

Proposed FY 2024-25 ABAG Operating Budgets

Date: April 18, 2024

Presenter: Derek Hansel, CFO



ASSOCIATION
OF BAY AREA
GOVERNMENTS



Administrative Budget Challenges

- ABAG structural deficit persists, pension costs increased by \$1 million, nearly doubling – total of \$2.1 million takes up more than 2/3 of Membership Dues
- MTC subsidizing shared services costs beyond that required in Contract for Services
- Administrative budget still doesn't factor in staffing costs associated with providing administrative services

ABAG Administration

- Membership dues increased by 10%
- Pension obligations increased by \$1 million
- \$401 thousand deficit funded by unbudgeted revenue and anticipated savings in budgeted expenses for FY 2023-24
- Challenging financial position in upcoming years

| ABAG Administration | FY 2023-24 Amendment No. 1 | FY 2024-25 Proposed | Difference \$ |
|---|-------------------------------|------------------------|----------------|
| | (Thousands \$) | (Thousands \$) | (Thousands \$) |
| Revenues & Transfers | | | |
| Membership Dues | \$2,851 | \$3,140 | \$289 |
| Interest & Other Revenue | 484 | 615 | 131 |
| Total Revenues & Transfers In | \$3,335 | \$3,755 | \$420 |
| Expenses & Transfers | | | |
| Pension | \$1,135 | \$2,139 | \$1,004 |
| OPEB | 480 | 558 | 78 |
| 375 Beale Assessment | 222 | 206 | (16) |
| BARC (transfer out) | 188 | 203 | 15 |
| Insurance | 259 | 250 | (9) |
| Other | 998 | 800 | (198) |
| Total Expenses & Transfers Out | \$3,283 | \$4,156 | \$874 |
| Operating Surplus/(Deficit) | \$52 | (\$401) | (\$453) |

Bay Area Regional Energy Network (BayREN)

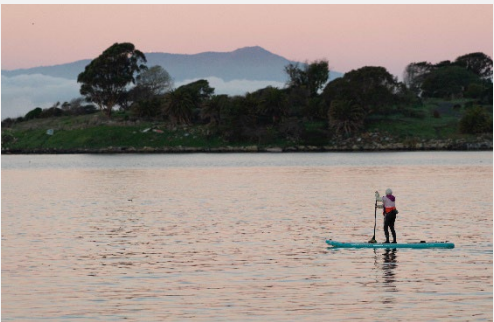
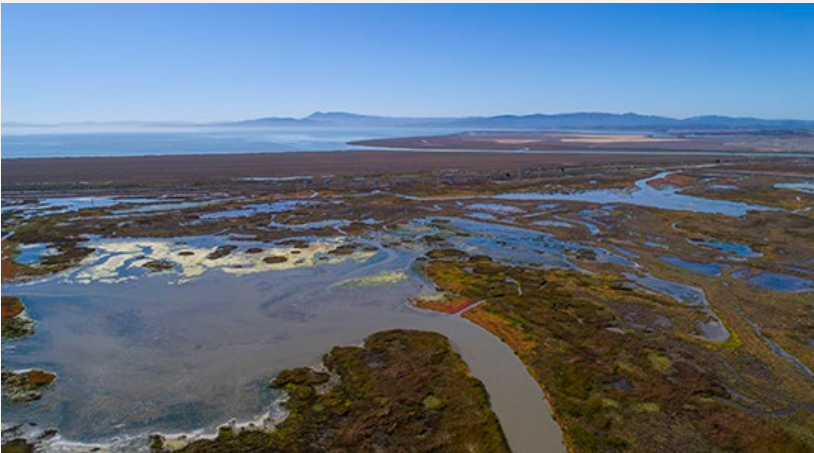


BayREN Operating Budget

- Main source of revenue is grant from the California Public Utilities Commission (CPUC)
- Additional consultant, incentive, and staff costs to support new programs and equity initiatives in BayREN’s 2024-2031 strategic business plan, approved by CPUC in July 2023.

| BayREN | FY 2023-24 Amendment No. 1 | FY 2024-25 Proposed | Difference \$ |
|---|-------------------------------|------------------------|----------------|
| | (Thousands \$) | (Thousands \$) | (Thousands \$) |
| Revenues | | | |
| CPUC Grant | \$36,564 | \$39,100 | \$2,536 |
| Other Revenue | - | 285 | 285 |
| Total Revenues & Transfers In | \$36,564 | \$39,385 | \$2,821 |
| Expenses & Transfers | | | |
| Consultants | \$18,682 | \$19,105 | \$423 |
| Incentives | 15,600 | 16,650 | 1,050 |
| Staff (transfer out to MTC) | 1,939 | 3,219 | 1,280 |
| Other | 343 | 410 | 67 |
| Total Expenses & Transfers Out | \$36,564 | \$39,385 | \$2,821 |
| Operating Surplus/(Deficit) | \$0 | \$0 | \$0 |

San Francisco Estuary Partnership (SFEP)



San Francisco Estuary Partnership Budget

- Continued grant funding from State (DWR) and Federal (EPA) sources
- Additional staff costs to support new programs including Wetlands Regional Monitoring Program and Water Quality Improvement Fund grants
- Increased overhead recovery in support of program administration

| SFEP | FY 2023-24 Amendment No. 1 | FY 2024-25 Proposed | Difference \$ |
|---|-------------------------------|------------------------|----------------|
| | (Thousands \$) | (Thousands \$) | (Thousands \$) |
| Revenues | | | |
| Grant Revenue | \$41,478 | \$42,959 | \$1,481 |
| Total Revenues & Transfers In | \$41,478 | \$42,959 | \$1,481 |
| Expenses & Transfers | | | |
| Consultants | \$6,218 | \$3,011 | (\$3,207) |
| Passthrough Contributions | 32,474 | 36,099 | 3,625 |
| Staff (transfer out to MTC) | 2,786 | 3,838 | 1,052 |
| Other | 0 | 11 | 11 |
| Total Expenses & Transfers Out | \$41,478 | \$42,959 | \$1,481 |
| Operating Surplus/(Deficit) | \$0 | \$0 | \$0 |

Staff Recommendation

Staff requests that the Executive Board:

- ✓ recommend approval of ABAG Resolution No. 5-2024 approving the FY 2024-25 Operating Budget and Work Program
- ✓ authorize submission of the Budget and Work Program to the General Assembly for approval.

