

Proposed FY 2025-26 ABAG Operating Budget and Work Program

Date: June 20, 2025

Presenter: Derek Hansel, CFO



ASSOCIATION
OF BAY AREA
GOVERNMENTS



Administrative Financial Challenges

- According to CalPERS' 2023 Actuarial Valuation, ABAG's unfunded accrued liability totals \$18 million
- Minimum annual contributions of \$2.3 million through 2034
- Meeting pension obligations require 72% of proposed Membership Dues
- MTC subsidizing shared services costs beyond that required in Contract for Services
- Administrative budget still doesn't factor in staffing costs associated with providing administrative services

ABAG Administration

- Membership dues increased by 3%
- Pension obligations increased by 8%
- \$160 Transfer from ABAG FAN
- \$291 thousand deficit funded by anticipated savings in budgeted expenses for FY 2024-25
- Challenging financial position in upcoming years

ABAG Administration	FY 2024-25 Amendment No. 1	FY 2025-26 Proposed	Difference \$
	(Thousands \$)	(Thousands \$)	(Thousands \$)
Revenues & Transfers			
Membership Dues	\$3,140	\$3,234	\$94
OPEB Trust, Interest & Other Revenue	615	577	(39)
ABAG FAN (transfer in)	-	160	160
Total Revenues & Transfers In	\$3,755	\$3,970	\$215
Expenses & Transfers			
Pension	\$2,139	\$2,316	\$177
OPEB	558	517	(41)
375 Beale Assessment	208	205	(3)
BARC (transfer out)	203	205	2
Insurance	250	279	29
Other	800	739	(61)
Total Expenses & Transfers Out	\$4,158	\$4,261	\$103
Operating Surplus/(Deficit)	(\$403)	(\$291)	\$112



Bay Area Regional Energy Network (BayREN)

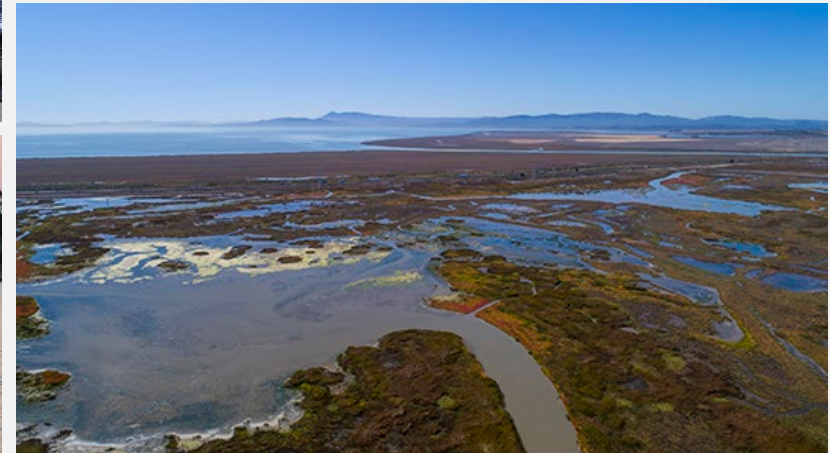
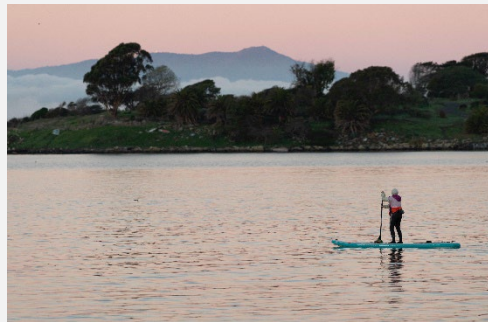


BayREN Operating Budget

- Main source of revenue is grant from the California Public Utilities Commission (CPUC)
- BayREN partners still adapting to new programs, resulting in slower than anticipated spending in prior years.
- Significant increase to consultant and incentives expenses includes encumbered carryover.

BayREN	FY 2024-25 Amendment No. 1	FY 2025-26 Proposed	Difference \$
	(Thousands \$)	(Thousands \$)	(Thousands \$)
Revenues			
CPUC Grant	\$39,100	\$78,621	\$39,521
Other Revenue	285	488	203
Total Revenues & Transfers In	\$39,385	\$79,109	\$39,724
Expenses & Transfers			
Consultants	\$19,105	\$36,650	\$17,545
Incentives	16,650	38,938	22,288
Staff (transfer out to MTC)	3,219	3,094	(125)
Other	410	426	16
Total Expenses & Transfers Out	\$39,385	\$79,109	\$39,724
Operating Surplus/(Deficit)	\$0	\$0	\$0

San Francisco Estuary Partnership (SFEP)



San Francisco Estuary Partnership Budget

- Continued grant funding from State (DWR) and Federal (EPA) sources
- Additional staff costs to support new programs including Wetlands Regional Monitoring Program and Water Quality Improvement Fund grants
- Separate \$450 thousand SFEP Conference budget funded by donations and conference registration

SFEP	FY 2024-25 Amendment No. 1	FY 2025-26 Proposed	Difference \$
	(Thousands \$)	(Thousands \$)	(Thousands \$)
Revenues			
Grant Revenue	\$43,683	\$42,337	(\$1,345)
Total Revenues & Transfers In	\$43,683	\$42,337	(\$1,345)
Expenses & Transfers			
Consultants	\$7,249	\$16,429	\$9,181
Passthrough Contributions	32,981	22,123	(10,858)
Staff (transfer out to MTC)	3,442	3,661	220
Other	11	123	112
Total Expenses & Transfers Out	\$43,683	\$42,337	(\$1,345)
Operating Surplus/(Deficit)	\$0	\$0	\$0

Staff Recommendation

Staff requests that the General Assembly:

- ✓ approve ABAG Resolution No. 7-2025 approving the FY 2025-26 Operating Budget and Work Program

