



April 23, 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 Third Quarterly Financial Report - Agenda Item 6b

Dear Commissioners:

Executive Summary

This Quarterly Financial Report is for the period ended March 31, 2009 and covers TAM's revenue and expenditure activities for the period of July 1, 2008 to March 31, 2009. The following five attachments are included in the report for your review:

- Attachment 1. FY2008-09 Quarterly Budget to Actual Comparison as of 3/31/2009
- Attachment 2. Summary of FY2008-09 Budget Amendments as of 3/31/2009
- Attachment 3. FY2008-09 Revenue and Expenditure Report as of 3/31/2009– Measure A Detail
- Attachment 4. FY2007-08 and FY2008-09 Monthly Measure A Disbursement Comparison
- Attachment 5. Marin County Treasurer Portfolio Yield Report as of 3/31/2009

As of March 31, 2009, total Measure A cash disbursements received from the Board of Equalization (BOE) for the nine months covering July 2008 to March 2009 are \$16.0 million, which is 6.3% lower than the total Measure A disbursement for the same period of last year. There is no clear sign whether we have surpassed the worst of this severe recession and it's prudent to assume that the same level of revenue decrease will be sustained through the year, and perhaps worsen. Based on the most recent taxable sale growth information provided by the BOE, staff expects that Measure A revenue for FY2008-09 will come in pretty close to the \$20.8 million budgeted and in which case, no mid-year budget adjustment is necessary. Staff recommended that the TAM board reduce next fiscal year's budgeted Measure A revenue to \$20 million. The recommendation was approved by the TAM Board on March 26th.

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. Staff recommended to take out the Quarterly Budget share column from Attachment 1. FY2008-09 Quarterly Budget to Actual Comparison table to avoid unnecessary confusion. The Executive Committee discussed and accepted the change.

Background

This report, along with all accompanying attachments, provides a summary of the financial activities for the third quarter of FY2008-09, ended March 31, 2009. 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 March 31, 2009, total cash disbursements of Measure A received for the nine months covering July 2008 to March 2009 are \$16.0 million, which is 6.3% lower than the total disbursement for the same period of last year. There is no clear sign whether we have surpassed the worst of this severe recession and it's prudent to assume that the same level of revenue decrease will be sustained through the year, and perhaps worsen. Staff will continue to 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. As of March 31, 2009, \$456,534 has been distributed from the Marin County Investment Pool as interest revenue for the first two quarters of the year. Staff estimates that TAM will collect about \$150,000 in interest revenue for the third quarter.

As of March 31, TAM has received \$262,500 from MTC for STP/CMAQ programming and planning fund to cover related expenditures for the first half of the fiscal year. An invoice in the amount of \$131,250 will be sent to MTC shortly for the reimbursement of STP/CMAQ programming and planning funds for the third quarter. As of March 31, TAM also received over \$1.1 million in RM2 revenue from MTC and staff is in the process of preparing other RM2 invoices to MTC. The reimbursement request is about \$1.0 million total.

TAM received \$1.09 million in CMIA bond revenue from Caltrans for the reimbursement of expenditures related to the 580/101 Connector project. TAM also received a little over \$118,000 for STIP PPM reimbursement for the first two quarters and is in the process of preparing invoices to Caltrans for STIP/PPM fund reimbursement for the third quarter.

TAM is also expecting to receive \$600,000 in TCRP funding from Caltrans for the MSN project in the next week or two.

Expenditure Highlights

While expenditures are trending under the budgeted amounts as of the end of the third quarter, growth in several expenditure areas will occur in the next quarter. Marin Transit is expected to invoice TAM for the third and fourth quarter reimbursements in the amount of \$5.4 million by the end of the year. 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 most cases cities and towns are billing and receiving the annual amount due to them all at once.

Recommendation

Recommendation: Information Item Only. Staff recommended to take out the Quarterly Budget share column from Attachment 1. FY2008-09 Quarterly Budget to Actual Comparison table to avoid unnecessary confusion. The Executive Committee discussed and accepted the change.

Attachments

- Attachment 1. FY2008-09 Quarterly Budget to Actual Comparison as of 3/31/2009
- Attachment 2. Summary of FY2008-09 Budget Amendments as of 3/31/2009
- Attachment 3. FY2008-09 Revenue and Expenditure Report as of 3/31/2009– Measure A Detail
- Attachment 4. FY2007-08 and FY2008-09 Monthly Measure A Disbursement Comparison
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Attachment I: FY2008-09 Budget to Actual Comparison as of 3/31/09

	FY 2009 Total Budget	Actual 3/31/09	Budget 3/31/09	\$ Variance with Budget	Actual as % of Budget
REVENUE					
Measure A Sales Tax	20,800,000	15,999,327	15,600,000	(4,800,673)	76.9%
Cities/Towns and County Contribution	430,000	430,000	322,500	-	100.0%
Interest Earned	500,000	456,534	375,000	(43,466)	91.3%
STP/CMAQ	375,000	176,240	281,250	(198,760)	47.0%
T-Plus	150,000	86,260	112,500	(63,740)	57.5%
STIP/PPM	338,000	118,488	253,500	(219,512)	35.1%
RM2 Revenue	5,100,000	1,131,077	3,825,000	(3,968,923)	22.2%
Community Based Transportation Funding	15,000	32,000	11,250	17,000	213.3%
TDA Article 3	386,000	-	289,500	(386,000)	0.0%
TFCA Funding	360,000	184,155	270,000	(175,845)	51.2%
Non-Motorized Transportation Pilot Program Funding	100,000	-	75,000	(100,000)	0.0%
MSN Federal Earmark	600,000	-	450,000	(600,000)	0.0%
CMIA Bond Revenue	1,200,000	1,092,935	900,000	(107,065)	91.1%
TCRP	6,985,000	-	5,238,750	(6,985,000)	0.0%
Other Agency Contribution	65,000	-	48,750	(65,000)	0.0%
Total Revenue Available	37,404,000	19,707,016	28,953,000	(17,696,984)	52.7%
EXPENDITURES					
Administration					
Salaries & Benefits - Note 1	2,100,000	1,623,194	1,575,000	(476,806)	77.3%
Office Lease - Note 2	200,000	161,074	150,000	(38,926)	80.5%
Equipment	10,000	8,819	7,500	(1,181)	88.2%
Agency Car Leasing	20,000	-	15,000	(20,000)	0.0%
Telephone/Internet Services	25,000	8,221	18,750	(16,779)	32.9%
Office Supplies	20,000	14,977	15,000	(5,023)	74.9%
Insurance	8,000	5,233	6,000	(2,767)	65.4%
Audit	17,500	10,750	13,125	(6,750)	61.4%
Legal	20,000	-	15,000	(20,000)	0.0%
Accounting/Payroll	10,000	150	7,500	(9,850)	1.5%
Document Reproduction	20,000	3,403	15,000	(16,597)	17.0%
Memberships	10,000	5,040	7,500	(4,960)	50.4%
Travel/Meetings/Conferences	25,000	15,716	18,750	(9,284)	62.9%
Professional Development	5,000	1,280	3,750	(3,720)	25.6%
Misc. Expenses	5,000	1,708	3,750	(3,292)	34.2%
Subtotal, Administration	2,495,500	1,859,565	1,871,625	(635,936)	74.5%

Attachment I: FY2008-09 Budget to Actual Comparison as of 3/31/09

	FY 2009 Total Budget	Actual 3/31/09	Budget 3/31/09	\$ Variance with Budget	Actual as % of Budget
Professional Services					
CMP	65,000	-	48,750	(65,000)	0.0%
T-PLUS	20,000	21,606	15,000	1,606	108.0%
PMO Consultant	375,000	169,223	281,250	(205,777)	45.1%
Community Based Transportation	15,000	16,272	11,250	1,272	108.5%
MSN Congestion Pricing Study	300,000	-	225,000	(300,000)	0.0%
MSN Preliminary Engineer and Design	400,000	4,696	300,000	(395,304)	1.2%
MSN San Antonio Interchange Design	3,000,000	195,865	2,250,000	(2,804,135)	6.5%
MSN San Antonio Curve Design	3,000,000	178,636	2,250,000	(2,821,364)	6.0%
MSN On-Call Contract	500,000	-	375,000	(500,000)	0.0%
Federal Legislative Assistance	35,000	-	26,250	(35,000)	0.0%
State Legislative Assistance	35,000	25,000	26,250	(10,000)	71.4%
Financial Advisor	35,000	21,700	26,250	(13,300)	62.0%
Human Resources/Board Support	30,000	16,217	22,500	(13,783)	54.1%
Information Technology Support	30,000	19,818	22,500	(10,182)	66.1%
Hwy 101 Greenbrae / Central Marin Ferry Connection Preliminary Engineer	3,175,000	634,381	2,381,250	(2,540,619)	20.0%
580/101 Connector Construction Management	1,000,000	936,058	750,000	(63,942)	93.6%
Street Smarts	100,000	26,540	75,000	(73,460)	26.5%
TDM	125,000	-	93,750	(125,000)	0.0%
Southern Marin Transit Study	265,000	152,991	198,750	(112,009)	57.7%
Consulting Pool	50,000	30,759	37,500	(19,241)	61.5%
Subtotal, Professional Services	<u>12,555,000</u>	<u>2,449,762</u>	<u>9,416,250</u>	<u>(10,105,238)</u>	<u>19.5%</u>
Measure A Programs					
Reserve	1,040,000	799,966	780,000	(240,034)	76.9%
Strategy 1 - Transit	11,048,150	5,551,828	8,286,113	(5,496,322)	50.3%
Substrategy 1.1	7,510,131	3,755,066	5,632,598	(3,755,066)	50.0%
Substrategy 1.2	579,577	317,542	434,683	(262,036)	54.8%
Substrategy 1.3	1,649,863	824,932	1,237,397	(824,932)	50.0%
Substrategy 1.4	1,308,579	654,290	981,434	(654,290)	50.0%
Strategy 2 - Gap Closure	2,157,587	638,344	1,618,190	(1,519,243)	29.6%
101 Gap Closure CMO	300,000	138,083	225,000	(161,917)	46.0%
MTC Loan Repayment - Principle Only	892,587	-	669,440	(892,587)	0.0%
Nolte Contract	300,000	87,037	225,000	(212,963)	29.0%

Attachment I: FY2008-09 Budget to Actual Comparison as of 3/31/09

	FY 2009 Total Budget	Actual 3/31/09	Budget 3/31/09	\$ Variance with Budget	Actual as % of Budget
Payment to Caltrans for 101 Gap Closure Project/Measure A Swap	665,000	413,224	498,750	(251,776)	62.1%
				-	
Strategy 3 - Streets and Roads	10,139,880	5,572,441	7,604,910	(4,567,439)	55.0%
Substrategy 3.1	7,504,000	3,279,766	5,628,000	(4,224,234)	43.7%
Substrategy 3.2	2,635,880	2,292,675	1,976,910	(343,205)	87.0%
Strategy 4 - Safe Routes	3,596,281	602,326	2,697,211	(2,993,955)	16.7%
Substrategy 4.1	700,000	158,156	525,000	(541,844)	22.6%
Substrategy 4.2	-		-	-	
ACMS Contract	630,000	326,128	472,500	(303,872)	51.8%
NUSD Agreement	90,000	70,583	67,500	(19,417)	78.4%
Substrategy 4.3	2,176,281	47,459	1,632,211	(2,128,822)	2.2%
Subtotal, Measure A Program	<u>27,981,898</u>	<u>13,164,904</u>	<u>20,986,424</u>	<u>(14,816,994)</u>	<u>47.0%</u>
Interagency Agreements					
County Calpark RM2 Project - Construction	1,675,000	1,253,788	1,256,250	(421,212)	74.9%
Subtotal, Interagency Agreements	<u>1,675,000</u>	<u>1,253,788</u>	<u>1,256,250</u>	<u>(421,212)</u>	<u>74.9%</u>
Other Capital Expenditures					
TFCA - Calpark Project	563,000	-	422,250	(563,000)	0.0%
Other TFCA Projects	200,000	240,000	150,000	40,000	120.0%
Subtotal, Other Capital Exp	<u>763,000</u>	<u>240,000</u>	<u>572,250</u>	<u>(523,000)</u>	<u>31.5%</u>
Total Expenditures	<u>45,470,398</u>	<u>18,968,019</u>	<u>34,182,799</u>	<u>(26,502,379)</u>	<u>41.7%</u>

Note 1: TAM already prepaid April and May staff costs to its hiring and payroll agency.

Note 2: TAM already paid April rent.

Attachment 2: Summary of FY2008-09 Budget Amendments as of 3/31/2009

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

Attachment 3: FY2008-09 Revenue and Expenditure Report as of 3/31/09 – 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															
FY2008 Balance	1,920,562	3,286,863	50,809	814,526	1,164,194	430,616	80,926	1,307,455	3,131,334	5,678,726	2,538,958	605,198	1,093,203	1,525,023	23,628,394
FY2009 Cash Revenue	407,657	799,966	159,993	639,973	5,054,758	409,845	1,229,536	819,690	1,762,500	1,810,150	1,810,150	450,830	573,783	478,153	16,406,983
EXPENSES															
101 Gap Closure CMO				1,118					31,648						32,765
Accounting/Payroll				150											150
Agency Car Leasing				-											-
Audit				10,750											10,750
Consulting Pool				17,304	905	905	905	905		1,809	1,809	1,206	1,206	1,206	28,159
Document Reproduction				3,041											3,041
Equipment				8,819											8,819
Financial Advisor				-											-
HR/Board Support				17,837											17,837
Insurance				5,233											5,233
IT Support				19,818											19,818
Legal															-
Membership				940											940
Misc Expense				1,708											1,708
Office Lease				161,074											161,074
Office Supplies				14,808											14,808
Professional Development				965											965
Program Management Oversight Consultant				17,499					52						17,551
Salaries & Benefits			169,162	73,067	4,783	4,783	4,783	4,783	64,313	12,653	12,653	40,447	40,447	40,447	472,321
Strategy 1 - Transit					3,755,066	317,542	824,932	654,290							5,551,828
Strategy 2 - Gap Closure									500,261						500,261
Strategy 3 - Streets & Rds										3,279,766	2,292,675				5,572,441
Strategy 4- Safe Routes												158,156	396,711	47,459	602,326
Telephone/Internet Services				8,221											8,221
Travel/Meetings/Conferences				4,724					144			48	48	48	5,014
Total Expenses	-	-	169,162	367,075	3,760,754	323,230	830,620	659,978	596,418	3,294,228	2,307,137	199,858	438,412	89,160	13,036,028
BALANCE	2,328,218	4,086,829	41,641	1,087,425	2,458,199	517,231	479,843	1,467,168	4,297,417	4,194,648	2,041,970	856,170	1,228,574	1,914,016	26,999,349

Attachment 4: FY2008 and FY2009 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%
	January	1,635,100	1,600,500	(34,600)	-2.12%
	February	2,180,200	1,755,200	(425,000)	-19.49%
	March	1,851,581	1,601,892	(249,688)	-13.49%
FY08 Actuals FY09 Estimates	April - Note 1	1,398,400	1,294,700	(103,700)	-7.42%
	May - Note 1	1,835,900	1,726,300	(109,600)	-5.97%
	June - Note 2	2,024,287	1,865,519	(158,768)	-7.84%
	Same Period	<u>17,077,499</u>	<u>15,999,327</u>	<u>(1,078,172)</u>	<u>-6.31%</u>
	Annual Disbursement	<u>22,336,086</u>	<u>20,885,846</u>	<u>(1,450,240)</u>	<u>-6.49%</u>
	FY2008-09 Budget		<u>20,800,000</u>		<u>-0.41%</u>

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

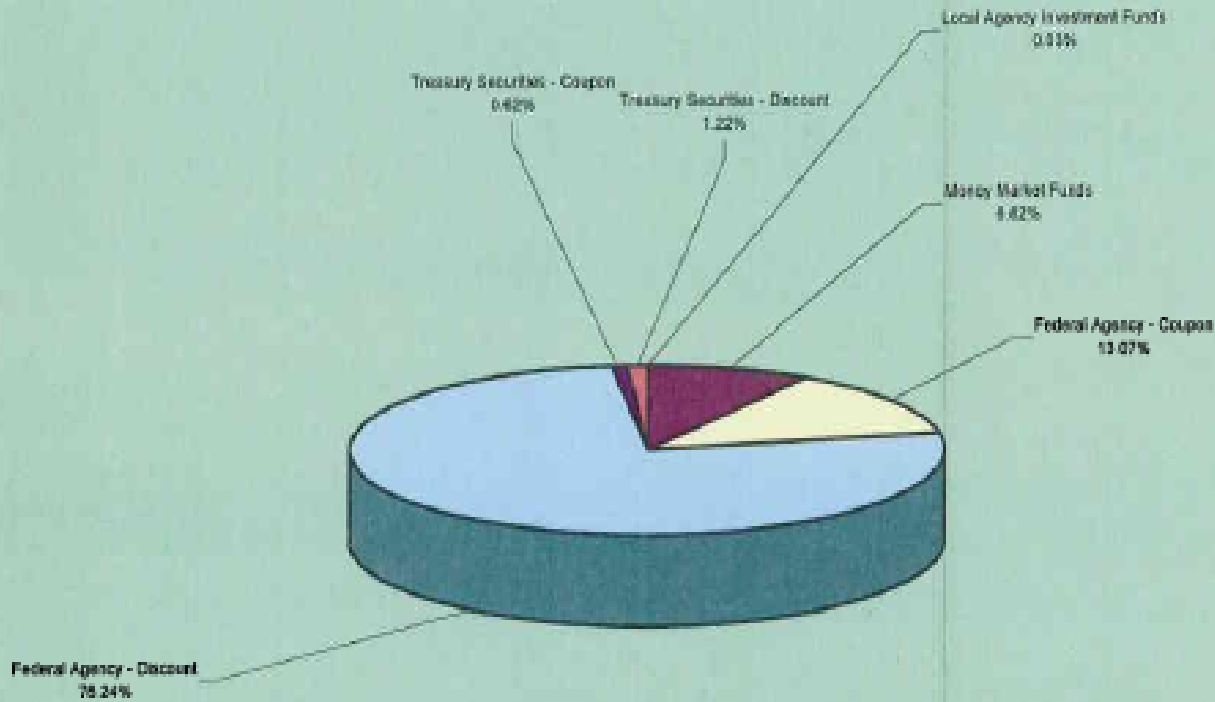
Note 2: 8.7% revenue reduction for June advance payment is used based on BOE's statewide growth rate

Attachment 5: Marin County Treasurer Portfolio Yield Report as of 3/31/2009

**Michael J. Smith, Marin County Treasurer
Portfolio Yield Report - Operating Funds
County of Marin, Schools & Special Districts
March 31, 2009**

INVESTMENT HOLDINGS	BOOK VALUE	Portfolio Yields as 3/31/2009
Local Agency Investment Funds	\$229,642.48	1.822%
Money Market Funds	\$70,861,618.77	0.266%
Federal Agency - Coupon	\$104,983,900.00	3.226%
Federal Agency - Discount	\$612,554,773.62	1.397%
Treasury Securities - Coupon	\$5,000,000.00	3.123%
Treasury Securities - Discount	\$9,790,463.89	2.292%
TOTAL	\$803,420,398.76	1.558%

PORTFOLIO ALLOCATION



* Detail monthly reports can be provided upon request.