



Association of Bay Area Governments

FY 2021-22 Proposed ABAG Agency Budget

ABAG Finance & Executive Committees

April 15, 2021

Financial Summary

- **FY 2021-22 Budget Highlights**

- Unfunded OPEB liability is retired
- PERS obligations stable at \$1.6 million
- BayRen grants continue to grow
- Estuary Partnership is nearly self- supporting
- **ABAG contributions to MTC (thousands)**
 - Staff support \$530
 - Condo Assessment \$367
 - Overhead earned (net) \$1,150

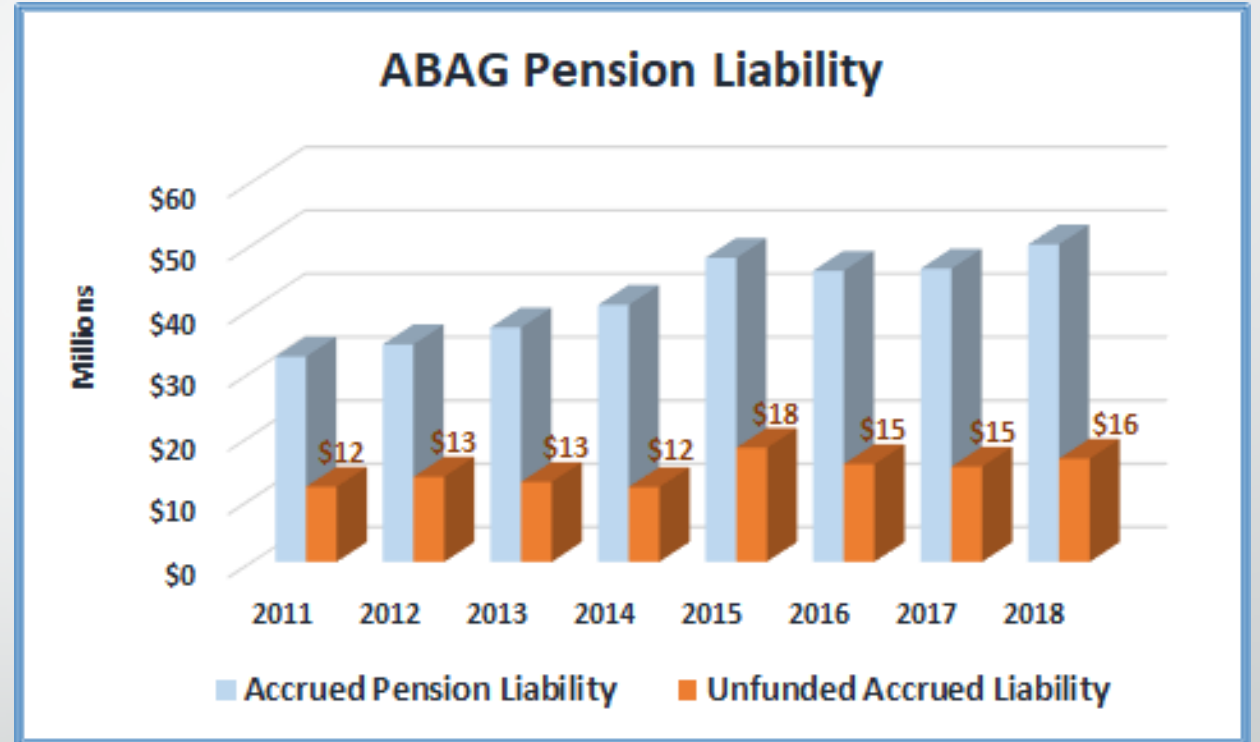
- **FY 2021-22 Draft Budget**

- Budget is balanced as presented
- Main revenue source is still grants
- Membership Dues up 2.0%
- **Administration budget requires transfer (thousands)**
 - FAN, BayRen, Estuary \$600
 - PY Fund Balance \$230



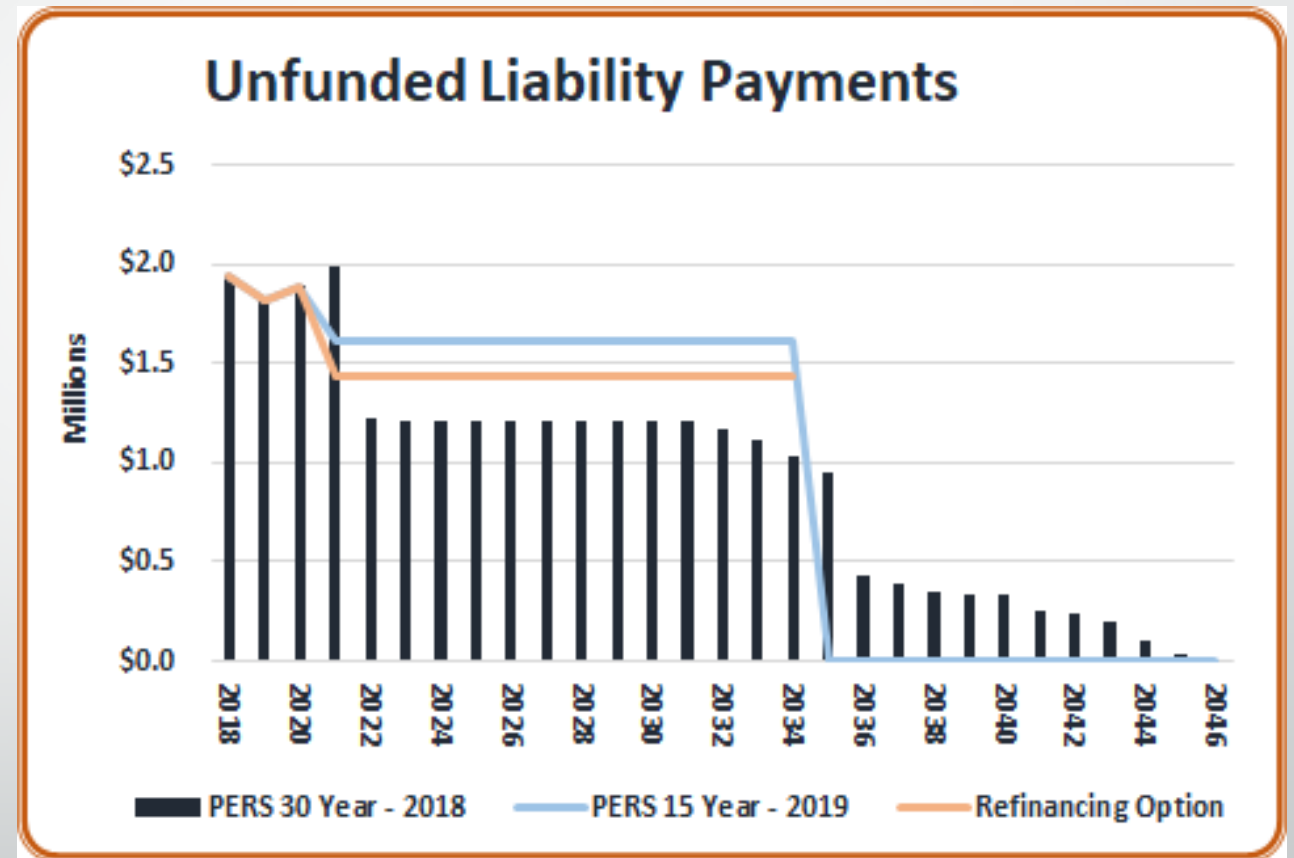
Pension- PERS Liability

- Through FY 2018 the accrued PERS liability increased substantially
 - Accrued PERS liability up 55%
 - Unfunded Accrued Liability increased 33%
- ABAG is now in "run-out" mode - no new employees
- Unfunded liability has stopped increasing
- Actuarial data is updated every two years and should be updated June, 2021



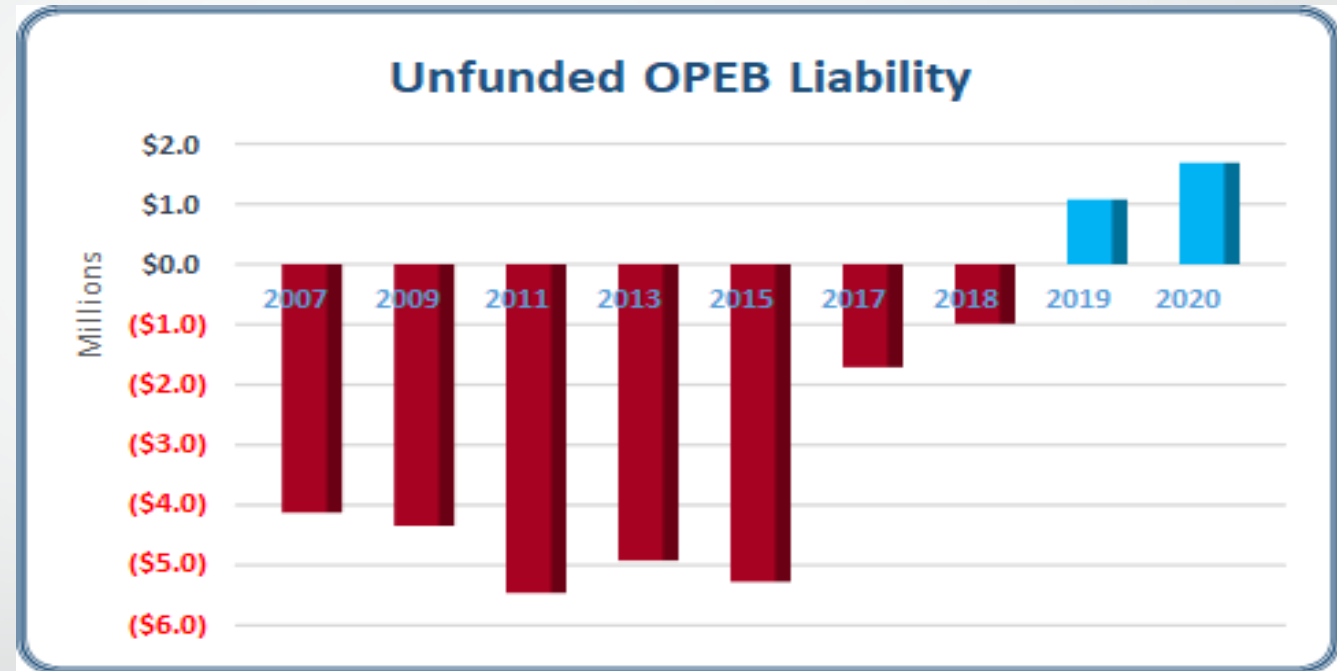
Pension- PERS

- **Current PERS unfunded liability is retired in FY2035**
 - Payoff reduced from 2046
 - Annual payment now fixed \$1.6 million
 - Total payments \$28 million
 - Interest cost \$12 million
- **Given current low taxable rates, consider a refinancing for interest savings**
- **A market based refinancing could save over \$2 million over the next 15 years**



OPEB Obligation

- The final OPEB unfunded liability payment was made in FY 2021
- Pers 115 Trust may now a slight asset
 - Liability \$7,301
 - Asset \$7,369
- PERS 115 Trust now reimburses all \$550 thousand annual retirement medical payments



FY 2021-22 Operating Budget

- Total draft budget is \$42 million
- FY 2021-22 budget is balanced as proposed
- Reduction in overall revenue reflects timing spend down of prior year grants
- FY 2022 includes new \$1 million water savings program funded by loan from MTC

	FY 2020-21	FY 2021-22	
	(Thousands \$)	(Thousands \$)	
Revenue			
Membership Dues	\$2,410	\$2,448	
Grants	58,650	36,207	
Other	1,075	1,261	
Transfers	375	2,062	
Total Revenue	\$62,510	\$41,978	
Expenses & Transfers			
Administration	\$3,932	\$3,886	
BayRen	22,863	24,777	
SF Estuary Partnership	21,450	12,986	
SF Bay Trail (non-profit)	--	173	
Total Expenses & Transfers	\$48,245	\$41,822	

ABAG Administration

- ABAG Administration fund is balanced as proposed
- Pension Cost is stable \$1.6 million
- OPEB costs are fully reimbursed
- Membership dues up 2% but are not keeping up with core expenses
 - Dues \$2,448
 - PERS - 1,614
 - BEAL Assessment - 367
 - Audit - 173
 - Insurance - 170
 - MTC - 530
 - BARC - 139
- Balancing the budget requires \$600,000 in other fund transfers, plus \$230,000 from prior year fund balance
- Without correction, there could be a long term structural deficit

ABAG Administration	FY 2020-21	FY 2021-22	
	(Thousands \$)	(Thousands \$)	
Revenue			
Membership Dues	\$2,410	\$2,448	
Other	600	610	
Transfers	275	830	
Total Revenue & Trans	\$3,285	\$3,888	
Expenses & Transfers			
Pension	\$1,621	\$1,614	
OPEB	550	550	
375 Beal Assessment	359	367	
MTC	530	530	
BARC	171	139	
Other	701	686	
Total Expenses & Transfers	\$3,932	\$3,886	
*Excluding Depreciation			

BayRen - Energy

- Main source of revenue is grants from the California Public Utilities Commission (CPUC)
- The retrofit grant for FY 2022 is just under \$24 million
- Total two-year grants exceed \$47 million
- Most of the expenses are for incentives and contributions to other agencies (73%)
- BayRen is adding a new water savings program funded by a \$1 million loan from MTC

BayREN-Energy	FY 2020-21	FY 2021-22	
	(Thousands \$)	(Thousands \$)	
Revenue			
Grants	\$23,462	\$23,870	
Water Savings Transfer	--	1,000	
Total Revenue	\$23,462	\$24,870	
Expenses & Transfers			
Consultant	\$4,342	\$4,132	
Incentives	9,517	10,406	
Passthrough Contributions	7,670	7,700	
Staff (MTC Transfer)	1,169	1,275	
Water Savings Program	--	1,000	
Other	165	264	
Total Expenses & Transfers	\$22,863	\$24,777	

San Francisco Estuary Partnership

- SFEP will add approximately \$12.3 million grant revenue for FY 2022
- The FY 2021-22 budget addition brings the active grant total active grants to over \$40 million
 - 17 active programs
 - 4 funding sources
- Passthrough contributions make up approximately 72% of the FY 2022 budget
- Staff costs will decrease slightly but should not impact project delivery

SFEP	FY 2020-21	FY 2021-22	
	(Thousands \$)	(Thousands \$)	
Revenue			
Grant Revenue	\$35,188	\$12,337	
Other	475	476	
Transfers	100	233	
Total Revenue	\$35,763	\$13,046	
Expenses & Transfers			
Consultant	\$917	\$173	
Passthrough Contributions	16,659	9,338	
Staff (MTC Transfer)	2,993	2,795	
Conference Program	473	649	
Other	408	31	
Total Expenses & Transfers	\$21,450	\$12,986	

Resolution No. 05-2021

Resolution No. 05-2021 establishes the parameters for administration of the FY 2022 ABAG Budget, including

- Authorizes carryover and re-budget of all revenue and encumbrances approved but unspent in the prior year
- Directs the Executive Board to administer and make changes, as necessary, within the Approved Budget
- Authorizes the Executive Board to amend the Approved FY 2022 Budget for new revenue sources
- Authorizes the Executive Director to approve all contracts of \$200,000 or less, provided the funds are available and included in the Approved Budget
- Authorizes the Chief Financial Officer to correct any obvious errors in the drafting, presentation and publishing of the FY 2022 Budget