



Memorandum

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DATE: February 21, 2019

TO: Alameda County Transportation Commission

FROM: Patricia Reavey, Deputy Executive Director of Finance and Administration

SUBJECT: Alameda CTC FY2018-19 Second Quarter Consolidated Financial Report

Recommendation

It is recommended that the Commission approve the Alameda CTC FY2018-19 Second Quarter Consolidated Financial Report.

Summary

Alameda CTC's expenditures through December 31, 2018 are within year-to-date budget authority per the currently adopted budget. The agency remains in a strong financial position compared to budget through the second quarter of FY2018-19.

The attached FY2018-19 Second Quarter Financial Report has been prepared on a consolidated basis and is compared to the currently adopted budget on a year-to-date basis. This report provides a summary of FY2018-19 actual revenues and expenditures through December 31, 2018. Variances from the year-to-date budget are demonstrated as a percentage of the budget used by line item as well as stating either a favorable or unfavorable variance in dollars. Percentages over 100 percent indicate that actual revenue or expenditure items are more than 50 percent of the total annual budget through the second quarter of the fiscal year, and percentages under 100 percent indicate that actual revenue or expenditure items are less than 50 percent of the total annual budget through the second quarter of the fiscal year. As of December 31, 2018, Alameda CTC activity for the fiscal year results in a net increase in fund balance in the amount of \$63.4 million mostly due to sales tax revenues received this fiscal year, but have not yet been spent, primarily in the Measure BB Capital Projects and Special Revenue Funds.

Background

The following are highlights of actual revenues and expenditures compared to budget as of December 31, 2018 by major category:

Revenues

Sales tax revenues are over budget by \$23.4 million, or 15.4 percent, and investment income is over budget by \$1.4 million or 34.6 percent as interest rates have been on the rise. Toll and toll violation revenues are over budget by \$1.7 million which will help to fund the targeted maintenance and operational reserve goals established in the I-580 Express Lanes Expenditure Plan, and grant revenues are under budget by \$2.9 million mostly related to timing on capital projects. Grant revenues are recognized on a reimbursement basis and, therefore, correlated directly with related expenditures, so capital and other project expenditures also will be under budget.

Salaries and Benefits

Salaries and benefits are slightly under budget by \$0.2 million, or 5.0 percent, as of December 31, 2018.

Administration

Costs for overall administration are under budget by \$12.1 million, or 70.4 percent, mainly due to debt service costs which incurred costs for only one of the two semi-annual interest payments and no principal payment as of December 31, 2018. Principal payments are made annually on March 1. Debt service costs are required to be recorded when incurred per government accounting standards. Actual expenditures in the debt service fund will equal 100% of the budget by the end of the fiscal year.

I-580 Express Lanes Operations

The I-580 Express Lanes expenditures are under budget by \$3.2 million, or 57.4 percent, primarily related to a toll system upgrade special project accounted for in the budget which is not anticipated to begin until late in the fiscal year.

Planning

Planning expenditures are under budget by \$0.2 million, or 22.2 percent mostly related to delays in contracting and funding agreements which resulted in some work being delayed and invoices coming in later than anticipated.

Programs

Program expenditures are over budget by \$0.8 million, or 0.8 percent, predominantly due to direct local distributions (DLD) of sales tax revenues. The DLDs have a direct correlation with sales tax revenues; therefore, since sales tax revenues are over budget, similarly DLD expenditures are also over budget.

Capital Projects

Capital Projects expenditures are under budget by \$91.7 million, or 72.5 percent. This variance is mainly related to delays on certain capital projects and delays in billing for recently executed funding agreements with sponsor agencies. In addition project construction work typically varies by season with less activity in the winter months, however,

activity is expected to increase in the coming months with related expenditures anticipated to be higher in the second half of the fiscal year. There are currently no real budget issues on capital projects.

Limitations Calculations

Staff has completed the limitation calculations required for both 2000 Measure B and 2014 Measure BB related to salary and benefits and administration costs, and Alameda CTC is in compliance with all limitation requirements.

Fiscal Impact: There is no fiscal impact associated with the approval of this item.

Attachment:

- A. Alameda CTC Consolidated Revenues/Expenditures as of December 31, 2018

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ALAMEDA COUNTY TRANSPORTATION COMMISSION
Consolidated Revenues/Expenditures
December 31, 2018

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	<u>Total Consolidated</u>			<u>Favorable (Unfavorable) Variance</u>
	<u>YTD Actuals</u>	<u>YTD Budget</u>	<u>% Used</u>	
REVENUES				
Sales Tax Revenue	\$ 175,404,885	\$ 152,000,001	115.40	\$ 23,404,884
Investment Income	5,305,994	3,942,500	134.58	1,363,494
Member Agency Fees	718,333	697,410	103.00	20,923
VRF Funds	6,481,092	6,000,000	108.02	481,092
Toll Revenues	7,220,839	5,900,000	122.39	1,320,839
Toll Violation Revenues	1,451,901	1,050,000	138.28	401,901
Other Revenues	1,065	-	-	1,065
Regional/State/Federal Grants	2,978,662	6,692,111	44.51	(3,713,449)
Local and Other Grants	5,586,693	4,723,756	118.27	862,937
Total Revenues	\$ 205,149,464	\$ 181,005,778		\$ 24,143,686
EXPENDITURES				
<u>Administration</u>				
Salaries and Benefits ⁽¹⁾	1,318,089	1,124,159	117.25	(193,930)
General Office Expenses	705,229	858,686	82.13	153,457
Travel Expense	18,512	22,500	82.28	3,988
Debt Service ⁽²⁾	2,136,225	13,236,225	16.14	11,100,000
Professional Services	825,399	1,718,959	48.02	893,560
Commission and Community Support	90,510	126,377	71.62	35,867
Contingency	-	100,000	-	100,000
Subtotal	5,093,964	17,186,906		12,092,942
<u>I-580 Operations</u>				
Salaries and Benefits ⁽¹⁾	161,506	194,108	83.20	32,602
Operating Expenditures	2,232,387	5,420,000	41.19	3,187,613
Subtotal	2,393,893	5,614,108		3,220,215
<u>Planning</u>				
Salaries and Benefits ⁽¹⁾	339,244	390,772	86.81	51,528
Transportation Planning	384,062	472,306	81.32	88,244
Other Planning Projects	-	66,398	-	66,398
Subtotal	723,306	929,476		206,170
<u>Programs</u>				
Salaries and Benefits ⁽¹⁾	726,170	818,576	88.71	92,406
Programs Management and Support	303,714	1,343,075	22.61	1,039,361
Safe Routes to School Program	242,604	1,125,702	21.55	883,098
VRF Programming	4,300,496	5,970,000	72.04	1,669,504
Measure B/BB Direct Local Distribution	90,645,479	78,541,585	115.41	(12,103,894)
Grant Awards	1,178,228	6,437,523	18.30	5,259,295
TFCA Programming	214,448	1,393,143	15.39	1,178,695
CMA TIP Programming	1,074,021	2,255,051	47.63	1,181,030
Subtotal	98,685,160	97,884,655		(800,505)
<u>Capital Projects</u>				
Salaries and Benefits ⁽¹⁾	478,479	654,526	73.10	176,047
Capital Project Expenditures	34,370,812	125,866,544	27.31	91,495,732
Subtotal	34,849,291	126,521,070		91,671,779
Total Expenditures	\$ 141,745,614	\$ 248,136,215		\$ 106,390,601
Net revenue over / (under) expenditures	\$ 63,403,850	\$ (67,130,437)		

(1) Salaries and benefits are under budget by \$158,645 or 5.0% as of December 31, 2018

(2) Debt service costs are required to be recorded when incurred per government accounting standards and will equal budget by year end.

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