

ABAG FINANCE AND PERSONNEL COMMITTEE

Thursday, July 15, 2010, 5:00 p.m.
ABAG Conference Room B
MetroCenter—8th and Oak Streets
Oakland, CA

<u>Est. Time in Minutes</u>		<u>Recommendation</u>
	1. Call to Order	
2	2. Public Comments	Information
3	*3. Minutes of the May 10, 2010 Meeting	Action
5	*4. Financial Reports – ABAG <i>The April and May 2010 Financial reports are enclosed with the agenda packet.</i>	Action
5	5. Informational Report Regarding the Air District's Exploration of a Regional Agencies Headquarters <i>An oral report to the Committee will be provided.</i>	Information
	THE FOLLOWING ITEMS WILL BE DISCUSSED IN CLOSED SESSION PURSUANT TO THE REQUIREMENTS OF THE RALPH M. BROWN ACT.	
20	6. Public Employee Performance Evaluation <i>Title: Legal Counsel</i> <i>Materials for this item will be mailed under separate cover.</i>	Action
	7. Adjournment	Action
	* Attachments enclosed with packet.	
	** The Committee may take action on any item on the agenda, which action may be the recommended action, any other action or no action.	

ABAG FINANCE AND PERSONNEL COMMITTEE

Summary Minutes

May 10, 2010

Members Present

Supervisor Scott Haggerty, Chair
Supervisor Rose Jacobs Gibson (by phone)
Supervisor John Gioia
Mayor Mark Green
Supervisor Mike Kerns, Vice Chair
Supervisor Barbara Kondylis (by phone)
Vice Mayor Peter McHugh
Mayor A. Sepi Richardson

Jurisdiction

County of Alameda
County of San Mateo
County of Contra Costa
City of Union City
County of Sonoma
County of Solano
City of Milpitas
City of Brisbane

Members Absent

Supervisor Susan Adams
Supervisor David Cortese

County of Marin
County of Santa Clara

Officers and Staff Present

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

- 1) The meeting was called to order at 3:30 p.m.
- 2) Roll call was held and a quorum was present, two by phone.
- 3) There were no public comments.
- 3) Summary Minutes of the January 21, 2010 meeting and Summary Notes of the March 18, 2010 session (no quorum) were approved. /M/Green/S/McHugh/C/approved.
- 3) Pike provided and overview of the February and March Financial Reports. /M/Green/S/Kerns/C/approved.
- 3) Gardner gave an oral, informational report on a proposed consolidated regional agencies building.

- 7) A closed session was held regarding a Public Employee Performance Evaluation of the Executive Director.
- 7) Back in open session, an emergency motion was made to discuss recruitment of a successor Executive Director. /M/Richardson/S/McHugh/C/approved.

Chair Harrington passed the gavel to ABAG President Green to lead discussion. A national recruitment, selection and use of a recruiting firm, a timeline to retain new Executive Director by the end of August, and the Finance & Personnel Committee as the selection committee were all discussed. Green will present Committee recommendations to Executive Board.

- 9) Meeting adjourned at 5:00 pm.

TO: Finance and Personnel Committee

DT: May 28, 2010

FM: Herbert Pike, Finance Director

Re: Financial Reports
--April 2010

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

Cash on Hand (Figure 1)

Cash on hand decreased to \$1.12 million on April 30th from \$1.35 million on March 31st. 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 April balance includes approximately \$740 thousand invested in the Local Agency Investment Fund (LAIF). Currently, ABAG does not hold any other investments. The April 30th cash balance is approximately \$541 thousand more than the prior year, the latter being attributed to more timely reimbursement from granting agencies, especially the State, and the balance of facility renovation loan funds yet to be expensed.

Receivables (Figure 2)

Receivables from grant and service programs amounted to about \$2.92 million on April 30th, an increase of \$265 thousand from the month prior. The increase is primarily attributable to a \$246 thousand increase (to \$1.35 million) in grant receivables; this results from increased quarter-end (through March) billings not yet processed by the granting agencies. Compared to April 30th of the year prior, the total receivables reflect a decrease of approximately \$942 thousand.

Actual vs. Budgeted Expenses (Figure 9)

Total expenses through April 30 amounted to about \$14.75 million, or 78.6 percent, of projected annual expenses of \$18.76 million for FY 09-10.

Actual vs. Budgeted Revenues (Figure 10)

As of April 30, total revenues amounted to about \$14.57 million, or 78.1 percent, of projected annual revenue of \$18.66 million for FY 09-10.

As of April 30th, both revenues and expenses are below “projected” annual totals. While revenues and expenditures might be expected to be 83 percent after the first ten 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 April 30th, general fund equity was approximately \$875 thousand, an increase of \$77 thousand from March 31. 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 43.97 percent of direct labor cost as of April 30, or about 1.02% 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 two months.

Overall (Figures 3, 4, 7 & 8)

At April 30, the Agency's net financial position is reasonably close to forecast with a deficit of roughly \$180 thousand, or 1.24 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 months of the year traditionally incur 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.

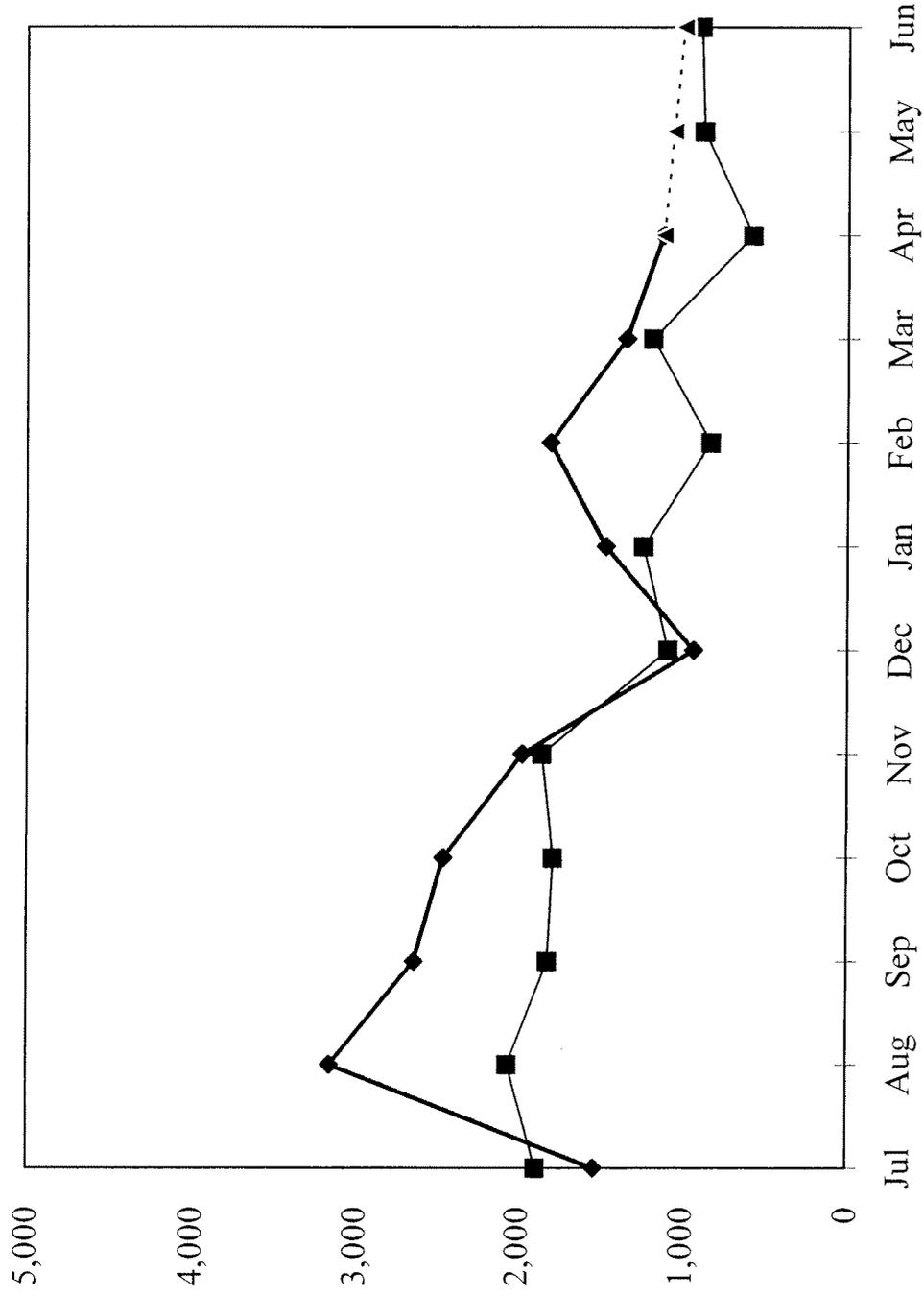
ABAG FINANCIAL REPORTS

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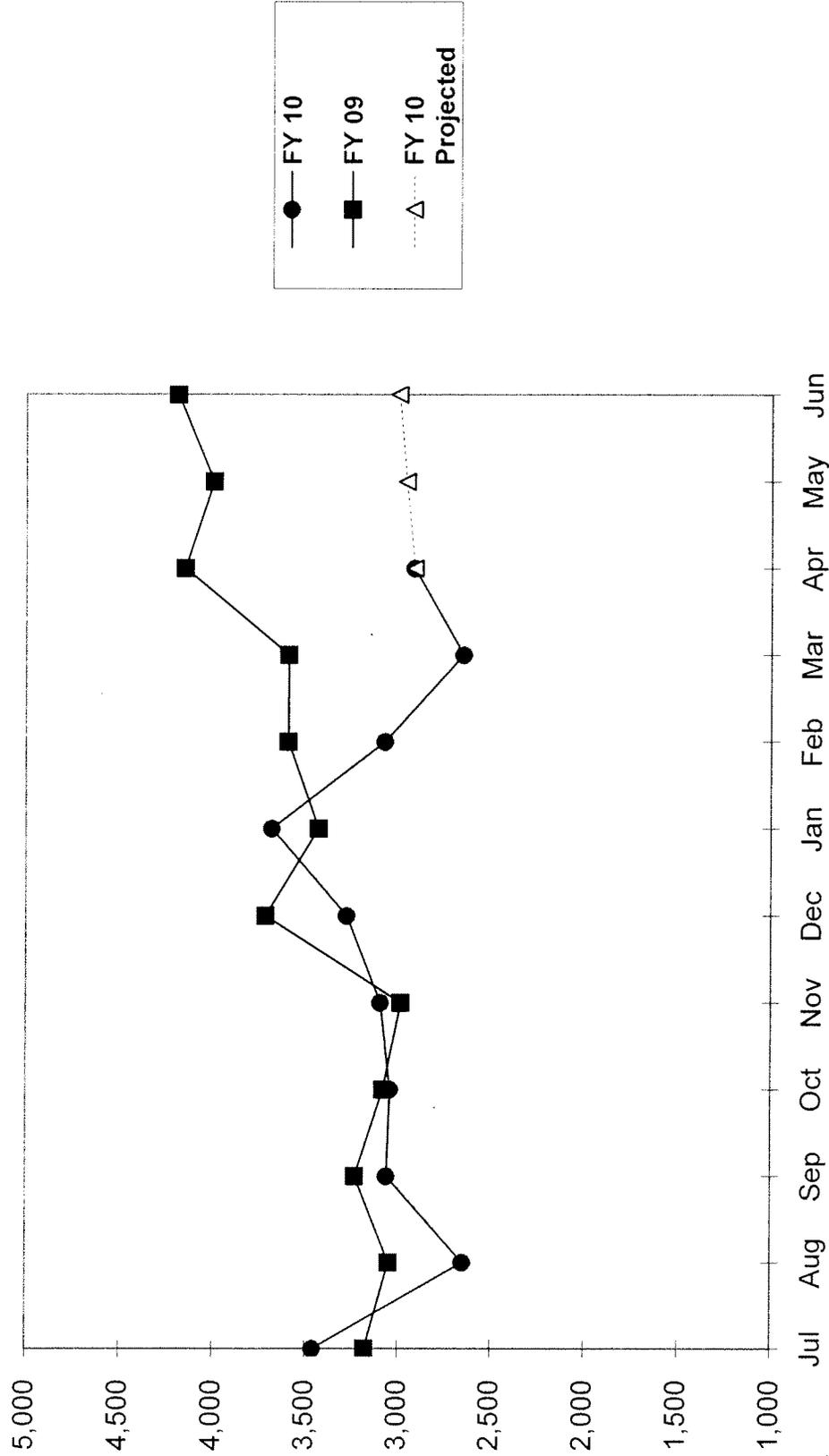
ABAG Financial Indices

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



ABAG Financial Indices

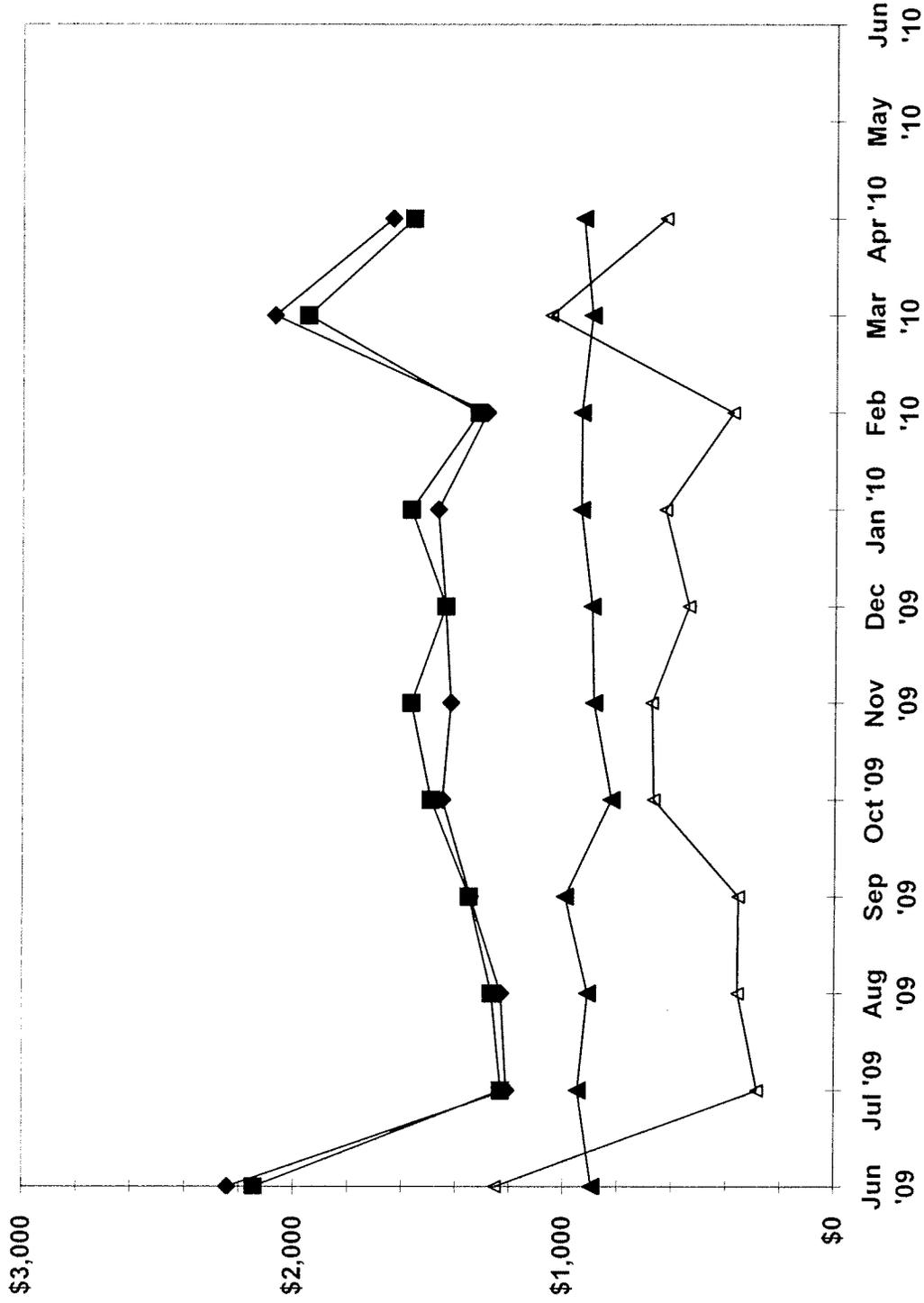
Accounts Receivable FY 09 and FY 10 (\$'000)



ABAG Financial Indices

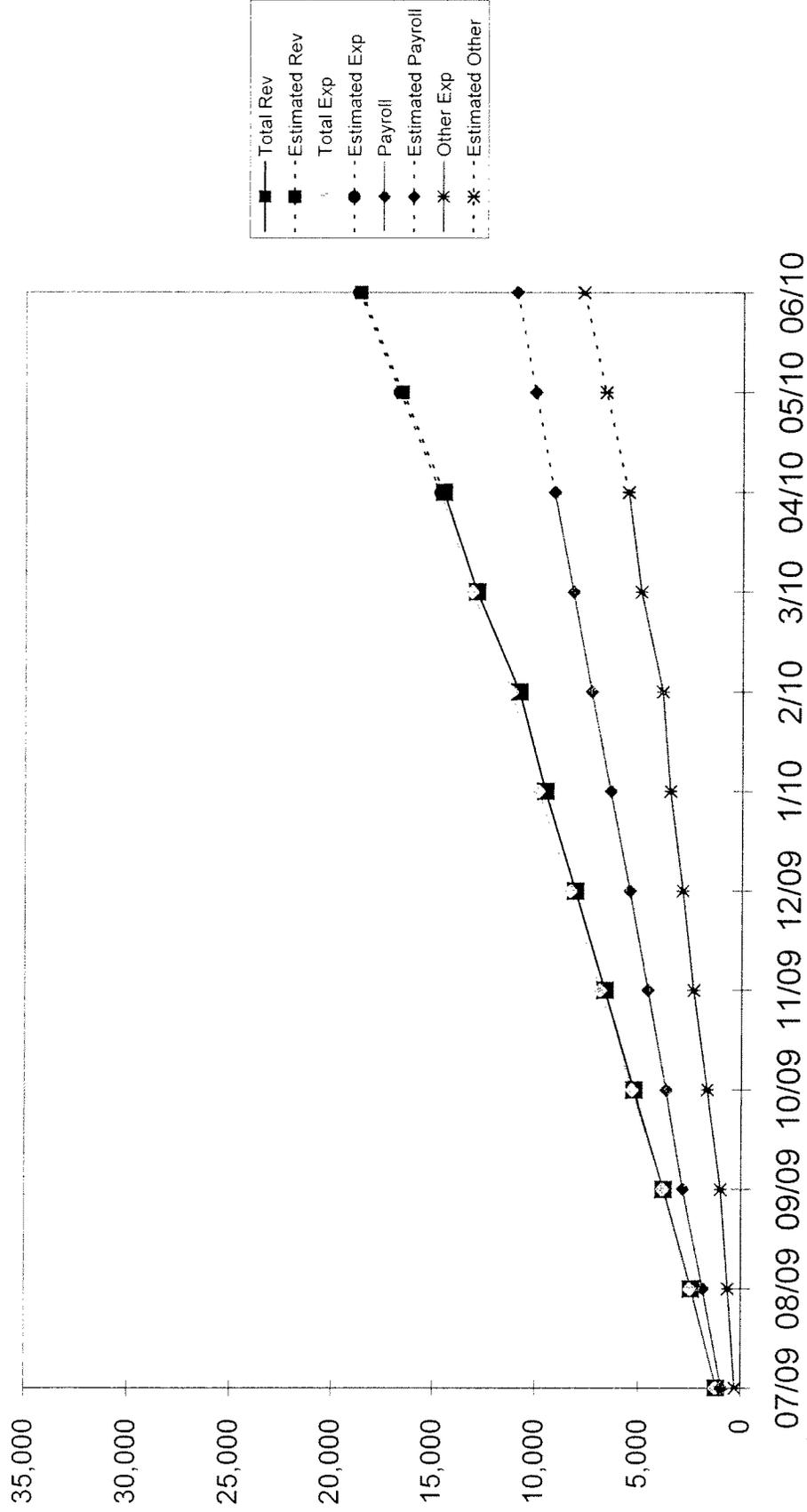
Current Month Revenues & Expenses

FY 09-10 (\$'000)



ABAG Financial Indices

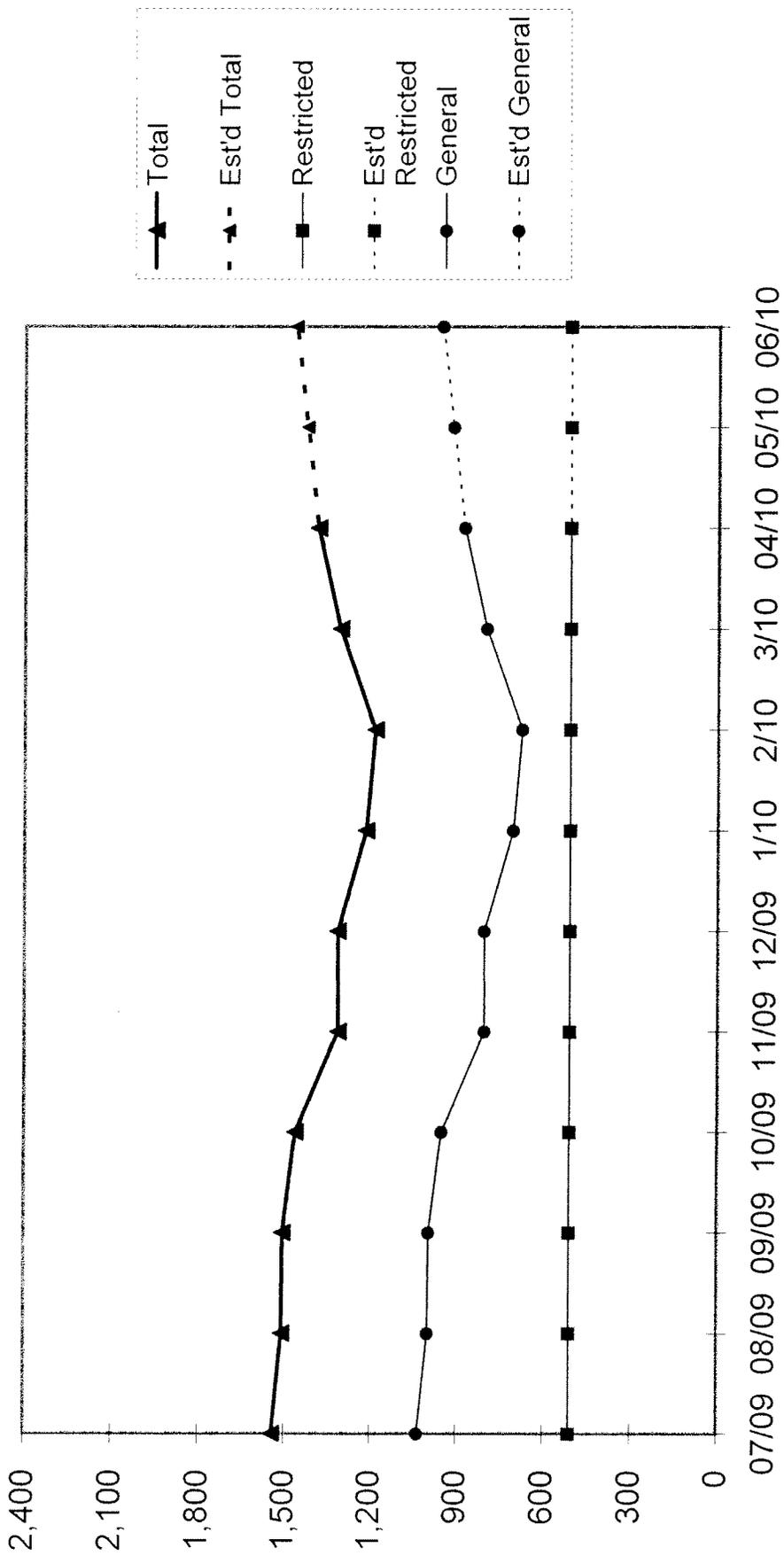
Year-to-date Revenues & Expenses FY 09-10 (\$'000)



ABAG Financial Indices

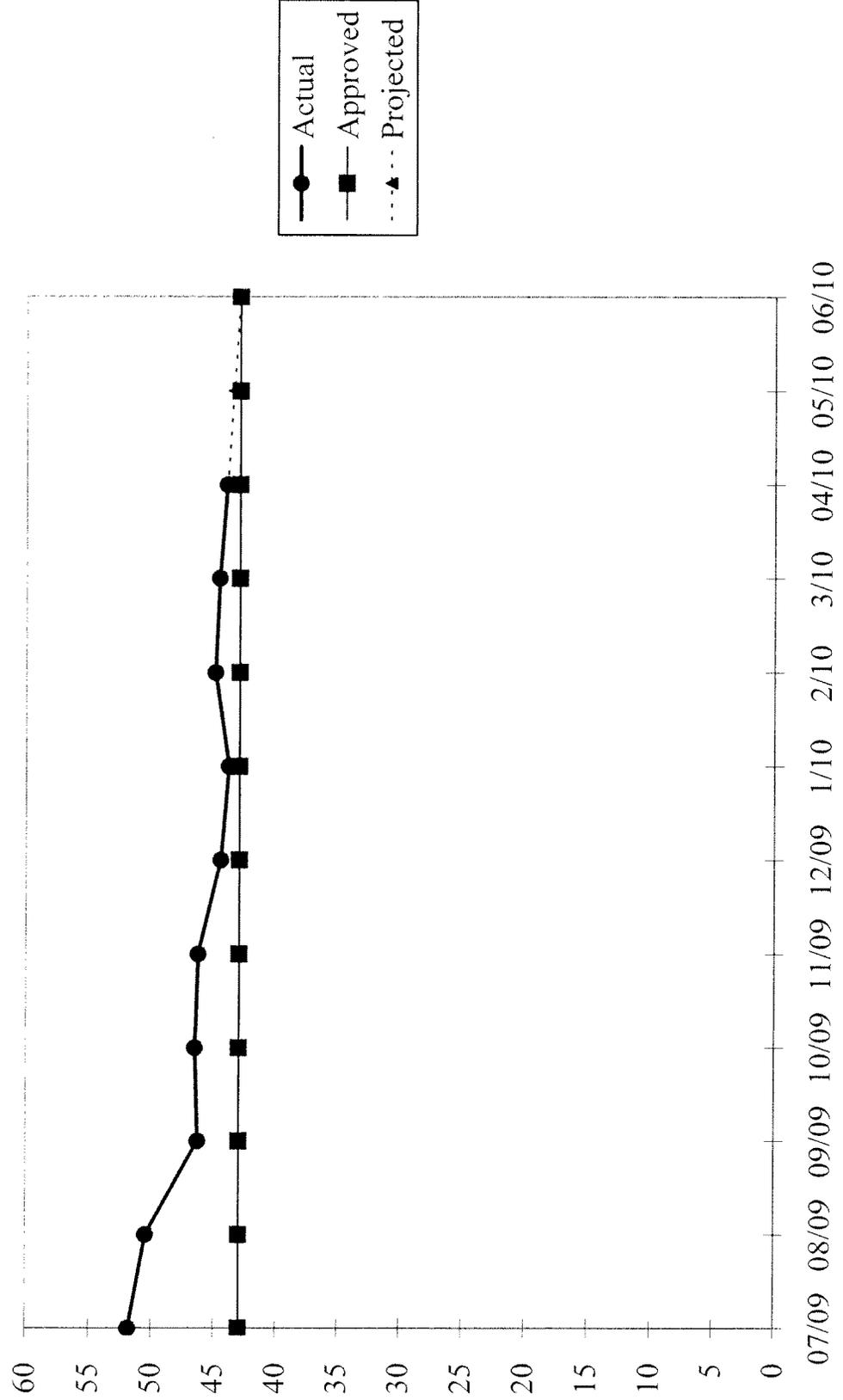
Fund Equity

FY 09-10 (\$'000)



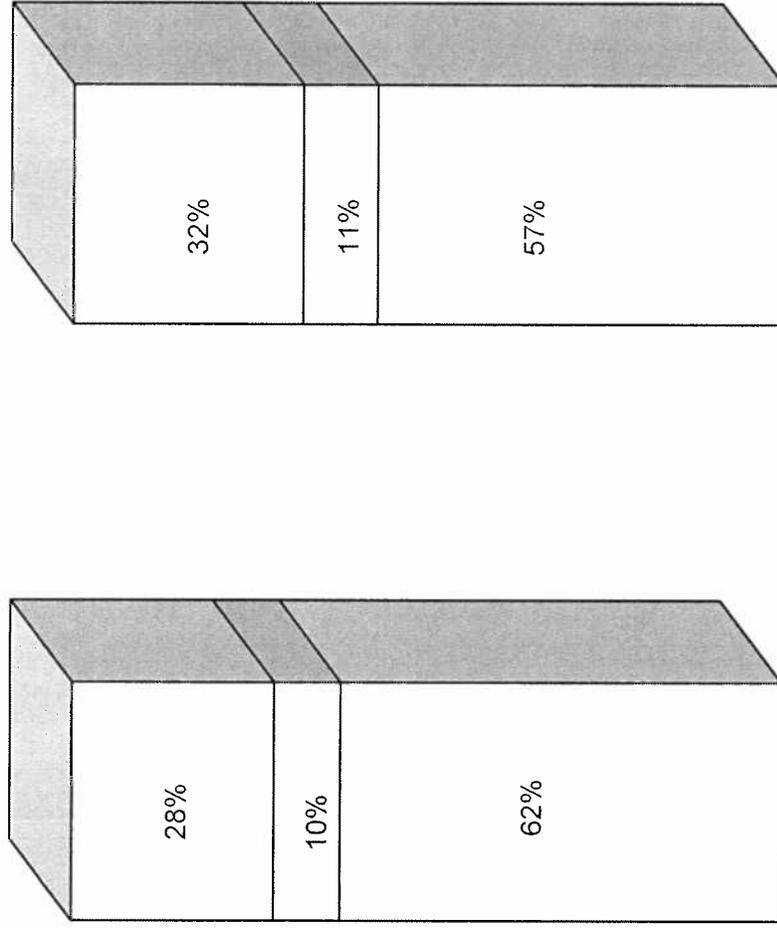
ABAG Financial Indices

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



ABAG Financial Indices

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



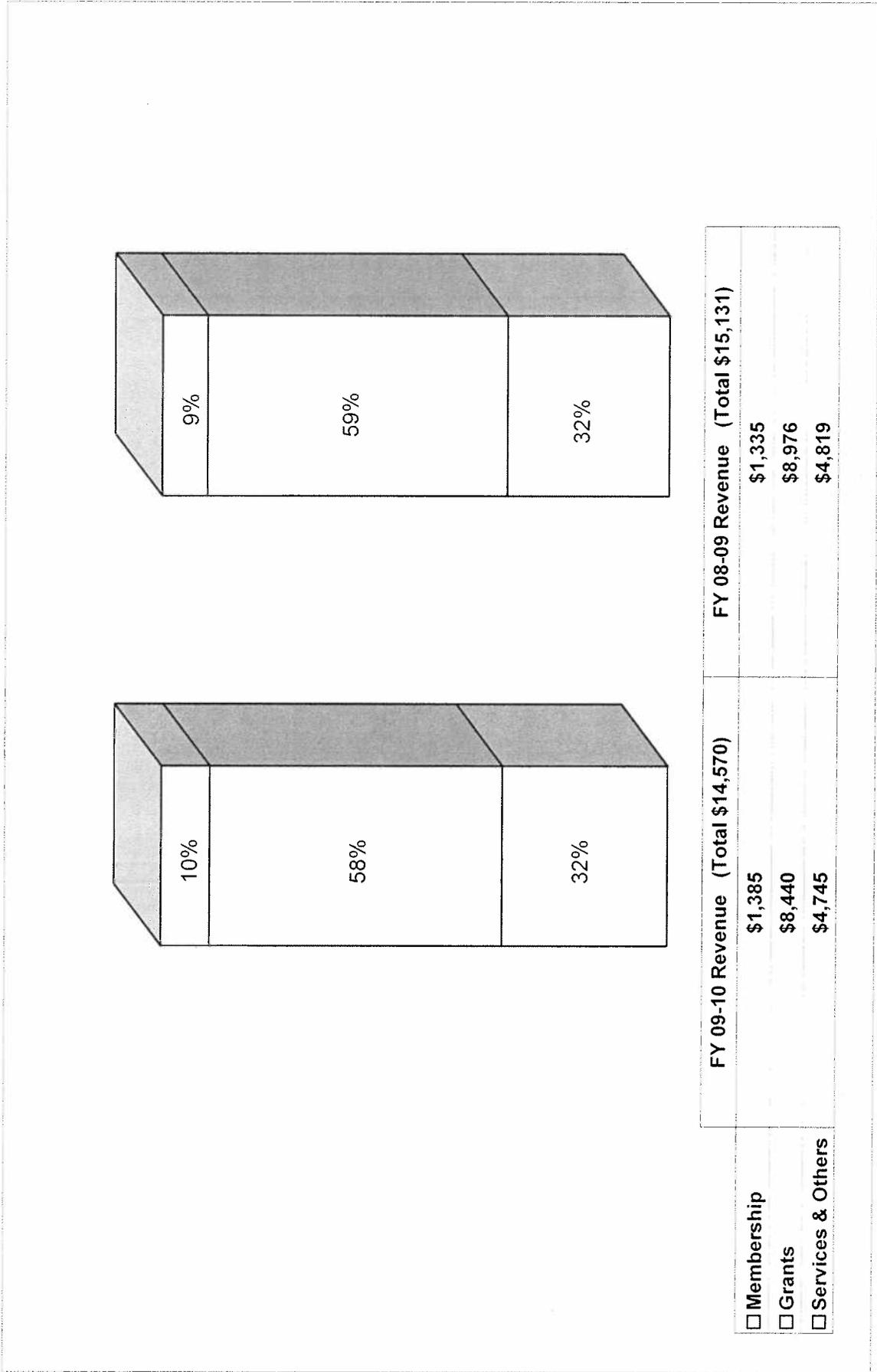
	FY09-10 Expenses (Total \$14,748)	FY08-09 Expenses (Total \$15,265)
<input type="checkbox"/> Consultants	\$4,191	\$4,922
<input type="checkbox"/> Others	\$1,385	\$1,603
<input type="checkbox"/> Payroll	\$9,172	\$8,740

ABAG Financial Indices

Composition of Revenues FY 09--FY 10

Year to Date

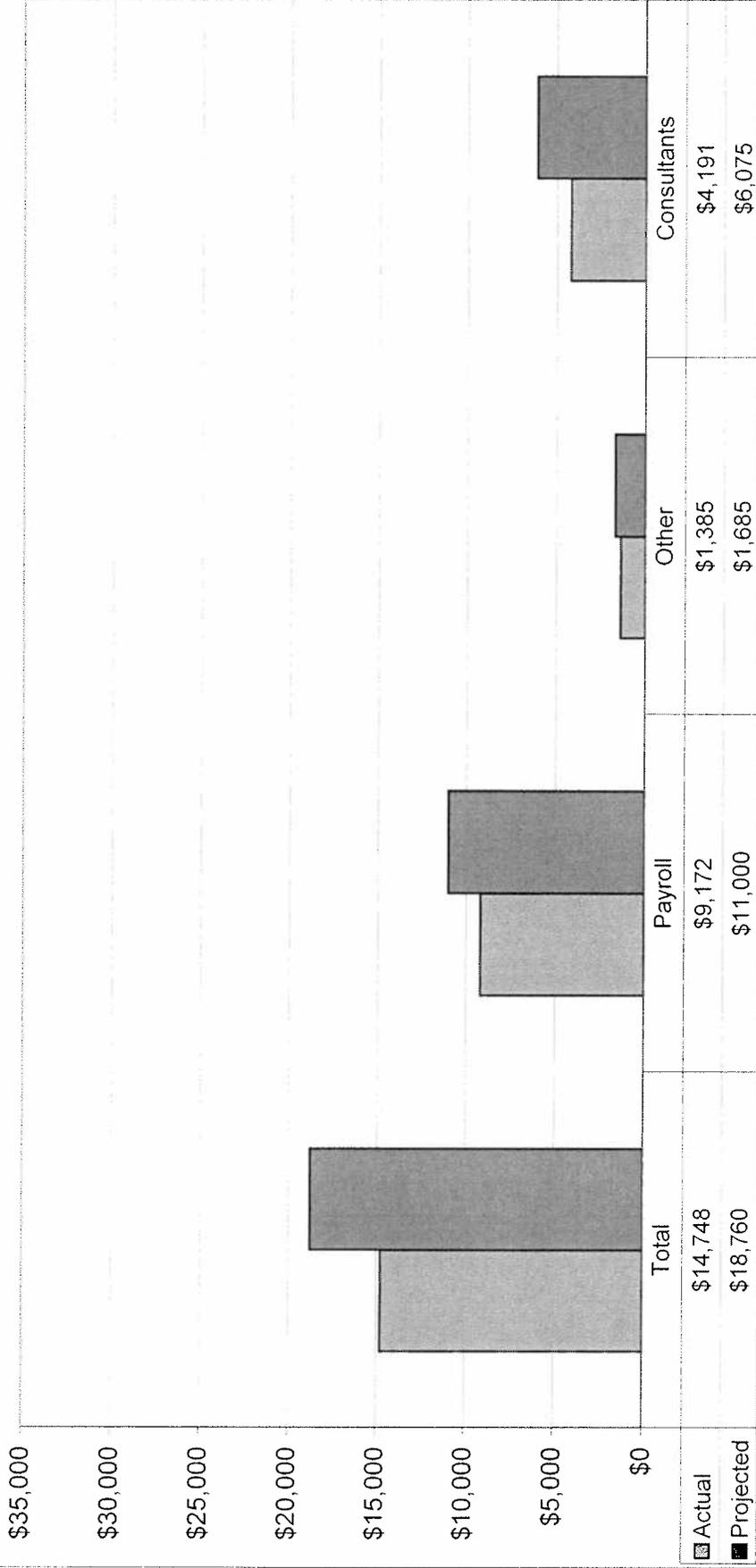
(\$'000)



ABAG Financial Indices

Actual vs Projected Expenses--FY 09-10

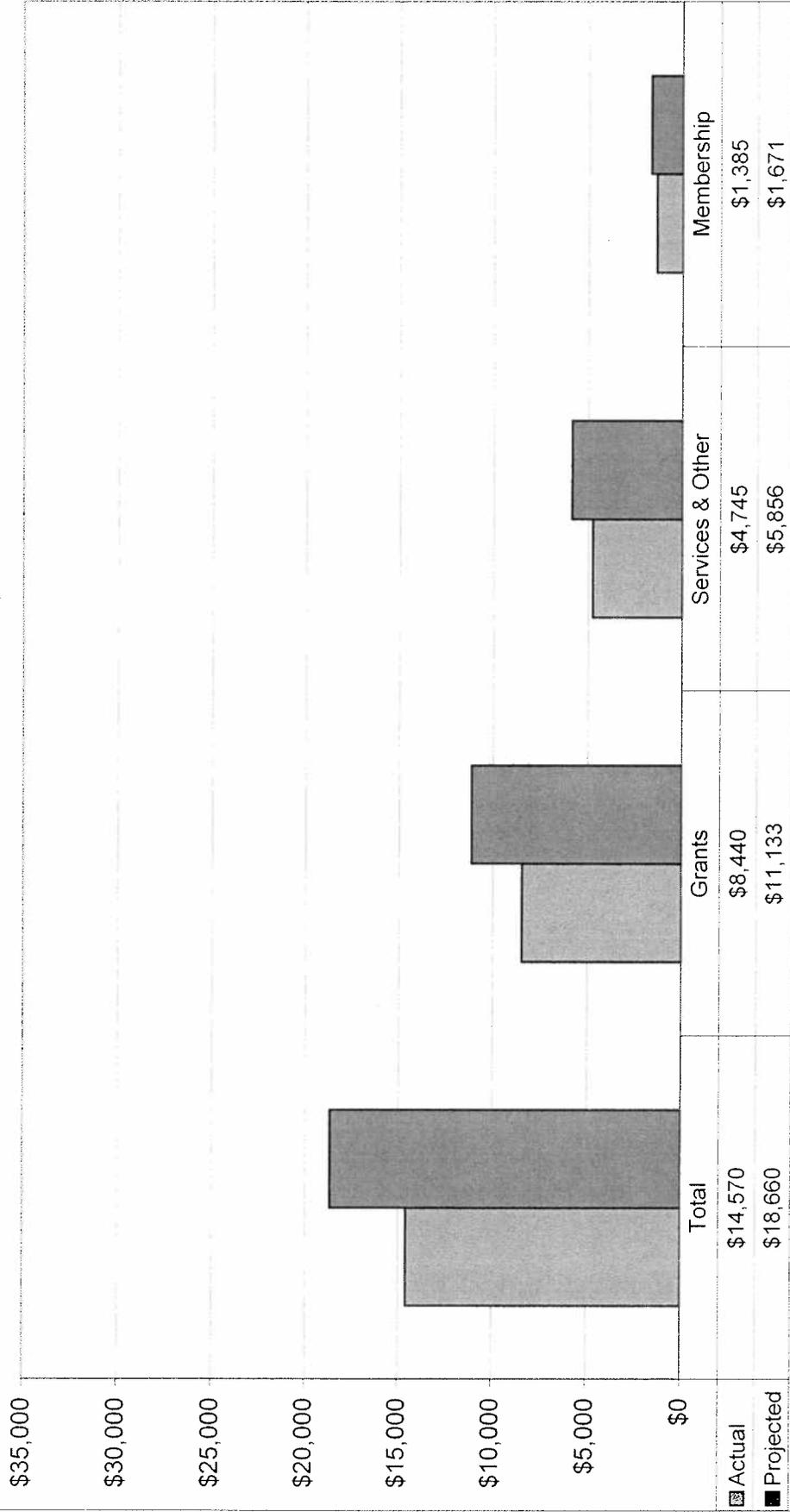
Year to Date (\$'000)



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: June 30, 2010

FM: Herbert Pike, Finance Director

Re: Financial Reports
--May 2010

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

Cash on Hand (Figure 1)

Cash on hand increased to \$1.22 million on May 31st from \$1.12 million on April 30th. The increase is attributed to collections from grants reflected in overall decline in receivables. The May balance includes approximately \$440 thousand invested in the Local Agency Investment Fund (LAIF). Currently, ABAG does not hold any other investments. The May 31st cash balance is approximately \$340 thousand more than the prior year, the latter being attributed to more timely reimbursement from granting agencies, especially the State, and the balance of facility renovation loan funds yet to be expensed.

Receivables (Figure 2)

Receivables from grant and service programs amounted to about \$2.72 million on May 31st, a decrease of \$192 thousand from the month prior. The decrease is primarily attributable to expedited billing and recovery of grants during May. Compared to May 31st of the year prior, the total receivables reflect a decrease of approximately \$1.27 million.

Actual vs. Budgeted Expenses (Figure 9)

Total expenses through May 31st amounted to about \$16.07 million, or 85.7 percent, of projected annual expenses of \$18.76 million for FY 09-10.

Actual vs. Budgeted Revenues (Figure 10)

As of May 31st, total revenues amounted to about \$15.90 million, or 85.2 percent, of projected annual revenue of \$18.66 million for FY 09-10.

As of May 31st, both revenues and expenses are below “projected” annual totals. While revenues and expenditures might be expected to be 92 percent after the first eleven 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 May 31st, general fund equity was approximately \$884 thousand, an increase of \$9 thousand from April 30th. 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 43.80 percent of direct labor cost as of May 31st, or about 0.85% 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 rate is expected to further converge toward the expected rate over the next month.

Overall (Figures 3, 4, 7 & 8)

At May 31, the Agency's net financial position is reasonably close to forecast with a deficit of roughly \$169 thousand, or 1.06 percent of year-to-date revenues. The cash balance is expected to improve as member dues are collected. In addition, the last month 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. Although a loss for the year of as much as \$100,000 for the year may be anticipated, staff continues to review all potential revenue sources in an effort to minimize the potential overrun.

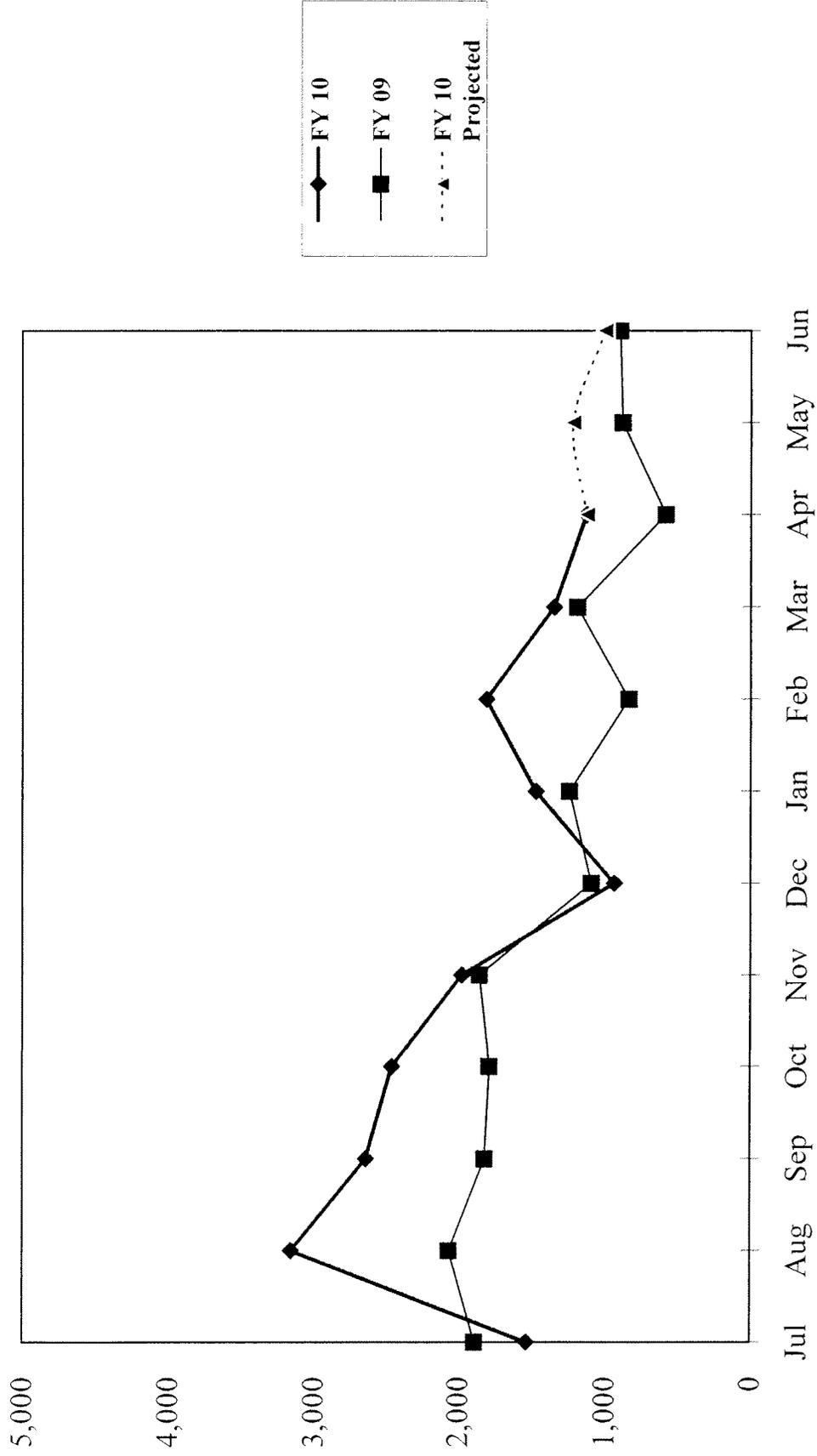
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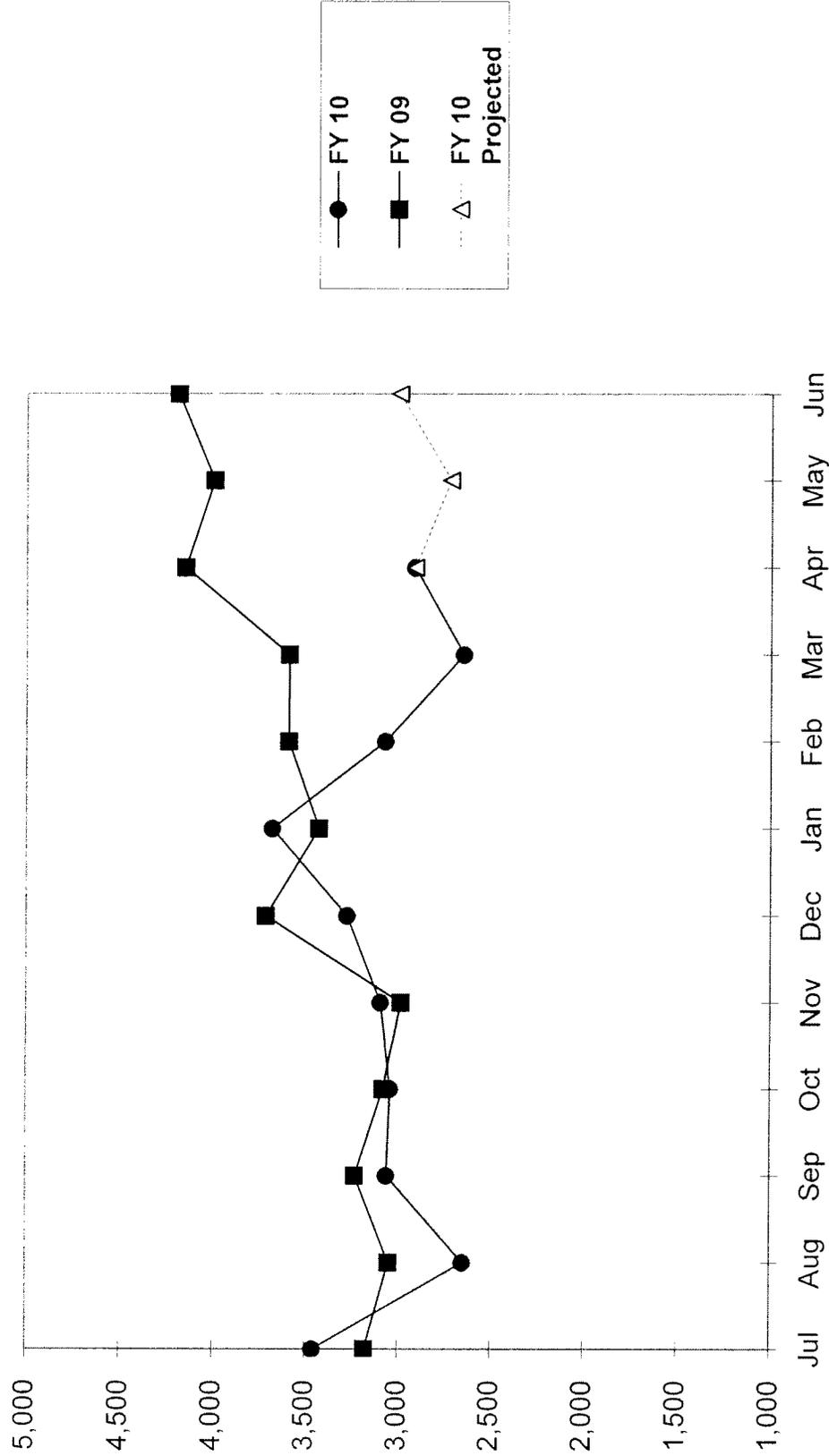
ABAG Financial Indices

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



ABAG Financial Indices

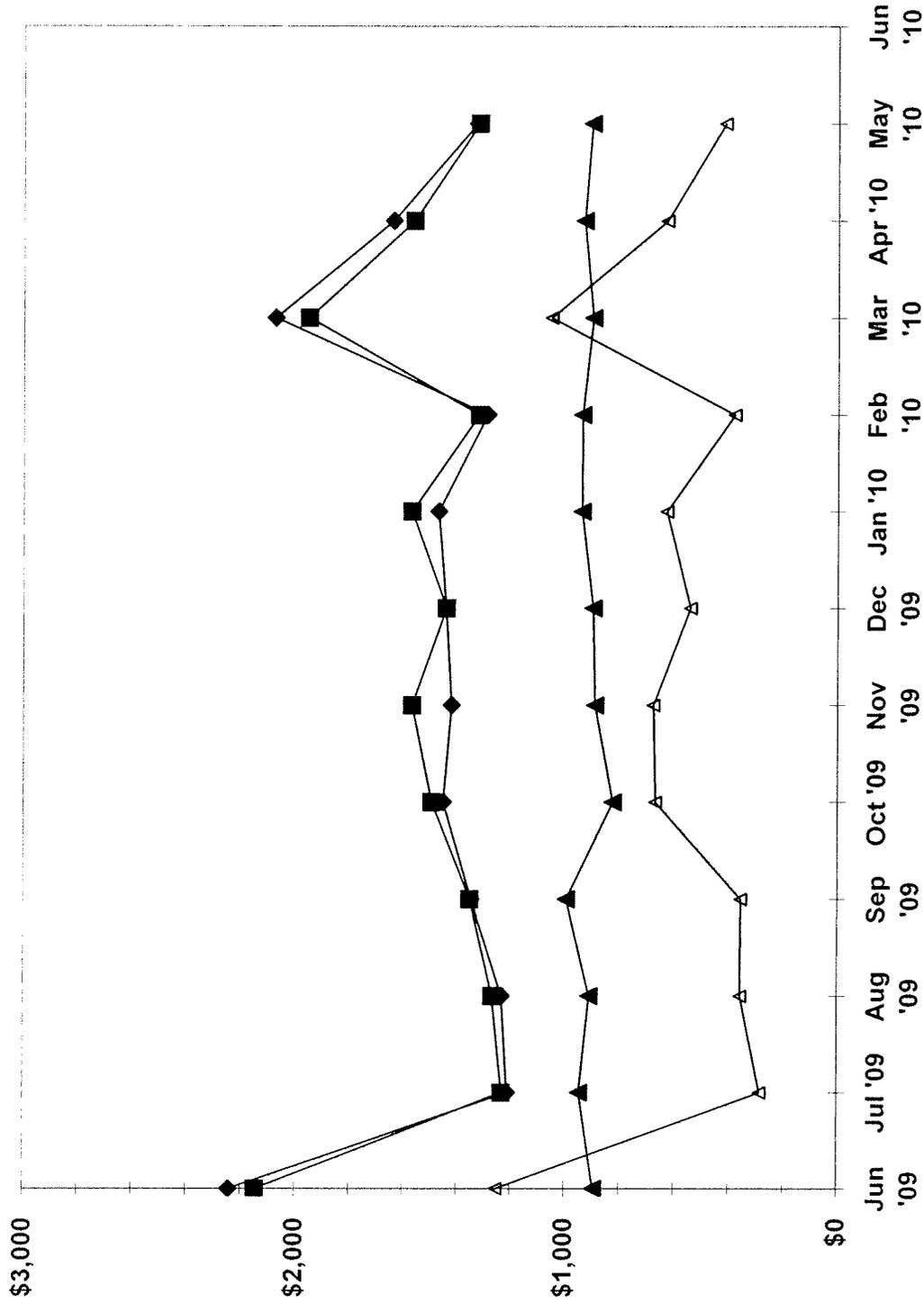
Accounts Receivable FY 09 and FY 10 (\$'000)



ABAG Financial Indices

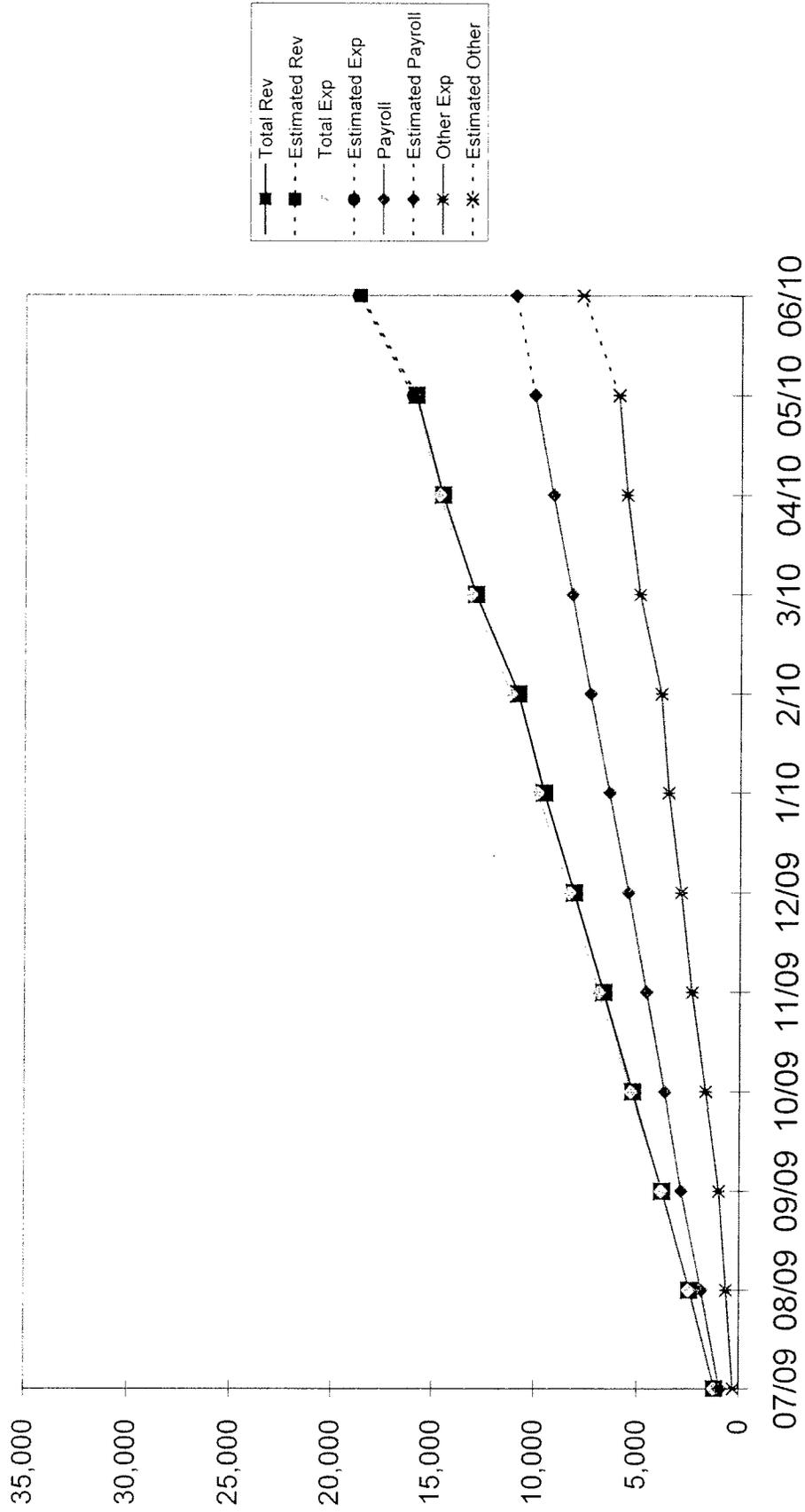
Current Month Revenues & Expenses

FY 09-10 (\$'000)



ABAG Financial Indices

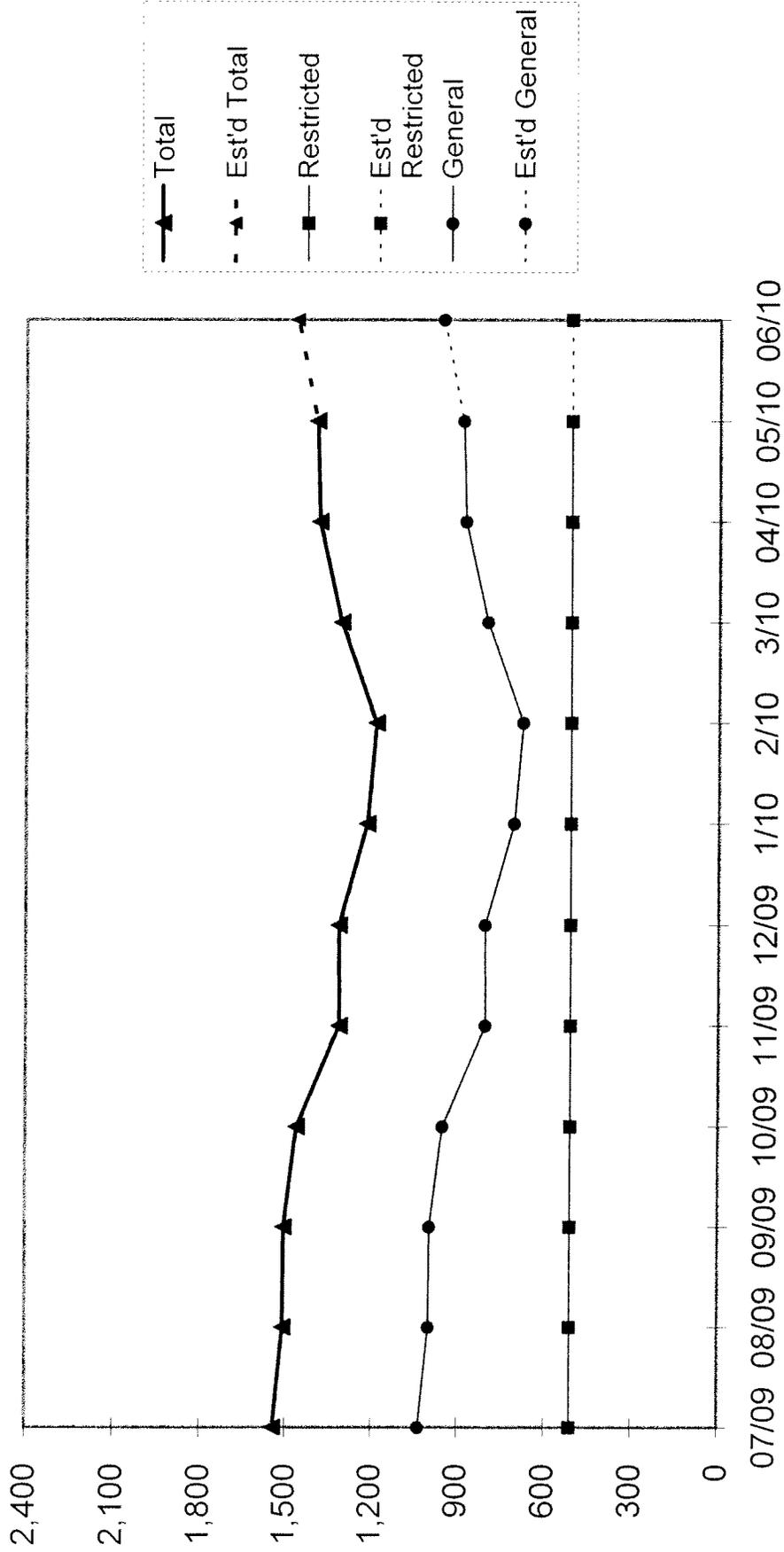
Year-to-date Revenues & Expenses FY 09-10 (\$'000)



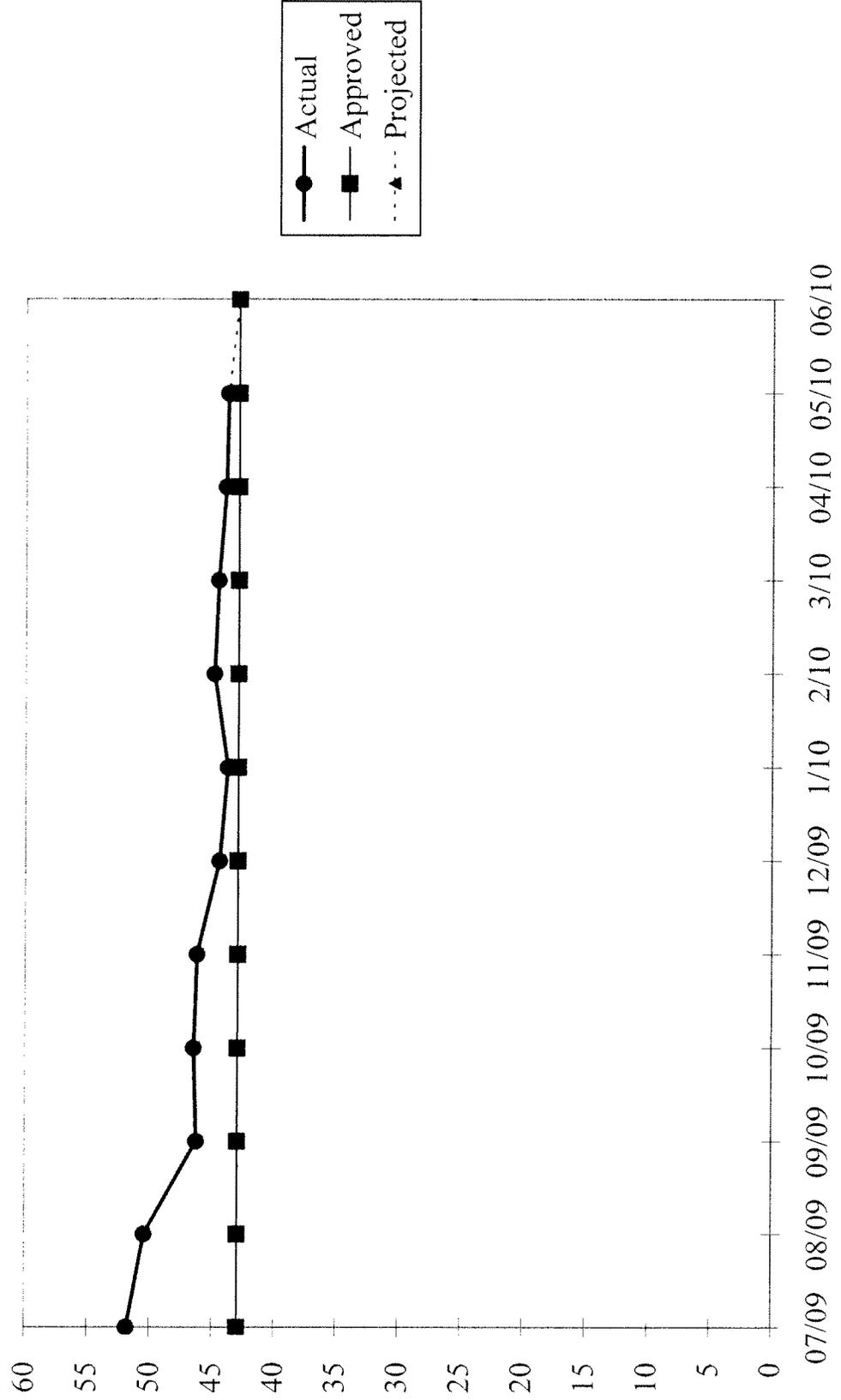
ABAG Financial Indices

Fund Equity

FY 09-10 (\$'000)

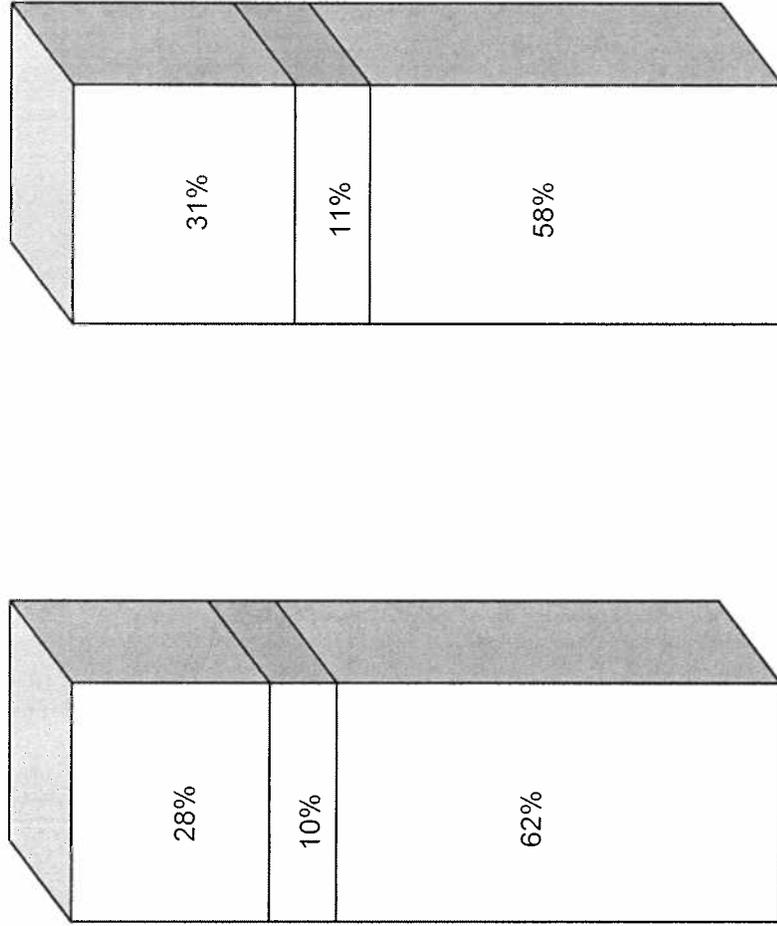


ABAG Financial Indices
Indirect Cost Rate (% of Direct Labor Cost)
FY 09-10



ABAG Financial Indices

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



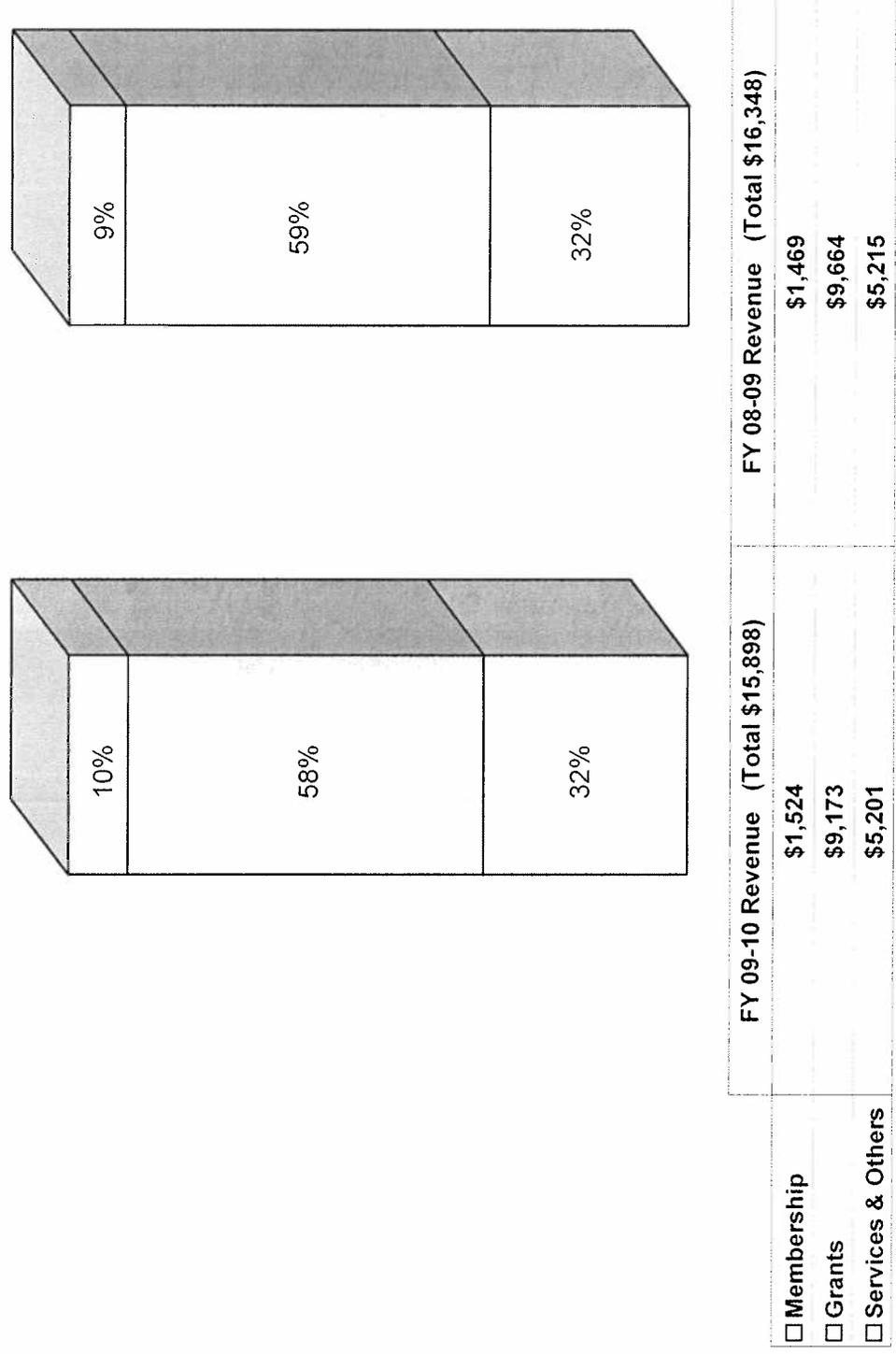
	FY09-10 Expenses (Total \$16,067)	FY08-09 Expenses (Total \$16,510)
<input type="checkbox"/> Consultants	\$4,467	\$5,144
<input type="checkbox"/> Others	\$1,525	\$1,750
<input type="checkbox"/> Payroll	\$10,075	\$9,616

ABAG Financial Indices

Composition of Revenues FY 09--FY 10

Year to Date

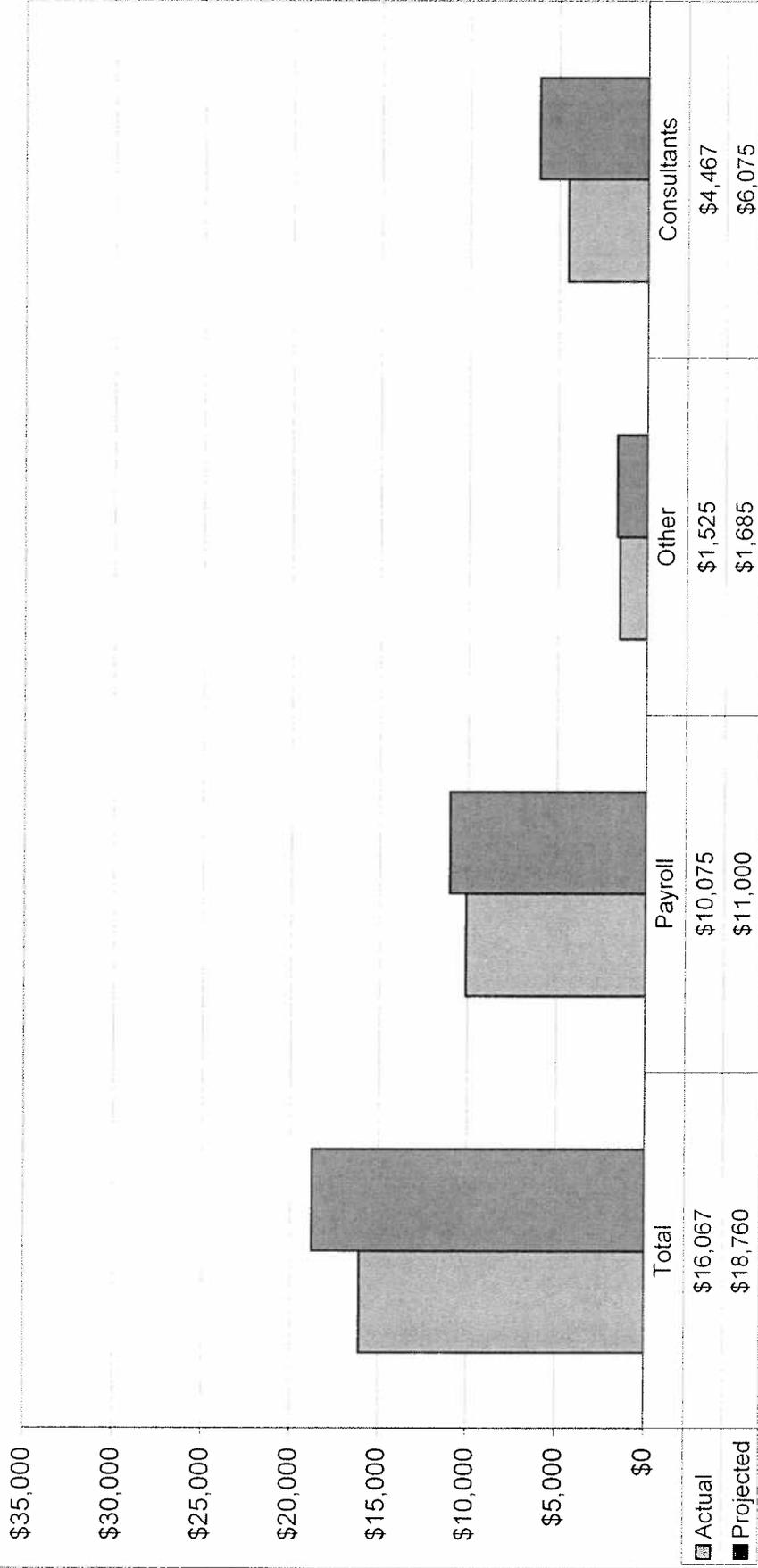
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ABAG Financial Indices

Actual vs Projected Expenses--FY 09-10

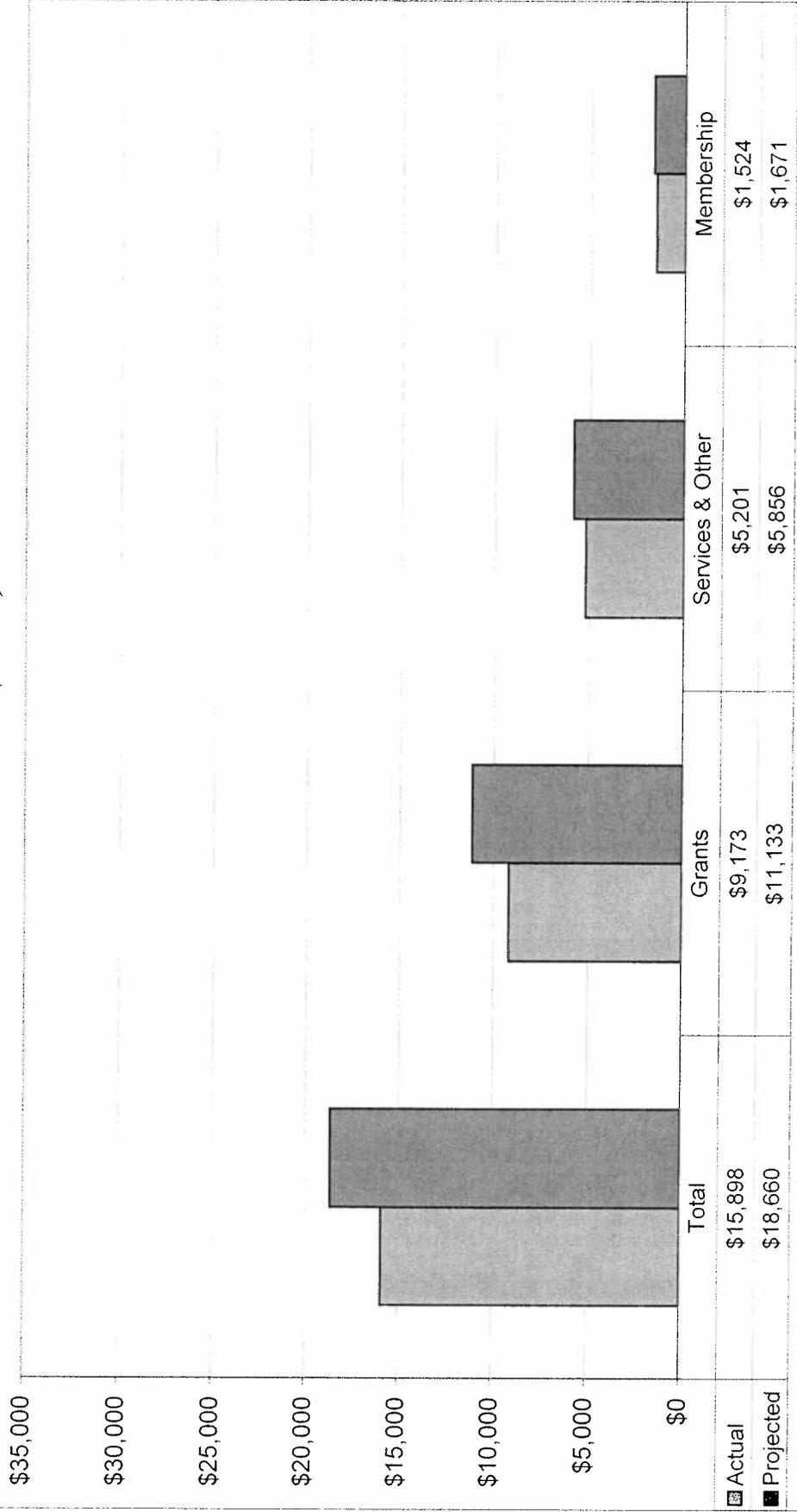
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