

A G E N D A

ADMINISTRATIVE COMMITTEE

Thursday, April 14, 2011, 2:00 PM to 2:30 PM
Special Meeting

Location

Oakland Marriott City Center, Grand Ballroom,
1001 Broadway, Oakland, CA

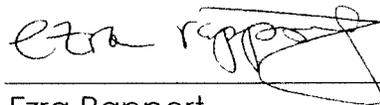
For additional information, please call:
Fred Castro, (510) 464 7913

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

1. **Call to Order**
2. **Roll Call**
3. **ABAG Financial Matters****

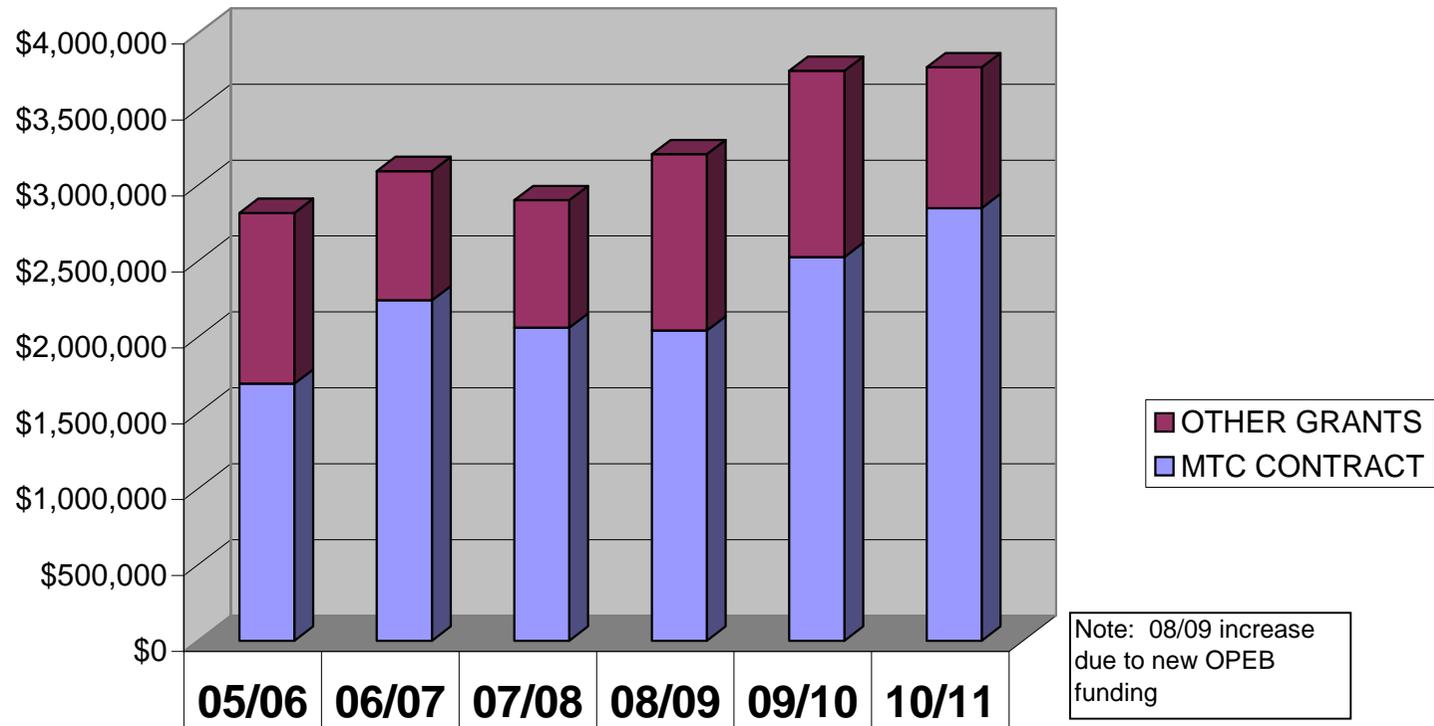
Information/ACTION. Ezra Rapport, ABAG Executive Director, will report on ABAG financial matters and a request for an advance from the Metropolitan Transportation Commission.

4. **Public Comment**
5. **Adjournment**



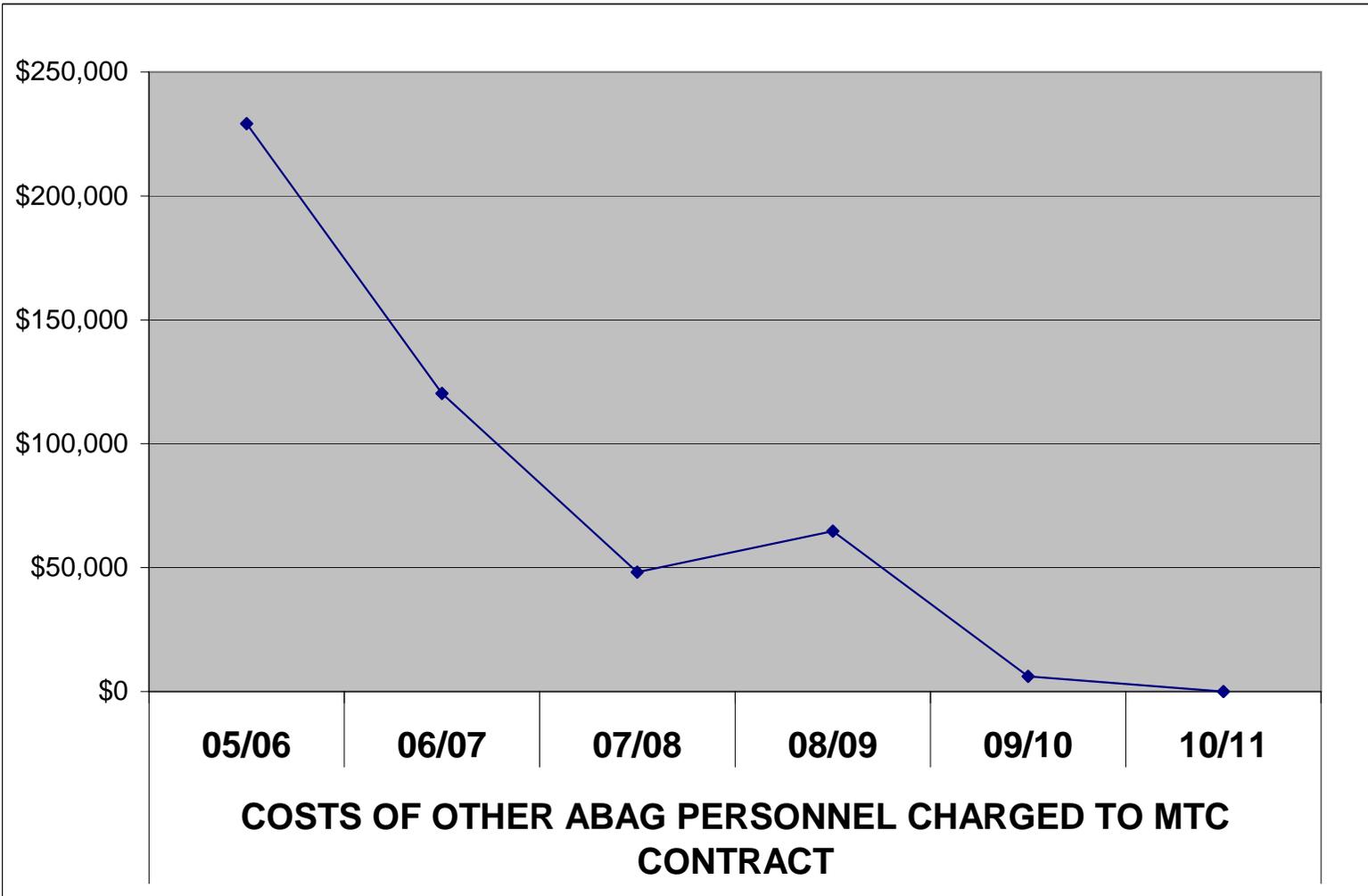
Ezra Rapport
Secretary-Treasurer

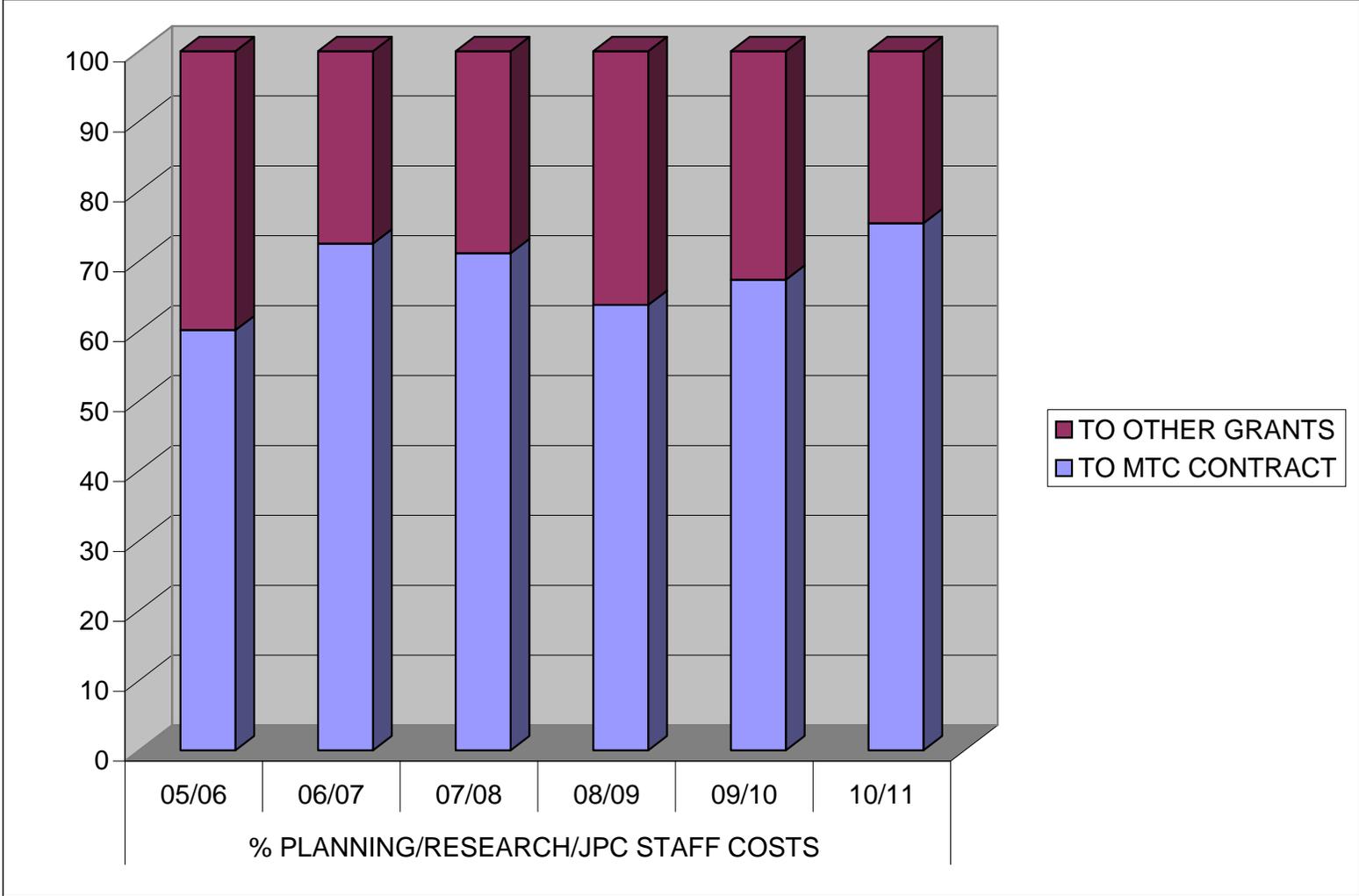
*Committee may act on any item on this agenda. **Attachment included.*

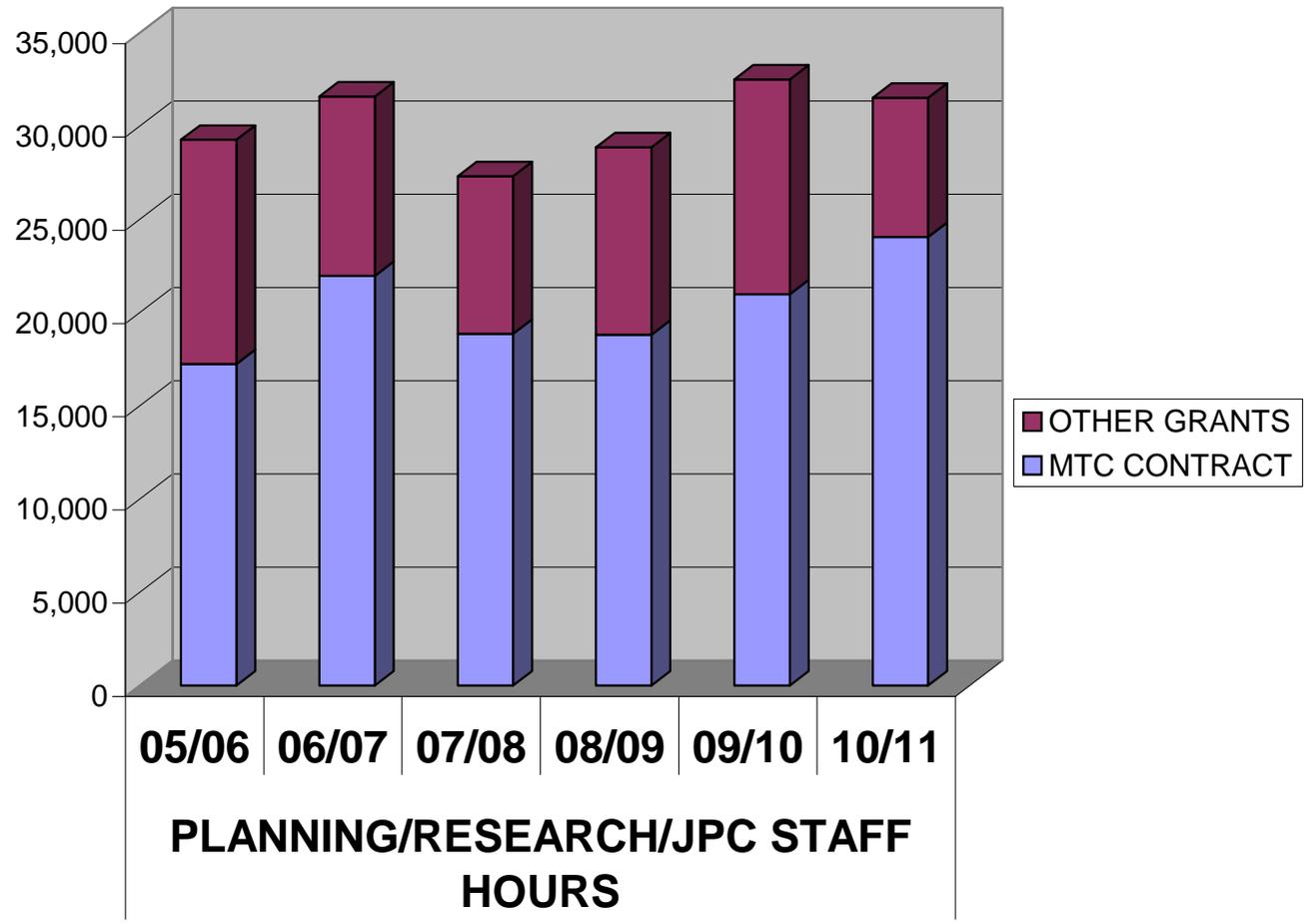


PLANNING/RESEARCH/JPC STAFF COSTS (w/overhead)

Note: 08/09 increase due to new OPEB funding







**owp's 101000 & 101001--RESEARCH & PLANNING SERVICES
FY 2010-2011 PROJECTED EXPENSES**

<u>Employee</u>		<u>Budgeted FY 2010-11 owp Total \$</u>	<u>Projected FY 2011-12 owp Total \$</u>
Kirkey, K	Director of Planning	244,464	245,163
Fassinger, P	Research Director	224,282	224,544
Chion, M	Principal Planner	196,221	203,764
Riviere, C/replacement	Principal Planner	\1 178,009	191,470
Reilly, M	Prin. Regional Researcher	174,930	179,177
Bullock, J	Sr. Regional Planner	158,219	165,447
Wong, H	Sr. Researcher	154,252	158,227
Munkres, J	Demo./Economic Analyst	141,141	144,564
Adams, G	Regional Planner	131,524	142,346
Smith, M	GIS Coordinator	124,228	133,654
Reinhart, J	Regional Planner	123,296	132,874
Cravens, M	Regional Planner	122,764	143,933
Kurella, S	Regional Planner	113,322	115,839
Fried, J	Regional Planner	112,253	116,363
Farina, D	Admin. Secretary	95,926	103,546
Hutchings, D (.50 fte)	EQ & Hazards Specialist	\2 57,441	62,200
Scandone, C (.25 fte)	Sr. Regional Planner	\3 40,196	41,223
TOTAL (15.75 fte)	\4	2,392,467	2,504,333
+ Indirect Overhead (42.95% of labor costs) (see listing at end of table below)		1,027,565	1,075,611
Personnel + Indirect	\5	3,420,032	3,579,944
Non-Personnel Expense		41,255	50,000
Total Planning Exp		3,461,287	3,629,944
Less MTC Contract	\6	-2,429,453	-2,429,453
MTC funding of Station Area Planning Program	\7	-200,000	-200,000
Strategic Growth Council grant (one-time)	\8		-500,000
Proposition 84 Modeling Grant (ends 3/2012)	\9	-50,000	-50,000
Miscellaneous other grants/projects	\10	-60,000	???
UNFUNDED EXPENSE		721,834	450,491

\1 = Resigned December. Minor saving because funds to be used for RHNA consultant and data acquisition.

\2 = Assigned approximately 50% on project activities, e.g. RAPC earthquake recovery; lifelines infrastructure disaster planning.

\3 = Assigned approximately 25% on project activities, e.g. low impact development; water and resource management.

\4 = Labor costs include salary, retirement, OPEB, health-dental-vision care, transit allowance, disability insurance, long-term disability, life insurance, etal.

\5 = Increase between fiscal years due primarily to step increases, health insurance increases, revised OPEB contributions, and increased CalPERS rates.

\6 = Includes amendment of \$96,422 already in process. Excludes \$180,000 allocated for Communications/Outreach and JPC.

\7 = Assumes MTC will fund, but no contract amendment or new contract yet approved.

\8 = One-time grant deferred from FY 2010-11 to FY 2011-12. No formal contract agreement yet.

\9 = Assumes ABAG receives 55% of SGC grant, but only about \$100,000 is estimated for personnel costs, the balance is allocated for contracts, purchase of data and other added costs. Set to expire March 2012 with no renewal.

\10 = Miscellaneous other projects above staff has been able to charge to in current year.

FY 2010-11 CASH FLOW NEEDS FROM MTC (estimates)

	<u>Incurred Exp.</u>	<u>Reimb. For Prior Month</u>
January 2011	\$307,600	\$307,600
February 2011	\$307,600	\$307,600
March 2011	\$307,600	\$307,600
April 2011	\$307,600	\$307,600
May 2011	\$307,600	\$307,600
June 2011	\$307,600	\$307,600
July 2011		\$307,600

**INDIRECT OVERHEAD RATE PURSUANT TO INDIRECT COST ALLOCATION PLAN
(in conformance with OMB Circular A-133)**

Staffing:

- Mailroom/Supply Services
- Accounting/Payroll Support
- IT Support
- Receptionist Support
- Limited Communications Support
- HR Support

Services:

- Systems Consultants
- Audit Fees
- Office Supplies
- Depreciation on Furniture, Auto, Building Improvements, Office Renovation
- Building Maintenance
- Utilities
- Storage Rentals
- Postage
- Telephone
- Insurance
- Staff Training & Development
- Amortized Software Costs
- Labor Relations
- Equipment Maintenance



M E M O

DATE: April 5, 2011
TO: ABAG Administrative Committee Members
FROM: Ezra Rapport, Executive Director
SUBJECT: FUNDING OF ABAG'S SUSTAINABLE COMMUNITIES STRATEGIES ACTIVITIES

SB 375 was passed in 2008 and became law in January 2009. SB 375 focuses on reducing vehicle miles traveled (VMT) by integrating transportation planning and sustainable land use planning. Specifically, SB 375 mandates MTC and ABAG work together to develop the Sustainable Communities Strategy (SCS) for the Bay Area region. MTC and ABAG are working collaboratively. However, the primary sources of funding are available only through MTC and ABAG must rely on their commitment and good faith to fund related ABAG activities.

At the commencement of the current fiscal year in July 2010, there was an identified gap between the funding provided by MTC and the projected expense of ABAG's Planning & Research divisions; grants to be awarded in October and November were anticipated to bridge this gap. However, at least one grant was deferred to the subsequent fiscal year (FY 2011-12) and another anticipated grant was awarded to another region.

Existing ABAG Planning & Research staffing was retained upon the assurance by MTC they would identify the funding needed to develop the SCS plans. While MTC still seeks to honor their commitment, their grant funds have already been fully allocated in the current fiscal year. Instead, they are going to their board to advance ABAG \$350,000 from their general fund reserves in the current year. MTC's Programming & Allocations Committee is expected to act on the advance at their meeting slated for Wednesday, April 13. A resolution would subsequently be presented to the ABAG Administrative Committee authorizing the acceptance of said advance.

In the next budget cycle, the funding for the SCS process will need to be appropriately determined at the beginning of FY 2011-2012. ABAG and MTC will provide its respective Boards with options for how to accomplish the SCS with a balanced budget that will eliminate future mid year deficits.

Attached are charts which demonstrate that ABAG's Planning and Research hours have not risen substantially since 2006. Costs rose 10.5% in 2010 due to payments of the OPEB funding.





M E M O

Date: February 17, 2011
To: Steve Heminger, MTC Executive Director
From: Ezra Rapport, ABAG Executive Director
Subject: **Required Augmentation of Funding for Planning & Research Services**

Background

To continue to fund Planning and Research Services staff through the end of the fiscal year in their efforts in support of the Sustainable Communities Strategy (SCS), it is projected that an **additional \$720,000** in funding is required for the balance of the Fiscal Year 2010-2011 (see attached project costing worksheet). There have not been any new staff added to the Planning Services Department over the last year and non-labor costs are nominal. This deficit already takes into account \$96,422 of additional funding provided in a mid-year adjustment to the contract, and anticipates a subsequent amendment to provide \$200,000 for the Station Area Planning Program.

The deficit does not include the full \$550,000 in Prop. 84 funding that is committed for regional modeling. ABAG will be able to charge a portion of those funds (about 20%) to cover staff costs, but the balance of the Prop. 84 modeling grant is primarily for non-staff costs and spread out between this fiscal year and the first three quarters of next fiscal year.

The attached worksheet details the costs projected by these two divisions for both FY 2010-11 and FY 2011-12. There has been no increase in the level of staffing over the last several years. In fact, one position was eliminated in October 2009. The total staff from these two units is 15.75 FTE. The staff from these divisions performs the work required to maintain and upgrade the economic and data gathering for ABAG models used in demographic and economic projections, provide planning and administrative services for MTC development programs, work with local government and CMAs on the land use scenarios for the Sustainable Community Strategy, and administers the Regional Housing Needs Assessment.

In the recent past, the staff was charged off to other funding sources that required related activities, the most recent example being the FOCUS Program (Blueprint funds). It was anticipated that ABAG would be able to access Strategic Growth Council and HUD funding in the current fiscal year to offset the ending of the FOCUS program and a couple of lesser projects. However, neither was secured for the current fiscal year.



Current staff is critical in addressing the SCS and funding to maintain existing staff was assumed at the beginning of the fiscal year.

Imminent Cash Flow Requirements

Assuming the current year shortfall in funding is addressed, a second critical issue is the flow of cash to sustain the operations. After posting all January expenses, and including the anticipated Contract amendment of \$96,422, ABAG's Planning and Research Departments will have fully depleted its funding allocation of funds flowing from MTC by the end of March. ABAG does not have funds with which to retain staff after the exhaustion of funds, even if the period is brief between the expiration of funds and when a contract for additional funds is provided, unless there is some provision allowing the expense of funds prior to a contract approval. Authorization to spend up to \$200,000 for the Station Area Planning Program would, in concert with the MTC funding already approved, fund staff through about the middle of April.

If/When funds are identified and if expenses can be incurred before the supplemental contracts are executed, there will still be a need for a temporary advance to fund the period between the time the expenses are incurred (mostly via payroll and benefit payments) and when the reimbursements would be available. Our current cash flow anticipates that expenses are compiled and billed for the previous month by the middle of the ensuing month and reimbursement received by the end of that month. This requires ABAG to front some \$250,000 to \$300,000 per month in cash for which ABAG is reimbursed by MTC some 30 to 45 days after the expense is incurred. To be able to make payroll, ABAG requires \$75,000 in the form of an advance for each week as the additional funds are being sought. A table is attached noting the monthly on-going cash inflows ABAG requires from MTC.

As indicated above, ABAG has retained the staff delineated with the expectation that ABAG and MTC would be able to work collaboratively to address the shortfall. The funding previously committed is about to run out and we need to act quickly to get authorization to continue to spend toward achieving our SCS goals. I would appreciate the opportunity for us to meet at your earliest convenience.

If there is any additional information required to validate or further detail the cost projections, or to clarify any of the funding needs discussed above, please do not hesitate to contact our Finance Director at (510) 464-7902 or HerbertP@abag.ca.gov. You may also contact our Assistant Finance Director Susan Hsieh at (510) 464-7960 or SusanH@abag.ca.gov.

Thanks for your consideration and on-going support.

Copy to:
Herbert L. Pike
Patricia Jones
Doug Kimsey