



375 Beale Street
Suite 700
San Francisco, California
94105

Meeting Agenda - Final

ABAG FAN Executive Committee

*Chair, Charles Lomeli, Treasurer-Tax Collector-County Clerk,
County of Solano*

Thursday, April 4, 2019

10:00 AM

Golden Gate CR 8102

ABAG Finance Authority for Nonprofit Corporations Executive Committee

The ABAG FAN Executive Committee may act on any item on the agenda.

The meeting is scheduled to begin at 10:00 a.m.

Agenda, roster, and webcast available at <http://abag.ca.gov>

For information, contact Clerk of the Board at (415) 820-7913.

Executive Committee Roster

Charles Lomeli, Treasurer-Tax Collector-County Clerk, County of Solano

**Jonathan Kadlec, Assistant Auditor-Controller-Treasurer-Tax Collector,
County of Sonoma**

Paul McDonough, Debt Management Officer, County of Santa Clara

Russell Watts, Treasurer-Tax Collector, County of Contra Costa

Location

**Bay Area Metro Center, 375 Beale Street, Golden Gate Conference Room 8102, San Francisco,
California**

Teleconference Locations

625 Court Street, Room 100/102, Martinez, California

County Government Center, 70 West Hedding Street, E. Wing, 2nd Floor, San Jose, California

County Fiscal Building, 585 Fiscal Drive, Suite 100, Santa Rosa, California

1. Call to Order / Roll Call / Confirm Quorum

2. Public Comment

Information

3. Executive Committee Announcements

Information

4. Approval of Executive Committee Minutes of March 7, 2019

[19-0318](#) Approval of Executive Committee Minutes of March 7, 2019

Action: Approval

Presenter: Secretary

Attachments: [Item 04 Minutes 20190307 Draft.pdf](#)

5. Portfolio Forecast Report

[19-0319](#) Portfolio Forecast Report

Action: Approval

Presenter: Brian Mayhew

Attachments: [Item 05 Memo Portfolio Forecast Report v2.pdf](#)
[Item 05 Attachment Portfolio Forecast Graph.pdf](#)
[Item 05 Attachment Portfolio Forecast.pdf](#)

6. Operating Budget Report

[19-0320](#) Operating Budget Report

Action: Approval

Presenter: Brian Mayhew

Attachments: [Item 06 Memo Operating Budget FY 2019-20 v2.pdf](#)
[Item 06 Attachment Operating Budget FY 2019-20.pdf](#)

7. Adjournment / Next Meeting

The next regular meeting of the ABAG FAN Executive Committee is on May 2, 2019.

Public Comment: The public is encouraged to comment on agenda items at Committee meetings by completing a request-to-speak card (available from staff) and passing it to the Committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

Meeting Conduct: If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

Record of Meeting: Committee meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site (mtc.ca.gov) for public review for at least one year.

Accessibility and Title VI: MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

可及性和法令第六章: MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

Acceso y el Titulo VI: La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Attachments are sent to Committee members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Committee. Actions recommended by staff are subject to change by the Committee.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 19-0318 **Version:** 1 **Name:**
Type: Minutes **Status:** Committee Approval
File created: 3/26/2019 **In control:** ABAG FAN Executive Committee
On agenda: 4/4/2019 **Final action:**
Title: Approval of Executive Committee Minutes of March 7, 2019
Sponsors:
Indexes:
Code sections:
Attachments: [Item 04 Minutes 20190307 Draft.pdf](#)

Date	Ver.	Action By	Action	Result
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Approval of Executive Committee Minutes of March 7, 2019

Secretary

Approval



375 Beale Street
Suite 700
San Francisco, California
94105

Meeting Minutes - Draft

ABAG FAN Executive Committee

*Chair, Charles Lomeli, Treasurer-Tax Collector-County Clerk,
County of Solano*

Thursday, March 7, 2019

10:00 AM

Golden Gate CR 8102

ABAG Finance Authority for Nonprofit Corporations Executive Committee

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For information, contact the Secretary at (415) 820-7913.

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Russell Watts, Treasurer-Tax Collector, County of Contra Costa

Location

Bay Area Metro Center, 375 Beale Street, Golden Gate Conference Room 8102, San Francisco,
California

Teleconference Locations

County of Contra Costa, 625 Court Street, Room 100/102, Martinez, California

County of Santa Clara, County Government Center, 70 West Hedding Street, E. Wing, 2nd
Floor, San Jose, California

County of Solano, County Government Center, 675 Texas Street, Suite 1900, Fairfield,
California

County of Sonoma, County Fiscal Building, 585 Fiscal Drive, Suite 100, Santa Rosa, California

1. Call to Order / Roll Call / Confirm Quorum

Chair Lomeli called the meeting to order at about 10:00 a.m. Quorum was present. Executive Committee members participated by telephone conference.

Present: 4 - Kadlec, Lomeli, McDonough, and Watts

2. Public Comment

There was no public comment.

3. Executive Committee Announcements

There were no Executive Committee member announcements.

4. Minutes

- 4.a. [19-0180](#) Approval of ABAG FAN Executive Committee Minutes of November 8, 2018

Upon the motion by McDonough and second by Kadlec, the ABAG FAN Executive Committee minutes of November 8, 2018 were approved. The motion passed unanimously by the following vote:

Aye: 4 - Kadlec, Lomeli, McDonough, and Watts

5. Portfolio Report

- 5.a. [19-0181](#) Report on ABAG FAN Portfolio for February 2019

Upon the motion by Watts and second by McDonough, the ABAG FAN Portfolio report for February 2019 was approved. The motion passed unanimously by the following vote:

Aye: 4 - Kadlec, Lomeli, McDonough, and Watts

6. Financial Report

- 6.a. [19-0182](#) Financial Report from July to December 2018 (Unaudited)

Upon the motion by McDonough and second by Kadlec, the Financial Report from July 2018 to December 2018 (Unaudited) was approved. The motion passed unanimously by the following vote:

Aye: 4 - Kadlec, Lomeli, McDonough, and Watts

7. Operating Budget

- 7.a. [19-0183](#) Approval of Fiscal Year 2019-20 Operating Budget

Brian Mayhew gave the staff report. Executive Committee members discussed the operating budget. Action on this item was deferred until the next meeting.

No Action Taken.

8. Adjournment / Next Meeting

Chair Lomeli adjourned the meeting at about 10:38 a.m.



Metropolitan Transportation Commission

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Legislation Details (With Text)

File #: 19-0319 **Version:** 1 **Name:**

Type: Report **Status:** Committee Approval

File created: 3/26/2019 **In control:** ABAG FAN Executive Committee

On agenda: 4/4/2019 **Final action:**

Title: Portfolio Forecast Report

Sponsors:

Indexes:

Code sections:

Attachments: [Item 05 Memo Portfolio Forecast Report v2.pdf](#)
[Item 05 Attachment Portfolio Forecast Graph.pdf](#)
[Item 05 Attachment Portfolio Forecast.pdf](#)

Date	Ver.	Action By	Action	Result
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Portfolio Forecast Report

Brian Mayhew

Approval

Date: March 27, 2019
To: ABAG FAN Executive Committee
From: Executive Director
Subject: **Portfolio Forecast Report**

Attached is a cash flow forecast of the ABAG Finance Authority for Nonprofit Corporations (ABAG FAN) portfolio providing a comprehensive financial perspective of the portfolio from fiscal year 2020 through fiscal year 2049 which is the expected final maturity of the portfolio. The report assesses the sustainability of the program if the reserve was reduced from the current \$4 million to \$3 million.

To forecast both the revenues and expenses, only known factors were used.

- For revenues, only Administrative Fees, Project Monitoring Fees, and Community Facility Districts (CFD) reimbursements were used.
- Other miscellaneous revenues, such as interest income were not considered.
- For expenses, consulting and professional fees were based on current contractual limits through the end of contract expirations. No escalations applied beyond expiration dates.
- For staffing costs, Year 1 (FY 2020) includes 2.5 Full Time Employees (FTE), 1 FTE to administer the ABAG FAN Portfolio, and 1.5 FTE to cover marketing and efforts for the successor conduit bond issuance program known as the Advancing California Finance Authority (ACFA).
- Starting in Years 2-5, we anticipate only 1 FTE due to the portfolio maturing and being in run-off mode.
- In Year 6 through final maturity, staffing cost was projected at less than 1 FTE. As the portfolio reaches maturity, less time will be necessary to administer the portfolio.

Given these assumptions, the anticipated revenues are expected to be sufficient to sustain the forecasted expenses for 12 years through Fiscal Year 2031, with the exception of the first year which has higher than normal expenses to cover ACFA. Starting in Year 13 (FY 2032), the program will start to draw from reserve funds to offset the operating deficit. Up to \$3 million from existing reserve will be adequate to carry the program through Year 25 (2044). We anticipate that transaction re-fundings and early retirements of the bonds will shorten the life of the portfolio by a few years and eliminate any shortfall after 2044.

The current balance in the reserve is approximately \$4 million. Based on our analysis, the program is expected to remain self-sufficient even after the transfer of \$1 million to the Association of Bay Area Governments (ABAG) to be applied to the ABAG OPEB Liability.

Portfolio Forecast Report

March 27, 2019

Page 2

Recommended Action

The ABAG FAN Executive Committee is requested to approve the staff report.



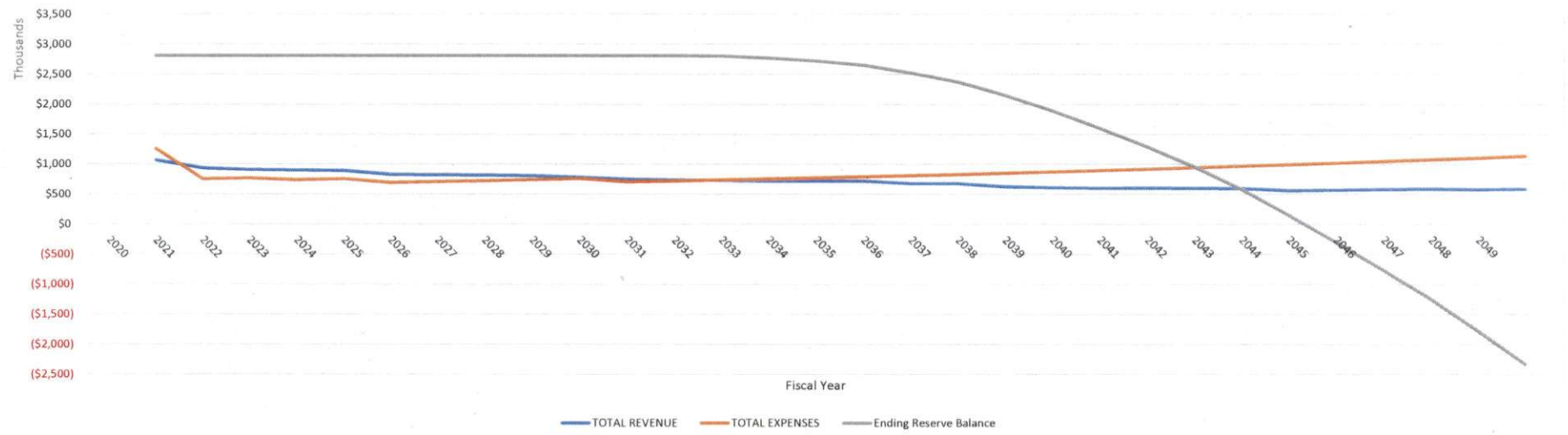
Therese W. McMillan

Attachment

Portfolio Forecast Graph
Portfolio Forecast Table

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20190404 Item 05 Memo Portfolio Forecast Report v2.docx

ABAG FAN PORTFOLIO FORECAST



ABAG FAN PORTFOLIO FORECAST
FY 2020 to Final Maturity

Year	1-5	6-10	11-15	16-20	21-25	25-30
Fiscal Year	FY 2020 - FY 2024	FY 2025 - FY 2029	FY 2030 - FY 2034	FY 2035 - FY 2039	FY 2040 - FY 2044	FY 2045 - FY 2049
REVENUE FORECAST						
Administrative Fees	2,140,421	1,770,888	1,469,502	1,013,865	469,812	114,015
Project Monitor Fees	1,058,705	819,206	633,886	490,489	379,531	293,674
Communities Facilities Districts (CFD) Cost Reimbursements	1,490,543	1,470,951	1,557,764	1,812,070	2,112,773	2,468,891
TOTAL REVENUE	4,689,669	4,061,045	3,661,152	3,316,424	2,962,116	2,876,579
EXPENSE FORECAST						
Salaries/Benefits*	1,273,164	809,689	703,988	816,116	946,102	1,096,791
Indirect Costs*	678,444	476,028	455,659	581,549	742,220	947,282
Financial Advisory	400,000	250,000	250,000	250,000	250,000	250,000
Legal Advisory	250,000	250,000	250,000	250,000	250,000	250,000
CFD Consulting	743,279	861,664	998,905	1,158,004	1,342,445	1,556,261
Housing Compliance Consulting	318,548	369,285	428,102	496,288	575,333	666,969
Bank Fees	95,000	95,000	95,000	95,000	95,000	95,000
Financial Audit Fees	500,000	500,000	500,000	500,000	500,000	500,000
TOTAL EXPENSES	4,258,435	3,611,665	3,681,654	4,146,957	4,701,100	5,362,304
NET SURPLUS / (DEFICIT)	431,234	449,380	(20,502)	(830,533)	(1,738,984)	(2,485,725)
Beginning Reserve Balance	3,000,000	2,808,552	2,808,552	2,720,403	1,889,870	150,886
Transfer to cover deficit	(191,448)	-	(88,149)	(830,533)	(1,738,984)	(2,485,725)
Ending Reserve Balance	2,808,552	2,808,552	2,720,403	1,889,870	150,886	(2,334,839)

*Staffing Costs for FY 2020 includes 2.5 Full Time Employees (FTE); FY 2021- FY 2024 at 1 FTE; FY 2025 and beyond, less than 1 FTE.



ABAG

Metropolitan Transportation Commission

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Legislation Details (With Text)

File #: 19-0320 **Version:** 1 **Name:**

Type: Report **Status:** Committee Approval

File created: 3/26/2019 **In control:** ABAG FAN Executive Committee

On agenda: 4/4/2019 **Final action:**

Title: Operating Budget Report

Sponsors:

Indexes:

Code sections:

Attachments: [Item 06 Memo Operating Budget FY 2019-20 v2.pdf](#)
[Item 06 Attachment Operating Budget FY 2019-20.pdf](#)

Date	Ver.	Action By	Action	Result
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Operating Budget Report

Brian Mayhew

Approval

ASSOCIATION OF BAY AREA GOVERNMENTS
Finance Authority for Nonprofit Corporations



Date: March 27, 2019
To: ABAG FAN Executive Committee
From: Executive Director
Subject: **Approval of Fiscal Year 2019-20 Operating Budget**

Attached is the proposed operating budget for ABAG Finance Authority for Nonprofit Corporations (ABAG FAN) for Fiscal Year 2019-20. The proposed operating budget includes an operating deficit of \$1,289,605 which will be covered with a transfer from fund balance.

The total estimated revenue is \$1.1 million against \$1.4 million in direct expenses. The FY 2019-20 request includes a \$1 million transfer to Association of Bay Area Governments (ABAG). ABAG FAN is also covering expenses for the new Advancing California Finance Authority (ACFA) which is in the second operational year as successor financing conduit to the ABAG FAN. Other highlights include:

Revenue:

- Fees—Estimated \$1.1 million from the existing portfolio.

Expense:

- Staffing—Included in the budget are 2.5 full time positions, one in Treasury and one in Marketing, as well as one part time charge from the Executive office. Staffing costs are \$787,735 and covered under the staff costs transfer line. Staff costs are transferred to the Metropolitan Transportation Commission (MTC).
- Consultants—Continued funding for both Sperry Capital and Public Finance Management (PFM) for financial advisory work to assist in the administration of the current ABAG FAN portfolio and to process any new ACFA transactions.
- Legal—Included funds for Nixon Peabody to provide general legal support to the existing ABAG FAN portfolio and any new ACFA transactions.
- Transfer Out—Transfer of \$1 million to ABAG Administration to retire its remaining OPEB costs.

Overall, direct expenses are up by 8% from the FY 2018-19 budget. The increase is generally due to supporting the costs of the ACFA conduit. While ABAG FAN cannot provide unlimited support to ACFA, with an asset base of over \$4 million, ABAG FAN can continue to support ACFA for FY 2019-20.

Approval of Fiscal Year 2019-20 Operating Budget

March 27, 2019

Page 2

Recommended Action

The ABAG FAN Executive Committee is requested to approve the proposed Fiscal Year 2019-20 Operating Budget and to authorize staff to move expenses between categories during the fiscal year provided that the overall budget is not exceeded at any time without the prior approval of the ABAG FAN Executive Committee.



Therese W. McMillan

Attachment

Proposed Operating Budget

J:\COMMITTEE\ABAG FAN Executive Committee\Agendas\2019\FAN EC 20190404\FAN EC 20190404 Item 06 Memo Operating Budget FY 2019-20 v2.docx

FAN

	YTD Actuals to 2/28/2019	Approved Budget FY 2018-19	Proposed Budget FY 2019-20	Change % Inc./((Dec.))	Change \$ Inc./((Dec.))
Revenue					
Financial Services Revenue	\$ 686,183	\$ 1,300,000	\$ 1,084,000	-17%	\$ (216,000)
Interest Revenue	48,346	50,000	40,000	-20%	(10,000)
Other Revenue	22,890	250,000	-	-100%	(250,000)
Total Revenue	<u>757,419</u>	<u>1,600,000</u>	<u>1,124,000</u>	<u>-30%</u>	<u>(476,000)</u>
Expense					
Travel	164	-	6,000	0%	6,000
Conference/Training Exp	909	-	3,000	0%	3,000
Consultants	175,520	420,000	450,000	7%	30,000
Legal Fees	10,141	100,000	50,000	-50%	(50,000)
Commission Expense	1,300	-	-	0%	-
Audit	54,085	85,000	73,000	-14%	(12,000)
Bank Service Charges	5,650	50,000	18,720	-63%	(31,280)
Miscellaneous	4,333	25,000	25,150	1%	150
Total Expense	<u>252,102</u>	<u>680,000</u>	<u>625,870</u>	<u>-8%</u>	<u>(54,130)</u>
Transfers					
MTC Staff Cost	258,369	415,000	513,223	24%	98,223
Overhead	136,341	208,000	274,512	32%	66,512
Total Staff Cost	<u>394,710</u>	<u>623,000</u>	<u>787,735</u>	<u>26%</u>	<u>164,735</u>
Total Expense	646,812	1,303,000	1,413,605	8%	110,605
Other Transfers In	-	100,000	-	-100%	(100,000)
Other Transfers (Out)	-	(350,000)	(1,000,000)	186%	(650,000)
Surplus/(Deficit)	<u>\$ 110,607</u>	<u>\$ 47,000</u>	<u>\$ (1,289,605)</u>	<u>-2844%</u>	<u>\$ (1,336,605)</u>
Beginning Net Position	4,322,605	\$ 4,322,605	\$ 4,369,605		
Ending Balance	<u>\$ 4,433,212</u>	<u>\$ 4,369,605</u>	<u>\$ 3,080,000</u>	<u>-30%</u>	<u>\$ (1,289,605)</u>