

Draft FY 2023-24 ABAG Operating Budgets

Date: April 20, 2023

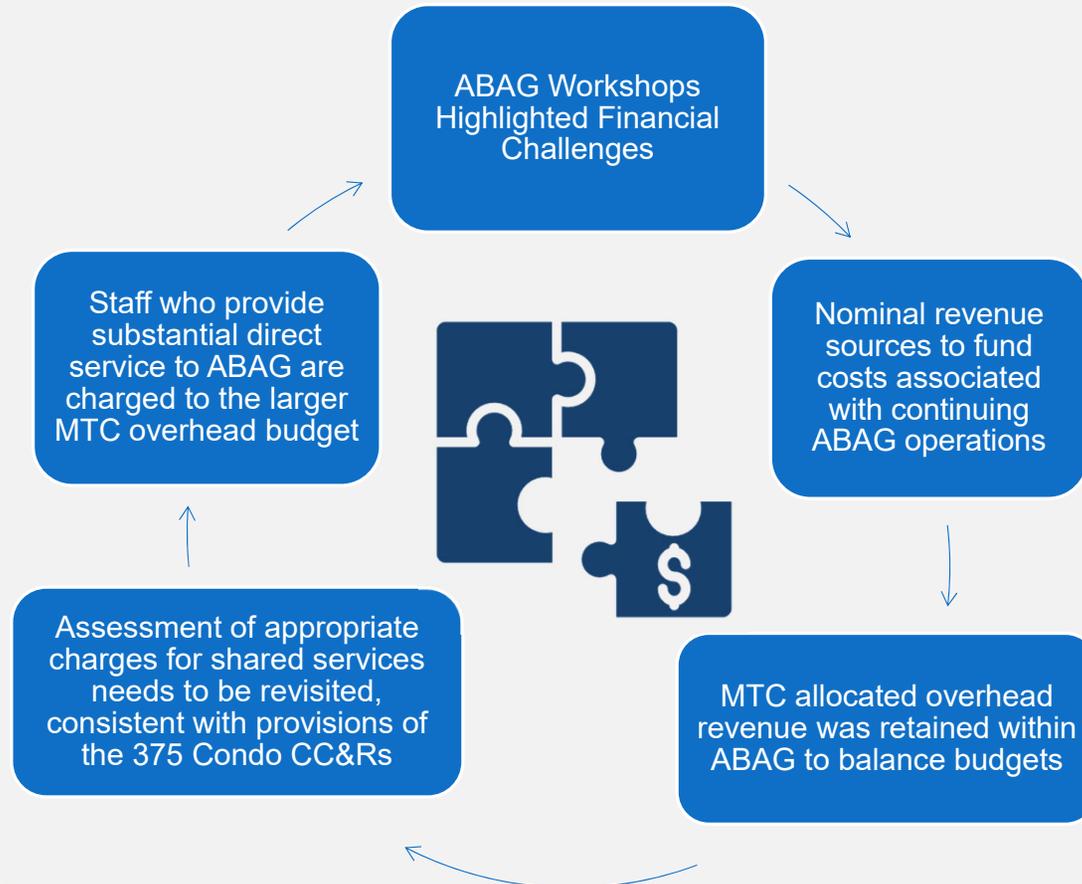
Presenter: Derek Hansel, CFO



ASSOCIATION
OF BAY AREA
GOVERNMENTS

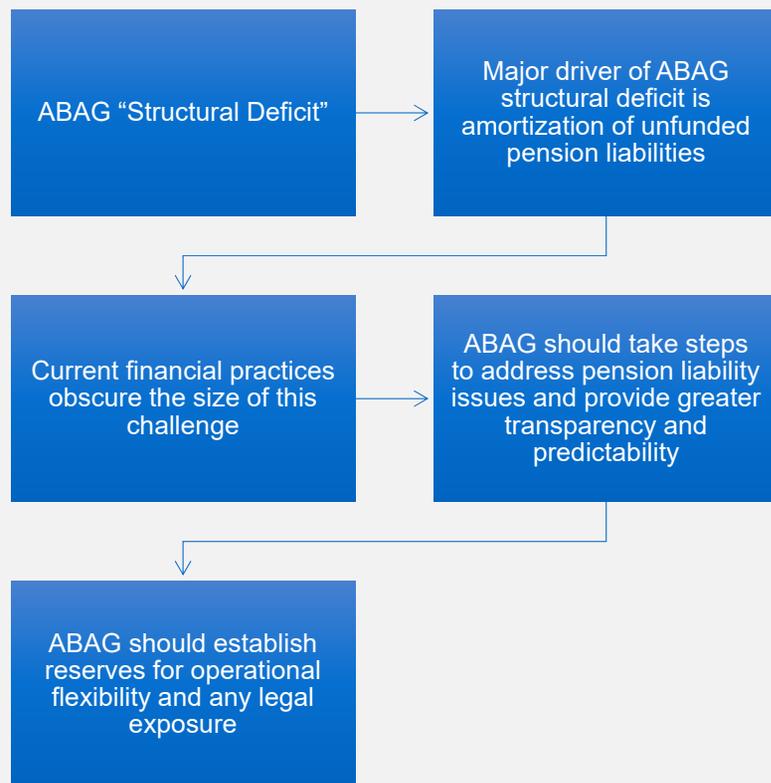


FY 2023-24 Budget Considerations for ABAG's Business Operations



- The October 2022 and March 2023 ABAG Workshops highlighted financial challenges that are somewhat addressed in the FY 2023-24 budget:
 - 10% Membership Dues increase
 - Draw from the CERBT trust to fund retiree health benefits
 - ABAG overhead revenue to support staff and other business operations retained by MTC
 - Staff providing direct services partially charged to ABAG programs
 - 375 Beale Condo ownership assessments adjusted to appropriately account for shared costs and partially address MTC subsidy
 - Bay Area Toll Authority (BATA) transfer to cover SFEP overhead

ABAG's Financial Challenges: Present and Future Considerations



- Annual reassessment of membership dues which include funding pension and OPEB liabilities
 - Establish 115 Trust
- Possible sale of building interest in 375 Beale
 - Partially funds outstanding pension obligations and efforts towards building a reserve
- Establish and maintain reserves (not completely addressed until pension/OPEB obligations are fully funded)
- Stabilize and maximize financial position
- Ongoing full cost accounting to determine financial needs to fund ongoing business operations



Proposed FY 2023-24 ABAG Administration Operating Budget

- **ABAG Administration fund is balanced as proposed with a draw from the CERBT trust**
- **Membership dues up 10% but do not fully cover ongoing expenses**
- **No transfers in from programs (SFEP/BayREN)**
- **Pension obligations reflect a decrease over prior year. Anticipate increase next fiscal year**
- **Retiree healthcare costs fully reimbursed from draw on 115 Trust**
- **Increase of consultant costs for website updates and redesign**
- **No operating or legal reserve**

ABAG Administration	FY 2022-23 Approved	FY 2023-24 Proposed	Difference \$
	(Thousands \$)	(Thousands \$)	(Thousands \$)
Revenues & Transfers			
Membership Dues	\$2,592	\$2,851	\$259
Other	587	484	(103)
Transfers	373	-	(373)
Total Revenues & Transfers In	\$3,552	\$3,335	(\$217)
Expenses & Transfers			
Pension	\$1,744	\$1,136	(\$608)
OPEB	587	480	(107)
375 Beale Assessment	98	222	124
BARC (transfer out)	185	188	3
Other	904	1,257	353
Total Expenses & Transfers Out	\$3,518	\$3,283	(\$235)
Operating Surplus/(Deficit)	\$34	\$52	\$18



Bay Area Regional Energy Network (BayREN)



Proposed FY 2023-24 BayREN Operating Budget

- ✓ Main source of revenue is grants from the California Public Utilities Commission (CPUC)
- ✓ Increase in expenses primarily for incentives, including new refrigerant replacement program
- ✓ BayREN will continue the water savings program funded by a \$1 million loan from MTC
- ✓ Budget does not include three new position requests (approx. \$1 million in staff costs)

BayREN	FY 2022-23 Approved	FY 2023-24 Proposed	Difference \$
	(Thousands \$)	(Thousands \$)	(Thousands \$)
Revenues			
State Grants	\$26,359	\$36,564	\$10,205
Local Grants	75	-	(75)
Total Revenues	\$26,434	\$36,564	\$10,130
Expenses & Transfers Out			
Consultant	\$13,150	\$18,682	\$5,532
Incentives	11,050	15,600	4,550
Staff (MTC transfer out)	1,840	1,939	99
Other	394	343	(51)
Total Expenses & Transfers Out	\$26,434	\$36,564	\$10,130
Operating Surplus/(Deficit)	\$0	\$0	\$0

San Francisco Estuary Partnership (SFEP)



Proposed FY 2023-24 San Francisco Estuary Partnership (SFEP) Operating Budget

- ❑ The FY 2023-24 budget includes over \$64 million in active grants
 - ❑ 17 active programs
 - ❑ various funding sources
- ❑ Approximately 75% of program funding allocated to program expenses
- ❑ Self balancing fund but timing of grant reimbursements has a negative impact on cashflow
- ❑ Applying for new grants (approx. \$41 million)
- ❑ Increase in passthrough to other agencies due to work for the Regional Shoreline Resilience and other projects

SFEP	FY 2022-23 Approved	FY 2023-24 Proposed	Difference \$
	(Thousands \$)	(Thousands \$)	(Thousands \$)
Revenues			
Grant Revenue	\$14,793	\$25,075	\$10,282
Total Revenues	\$14,793	\$25,075	\$10,282
Expenses & Transfers			
Consultant	\$10,444	\$3,024	(7,420)
Passthrough Contributions	1,103	19,322	18,219
Staff (MTC transfer out)	3,055	2,729	(326)
Conference Program & Admin (transfer out)	181	-	(181)
Other	10	-	(10)
Total Expenses & Transfers	\$14,793	\$25,075	\$10,282
Operating Surplus/(Deficit)	\$0	\$0	\$0

San Francisco Estuary Partnership (SFEP) - Conference



Proposed FY 2023-24 San Francisco Estuary Partnership (SFEP) Conference Operating Budget

- ❖ State of the San Francisco Estuary Conference occurs every two years
- ❖ Other revenue
 - ❖ Conference attendees
 - ❖ sponsorships
- ❖ Anticipate increased costs for venue, meals, and other expenses
- ❖ Deficit covered by fund balance

SFEP Conference	FY 2022-23 Approved	FY 2023-24 Proposed	Difference \$
	(Thousands \$)	(Thousands \$)	(Thousands \$)
Revenues			
Other Revenue	\$107	\$450	\$343
Transfers	181	-	(181)
Total Revenues & Transfers	\$288	\$450	\$162
Expenses & Transfers			
Meals/Catering	\$-	\$250	250
Conference Venue	-	40	40
Staff (MTC transfer out)	151	143	(8)
Consultant/Professional Fees	407	110	(297)
Other	-	150	150
Total Expenses & Transfers	\$558	\$693	\$135
Operating Surplus/(Deficit)	(\$270)	(\$243)	\$27

Staff Recommendation

Staff requests that the Executive Board:

- ✓ recommend approval of ABAG Resolution No. 11-2023 approving the FY 2023-24 Operating Budget and Work Program
- ✓ authorize submission of the Budget and Work Program to the General Assembly for approval.



Questions?

