

A G E N D A

REVISED

FINANCE AND PERSONNEL COMMITTEE

Monday, May 10, 2010, 3:30 PM
Meeting

Locations

101 8th Street, Oakland, California
400 County Center, Redwood City, California

For additional information, please call:
Fred Castro, (510) 464 7913

Agenda and attachments available at:
www.abag.ca.gov

1. **Call to Order**
2. **Roll Call**
3. **Public Comments**
4. **Closed Session**

Public Employee Performance Evaluation
Title: Executive Director

Material for this item was sent to Committee members under separate cover.

5. **Approval of Minutes/Notes***
 - A. January 21, 2010
 - B. March 18, 2010

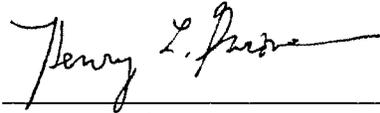
* Indicates attachments.

Finance and Personnel Committee

May 10, 2010

2

- 6. Approval of February and March 2010 Financial Reports***
 - A. February 2010
 - B. March 2010
- 7. Report on Proposed Consolidated Regional Agencies Building**
- 8. Adjournment**



Henry L. Gardner
Secretary-Treasurer

* Indicates attachments.

ABAG FINANCE AND PERSONNEL COMMITTEE

Summary Minutes

January 21, 2010

Members Present

Supervisor Scott Haggerty, Chair
Supervisor David Cortese
Supervisor Rose Jacobs Gibson
Mayor Mark Green
Supervisor Mike Kerns, Vice Chair
Supervisor Barbara Kondylis
Vice Mayor Peter McHugh
Mayor A. Sepi Richardson

Jurisdiction

County of Alameda
County of Santa Clara
County of San Mateo
City of Union City
County of Sonoma
County of Solano
City of Milpitas
City of Brisbane

Members Absent

Supervisor Susan Adams
Supervisor John Gioia

County of Marin
County of Contra Costa

Officers and Staff Present

Henry Gardner, Executive Director
Ezra Rapport, Deputy Executive Director
Patricia Jones, Assistant Executive Director
Kenneth Moy, Legal Counsel
Herbert Pike, Finance Director
Susan Hsieh, Assistant Finance Director

The meeting was called to order at 5:00 p.m.

- 1) There were no public comments.
- 2) Supervisors Haggerty and Kerns were unanimously re-elected as Chair and Vice-Chair, respectively.
/M/Green/S/Jacobs-Gibson/C/.
- 3) Minutes of the November 19, 2009, meeting were approved as presented.
/M/Kondylis/S/Green/C/approved.
- 4) Pike summarized proposed revisions of the ABAG Investment Policy to reflect State-mandated caps on mutual fund investments and other updates.
/M/Green/S/Kerns/C/ approved.

AGENDA ITEM 5-A

- 5) Pike summarized the October and November 2009 financial reports for ABAG. Emphasis was on the low cash on hand, with anticipated outlays in December for payoff of ABAG's mortgage on its MetroCenter space as well as payment of the prior year's OPEB liability. /M/Kerns/S/Jacobs-Gibson/C/ approved.
- 6) Gardner presented the Work Program, Budget and Membership Dues proposed for FY 2010-11. /M/Richardson/S/Jacobs-Gibson/C/ to forward reports to the Executive Board with a recommendation to accept.
- 7) Pike presented the Executive Director's proposal to increase his authority to enter into contracts to \$50,000 and to accept grants to \$100,000. At the next subsequent Executive Board Meeting, a report would be placed on the consent calendar noting any and all such contracts and grants above the previous authority levels (\$20,000 and \$50,000) and the new levels authorized. /M/McHugh/S/Kerns/C/ to approve.
- 8) The committee met in closed session to discuss HBANC v ABAG. There was no reportable action taken..
- 9) Meeting was adjourned at 5:45 p.m.

ABAG FINANCE AND PERSONNEL COMMITTEE

Summary Notes

March 18, 2010

Members Present

Supervisor David Cortese
Supervisor Rose Jacobs Gibson
Mayor Mark Green
Mayor A. Sepi Richardson

Jurisdiction

County of Santa Clara
County of San Mateo
City of Union City
City of Brisbane

Members Absent

Supervisor Scott Haggerty, Chair	County of Alameda
Supervisor Mike Kerns, Vice Chair	County of Sonoma
Supervisor Susan Adams	County of Marin
Supervisor John Gioia	County of Contra Costa
Supervisor Barbara Kondylis	Supervisor Barbara Kondylis
Vice Mayor Peter McHugh	City of Milpitas

Officers and Staff Present

Henry Gardner, Executive Director
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Patricia Jones, Assistant Executive Director
Kenneth Moy, Legal Counsel
Herbert Pike, Finance Director
Susan Hsieh, Assistant Finance Director

- 1) The Finance and Personnel Committee did not meet for lack of a quorum. Members of the Committee who were present conducted a discussion for which these are the notes. The four members present did reach consensus on certain matters and that consensus was to be conveyed to the Executive Board.
- 2) There was no public comment.
- 3) Approval of the Minutes of the January 21, 2010, meeting was deferred to the next meeting of the Finance and Personnel Committee.
- 4) Pike summarized the December 2009 and January 2010 financial reports for ABAG. Emphasis was on the continuing low cash on hand and the anticipated significant outlays within the next month to two months. Consensus of the members present was to recommend approval/acceptance of the reports by the Executive Board.

AGENDA ITEM 5-B

- 5) Gardner summarized the accomplishments of the Bay Area Council Economic Institute (BACEI) and its partnership over the years with ABAG. Staff had recommended authorizing a \$50,000 contribution in FY 2010-11 from ABAG, the same as in the FY 2009-10 budget and the previous year. Consensus was to forward the staff recommendation to the Executive Board for action.
- 6) Moy's described the evaluation process for Legal Counsel utilized in evaluating Legal Counsel last year. The consensus was to follow the same format for the current year and to have the evaluation conducted at the July Finance and Personnel Committee meeting.
- 7) Gardner provided an oral report regarding the Air District's Exploration of a Regional Agencies' Headquarters.

The following items were to be discussed in closed session pursuant to the requirements of the Ralph M. Brown Act

- 8) Conference with Legal Counsel—Existing Litigation
Home Builders Association of Northern California vs ABAG
- 9) Public Employee Performance Evaluation
Title: Executive Director—deferred to May meeting when a quorum of the Committee should be available.
- 10) Discussions were completed by at 5:40 p.m.

TO: Finance and Personnel Committee

DT: March 31, 2010

FM: Herbert Pike, Finance Director

Re: Financial Reports
--February 2010

The following are highlights of the financial reports for February 2010.

Cash on Hand (Figure 1)

Cash on hand increased to \$1.81 million on February 28th from \$1.47 million on January 31st. The increase is attributed to the accelerated receipt of grant receivables. The February balance includes approximately \$1.46 million invested in the Local Agency Investment Fund (LAIF). Currently, ABAG does not hold any other investments. The February 28th cash balance is approximately \$973 thousand more than the prior year, the latter being attributed to more timely reimbursement from granting agencies, especially the State.

Receivables (Figure 2)

Receivables from grant and service programs amounted to about \$3.07 million on February 28th, a decrease of \$604 thousand from the month prior. The reduction is wholly attributable to receipt of grant reimbursements, reducing grant receivables from \$2.06 million to \$1.42 million. Compared to February 28th of the year prior, the total receivables reflect a decrease of approximately \$521 thousand.

Actual vs. Budgeted Expenses (Figure 9)

Total expenses through February 28 amounted to about \$11.24 million, or 57.9 percent, of projected annual expenses of \$19.41 million for FY 09-10.

Actual vs. Budgeted Revenues (Figure 10)

As of February 28th, total revenues amounted to about \$10.86 million, or 56.2 percent, of projected annual revenue of \$19.31 million for FY 09-10.

As of February 28th, both revenues and expenses are below “projected” annual totals. While revenues and expenditures might be expected to be 66.7 percent after the first eight months of the new fiscal year, they are less than projections, largely due to the timing of consultant and sub-contractor expenses that lag in getting the billings in for the work performed and, consequently, getting billed and reimbursed for completed work. Consultant and sub-contractor expenses may be expected to accelerate during the balance of the fiscal year.

Fund Equity (Figure 5)

As of February 28th, general fund equity was approximately \$675 thousand, a decrease of \$31 thousand from January 31st. The Agency’s restricted fund equity, consisting of capital, self-insurance and building maintenance, remained unchanged at \$510 thousand.

Indirect Cost (Figure 6)

The agency's actual indirect cost (overhead) rate was 44.88 percent of direct labor cost as of February 28, or about 1.93% above the budgeted rate of 42.95 percent for FY 09-10. Most of the excess charges are due to revised allocations of employees' time between Agency Administration/ Communications and General Overhead. These issues have been identified and rates are expected to further converge toward the expected rate over the next several months.

Overall (Figures 3, 4, 7 & 8)

At February 28, the Agency's net financial position is reasonably close to forecast with a deficit of roughly \$378 thousand, or 3.48 percent of year-to-date revenues. The cash balance is expected to improve when we gain formal CalTrans approval of our indirect cost allocation plan. In addition, the latter third of the year traditionally incurs reduced payouts of accrued leave, which results in more hours billed to grants and garnering increased revenue which should also improve the Agency's cash position.

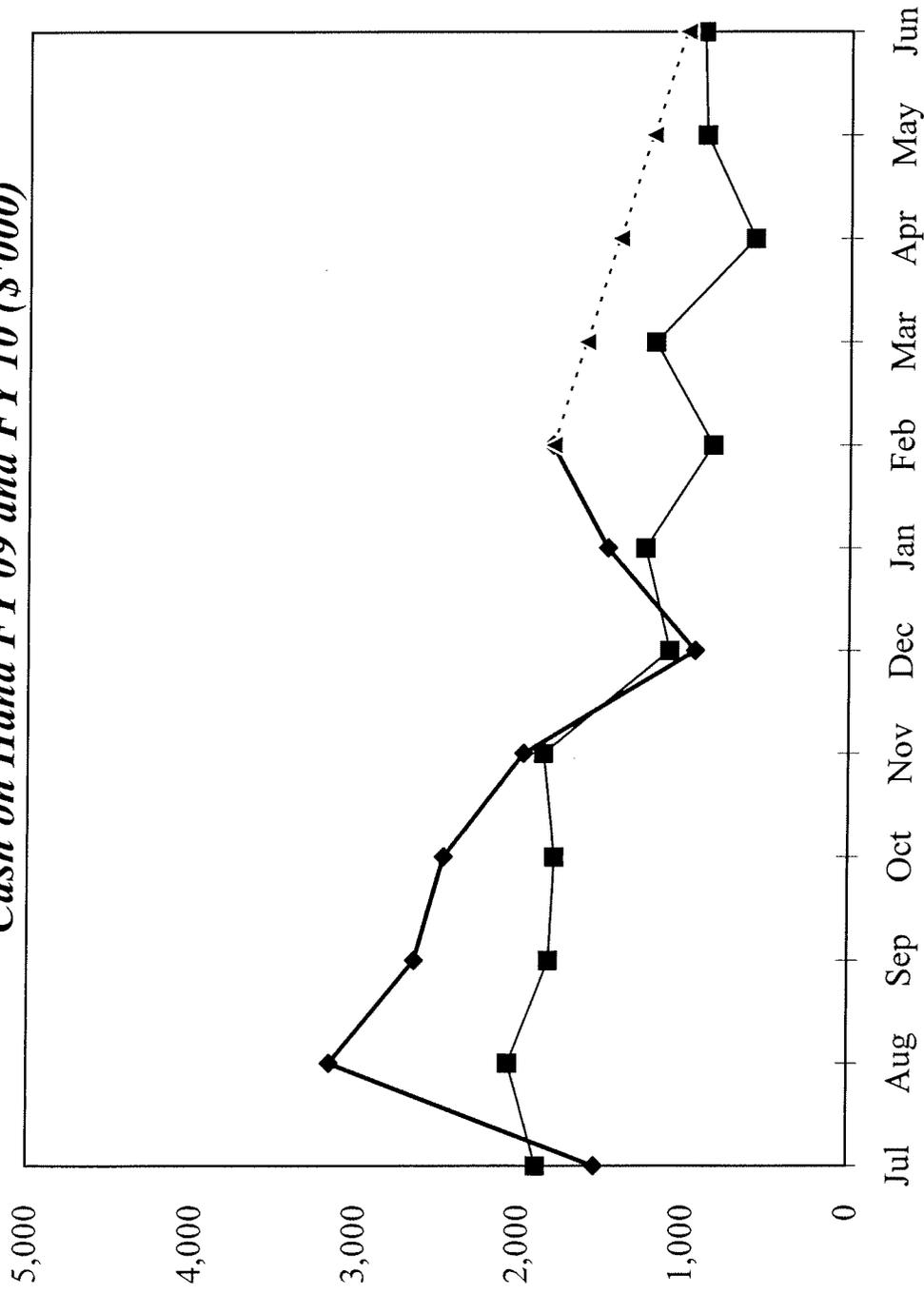
ABAG FINANCIAL REPORTS

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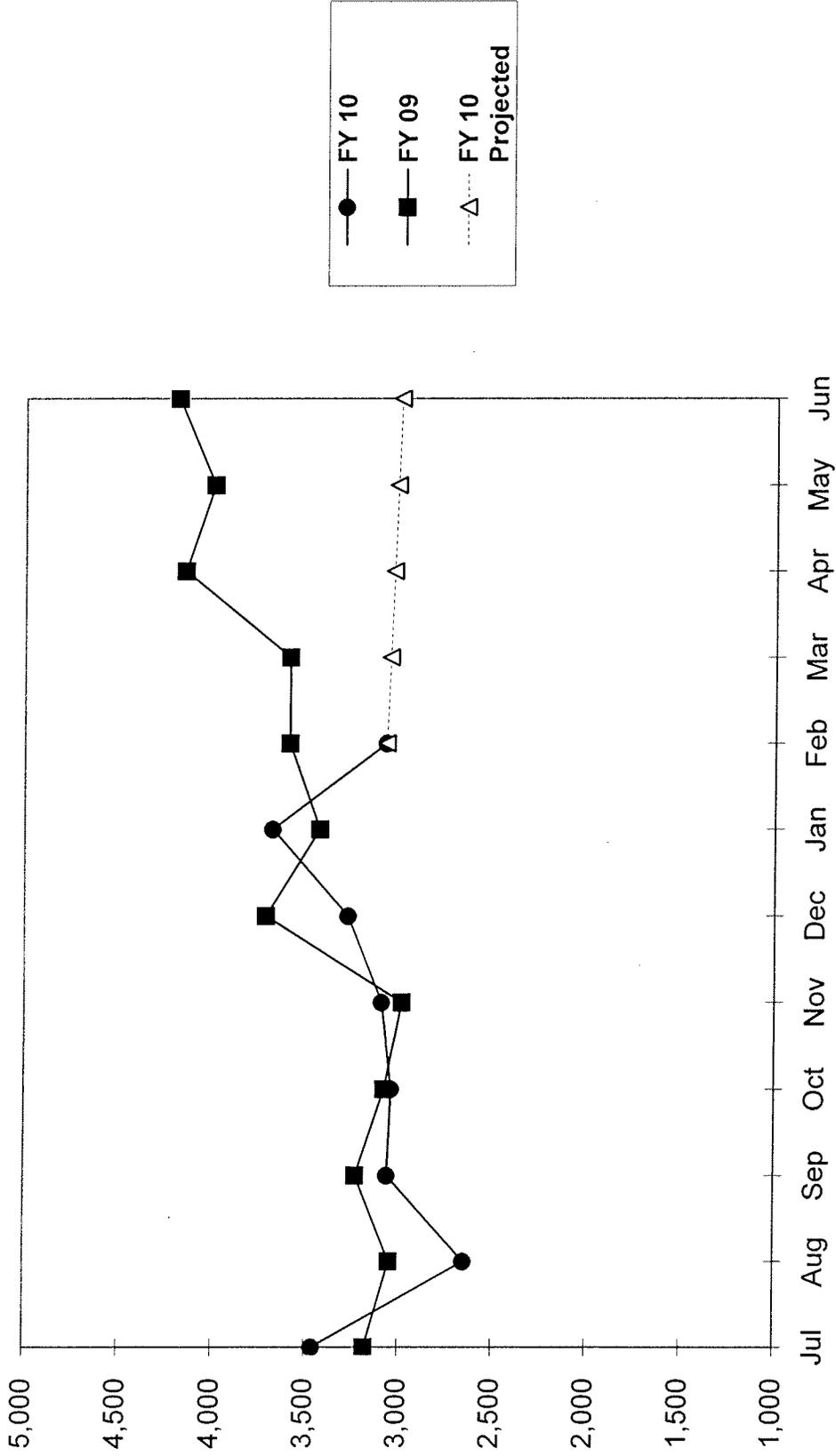
ABAG Financial Indices

Cash on Hand FY 09 and FY 10 (\$'000)



ABAG Financial Indices

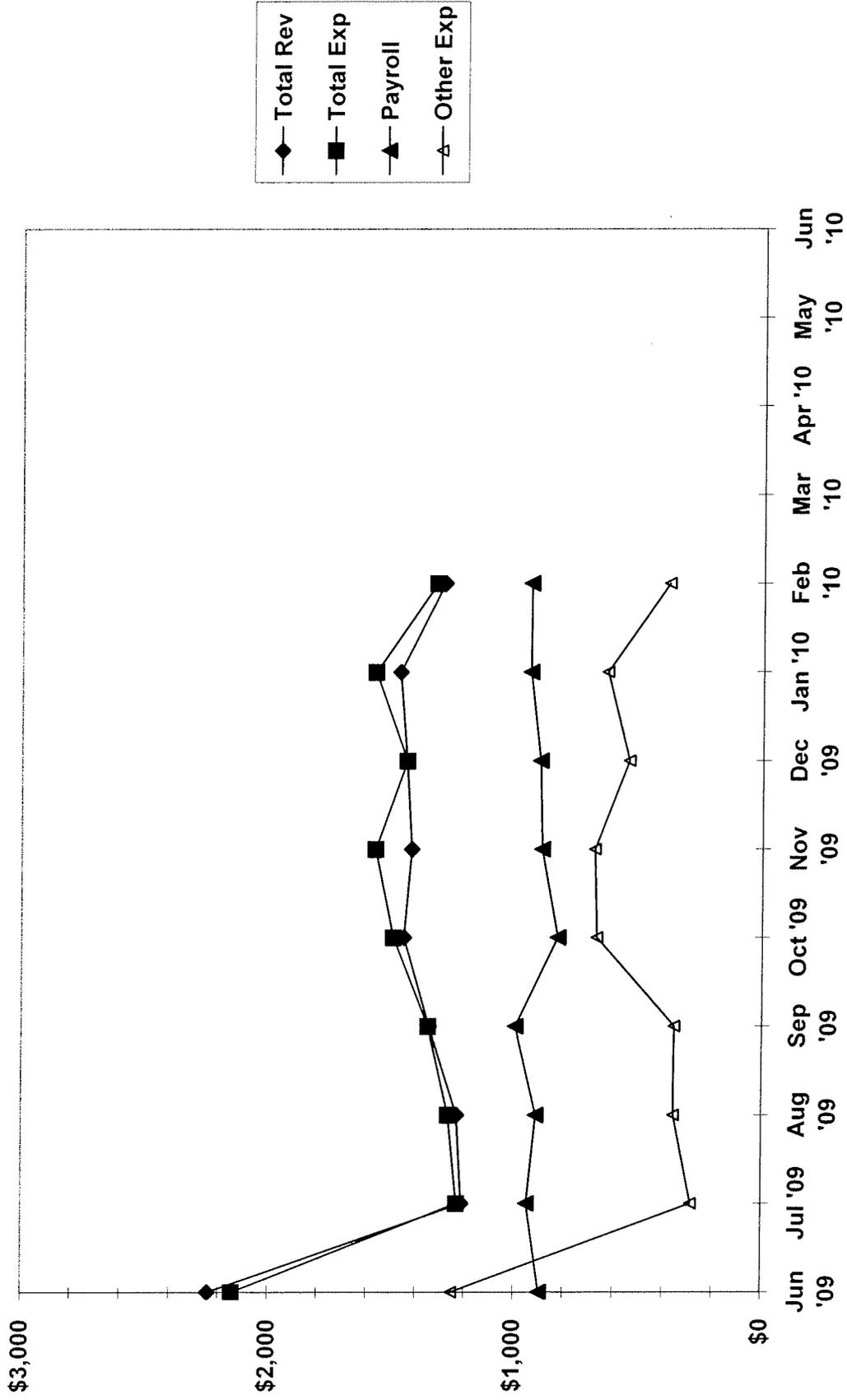
Accounts Receivable FY 09 and FY 10 (\$'000)



ABAG Financial Indices

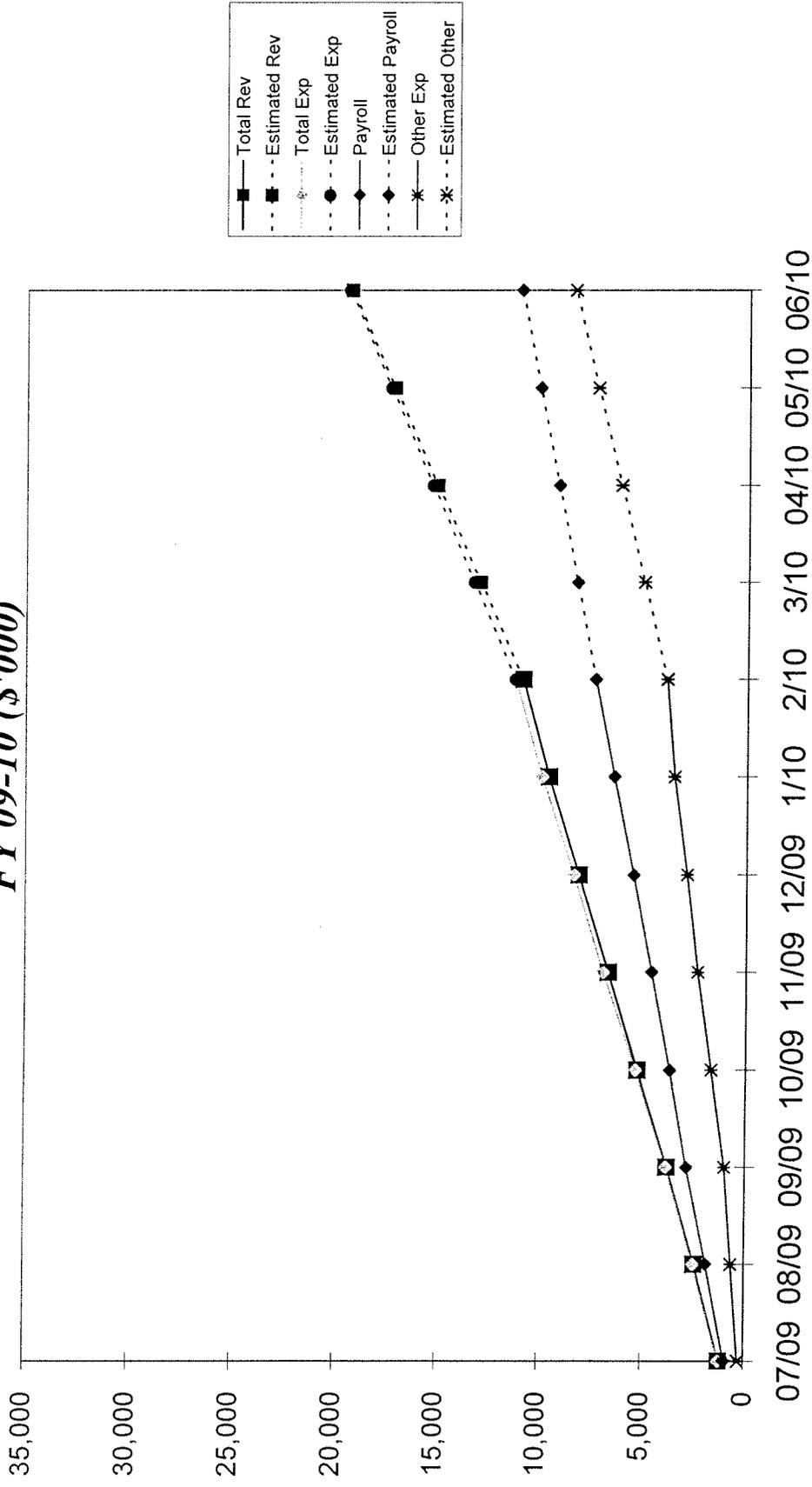
Current Month Revenues & Expenses

FY 09-10 (\$'000)



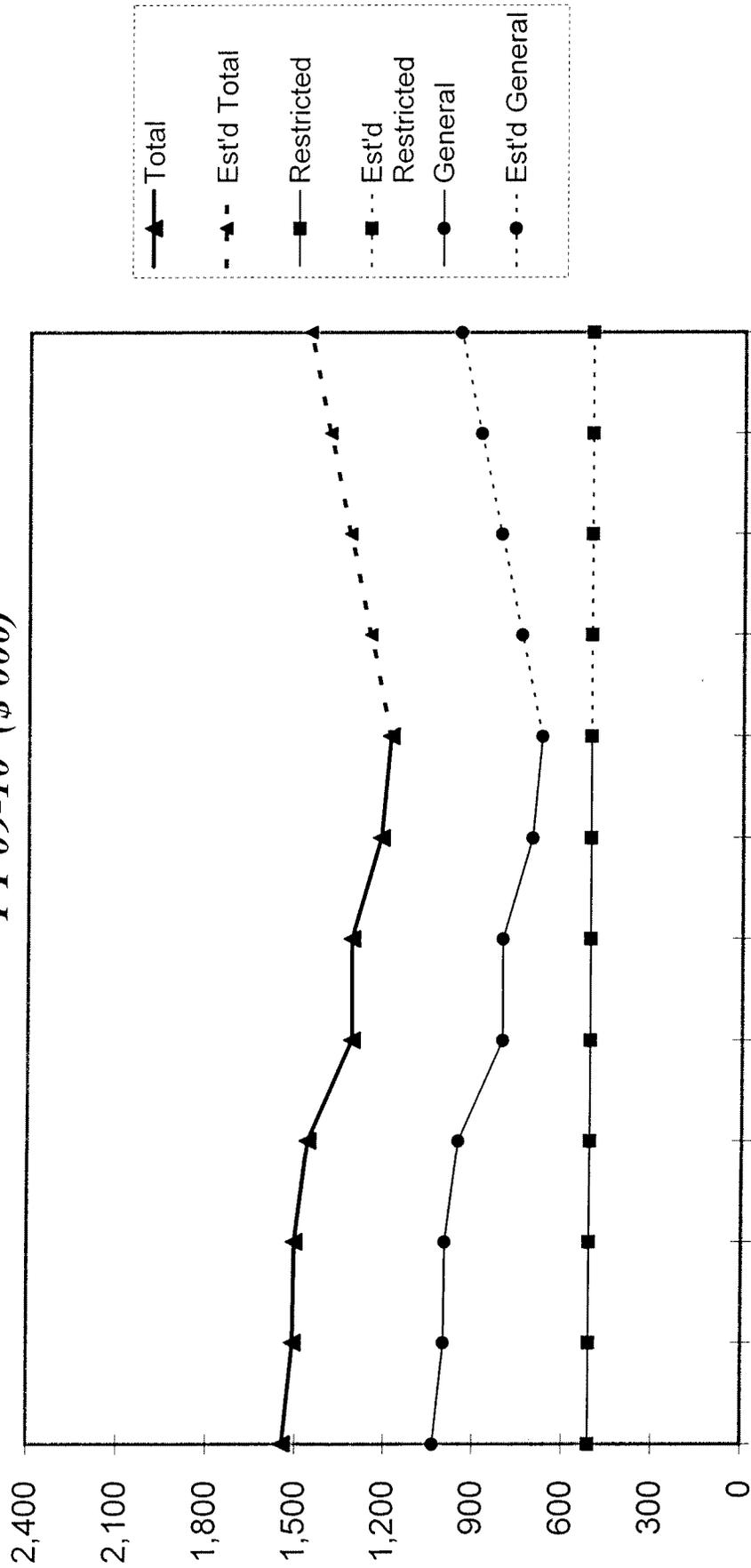
ABAG Financial Indices

Year-to-date Revenues & Expenses FY 09-10 (\$'000)



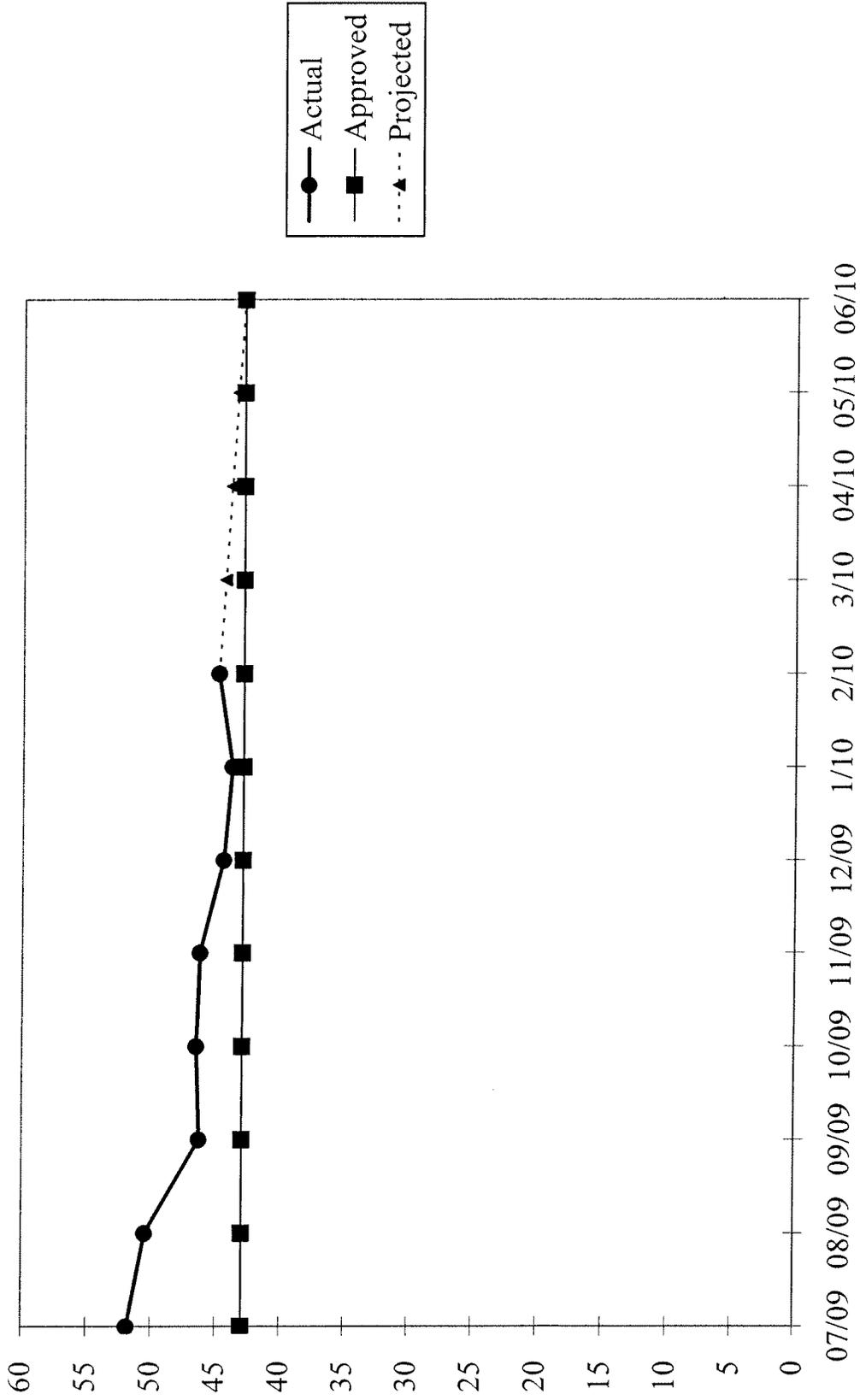
ABAG Financial Indices

Fund Equity
FY 09-10 (\$'000)



ABAG Financial Indices

Indirect Cost Rate (% of Direct Labor Cost) FY 09-10

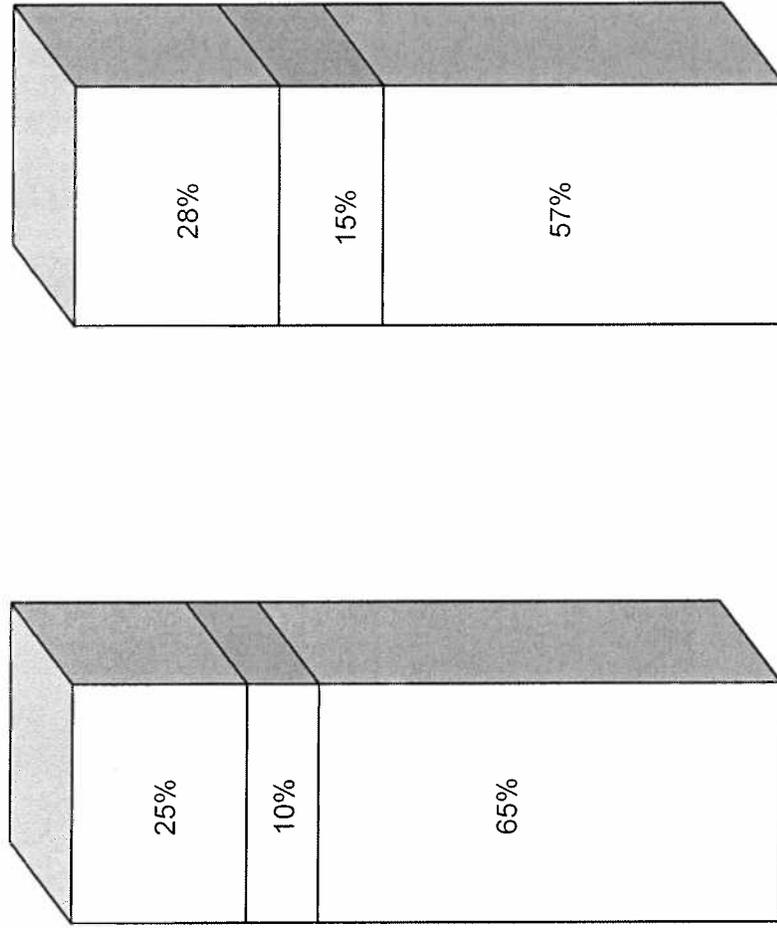


ABAG Financial Indices

Composition of Expenses FY 09--FY 10

Year to Date

(\$'000)



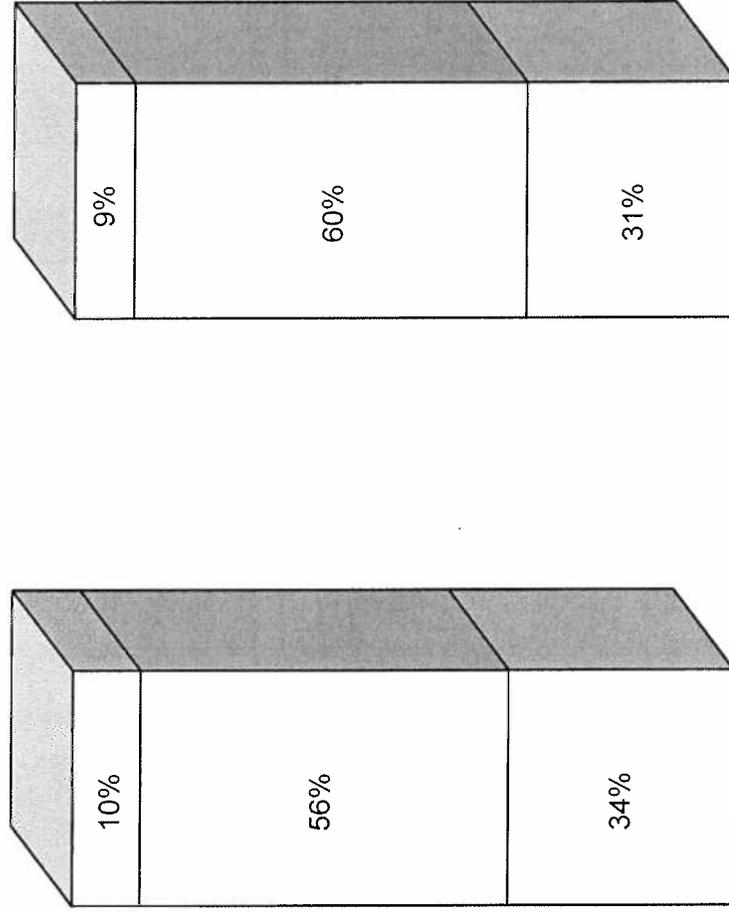
	FY09-10 Expenses (Total \$11,236)	FY08-09 Expenses (Total \$12,338)
<input type="checkbox"/> Consultants	\$2,758	\$3,543
<input type="checkbox"/> Others	\$1,137	\$1,815
<input type="checkbox"/> Payroll	\$7,341	\$6,980

ABAG Financial Indices

Composition of Revenues FY 09--FY 10

Year to Date

(\$'000)

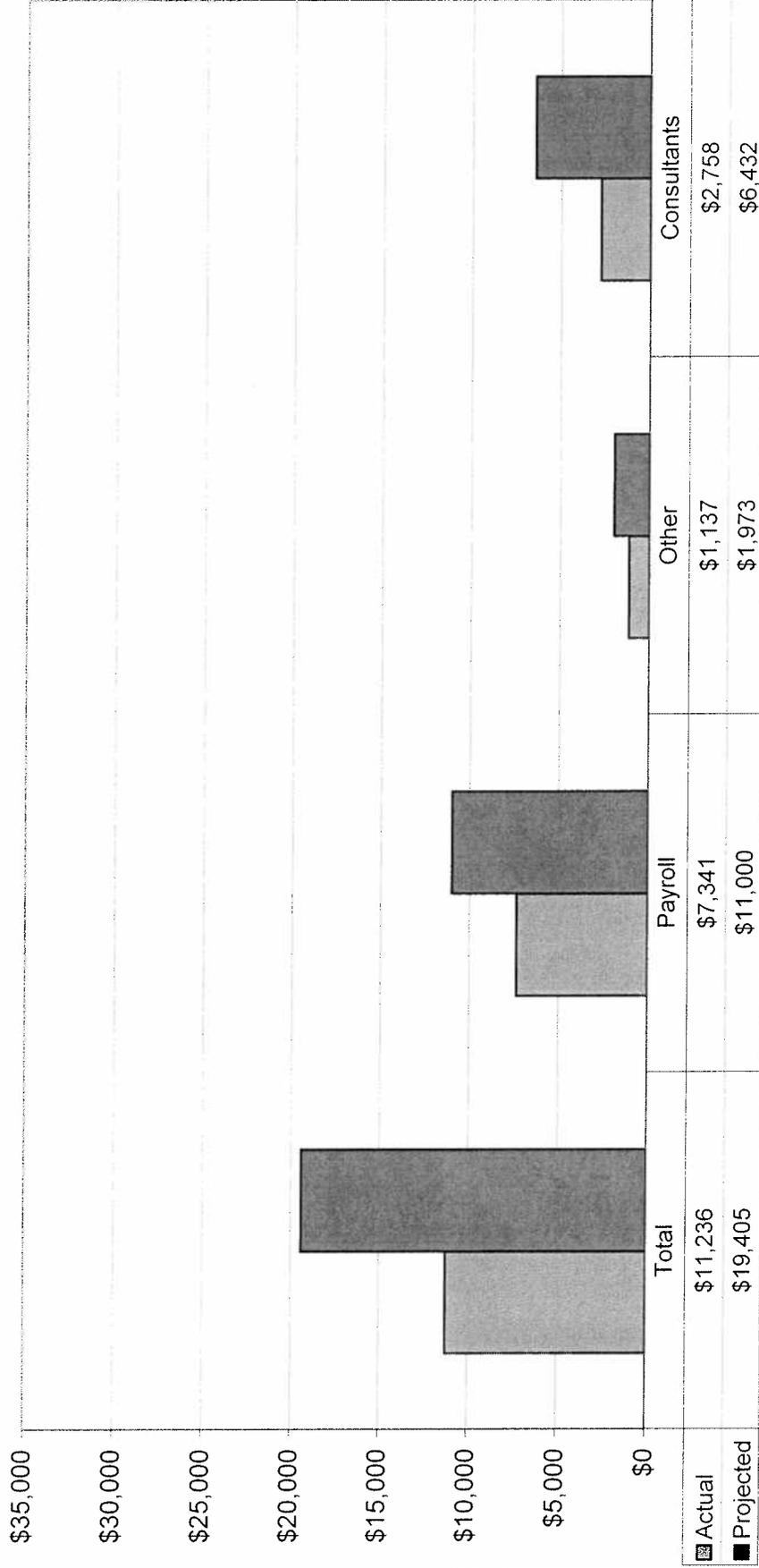


	FY 09-10 Revenue (Total \$10,858)	FY 08-09 Revenue (Total \$11,955)
<input type="checkbox"/> Membership	\$1,109	\$1,068
<input type="checkbox"/> Grants	\$6,070	\$7,123
<input type="checkbox"/> Services & Others	\$3,679	\$3,763

ABAG Financial Indices

Actual vs Projected Expenses--FY 09-10

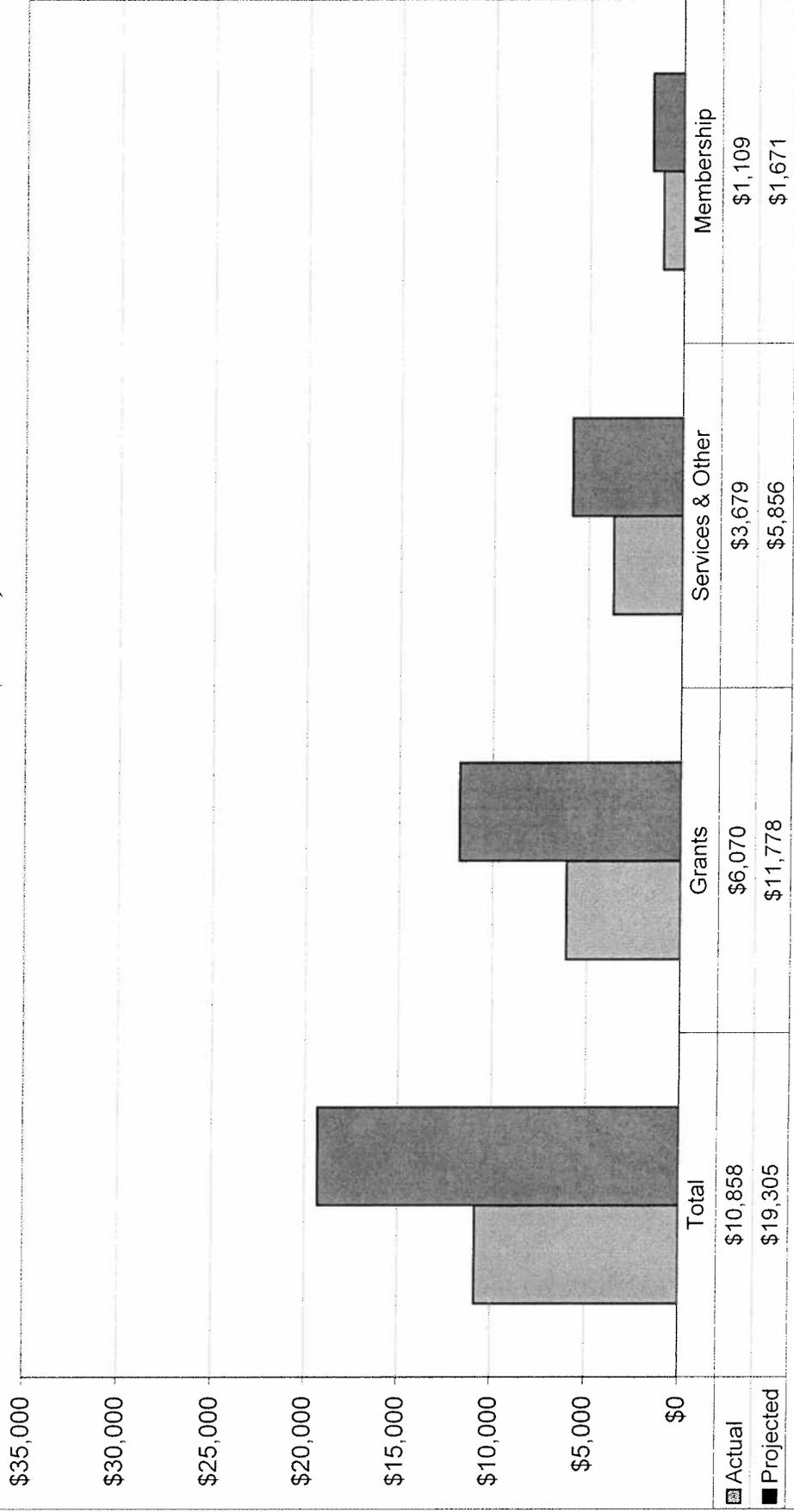
Year to Date (\$'000)



ABAG Financial Indices

Actual vs Projected Revenues--FY 09-10

Year to Date (\$'000)



Description of Charts

Figure 1 -- Cash on Hand

Cash on hand represents the sum total of cash deposited at our bank and the Local Agency Investment Fund (LAIF). This chart shows fluctuation patterns of cash on hand for the current and last fiscal years.

Figure 2 -- Accounts Receivable

Accounts receivable tracked by this chart include receivables generated by grants and service programs over two fiscal years. This chart reflects the reasonableness of our receivable levels. We usually have about six weeks' worth of our annual revenues in receivables.

Figure 3 -- Current Month Revenues and Expenses

Presents month by month total revenues, total expenses, payroll and other expenses for the current fiscal year. The difference between total revenues and total expenses lines represents the overall current month net surplus (or deficit) for the agency.

Figure 4 -- Year-to-date Revenues and Expenses

Presents year-to-date total revenues, total expenses, payroll and other expenses for the current fiscal year. The difference between total revenues and total expenses lines represents the overall year-to-date net surplus (or Deficit) for the agency.

Figure 5 --Fund Equity

Presents general, restricted and total fund equities for the current fiscal year. General fund equity represents unrestricted equity. Restricted equities include building bond interest, building maintenance, self-insurance and capital. These restricted equities represent the agency's equities set aside for specific purposes as approved by the Finance and Personnel Committee. Total equity is the sum total of general and restricted equities.

Figure 6 -- Indirect Cost Rate (% of Direct Labor Cost)

This chart shows a comparison between the actual indirect cost rate and the approved rate. The approved indirect cost rate is computed by dividing total estimated overhead expenses by total projected direct labor cost for a fiscal year. This rate is used as a standard overhead cost rate to allocate indirect costs to all projects. This process is performed in accordance with an indirect cost plan, which is prepared annually in accordance with OMB A-87.

Figure 7 – Composition of Expenses

This chart compares expenses for current and last fiscal years. It groups expenses into two broad categories -- payroll costs and other expenses.

Figure 8 -- Composition of Revenues

Presents a break down of total revenues into four main sources -- membership, grants, services and others. This chart compares revenue sources between current and last fiscal years.

Figure 9 -- Actual vs. Budgeted Expenses

Presents a comparison of actual and budgeted total expenses as well as component categories: payroll costs, consultants and other expenses.

Figure 10 -- Actual vs. Budgeted Revenues)

Presents a comparison of actual and budgeted total revenues as well as component categories: membership dues, grants, services and other.

TO: Finance and Personnel Committee

DT: April 30, 2010

FM: Herbert Pike, Finance Director

Re: Financial Reports
--March 2010

The following are highlights of the financial reports for March 2010.

Cash on Hand (Figure 1)

Cash on hand decreased to \$1.35 million on March 31st from \$1.81 million on February 28. The decrease is attributed to expensing of facility renovations of ABAG offices at the MetroCenter funded by a loan from FAN received in prior months. The March balance includes approximately \$858 thousand invested in the Local Agency Investment Fund (LAIF). Currently, ABAG does not hold any other investments. The March 31st cash balance is approximately \$160 thousand more than the prior year, the latter being attributed to more timely reimbursement from granting agencies, especially the State.

Receivables (Figure 2)

Receivables from grant and service programs amounted to about \$2.65 million on March 31st, a decrease of \$422 thousand from the month prior. The reduction is wholly attributable to accelerated receipt of grant reimbursements and grant billings, reducing grant receivables from \$1.42 million to \$1.11 million and unbilled receivables from \$1.64 million to \$1.54 million. Compared to March 31st of the year prior, the total receivables reflect a decrease of approximately \$942 thousand.

Actual vs. Budgeted Expenses (Figure 9)

Total expenses through March 31 amounted to about \$13.19 million, or 68.0 percent, of projected annual expenses of \$19.41 million for FY 09-10.

Actual vs. Budgeted Revenues (Figure 10)

As of March 31, total revenues amounted to about \$12.93 million, or 67.0 percent, of projected annual revenue of \$19.31 million for FY 09-10.

As of March 31st, both revenues and expenses are below “projected” annual totals. While revenues and expenditures might be expected to be 75 percent after the first three quarters of the new fiscal year, they are less than projections, largely due to the timing of consultant and sub-contractor expenses that lag in getting the billings in for the work performed and, consequently, getting billed and reimbursed for completed work. Consultant and sub-contractor expenses may be expected to accelerate during the balance of the fiscal year.

Fund Equity (Figure 5)

As of March 31st, general fund equity was approximately \$798 thousand, an increase of \$123 thousand from February 28th. The Agency’s restricted fund equity, consisting of capital, self-insurance and building maintenance, remained unchanged at \$510 thousand.

Indirect Cost (Figure 6)

The Agency's actual indirect cost (overhead) rate was 44.55 percent of direct labor cost as of March 31, or about 1.60% above the budgeted rate of 42.95 percent for FY 09-10. Most of the excess charges are due to revised allocations of employees' time between Agency Administration/Communications and General Overhead. These issues have been identified and rates are expected to further converge toward the expected rate over the next three months.

Overall (Figures 3, 4, 7 & 8)

At March 31, the Agency's net financial position is reasonably close to forecast with a deficit of roughly \$255 thousand, or 1.97 percent of year-to-date revenues. The cash balance is expected to improve when we gain formal CalTrans approval of our indirect cost allocation plan. In addition, the latter third of the year traditionally incurs reduced payouts of accrued leave, which results in more hours billed to grants and garnering increased revenue which should also improve the Agency's cash position.

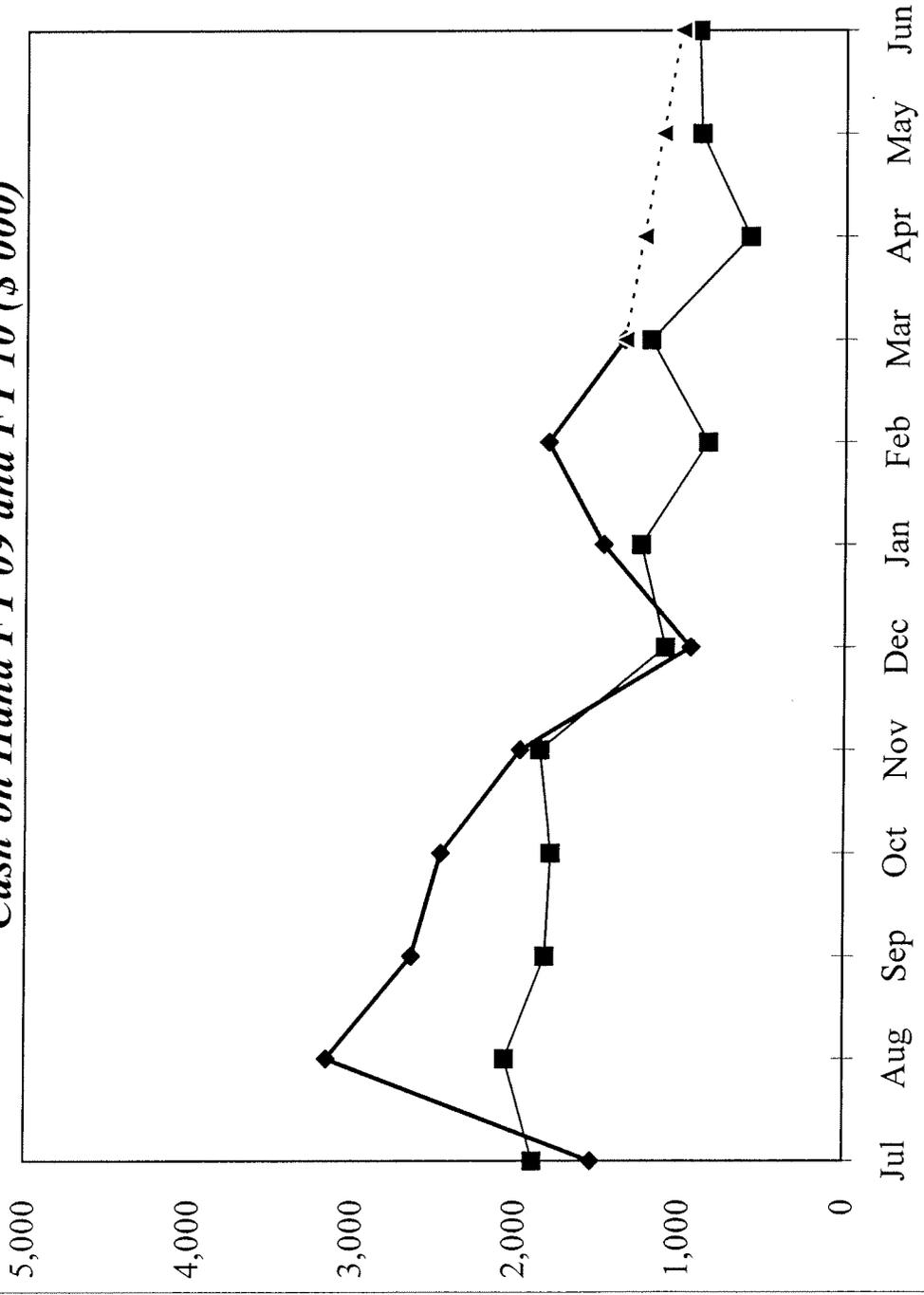
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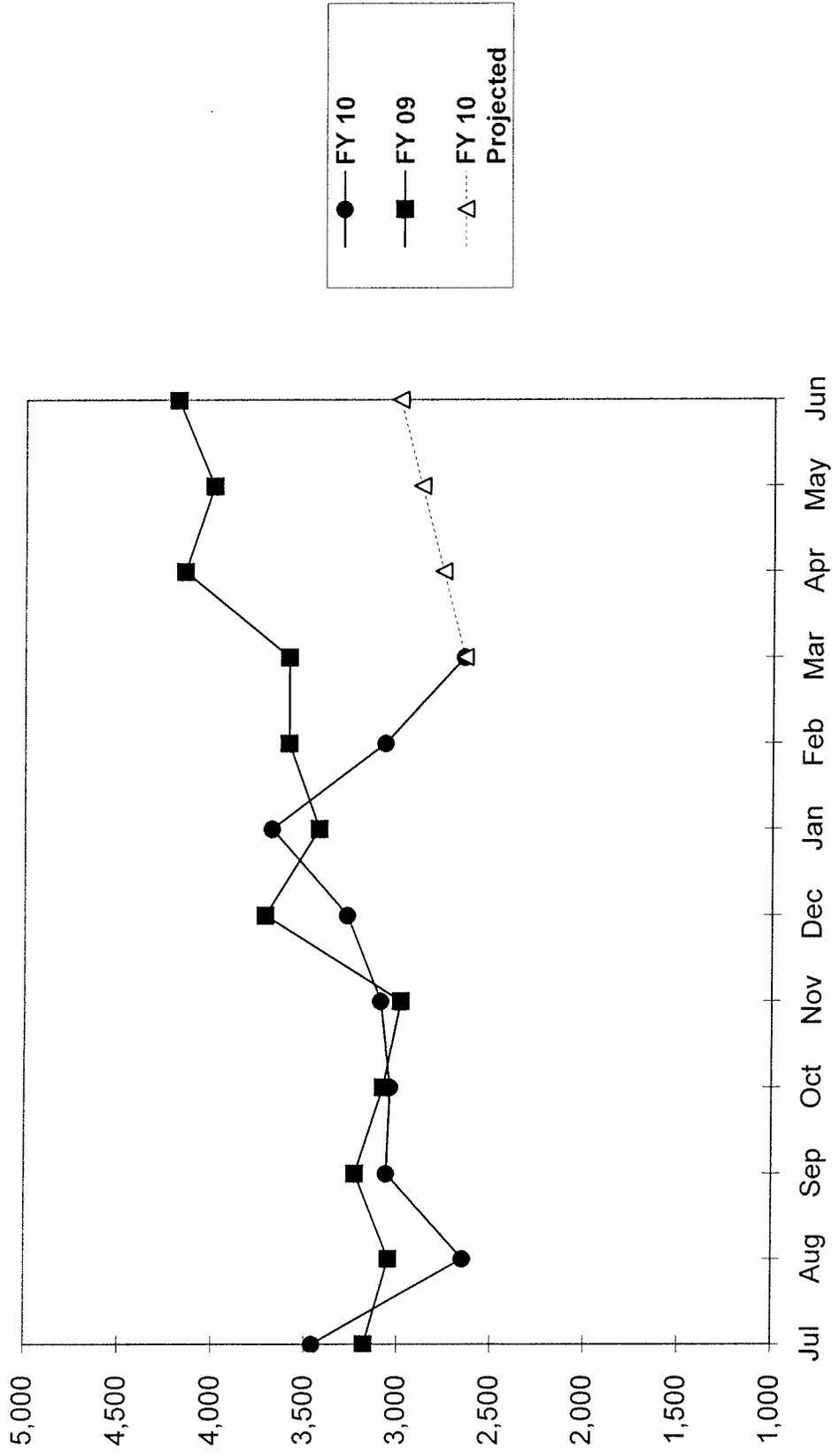
ABAG Financial Indices

Cash on Hand FY 09 and FY 10 (\$'000)



ABAG Financial Indices

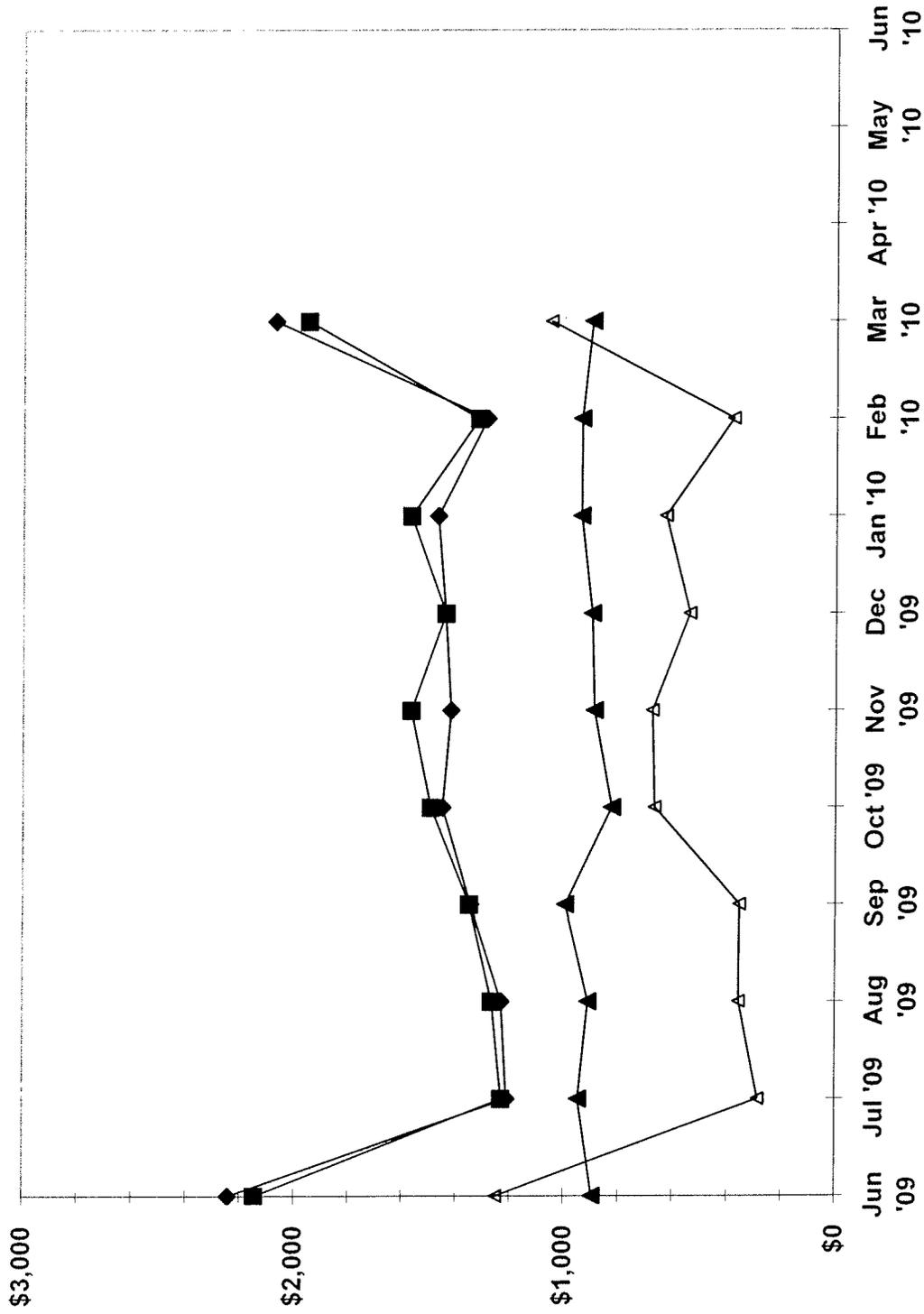
Accounts Receivable FY 09 and FY 10 (\$'000)



ABAG Financial Indices

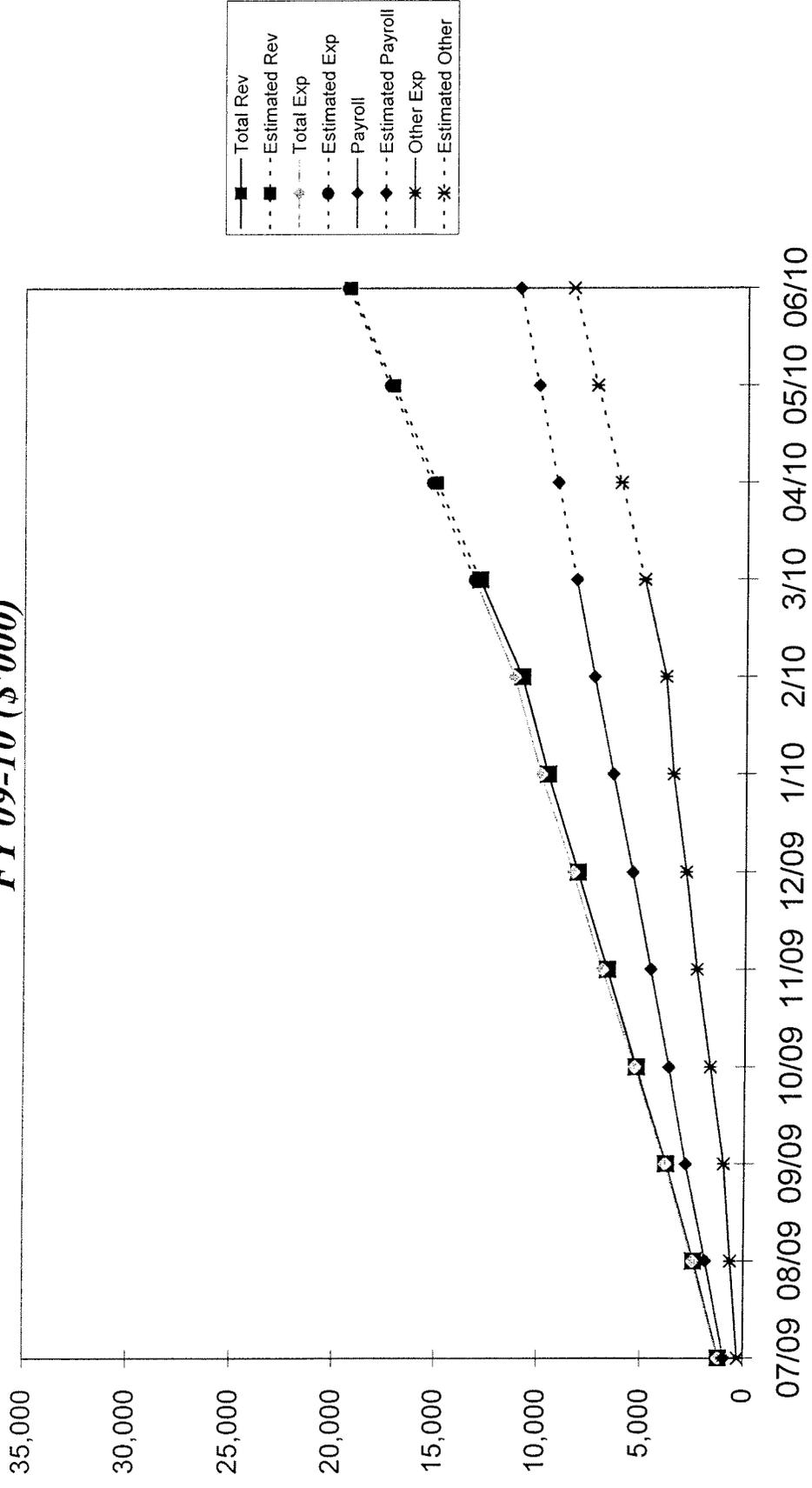
Current Month Revenues & Expenses

FY 09-10 (\$'000)



ABAG Financial Indices

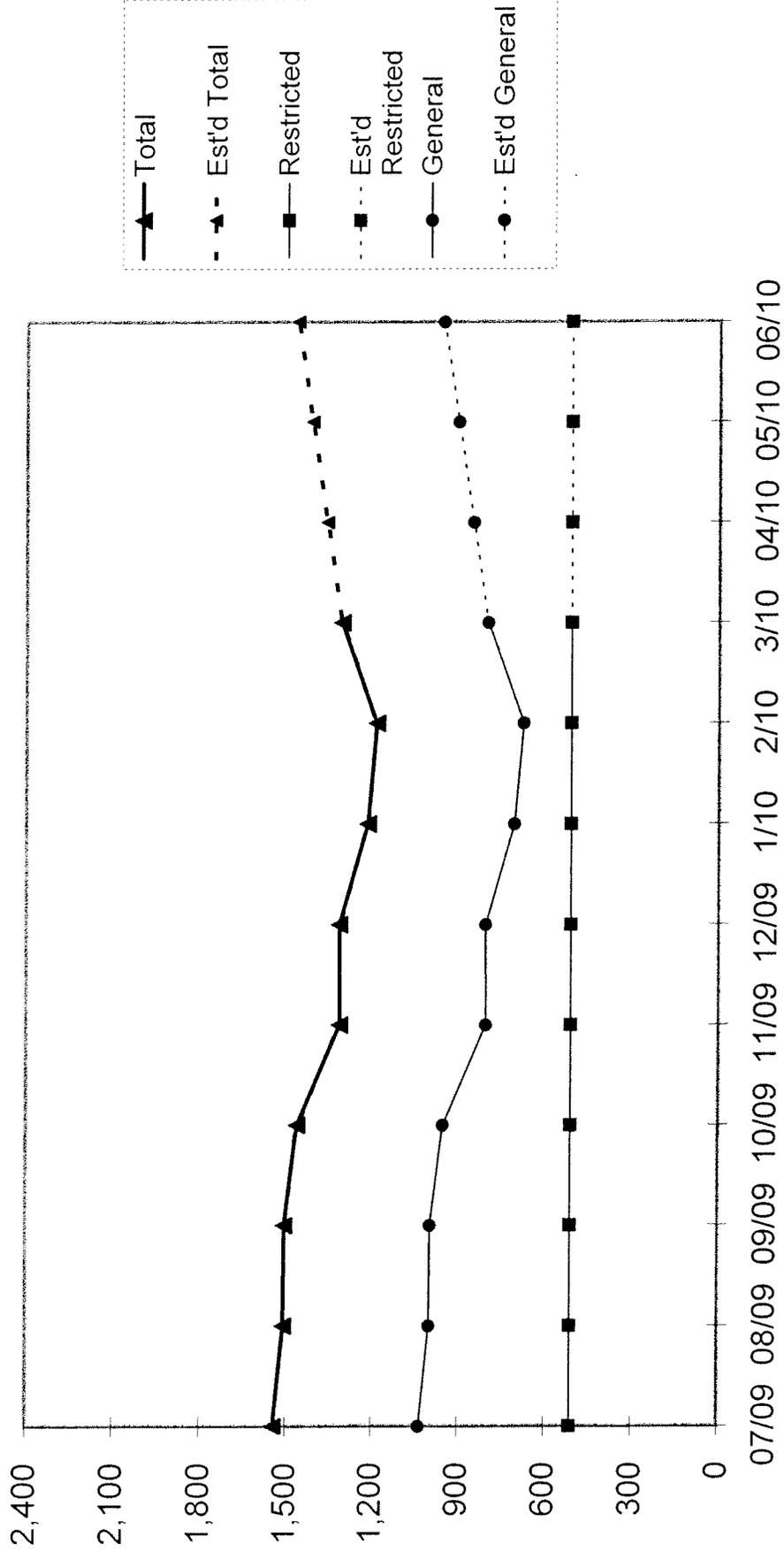
Year-to-date Revenues & Expenses FY 09-10 (\$'000)



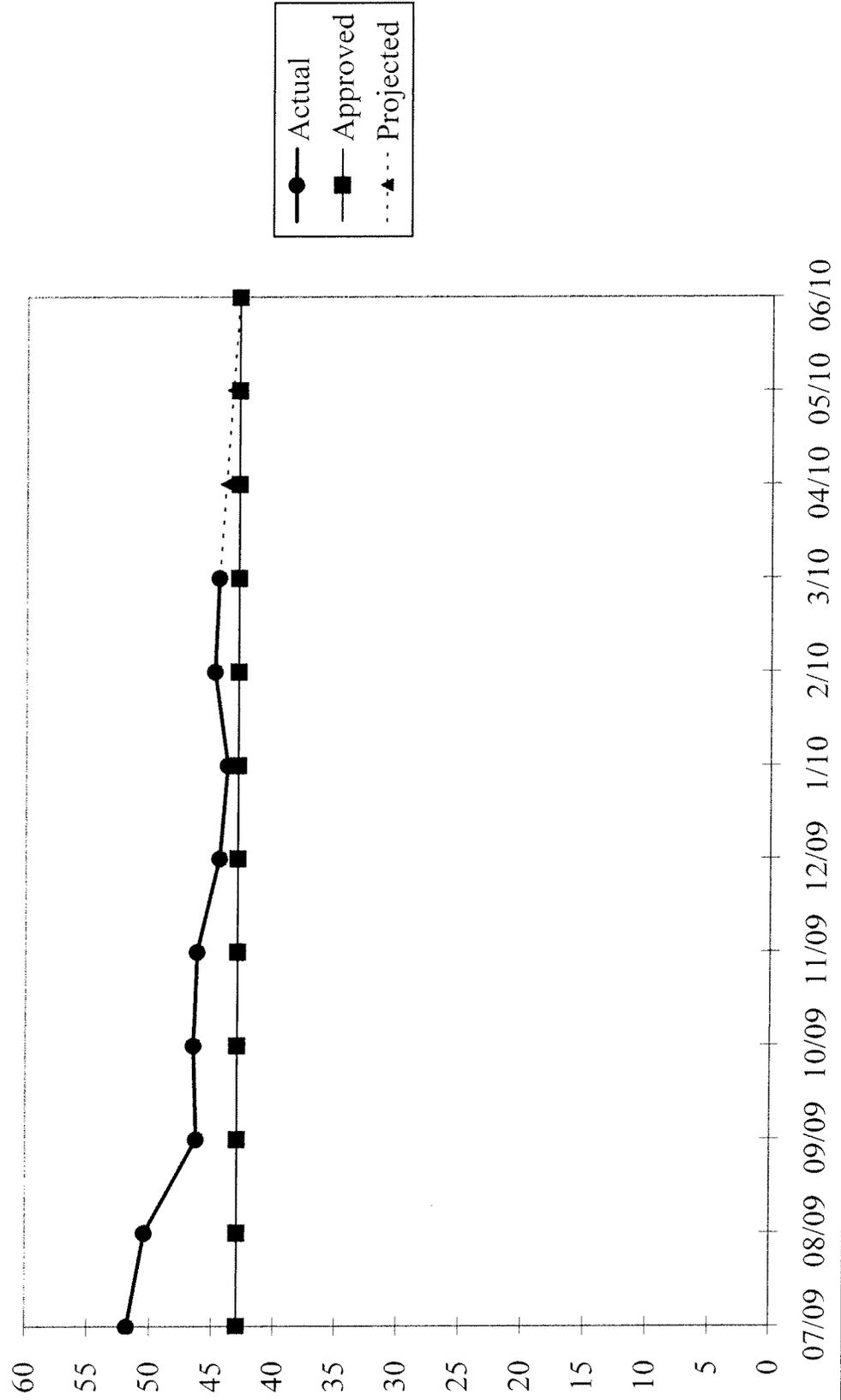
ABAG Financial Indices

Fund Equity

FY 09-10 (\$'000)

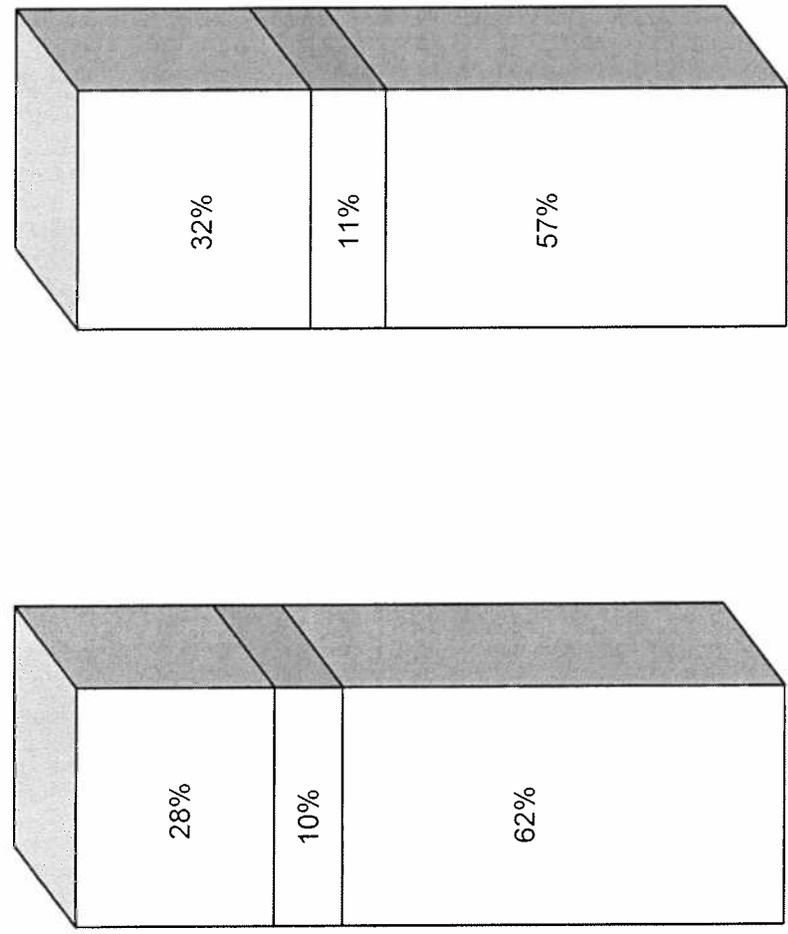


ABAG Financial Indices
Indirect Cost Rate (% of Direct Labor Cost)
FY 09-10



ABAG Financial Indices

Composition of Expenses FY 09--FY 10 Year to Date (\$'000)



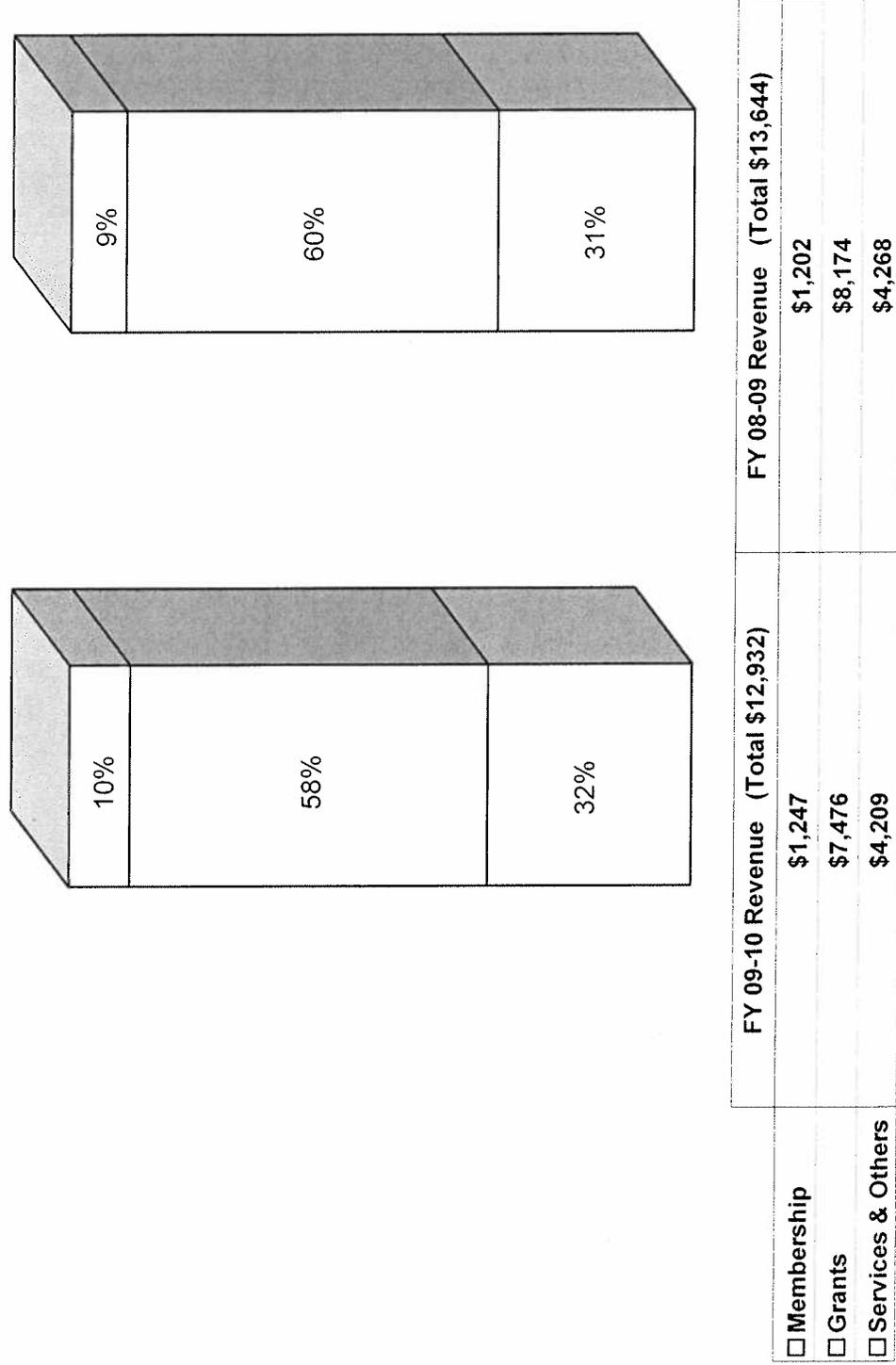
	FY09-10 Expenses (Total \$13,187)	FY08-09 Expenses (Total \$13,952)
□ Consultants	\$3,675	\$4,570
□ Others	\$1,272	\$1,482
□ Payroll	\$8,240	\$7,900

ABAG Financial Indices

Composition of Revenues FY 09--FY 10

Year to Date

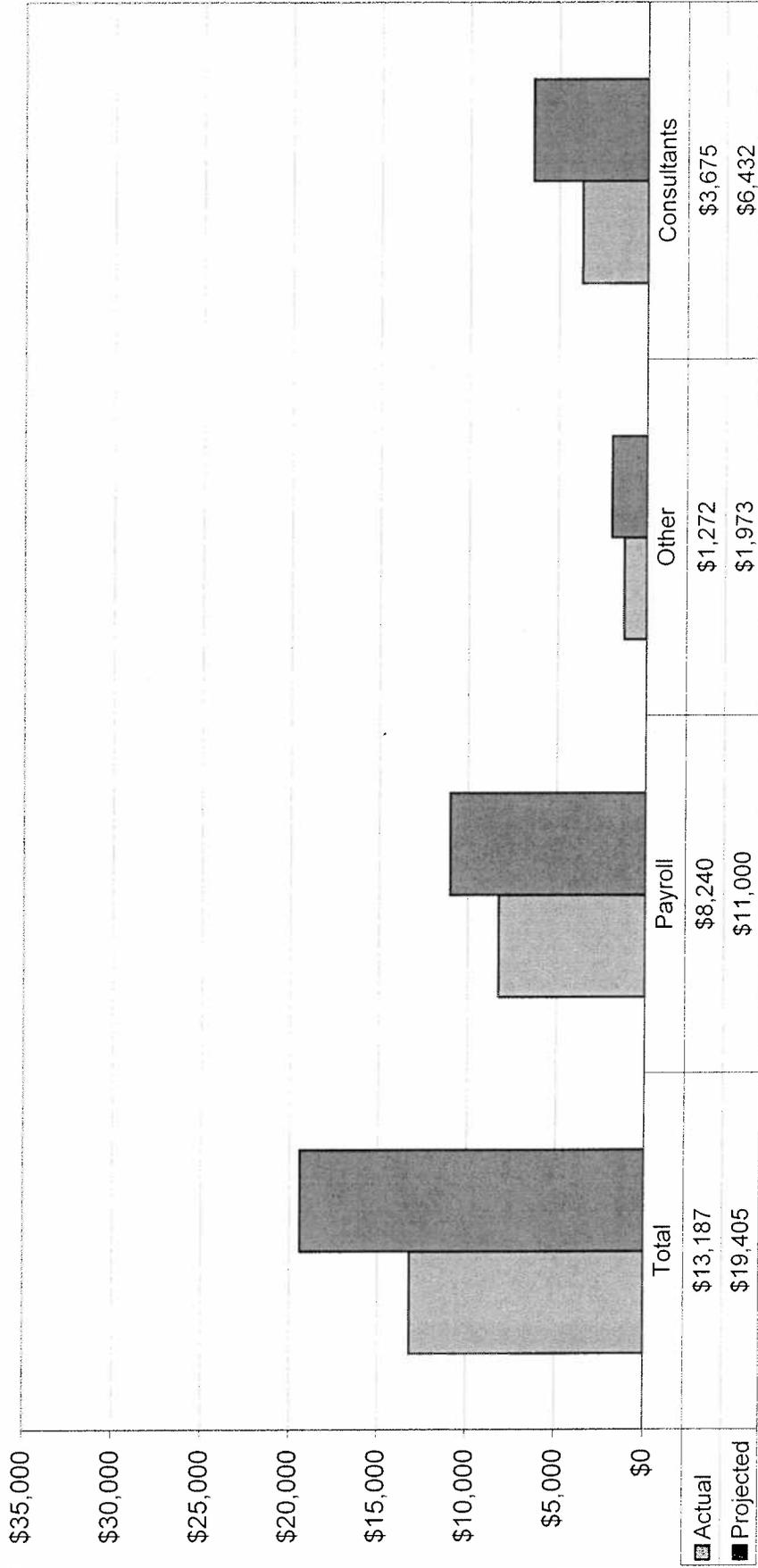
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ABAG Financial Indices

Actual vs Projected Expenses--FY 09-10

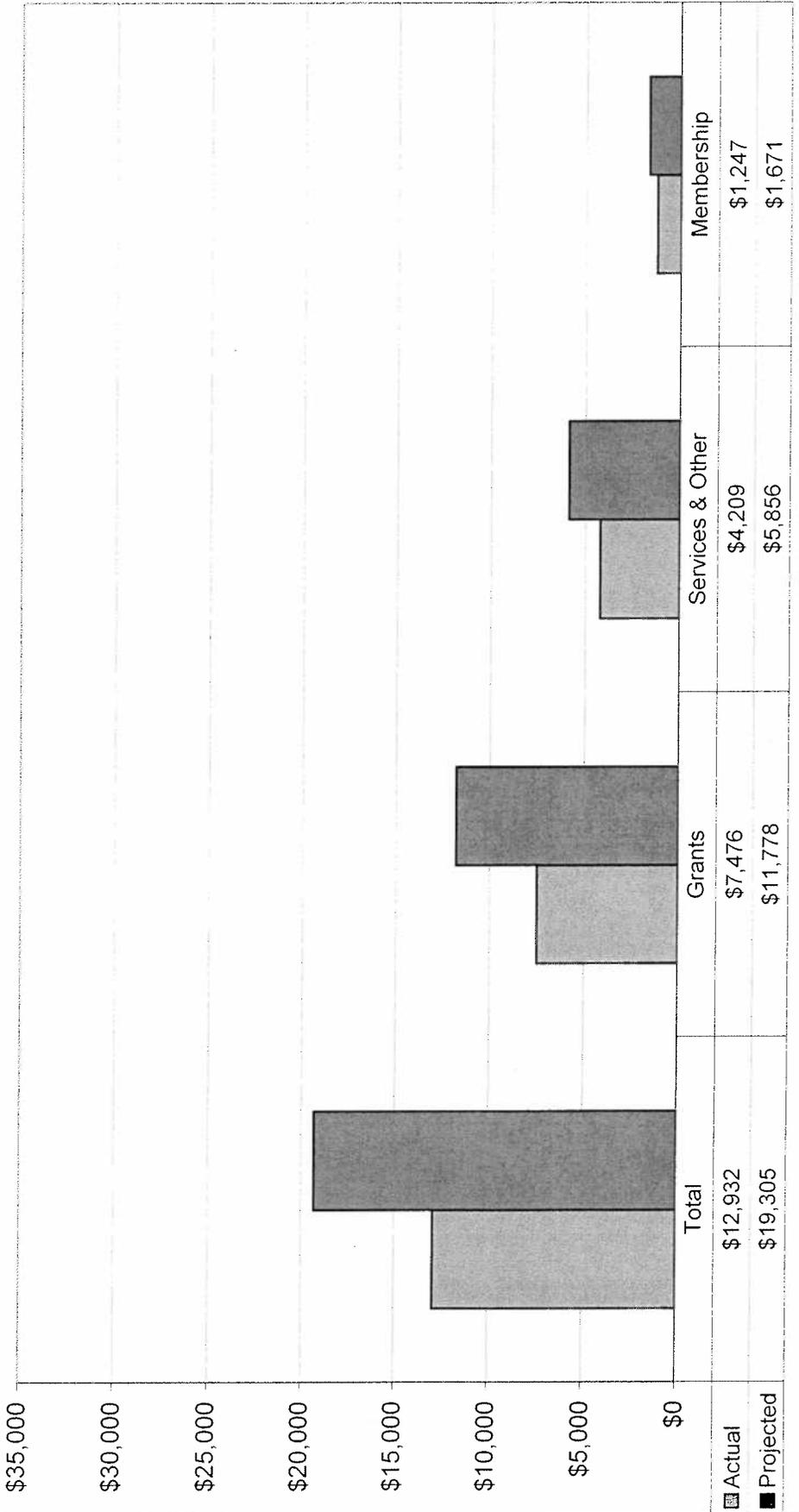
Year to Date (\$'000)



ABAG Financial Indices

Actual vs Projected Revenues--FY 09-10

Year to Date (\$'000)



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