



January 29, 2009

TO: Transportation Authority of Marin Board of Commissioners

FROM: Dianne Steinhauser, Executive Director

THROUGH: Li Zhang, Manager of Finance and Administration

RE: FY2008-09 2nd Quarterly Financial Report - Agenda Item 12

Dear Commissioners:

Executive Summary

This Quarterly Financial Report is for the period ending December 31, 2008 and covers TAM's revenue and expenditure activities for the period of July 1, 2008 to December 31, 2008. The following attachments are included in the report for your review:

- Attachment 1. FY2008-09 Quarterly Budget to Actual Comparison as of 12/31/2008
- Attachment 2. Summary of FY2008-09 Budget Amendments as of 12/31/2008
- Attachment 3. FY2008-09 Revenue and Expenditure Report as of 12/31/2008– Measure A Detail
- Attachment 3.1 Measure A Historic Actual and Budget Revenue Comparison
- Attachment 4. FY2007-08 and FY2008-09 Monthly Measure A Disbursement Comparison
- Attachment 5. Marin County Treasurer Portfolio Yield Report as of 12/31/2008

TAM closed FY2007-08 with a total of \$22.3 million of Measure A revenues on a cash basis (including cash disbursements from July 2007 through June 2008), which is \$1.5 million higher than the \$20.8 million budgeted in the FY2007-08 TAM Annual Budget. As of December 31, 2008, total cash disbursements for the six months covering June to December are \$11.04 million, which is 3% lower than the total disbursement for the same period of last year. Due to the financial market woes and housing market crisis, it's expected that the same level of revenue decrease will be sustained through the year, and perhaps worsen.

The March Board of Equalization disbursement will include any adjustments for the period of October-November-December. At that point in time, staff will be able to better project next year's revenue. Staff will monitor the revenue trend and provide timely updates to the TAM Executive Committee and Board.

Overall, Measure A revenues are coming in higher than budgeted, but lower than collections for the first two quarters of FY2007-08 by approximately 3%. Expenditures for most budget line items are happening at a slower pace than projected. Staff is available to provide detailed information if you have any specific questions.

Recommendation: Information Item Only. The Executive Committee has reviewed this item and requested that a chart be presented to illustrate the differences between Measure A budgeted revenue and actual revenue for the past few years. Attachment 3.1 is added per this request.

Background

This report, along with all accompanying attachments, provides a summary of the financial activities for the second quarter of FY2008-09, ended December 31, 2008. 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

TAM closed FY2007-08 with a total of \$22.3 million of Measure A revenues on a cash basis (including cash disbursements from July 2007 through June 2008), which is \$1.5 million higher than the \$20.8 million budgeted in the FY2007-08 TAM Annual Budget. As of December 31, 2008, total cash disbursements for the six months covering June to December are \$11.04 million, which is 3% lower than the total disbursement for the same period of last year. Due to the financial market woes and housing market crisis, it's expected that the same level of revenue decrease will be sustained through the year, and perhaps worsen. Staff will monitor the revenue trend and provide timely updates to the TAM Executive Committee and Board.

TAM has received in full the total \$430,000 contribution from cities/towns/county, for the project/programming support services provided. For the first quarter of FY2008-09, more than \$247,000 has been distributed from the Marin County Investment Pool as interest revenue and the same level of interest revenue is expected for the second quarter of FY2008-09. TAM has also invoiced MTC in the amount of \$1,131,059 RM 2 funds and \$262,500 for STP/CMAQ programming and planning funds to cover related expenditures for the first half year. An invoice in the amount of \$727,265 for CMIA bond revenue has also be sent to Caltrans for the reimbursement of expenditures related to the 580/101 Connector project. Staff has also invoiced Caltrans in the amount of \$118,488 for STIP/PPM reimbursement.

Expenditure Highlights

While expenditures are trending under the budgeted amounts for the first half of the year, growth in several expenditure areas will occur in the next quarter. Marin Transit is expected to invoice TAM for the second quarterly reimbursement in the amount of \$2.7 million. TAM's activities on the MSN and 580/101 Connector projects are increasing and expenditures for those projects are picking up. Invoices for the Measure A Major Roads projects and for the distribution to Marin cities/towns/county for Measure A Local Infrastructure are increasing as well. Note that TAM is disbursing Local Infrastructure payments as we are billed; in many cases cities and towns are billing and receiving the annual amount due to them all at once.

Recommendation

Information Item Only. The Executive Committee has reviewed this item and requested that a chart be presented to illustrate the differences between Measure A budgeted revenue and actual revenue for the past few years. Attachment 3.1 is added per this request.

Note staff will immediately notify the TAM board when the March BOE adjustment is received, that will reflect any adjustments to the October-November-December tax disbursement made by BOE. TAM's major fund recipients under Measure A such as the Marin Transit District will also be notified.

Note also that once this adjustment in March is received, TAM will have a better idea where we will end up with revenue collections by the end of this Fiscal Year, and what to project as revenue for next year.

Attachments

- Attachment 1. FY2008-09 Quarterly Budget to Actual Comparison as of 12/31/2008
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Attachment I: FY2008-09 Budget to Actual Comparison as of 12/31/08

	FY 2009 Total Budget	Actual 12/31/08	Budget 12/31/2008	\$ Variance with Budget Positive (Negative)	Actual as % of Budget
REVENUE					
Measure A Sales Tax	20,800,000	11,041,734	10,400,000	641,734	106.2%
Cities/Towns and County Contribution	430,000	430,000	215,000	215,000	200.0%
Interest Earned	500,000	247,355	250,000	(2,645)	98.9%
STP/CMAQ	375,000	-	187,500	(187,500)	0.0%
T-Plus	150,000	-	75,000	(75,000)	0.0%
STIP/PPM	338,000	-	169,000	(169,000)	0.0%
RM2 Revenue	5,100,000	-	2,550,000	(2,550,000)	0.0%
Community Based Transportation Funding	15,000	20,900	7,500	13,400	278.7%
TDA Article 3	386,000	-	193,000	(193,000)	0.0%
TFCA Funding	360,000	183,351	180,000	3,351	101.9%
Non-Motorized Transportation Pilot Program Funding	100,000	-	50,000	(50,000)	0.0%
MSN Federal Earmark	600,000	-	300,000	(300,000)	0.0%
CMIA Bond Revenue	1,200,000	-	600,000	(600,000)	0.0%
TCRP	6,985,000	-	3,492,500	(3,492,500)	0.0%
Other Agency Contribution	65,000	-	32,500		
Total Revenue Available	<u>37,404,000</u>	<u>11,923,340</u>	<u>18,702,000</u>	<u>(6,746,160)</u>	<u>63.8%</u>
EXPENDITURES					
Administration					
Salaries & Benefits- See NOTE	2,100,000	943,337	1,050,000	106,663	89.8%
Office Lease	200,000	106,527	100,000	(6,527)	106.5%
Equipment	10,000	4,761	5,000	240	95.2%
Agency Car Leasing	20,000	-	10,000	10,000	0.0%
Telephone/Internet Services	25,000	5,812	12,500	6,688	46.5%
Office Supplies	20,000	10,328	10,000	(328)	103.3%
Insurance	8,000	5,233	4,000	(1,233)	130.8%
Audit	17,500	10,750	8,750	(2,000)	122.9%
Legal	20,000	-	10,000	10,000	0.0%
Accounting/Payroll	10,000	150	5,000	4,850	3.0%
Document Reproduction	20,000	3,041	10,000	6,959	30.4%
Memberships	10,000	4,365	5,000	635	87.3%
Travel/Meetings/Conferences	25,000	7,427	12,500	5,073	59.4%
Professional Development	5,000	1,060	2,500	1,440	42.4%
Misc. Expenses	5,000	1,024	2,500	1,476	41.0%
Subtotal, Administration	<u>2,495,500</u>	<u>1,103,813</u>	<u>1,247,750</u>	<u>143,937</u>	<u>88.5%</u>

Attachment I: FY2008-09 Budget to Actual Comparison as of 12/31/08

	FY 2009 Total Budget	Actual 12/31/08	Budget 12/31/2008	\$ Variance with Budget Positive (Negative)	Actual as % of Budget
Professional Services					
CMP	65,000	-	32,500	32,500	0.0%
T-PLUS	20,000	10,599	10,000	(599)	106.0%
PMO Consultant	375,000	103,457	187,500	84,043	55.2%
Community Based Transportation	15,000	15,945	7,500	(8,445)	212.6%
MSN Congestion Pricing Study	300,000	-	150,000	150,000	0.0%
MSN Preliminary Engineer and Design	400,000	7,913	200,000	192,087	4.0%
MSN San Antonio Interchange Design	3,000,000	71,573	1,500,000	1,428,427	4.8%
MSN San Antonio Curve Design	3,000,000	23,024	1,500,000	1,476,976	1.5%
MSN On-Call Contract	500,000	-	250,000	250,000	0.0%
Federal Legislative Assistance	35,000	-	17,500	17,500	0.0%
State Legislative Assistance	35,000	16,667	17,500	833	95.2%
Financial Advisor	35,000	12,000	17,500	5,500	68.6%
Human Resources/Board Support	30,000	6,345	15,000	8,655	42.3%
Information Technology Support	30,000	9,177	15,000	5,823	61.2%
Hwy 101 Greenbrae / Central Marin Ferry Connection Preliminary Engineer	3,175,000	634,381	1,587,500	953,119	40.0%
580/101 Connector Construction Management	1,000,000	245,032	500,000	254,968	49.0%
Street Smarts	100,000	26,540	50,000	23,460	53.1%
TDM	125,000	-	62,500	62,500	0.0%
Southern Marin Transit Study	265,000	-	132,500	132,500	0.0%
Consulting Pool	50,000	22,446	25,000	2,554	89.8%
Subtotal, Professional Services	<u>12,555,000</u>	<u>1,205,099</u>	<u>6,277,500</u>	<u>5,072,401</u>	<u>19.2%</u>
Measure A Programs					
Reserve	1,040,000	552,087	520,000	(32,087)	106.2%
Strategy 1 - Transit	11,048,150	2,775,914	5,524,075	2,748,161	50.3%
Substrategy 1.1	7,510,131	1,877,533	3,755,066	1,877,533	50.0%
Substrategy 1.2	579,577	158,771	289,789	131,018	54.8%
Substrategy 1.3	1,649,863	412,466	824,932	412,466	50.0%
Substrategy 1.4	1,308,579	327,145	654,290	327,145	50.0%
Strategy 2 - Gap Closure	2,157,587	308,388	1,078,794	770,405	28.6%
101 Gap Closure CMO	300,000	251,486	150,000	(101,486)	167.7%
MTC Loan Repayment - Principle Only	892,587	-	446,294	446,294	0.0%
Nolte Contract	300,000	56,902	150,000	93,098	37.9%

Attachment I: FY2008-09 Budget to Actual Comparison as of 12/31/08

	FY 2009 Total Budget	Actual 12/31/08	Budget 12/31/2008	\$ Variance with Budget Positive (Negative)	Actual as % of Budget
Payment to Caltrans for 101 Gap Closure Project	665,000	-	332,500	332,500	0.0%
Strategy 3 - Streets and Roads	10,139,880	4,437,903	5,069,940	632,037	87.5%
Substrategy 3.1	7,504,000	2,376,710	3,752,000	1,375,290	63.3%
Substrategy 3.2	2,635,880	2,061,193	1,317,940	(743,253)	156.4%
Strategy 4 - Safe Routes	3,596,281	401,440	1,798,141	1,396,701	22.3%
Substrategy 4.1	700,000	158,156	350,000	191,844	45.2%
Substrategy 4.2	-	-	-	-	-
ACMS Contract	630,000	178,988	315,000	136,012	56.8%
NUSD Agreement	90,000	16,837	45,000	28,163	37.4%
Substrategy 4.3	2,176,281	47,459	1,088,141	1,040,682	4.4%
Subtotal, Measure A Program	<u>27,981,898</u>	<u>8,475,732</u>	<u>13,990,949</u>	<u>5,515,217</u>	<u>60.6%</u>
Interagency Agreements					
County Calpark RM2 Project - Construction	1,675,000	342,770	837,500	494,730	20.5%
Subtotal, Interagency Agreements	<u>1,675,000</u>	<u>342,770</u>	<u>837,500</u>	<u>494,730</u>	<u>20.5%</u>
Other Capital Expenditures					
TFCA - Calpark Project	563,000	-	281,500	281,500	0.0%
Other TFCA Projects	200,000	-	100,000	100,000	0.0%
Subtotal, Other Capital Exp	<u>763,000</u>	<u>-</u>	<u>381,500</u>	<u>381,500</u>	<u>0.0%</u>
Total Expenditures	<u>45,470,398</u>	<u>11,127,414</u>	<u>22,735,199</u>	<u>11,607,785</u>	<u>48.9%</u>

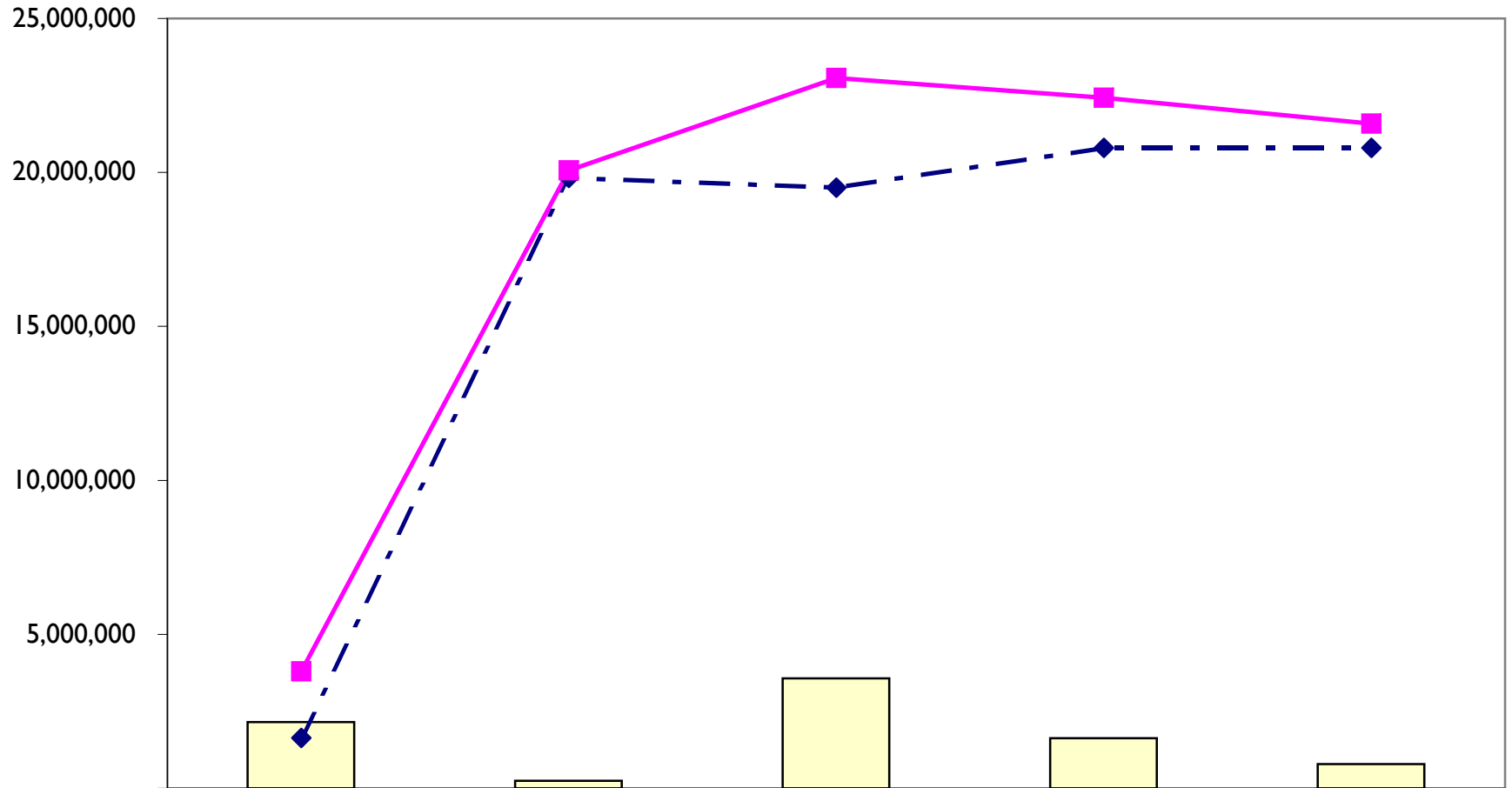
Attachment 2: Summary of FY2008-09 Budget Amendments as of 12/31/2008

No Budget Amendments are proposed for the Second Quarter of FY2008-09

Attachment 3: FY2008-09 Revenue and Expenditure Report as of 12/31/08 – Measure A Detail

Budget Line	Interest	5% Reserve	1% Admin Note /	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															
Revenue	242,669	552,087	110,417	441,669	3,505,024	284,191	852,573	568,382	1,175,000	1,255,178	1,255,178	312,610	397,868	331,556	11,284,404
EXPENSES															
101 Gap Closure CMO									31,648						31,648
Accounting/Payroll				150											150
Agency Car Leasing															-
Audit				10,750											10,750
Consulting Pool				15,226	962	192	192	192		1,155	385	1,027	257	257	19,846
Document Reproduction				3,041											3,041
Equipment				4,761											4,761
Financial Advisor															-
HR/Board Support				7,965											7,965
IT Support				9,177											9,177
Insurance				5,233											5,233
Legal															-
Membership				265											265
Misc Expense				1,024											1,024
Office Lease				106,527											106,527
Office Supplies				10,328											10,328
Professional Development				965											965
Program Management Oversight Consultant				16,881					52						16,933
Salaries & Benefits			110,697	43,331	2,786	2,786	2,786	2,786	44,613	8,112	8,112	24,415	24,415	24,415	299,251
Strategy 1 - Transit					1,877,533	158,771	412,466	327,145							2,775,914
Strategy 2 - Gap Closure									226,902						226,902
Strategy 3 - Streets & Rds										2,376,710	2,061,193				4,437,903
Strategy 4- Safe Routes												158,156	195,824	47,459	401,440
Telephone/Internet Services				5,812											5,812
Travel/Meetings/ Conferences				2,212					41			5	5	5	2,267
Total Expenses	-	-	110,697	243,646	1,881,281	161,749	415,444	330,123	303,256	2,385,977	2,069,689	183,602	220,500	72,135	8,378,099
BALANCE	242,669	552,087	(279)	198,024	1,623,743	122,442	437,130	238,259	871,744	(1,130,799)	(814,512)	129,008	177,367	259,422	2,906,305

Attachment 3.1 Measure A Historic Actual and Budget Revenue Comparison



	FY 2005	FY 2006	FY 2007	FY 2008	FY2009
Difference	2,155,253	243,457	3,565,785	1,627,786	786,594
Budgeted Revenue	1,638,207	19,819,256	19,503,000	20,800,000	20,800,000
Audited Revenue	3,793,461	20,062,713	23,068,785	22,427,786	21,586,594

Attachment 4: FY2007-08 and FY2008-09 Monthly Measure A Disbursement Comparison

		FY 2008	FY 2009	\$ Difference	% Difference
Actuals	July	1,510,300	1,549,600	39,300	2.60%
	August	2,013,700	2,066,100	52,400	2.60%
	September	2,170,451	1,910,696	(259,755)	-11.97%
	October	1,558,700	1,573,000	14,300	0.92%
	November	2,078,300	2,097,300	19,000	0.91%
	December	2,079,167	1,845,038	(234,129)	-11.26%
FY2008 Actuals and FY2009 Estimates	January - Note 1	1,635,100	1,624,400	(10,700)	-0.65%
	February- Note 1	2,180,200	2,165,800	(14,400)	-0.66%
	March - Note 2	1,851,581	1,759,002	(92,579)	-5.00%
	April - Note 2	1,398,400	1,328,480	(69,920)	-5.00%
	May - Note 2	1,835,900	1,744,105	(91,795)	-5.00%
	June - Note 2	2,024,287	1,923,072	(101,214)	-5.00%
	Same Period	11,410,618	11,041,734	(368,884)	-3.23%
	Annual Disbursement	22,336,086	21,586,594	(749,492)	-3.36%
	FY 2008 Budgeted Revenue		20,800,000		

Note 1: Estimated based on Board of Equalization's disbursement formula, should be very close to the actual cash disbursements for January and February.

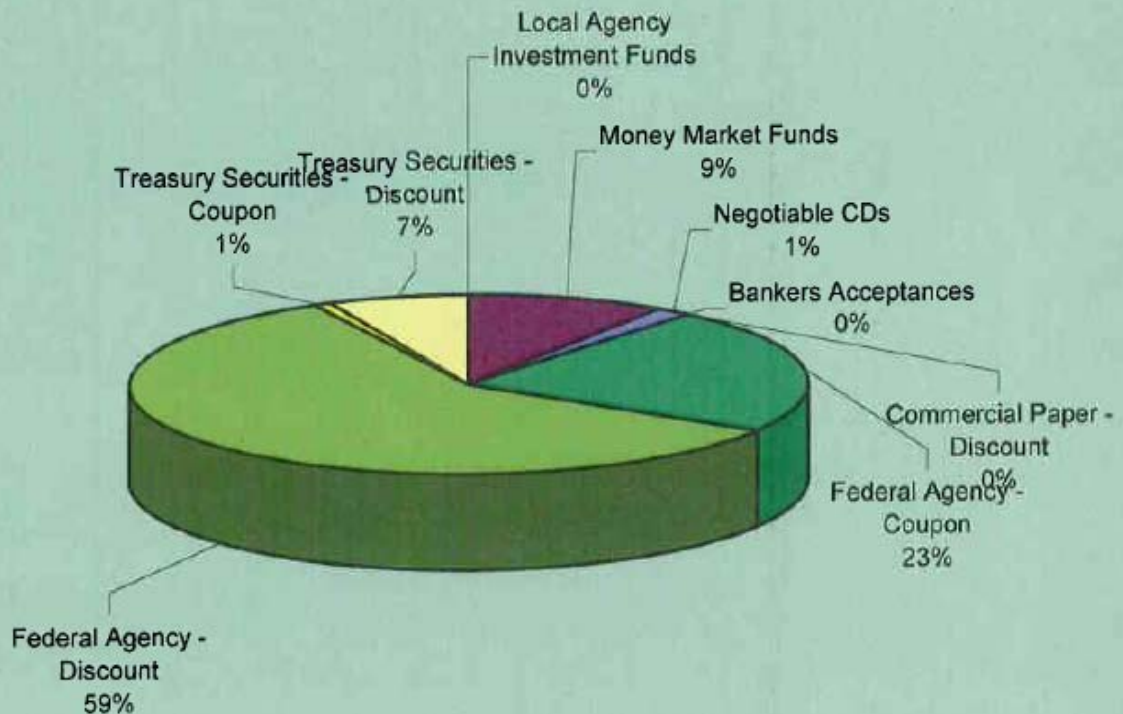
Note 2: 5% revenue reduction for the rest months of the year is assumed based on the current economic condition.

Attachment 5: Marin County Treasurer Portfolio Yield Report as of 12/31/2008

Michael J. Smith, Marin County Treasurer
Portfolio Yield Report - Operating Funds
County of Marin, Schools & Special Districts
December 31, 2008

INVESTMENT HOLDINGS	BOOK VALUE	Portfolio Yields as 12/31/2008
Local Agency Investment Funds	\$193,081.53	2.353%
Money Market Funds	\$76,156,354.38	0.901%
Negotiable CDs	\$12,000,000.00	0.856%
Bankers Acceptances	\$0.00	0.000%
Commercial Paper - Discount	\$0.00	0.000%
Federal Agency - Coupon	\$183,090,351.38	3.448%
Federal Agency - Discount	\$471,907,473.17	2.031%
Treasury Securities - Coupon	\$5,000,000.00	3.123%
Treasury Securities - Discount	\$54,356,505.58	2.019%
TOTAL	\$802,703,766.04	2.235%

PORTFOLIO ALLOCATION



* Detail monthly reports can be provided upon request.