



April 22, 2010

TO: Transportation Authority of Marin Board of Commissioners

FROM: Dianne Steinhauser, Executive Director

THROUGH: Li Zhang, Manager of Finance and Administration

RE: FY2009-10 Third Quarterly Financial Report - Agenda Item 11

Dear Commissioners:

Executive Summary

This Quarterly Financial Report covers TAM's revenue and expenditure activities for the period of July 1, 2009 to March 31, 2010. The following five attachments are included in the report for your review:

Attachment 1. FY2009-10 Quarterly Budget to Actual Comparison as of 3/31/2010

Attachment 2. Summary of FY2009-10 Budget Amendments as of 3/31/2010

Attachment 3. FY2009-10 Revenue and Expenditure Report as of 3/31/2010– Measure A Detail

Attachment 4. FY2008-09 and FY2009-10 Monthly Measure A Disbursement Comparison

Attachment 5. Marin County Treasurer Portfolio Yield Report as of 2/28/2010

As of March 31, 2010, total Measure A cash disbursements received from the Board of Equalization (BOE) for the nine months from July 2009 to March 2010 is \$14.3 million, 10.59% lower than the total Measure A disbursement for the same period last year. Due to the prolonged recession, the TAM Board had to make the difficult decision of reducing the current year budgeted Measure A revenue by \$2 million, from \$19.5 million to \$17.5 million, at its January 28, 2010 Board meeting. As part of the decision, the TAM Board also authorized the use of up to \$2 million Measure A reserve to keep whole the FY2009-10 funding commitments to all Measure A projects/programs. Staff has been monitoring the Measure A sales disbursements from the Board of Equalization (BOE) as well as other economic indicators closely over the last several months. Based on the actual collection for the fourth quarter of calendar year 2009, it's likely that sales tax revenue has hit its bottom and we may see some level of recovery in 2010. TAM most likely will end FY2009-10 with \$18 million in Measure A revenue. The TAM Board also adopted the \$18 million revenue level for the development of the draft FY2010-11 Annual Budget.

Expenditures for most budget line items are happening at a slower pace than projected. Staff is available to provide detailed information if Board members have any specific questions.

The Executive Committee reviewed the Third Quarter Financial Report at its April 12th meeting and raised no concerns. Staff have since received the April Measure A advance payment from BOE and is happy to report that the advance came higher than original anticipated. This provides

more certainty that the Measure A revenue for the current fiscal year will likely to be around \$18 million, higher than the \$17.5 million revised budgeted amount. Therefore, the amount of Measure A reserve needed to maintain the \$19.5 million revenue commitment to all projects and programs will be reduced accordingly.

Recommendation: Information Item Only

Background

This report, along with all accompanying attachments, provides a summary of the financial activities for the third quarter of FY2009-10, ended March 31, 2010. Revenues and expenditures are presented on a cash basis for the period covered. Any material revenues or expenditures that have occurred but haven't been received/paid will be highlighted in the staff report for your information.

Revenue Highlights and Measure A Budget Adjustment

As of March 31, 2010, total Measure A cash disbursements received from the Board of Equalization (BOE) for the nine months from July 2009 to March 2010 is \$14.3 million, 10.59% lower than the total Measure A disbursement for the same period last year. Due to the prolonged recession, the TAM Board had to make the difficult decision of reducing the current year budgeted Measure A revenue by \$2 million, from \$19.5 million to \$17.5 million, at its January 28, 2010 Board meeting. As part of the decision, the TAM Board also authorized the use up to \$2 million Measure A reserve to keep whole the FY2009-10 funding commitments to all Measure A projects/programs. Staff has been monitoring the Measure A sales disbursements from the Board of Equalization (BOE) as well as other economic indicators closely over the last several months. Based on the actual collection for the fourth quarter of calendar year 2009, it's likely that sales tax revenue has hit its bottom and we may see some level of revenue recovery in 2010. TAM most likely will end FY2009-10 with \$18 million in Measure A revenue. The TAM Board also adopted the \$18 million revenue level for the development of the draft FY2010-11 Annual Budget.

TAM has received in full the total \$430,000 contribution from cities/towns/county, for the CMA planning, programming, and project delivery support services provided. TAM has received \$234,981 in interest revenue for the first two quarters of FY2009-10 from our treasurer, the County of Marin, and should have the third quarter interest revenue in the next few weeks. Please note that the County Investment Pool currently has an overall return of 0.523%.

Staff has received \$88,560 from MTC for the remaining balance of its FY2007-08/FY2008-09 CMA Planning fund. This covers a portion of the CMA staff planning activity costs between July 1, 2009 and September 30, 2009. MTC is still working on the new funding agreement, which will provide TAM with \$572,000 for the period between October 1, 2009 and June 30, 2010. MTC has issued a "Notice to Proceed" to all CMAs and all costs as of October 1, 2009 are eligible for reimbursement. The funding agreement is expected to be signed in the next week or two and staff will invoice MTC once the agreement is executed. Staff has also invoiced MTC for all RM2 related project costs as of the end of November 2009 and received \$786,925 in reimbursements. Staff is also in the process of preparing the second FY2009-10 RM2 reimbursement request to MTC.

Cooperative Agreement amendments with Caltrans regarding the MSN projects were signed by both TAM and Caltrans in October 2009. According to the agreements, TAM has since received a total of \$2.29 million in TCRP funds, \$890,000 for cost overrun for the PA&ED phase of the two MSN projects TAM manages, and an additional \$1.4 million in advance for the PS&E phase so it

has the cash needed to pay its consultants in a timely manner for the work performed. TAM also received \$62,941 in STIP PPM reimbursement for STIP related activities for the first half of FY2009-10.

Expenditure Highlights

Overall, expenditures are trending under the budgeted amounts as of the end of the third quarter. Expenditures for a few projects/programs will pick up in the last quarter of the year. Marin Transit is expected to invoice TAM for the third quarter reimbursement soon as well as the fourth quarter reimbursement at the end of FY2009-10. TAM's activities on the MSN projects are picking up with the execution of the Cooperative Agreement amendments between TAM and Caltrans back in October, 2009. Staff also expects all remaining FY2009-10 invoices for the Measure A Major Roads projects and Measure A Local Infrastructure distribution to come in soon as part of the year-end closing process.

Recommendation

Information Item Only.

Attachments

- Attachment 1. FY2009-10 Quarterly Budget to Actual Comparison as of 3/31/2010
- Attachment 2. Summary of FY2009-10 Budget Amendments as of 3/31/2010
- Attachment 3. FY2009-10 Revenue and Expenditure Report as of 3/31/2010– Measure A Detail
- Attachment 4. FY2008-09 and FY2009-10 Monthly Measure A Disbursement Comparison
- Attachment 5. Marin County Treasurer Portfolio Yield Report as of 2/28/2010

Attachment I: FY2009-10 Budget to Actual Comparison as of 3/31/10

	FY 2010 Total Budget	Actual 3/31/10	\$ Variance with Budget	Actual as % of Budget
REVENUE				
Measure A Sales Tax	17,500,000	14,304,251	(3,195,749)	81.7%
Measure A Reserve	2,000,000			
Cities/Towns and County Contribution	430,000	429,999	(1)	100.0%
Interest Earned	500,000	234,981	(265,019)	47.0%
STP/CMAQ	375,000	88,560	(286,440)	23.6%
T-Plus	150,000	-	(150,000)	0.0%
STIP/PPM	450,000	62,941	(387,059)	14.0%
RM2 Revenue	5,425,000	786,925	(4,638,075)	14.5%
Community Based Transportation Funding	4,000	-	(4,000)	0.0%
TDA Article 3	1,560,500	-	(1,560,500)	0.0%
TFCA Funding	360,000	348,942	(11,058)	96.9%
Non-Motorized Transportation Pilot Program Funding	74,000	-	(74,000)	0.0%
MSN Federal Earmark	500,000	-	(500,000)	0.0%
CMIA Bond Revenue	600,000	-	(600,000)	0.0%
TCRP	5,358,000	2,290,000	(3,068,000)	42.7%
Other Agency Contribution - Note 1	175,000	181,000	6,000	103.4%
Total Revenue Available	<u>35,461,500</u>	<u>18,727,598</u>	<u>(16,733,902)</u>	<u>52.8%</u>
EXPENDITURES				
Administration				
Salaries & Benefits	1,730,000	1,169,539	(560,461)	67.6%
Office Lease	200,000	144,751	(55,249)	72.4%
Equipment	10,000	2,085	(7,915)	20.9%
Agency Car Leasing	-	-	-	N/A
Telephone/Internet/Web Hosting Svcs	25,000	15,911	(9,089)	63.6%
Office Supplies	22,000	21,146	(854)	96.1%
Insurance	8,000	5,136	(2,864)	64.2%
Audit	18,500	16,230	(2,270)	87.7%
Legal	20,000	23,951	3,951	119.8%
Accounting/Payroll	10,000	-	(10,000)	0.0%
Document Reproduction	30,000	918	(29,082)	3.1%
Memberships	20,000	4,080	(15,920)	20.4%
Travel/Meetings/Conferences	25,000	8,308	(16,692)	33.2%
Professional Development	5,000	1,720	(3,280)	34.4%
Misc. Expenses	5,000	829	(4,171)	16.6%
Subtotal, Administration	<u>2,128,500</u>	<u>1,414,604</u>	<u>(713,896)</u>	<u>66.5%</u>

Attachment I: FY2009-10 Budget to Actual Comparison as of 3/31/10

	FY 2010 Total Budget	Actual 3/31/10	\$ Variance with Budget	Actual as % of Budget
Professional Services				
Congestion Management Plan Update	65,000	18,470	(46,530)	28.4%
T-PLUS	35,000	436	(34,564)	1.2%
Project Management Oversight	500,000	30,840	(469,160)	6.2%
101 Construction Management Oversight	75,000	80,312	5,312	107.1%
Community Based Transportation Plan	4,000	-	(4,000)	0.0%
MSN Congestion Pricing Study	250,000	33,334	(216,666)	13.3%
MSN Project Management	300,000	-	(300,000)	0.0%
MSN San Antonio Interchange Design	2,375,000	506,056	(1,868,944)	21.3%
MSN San Antonio Curve Design	2,375,000	229,181	(2,145,819)	9.6%
MSN On-Call Contract	100,000	-	(100,000)	0.0%
Federal Legislative Assistance	-	-	-	N/A
State Legislative Assistance	35,000	21,937	(13,063)	62.7%
Financial Advisor	35,000	-	(35,000)	0.0%
Human Resources/Board Support	30,000	12,480	(17,520)	41.6%
Information Technology Support	30,000	13,070	(16,930)	43.6%
Hwy 101 Greenbrae / Twin Cities PA&ED	1,200,000	718,522	(481,478)	59.9%
Central Marin Ferry Connection PA&ED	1,050,000	290,178	(759,822)	27.6%
580/101 Connector Construction Management	600,000	89,372	(510,628)	14.9%
Street Smarts / School Pool / Safe Routes Education	250,000	103,378	(146,622)	41.4%
Transportation Demand Management	50,350	43,062	(7,288)	85.5%
Planning Initiatives	50,000	13,640	(36,360)	27.3%
On Call Public Outreach Contract	25,000	9,140	(15,860)	36.6%
Consulting Pool	75,000	3,682	(71,318)	4.9%
Support for SB83	275,000	37,845	(237,155)	13.8%
Subtotal, Professional Services	<u>9,784,350</u>	<u>2,254,936</u>	<u>(7,529,414)</u>	<u>23.0%</u>
Measure A Programs				
Reserve	875,000	715,213	(159,787)	81.7%
Bike / Ped Path Maintenance	75,000	-	(75,000)	0.0%
Strategy I - Transit	9,475,697	4,344,076	(5,131,621)	45.8%
Substrategy I.1 - Local Bus	6,166,154	3,083,077	(3,083,077)	50.0%
Substrategy I.2 - Rural Bus	520,172	260,086	(260,086)	50.0%
Substrategy I.3 - Special Needs	1,382,420	691,210	(691,210)	50.0%

Attachment I: FY2009-10 Budget to Actual Comparison as of 3/31/10

	FY 2010 Total Budget	Actual 3/31/10	\$ Variance with Budget	Actual as % of Budget
Substrategy 1.4 - Bus Transit	1,406,950	309,703	(1,097,247)	22.0%
Strategy 2 - Hwy 101 Gap Closure	7,228,414	3,025,388	(4,203,026)	41.9%
MTC Loan Repayment	1,785,714	892,857	(892,857)	50.0%
TE/TLC/STP Swap Project	2,500,000	2,089,873	(410,127)	83.6%
Nolte Contract	50,000	42,659	(7,341)	85.3%
Measure A Payment to Caltrans	2,892,700	-	(2,892,700)	0.0%
Strategy 3 - Local Transportation Infrastructure	7,351,964	2,825,189	(4,526,775)	38.4%
Substrategy 3.1 - Major Roads	4,869,500	715,242	(4,154,258)	14.7%
Substrategy 3.2 - Local Roads	2,482,464	2,109,947	(372,517)	85.0%
Strategy 4 - Safer Access to Schools	2,371,528	1,305,745	(1,065,783)	55.1%
Substrategy 4.1 - Safe Routes to Schools	650,000	324,504	(325,496)	49.9%
Substrategy 4.2 - Crossing Guards	-	-		
Crossing Guards Contract	565,000	340,647	(224,353)	60.3%
NUSD Agreement	185,000	68,971	(116,029)	37.3%
Crossing Guard Recertification Traffic Counts	150,000	-	(150,000)	0.0%
Substrategy 4.3 - Safe Pathways to School Projects	821,528	571,623	(249,905)	69.6%
Other Misc Contracts	50,000	-	(50,000)	0.0%
Subtotal, Measure A Program	<u>27,427,603</u>	<u>12,215,611</u>	<u>(15,211,992)</u>	<u>44.5%</u>
Interagency Agreements				
County Calpark RM2 Project - Construction	2,892,000	-	(2,892,000)	0.0%
Old Redwood Highway Roadway Improvement - Larkspur	420,000	-	(420,000)	0.0%
Subtotal, Interagency Agreements	<u>3,312,000</u>	<u>-</u>	<u>(3,312,000)</u>	<u>0.0%</u>
Other Capital Expenditures				
TFCA - Calpark Project	53,625	-	(53,625)	0.0%
Other TFCA Projects	420,000	189,103	(230,897)	45.0%
TDA Article 3 Payment to Caltrans	1,560,500	-	(1,560,500)	0.0%
Subtotal, Other Capital Exp	<u>2,034,125</u>	<u>189,103</u>	<u>(1,845,022)</u>	<u>9.3%</u>
Total Expenditures	<u>44,686,578</u>	<u>16,074,253</u>	<u>(28,612,325)</u>	<u>36.0%</u>

Note 1: Other Agency Contribution includes the \$175,000 grant received from Marin Community Foundation and \$5,500 from Supervisor Hal Brown to fund an crossing guard under his request.

Attachment 2: Summary of FY2009-10 Budget Amendments as of 3/31/10

No Budget Amendments are proposed for the Third Quarter of FY2009-10

Attachment 3: FY2009-10 Revenue and Expenditure Report as of 3/31/10 – Measure A Detail

Budget Line	Interest	5% Reserve	1% Admin	4% Program	S - 1.1 Local Bus	S - 1.2 Rural Bus	S - 1.3 Para.	S - 1.4 Cap. Imp.	S - 2 Gap Closure	S - 3.1 Major Roads	S - 3.2 Local Roads	S - 4.1 SR2S	S- 4.2 C. Guards	S - 4.3 Pathways	Total
REVENUE															
FY2009 Balance	2,542,490	4,433,667	71,751	1,258,246	897,066	277,021	233,243	1,384,423	3,574,199	4,377,475	2,767,486	731,868	1,184,751	1,846,023	25,579,709
FY2010 Cash Revenue	206,317	573,203	114,641	458,562	3,578,725	290,167	870,501	580,334	1,370,833	1,281,570	1,281,570	319,184	406,234	338,528	11,670,367
EXPENSES															
101 Gap Closure CMO				80,312											80,312
Accounting/Payroll															-
Agency Car Leasing															-
Audit				16,230											16,230
Consulting Pool				3,682											3,682
Document Reproduction				918											918
Equipment				2,085											2,085
Financial Advisor															-
HR/Board Support				12,480											12,480
Insurance				5,136											5,136
IT Support				13,070											13,070
Legal				4,153								1,591	1,591	1,591	8,927
Membership				160											160
Misc Expense				829											829
Office Lease				144,751											144,751
Office Supplies				21,131											21,131
Professional Development				1,250											1,250
Program Management Oversight				12,255											12,255
Salaries & Benefits			110,356	102,902	2,591	2,591	2,591	2,591		8,667	8,667	27,173	27,173	27,173	322,476
Strategy 1 - Transit					3,083,077	260,086	691,210	309,703							4,344,076
Strategy 2 - Gap Closure									3,025,388						3,025,388
Strategy 3 - Streets & Rds										715,242	2,109,947				2,825,189
Strategy 4- Safe Routes												324,504	402,560	571,623	1,298,686
Telephone/Internet/Web Hosting Services				15,911											15,911
Travel/Meetings/Conferences				4,983											4,983
Total Expenses	-	-	110,356	442,237	3,085,668	262,677	693,801	312,294	3,025,388	723,909	2,118,614	353,268	431,324	600,387	12,159,925
BALANCE	2,748,807	5,006,869	76,035	1,274,571	1,390,123	304,511	409,942	1,652,463	1,919,644	4,935,136	1,930,443	697,784	1,159,660	1,584,164	25,090,152

Attachment 4: FY2009 and FY2010 Monthly Measure A Disbursement Comparison

		FY 2009	FY 2010	\$ Difference	% Difference
Actuals	July	1,549,600	1,321,900	(227,700)	-14.69%
	August	2,066,100	1,518,300	(547,800)	-26.51%
	September	1,910,696	1,851,220	(59,476)	-3.11%
	October	1,573,000	1,365,800	(207,200)	-13.17%
	November	2,097,300	1,462,400	(634,900)	-30.27%
	December	1,845,038	1,957,780	112,742	6.11%
	January	1,600,500	1,432,300	(168,200)	-10.51%
	February	1,755,200	1,831,900	76,700	4.37%
	March	1,601,892	1,562,650	(39,242)	-2.45%
	April	1,326,900	1,144,400	(182,500)	-13.75%
FY09 Actu. FY10 Est.	May - Note 1	1,390,600	1,436,533	45,933	3.30%
	June - Note 2	1,378,869	1,200,000	(178,869)	-12.97%
	Third Quarter	15,999,327	14,304,251	(1,695,076)	-10.59%
	Annual Disbursement	20,095,696	18,085,184	(2,010,512)	-10.00%
	FY2010 Revised Annual Budget		17,500,000	585,184	3.34%

Note 1: Estimated based on BOE's disbursement formula, should be very close to the actual cash disbursements.

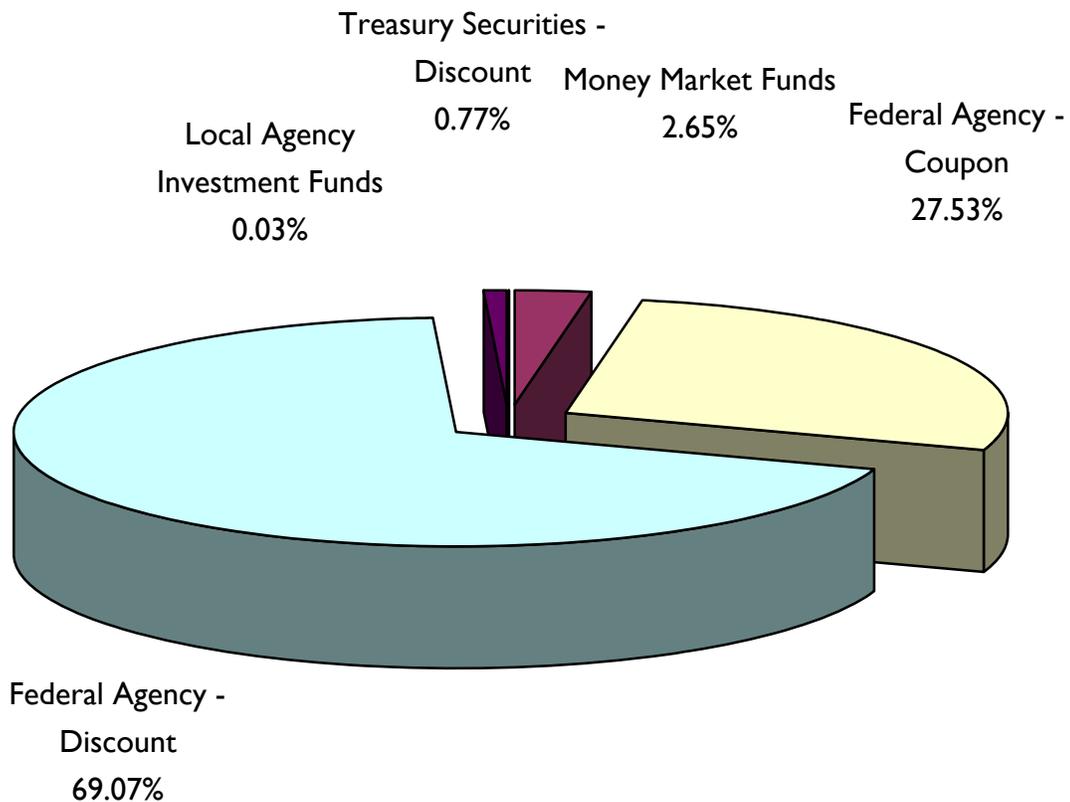
Note 2: To be conservative, June disbursement is estimated to be \$1.2 million, 12.97% lower than June 2009.

Attachment 5: Marin County Treasurer Portfolio Yield Report as of 2/28/2010

Michael J. Smith, Marin County Treasury
Portfolio Yield Report - Operating Funds
County of Marin, Schools & Special Districts
February 28, 2010

Investment Holdings	Book Value	Portfolio Yields as 2/28/2010
Local Agency Investment Funds	\$ 232,440.53	0.577%
Money Market Funds	\$ 20,517,167.77	0.010%
Federal Agency - Coupon	\$ 213,432,140.28	1.590%
Federal Agency - Discount	\$ 535,435,954.45	0.121%
Treasury Securities - Discount	\$ 5,595,776.67	0.152%
TOTAL	\$ 775,213,479.70	0.523%

Portfolio Allocation



* Detail monthly reports can be provided upon request.