



January 24, 2013

TO: Transportation Authority of Marin Board of Commissioners

FROM: Dianne Steinhauser, Executive Director

THROUGH: Li Zhang, Chief Financial Officer

RE: FY2012-13 Second Quarter Financial Report (Discussion), Agenda Item 12

Dear Commissioners:

Executive Summary

This Quarterly Financial Report is for the period ending December 31, 2012 and covers TAM's revenue and expenditure activities for the period of July 1, 2012 to December 31, 2012. The following attachments are included in the report for your review:

- Attachment 1 FY2012-13 Quarterly Budget to Actual Comparison as of 12/31/2012
- Attachment 2 Summary of FY2012-13 Budget Amendments as of 12/31/2012
- Attachment 3 FY2012-13 Revenue and Expenditure as of 12/31/2012– Measure A Detail
- Attachment 4 FY2011-12 and FY2012-13 Monthly Measure A Disbursement Comparison
- Attachment 5 FY2011-12 and FY2012-13 Monthly Measure B Disbursement Comparison
- Attachment 6 Marin County Treasurer Portfolio Yield Report as of 12/31/2012

As of December 31, 2012, total Measure A half-cent sales tax cash disbursements received from the Board of Equalization (BOE) for the six-month period from July 2012 to December 2012 was \$11.1 million, 5.3% higher than the total Measure A disbursement for the same period of last year. The same upward trend of sales tax revenue has been continuing since FY2010-11 but the revenue level has only just reached the collection level of FY2008-09. This significant increase in sales tax collection is encouraging but the high US unemployment rate, the disappointing holiday sales for many retailers, as well as the volatility caused by the “fiscal cliff” drama, weigh heavily on the US economy. Actual holiday sales tax collection results will be available in March. Staff will monitor the sales tax revenue closely and report to the Board in a timely manner if there is any major change in the trend.

As of December 31, 2012, TAM also received a total of \$1.2 million in Measure B \$10 vehicle registration fee cash disbursement from the Department of Motor Vehicle (DMV) for the six-month period from July 2012 to December 2012, which is 8.7% higher than the same period of last year. However, staff expects that the total revenue for the year will be at similar level of last year, since there is no indicator implying that the number of registered vehicles in Marin will increase dramatically.

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.

Recommendation: Information Item, Staff is available to answer any specific questions.

Background

This report, along with all accompanying attachments, provides a summary of the financial activities for the first two quarters of FY2012-13, ended December 31, 2012. 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 are highlighted in the staff report presented.

Revenue Highlights

As of December 31, 2012, total Measure A cash disbursements received from the Board of Equalization (BOE) for the six-month period from July 2012 to December 2012 was \$11.1 million, 5.3% higher than the total Measure A disbursement for the same period of last year. The same upward trend of sales tax revenue has been continuing since FY2010-11 but the revenue level is just back to the collection level of FY2008-09. This significant increase in sales tax collection is encouraging but the high US unemployment rate, the disappointing holiday sales for many retailers, as well as the volatility caused by the "fiscal cliff" drama, weigh heavily on the US economy. Staff will monitor the sales tax revenue closely and report to the Board in a timely manner if there is any major change in the trend.

As of December 31, 2012, TAM also received a total of \$1.2 million in Measure B cash disbursement from the Department of Motor Vehicle (DMV) for the six-month period from July 2012 to December 2012, which is 8.7% higher than the same period of last year. However, staff expects that the total revenue for the year will still be at the same level of last year, since there is no indicator implies that the number of registered vehicles in Marin will increase dramatically.

TAM has received the total \$430,000 annual contribution from cities/towns/county, for the CMA planning, programming, and project delivery support services provided. Staff has been holding off on the MTC Planning fund invoicing due to the OBAG process. Once the funding agreement with MTC is finalized, staff will send the first two quarters of CMA activity expenditure reimbursement request to MTC. Various reimbursement requests for other projects/fund sources will also be sent out once TAM receives more invoices from its vendors.

Expenditure Highlights

While expenditures are trending under the budgeted amounts as of the end of the second quarter, growth in several expenditure areas will occur in the next quarter. Marin Transit is expected to invoice TAM for the second quarter reimbursement soon. 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.

Investment Option Study

In response to the Board's concern of less than ideal investment return performance of TAM's current fund balance in the Marin County Investment Pool, TAM staff has launched an Investment Option Study with its financial advisor team. The Study effort includes working with the County Department of Finance staff to explore investment performance enhancement options both within

and outside the Marin County Investment Pool. Result of the study is scheduled to be presented to the Executive Committee as well as the TAM Board for review and further direction in February.

Budget Amendment

No Budget Amendment is recommended for this time period.

Recommendation

Information Item, Staff is available to answer any specific questions.

Attachments

- Attachment 1 FY2012-13 Quarterly Budget to Actual Comparison as of 12/31/2012
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Attachment I: FY2012-13 Budget to Actual Comparison as of 12/31/12

	Annual Budget	Actual 12/31/12	\$ Difference	Actual as % of Budget
REVENUE				
Measure A Sales Tax Revenue	21,000,000	11,123,224	(9,876,776)	53.0%
Measure B VRF Revenue	2,100,000	1,160,567	(939,433)	55.3%
Cities/Towns and County Contribution	430,000	430,000	-	100.0%
Interest Revenue	100,000	10,873	(89,127)	10.9%
MTC STP/CMAQ Planning Fund	900,000	-	(900,000)	0.0%
MTC Regional Measure 2 Fund	1,728,000	-	(1,728,000)	0.0%
Federal CMAQ Fund	1,180,000	-	(1,180,000)	0.0%
Transportation For Clean Air Funding	346,000	175,823	(170,177)	50.8%
State STIP PPM Fund	239,000	-	(239,000)	0.0%
MSN Federal Earmark	20,546	-	(20,546)	0.0%
CMIA Bond Revenue	268,182	-	(268,182)	0.0%
TCRP/STIP RTIP Funds	1,182,683	-	(1,182,683)	0.0%
Dynamic Rideshare Grant Fund	330,000	-	(330,000)	0.0%
Other Agency Contributions	6,000	-	(6,000)	0.0%
<i>Total Revenue Available</i>	<i>29,830,411</i>	<i>12,900,488</i>	<i>(16,929,923)</i>	<i>43.2%</i>
EXPENDITURES				
Administration				
Salaries & Benefits	2,095,930	1,035,854	(1,060,076)	49.4%
Office Lease - Note 1	175,000	88,097	(86,903)	50.3%
Office Relocation Cost	80,000	92,545	12,545	115.7%
Agencywide IT and Computer Equipment Upgrade	65,000	16,734	(48,266)	25.7%
Equipment Purchase/Lease	30,000	7,212	(22,788)	24.0%
Telephone/Internet/Web Hosting Services	30,000	11,559	(18,441)	38.5%
Office Supplies	25,000	13,849	(11,151)	55.4%
Insurance	8,000	5,427	(2,573)	67.8%
Financial Audit	25,000	17,736	(7,264)	70.9%
Legal Services	70,000	4,904	(65,096)	7.0%
Accounting/Payroll	10,000	-	(10,000)	0.0%
Staff Benefits Comparison Study	25,000	-	(25,000)	0.0%
Document Reproduction	35,000	4,958	(30,043)	14.2%
Memberships	25,000	2,785	(22,215)	11.1%
Travel/Meetings/Conferences	22,000	9,425	(12,575)	42.8%
Professional Development	5,000	40	(4,960)	0.8%
Human Resources/Board Support	40,000	2,450	(37,550)	6.1%
Information Technology/Web Support	40,000	11,138	(28,863)	27.8%
Misc. Expenses	5,000	380	(4,620)	7.6%
<i>Subtotal, Administration</i>	<i>2,810,930</i>	<i>1,325,092</i>	<i>(1,485,838)</i>	<i>47.1%</i>

Attachment I: FY2012-13 Budget to Actual Comparison as of 12/31/12

	Annual Budget	Actual 12/31/12	\$ Difference	Actual as % of Budget
Professional Services				
CMP Updte/Traffic Monitoring	90,000	34,106	(55,894)	37.9%
Traffic Model Maintenance & Update	65,000	-	(65,000)	0.0%
Dynamic Rideshare Pilot Program Support	265,000	74,489	(190,511)	28.1%
Community Based Transportation Plan Update	50,000	-	(50,000)	0.0%
Project Management Oversight	270,000	-	(270,000)	0.0%
MSN Redwood Landfill Interchange Design	216,318	95,138	(121,180)	44.0%
MSN San Antonio Curve Design	1,000,000	194,421	(805,579)	19.4%
MSN A3 Novato Carpool Lane Extension	168,681	-	(168,681)	0.0%
Federal Legislative Assistance	25,000	-	(25,000)	0.0%
State Legislative Assistance	35,000	17,500	(17,500)	50.0%
Financial Advisor Services	25,000	-	(25,000)	0.0%
Hwy 101 Greenbrae/Twin Cities PA&ED	1,310,000	179,476	(1,130,524)	13.7%
Central Marin Ferry Connection PA&ED	1,250,000	264,846	(985,154)	21.2%
MSN Project Management	100,000	17,029	(82,971)	17.0%
On Call Public Outreach Contract	50,000	-	(50,000)	0.0%
Consulting Pool	80,000	38,025	(41,975)	47.5%
<i>Subtotal, Professional Services</i>	<i>4,999,999</i>	<i>915,030</i>	<i>(4,084,969)</i>	<i>18.3%</i>

Attachment I: FY2012-13 Budget to Actual Comparison as of 12/31/12

	Annual Budget	Actual 12/31/12	\$ Difference	Actual as % of Budget
Measure A Sales Tax Programs/Projects				
Measure A Compliance Audit	20,000	20,000	-	100.0%
Bike/Ped Path Maintenance	145,000	92,000	(53,000)	63.4%
Gap Closure Interest Funded Design/Construction	525,000	-	(525,000)	0.0%
Strategy 1 - Transit	12,708,000	2,572,125	(10,135,875)	20.2%
<i>Substrategy 1.1 - Local Bus Transit Service</i>	7,709,000	1,927,181	(5,781,819)	25.0%
<i>Substrategy 1.2 - Rural Bus Transit System</i>	1,141,000	176,170	(964,830)	15.4%
<i>Substrategy 1.3 - Special Needs Transit Services</i>	1,875,000	468,774	(1,406,226)	25.0%
<i>Substrategy 1.4 - Bus Transit Facilities</i>	1,983,000	-	(1,983,000)	0.0%
Strategy 2 - Hwy 101 Gap Closure	5,729,025	1,299,909	(4,429,115)	22.7%
<i>MTC Loan Repayment</i>	1,936,325	968,162	(968,163)	50.0%
<i>TE/TLC/STP Swap Project</i>	900,000	331,747	(568,253)	36.9%
<i>Construction Capital Support Payment to Caltrans</i>	2,892,700	-	(2,892,700)	0.0%
Strategy 3 - Local Transportation Infrastructure	6,692,000	1,471,759	(5,220,241)	22.0%
<i>Substrategy 3.1 - Major Roads</i>	4,198,000	-	(4,198,000)	0.0%
<i>Substrategy 3.2 - Local Roads</i>	2,494,000	1,471,759	(1,022,241)	59.0%
Strategy 4 - Safer Access to Schools.	2,467,000	514,268	(1,952,732)	20.8%
<i>Substrategy 4.1 - Safe Routes to Schools</i>	600,000	86,788	(513,212)	14.5%
<i>Substrategy 4.2 - Crossing Guards</i>	830,000	213,319	(616,681)	25.7%
<i>Substrategy 4.3 - Safe Pathways To School</i>				
<i>Safe Pathways Plan Development</i>	450,000	53,857	(396,143)	12.0%
<i>Safe Pathway Capital Projects</i>	587,000	160,304	(426,696)	27.3%
Subtotal, Measure A Programs	28,286,025	5,970,061	(22,315,963)	21.1%
Measure B Programs				
Element 1 - Maintain Local Streets & Pathways	100,000	-	(100,000)	0.0%
<i>Element 1.1 - Local Streets</i>	-	-	-	-
<i>Element 1.2 - Bike/Ped Pathways</i>	100,000	-	(100,000)	0.0%
Element 2 - Seniors & Disabled Mobility	707,000	126,202	(580,798)	17.9%
<i>Element 2.1 - Mobility Management programs</i>	100,000	31,938	(68,062)	31.9%
<i>Element 2.2 - Paratransit & Low Income Scholarships</i>	110,000	30,285	(79,715)	27.5%
<i>Element 2.3 - Paratransit Plus</i>	300,000	11,616	(288,384)	3.9%
<i>Element 2.4 - Volunteer Drive & Gap Grant</i>	197,000	52,363	(144,637)	26.6%
Element 3 - Reduce Congestion & Pollution	435,000	91,732	(343,268)	21.1%
<i>Element 3.1 - Safe Routes to School</i>	180,000	42,250	(137,750)	23.5%
<i>Element 3.2 - Trans. Demand Management</i>	130,000	45,241	(84,759)	34.8%
<i>Element 3.3 - Discretionary Fuel (EV) Programs</i>	125,000	4,241	(120,759)	3.4%
Subtotal, Measure B Programs	1,242,000	217,934	(1,024,066)	17.5%

Attachment I: FY2012-13 Budget to Actual Comparison as of 12/31/12

	Annual Budget	Actual 12/31/12	\$ Difference	Actual as % of Budget
Interagency Agreements				
Old Redwood Highway Roadway Improvement - Larkspur	400,000	12,162	(387,838)	3.0%
City of Larkspur Station Area Study Match Fund	100,000	18,600	(81,400)	18.6%
CMFC County Agreement	110,000	-	(110,000)	0.0%
CMFC SMART Agreement	20,000	-	(20,000)	0.0%
CMFC Larkspur Agreement	28,000	-	(28,000)	0.0%
Caltrans MSN Carpool Lane Extension Design Support	375,000	-	(375,000)	0.0%
Novato Redwood Bus Transit Facility Improvement	100,000	-	(100,000)	0.0%
Marin County MSN Project Support	50,000	-	(50,000)	0.0%
City of San Rafael Gap Closure Project Support	80,000	-	(80,000)	0.0%
<i>Subtotal, Interagency Agreements</i>	<i>1,263,000</i>	<i>30,762</i>	<i>(1,232,238)</i>	<i>2.4%</i>
<i>Other Capital Expenditures</i>				
TFCA - TDM Projects/Vanpool Incentive	17,000	24,883	7,883	146.4%
TFCA - EV Fleet and Charging Stations	106,000	-	(106,000)	0.0%
TFCA - Reimbursement of Various Capital Projects	350,000	397,485	47,485	113.6%
<i>Subtotal, Other Capital Expenditures</i>	<i>473,000</i>	<i>422,368</i>	<i>(50,632)</i>	<i>89.3%</i>
<i>Total Expenditures</i>	<i>39,074,954</i>	<i>8,881,246</i>	<i>(30,193,708)</i>	<i>22.7%</i>

Attachment 2: Summary of FY2012-13 Budget Amendments as of 12/31/12

No Budget Amendments is reconmended for this time period.

Attachment 3: FY2012-13 Revenue and Expenditure Report as of 12/31/12 – Measure A Detail

Budget Line	Interest	5% Reserve	1% Admin	4% Program	Strategy PM	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																
FY2012 Accrual Balance	2,923,257	5,382,896	59,211	1,127,687	-	2,069,295	1,225,437	546,444	2,256,102	1,260,141	8,856,935	3,104,013	874,627	1,039,674	1,222,603	31,948,322
FY2013 Revenue	10,873	-	75,724	302,897	-	1,937,521	157,096	471,289	314,193	2,350,000	693,842	693,842	172,806	219,935	183,279	7,583,298
EXPENSES																
Aencywide IT and Computer Upgrade				16,734												16,734
Bike/Ped Path Maintenance	92,000															92,000
I01 Gap Closure CMO																-
Accounting/Payroll																-
Consulting Pool				37,735												37,735
Document Reproduction				4,958												4,958
Equipment Lease/Purchase				7,212												7,212
Financial Advisor																-
Financial Audit				17,736												17,736
HR/Board Support				2,450												2,450
Insurance				5,427												5,427
IT/Web Support				11,138												11,138
Legal																-
Measure A Compliance Audits				20,000												20,000
Memberships				160												160
Misc Expense				318												318
Office Lease				117,847												117,847
Office Relocation Cost				62,795												62,795
Office Supplies				13,849												13,849
Professional Development				40												40
Program Management Oversight																-
Salaries & Benefits			110,688	185,555							10,262	10,262	25,356	25,356	25,356	392,836
Strategy 1 - Transit						1,927,181	176,170	468,774								2,572,125
Strategy 2 - Gap Closure										1,299,909						1,299,909
Strategy 3 - Streets & Rds												1,471,759				1,471,759
Strategy 4- Safe Routes													99,843	213,319	214,161	527,323
Telephone/Internet/Web Hosting Services				11,559												11,559
Travel/Meetings/Conferences				3,251												3,251
Total Expenses	92,000	-	110,688	518,762	-	1,927,181	176,170	468,774	-	1,299,909	10,262	1,482,021	125,199	238,675	239,517	6,689,158
BALANCE	2,842,130	5,382,896	24,247	911,822	-	2,079,635	1,206,363	548,959	2,570,295	2,310,232	9,540,515	2,315,834	922,234	1,020,934	1,166,365	32,842,461

Attachment 4: FY2012 and FY2013 Monthly Measure A Disbursement Comparison

(Cash Disbursement from July to June)

		FY2012	FY2013	\$ Difference	% Difference
Actuals	July	1,525,500	1,584,400	58,900	3.86%
	August	1,896,200	1,966,400	70,200	3.70%
	September	1,768,072	1,967,991	199,920	11.31%
	October	1,473,000	1,681,900	208,900	14.18%
	November	1,813,400	2,085,200	271,800	14.99%
	December	2,088,177	1,837,333	(250,844)	-12.01%
Actual/Estimates	January	1,609,300		(1,609,300)	-100.00%
	February	2,025,100		(2,025,100)	-100.00%
	March	1,800,427		(1,800,427)	-100.00%
	April	1,395,800		(1,395,800)	-100.00%
	May	1,727,600		(1,727,600)	-100.00%
	June	2,013,787		(2,013,787)	-100.00%
	July - December	<u>10,564,348</u>	<u>11,123,224</u>	<u>558,876</u>	<u>5.29%</u>
	Annual Disbursement	<u>21,136,362</u>	<u>11,123,224</u>	<u>(10,013,138)</u>	<u>-47.37%</u>
	FY2013 Annual Budget		<u>21,000,000</u>	<u>(9,876,776)</u>	<u>-47.03%</u>

Attachment 5: FY2012 and FY2013 Monthly Measure B Disbursement Comparison

(Cash Disbursement from July to June)

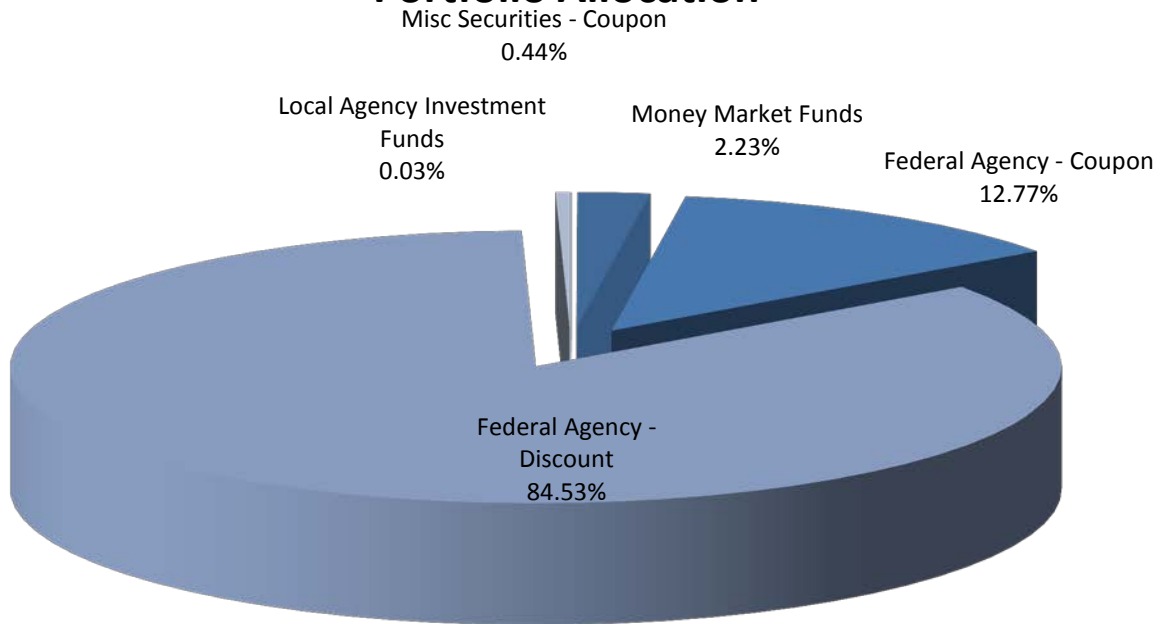
		FY2012	FY2013	\$ Difference	% Difference
Actuals	July	109,803	203,101	93,298	84.97%
	August	88,397	192,658	104,261	117.95%
	September	248,010	198,065	(49,945)	-20.14%
	October	257,987	204,095	(53,892)	-20.89%
	November	190,407	173,140	(17,267)	-9.07%
	December	173,904	189,508	15,604	8.97%
Actual/Estimates	January	168,905	-	(168,905)	-100.00%
	February	177,067	-	(177,067)	-100.00%
	March	185,239	-	(185,239)	-100.00%
	April	180,128	-	(180,128)	-100.00%
	May	186,300	-	(186,300)	-100.00%
	June	184,247	-	(184,247)	-100.00%
	July - December	<u>1,068,508</u>	<u>1,160,567</u>	<u>92,059</u>	<u>8.62%</u>
	Annual Disbursement	<u>2,150,393</u>	<u>1,160,567</u>	<u>(989,826)</u>	<u>-46.03%</u>
	FY2013 Annual Budget		<u>2,100,000</u>	<u>(939,433)</u>	<u>-44.73%</u>

Attachment 6: Marin County Treasurer Portfolio Yield Report as of 12/31/2012

**Michael J. Smith, Marin County Treasury
 Portfolio Yield Report - Operating Funds
 County of Marin, Schools & Special Districts
 December 31, 2012**

Investment Holdings	Book Value	Portfolio Yields as 12/31/2012
Local Agency Investment Funds	\$ 235,310.25	0.326%
Money Market Funds	\$ 20,100,039.45	0.010%
Federal Agency - Coupon	\$ 114,992,870.00	0.529%
Federal Agency - Discount	\$ 761,007,489.56	0.126%
Misc Securities - Coupon	\$ 3,920,777.00	3.509%
TOTAL	\$ 900,256,486.26	0.190%

Portfolio Allocation



* Detail monthly reports can be provided upon request.