



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: SEPTEMBER 13, 2021

SUBJECT: EXPENDITURE IN AN AMOUNT OF \$39,520 FOR FISCAL YEAR 2020/21 AND AN AMOUNT NOT TO EXCEED \$68,000 FOR FISCAL YEAR 2021/22 FOR SERVICES AND SPONSORSHIPS PROVIDED TO RIVERSIDE PUBLIC UTILITIES BY THE GREATER RIVERSIDE CHAMBERS OF COMMERCE

ISSUES:

Consider ratifying an expenditure in an amount not to exceed \$39,520 for the fiscal year 2020/21 and approving an expenditure for \$68,000 for fiscal year 2021/22 to the Greater Riverside Chambers of Commerce for sponsorships and services specifically provided to the Public Utilities Department

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Ratify an expenditure of \$39,520 for fiscal year 2020/21 for the Greater Riverside Chambers of Commerce for sponsorships and services specifically provided to the Public Utilities Department; and
2. Approve an expenditure in an amount not to exceed \$68,000 for fiscal year 2021/22 to the Greater Riverside Chambers of Commerce for sponsorships and services specifically provided to the Public Utilities Department.

BACKGROUND:

The Greater Riverside Chambers of Commerce (Chamber) has served the City of Riverside (City) and surrounding communities for over 100 years. The organization started in 1900 and took on two important projects, which included bringing a rail line to riverside and writing a City Charter later adopted by the City of Riverside Board of Trustees in 1907. Collaboration between the City of Riverside and the Chamber began immediately and contracts between the two entities date back at least 50 years.

The Chamber has established itself as the voice of businesses in Riverside, speaking on behalf of approximately 1,350 member firms and collectively representing thousands of employees. The Chamber helps local companies grow their business by taking the lead in programs and efforts that help create a strong local economy and make the community a great place to do business. It recognizes that the best interests of the business community are the same as the long-term

interests of the community at large and thus supports initiatives that lead Riverside to a prosperous future. As a member-driven organization, the Chamber works daily to provide programs, product services, advocacy and networking designed to give its members return on their investment.

In 2001, Riverside Public Utilities (RPU) entered a partnership whereby the Chamber would conduct certain targeted economic development activities in exchange for a set dollar annual commitment of funds. Since 2001, the amount varied slightly each year. The funds were paid from RPU's Public Utilities – Customer Engagement (Community Support Outreach and Education). The activities were meant to: 1) target businesses for attraction that provided a significant electrical load growth that could benefit from RPU's Economic Development rate; 2) target businesses for attraction that could benefit from reduced electric and water rates compared to their current jurisdiction; and 3) help facilitate meetings with current commercial ratepayers that were considering facilities' expansion.

In general, RPU delivers electricity to customers through distribution and transmission facilities. These facilities represent long-term capital investment whose dollars are spread amongst all customers and recovered over periods in the range of 20 to 30 years. Energy is produced and/or obtained from generation facilities through long-term contracts to meet base load needs, with cyclical and peaking needs obtained through short-term contracts, internal generation or on the open market. The purchases through short-term contracts and the open market represent the marginal cost of power for increased load requirements. RPU has several fixed costs which must be paid regardless of customer demand or load. Additional revenue generated by expanded load (new customers) will reduce the costs to existing customers, as the fixed costs will be allocated over a larger group of customers.

To encourage load growth and maintain current load, RPU works with the Chamber to attract and retain businesses. The Scope of Services includes, but is not limited to, the following services and benefits to this RPU goal.

1. *Retention and expansion of local businesses*

The Chamber will encourage a dialogue between businesses and RPU to share priorities, concerns, plans for future growth and opportunities, gain and disseminate advance insight when businesses are considering potential changes or evaluating new directions, and enhance positive working relationships between businesses and the City, in order to retain current businesses.

2. *Attraction and expansion of businesses from desired industries*

The Chamber will continue Riverside's reputation as a City and community that welcomes business investment and growth, enhanced by our partnerships and collaborations between private and public stakeholders, and increase awareness of Riverside's potential and the many resources, talents, and treasures available to businesses and residents.

3. *Support and training in key areas for businesses and entrepreneurs*

The Chamber will provide training and resources to develop successful and sustainable businesses, including energy efficiency and conservation.

4. *Increased awareness of local programs and resources that support business*

The Chamber will provide multiple avenues and platforms to share local resources, economic development updates, and other information in a comprehensive and

cohesive manner so that individuals looking to invest in, start, retain, or expand a business in Riverside can easily and quickly find beneficial information.

5. *State of the City*

The Chamber will facilitate a “State of the City” consistent with section 405 of the Riverside City Charter, to allow the Mayor of Riverside to present the Mayor’s programs, objectives and priorities.

6. *Festival of Lights*

The Chamber will coordinate all multi-partner Festival of Lights meetings and facilitate communications and City, including RPU, sponsorships.

In 2019, the City consolidated all Chamber services, sponsorships, memberships, and other benefits across all City Departments into citywide agreement for a single annual payment for a total amount not to exceed \$95,500 for each fiscal year, which includes an annual \$68,000 expenditure from RPU.

DISCUSSION:

On October 28, 2019, the Board of Public Utilities approved the recommendation that the City Council implement an agreement with the Chamber, inclusive of the RPU annual expenditure of \$68,000. The agreement term is through June 30, 2020, with the option to extend the agreement for two additional two-year terms.

The October 28, 2019 Board action requested funding for \$68,000 for initial contract year for services in fiscal year 2019/20. The request for funding for the services for fiscal year 2020/21 and 2021/22 were not included.

In fiscal year 2020/21, the contract included an RPU budget amount of \$68,000. Staff failed to secure Board approval of the RPU expenditure amount prior the contract extension for fiscal year 2020/21. Of the \$68,000 included on the contract, only \$39,520 was expended for fiscal year 2020/21.

For the current fiscal year, 2021/22, the City would like to continue the agreement with the Greater Riverside Chambers of Commerce to complete the second year of the first extension, inclusive of the RPU expenditure of \$68,000.

STRATEGIC PLAN ALIGNMENT:

The sponsorship and services agreement program underpins several goals of Strategic Priority 3, Economic Opportunity as program deliverables are in support of business and community collaboration, championing a thriving, enduring economy that provides opportunities for all.

The agreement with the Chamber aligns with the each of the City’s Cross-Cutting Threads as described below:

1. Community Trust – The agreement with GRCC actively promotes inclusive community engagement, particularly across the City’s business community.
2. Equity – The agreement provides opportunities for interaction and engagement with all

sections of the community, sponsoring a range of events throughout the year, encouraging community cohesion.

3. Fiscal Responsibility – The agreement clearly sets out where the sponsorship and other funds will be spent, highlighting transparency, and demonstrating good fiscal management.
4. Innovation – Facilitating events that will emanate from the sponsorship and services program will increase understanding of the broader needs of the community; this will ensure that the City remains cognizant of change, and in so being, can be adaptive and responsive to the evolving needs of the community.
5. Sustainability & Resiliency – Events identified in the agreement will provide an opportunity for the City to educate and inform the community about water conservation and energy efficiency programs, contributing to sustainability and resiliency commitments.

FISCAL IMPACT:

The total cost to the Greater Riverside Chambers of Commerce contract for sponsorships and services specifically provided to the Public Utilities Department is \$39,520 for fiscal year 2020/21 and \$68,000 for fiscal year 2021/22. Sufficient funds are available in the Public Utilities' Chamber of Commerce account no. 6020000-450126.

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Approved by:	Todd M. Corbin, Utilities General Manager
Approved by:	Al Zelinka, FAICP, City Manager
Approved as to form:	Phaedra A. Norton, City Attorney

Certifies availability of funds:	Edward Enriquez, Chief Financial Officer/Treasurer
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Attachments:

1. Agreement with the GRCC
2. First Amendment to Agreement
3. Presentation