

Association of Bay Area Governments

Executive Board

November 21, 2019

Agenda Item 10.d.

Amendment to FY 2019-20 Operating Budget

Subject: Approval of Amendment to FY 2019-20 Operating Budget

Background: In response to the inclusion of \$125 million in State funds to support Regional Housing Needs Allocation (RHNA) of which ABAG is eligible for \$23.7 million, staff is recommending ABAG amend the FY 2019-20 operating budget and apply for the eligible funds. Details are in the Executive Director's memorandum under item 10.c.

Issues: The ABAG Bylaws do not currently contemplate a mid-year budget amendment where additional revenues become available; however, staff's interpretation is that the General Assembly would have to approve a budget amendment to increase the total revenue envelope. The attached memo describes actions the ABAG Executive Board and General Assembly could take to accept this new revenue.

Recommended Action: The Finance Committee and the Executive Board are requested to recommend General Assembly approval of an amendment to the Fiscal Year 2019-20 Budget to include \$23.7 million in Regional Early Action Planning Grants Program revenues.

Attachments: A. Memo Amendment FY 2019-20 Operating Budget

Reviewed:


Therese W. McMillan

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



November 21, 2019

To: ABAG Executive Board
ABAG Finance Committee

From: Executive Director

Subject: **Amendment to FY 2019-20 Operating Budget of \$23.7 million**

Executive Summary

In response to the inclusion of \$125 million in State funds to support Regional Housing Needs Allocation (RHNA) of which ABAG is eligible for \$23.7 million, staff is recommending ABAG amend the FY 2019-20 operating budget and apply for the eligible funds. Details are in the Executive Director's memorandum under item 10.c.

Background

The FY 2019-20 budget approved by the state of California included \$125 million to support the sixth cycle of the Regional Housing Needs Allocation (RHNA). ABAG is eligible for \$23.7 million of that RHNA support funding.

In October governor Newsom signed SB 113 permitting a Council of Governments to request up to 25% of the available funding after October 1, 2019. The requested action will increase the ABAG Operating budget by \$23.7 million in preparation for programming the RHNA funds

Revenue

	Adopted Budget FY 2019-20	Proposed Amendment	Total Budget
Administration	\$3,545,375	\$23,700,000	\$27,245,375
BayRen Energy	32,854,825		32,854,825
SF Estuary Partnership	46,310,541		46,310,541
SFEP Conference Programs	710,900		710,900
Total Revenue	\$83,421,641	\$23,700,000	\$107,121,641

Amendment to FY 2019-20 Operating Budget

November 21, 2019

Page 2

Expense

	Adopted Budget FY 2019-20	Proposed Amendment	Total Budget
Administration	\$3,260,050	\$23,700,000	\$26,960,050
BayRen Energy	26,817,686		26,817,686
SF Estuary Partnership	20,128,379		20,128,379
SFEP Conference Programs	329,436		329,436
Total Expense	\$50,535,551	\$23,700,000	\$74,235,551

The FY 2019-20 amended budget will remain in balance after the recommended changes. To effect the near-term staff and consultant efforts, \$3.45 million is proposed to be transferred to MTC in line with the Contract for Services between ABAG and MTC dated May 30, 2017.

Breakdown of REAP funds by Agency Budget

REAP Funds		Proposed Budget FY2019-20 Amendment		
		ABAG Revenue Augmentation	Transfer to MTC for RHNA staff/consultant work	Proposed New ABAG Revenue Capacity
25% Amount	\$5.9M	\$23.7	(\$3.45M)	\$20.25M
75% Remainder	\$17.8M			
Total	\$23.7M	\$23.7M	(\$3.45M)	\$20.25M

Recommended Action

Staff recommends that the proposed FY 2019-20 budget amendment be submitted to the General Assembly for adoption.


Therese W. McMillan

Attachment

Budget

ABAG Combined Operating Budget				
	Original Budget FY 2019-20	Amendment FY 2019-20	Revised Budget FY 2019-20	Change % Inc./Dec.)
Revenue				
Membership Dues	\$ 2,882,875	\$ -	\$ 2,882,875	0%
Interest Revenue	48,000	-	48,000	0%
Grant Revenue	79,138,016	-	79,138,016	0%
RHNA Funding	-	23,700,000	23,700,000	N/A
Other Revenue	1,352,750	-	1,352,750	0%
Total Revenue	83,421,641	23,700,000	107,121,641	28%
Expense				
OPEB	611,000	-	611,000	0%
PERS	2,025,000	-	2,025,000	0%
Travel	44,283	-	44,283	0%
Conference/Trning Exps & Fees	8,000	-	8,000	0%
Meals	21,977	-	21,977	0%
Advertising/Public Awareness	100,000	-	100,000	0%
Beale Assessments	348,400	-	348,400	0%
Software Licenses	500	-	500	0%
Memberships	38,500	-	38,500	0%
Conferences	6,500	-	6,500	N/A
Consultants	23,889,525	23,700,000	47,589,525	99%
Single Family Incentive	5,402,020	-	5,402,020	0%
Multi Family Incentive	3,750,000	-	3,750,000	0%
Commercial Incentives	950,640	-	950,640	0%
Pass-through/Contrib-Othr Agencies	8,975,638	-	8,975,638	0%
Office Supplies	1,875	-	1,875	0%
Supplies	5,304	-	5,304	0%
Board Expense	80,000	-	80,000	0%
Audit	250,000	-	250,000	0%
Bank Service Charges	20,000	-	20,000	0%
Printing and Reproduction	14,500	-	14,500	0%
Graphics	2,500	-	2,500	0%
Mailing/Postage	5,300	-	5,300	0%
Insurance	150,000	-	150,000	0%
Miscellaneous	26,816	-	26,816	0%
Total Expenses	46,728,278	23,700,000	70,428,278	51%
Staff Cost				
Staff Cost	2,786,719	-	2,786,719	0%
Overhead	1,490,554	-	1,490,554	0%
Total Staff Cost	4,277,273	-	4,277,273	0%
Transfers In	1,000,000		1,000,000	0%
Transfers (Out)	(530,000)		(530,000)	0%
Total Expense and Transfers	50,535,551	23,700,000	74,235,551	47%
Year End Balance	\$ 32,886,090	\$ -	\$ 32,886,090	0%

ABAG Administration

	Original Budget FY 2019-20	Amendment FY 2019-20	Revised Budget FY 2019-20	Change % Inc./ (Dec.)
Revenue				
Membership Dues	\$ 2,882,875	\$ -	\$ 2,882,875	0%
Interest Revenue	48,000	-	48,000	0%
Bill	-	23,700,000	23,700,000	N/A
Other Revenue	614,500	-	614,500	0%
Total Revenue	3,545,375	23,700,000	27,245,375	668%
Expense				
OPEB	611,000	-	611,000	0%
PERS	2,025,000	-	2,025,000	0%
Travel	3,150	-	3,150	0%
Meals	14,000	-	14,000	0%
Beale Assessments	348,400	-	348,400	0%
Memberships	27,500	-	27,500	0%
Consultants	200,000	23,700,000	23,900,000	11850%
Board Expense	80,000	-	80,000	0%
Audit	250,000	-	250,000	0%
Bank Service Charges	20,000	-	20,000	0%
Insurance	150,000	-	150,000	0%
Miscellaneous	1,000	-	1,000	0%
Total Expenses	3,730,050	23,700,000	27,430,050	635%
Transfers In	1,000,000	-	1,000,000	0%
Transfers (Out)	(530,000)	-	(530,000)	0%
Total Expense and Transfers	3,260,050	23,700,000	26,960,050	727%
Year End Balance	\$ 285,325	\$ -	\$ 285,325	0%

BayRen - Energy

	Original Budget FY 2019-20	Amendment FY 2019-20	Revised Budget FY 2019-20	Change % Inc./((Dec.))
Revenue				
Grant Revenue	\$ 32,827,475	\$ -	\$ 32,827,475	0%
Other Revenue	27,350	-	27,350	0%
Total Revenue	32,854,825	-	32,854,825	0%
Expense				
Travel Expense	11,000	-	11,000	0%
Conference/Trning Exps & Fees	8,000	-	8,000	0%
Meals	4,000	-	4,000	0%
Advertising/Public Awareness	100,000	-	100,000	0%
Software Licenses	500	-	500	0%
Memberships	11,000	-	11,000	0%
Consultant/Professional Fees	7,281,188	-	7,281,188	0%
Single Family Incentive	5,402,020	-	5,402,020	0%
Multi Family Incentive	3,750,000	-	3,750,000	0%
Commercial Incentives	950,640	-	950,640	0%
Passthru/Contrib-Othr Agncies	8,261,123	-	8,261,123	0%
Miscellaneous	25,816	-	25,816	0%
Total Expense	25,805,287	-	25,805,287	0%
Staff Cost				
Staff Cost	659,596	-	659,596	0%
Overhead	352,803	-	352,803	0%
Total Staff Cost	1,012,399	-	1,012,399	0%
Total Expense	26,817,686	-	26,817,686	0%
Other Transfers In/(Out)	-	-	-	N/A
Year End Balance	\$ 6,037,139	\$ -	\$ 6,037,139	0%

San Francisco Estuary Partnership
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	Original Budget FY 2019-20	Amendment FY 2019-20	Revised Budget FY 2019-20	Change % Inc./Dec.)
Revenue				
Grant Revenue	\$ 46,310,541	\$ -	\$ 46,310,541	0%
Total Revenue	46,310,541	-	46,310,541	0%
Expense				
Travel Expense	30,133	-	30,133	0%
Meals	1,977	-	1,977	0%
Conferences	6,500	-	6,500	0%
Office Supplies	1,875	-	1,875	0%
Supplies	5,304	-	5,304	0%
Consultant/Professional Fees	16,178,062	-	16,178,062	0%
Passthru/Contrib-Othr Agencies	714,515	-	714,515	0%
Printing and Reproduction	14,500	-	14,500	0%
Graphics	2,500	-	2,500	0%
Mailing/Postage	5,300	-	5,300	0%
Total Direct Expense	16,960,666	-	16,960,666	0%
Staff Cost				
Staff Cost	2,063,821	-	2,063,821	0%
Overhead	1,103,892	-	1,103,892	0%
Total Staff Cost	3,167,713	-	3,167,713	0%
Total Expense	20,128,379	-	20,128,379	0%
Other Transfers (In)/out	-	-	-	N/A
Year End Balance	\$ 26,182,162	\$ -	\$ 26,182,162	0%

San Francisco Estuary - Conference & Programs
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	Original Budget FY 2019-20	Amendment FY 2019-20	Revised Budget FY 2019-20	Change % Inc./ (Dec.)
Revenue				
Other Revenue	\$ 710,900	\$ -	\$ 710,900	0%
Total Revenue	710,900	-	710,900	0%
Expense				
Meals	2,000	-	2,000	0%
Consultant	230,275	-	230,275	0%
Total Direct Expense	232,275	-	232,275	0%
Staff Cost				
Staff Cost	63,302	-	63,302	0%
Overhead	33,859	-	33,859	0%
Total Staff Cost	97,161	-	97,161	0%
Total Expense	329,436	-	329,436	0%
Year End Balance	\$ 381,464	\$ -	\$ 381,464	0%