,678	-	-	\$1,455,678
Other Revenues	-	\$63,063	\$50,000	\$5,500	\$118,563
I-REN Admin Reimbursement	-	-	\$592,094	-	\$592,094
Investment Income	\$916,782	\$31,023	\$4,735	\$15,441	\$967,981
<b>Total Revenues / Funding Source</b>	<b>\$101,630,916</b>	<b>\$2,380,138</b>	<b>\$2,408,131</b>	<b>\$553,681</b>	<b>\$106,972,867</b>



## Budget By Programs

	Transportation	Community Resources	Energy & Sustainability	General Fund	Total
<b>Expenditures / Expenditure</b>					
<b>Personnel</b>					
Salaries	\$1,403,136	\$593,567	\$1,458,688	\$115,856	\$3,571,247
Benefits	\$510,227	\$272,885	\$506,308	\$46,626	\$1,336,046
<b>Total Personnel</b>	<b>\$1,913,363</b>	<b>\$866,452</b>	<b>\$1,964,996</b>	<b>\$162,482</b>	<b>\$4,907,293</b>
<b>Non-Personnel</b>					
Office Operations	\$139,986	\$63,502	\$151,650	\$13,181	\$368,319
Meeting Attendance Stipends	\$20,401	\$6,973	\$10,272	\$21,751	\$59,397
Employee Travel or Training	\$33,160	\$27,798	\$31,790	\$3,100	\$95,848
Facility Expenses	\$104,862	\$336,297	\$114,741	\$11,868	\$567,768
Professional Services	\$1,123,180	\$95,433	\$62,236	\$6,898	\$1,287,747
<b>Total Non-Personnel</b>	<b>\$1,421,588</b>	<b>\$530,005</b>	<b>\$370,688</b>	<b>\$56,799</b>	<b>\$2,379,080</b>
<b>Project / Program</b>					
Tenant Improvements	-	-	-	\$190,169	\$190,169
Debt Service	\$3,012,233	-	-	-	\$3,012,233
Consultants/Service Providers	\$7,222,000	\$43,000	\$102,065	-	\$7,367,065
Construction/Project Costs	\$78,971,042	\$721,519	\$35,085	-	\$79,727,646
Rapids Resolutions - CVHF	-	\$100,000	-	-	\$100,000
Mobile Access Center - CVHF	-	\$22,500	-	-	\$22,500
Fixed Assets	\$10,200,000	-	-	-	\$10,200,000
<b>Total Project / Program</b>	<b>\$99,405,275</b>	<b>\$887,019</b>	<b>\$137,150</b>	<b>\$190,169</b>	<b>\$100,619,614</b>
<b>Other</b>					
Operating Transfers Out	\$26,935,016	\$312,081	\$14,761	\$4,930	\$27,266,788
Operating Transfers In	(\$26,935,016)	(\$312,081)	(\$19,691)	-	(\$27,266,788)
<b>Total Other</b>	<b>-</b>	<b>-</b>	<b>(\$4,930)</b>	<b>\$4,930</b>	<b>-</b>
<b>Total Expenditures / Expenditure</b>	<b>\$102,740,227</b>	<b>\$2,283,476</b>	<b>\$2,467,904</b>	<b>\$414,380</b>	<b>\$107,905,987</b>
<b>Net Excess (Deficit)</b>	<b>(\$1,109,310)</b>	<b>\$96,662</b>	<b>(\$59,774)</b>	<b>\$139,301</b>	<b>(\$933,120)</b>
<b>Ending Fund Balance</b>	<b>\$42,368,504</b>	<b>\$2,766,743</b>	<b>\$21,703</b>	<b>\$2,036,834</b>	<b>\$47,290,448</b>







# Transportation

## Big Picture

### Improving the Regional Arterial Network

Since 1989, CVAG has been responsible for regional transportation planning in the Coachella Valley and plans for all people of all ages using many modes of transportation. CVAG cooperates with its member jurisdictions to develop and manage progressive regional road and congestion mitigation programs. Some of its notable projects include overhauling six interchanges along the Interstate 10 Improvement Corridor. The priorities are regularly reviewed and encompassed in the Transportation Project Prioritization Study (TPPS) and the associated Regional Arterial Cost Estimate (RACE) and Active Transportation Plan (ATP). In recent months, CVAG has joined member jurisdictions in celebrating several project completions. In the upcoming fiscal year, CVAG's Transportation Department will continue to work with member jurisdictions to advance individual projects, including regional active transportation projects, and support efforts to secure outside funding to reduce the impact on regional and local resources.

### Transportation Uniform Mitigation Fee (TUMF) Program

The TUMF program began in Fiscal Year 1989/1990 as a way to generate additional funds required for necessary improvements to the regional transportation system. Local jurisdictions may choose not to collect TUMF. However, jurisdictions not collecting TUMF forfeit their share of local Measure A funds to the regional arterial program. CVAG saw a steady increase in local Measure A funding received by CVAG's member jurisdictions until the Great Recession,

which began in 2008 and resulted in significant downturns in revenues generated. TUMF, like all development impact fees, requires a nexus to be demonstrated between the proposed development and the impacts to be mitigated. In TUMF's case, the assessment is based on the number of vehicle trips new development or site improvements may generate.

### CV Link

CVAG has been working on CV Link for the past decade. The project is a major innovation in alternative transportation that will provide a safe route to walk, run, bike, or use low-speed electric vehicles, such as golf carts. CV Link is expected to provide significant environmental, health, and economic benefits to generations of current and future residents and visitors. CV Link will ultimately span more than 40 miles across the Coachella Valley. To date, about seven miles of the project have been built in the cities of Cathedral City, Palm Desert, and Palm Springs. When the current construction is complete, more than half of the project will be built. Construction will continue this year in the cities of Palm Springs, Palm Desert, La Quinta, Indio, and Coachella, as well as unincorporated Riverside County. In addition to bridges, this stage of construction includes undercrossings, which are a vital safety feature that will allow the CV Link users to go under major roadways to avoid traditional vehicular traffic.

### CV Sync

Synchronizing the traffic signals across the Coachella Valley has been a longstanding goal at CVAG. The design and engineering of CV Sync started in 2016, and the work was later expanded to encompass upgrading all traffic



controllers to the same standard. Construction of CV Sync's first phase – synchronizing signals on Highway 111, Washington Street, and Ramon Road – is underway and will be completed this coming fiscal year. The second phase, which includes another 21 corridors, is expected to start in Fiscal Year 2022/23. CV Sync will have technology that allows all cities to communicate and coordinate in real-time to manage traffic flow, especially useful during large events that draw hundreds of thousands of tourists to the Coachella Valley. This project will also deploy fiber-optic broadband technology throughout the Coachella Valley, which can help to unlock federal and state funding opportunities. The project spans the Coachella Valley but does not extend into the City of Rancho Mirage, which previously secured funding to do its own signal synchronization project.

## Core Program Areas

The Work Plan for Fiscal Year 2022/23 is separated into the following core program areas:

### Project Management and Contract Administration

The Transportation Department leads the implementation of the Transportation Project Prioritization Study (TPPS), Regional Arterial Cost Estimate (RACE), and Active Transportation Program (ATP). The department also provides updates to the Capital Improvement Program (CIP) and other transportation plans in partnership with member jurisdictions. This role includes staff time to conduct project oversight (design, environmental, construction, and close-out), preparation of reimbursement agreements for regional arterial, interchange, and bridge projects, review and approval of project billings in accordance with the scope of work, and participation in project development team meetings and associated staff reports. In recent years, the Transportation Department has conducted cash

flow analysis for regional projects and provided recommendations on maximizing opportunities at the state and federal levels.

### Regional Coordination of Programs

CVAG works closely with its partners – including the Riverside County Transportation Commission – to support the Riverside County Congestion Management Program, analyze traffic patterns through the traffic count program, and advance regional transportation projects. Additionally, CVAG supports the RCTC Technical Advisory Committee and efforts for County-wide SB 821 and Local Streets & Roads funding. CVAG also has helped advance the Coachella Valley Passenger Rail Service Development Plan. Coordination with RCTC will be further formalized in the coming months when both agencies bring forth an updated memorandum of understanding to their respective governing bodies.

Additionally, staff time is used to support the State Transportation Improvement Program (STIP) and Regional Transportation Improvement Program (RTIP), support the implementation of the CVAG Transportation Project Prioritization Study (TPPS), and monitor and examine the impacts of implementing state policies. TPPS activities support the regional project construction program, including staff time to develop an annual prioritized list of construction projects and required financial resources.

CVAG also supports the Southern California Association of Governments' programs, including providing input to the Federal and Regional Transportation Improvement Plans (FTIP and RTIP) and assisting SCAG with transportation modeling refinements.

### CV Link

The largest segment of this 40-plus mile active transportation corridor is now under construction. At the same

time, resources are dedicated to conducting project oversight of services needed for future phases (environmental compliance, right-of-way, and phased construction of later segments).

### **CV Sync**

Phase I of the valley-wide signal synchronization project will be completed this year, improving travel along Highway 111, Washington, and Ramon. Staff time includes conducting project oversight of consultant services (environmental compliance, right-of-way, and phased construction plans), review of project billings, participation in project development team meetings, and preparing associated reports. CVAG is finalizing construction plans, specifications, and cost estimates to launch construction of Phase 2 in this fiscal year.

### **Planning For Future Transportation Needs**

This area involves support to multiple programs focusing on key project areas. These areas include staff time and project management to maintain and provide input for GIS Information Services, the countywide transportation demand model, the regional arterial traffic count program, and transportation legislation review and analysis. CVAG staff also provides regional land use information to CVAG jurisdictions, developers, SCAG, and Caltrans. The countywide transportation model involves support for the RIVCOM transportation model for forecasting projected transportation system needs to the year 2039.

### **Implementing The TUMF Program**

CVAG continues to dedicate staff time to support the TUMF and TUMF/GIS Interface programs. TUMF program activities include staff time to update the program, monitor its implementation in member jurisdictions, perform annual fiscal reviews of building permits and monthly TUMF collections, research, analyze and prepare reports for TUMF appeals, enter TUMF collections in the TUMF database, to meet with developers on request to review potential TUMF assessments, and to perform special TUMF analyses upon request. The TUMF/GIS Interface program requires support for continuing the development of integrating the TUMF collection process with electronic transmission of new development information for land use coverages and coordinating with RCTC on TUMF compliance.

### **Congestion Management / Air Quality Programs**

The Transportation Department provides support for air quality programs, including the regional street sweeping program. CVAG also helps address State Implementation Plan (SIP) conformance to regional projects.

### **Fighting for the Region's Fair Share of Funding**

With costs escalating on projects, major sources of revenue for many of CVAG's traditional transportation projects are drying up. CVAG staff has recently provided committees

with cash flow projections that show declines in Measure A sales tax revenue and TUMF revenues. State and federal resources are simply not keeping up with the demand. For example, the FY 2020/25 estimates from the State Transportation Improvement Program (STIP) have been reduced by 82 percent and the Highway Bridge Program (HBP) is beyond oversubscribed, having a 20-year backlog of projects waiting to be funded. CVAG has been actively tracking the debated transportation infrastructure funds at the state and federal levels and has recently engaged lobbying firms to help secure the region's fair share of the funding.

### **Anticipated Milestones for FY 2022/23**

- » Construct segments of CV Link in the Cities of Palm Springs, Palm Desert, La Quinta, Indio, and Coachella, and prepare bid packages for the next stretches of the project.
- » Transform travel along major arterials and position the Coachella Valley as a smart region by finishing CV Sync Phase 1 construction along Highway 111, Ramon, and Washington and starting construction on CV Sync Phase 2.
- » Update the Transportation Project Prioritization Study (TPPS) to align with statewide trends and requirements (including vehicle miles traveled as a consideration), with anticipated completion in FY 2023/24.
- » Complete planning and design of low-water crossings identified in the recent Flood and Blowsand Study, which identified more cost-effective alternatives to expensive bridges and overpasses in the western Coachella Valley).
- » Updating formula funding distribution agreements with the Riverside County Transportation Commission (RCTC) to secure the equitable distribution of state and federal funding for the Coachella Valley.
- » Work with member jurisdictions to identify funding for and advance regional roadway, bridge, and interchange projects to improve travel and goods movement across the region.



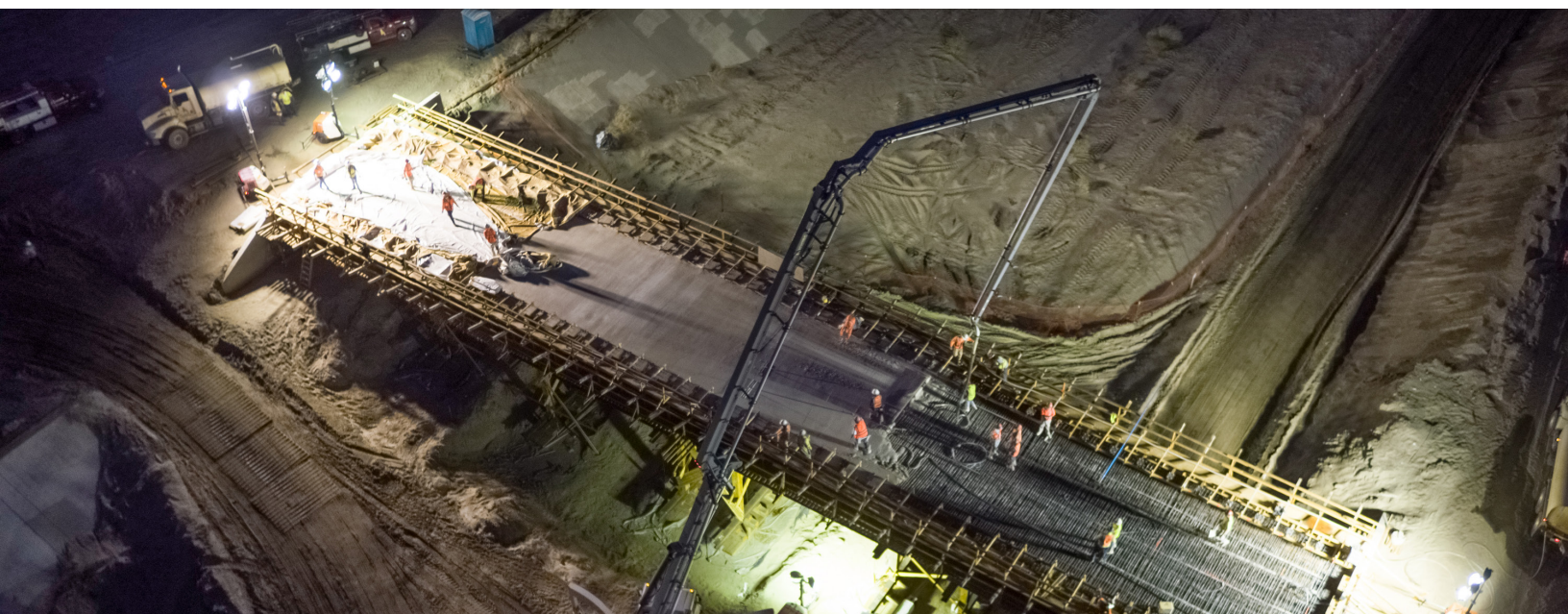
## Transportation Budget by Cost Center

	TUMF	Measure A	LTF / PP&M	CV Link	CV Sync	SCAG	Total
<b>Beginning Fund Balance</b>	<b>\$5,966,858</b>	<b>\$37,506,186</b>	<b>\$4,770</b>	-	-	-	<b>\$43,477,815</b>
<b>Revenues / Funding Source</b>							
Signal Synchronization (CMAQ)	-	-	-	-	\$13,739,400	-	\$13,739,400
Active Transportation Program	-	-	-	\$5,332,858	-	-	\$5,332,858
AQMD-CV Link	-	-	-	\$6,039,982	-	-	\$6,039,982
SCAG	-	-	-	-	-	\$217,581	\$217,581
Measure A	-	\$46,729,882	-	-	-	-	\$46,729,882
Measure A - In-Lieu TUMF Rev	-	-	-	-	-	-	-
TUMF Revenues	\$6,746,155	-	-	-	-	-	\$6,746,155
Transportation Local Contribution	-	\$601,408	-	-	-	-	\$601,408
Loan Repayments	-	\$10,421	-	-	-	-	\$10,421
RCTC Admin Reimbursements	-	\$927,023	-	-	-	-	\$927,023
RCTC PP&M	-	-	\$214,500	-	-	-	\$214,500
LTF (RCTC)	-	-	\$479,588	-	-	-	\$479,588
STIP	-	-	-	\$12,941,336	\$6,734,000	-	\$19,675,336
Investment Income	\$81,811	\$827,380	\$3,454	-	\$4,136	-	\$916,782
<b>Total Revenues / Funding Source</b>	<b>\$6,827,966</b>	<b>\$48,494,706</b>	<b>\$697,542</b>	<b>\$24,314,176</b>	<b>\$20,477,536</b>	<b>\$217,581</b>	<b>\$101,029,508</b>



## Transportation Budget by Cost Center

	TUMF	Measure A	LTF / PP&M	CV Link	CV Sync	SCAG	Total
<b>Expenditures / Expenditure</b>							
<b>Personnel</b>							
Salaries	\$324,780	\$524,072	\$11,974	\$270,109	\$262,676	\$9,525	\$1,403,136
Benefits	\$115,016	\$187,033	\$3,921	\$103,694	\$97,709	\$2,854	\$510,227
<b>Total Personnel</b>	<b>\$439,796</b>	<b>\$711,105</b>	<b>\$15,895</b>	<b>\$373,803</b>	<b>\$360,385</b>	<b>\$12,379</b>	<b>\$1,913,363</b>
<b>Non-Personnel</b>							
Office Operations	\$31,310	\$55,669	\$3,060	\$35,505	\$13,857	\$584	\$139,986
Meeting Attendance Stipends	\$6,087	\$11,211	\$133	\$2,088	\$847	\$35	\$20,401
Employee Travel or Training	\$12,351	\$10,363	\$213	\$5,520	\$3,374	\$1,339	\$33,160
Facility Expenses	\$23,440	\$41,849	\$1,693	\$26,623	\$10,803	\$454	\$104,862
Professional Services	\$50,454	\$97,739	\$1,433	\$894,595	\$78,696	\$262	\$1,123,180
<b>Total Non-Personnel</b>	<b>\$123,643</b>	<b>\$216,832</b>	<b>\$6,532</b>	<b>\$964,331</b>	<b>\$107,577</b>	<b>\$2,674</b>	<b>\$1,421,588</b>
<b>Project/Program</b>							
Debt Service	-	\$3,012,233	-	-	-	-	\$3,012,233
Consultants/Service Providers	\$170,000	\$170,000	-	\$3,652,000	\$3,230,000	-	\$7,222,000
Construction/Project Costs	\$6,000,000	\$19,929,882	-	\$12,543,200	\$40,280,379	\$217,581	\$78,971,042
Fixed Assets	-	-	-	\$10,200,000	-	-	\$10,200,000
<b>Total Project/Program</b>	<b>\$6,170,000</b>	<b>\$23,112,115</b>	<b>-</b>	<b>\$26,395,200</b>	<b>\$43,510,379</b>	<b>\$217,581</b>	<b>\$99,405,275</b>
<b>Other</b>							
Operating Transfers Out	-	\$26,259,900	\$675,116	-	-	-	\$26,935,016
Operating Transfers In	-	-	-	(\$3,419,158)	(\$23,500,805)	(\$15,053)	(\$26,935,016)
<b>Total Other</b>	<b>-</b>	<b>\$26,259,900</b>	<b>\$675,116</b>	<b>(\$3,419,158)</b>	<b>(\$23,500,805)</b>	<b>(\$15,053)</b>	<b>-</b>
<b>Total Expenditures / Expenditure</b>	<b>\$6,730,231</b>	<b>\$50,281,893</b>	<b>\$697,542</b>	<b>\$24,314,176</b>	<b>\$20,477,536</b>	<b>\$217,581</b>	<b>\$102,718,960</b>
<b>Net Excess (Deficit)</b>	<b>\$94,527</b>	<b>(\$1,203,838)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$1,109,310)</b>
<b>Ending Fund Balance</b>	<b>\$6,061,385</b>	<b>\$36,302,349</b>	<b>\$4,770</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$42,368,504</b>









# Community Resources

## Big Picture

### Addressing Homelessness in the Coachella Valley

The CVAG Homelessness Committee facilitates coordinated strategies to address this serious issue through regional initiatives like CV Housing First. The program, which started in 2017, follows a nationally successful housing first model to address chronic homelessness in the Coachella Valley. The program utilizes crisis stabilization units – which are apartments and hotel rooms – to provide temporary supportive housing while case managers work with individuals to find a stable income or public benefits and then get them into permanent housing solutions. CV Housing First also provides rapid resolution to quickly address the needs of individuals who have recently entered homelessness. These solutions could mean helping to fix their car, which then provides them the transportation they need between their housing and work in order to sustain the job that keeps them off the streets.

This program is focused on addressing clients on the CV 200 list, a by-name list of chronically homeless individuals who have been identified by local law enforcement and other program providers as the most familiar faces. These are the highest utilizers of public resources: the ones who most interact with public safety and police by commonly loitering in front of local businesses, and those who frequently visit local emergency rooms to use healthcare system resources. By identifying these individuals, CVAG is using outreach and case management to get them off the streets, and into housing – thereby reducing the total costs to the general public.

In 2020, the first year the program was operated directly by CVAG staff, 75 of the CV 200 were placed in permanent housing solutions. CVAG in this coming fiscal year will continue the program and provide quarterly reports to demonstrate both the successes and the challenges. Additional grant opportunities, which have been accepted by the CVAG Executive Committee, allow CVAG to extend the program through a mobile access center.

### Alan Seman Bus Pass Program

This program will be in its 15th year of distributing bus passes to homeless individuals valley-wide through various community-based organizations and non-profit groups. The program is named after the late Alan Seman, who was Mayor Pro Tem of the City of Rancho Mirage and a tireless advocate for the transportation needs of the homeless. As the Coachella Valley emerges from the COVID-19 pandemic, SunLine Transit Agency resumed fares for bus routes and the program continued. CVAG administers the program in conjunction with its CV Housing First staff.

## Core Program Areas

The Work Plan for Fiscal Year 2022/23 is separated into the following core program areas:

### 1. Homelessness

The primary function is the operation of the CV Housing First program. There also is general administration of the Homelessness Committee, including development and follow-through of program goals, preparation and dissemination of agendas, minutes, and meeting schedules. Additionally, staff works at the Homelessness and

Executive Committee direction to develop projects and/or programs that respond to a regional approach to addressing homelessness. This has involved coordination with program partners and stakeholders, particularly the County of Riverside and partners through the Continuum of Care.

## **2. Public Safety**

The general administration of the Public Safety Committee includes the development of goals as well as the preparation of agendas, presentations, and meeting materials. Under the Public Safety Committee's discretion, track, recommend, support and/or oppose programs that may impact the area. The Committee also provides an opportunity to facilitate collaboration between local and regional law enforcement agencies on major public safety issues, such as COVID-19 response, earthquake preparedness, and the rollout of regional behavioral health resources.

## **3. Southern California Association of Governments**

In partnership with the Southern California Association of Governments (SCAG), CVAG serves as the sub-regional coordinator to disseminate SCAG information to the member jurisdictions including information related to the Regional Transportation Plan and the Regional Needs Housing Element (RHNA). One of the initiatives in the coming year will be the completion of two Regional Early Action Planning (REAP) projects, which were approved as a way to help implement funding to address the housing crisis from a planning perspective.

## **4. Pooled Resources for Regional Collaboration**

CVAG's Community Resources budget has historically included the street sweeping program, which is largely funded by the AB 2766 contributions that each jurisdiction provides in order to address the regional arterial roadway system. Future CVAG budgets may detail this funding in a different section of the budget, as decisions on this program are recommended through the Energy & Environmental Resources Committee.

## **Anticipated Milestones for FY 2022/23**

- » Continue a laser focus on the CV 200 services while working with partner agencies and local law enforcement to address non-200 clients who engage with the Mobile Access Center.
- » Secure multi-year support from member jurisdictions and partner organizations to mirror the direction provided by the Executive Committee.
- » Bolster resources available in the Coachella Valley, including behavioral health resources.
- » Complete the two REAP-funded projects and provide additional data and resources for the Coachella Valley to use in order to address affordable housing issues.
- » Finalize the street sweeping effectiveness study and provide a data-driven long-term recommendation.

## Community Resources Budget by Cost Center

	Bus Pass / Homeless	AB 2766	Street Sweeping	Lawn Scalping	Total
<b>Beginning Fund Balance</b>	<b>\$2,166,749</b>	<b>\$435,574</b>	<b>\$67,169</b>	<b>\$589</b>	<b>\$2,670,081</b>
<b>Revenues / Funding Source</b>					
AB 2766	-	\$420,374	-	-	\$420,374
AQMD-Street Sweeping	-	-	\$220,000	-	\$220,000
Air Quality Enhancement/Colmac	-	-	\$150,000	\$40,000	\$190,000
Bus Pass Program Contributions	-	-	-	-	-
Homeless Funding	\$1,455,678	-	-	-	\$1,455,678
Other Revenues	\$39,000	-	\$24,063	-	\$63,063
Investment Income	\$23,306	\$257	\$7,460	-	\$31,023
<b>Total Revenues / Funding Source</b>	<b>\$1,517,984</b>	<b>\$420,631</b>	<b>\$401,523</b>	<b>\$40,000</b>	<b>\$2,380,138</b>
<b>Expenditures / Expenditure</b>					
<b>Personnel</b>					
Salaries	\$527,584	\$32,790	\$24,787	\$8,405	\$593,567
Benefits	\$250,436	\$10,940	\$8,874	\$2,635	\$272,885
<b>Total Personnel</b>	<b>\$778,020</b>	<b>\$43,730</b>	<b>\$33,662</b>	<b>\$11,040</b>	<b>\$866,452</b>
<b>Non-Personnel</b>					
Office Operations	\$58,227	\$3,126	\$1,696	\$454	\$63,502
Meeting Attendance Stipends	\$2,976	\$3,862	\$107	\$28	\$6,973
Employee Travel or Training	\$26,608	\$661	\$433	\$96	\$27,798
Facility Expenses	\$328,035	\$2,492	\$5,413	\$357	\$336,297
Professional Services	\$92,490	\$1,945	\$791	\$208	\$95,433
<b>Total Non-Personnel</b>	<b>\$508,336</b>	<b>\$12,086</b>	<b>\$8,440</b>	<b>\$1,143</b>	<b>\$530,005</b>
<b>Project/Program</b>					
Consultants/Service Providers	-	\$3,000	-	\$40,000	\$43,000
Construction/Project Costs	\$62,200	-	\$659,319	-	\$721,519
Rapids Resolutions - CVHF	\$100,000	-	-	-	\$100,000
Mobile Access Center - CVHF	\$22,500	-	-	-	\$22,500
Fixed Assets	-	-	-	-	-
<b>Total Project/Program</b>	<b>\$184,700</b>	<b>\$3,000</b>	<b>\$659,319</b>	<b>\$40,000</b>	<b>\$887,019</b>
<b>Other</b>					
Operating Transfers Out	-	\$312,081	-	-	\$312,081
Operating Transfers In	-	-	(\$299,898)	(\$12,183)	(\$312,081)
<b>Total Other</b>	<b>-</b>	<b>\$312,081</b>	<b>(\$299,898)</b>	<b>(\$12,183)</b>	<b>-</b>
<b>Total Expenditures / Expenditure</b>	<b>\$1,471,056</b>	<b>\$370,897</b>	<b>\$401,523</b>	<b>\$40,000</b>	<b>\$2,283,476</b>
<b>Net Excess (Deficit)</b>	<b>\$46,928</b>	<b>\$49,734</b>	<b>-</b>	<b>-</b>	<b>\$96,662</b>
<b>Ending Fund Balance</b>	<b>\$2,213,677</b>	<b>\$485,308</b>	<b>\$67,169</b>	<b>\$589</b>	<b>\$2,766,743</b>







# Energy & Sustainability

## Big Picture

### Enhancing Our Environment

The Energy & Sustainability staff coordinates programs that include: sustainability, water conservation, recycling/reuse of resources, air quality, and other environmental programs. The E&E Department supports the Energy & Environmental Resources Committee, which includes all CVAG member jurisdictions and Coachella Valley Water District, Mission Springs Water District, Imperial Irrigation District as voting members, and Desert Water Agency as a non-voting member. CVAG also leads regional conversations through its staff-level roundtables, including discussing ways to reduce greenhouse gases through recycling and the reduction of solid wastes delivered to landfills.

### Locally Controlled Energy Efficiency Investments

The Inland Regional Energy Network (I-REN) is a consortium of CVAG, the Western Riverside Council of Governments, and the San Bernardino Council of Governments to serve the counties of San Bernardino and Riverside. These partners have joined together to establish locally administered, designed, and delivered energy efficiency programs and support to fill gaps in existing energy efficiency programs, address the needs of underserved customers, and ensure affordable access to energy efficiency programs across the region.

The goal was to fill some of the funding gaps resulting from declining funding from the California Public Utilities Commission (CPUC) for Local Government Partnerships and energy efficiency programs and the end of the ten-year Desert Cities Energy Partnership funding. The CPUC approved the I-REN business plan in November 2021,

including funding for both programs and additional staffing. Coordination of this program also coincides with CVAG's staffing of Desert Community Energy.

### Support Property Owner Investments in Clean Energy

PACE, or Property Assessed Clean Energy, is a program that allows property owners, both residential and commercial, to finance energy improvement measures on a property and pay those improvements back through their property taxes. This type of program aims to enable property owners to improve their quality of life without upfront costs and pay them back gradually over time, usually with the energy savings of the improvements offsetting the increase in the annual tax bills.

### Coordination of Longstanding Community Recycling Programs

CVAG leads several regional programs for recycling. The CVAG Waste Tire Amnesty programs are funded by grants received from CalRecycle to host tire collection events in the Coachella Valley. These events are an opportunity for residents to conveniently bring unwanted tires to be recycled properly, rather than discarded improperly or illegally dumped on vacant lands.

CVAG also spearheads a used oil recycling program funded by grants received from CalRecycle to host oil collection events in the Coachella Valley. These events are a place where residents can conveniently bring used oil and oil filters to be recycled rather than improperly discarded or illegally dumped.

### Improving Air Quality

Several CVAG-led programs are designed to improve the air quality in the Coachella Valley and reduce the impacts







of PM10 through regional coordination. These include the Coachella Valley's regional street sweeping program. This program has historically been included in the community resources budget, but future CVAG budgets may detail this funding in this section of the budget as decisions on this program have been recommended through the Energy & Environmental Resources Committee.

## **Core Program Areas**

The Work Plan for Fiscal Year 2022/23 is separated into the following core program areas:

### **1. Project Management and Contract Administration**

The Energy & Sustainability staff leads the implementation of several regional programs, including PACE programs, that encourage awareness about energy use and initiate, encourage, and promote energy conservation and energy efficiency initiatives within the Coachella Valley and Palo Verde Valley. This work also results in coordinating the implementation of green building, energy efficiency, and zero net energy buildings. Additional project and contract management work is done for numerous recycling programs, including used oil and tires. Other programs, such as encouraging a regional implementation of the urban greening guide, will enhance awareness of climate change and promote ways to reduce greenhouse gas emissions.

### **2. Launch of the I-REN**

The launch of the I-REN will be a massive undertaking for CVAG's Energy & Sustainability staff. The \$65.968 million budget, which spans over six years, includes funding for administering programs. Staff time is currently focused on establishing governance and drafting initial programs.

I-REN will concentrate its activities on three distinct areas: Public Sector, Codes & Standards, and Workforce Education & Training. The vision of the I-REN is to connect residents, businesses, and local governments to a wide range of energy efficiency resources to increase energy savings and equitable access throughout Riverside and San Bernardino Counties.

CVAG is currently taking the lead on programs related to Codes & Standards, which involves working closely with local government building staff such as the Planning and Building Departments to offer resources that will help support, train, and enable long-term streaming of energy

code compliance. This can include in-person training and online software systems to assist with building permits for energy projects such as cool roofs, HVACs, and solar/micro-grids systems.

### **3. Coordinate the Coachella Valley Energy Commission**

CVAG has entered into a staffing agreement with Imperial Irrigation District (IID) as it explores collaborative solutions with local cities and other partners to ensure electricity service is maintained for Riverside County customers after the expiration of the 1934 Agreement of Compromise between IID and Coachella Valley Water District. The CVEC was formed to address concerns related to infrastructure needs in the Coachella Valley, but most importantly, to address representation and governance options for IID's Coachella Valley ratepayers.

### **4. Sustainable Resource Use**

CVAG jurisdictions have made significant efforts to promote sustainable resource use. CVAG staff continues to support this initiative and identify future opportunities to promote sustainable resource use, including but not limited to the implementation of the Regional Plug-in Electric Vehicle Readiness Plan.

### **5. Air Quality Programs**

The goals of the Air Quality program are to improve the air quality in the Coachella Valley and reduce the impacts of PM10 through regional coordination. In addition to running the regional street sweeping program, CVAG staff supports the implementation of the Community Air Monitoring Plans for the Eastern Coachella Valley that will track air quality actions prioritized by the community to reduce local exposure to harmful air pollutants. Resources are also dedicated to monitoring the implementation of South Coast Air Quality Management District's Coachella Valley Extreme Area Ozone Plan. Resources are also dedicated to addressing issues raised by member jurisdictions, such as evaluating the use of and impact of gas-powered leaf blowers.

### **6. Support Efforts to Revitalize the Salton Sea**

CVAG and its Energy & Environmental Resources Committee have been strong supporters of the efforts to maintain and revitalize the Salton Sea. Staff time includes providing letters of support and facilitating information to the member jurisdictions about various efforts, including the North Lake Concept being developed by the Salton



Sea Authority. Additionally, CVAG staff tracks and provides committee members with updates on issues of regional significance, including geothermal and energy development in the Salton Sea region and exploration of the concept of importation of ocean water from the Sea of Cortez as part of the restoration of the Salton Sea.

#### **7. Staff Resources for Sister Agencies**

Through staffing agreements, CVAG also administers two other joint powers authorities.

The department supports the Coachella Valley Conservation Commission (CVCC) in implementing the Coachella Valley Multiple Species Habitat Conservation Plan. The CVCC is responsible for a successful land acquisition program and the management of conservation lands. The CVCC also coordinates the biological monitoring of the 27 animal and plant species and 27 natural communities covered by

the plan. Since 1996, the baseline year for the CVMSHCP, more than 100,000 acres of conservation lands have been acquired.

CVAG also is the staff for Desert Community Energy (DCE), a Community Choice Energy program (also known as Community Choice Aggregation) made up of the cities of Palm Springs and Palm Desert. Community Choice Energy programs are legal entities that allow communities to source their own electricity, putting an end to the monopolies held by traditional Investor-Owned Utilities. DCE launched its service in the City of Palm Springs in April 2020.



## Energy & Sustainability Budget by Cost Center

	CVCC	AB 939	PACE	Aerial Photo	Tire Recycle	DCE	I-REN	Used Oil Recycling	Total
<b>Beginning Fund Balance</b>	<b>\$32,332</b>	<b>\$23,400</b>	<b>\$13,976</b>	<b>\$24,039</b>	-	-	-	<b>\$20,062</b>	<b>\$113,809</b>
<b>Revenues / Funding Source</b>									
Used Oil Grant	-	-	-	-	-	-	-	\$85,800	\$85,800
AB 939	-	\$15,404	-	-	-	-	-	-	\$15,404
CVCC Admin Reimbursement	\$896,361	-	-	-	-	-	-	-	\$896,361
DCE Admin Reimbursement	-	-	-	-	-	\$756,237	-	-	\$756,237
PACE Funding	-	-	\$7,500	-	-	-	-	-	\$7,500
Other Revenues	-	-	-	-	\$50,000	-	-	-	\$50,000
I-REN Admin Reimbursement	-	-	-	-	-	-	\$592,094	-	\$592,094
Investment Income	-	\$739	\$1,953	-	-	-	-	\$2,042	\$4,735
<b>Total Revenues / Funding Source</b>	<b>\$896,361</b>	<b>\$16,144</b>	<b>\$9,453</b>	-	<b>\$50,000</b>	<b>\$756,237</b>	<b>\$592,094</b>	<b>\$87,842</b>	<b>\$2,408,131</b>
<b>Expenditures / Expenditure</b>									
<b>Personnel</b>									
Salaries	\$535,110	\$10,331	\$7,379	-	\$11,867	\$494,708	\$385,934	\$13,360	\$1,458,688
Benefits	\$193,494	\$8,198	\$2,980	-	\$4,103	\$157,541	\$135,153	\$4,840	\$506,308
<b>Total Personnel</b>	<b>\$728,604</b>	<b>\$18,529</b>	<b>\$10,358</b>	-	<b>\$15,970</b>	<b>\$652,248</b>	<b>\$521,087</b>	<b>\$18,200</b>	<b>\$1,964,996</b>
<b>Non-Personnel</b>									
Office Operations	\$69,250	\$2,140	\$1,972	-	\$952	\$38,559	\$30,257	\$8,520	\$151,650
Meeting Attendance Stipends	\$3,768	\$3,802	\$112	-	\$65	\$2,408	-	\$117	\$10,272
Employee Travel or Training	\$18,053	\$1,010	\$174	-	\$188	\$6,906	\$5,258	\$201	\$31,790
Facility Expenses	\$48,147	\$1,728	\$1,426	-	\$845	\$38,629	\$22,466	\$1,501	\$114,741
Professional Services	\$28,540	\$1,004	\$826	-	\$483	\$17,486	\$13,027	\$870	\$62,236
<b>Total Non-Personnel</b>	<b>\$167,757</b>	<b>\$9,684</b>	<b>\$4,510</b>	-	<b>\$2,532</b>	<b>\$103,989</b>	<b>\$71,007</b>	<b>\$11,209</b>	<b>\$370,688</b>
<b>Project / Program</b>									
Consultants/Service Providers	-	-	\$5,000	-	\$27,865	-	-	\$69,200	\$102,065
Construction/Project Costs	-	\$1,500	-	\$10,000	\$8,585	-	-	\$15,000	\$35,085
Fixed Assets	-	-	-	-	-	-	-	-	-
<b>Total Project / Program</b>	-	<b>\$1,500</b>	<b>\$5,000</b>	<b>\$10,000</b>	<b>\$36,450</b>	-	-	<b>\$84,200</b>	<b>\$137,150</b>
<b>Other</b>									
Operating Transfers Out	-	\$14,761	-	-	-	-	-	-	\$14,761
Operating Transfers In	-	(\$4,930)	-	-	(\$4,952)	-	-	(\$9,809)	(\$19,691)
<b>Total Other</b>	-	<b>\$9,831</b>	-	-	<b>(\$4,952)</b>	-	-	<b>(\$9,809)</b>	<b>(\$4,930)</b>
<b>Total Expenditures / Expenditure</b>	<b>\$896,361</b>	<b>\$39,543</b>	<b>\$19,868</b>	<b>\$10,000</b>	<b>\$50,000</b>	<b>\$756,237</b>	<b>\$592,094</b>	<b>\$103,800</b>	<b>\$2,467,904</b>
<b>Net Excess (Deficit)</b>	-	<b>(\$23,400)</b>	<b>(\$10,415)</b>	<b>(\$10,000)</b>	-	-	-	<b>(\$15,958)</b>	<b>(\$59,774)</b>
<b>Ending Fund Balance</b>	-	-	<b>\$3,561</b>	<b>\$14,039</b>	-	-	-	<b>\$4,104</b>	<b>\$54,035</b>





# Administration

## Big Picture

Staffing three Joint Powers Authorities: CVAG staff provides the day-to-day resources needed to implement programs that the region focuses on improving transportation, conserving precious habitat, promoting green energy solutions, and providing social services to those who are less fortunate. Through staffing agreements, CVAG staff also administer the Coachella Valley Conservation Commission (CVCC) and Desert Community Energy (DCE).

CVAG's Finance/Administration Department serves as the backbone to ensure seamless operations for the various departments and programs. Both CVAG management and the Finance/Administration Department continue to have a conservative and prudent approach to their recommendations. This has been seen in recent financial recommendations related to building fund balances and reducing CVAG's future obligations by paying down unfunded pension liabilities.

## Core Program Areas

The Work Plan for Fiscal Year 2022/23 is separated into the following core program areas:

### 1. General Assembly

The General Assembly is the top policy-making body of CVAG. It has 75 members and is comprised of the Riverside County Board of Supervisors, Mayors, City Councilmembers, and five Tribal Members of each member Tribal Nation. The General Assembly meets annually to elect officers and adopt work plans and a budget for the ensuing year.

### 2. Executive Committee

The Executive Committee is a 19-member, policy-making body of CVAG which meets between sessions of the General Assembly. Membership is comprised of the Riverside County Board of Supervisors, Mayors, and Tribal Council Chairs unless a member's jurisdictional body designates another member of the City Council or Tribal Council to serve as the member. Two representatives to the Southern California Association of Governments' Regional Council elected by the cities of the Coachella Valley also serve as non-voting members.

The Executive Committee is the instrument for a regional approach to policy making for the local governments of the Coachella Valley. CVAG's programs have expanded,

contracted, and changed over the decades. What began as a regional planning agency has become less of a planning agency and much more of an agency that also delivers projects and operates programs on a regional level.

CVAG and its associated joint powers agencies — the Coachella Valley Conservation Commission (CVCC) and Desert Community Energy (DCE) — are the lead or implementing agencies related to wide-ranging programs that include, but are not limited to:

- » Constructing transportation infrastructure such as CV Link and CV Sync, the regional signal synchronization project.
- » Implementing air quality programs such as the regional street sweeping program to limit airborne dust.
- » Operating the CV Housing First regional homeless program led by CVAG staff.
- » Buying land through the CVCC and managing thousands of acres of habitat to protect threatened species and implement the Coachella Valley Multiple Species Habitat Conservation Plan.
- » Purchasing carbon free electricity for ratepayers as DCE is the default electric choice in the City of Palm Springs.

## Anticipated Milestones

- » Complete the ongoing Class and Total Compensation Study and work with CVAG's Administrative/ Personnel Committee to implement changes.
- » Streamline operations in the Finance Department to make all three agencies more efficient and effective, including reducing paper use and integrating a system for budgeting and personnel.
- » Address longstanding office needs, including its website and office space, to ensure CVAG is welcome, accessible, and engaging for its member jurisdictions and the general public.
- » Ensure the public's business is being conducted in a transparent and accessible manner, including continued evaluation of videoconferencing for meetings.



## General Fund by Program

	Community Resources	Energy & Sustainability	Administration	Total
<b>Beginning Fund Balance</b>				<b>\$1,897,533</b>
<b>Revenues / Funding Source</b>				
CVAG Dues	\$141,846	\$297,046	\$93,848	\$532,740
Other Revenues	\$5,500	-	-	\$5,500
Investment Income	-	-	\$15,441	\$15,441
<b>Total Revenues / Funding Source</b>	<b>\$147,346</b>	<b>\$297,046</b>	<b>\$109,289</b>	<b>\$553,681</b>
<b>Expenditures / Expenditure</b>				
<b>Personnel</b>				
Salaries	\$31,531	\$84,324	-	\$115,856
Benefits	\$15,234	\$31,393	-	\$46,626
<b>Total Personnel</b>	<b>\$46,765</b>	<b>\$115,717</b>	<b>-</b>	<b>\$162,482</b>
<b>Non-Personnel</b>				
Office Operations	\$5,140	\$8,042	-	\$13,181
Meeting Attendance Stipends	\$17,776	\$3,975	-	\$21,751
Employee Travel or Training	\$1,748	\$1,352	-	\$3,100
Facility Expenses	\$5,625	\$6,243	-	\$11,868
Professional Services	\$3,678	\$3,221	-	\$6,898
<b>Total Non-Personnel</b>	<b>\$33,966</b>	<b>\$22,832</b>	<b>-</b>	<b>\$56,799</b>
<b>Project / Program</b>				
Tenant Improvements	-	-	\$190,169	\$190,169
Fixed Assets	-	-	-	-
<b>Total Project/Program</b>	<b>-</b>	<b>-</b>	<b>\$190,169</b>	<b>\$190,169</b>
<b>Other</b>				
Operating Transfers Out	-	\$4,930	-	\$4,930
Operating Transfers In	-	-	-	-
<b>Total Other</b>	<b>-</b>	<b>\$4,930</b>	<b>-</b>	<b>\$4,930</b>
<b>Total Expenditures / Expenditure</b>	<b>\$80,732</b>	<b>\$143,479</b>	<b>\$190,169</b>	<b>\$414,380</b>
<b>Net Excess (Deficit)</b>	<b>\$66,614</b>	<b>\$153,567</b>	<b>(\$80,880)</b>	<b>\$139,301</b>
<b>Ending Fund Balance</b>				<b>\$2,036,834</b>





# Funds / Cost Centers

This section of the document presents the financial overview of each fund, which can also be considered cost centers for CVAG's various projects and programs. In each report, the proposed FY 2022/23 budget is compared with the financial figures for FY 2020/21, the adopted budget for FY 2021/22 as well as the estimated year-end figures for FY 2021/22.

The budget continues to incorporate CVAG's longstanding focus of relying on outside funding — particularly grants, and state and federal funds — to fund projects, programs, and the related administrative costs.



## 101 - General Fund

	FY2020/21 Actual	FY2021/22 Budget	FY2021/22 Yr. End Est.	FY2022/23 Budget
<b>BEGINNING FUND BALANCE</b>	\$ 1,432,548	\$ 1,497,982	\$ 1,595,945	\$ 1,897,533
<b>Revenues / Funding Source</b>				
CVAG Dues	\$ 450,834	\$ 465,867	\$ 465,869	\$ 532,740
Other Revenues	\$ 7,155	\$ 18,667	\$ 18,244	\$ 5,500
Investment Income	\$ 3,406	\$ 6,019	\$ 1,655	\$ 15,441
Total Revenues / Funding Source	\$ 461,395	\$ 490,553	\$ 485,768	\$ 553,681
<b>Expenditures / Expenditure</b>				
Personnel				
Salaries	\$ 155,688	\$ 102,300	\$ 92,066	\$ 115,856
Benefits	\$ 88,520	\$ 46,462	\$ 39,389	\$ 46,626
Total Personnel	\$ 244,207	\$ 148,762	\$ 131,455	\$ 162,482
Non-Personnel				
Office Operations	\$ 11,259	\$ 28,506	\$ 3,580	\$ 13,181
Meeting Attendance Stipends	\$ 9,537	\$ 21,751	\$ 11,316	\$ 21,751
Employee Travel or Training	\$ 2,740	\$ 2,969	\$ 947	\$ 3,100
Facility Expenses	\$ 19,777	\$ 9,566	\$ 12,778	\$ 11,868
Professional Services	\$ 8,504	\$ 9,498	\$ 4,214	\$ 6,898
Total Non-Personnel	\$ 51,817	\$ 72,290	\$ 32,835	\$ 56,799
Project/Program				
Tenant Improvements	-	\$ 195,000	\$ 19,890	\$ 190,169
Fixed Assets	\$ 1,062	-	-	-
Total Project/Program	\$ 1,062	\$ 195,000	\$ 19,890	\$ 190,169
Other				
Operating Transfers Out	-	\$ 2,408	-	\$ 4,930
Operating Transfers In	\$ 913	-	-	-
Total Other	\$ 913	\$ 2,408	-	\$ 4,930
Total Expenditures / Expenditure	\$ 297,999	\$ 418,460	\$ 184,180	\$ 414,380
<b>Net Excess (Deficit)</b>	\$ 163,397	\$ 72,093	\$ 301,588	\$ 139,301
<b>ENDING FUND BALANCE</b>	\$ 1,595,945	\$ 1,570,075	\$ 1,897,533	\$ 2,036,834



## 202 - PACE

	FY2020/21 Actual	FY2021/22 Budget	FY2021/22 Yr. End Est.	FY2022/23 Budget
<b>BEGINNING FUND BALANCE</b>	\$ 147,649	\$ 116,056	\$ 62,407	\$ 13,976
<b><u>Revenues / Funding Source</u></b>				
Investment Income	\$ 431	\$ 256	\$ 209	\$ 1,953
PACE Funding	\$ 3,667	\$ 7,500	\$ 621	\$ 7,500
Total Revenues / Funding Source	\$ 4,097	\$ 7,756	\$ 831	\$ 9,453
<b><u>Expenditures / Expenditure</u></b>				
Personnel				
Salaries	\$ 28,057	\$ 14,451	\$ 15,695	\$ 7,379
Benefits	\$ 12,013	\$ 6,359	\$ 5,508	\$ 2,980
Total Personnel	\$ 40,070	\$ 20,810	\$ 21,204	\$ 10,358
Non-Personnel				
Office Operations	\$ 2,203	\$ 1,357	\$ 686	\$ 1,972
Meeting Attendance Stipends	\$ 148	\$ 112	\$ 68	\$ 112
Employee Travel or Training	\$ 211	\$ 247	\$ 138	\$ 174
Facility Expenses	\$ 3,168	\$ 1,340	\$ 1,736	\$ 1,426
Professional Services	\$ 1,490	\$ 1,190	\$ 1,052	\$ 826
Total Non-Personnel	\$ 7,219	\$ 4,246	\$ 3,680	\$ 4,510
Project/Program				
Consultants/Service Providers	\$ 41,694	\$ 5,000	\$ 24,378	\$ 5,000
Fixed Assets	\$ 356	-	-	-
Total Project/Program	\$ 42,050	\$ 5,000	\$ 24,378	\$ 5,000
Total Expenditures / Expenditure	\$ 89,339	\$ 30,056	\$ 49,262	\$ 19,868
<b>Net Excess (Deficit)</b>	<b>(\$ 85,242)</b>	<b>(\$ 22,300)</b>	<b>(\$ 48,431)</b>	<b>(\$ 10,415)</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 62,407</b>	<b>\$ 93,756</b>	<b>\$ 13,976</b>	<b>\$ 3,561</b>





## 203 - Aerial Photography

	FY2020/21 Actual	FY2021/22 Budget	FY2021/22 Yr. End Est.	FY2022/23 Budget
<b>BEGINNING FUND BALANCE</b>	\$ 24,039	\$ 23,379	\$ 24,039	\$ 24,039
Expenditures / Expenditure				
Project/Program				
Construction/Project Costs	-	\$ 2,500	-	\$ 10,000
Total Project/Program	-	\$ 2,500	-	\$ 10,000
Total Expenditures / Expenditure	-	\$ 2,500	-	\$ 10,000
<b>Net Excess (Deficit)</b>	-	(\$ 2,500)	-	(\$ 10,000)
<b>ENDING FUND BALANCE</b>	\$ 24,039	\$ 20,879	\$ 24,039	\$ 14,039





## 205 - Homeless

	FY2020/21 Actual	FY2021/22 Budget	FY2021/22 Yr. End Est.	FY2022/23 Budget
<b>BEGINNING FUND BALANCE</b>	\$ 873,054	\$ 923,413	\$ 1,788,700	\$ 2,166,749
<b><u>Revenues / Funding Source</u></b>				
Bus Pass Program Contributions	\$ 2,500	-	\$ 27,000	-
Homeless Funding	\$ 2,180,083	\$ 1,725,000	\$ 1,576,808	\$ 1,455,678
Other Revenues	\$ 357	\$ 36,000	\$ 108	\$ 39,000
Investment Income	\$ 5,141	\$ 2,833	\$ 2,498	\$ 23,306
Total Revenues / Funding Source	\$ 2,188,082	\$ 1,763,833	\$ 1,606,413	\$ 1,517,984
<b><u>Expenditures / Expenditure</u></b>				
Personnel				
Salaries	\$ 148,834	\$ 365,025	\$ 420,826	\$ 527,584
Benefits	\$ 72,428	\$ 204,967	\$ 179,725	\$ 250,436
Total Personnel	\$ 221,262	\$ 569,992	\$ 600,552	\$ 778,020
Non-Personnel				
Office Operations	\$ 21,887	\$ 42,523	\$ 27,105	\$ 58,227
Meeting Attendance Stipends	\$ 820	\$ 2,976	\$ 1,829	\$ 2,976
Employee Travel or Training	\$ 11,095	\$ 19,458	\$ 29,603	\$ 26,608
Facility Expenses	\$ 236,723	\$ 36,470	\$ 340,567	\$ 328,035
Professional Services	\$ 717,289	\$ 68,766	\$ 75,392	\$ 92,490
Total Non-Personnel	\$ 987,815	\$ 170,193	\$ 474,497	\$ 508,336
Project/Program				
Consultants/Service Providers	\$ 250	-	-	-
Construction/Project Costs	\$ 39,396	\$ 568,147	\$ 58,816	\$ 62,200
Rapids Resolutions - CVHF	\$ 20,749	-	\$ 70,000	\$ 100,000
Mobile Access Center - CVHF	-	-	\$ 24,500	\$ 22,500
Fixed Assets	\$ 2,964	-	-	-
Total Project/Program	\$ 63,359	\$ 568,147	\$ 153,316	\$ 184,700
Total Expenditures / Expenditure	\$ 1,272,436	\$ 1,308,332	\$ 1,228,365	\$ 1,471,056
<b>Net Excess (Deficit)</b>	\$ 915,646	\$ 455,501	\$ 378,049	\$ 46,928
<b>ENDING FUND BALANCE</b>	\$ 1,788,700	\$ 1,378,914	\$ 2,166,749	\$ 2,213,677



## 207 - Tire Recycling

	FY2020/21 Actual	FY2021/22 Budget	FY2021/22 Yr. End Est.	FY2022/23 Budget
<b>BEGINNING FUND BALANCE</b>	-	-		-
<b>Revenues / Funding Source</b>				
Other Revenues	-	\$ 50,000	\$ 25,000	\$ 50,000
Total Revenues / Funding Source	-	\$ 50,000	\$ 25,000	\$ 50,000
<b>Expenditures / Expenditure</b>				
Personnel				
Salaries	\$ 4,661	\$ 9,031	\$ 2,527	\$ 11,867
Benefits	\$ 2,001	\$ 3,365	\$ 817	\$ 4,103
Total Personnel	\$ 6,662	\$ 12,397	\$ 3,345	\$ 15,970
Non-Personnel				
Office Operations	\$ 282	\$ 745	\$ 43	\$ 952
Meeting Attendance Stipends	\$ 24	\$ 65	\$ 5	\$ 65
Employee Travel or Training	\$ 32	\$ 144	\$ 10	\$ 188
Facility Expenses	\$ 549	\$ 782	\$ 133	\$ 845
Professional Services	\$ 236	\$ 696	\$ 44	\$ 483
Total Non-Personnel	\$ 1,123	\$ 2,432	\$ 234	\$ 2,532
Project/Program				
Consultants/Service Providers	-	\$ 27,927	\$ 2,984	\$ 27,865
Construction/Project Costs	-	\$ 10,000	\$ 25,453	\$ 8,585
Fixed Assets	\$ 40	-	-	-
Total Project/Program	\$ 40	\$ 37,928	\$ 28,438	\$ 36,450
Other				
Operating Transfers In	(\$ 7,824)	(\$ 2,757)	(\$ 7,016)	(\$ 4,952)
Total Other	(\$ 7,824)	(\$ 2,757)	(\$ 7,016)	(\$ 4,952)
Total Expenditures / Expenditure	-	\$ 50,000	\$ 25,000	\$ 50,000
<b>Net Excess (Deficit)</b>	-	-	-	-
<b>ENDING FUND BALANCE</b>	-	-	-	-





## 210 - Desert Community Energy

	FY2020/21 Actual	FY2021/22 Budget	FY2021/22 Yr. End Est.	FY2022/23 Budget
<b>BEGINNING FUND BALANCE</b>	-	-	-	-
<b>Revenues / Funding Source</b>				
DCE Administrative Reimbursement	\$ 563,921	\$ 549,909	\$ 649,535	\$ 756,237
Other Revenues	-	-	-	-
Total Revenues / Funding Source	\$ 563,921	\$ 549,909	\$ 649,535	\$ 756,237
<b>Expenditures / Expenditure</b>				
Personnel				
Salaries	\$ 271,442	\$ 344,141	\$ 413,205	\$ 494,708
Benefits	\$ 130,095	\$ 110,461	\$ 124,506	\$ 157,541
Total Personnel	\$ 401,537	\$ 454,603	\$ 537,711	\$ 652,248
Non-Personnel				
Office Operations	\$ 18,401	\$ 23,911	\$ 15,428	\$ 38,559
Meeting Attendance Stipends	\$ 1,406	\$ 2,408	\$ 1,760	\$ 2,408
Employee Travel or Training	\$ 1,948	\$ 5,348	\$ 3,577	\$ 6,906
Facility Expenses	\$ 31,362	\$ 28,935	\$ 41,099	\$ 38,629
Professional Services	\$ 106,444	\$ 34,703	\$ 49,960	\$ 17,486
Total Non-Personnel	\$ 159,561	\$ 95,306	\$ 111,824	\$ 103,989
Project/Program				
Fixed Assets	\$ 2,823	-	-	-
Total Project/Program	\$ 2,823	-	-	-
Total Expenditures / Expenditure	\$ 563,921	\$ 549,909	\$ 649,535	\$ 756,237
<b>Net Excess (Deficit)</b>	-	-	-	-
<b>ENDING FUND BALANCE</b>	-	-	-	-



## 211 - I-REN

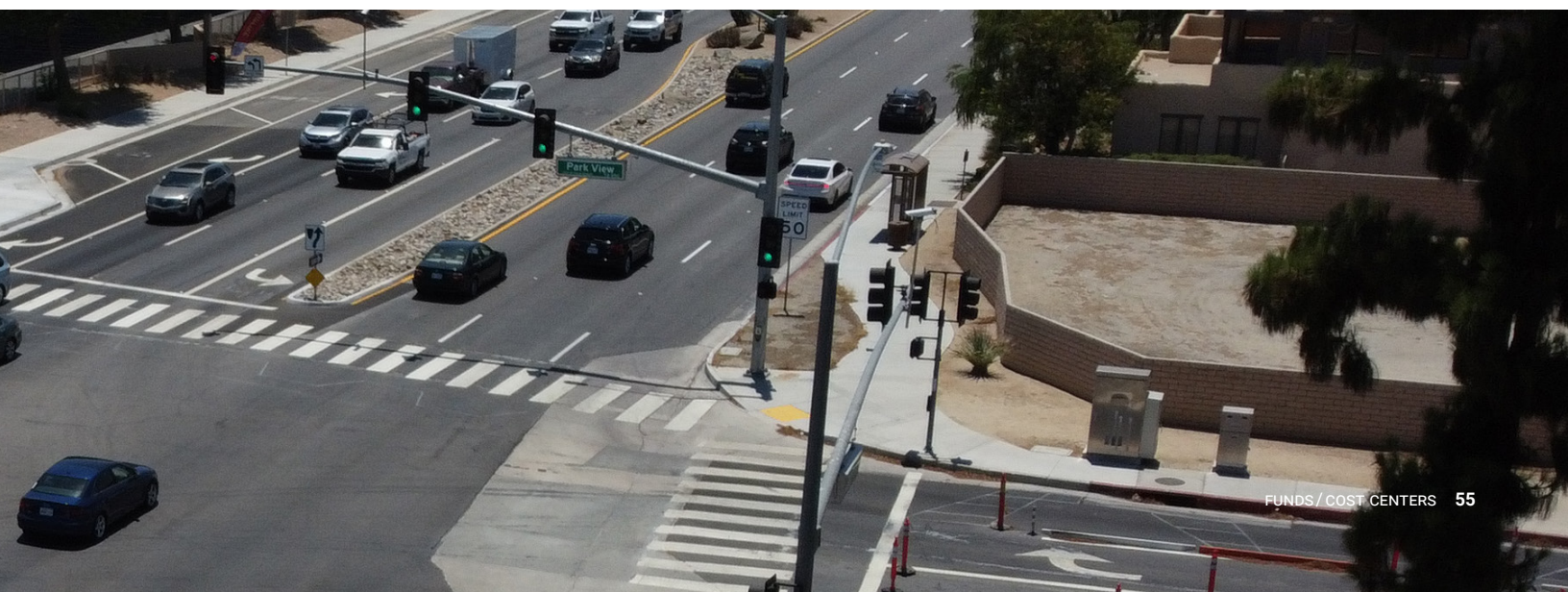
	FY2020/21 Actual	FY2021/22 Budget	FY2021/22 Yr. End Est.	FY2022/23 Budget
<b>BEGINNING FUND BALANCE</b>				-
<b><u>Revenues / Funding Source</u></b>				
Other Revenues	-	-	-	-
I-REN Admin Reimbursement	-	-	\$ 27,526	\$ 592,094
Total Revenues / Funding Source	-	-	\$ 27,526	\$ 592,094
<b><u>Expenditures / Expenditure</u></b>				
Personnel				
Salaries	-	-	\$ 22,041	\$ 385,934
Benefits	-	-	\$ 4,843	\$ 135,153
Total Personnel	-	-	\$ 26,884	\$ 521,087
Non-Personnel				
Office Operations	-	-	\$ 117	\$ 30,257
Meeting Attendance Stipends	-	-	\$ 13	-
Employee Travel or Training	-	-	\$ 27	\$ 5,258
Facility Expenses	-	-	\$ 364	\$ 22,466
Professional Services	-	-	\$ 121	\$ 13,027
Total Non-Personnel	-	-	\$ 642	\$ 71,007
Total Expenditures / Expenditure	-	-	\$ 27,526	\$ 592,094
<b>Net Excess (Deficit)</b>	-	-	-	-
<b>ENDING FUND BALANCE</b>	-	-	-	-





## 301 - AB 2766

	FY2020/21 Actual	FY2021/22 Budget	FY2021/22 Yr. End Est.	FY2022/23 Budget
<b>BEGINNING FUND BALANCE</b>	\$ 63,672	\$ 225,347	\$ 325,048	\$ 435,574
<b>Revenues / Funding Source</b>				
AB2766	\$ 513,027	\$ 428,000	\$ 430,431	\$ 420,374
Investment Income	-	\$ 289	\$ 175	\$ 257
Total Revenues / Funding Source	\$ 513,027	\$ 428,289	\$ 430,606	\$ 420,631
<b>Expenditures / Expenditure</b>				
Personnel				
Salaries	\$ 9,823	\$ 24,465	\$ 14,326	\$ 32,790
Benefits	\$ 4,922	\$ 11,672	\$ 4,939	\$ 10,940
Total Personnel	\$ 14,745	\$ 36,137	\$ 19,265	\$ 43,730
Non-Personnel				
Office Operations	\$ 619	\$ 1,986	\$ 489	\$ 3,126
Meeting Attendance Stipends	\$ 1,151	\$ 3,862	\$ 2,013	\$ 3,862
Employee Travel or Training	\$ 83	\$ 634	\$ 127	\$ 661
Facility Expenses	\$ 1,134	\$ 2,344	\$ 1,433	\$ 2,492
Professional Services	\$ 495	\$ 2,582	\$ 567	\$ 1,945
Total Non-Personnel	\$ 3,482	\$ 11,408	\$ 4,628	\$ 12,086
Project/Program				
Consultants/Service Providers	\$ 1,780	\$ 3,000	\$ 1,000	\$ 3,000
Fixed Assets	\$ 103	-	-	-
Total Project/Program	\$ 1,883	\$ 3,000	\$ 1,000	\$ 3,000
Other				
Operating Transfers Out	\$ 231,542	\$ 269,402	\$ 295,186	\$ 312,081
Operating Transfers In	-	-	-	-
Total Other	\$ 231,542	\$ 269,402	\$ 295,186	\$ 312,081
Total Expenditures / Expenditure	\$ 251,652	\$ 319,947	\$ 320,079	\$ 370,897
<b>Net Excess (Deficit)</b>	\$ 261,376	\$ 108,342	\$ 110,526	\$ 49,734
<b>ENDING FUND BALANCE</b>	\$ 325,048	\$ 333,689	\$ 435,574	\$ 485,308



## 321 - Used Oil Recycling Grant

	FY2020/21 Actual	FY2021/22 Budget	FY2021/22 Yr. End Est.	FY2022/23 Budget
<b>BEGINNING FUND BALANCE</b>	\$ 84,778	\$ 110,115	\$ 44,423	\$ 20,062
<b><u>Revenues / Funding Source</u></b>				
Used Oil Grant	\$ 50,343	\$ 89,750	\$ 79,790	\$ 85,800
Investment Income	\$ 451	\$ 217	\$ 219	\$ 2,042
Total Revenues / Funding Source	\$ 50,794	\$ 89,967	\$ 80,009	\$ 87,842
<b><u>Expenditures / Expenditure</u></b>				
Personnel				
Salaries	\$ 6,020	\$ 15,585	\$ 10,731	\$ 13,360
Benefits	\$ 2,955	\$ 6,392	\$ 3,692	\$ 4,840
Total Personnel	\$ 8,975	\$ 21,977	\$ 14,423	\$ 18,200
Non-Personnel				
Office Operations	\$ 5,323	\$ 15,915	\$ 5,809	\$ 8,520
Meeting Attendance Stipends	\$ 31	\$ 117	\$ 41	\$ 117
Employee Travel or Training	\$ 44	\$ 261	\$ 83	\$ 201
Facility Expenses	\$ 708	\$ 1,412	\$ 955	\$ 1,501
Professional Services	\$ 305	\$ 1,254	\$ 368	\$ 870
Total Non-Personnel	\$ 6,411	\$ 18,959	\$ 7,256	\$ 11,209
Project/Program				
Consultants/Service Providers	\$ 77,655	\$ 63,500	\$ 88,055	\$ 69,200
Construction/Project Costs	\$ 2,934	\$ 15,000	-	\$ 15,000
Fixed Assets	\$ 52	-	-	-
Total Project/Program	\$ 80,641	\$ 78,500	\$ 88,055	\$ 84,200
Other				
Operating Transfers In	(\$ 4,877)	(\$ 5,196)	(\$ 5,365)	(\$ 9,809)
Total Other	(\$ 4,877)	(\$ 5,196)	(\$ 5,365)	(\$ 9,809)
Total Expenditures / Expenditure	\$ 91,149	\$ 114,240	\$ 104,370	\$ 103,800
<b>Net Excess (Deficit)</b>	(\$ 40,355)	(\$ 24,273)	(\$ 24,361)	(\$ 15,958)
<b>ENDING FUND BALANCE</b>	\$ 44,423	\$ 85,842	\$ 20,062	\$ 4,104





## 411 - SCAG

	FY2020/21 Actual	FY2021/22 Budget	FY2021/22 Yr. End Est.	FY2022/23 Budget
<b>BEGINNING FUND BALANCE</b>	-	-	-	-
<b>Revenues / Funding Source</b>				
SCAG	-	\$ 279,000	\$ 356,324	\$ 217,581
Total Revenues / Funding Source	-	\$ 279,000	\$ 356,324	\$ 217,581
<b>Expenditures / Expenditure</b>				
Personnel				
Salaries	\$ 2,202	\$ 5,113	\$ 8,700	\$ 9,525
Benefits	\$ 640	\$ 1,658	\$ 2,659	\$ 2,854
Total Personnel	\$ 2,841	\$ 6,771	\$ 11,359	\$ 12,379
Non-Personnel				
Office Operations	\$ 202	\$ 353	\$ 411	\$ 584
Meeting Attendance Stipends	\$ 13	\$ 35	\$ 54	\$ 35
Employee Travel or Training	\$ 21	\$ 1,279	\$ 109	\$ 1,339
Facility Expenses	\$ 198	\$ 427	\$ 1,270	\$ 454
Professional Services	\$ 97	\$ 378	\$ 486	\$ 262
Total Non-Personnel	\$ 531	\$ 2,472	\$ 2,330	\$ 2,674
Project/Program				
Consultants/Service Providers	-	\$ 167,400	-	-
Construction/Project Costs	-	\$ 111,600	\$ 356,324	\$ 217,581
Fixed Assets	\$ 72	-	-	-
Total Project/Program	\$ 72	\$ 279,000	\$ 356,324	\$ 217,581
Other				
Operating Transfers In	(\$ 3,443)	(\$ 9,242)	(\$ 13,688)	(\$ 15,053)
Total Other	(\$ 3,443)	(\$ 9,242)	(\$ 13,688)	(\$ 15,053)
Total Expenditures / Expenditure	-	\$ 279,000	\$ 356,324	\$ 217,581
<b>Net Excess (Deficit)</b>	-	-	-	-
<b>ENDING FUND BALANCE</b>	-	-	-	-

## 501 - AB 939

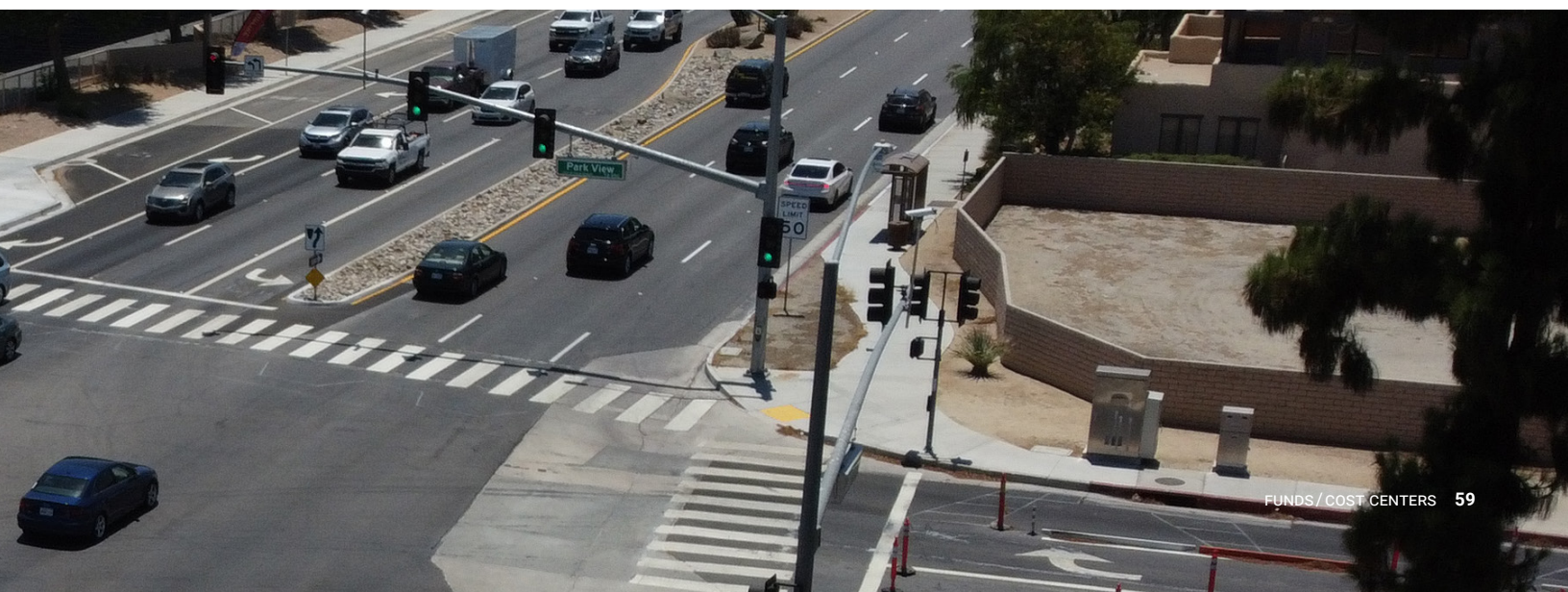
	FY2020/21 Actual	FY2021/22 Budget	FY2021/22 Yr. End Est.	FY2022/23 Budget
<b>BEGINNING FUND BALANCE</b>	\$ 74,514	\$ 81,930	\$ 43,686	\$ 23,400
<b>Revenues / Funding Source</b>				
AB939	-	\$ 31,860	\$ 15,404	\$ 15,404
Investment Income	\$ 163	\$ 240	\$ 79	\$ 739
Total Revenues / Funding Source	\$ 163	\$ 32,100	\$ 15,484	\$ 16,144
<b>Expenditures / Expenditure</b>				
Personnel				
Salaries	\$ 9,722	\$ 17,340	\$ 11,400	\$ 10,331
Benefits	\$ 4,686	\$ 7,685	\$ 4,377	\$ 8,198
Total Personnel	\$ 14,408	\$ 25,025	\$ 15,777	\$ 18,529
Non-Personnel				
Office Operations	\$ 940	\$ 1,394	\$ 3,887	\$ 2,140
Meeting Attendance Stipends	\$ 1,151	\$ 3,802	\$ 1,998	\$ 3,802
Employee Travel or Training	\$ 71	\$ 1,101	\$ 97	\$ 1,010
Facility Expenses	\$ 1,112	\$ 1,626	\$ 1,199	\$ 1,728
Professional Services	\$ 498	\$ 1,446	\$ 432	\$ 1,004
Total Non-Personnel	\$ 3,770	\$ 9,369	\$ 7,612	\$ 9,684
Project/Program				
Construction/Project Costs	-	\$ 1,500	-	\$ 1,500
Fixed Assets	\$ 111	-	-	-
Total Project/Program	\$ 111	\$ 1,500	-	\$ 1,500
Other				
Operating Transfers Out	\$ 12,702	\$ 7,953	\$ 12,381	\$ 14,761
Operating Transfers In	-	-	-	(\$ 4,930)
Total Other	\$ 12,702	\$ 7,953	\$ 12,381	\$ 9,831
Total Expenditures / Expenditure	\$ 30,991	\$ 43,847	\$ 35,770	\$ 39,543
<b>Net Excess (Deficit)</b>	(\$ 30,828)	(\$ 11,747)	(\$ 20,286)	(\$ 23,400)
<b>ENDING FUND BALANCE</b>	\$ 43,686	\$ 70,183	\$ 23,400	-





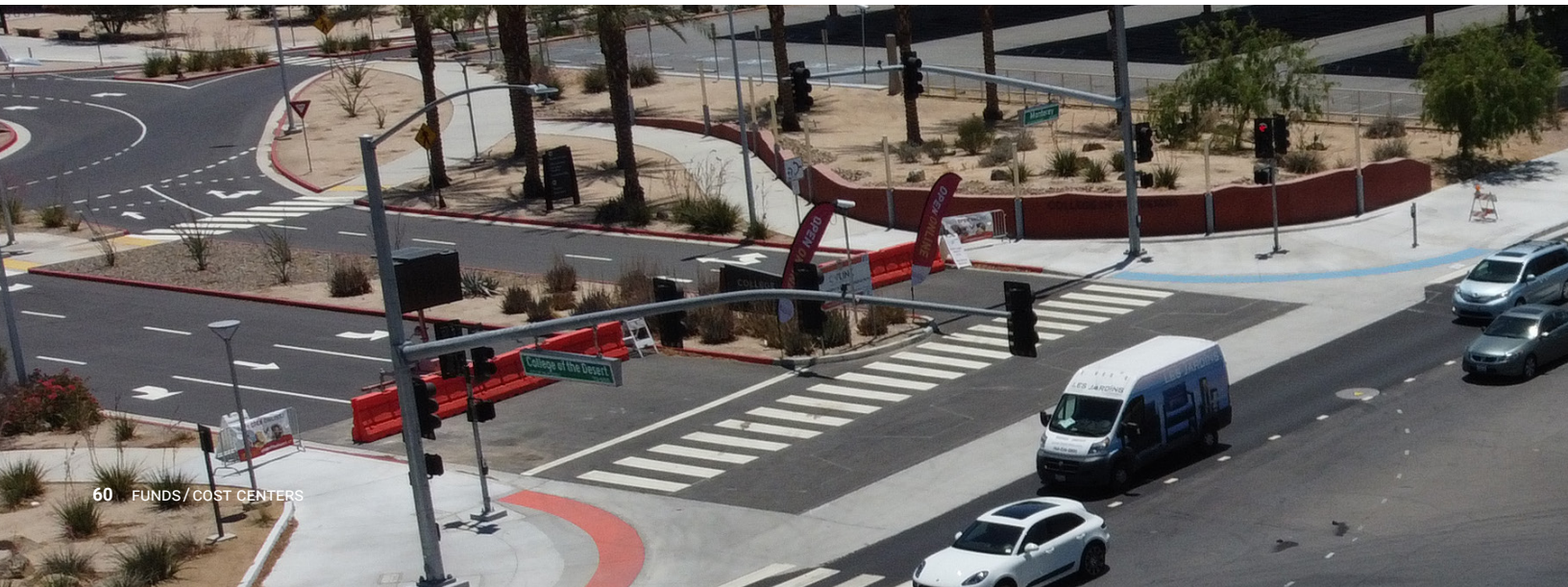
## 601 - TUMF

	FY2020/21 Actual	FY2021/22 Budget	FY2021/22 Yr. End Est.	FY2022/23 Budget
<b>BEGINNING FUND BALANCE</b>	\$ 2,522,851	\$ 3,085,380	\$ 4,649,096	\$ 5,966,858
<b>Revenues / Funding Source</b>				
Measure "A" - "In-Lieu" TUMF Rev	\$ 592,929	-	-	-
TUMF Revenues	\$ 5,897,592	\$ 5,000,000	\$ 6,500,000	\$ 6,746,155
Transportation Local Contribution	\$ 2,310	-	-	-
RCTC PP & M	-	-	-	-
Bus Pass Program Contributions	-	-	-	-
Other Revenues	\$ 208,950	-	-	-
Investment Income	\$ 39,911	\$ 6,684	\$ 11,979	\$ 81,811
Total Revenues / Funding Source	\$ 6,741,691	\$ 5,006,684	\$ 6,511,979	\$ 6,827,966
<b>Expenditures / Expenditure</b>				
Personnel				
Salaries	\$ 195,004	\$ 233,263	\$ 155,938	\$ 324,780
Benefits	\$ 97,920	\$ 101,310	\$ 67,170	\$ 115,016
Total Personnel	\$ 292,924	\$ 334,573	\$ 223,108	\$ 439,796
Non-Personnel				
Office Operations	\$ 13,524	\$ 19,640	\$ 11,339	\$ 31,310
Meeting Attendance Stipends	\$ 3,140	\$ 5,909	\$ 2,182	\$ 6,087
Employee Travel or Training	\$ 1,815	\$ 11,013	\$ 3,588	\$ 12,351
Facility Expenses	\$ 23,502	\$ 21,439	\$ 21,160	\$ 23,440
Professional Services	\$ 50,137	\$ 48,793	\$ 80,488	\$ 50,454
Total Non-Personnel	\$ 92,119	\$ 106,794	\$ 118,756	\$ 123,643
Project/Program				
Consultants/Service Providers	\$ 243,772	\$ 250,000	\$ 13,018	\$ 170,000
Construction/Project Costs	\$ 3,985,239	\$ 3,500,000	\$ 4,839,335	\$ 6,000,000
Fixed Assets	\$ 1,393	-	-	-
Total Project/Program	\$ 4,230,404	\$ 3,750,000	\$ 4,852,353	\$ 6,170,000
Total Expenditures / Expenditure	\$ 4,615,447	\$ 4,191,367	\$ 5,194,217	\$ 6,733,439
<b>Net Excess (Deficit)</b>	\$ 2,126,245	\$ 815,317	\$ 1,317,762	\$ 94,527
<b>ENDING FUND BALANCE</b>	\$ 4,649,096	\$ 3,900,697	\$ 5,966,858	\$ 6,061,385



## 611 - Measure A

	FY2020/21 Actual	FY2021/22 Budget	FY2021/22 Yr. End Est.	FY2022/23 Budget
<b>BEGINNING FUND BALANCE</b>	\$ 53,107,525	\$ 93,501,276	\$ 42,652,766	\$ 37,506,186
<b>Revenues / Funding Source</b>				
Measure "A"	\$ 5,695,212	\$ 21,121,120	\$ 9,343,926	\$ 46,729,882
Transportation Local Contribution	\$ 10,260	\$ 1,076,047	\$ 668,231	\$ 601,408
Loan Repayments	\$ 643,070	\$ 10,421	\$ 10,421	\$ 10,421
RCTC Admin Reimbursements	-	-	\$ 1,917,487	\$ 927,023
RCTC PP & M	\$ 71,373	-	-	-
Investment Income	\$ 229,799	\$ 554,873	\$ 142,086	\$ 827,380
Highway Bridge Program Funds	-	\$ 11,535,112	-	-
Total Revenues / Funding Source	\$ 6,649,714	\$ 34,297,573	\$ 12,082,151	\$ 49,096,114
<b>Expenditures / Expenditure</b>				
Personnel				
Salaries	\$ 308,552	\$ 414,674	\$ 315,889	\$ 524,072
Benefits	\$ 158,882	\$ 180,096	\$ 120,615	\$ 187,033
Total Personnel	\$ 467,433	\$ 594,770	\$ 436,503	\$ 711,105
Non-Personnel				
Office Operations	\$ 12,709	\$ 35,060	\$ 19,696	\$ 55,669
Meeting Attendance Stipends	\$ 5,560	\$ 10,832	\$ 4,032	\$ 11,211
Employee Travel or Training	\$ 2,961	\$ 8,992	\$ 6,620	\$ 10,363
Facility Expenses	\$ 37,258	\$ 38,103	\$ 34,934	\$ 41,849
Professional Services	\$ 90,387	\$ 94,094	\$ 146,326	\$ 97,739
Total Non-Personnel	\$ 148,875	\$ 187,081	\$ 211,607	\$ 216,832
Project/Program				
Debt Service	\$ 3,012,233	\$ 3,012,233	\$ 3,012,233	\$ 3,012,233
Consultants/Service Providers	\$ 1,031,835	\$ 150,000	\$ 22,210	\$ 170,000
Construction/Project Costs	\$ 7,411,009	\$ 33,617,577	\$ 9,343,926	\$ 19,929,882
Fixed Assets	\$ 2,200	-	-	-
Total Project/Program	\$ 11,457,278	\$ 36,779,810	\$ 12,378,369	\$ 23,112,115
Other				
Operating Transfers Out	\$ 4,947,033	\$ 7,870,348	\$ 4,202,251	\$ 26,259,900
Operating Transfers In	\$ 83,854	-	-	-
Total Other	\$ 5,030,887	\$ 7,870,348	\$ 4,202,251	\$ 26,259,900
Total Expenditures / Expenditure	\$ 17,104,473	\$ 45,432,009	\$ 17,228,730	\$ 50,299,952
<b>Net Excess (Deficit)</b>	<b>(\$ 10,454,759)</b>	<b>(\$ 11,134,436)</b>	<b>(\$ 5,146,580)</b>	<b>(\$ 1,203,838)</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 42,652,766</b>	<b>\$ 82,366,840</b>	<b>\$ 37,506,186</b>	<b>\$ 36,302,349</b>





## 612 - LTF / PP&M

	FY2020/21 Actual	FY2021/22 Budget	FY2021/22 Yr. End Est.	FY2022/23 Budget
<b>BEGINNING FUND BALANCE</b>	\$ 588	\$ 635	\$ 765	\$ 4,770
<b><u>Revenues / Funding Source</u></b>				
RCTC PP & M	-	-	\$ 565,000	\$ 214,500
LTF (RCTC)	\$ 369,000	\$ 450,000	\$ 472,500	\$ 479,588
Investment Income	\$ 762	-	\$ 370	\$ 3,454
Total Revenues / Funding Source	\$ 369,762	\$ 450,000	\$ 1,037,870	\$ 697,542
<b><u>Expenditures / Expenditure</u></b>				
Personnel				
Salaries	\$ 4,621	\$ 16,615	\$ 4,175	\$ 11,974
Benefits	\$ 2,439	\$ 6,786	\$ 1,714	\$ 3,921
Total Personnel	\$ 7,059	\$ 23,401	\$ 5,889	\$ 15,895
Non-Personnel				
Office Operations	\$ 302	\$ 2,275	\$ 422	\$ 3,060
Meeting Attendance Stipends	\$ 24	\$ 128	\$ 19	\$ 133
Employee Travel or Training	\$ 3,084	\$ 286	\$ 38	\$ 213
Facility Expenses	\$ 524	\$ 1,543	\$ 1,341	\$ 1,693
Professional Services	\$ 232	\$ 1,370	\$ 168	\$ 1,433
Total Non-Personnel	\$ 4,166	\$ 5,602	\$ 1,988	\$ 6,532
Project/Program				
Fixed Assets	\$ 57	-	-	-
Total Project/Program	\$ 57	-	-	-
Other				
Operating Transfers Out	\$ 358,303	\$ 420,742	\$ 1,025,988	\$ 675,116
Total Other	\$ 358,303	\$ 420,742	\$ 1,025,988	\$ 675,116
Total Expenditures / Expenditure	\$ 369,585	\$ 449,745	\$ 1,033,865	\$ 697,542
<b>Net Excess (Deficit)</b>	\$ 177	\$ 255	\$ 4,005	-
<b>ENDING FUND BALANCE</b>	\$ 765	\$ 890	\$ 4,770	\$ 4,770



## 618 - CV Link

	FY2020/21 Actual	FY2021/22 Budget	FY2021/22 Yr. End Est.	FY2022/23 Budget
<b>BEGINNING FUND BALANCE</b>	(\$ 360,979)	-	-	-
<b>Revenues / Funding Source</b>				
Active Transportation Program	\$ 2,762,674	\$ 6,836,998	\$ 2,475,223	\$ 5,332,858
AQMD-CV Link	\$ 5,090,740	\$ 10,666,348	\$ 6,039,982	\$ 6,039,982
Measure "A"	-	-	-	-
RCTC PP & M	\$ 73,854	\$ 50,000	-	-
Other Revenues	\$ 26,564	-	\$ 1,708,074	-
Investment Income	\$ 11,742	-	\$ 116	-
STIP	-	\$ 15,537,765	\$ 1,234,839	\$ 12,941,336
Total Revenues / Funding Source	\$ 7,965,574	\$ 33,091,111	\$ 11,458,233	\$ 24,314,176
<b>Expenditures / Expenditure</b>				
Personnel				
Salaries	\$ 211,181	\$ 280,753	\$ 214,925	\$ 270,109
Benefits	\$ 100,871	\$ 99,623	\$ 95,110	\$ 103,694
Total Personnel	\$ 312,052	\$ 380,377	\$ 310,035	\$ 373,803
Non-Personnel				
Office Operations	\$ 12,648	\$ 23,029	\$ 5,523	\$ 35,505
Meeting Attendance Stipends	\$ 1,068	\$ 2,017	\$ 606	\$ 2,088
Employee Travel or Training	\$ 1,461	\$ 5,479	\$ 1,231	\$ 5,520
Facility Expenses	\$ 25,224	\$ 24,239	\$ 13,990	\$ 26,623
Professional Services	\$ 748,805	\$ 864,125	\$ 433,713	\$ 894,595
Total Non-Personnel	\$ 789,206	\$ 918,889	\$ 455,063	\$ 964,331
Project/Program				
Consultants/Service Providers	\$ 586,047	\$ 3,200,000	\$ 807,464	\$ 3,652,000
Construction/Project Costs	\$ 4,597,615	\$ 29,003,345	\$ 5,040,811	\$ 12,543,200
Fixed Assets	\$ 5,015,374	-	\$ 7,854,000	\$ 10,200,000
Total Project/Program	\$ 10,199,036	\$ 32,203,346	\$ 13,702,275	\$ 26,395,200
Other				
Operating Transfers Out	(\$ 83,854)	-	-	-
Operating Transfers In	(\$ 3,611,846)	(\$ 411,500)	(\$ 3,009,141)	(\$ 3,419,158)
Total Other	(\$ 3,695,700)	(\$ 411,500)	(\$ 3,009,141)	(\$ 3,419,158)
Total Expenditures / Expenditure	\$ 7,604,595	\$ 33,091,111	\$ 11,458,233	\$ 24,314,176
<b>Net Excess (Deficit)</b>	\$ 360,979	-	-	-
<b>ENDING FUND BALANCE</b>	-	-	-	-





## 624 - Signal Synchronization

	FY2020/21 Actual	FY2021/22 Budget	FY2021/22 Yr. End Est.	FY2022/23 Budget
<b>BEGINNING FUND BALANCE</b>	(\$ 657,745)	-	-	-
<b>Revenues / Funding Source</b>				
Signal Synchronization (CMAQ)	\$ 617,254	\$ 19,549,003	\$ 6,291,157	\$ 13,739,400
Active Transportation Program	-	-	-	-
Measure "A"	-	-	-	-
Investment Income	\$ 913	-	\$ 443	\$ 4,136
STIP	-	-	-	\$ 6,734,000
Total Revenues / Funding Source	\$ 618,166	\$ 19,549,003	\$ 6,291,601	\$ 20,477,536
<b>Expenditures / Expenditure</b>				
Personnel				
Salaries	\$ 67,182	\$ 106,328	\$ 89,328	\$ 262,676
Benefits	\$ 34,266	\$ 48,039	\$ 27,024	\$ 97,709
Total Personnel	\$ 101,448	\$ 154,367	\$ 116,352	\$ 360,385
Non-Personnel				
Office Operations	\$ 8,960	\$ 8,127	\$ 3,827	\$ 13,857
Meeting Attendance Stipends	\$ 349	\$ 818	\$ 402	\$ 847
Employee Travel or Training	\$ 576	\$ 1,818	\$ 816	\$ 3,374
Facility Expenses	\$ 7,736	\$ 9,834	\$ 11,939	\$ 10,803
Professional Services	\$ 59,734	\$ 75,947	\$ 62,261	\$ 78,696
Total Non-Personnel	\$ 77,354	\$ 96,544	\$ 79,246	\$ 107,577
Project/Program				
Consultants/Service Providers	\$ 1,122,805	\$ 3,513,092	-	\$ 3,230,000
Construction/Project Costs	\$ 348,138	\$ 23,655,347	\$ 8,301,414	\$ 40,280,379
Fixed Assets	\$ 722	-	-	-
Total Project/Program	\$ 1,471,665	\$ 27,168,440	\$ 8,301,414	\$ 43,510,379
Other				
Operating Transfers Out	-	-	-	-
Operating Transfers In	(\$ 1,690,046)	(\$ 7,870,348)	(\$ 2,205,411)	(\$ 23,500,805)
Total Other	(\$ 1,690,046)	(\$ 7,870,348)	(\$ 2,205,411)	(\$ 23,500,805)
Total Expenditures / Expenditure	(\$ 39,579)	\$ 19,549,003	\$ 6,291,601	\$ 20,477,537
<b>Net Excess (Deficit)</b>	\$ 657,745	-	-	-
<b>ENDING FUND BALANCE</b>	-	-	-	-



## 631 - Coachella Valley Conservation Commission

	FY2020/21 Actual	FY2021/22 Budget	FY2021/22 Yr. End Est.	FY2022/23 Budget
<b>BEGINNING FUND BALANCE</b>	\$ 42,377	\$ 42,377	\$ 32,332	\$ 32,332
<b>Revenues / Funding Source</b>				
CVCC Administrative Reimbursement	\$ 766,500	\$ 845,780	\$ 774,612	\$ 896,361
Total Revenues / Funding Source	\$ 766,500	\$ 845,780	\$ 774,612	\$ 896,361
<b>Expenditures / Expenditure</b>				
Personnel				
Salaries	\$ 433,602	\$ 475,377	\$ 470,294	\$ 535,110
Benefits	\$ 224,032	\$ 225,982	\$ 167,450	\$ 193,494
Total Personnel	\$ 657,633	\$ 701,359	\$ 637,744	\$ 728,604
Non-Personnel				
Office Operations	\$ 33,511	\$ 39,415	\$ 29,450	\$ 69,250
Meeting Attendance Stipends	\$ 2,257	\$ 3,768	\$ 1,996	\$ 3,768
Employee Travel or Training	\$ 3,481	\$ 10,119	\$ 6,783	\$ 18,053
Facility Expenses	\$ 50,506	\$ 45,278	\$ 73,852	\$ 48,147
Professional Services	\$ 24,323	\$ 45,841	\$ 24,787	\$ 28,540
Total Non-Personnel	\$ 114,078	\$ 144,421	\$ 136,867	\$ 167,757
Project/Program				
Fixed Assets	\$ 4,834	-	-	-
Total Project/Program	\$ 4,834	-	-	-
Other				
Operating Transfers Out	\$ 10,045	-	-	-
Operating Transfers In	(\$ 10,045)	-	-	-
Total Other	-	-	-	-
Total Expenditures / Expenditure	\$ 776,545	\$ 845,780	\$ 774,612	\$ 896,361
<b>Net Excess (Deficit)</b>	(\$ 10,045)	-	-	-
<b>ENDING FUND BALANCE</b>	\$ 32,332	\$ 42,377	\$ 32,332	\$ 32,332



## 702 - Regional Street Sweeping

	FY2020/21 Actual	FY2021/22 Budget	FY2021/22 Yr. End Est.	FY2022/23 Budget
<b>BEGINNING FUND BALANCE</b>	\$ 442,087	\$ 442,086	\$ 67,169	\$ 67,169
<b>Revenues / Funding Source</b>				
Air Quality Enhancement/Colmac	-	\$ 150,000	\$ 150,000	\$ 150,000
Other Revenues	\$ 41,226	\$ 15,000	\$ 28,437	\$ 24,063
Investment Income	\$ 1,646	\$ 1,000	\$ 799	\$ 7,460
AQMD-Street Sweeping	-	\$ 220,000	\$ 220,000	\$ 220,000
Total Revenues / Funding Source	\$ 42,872	\$ 386,000	\$ 399,236	\$ 401,523
<b>Expenditures / Expenditure</b>				
Personnel				
Salaries	\$ 3,627	\$ 14,277	\$ 35,666	\$ 24,787
Benefits	\$ 1,079	\$ 6,073	\$ 10,235	\$ 8,874
Total Personnel	\$ 4,706	\$ 20,350	\$ 45,901	\$ 33,662
Non-Personnel				
Office Operations	\$ 316	\$ 1,175	\$ 1,206	\$ 1,696
Meeting Attendance Stipends	\$ 21	\$ 107	\$ 164	\$ 107
Employee Travel or Training	\$ 34	\$ 386	\$ 333	\$ 433
Facility Expenses	\$ 3,954	\$ 5,284	\$ 3,727	\$ 5,413
Professional Services	\$ 175	\$ 1,140	\$ 1,481	\$ 791
Total Non-Personnel	\$ 4,499	\$ 8,092	\$ 6,911	\$ 8,440
Project/Program				
Construction/Project Costs	\$ 640,021	\$ 626,959	\$ 640,116	\$ 659,319
Fixed Assets	\$ 105	-	-	-
Total Project/Program	\$ 640,126	\$ 626,959	\$ 640,116	\$ 659,319
Other				
Operating Transfers Out	-	-	-	-
Operating Transfers In	(\$ 231,542)	(\$ 269,402)	(\$ 293,691)	(\$ 299,898)
Total Other	(\$ 231,542)	(\$ 269,402)	(\$ 293,691)	(\$ 299,898)
Total Expenditures / Expenditure	\$ 417,790	\$ 386,000	\$ 399,237	\$ 401,523
<b>Net Excess (Deficit)</b>	(\$ 374,918)	-	-	-
<b>ENDING FUND BALANCE</b>	\$ 67,169	\$ 442,086	\$ 67,169	\$ 67,169



## 711 - Lawn Scalping Program

	FY2020/21 Actual	FY2021/22 Budget	FY2021/22 Yr. End Est.	FY2022/23 Budget
<b>BEGINNING FUND BALANCE</b>	-	-	\$ 589	\$ 589
<b>Revenues / Funding Source</b>				
Air Quality Enhancement/Colmac	-	\$ 13,850	-	\$ 40,000
Total Revenues / Funding Source	-	\$ 13,850	-	\$ 40,000
<b>Expenditures / Expenditure</b>				
Personnel				
Salaries	\$ 226	\$ 3,647	\$ 1,041	\$ 8,405
Benefits	\$ 33	\$ 1,637	\$ 253	\$ 2,635
Total Personnel	\$ 258	\$ 5,285	\$ 1,293	\$ 11,040
Non-Personnel				
Office Operations	\$ 23	\$ 276	\$ 36	\$ 454
Meeting Attendance Stipends	\$ 1	\$ 28	\$ 5	\$ 28
Employee Travel or Training	\$ 2	\$ 62	\$ 9	\$ 96
Facility Expenses	\$ 18	\$ 334	\$ 110	\$ 357
Professional Services	\$ 11	\$ 298	\$ 42	\$ 208
Total Non-Personnel	\$ 56	\$ 998	\$ 202	\$ 1,143
Project/Program				
Consultants/Service Providers	-	\$ 9,975	-	\$ 40,000
Fixed Assets	\$ 9	-	-	-
Total Project/Program	\$ 9	\$ 9,975	-	\$ 40,000
Other				
Operating Transfers Out	(\$ 913)	-	-	-
Operating Transfers In	-	(\$ 2,408)	(\$ 1,495)	(\$ 12,183)
Total Other	(\$ 913)	(\$ 2,408)	(\$ 1,495)	(\$ 12,183)
Total Expenditures / Expenditure	(\$ 589)	\$ 13,850	-	\$ 40,000
<b>Net Excess (Deficit)</b>	\$ 589	-	-	-
<b>ENDING FUND BALANCE</b>	\$ 589	-	\$ 589	\$ 589



## Acronyms & Abbreviations

AB 2766	Assembly Bill – Motor Vehicle Registration Fee Assessment
AB 939	Assembly Bill – Solid Waste and Recycling
AQMD	Air Quality Management District
ATP	Active Transportation Program
AV	Assessed Valuation
CEQA	California Environmental Quality Act
CIP	Capital Improvement Plan
CMAQ	Congestion Mitigation and Air Quality
CMP/CMS	Congestion Management Program/System
CPI	Consumer Price Index
CVHF	Coachella Valley Housing First
CVCC	Coachella Valley Conservation Commission
DCE	Desert Community Energy
EA	Environmental Assessment
EIR	Environmental Impact Report
EIS	Environmental Impact Statement
GIS	Geographic Information Systems
HBP	Highway Bridge Program
HBRR	Highway Bridge Replacement and Rehabilitation
HCR	Human and Community Resources
HERO	Home Energy Renovation Opportunity
LEED	Leadership in Energy and Environmental Design
I-REN	Inland Regional Energy Network
LTF	Local Transportation Funds
MSHCP	Multiple Species Habitat Conservation Plan
MAC	Mobile Access Center
MSRC	Mobile Source Reduction Review Committee (Air Pollution)
NEPA	National Environmental Policy Act
PACE	Property Assessed Clean Energy
PCI	Pavement Condition Index
PERS	Public Employees Retirement System
PM10	Particulate Matter less than 10 microns
PP&M	Plans, Programming, and Monitoring
RACE	Regional Arterial Cost Estimate
REN	Regional Energy Network
RCTC	Riverside County Transportation Commission
RHNA	Regional Housing Needs Assessment
RTIP	Regional Transportation Improvement Program
RTP	Regional Transportation Plan
SCAG	Southern California Association of Governments
SIP	State Implementation Plan
STIP	State Transportation Improvement Plan
STP	State Transportation Plan
TPPS	Transportation Project Prioritization Study
TUMF	Transportation Uniform Mitigation Fee
WWR	Whitewater River



**Coachella Valley Association of Governments**

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## **ITEM 4C**

# **Coachella Valley Association of Governments Finance Committee May 31, 2022**



## **STAFF REPORT**

**Subject:**       **Rotation of the Finance Committee Members**

**Contact:**       Jennifer Nelson, Executive Assistant/Clerk ([jnelson@cvag.org](mailto:jnelson@cvag.org))

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**Recommendation:** Appoint a city manager and an elected official to serve on the Finance Committee, and confirm the officer rotation so Palm Desert Mayor Pro Tem Sabby Jonathan serves as Committee Chair and Cathedral City Councilmember Raymond Gregory as Committee Vice Chair for Fiscal Year 2022/23

**Background:** The CVAG Executive Committee established an Audit Committee on April 30, 2018 that is made up of three city managers and three Executive Committee members. The Audit Committee historically meet prior to the start of audit fieldwork to suggest any particular review areas for the engagement as well as to review, receive, and file the independent auditor's report over the combined annual financial report. After CVAG transitioned its Technical Advisory Committee into an informal working group, the Audit Committee began to take on more financial oversight. In order to reflect these additional responsibilities, the CVAG Executive Committee in September 2019 renamed it the Finance Committee and formally expanded the committee's responsibilities.

At the Finance Committee meeting on February 20, 2020, CVAG staff sought direction from the Finance Committee on how to select members moving forward each fiscal year. The Committee recommended that the two longest serving members – one elected official and one city manager – should be rotated off on a yearly basis, which means that each member will serve for three years. This allows the Committee to retain working knowledge and work cohesively while gaining new input.

At the Finance Committee meeting on May 27, 2020, the Finance Committee discussed the rotation and decided on the following schedule based on the Committee's membership at that time: (FY listed is last year on Committee):

- FY 2019/20 – Indio Councilmember Lupe Ramos-Amith and Coachella City Manager Bill Pattison
- FY 2020/21 – La Quinta Mayor Linda Evans and Desert Hot Springs City Manager Chuck Maynard
- FY 2021/22 – Indian Wells Mayor Richard Balocco and Rancho Mirage City Manager Isaiah Hagerman

Over the years, the positions have rotated and the current roster is as follows:

- FY 2021/22 – Indian Wells Councilmember Richard Balocco and Rancho Mirage City Manager Isaiah Hagerman

- FY 2022/23 – Palm Desert Mayor Pro Tem Sabby Jonathan and Palm Springs Finance Director Nancy Pauley
- FY 2023/24 – Cathedral City Councilmember Raymond Gregory and Torres Martinez Tribal Administrator Shawn Isaac

Staff is now seeking nominations of an elected official and a city manager to replace the outgoing members on the CVAG Finance Committee, who are Councilmember Balocco and City Manager Isaiah Hagerman. The term would start on July 1, 2022 and term out on June 30, 2025. In order to ensure regional representation and give all jurisdictions an opportunity to serve on the Finance Committee, staff is recommending that the two vacant positions be filled from the following jurisdictions:

- |                      |   |
|----------------------|---|
| ▪ Blythe             | ▪ County of Riverside                       |
| ▪ La Quinta          | ▪ Agua Caliente Band of Cahuilla Indians    |
| ▪ Coachella          | ▪ Cabazon Band of Mission Indians           |
| ▪ Indio              | ▪ Twenty-Nine Palms Band of Mission Indians |
| ▪ Desert Hot Springs |   |

Of those, CVAG staff would note that the cities of Indio, Coachella, La Quinta and Desert Hot Springs have previously held positions on the Finance Committee, although they are not current members. The nominees from the Finance Committee will be presented to the Executive Committee for final approval in June.

With this item, CVAG staff is also recommending that the Finance Committee confirm the officer rotation for the upcoming fiscal year. The rotation was put in place to ensure the longest serving elected official serves as Chair, and the second-longest serves as Vice Chair. Based on that rotation, staff recommends the committee appoint Palm Desert Mayor Pro Tem Jonathan, currently vice chair, as Chair for FY 2022/23 and Cathedral City Councilmember Gregory as Vice Chair for FY 2022/23.

**Fiscal Analysis:** There is no fiscal impact.

## **ITEM 5A**

# **Coachella Valley Association of Governments Finance Committee May 31, 2022**



### **Staff Report**

**Subject:** Rollout of CAL-Card Program and Procurement Cards

**Contact:** Claude Kilgore, Director of Finance/ Administration ([ckilgore@cvag.org](mailto:ckilgore@cvag.org)) and Erica Felci, Assistant Executive Director ([efelci@cvag.org](mailto:efelci@cvag.org))

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### **Recommendation: Information**

**Background:** In December 2021, the CVAG Executive Committee adopted CVAG Policy No. 21-05 to establish a procurement card policy and authorized the Executive Director to take the necessary steps to apply to and enroll in the CAL-Card Program. The CAL-Card Program is provided at no cost to local agencies by the State of California via a leveraged procurement agreement with US Bank. Because of the timing of the item and this committee's meeting schedule, this policy did not go to the Finance Committee prior to adoption. CVAG staff is providing this information as a recap of the policy and update on the phased roll-out of the program.

Unlike many agencies, CVAG does not have a credit card. That results in CVAG staff paying for many small dollars purchases out-of-pocket and then seeking reimbursement through CVAG's accounts payable process. This puts an undue burden on staff and creates an inefficient reimbursement process with no available rebates on purchases. Perhaps this problem is most highlighted by CVAG's in-house transition of the CV Housing First Program which requires routine, small-dollar purchases to fulfill daily operational requirements of the rapid rehousing process. For example, staff will often need to quickly provide supplies for one of the stabilization units – anything from routine paper products to toiletries for new clients -- and will need to utilize discount stores such as Dollar Tree or 99 Cents Only to get it quickly. On occasion, CVAG staff needs to purchase groceries to round out the available food donations. While these are small purchase amounts, they can add up for individual staff, who have it on their individual credit cards until getting reimbursed.

The procurement card being implemented through CAL-Card is a payment method with pre-established credit limits to facilitate the procurement of small dollar goods and services and streamlines payments by reducing the administrative burdens and costs associated with traditional methods of payment.

Per the Executive Committee's approval, procurement cards are being issued to CVAG staff based on the recommendation of the Executive Director and Department Heads. The limit varies by individual based on their role within the organization. Additionally, per-transaction limits and monthly purchase limits will vary by cardholder and be set at the discretion of department heads and the Executive Director. In general, these amounts will be set at limits that are measured in the hundreds, not the thousands.

CVAG management has taken a very thoughtful and piecemeal approach to the rollout of the purchasing card program. To date, only two department directors have been issued cards. This has allowed the Finance/ Administration Department to ensure they have the accounting processes fully in place before they track multiple cards. Rollout of additional cards will occur this summer. Any staff member who receives a card must demonstrate knowledge of the purchasing card policy by going through an online training and taking a test.

CVAG Policy No. 21-05 identifies key internal controls, administrative procedures, and program oversight of the CAL-Card Program. Purchases also follow the policies laid out in CVAG Policy No. 21-04, which is CVAG's procurement policy and has a \$5,000 limit for purchases without multiple quotes or bids. In the future, CVAG staff will also be recommending to the CVAG Finance Committee that a review of the purchasing card program be a focus of the next audit.

**Fiscal Analysis:** There is no additional cost for this update. There is a favorable fiscal impact by implementing the CVAG Policy No. 21-05, as CVAG is eligible for monthly rebates up to 175 basis points based on volume and prompt payments.