



TOWN OF PORTOLA VALLEY

7:00 PM – Regular Meeting of the Town Council
 Wednesday, April 27, 2016
 Historic Schoolhouse
 765 Portola Road, Portola Valley, CA 94028

REGULAR MEETING AGENDA

7:00 PM - CALL TO ORDER AND ROLL CALL

Councilmember Aalfs, Councilmember Wengert, Councilmember Richards, Vice Mayor Hughes and Mayor Derwin

ORAL COMMUNICATIONS

Persons wishing to address the Town Council on any subject may do so now. Please note however, that the Council is not able to undertake extended discussion or action tonight on items not on the agenda.

CONSENT AGENDA

The following items listed on the Consent Agenda are considered routine and approved by one roll call motion. The Mayor or any member of the Town Council or of the public may request that any item listed under the Consent Agenda be removed and action taken separately.

1. **Approval of Minutes** – Town Council Meeting of April 13, 2016 (3)
2. **Approval of Warrant List** – April 27, 2016 (9)

REGULAR AGENDA

COMMITTEE REPORTS & REQUESTS

3. **Report from the Cultural Arts Committee** – Committee Annual Report to the Town Council (19)
4. **Report from the Parks & Recreation Committee** – Committee Annual Report to the Town Council (20)

STAFF REPORTS AND RECOMMENDATIONS

5. **Presentation of the April 16, 2016 Wildland Fire Exercise** (23)
6. **COUNCIL LIAISON COMMITTEE AND REGIONAL AGENCIES REPORTS** (24)
Report by Town Council Members – Brief announcements or reports on items of significance for the entire Town Council arising out of liaison appointments to both in-town and regional committees and initiatives. *There are no written materials and the Town Council does not take action under this agenda item.*
7. **Town Manager Report** (25)

WRITTEN COMMUNICATIONS

8. **Town Council Digest** – April 15, 2016 (26)
9. **Town Council Digest** – April 22, 2016 (35)

ADJOURNMENT

ASSISTANCE FOR PEOPLE WITH DISABILITIES

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Town Clerk at (650) 851-1700. Notification 48 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to this meeting.

AVAILABILITY OF INFORMATION

Copies of all agenda reports and supporting data are available for viewing and inspection at Town Hall and at the Portola Valley Library located adjacent to Town Hall. In accordance with SB343, Town Council agenda materials, released less than 72 hours prior to the meeting, are available to the public at Town Hall, 765 Portola Road, Portola Valley, CA 94028.

SUBMITTAL OF AGENDA ITEMS

The deadline for submittal of agenda items is 12:00 Noon WEDNESDAY of the week prior to the meeting. By law no action can be taken on matters not listed on the printed agenda unless the Town Council determines that emergency action is required. Non-emergency matters brought up by the public under Communications may be referred to the administrative staff for appropriate action.

PUBLIC HEARINGS

Public Hearings provide the general public and interested parties an opportunity to provide testimony on these items. If you challenge any proposed action(s) in court, you may be limited to raising only issues you or someone else raised at the Public Hearing(s) described in this agenda, or in written correspondence delivered to the Town Council at, or prior to, the Public Hearing(s).

PORTOLA VALLEY TOWN COUNCIL REGULAR MEETING NO. 927, APRIL 13, 2016

CALL TO ORDER AND ROLL CALL

Mayor Derwin called the Town Council's Regular meeting to order at 7:00 p.m. and led the Pledge of Allegiance. Ms. Hanlon called the roll.

Present: Councilmembers Jeff Aalfs, John Richards, Ann Wengert; Vice Mayor Craig Hughes, Mayor Mary Ann Moise Derwin.

Absent: None

Others: Jeremy Dennis, Town Manager
Leigh Prince, Town Attorney
Sharon Hanlon, Town Clerk

ORAL COMMUNICATIONS – None

CONSENT AGENDA [7:01 p.m.]

- (1) Approval of Minutes: Town Council Regular Meeting of March 23, 2016. *[Pulled from Consent Agenda]*
- (2) Approval of Warrant List: April 13, 2016, in the amount of \$182,156.39. *[Pulled from Consent Agenda]*
- (3) Appointment by Mayor – Request for Appointment of Member to the Open Space Acquisition Advisory Committee.
- (4) Recommendation by Town Manager – Proclamation of the Mayor Proclaiming May 2016 as National Bike Month in San Mateo County.

Vice Mayor Hughes moved to approve Items 3 and 4. Seconded by Councilmember Richards, the motion carried 5-0.

- (1) Approval of Minutes: Town Council Regular Meeting of March 23, 2016.

Councilmember Aalfs moved to approve the minutes of the March 23, 2016 meeting, as amended. Seconded by Councilmember Wengert, the motion carried 5-0.

- (2) Approval of Warrant List: April 13, 2016, in the amount of \$182,156.39.

Councilmember Wengert moved to approve the April 13, 2016, warrant list, as amended. Seconded by Councilmember Richards, the motion carried 5-0 by roll call vote.

REGULAR AGENDA 7:03 p.m.

STAFF REPORTS AND RECOMMENDATIONS

- (5) Recommendations by Town Manager – Council Priorities for FY 2016-2017

Town Manager Dennis presented the staff report regarding the updated Council Priorities list for FY 2016-2017, which was revised after discussion with the Town Council on March 9, 2016. He said staff was confident that all items on the list could be completed in the coming fiscal year.

Mayor Derwin called for questions from the Council.

Councilmember Wengert questioned whether the Spring Down Vernal Pool Permitting should be considered high priority. Councilmember Richards said that the Spring Down issue has dragged on and it should be a high priority to get it off the table. Mayor Derwin agreed. Town Manager Dennis confirmed that it was not taking up a considerable amount of staff time. He said that he, the Mayor, and the Vice Mayor met with a representative from Senator Boxer's office, who toured the grounds and offered to send letters to the agencies with whom the Town has been having some difficulty. He said staff is going through the second round of permitting based on the consultant's advice; however, he said it has been made clear to staff that this task needs to be completed. In response to Councilmember Wengert's comment regarding the vernal pool not being natural, Councilmember Aalfs said the feature is manmade but the intention is to emulate something that would have been in that area. Town Manager Dennis said there was a safety element related to it and it needs to be completed. Vice Mayor Hughes said he was supportive of it being a high priority item.

With no additional questions, Mayor Derwin called for questions from the public. Hearing none, Mayor Derwin invited comments from the Town Council.

Councilmember Wengert, referring to the Town investment strategies item on the medium priority list, said that the Finance Committee has been recommending a strategy that would allow the Town to have a new way of dealing with some of the more stable reserves and be able to invest them in a slightly more aggressive fashion. She said that is also an item that has been on the task list for quite a while and should rise a higher priority level this year. Vice Mayor Hughes agreed this item should be prioritized because the Town loses money the longer this is not addressed. He said the Finance Committee has put a lot of work into it and are willing to do additional work so the burden on staff may be low.

Bill Urban, Finance Committee Chair, said the Town has in excess of \$12 million of cash reserves in various funds, which has been invested in the Local Agency Investment Fund (LAIF) for a long time, earning a fraction of 1 percent. He said that even with the low inflation over the last three to four years, the Town is effectively losing 1-1/2 percent per year of purchasing power on a large amount of money. As a cash management issue, he said the committee looked at ways to improve the return while managing the risk. He said municipalities are severely restricted under State law on what they can invest in with only a small universe of fixed income investments available. He said the plan that has been developed and is ready for implementation would allow the Town to hold the funds in an account with a low-cost brokerage firm where no fees are charged, established under the name of the Town, with suitable individuals in the Town designated to oversee the account and direct transactions that take place. He said he also recommended that someone outside of Town staff, perhaps him or someone else on the Finance Committee, receive duplicates of all statements. He said included in the very limited set of allowed investments is an important diversified corporate high quality bond investment, likely through a Vanguard Index type mutual fund or a low-cost ETF. He said investments could also be made in treasury notes or bonds with short maturity. He said they could initially use treasury inflation-protected securities and a laddered CD approach. He said other things could be purchased later, the Committee is recommending keeping it fairly simple for the first year. He said it would not be managed by a professional finance manager, but he would be happy to oversee it. He said at the twice-a-year Finance Committee meetings, any adjustments necessary would be made. He said while this would be a low cost, low risk, and fairly low return portfolio, it should do better than the LAIF or the pooled County investment vehicle. He said if interest rates are stable or dropping, the investments should be able to beat inflation by maybe 1 to 1-1/2 percent per year. He said in the current environment, which will probably have very slightly rising interest rates over the next couple of years, the investments will do well to match inflation. He said the Finance Committee recommends moving ahead with this approach as a start and in the coming year diversify into more fixed income investments. He said they are trying to avoid an outside manager because that expense would wipe out any benefit, as most managers charge between .25 to .5 percent.

The Council agreed to move this item to the high priority list.

With no further comments, Mayor Derwin called for a motion.

Councilmember Wengert moved to adopt the Council Priorities for Fiscal Year 2016-2017 as amended. Seconded by Councilmember Aalfs; the motion carried 5-0.

(6) Recommendation by Town Manager – Library Donor Funds Allocation

Town Manager Dennis presented the staff report regarding the Town Council requesting \$81,103.11 in San Mateo County Library (SMCL) Donor Revenue for Town staff support of the Portola Valley Library. Mr. Dennis said this was the first year this item was brought before the Council and heretofore had been an administrative function. He acknowledged the Friends of the Library for bringing this forward as something important to them and it also provides more transparency. He said two major additions to the library expenses brought the amount of the request higher than in previous years: 1.) The inclusion of utilities of approximately \$20,000; and 2.) The inclusion of \$20,000 for tenant/capital improvements (the Learning Center).

Mayor Derwin called for questions from the Council.

Councilmember Aalfs said there had been talk regarding an automated door at the library and asked if that was included in this expense list. Town Manager Dennis said that is already happening and so not included on this list. He said it was not Town money and thinks it came out of donor funds.

Councilmember Wengert asked if the Town was currently paying any of the Library's utilities. The Town Manager said currently the Town was paying all of it. Mayor Derwin said other libraries have been paying their own utilities for at least a few years.

Councilmember Wengert asked if staff anticipated any pushback. Mayor Derwin said she anticipates there will be discussion about it when she meets with the group next week.

Vice Mayor Hughes said that, not counting the utilities expense, the amount requested is only a slightly larger request than previously made and asking for reimbursement for utilities is not unreasonable.

Commissioner Wengert asked if staff had discussed other future projects. Town Manager Dennis said discussions are occurring as a part of the Town Center Master Planning process that go well beyond any improvements planned for the Learning Center, including additional space overall and enclosing part of the outside space. He said the Town Center Master Planning process has been bifurcated, particularly anything that relates to an external change that the Town Center Master Planning process should dictate.

With no further questions, Mayor Derwin called for questions or comments from the audience.

Sue Crane, President of Friends of the Library, said she enjoyed spending time with the Town Manager who came to the Friends meeting and said he was very explicit, clear, and answered a lot of their questions. She said they were headed in the right direction as far as understanding the donor funds. She said she and the other members feel very comfortable that, even though they are not an official Town Committee, their voices are being heard, understood, and accepted by the Council.

Town Manager Dennis said Ms. Crane had asked at the meeting yesterday if any of the donor funds could be used for programming at the library. He said he has since learned that the JPA agreement does not allow for that.

With no further comments, Mayor Derwin called for a motion.

Councilmember Richards moved to request \$81,103.11 in San Mateo County Library Donor Revenue for Town staff support of the Portola Valley Library. Seconded by Vice Mayor Hughes; the motion carried 5-0.

(7) COUNCIL LIAISON COMMITTEE AND REGIONAL AGENCIES REPORTS [7:26 p.m.]

Councilmember Aalfs – Attended two Peninsula Clean Energy (PCE) meetings. He said he was elected Vice Chair of the Board and has since been on several calls with the PCE team. He said last Monday he attended an economist's presentation at Stanford that gave him some second thoughts regarding the Town going in at 100 percent renewable. He said the economist said a policy or lack thereof somewhat distorts the renewables market in California in ways that could be detrimental in the long run. The economist said he was looking at efficient portfolio theory, explaining that our current system or lack of system basically rewards people for very short-term actions, such as installing more solar. He said there will be a point where there is actually too much solar. He said if groups like PCE buy too much of that solar, they will be hit with an energy imbalance market charge, which could occur within 5 to 10 years and would be a seriously detrimental. Councilmember Aalfs said PCE as a group must be very cautious and thoughtful regarding how they approach renewable purchases going forward. He wondered if the Town should reconsider whether or not Portola Valley piloting at 100 percent was the right thing to do. Town Attorney Prince suggested adding this discussion as a future agenda item. Vice Mayor Hughes said in the near term it was important to not lose that option. Councilmember Wengert asked if the CCE would be paying UUT. Vice Mayor Hughes said his understanding is that it will continue to be collected. He said if the Town's default plan is the cheaper plan, expected to be somewhere around 5% less than PG&E, the Town would see a corresponding 5% reduction in the UUT collected. Councilmember Aalfs said that also brought up a question regarding the franchise fees. Councilmember Aalfs said the hiring committee is interviewing for a CEO next week.

Councilmember Wengert – Attended the April 6 Roundtable meeting. She said they continue to attract more and more Bay Area residents in addition to Santa Cruz, Palo Alto, Los Altos Hills, Portola Valley, and Woodside. She said there were four to seven very vocal people there from Woodside, more than ever before. She said Montclair was there to see if they could join. She said there are now 2+ hours of public comments each meeting. She said the main discussion was the announcement of the formation of the Select Committee – including herself, Santa Clara Supervisor Joe Simitian, Saratoga Councilmember Mary-Lynn Bernald; Los Altos Hills Mayor Pro Tem Gary Waldeck, Santa Cruz Supervisor John Leopold, Santa Cruz Councilmember Don Lane, Capitola Mayor Ed Bottoroff, San Mateo County Supervisor Dave Pine, South San Francisco Mayor Mark Addiego; Foster City Councilmember Sam Hindi, and East Palo Alto Vice Mayor Larry Moody. She said the group is waiting to begin, predicated upon the FAA releasing their comments in response to the public input received in the recent meetings. She said a letter from Congresswoman Speier indicated the Roundtable would handle departures and the Select Committee would deal with arrivals, with some overlap. She said there are planned meetings at the Select Committee level in all the Counties. She said they discussed Alaska Airlines buying Virgin Airlines resulting in 550 jobs lost here because they are moving to Seattle. She said more groups have formed that are tracking the continued growth in traffic. Councilmember Wengert also attended the Finance Committee meeting with Finance Committee Chair Urban and Town Manager Dennis regarding the Town investment strategies.

Councilmember Richards – Met with ASCC Chair Ross and Public Works Director Young regarding the placement of a plaque commemorating the race horse Ormonde on Shady Trail. He said the original plan was to mount it on a wooden post and there was concern about it being easily stolen. Upon visiting the site, he said they serendipitously found an ideal stone on which to mount the plaque. He will attend the Emergency Preparedness meeting on April 14 where they will discuss scheduling the fifth Wednesday Councilmember trainings.

Vice Mayor Hughes – Attended the March 28 ASCC meeting where they discussed a new residence on Cherokee Court with a second unit; a lot line adjustment on Upper Wayside Road to make a parcel buildable; and a dog play area on Portola Valley Ranch. He attended the Bicycle, Pedestrian & Traffic Safety Committee meeting where Loverine Taylor spoke and received public comments regarding construction parking on Naranja, having had two back-to-back construction projects, and another one to start soon; discussed proclamation that May is Bike Month; and reviewed the Sheriff's report that indicated the highest speeder was going 62 in a 35 mph zone. He said they also discussed the safety of the Los Trancos-Alpine Road intersection during times when children are walking to or from Corte Madera after school to Alpine Hills. He said the Sheriff had responded to a previous request to patrol it more during school time, which they did but did not find any problems. They said they would continue to

monitor the situation. He said Public Works Director Young also said he would look at the crosswalk lines to see if they could be repainted and improved. He said Cal Works reported there would be approximately two more weeks of digging, another month testing, and then repave the entire line in June. In response to Councilmember Aalfs question, Town Manager Dennis said Cal Water is required to replace the portion they dug up plus 12 inches. Vice Mayor Hughes reported that the Public Works Director was very satisfied with the contractor who has been very cooperative and responsive. Vice Mayor Hughes reported that the Windy Hill parking notice cards appear to be working reasonably well.

Mayor Derwin – Attended San Mateo County Council of Cities Dinner Meeting with Commissioners Aalfs and Wengert. The speaker was KR Sridhar, the principal co-founder, President, Chairman and CEO of Bloom Energy. She said they discussed micro-grids, distributed energy, etc. Commissioner Wengert added that they discussed a building they were building in New York that was totally self-sufficient, with the entire building powered using the Bloom system. Commissioner Aalfs said Bloom's products were commercial only. He said he has researched whether a micro-grid could be built in Portola Valley and it would be expensive. Commissioner Wengert said she thought the primary benefit was that it was local control for the resource. Mayor Derwin attended a C/CAG Water Committee meeting where there was a paid facilitator. She said her opinion was that paid facilitators were detrimental to the democratic process. She said the mission of this committee is to make a recommendation to C/CAG as to the governance structure, the scope, and the funding mechanism for a water agency in the County. She described the process of performing the task of developing a work plan to guide the discussion that will end in this recommendation. She said the result was four guiding principles – fair balanced regional representation, long-term perspective, financial feasibility, and effective use of resources that add values. The four guiding principles regarding water were flood control, sea level rise, storm water, and shoreline coastal erosion. She said, however, that when the subjects of groundwater, recycled water, and wastewater treatment came up, the BAWSCA representative said those items were already covered by BAWSCA. Mayor Derwin said most cities have a seat on the BAWSCA board because most of them have at least one water company in their jurisdiction; however, Portola Valley only has Cal Water, who does not report back to the Town what is happening at BAWSCA. She attended the Progress Seminar with Town Manager Dennis. She said they were very happy to see representatives from Portola Valley there and suggested someone from Town should go every year. She said representatives from most Counties were there with the exception of Woodside, Atherton, Hillsborough, and East Palo Alto. Town Manager Dennis agreed that the Progress Seminar was very excited to have Portola Valley's representation and encouraged other members of the Council to attend future meetings. Mayor Derwin said the most popular topic of conversation at the seminar was housing. She said she and Vice Mayor Hughes had lunch with staff and plan to do it more frequently than once a year. She said she and Town Manager Dennis met with Senator Boxer's aide, which was the first time they'd met someone from that office. She said she and Vice Mayor Hughes also met Senator Jerry Hill. She said she is going to meet for coffee with Supervisor Don Horsley. She announced that the second film in the film series, The Starfish Throwers, will be presented next Tuesday, April 19, at 7:00 p.m.

(8) Town Manager Report

Town Manager Dennis said he attended a variety of meetings and events – Progress Seminar; Friends of the Library; met with Senator Boxer's aide, and met with Supervisor Simitian's aide, Tyler Haskell. He said he met with Len Materman, Executive Director of San Francisquito JPA, and volunteered to be available for meetings. He met with Sheriff Mark Kuykendall and discussed more presence at Farmers' Market. He met with the residents' association at the Sequoias. He said Leo at Portola Valley Ranch gave him a tour. He continues to attend the Town committee meetings. He attended a CERPP meeting this week. He said per the request of Councilmember Aalfs, staff will look at the Clean Power Act and it will be brought forward for Council discussion. He said he read an article about predicting El Nino's flood risks and said Portola Valley was playing a considerable role due to the existence of sensors in the hills that monitor the water flow, which will warn residents downstream if there are issues. He said Len Materman is in charge of the sensors as part of the JPA. He announced the Woodside Library is reopening this Saturday, with events beginning at 10:30 a.m., and invited Councilmembers to attend. He announced that staff will be participating in the wildland fire exercise to be held this Saturday and they have invited

members of the EPC to attend and watch. He said PG&E has agreed to come to a special Conservation Committee meeting on April 26 at 6:00 p.m. to discuss the rate changes that will occur in early May.

WRITTEN COMMUNICATIONS [8:01 p.m.]

(9) Town Council Digest – March 25, 2016

#4 – Announcement of WFPD Chipper Dates for 2016. Councilmember Wengert said it did not look like all of the areas of Town were covered, such as Central Portola Valley. Town Manager Dennis said he would look into it.

(10) Town Council Digest – April 1, 2016

(11) Town Council Digest – April 8, 2016

#6 – Letter from Chris Compton, Board President Portola Valley Ranch re: Concern for Mountain Bikes on Coalmine Ridge Trails. Town Manager Dennis said staff is working with PV Ranch on the barriers but said this will be continuing problem as there is no easy solution.

Mayor Derwin said she plans to attend the very important ABAG meeting on April 21, but asked that if something comes up and she is unable to attend, someone from the Council attend in her place.

ADJOURNMENT: 8:05 pm

Mayor Derwin adjourned the meeting.

Mayor

Town Clerk

INVOICE APPROVAL LIST REPORT - DETAIL WITH GL DIST

April 27, 2016

Date: 04/21/2016

Time: 3:37 pm

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TOWN OF PORTOLA VALLEY

Vendor Name	Invoice Description1	Ref No.	Discount Date	
Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

ABAG PLAN CORPORATION	Legal Exp, Pereira J Claim	17434	04/27/2016	
			04/27/2016	
PO BOX 2050	0006		04/27/2016	0.00
OAKLAND	BOA	50557	04/27/2016	0.00
CA 94604-2050				24.00

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4336	Miscellaneous	24.00	0.00

Check No.	50557	Total:	24.00
Total for	ABAG PLAN CORPORATION		24.00

ARC	Annual Resurfacing Proj 15-16	17410	04/27/2016	
			04/27/2016	
P.O. BOX 192224	0112		04/27/2016	0.00
SAN FRANCISCO	BOA	50558	04/27/2016	0.00
CA 94119-2224	1427057			253.59

GL Number	Description	Invoice Amount	Amount Relieved
05-68-4540	CIP15/16 Street Resurface	253.59	0.00

Check No.	50558	Total:	253.59
Total for	ARC		253.59

ASSOCIATED BUSINESS MACHINES	Postage Meter, Ink Cartridge	17424	04/27/2016	
			04/27/2016	
1552 BEACH STREET	0017		04/27/2016	0.00
EMERYVILLE	BOA	50559	04/27/2016	0.00
CA 94608				252.79

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4314	Equipment Services Contracts	252.79	0.00

Check No.	50559	Total:	252.79
Total for	ASSOCIATED BUSINESS MACHINI		252.79

AT&T	3/6/ to 4/5 CALNET 3	17412	04/27/2016	
			04/27/2016	
P.O. BOX 9011	441		04/27/2016	0.00
CAROL STREAM	BOA	50560	04/27/2016	0.00
IL 60197-9011				104.28

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4318	Telephones	104.28	0.00

Check No.	50560	Total:	104.28
Total for	AT&T		104.28

BAY AREA PAVING CO., INC.	Culvert Box/Plate WoodsideHigh	17411	04/27/2016	
			04/27/2016	
P.O. BOX 6339	567		04/27/2016	0.00
SAN MATEO	BOA	50561	04/27/2016	0.00
CA 94403	C52-118			4,000.00

INVOICE APPROVAL LIST REPORT - DETAIL WITH GL DIST

April 27, 2016

Date: 04/21/2016

Time: 3:37 pm

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TOWN OF PORTOLA VALLEY

Vendor Name	Invoice Description1	Ref No.	Discount Date	
Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

GL Number	Description	Invoice Amount	Amount Relieved
90-00-4375	General Expenses	4,000.00	0.00

Check No.	50561	Total:	4,000.00
Total for	BAY AREA PAVING CO., INC.		4,000.00

CALPERS	April Unfunded Liability	17443	04/27/2016	
FISCAL SERVICES DIVISION			04/27/2016	
ATTN: RETIREMENT PROG ACCTG	0107		04/27/2016	0.00
SACRAMENTO	BOA	50562	04/27/2016	0.00
CA 94229-2703				446.00

GL Number	Description	Invoice Amount	Amount Relieved
05-50-4080	Retirement - PERS	446.00	0.00

Check No.	50562	Total:	446.00
Total for	CALPERS		446.00

CHAPARRAL CORPORATION	Earth Fair Petting Zoo	17447	04/27/2016	
		00006367	04/27/2016	
4040 WOODISE ROAD	1448		04/27/2016	0.00
WOODSIDE	BOA	50563	04/27/2016	0.00
CA 94062				800.00

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4335	Sustainability	800.00	800.00

Check No.	50563	Total:	800.00
Total for	CHAPARRAL CORPORATION		800.00

CITY OF REDWOOD CITY (IT)	March Statement	17413	04/27/2016	
			04/27/2016	
P.O. BOX 3629	586		04/27/2016	0.00
REDWOOD CITY	BOA	50564	04/27/2016	0.00
CA 94064				2,111.08

GL Number	Description	Invoice Amount	Amount Relieved
05-54-4216	IT & Website Consultants	2,111.08	0.00

Check No.	50564	Total:	2,111.08
Total for	CITY OF REDWOOD CITY (IT)		2,111.08

CLEANSTREET	Qtrly & March Litter/Street	17414	04/27/2016	
	Clean		04/27/2016	
1937 W. 169TH STREET	0034		04/27/2016	0.00
GARDENA	BOA	50565	04/27/2016	0.00
CA 90247-5254	81899			4,567.47

GL Number	Description	Invoice Amount	Amount Relieved
05-66-4342	Landscape Supplies & Services	74.00	0.00
20-60-4266	Litter Clean Up Program	3,623.37	0.00
22-60-4266	Litter Clean Up Program	870.10	0.00

Check No.	50565	Total:	4,567.47
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INVOICE APPROVAL LIST REPORT - DETAIL WITH GL DIST

April 27, 2016

Date: 04/21/2016

Time: 3:37 pm

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TOWN OF PORTOLA VALLEY

Vendor Name	Invoice Description1	Ref No.	Discount Date	
Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province	Zip/Postal	Invoice Number		Check Amount

<u>Total for</u>	CLEANSTREET	4,567.47
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E M ROOFING	Refund C& D Dep, 2 Leroy	17437	04/27/2016	
			04/27/2016	
843 7TH AVENUE	0471		04/27/2016	0.00
REDWOOD CITY	BOA	50566	04/27/2016	0.00
CA 94063				1,000.00

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4205	C&D Deposit	1,000.00	0.00

Check No.	50566	Total:	1,000.00
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<u>Total for</u>	E M ROOFING	1,000.00
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EXTREME BACKHOE SERVICES	Deposit Refund 137 Ash	17441	04/27/2016	
			04/27/2016	
9900 GUIBAL AVE	1453		04/27/2016	0.00
GILROY	BOA	50567	04/27/2016	0.00
CA 95020				500.00

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4207	Deposit Refunds, Other Charges	500.00	0.00

Check No.	50567	Total:	500.00
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<u>Total for</u>	EXTREME BACKHOE SERVICES	500.00
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FRANCOTYP-POSTALIA, INC.	Meter Rental 4/9/16 to 7/8/16	17438	04/27/2016	
			04/27/2016	
P.O. BOX 4510	0172		04/27/2016	0.00
CAROL STREAM	BOA	50568	04/27/2016	0.00
IL 60197-4510	R1102802647			88.29

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4314	Equipment Services Contracts	88.29	0.00

Check No.	50568	Total:	88.29
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<u>Total for</u>	FRANCOTYP-POSTALIA, INC.	88.29
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HILLYARD, INC	Restroom/Janitorial Supplies	17451	04/27/2016	
		00006370	04/27/2016	
P.O. BOX 874338	531		04/27/2016	0.00
KANSAS CITY	BOA	50569	04/27/2016	0.00
MO 64187-4338				907.94

GL Number	Description	Invoice Amount	Amount Relieved
05-66-4340	Building Maint Equip & Supp	302.64	302.64
05-66-4341	Community Hall	302.65	302.65
25-66-4340	Building Maint Equip & Supp	302.65	302.65

Check No.	50569	Total:	907.94
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<u>Total for</u>	HILLYARD, INC	907.94
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Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

ICMA	March Def Comp	17444	04/27/2016	
VANTAGE POINT TFER AGTS-304617			04/27/2016	
C/O M&T BANK	0084		04/27/2016	0.00
BALTIMORE	BOA	50570	04/27/2016	0.00
MD 21264-4553				3,846.96

GL Number	Description	Invoice Amount	Amount Relieved
05-00-2557	Defer Comp	3,846.96	0.00

Check No.	50570	Total:	3,846.96
Total for	ICMA		3,846.96

ICMA	Annual Membership/Dennis	17452	04/27/2016	
Membership Renewals			04/27/2016	
PO BOX 79403	1123		04/27/2016	0.00
BALTIMORE	BOA	50571	04/27/2016	0.00
MD 21279-0403				1,400.00

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4322	Dues	1,400.00	0.00

Check No.	50571	Total:	1,400.00
Total for	ICMA		1,400.00

J.W. ENTERPRISES	Portable Lavs 4/14-5/11	17425	04/27/2016	
			04/27/2016	
1689 MORSE AVE	829		04/27/2016	0.00
VENTURA	BOA	50572	04/27/2016	0.00
CA 93003				242.44

GL Number	Description	Invoice Amount	Amount Relieved
05-58-4244	Portable Lavatories	242.44	0.00

Check No.	50572	Total:	242.44
Total for	J.W. ENTERPRISES		242.44

RICHARD JASEN	Refund Litter Deposit	17436	04/27/2016	
			04/27/2016	
6 BLUE OAKS COURT	1450		04/27/2016	0.00
PORTOLA VALLEY	BOA	50573	04/27/2016	0.00
CA 94028				100.00

GL Number	Description	Invoice Amount	Amount Relieved
05-00-2562	Field Deposits	100.00	0.00

Check No.	50573	Total:	100.00
Total for	RICHARD JASEN		100.00

JP PAVING	Deposit Refund 59 Hillbrook	17440	04/27/2016	
			04/27/2016	
916 COMMERCIAL ST	1452		04/27/2016	0.00
PALO ALTO	BOA	50574	04/27/2016	0.00
CA 94303				270.00

GL Number	Description	Invoice Amount	Amount Relieved
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Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

96-54-4207	Deposit Refunds, Other Charges	270.00	0.00	
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Check No.	50574	Total:	270.00
Total for	JP PAVING		270.00

JRP HISTORICAL CONSULTING INC	Consulting Historical Review	17442	04/27/2016	
2850 SPAFFORD STREET	1433		04/27/2016	0.00
DAVIS	BOA	50575	04/27/2016	0.00
CA 95618	16-004-03			446.86

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4198	Planner - Charges to Appls	446.86	0.00

Check No.	50575	Total:	446.86
Total for	JRP HISTORICAL CONSULTING IN		446.86

LUCILLE KALMAN	Instructor Fee, Spring 2016	17426	04/27/2016	
245 OLD SPANISH TRAIL	1082		04/27/2016	0.00
PORTOLA VALLEY	BOA	50576	04/27/2016	0.00
CA 94028				1,152.00

GL Number	Description	Invoice Amount	Amount Relieved
05-58-4246	Instructors & Class Refunds	1,152.00	0.00

Check No.	50576	Total:	1,152.00
Total for	LUCILLE KALMAN		1,152.00

LINDY ROOFING	C&D Refund, 25 Cheyenne	17416	04/27/2016	
476 W TAYLOR STREET	1447		04/27/2016	0.00
SAN JOSE	BOA	50577	04/27/2016	0.00
CA 95110				1,000.00

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4205	C&D Deposit	1,000.00	0.00

Check No.	50577	Total:	1,000.00
Total for	LINDY ROOFING		1,000.00

NANCY LUND	Historical Resources Committee	17421	04/27/2016	
240 GOLDEN HILLS	Sleeves/labels/AVG renewal		04/27/2016	0.00
PORTOLA VALLEY	0241		04/27/2016	0.00
CA 94028	BOA	50578	04/27/2016	128.79

GL Number	Description	Invoice Amount	Amount Relieved
05-52-4154	Historic Resources Committee	128.79	0.00

Check No.	50578	Total:	128.79
Total for	NANCY LUND		128.79

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Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

MIG-TRA	Environmental Consulting Svcs	17435	04/27/2016	
	Springdown Pond Proj		04/27/2016	
800 HEARST AVE	1417		04/27/2016	0.00
BERKELEY	BOA	50579	04/27/2016	0.00
CA 94710				3,166.25

GL Number	Description	Invoice Amount	Amount Relieved	
15-68-4414	CIP Spring Down OpSpa Imp	3,166.25	0.00	

Check No.	50579	Total:	3,166.25
Total for	MIG-TRA		3,166.25

ELIZABETH PAPADOPOULOS	Cultural Arts Speaker Series	17417	04/27/2016	
	Reimbursement		04/27/2016	
35 BUCKEYE	0552		04/27/2016	0.00
PORTOLA VALLEY	BOA	50580	04/27/2016	0.00
CA 94028				157.15

GL Number	Description	Invoice Amount	Amount Relieved	
05-52-4150	Cultural Arts Committee	157.15	0.00	

Check No.	50580	Total:	157.15
Total for	ELIZABETH PAPADOPOULOS		157.15

PAW PRINTS	Picnic Banners w/Date Change	17422	04/27/2016	
			04/27/2016	
3166 BAY ROAD	857		04/27/2016	0.00
REDWOOD CITY	BOA	50581	04/27/2016	0.00
CA 94063	30154			54.63

GL Number	Description	Invoice Amount	Amount Relieved	
05-52-4158	Parks & Recreation Committee	54.63	0.00	

Check No.	50581	Total:	54.63
Total for	PAW PRINTS		54.63

PENINSULA BACKFLOW (DBA)	Backflow Test & Certify	17450	04/27/2016	
Chris S. Staggs-Richards		00006371	04/27/2016	
51 BROADWAY	383		04/27/2016	0.00
REDWOOD CITY	BOA	50582	04/27/2016	0.00
CA 94063				720.00

GL Number	Description	Invoice Amount	Amount Relieved	
05-58-4240	Parks & Fields Maintenance	720.00	720.00	

Check No.	50582	Total:	720.00
Total for	PENINSULA BACKFLOW (DBA)		720.00

PORTOLA VALLEY HARDWARE	February Statement	17446	04/27/2016	
			04/27/2016	
112 PORTOLA VALLEY ROAD	0114		04/27/2016	0.00
PORTOLA VALLEY	BOA	50583	04/27/2016	0.00
CA 94028				489.92

GL Number	Description	Invoice Amount	Amount Relieved	
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Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

05-60-4267	Tools & Equipment	454.26	0.00	
05-64-4308	Office Supplies	35.66	0.00	

Check No.	50583	Total:	489.92
Total for	PORTOLA VALLEY HARDWARE		489.92

R&R RAINGUTTERS, INC	Backyard Habitat Awards	17449	04/27/2016	
		00006369	04/27/2016	
810 E. SAN CARLOS AVE., STE A	0366		04/27/2016	0.00
SAN CARLOS	BOA	50584	04/27/2016	0.00
CA 94070				1,500.00

GL Number	Description	Invoice Amount	Amount Relieved
05-52-4144	Conservation Committee	1,500.00	1,500.00

Check No.	50584	Total:	1,500.00
Total for	R&R RAINGUTTERS, INC		1,500.00

RAMONA'S SECRETARIAL SERVICES	March Transcription	17427	04/27/2016	
			04/27/2016	
18403 WATTERS DRIVE	1370		04/27/2016	0.00
CASTRO VALLEY	BOA	50585	04/27/2016	0.00
CA 94546	5904			1,304.00

GL Number	Description	Invoice Amount	Amount Relieved
05-54-4188	Transcription Services	1,304.00	0.00

Check No.	50585	Total:	1,304.00
Total for	RAMONA'S SECRETARIAL SERVIC		1,304.00

ROBERTS MARKET	March Statement	17420	04/27/2016	
			04/27/2016	
3015 WOODSIDE ROAD	1236		04/27/2016	0.00
WOODSIDE	BOA	50586	04/27/2016	0.00
CA 94062				375.86

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4336	Miscellaneous	375.86	0.00

Check No.	50586	Total:	375.86
Total for	ROBERTS MARKET		375.86

RON RAMIES AUTOMOTIVE, INC.	March Fuel Statement	17418	04/27/2016	
			04/27/2016	
115 PORTOLA ROAD	422		04/27/2016	0.00
PORTOLA VALLEY	BOA	50587	04/27/2016	0.00
CA 94028				110.83

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4334	Vehicle Maintenance	110.83	0.00

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Vendor Name	Invoice Description1	Ref No.	Discount Date	
Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

RON RAMIES AUTOMOTIVE, INC.	Vehicle Maintenance	17445	04/27/2016	
			04/27/2016	
115 PORTOLA ROAD	422		04/27/2016	0.00
PORTOLA VALLEY	BOA	50587	04/27/2016	0.00
CA 94028	50794,50670,50735			859.38

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4334	Vehicle Maintenance	859.38	0.00

Check No.	50587	Total:	970.21
Total for	RON RAMIES AUTOMOTIVE, INC.		970.21

ROTO-ROOTER PLUMBERS	Sewer Repair, Library	17428	04/27/2016	
			04/27/2016	
5672 COLLECTION CENTER DR	360		04/27/2016	0.00
CHICAGO	BOA	50588	04/27/2016	0.00
IL 60693	19318993137			498.00

GL Number	Description	Invoice Amount	Amount Relieved
25-66-4346	Mechanical Sys Maint & Repair	498.00	0.00

Check No.	50588	Total:	498.00
Total for	ROTO-ROOTER PLUMBERS		498.00

SAN MATEO CO INF SERVICES	March Microwave	17415	04/27/2016	
			04/27/2016	
455 COUNTY CENTER, 3RD FLOOR	0307		04/27/2016	0.00
REDWOOD CITY	BOA	50589	04/27/2016	0.00
CA 94063	1YPV11603			76.00

GL Number	Description	Invoice Amount	Amount Relieved
05-52-4152	Emerq Preparedness Committee	76.00	0.00

Check No.	50589	Total:	76.00
Total for	SAN MATEO CO INF SERVICES		76.00

MARK SAUSVILLE	Deposit Refund, 150 Fawn	17439	04/27/2016	
			04/27/2016	
150 FAWN LANE	1451		04/27/2016	0.00
PORTOLA VALLEY	BOA	50590	04/27/2016	0.00
CA 94028				385.00

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4207	Deposit Refunds, Other Charges	385.00	0.00

Check No.	50590	Total:	385.00
Total for	MARK SAUSVILLE		385.00

SHARP BUSINESS SYSTEMS	March Copies	17419	04/27/2016	
			04/27/2016	
DEPT. LA 21510	0199		04/27/2016	0.00
PASADENA	BOA	50591	04/27/2016	0.00
CA 91185-1510	C901121-541			391.40

GL Number	Description	Invoice Amount	Amount Relieved
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Vendor Name	Invoice Description1	Ref No.	Discount Date	
Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

05-64-4308	Office Supplies	391.40	0.00	
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Check No.	50591	Total:	391.40
Total for	SHARP BUSINESS SYSTEMS		391.40

SMALL BUSINESS BENEFIT PLAN TR	May Dental/Vision	17423	04/27/2016	
			04/27/2016	
	0132		04/27/2016	0.00
BELMONT	BOA	50592	04/27/2016	0.00
CA 94002-0156				2,126.40

GL Number	Description	Invoice Amount	Amount Relieved	
05-50-4090	Health Ins Dental & Vision	2,126.40	0.00	

Check No.	50592	Total:	2,126.40
Total for	SMALL BUSINESS BENEFIT PLAN		2,126.40

SOLIZ ROOF REPAIR INC	Refund C&D Dep, 277 Portola	17429	04/27/2016	
			04/27/2016	
18432 LOCUST AVE	425		04/27/2016	0.00
PATTERSON	BOA	50593	04/27/2016	0.00
CA 95363				1,000.00

GL Number	Description	Invoice Amount	Amount Relieved	
96-54-4205	C&D Deposit	1,000.00	0.00	

Check No.	50593	Total:	1,000.00
Total for	SOLIZ ROOF REPAIR INC		1,000.00

STAPLES CREDIT PLAN	Office Supplies 3/16 to 4/7	17431	04/27/2016	
			04/27/2016	
DEPT. 31 - 0000306219	430		04/27/2016	0.00
PHOENIX	BOA	50594	04/27/2016	0.00
AZ 85062-8004				896.19

GL Number	Description	Invoice Amount	Amount Relieved	
05-64-4308	Office Supplies	896.19	0.00	

Check No.	50594	Total:	896.19
Total for	STAPLES CREDIT PLAN		896.19

SHELLY SWEENEY	Instructor Fee, Spring 2016	17430	04/27/2016	
			04/27/2016	
285 GRANDVIEW DRIVE	407		04/27/2016	0.00
WOODSIDE	BOA	50595	04/27/2016	0.00
CA 94062				2,416.00

GL Number	Description	Invoice Amount	Amount Relieved	
05-58-4246	Instructors & Class Refunds	2,416.00	0.00	

Check No.	50595	Total:	2,416.00
Total for	SHELLY SWEENEY		2,416.00

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Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

US PUREWATER	Earth Fair Water for event	17448	04/27/2016	
		00006368	04/27/2016	
20 GALLI DRIVE, SUITE E	1449		04/27/2016	0.00
NOVATO	BOA	50596	04/27/2016	0.00
CA 94949				510.00

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4335	Sustainability	510.00	510.00

Check No.	50596	Total:	510.00
Total for	US PUREWATER		510.00

KATHY WADDELL	Instructor Fees, Winter 2016	17432	04/27/2016	
			04/27/2016	
460 CERVANTES ROAD	1354		04/27/2016	0.00
PORTOLA VALLEY	BOA	50597	04/27/2016	0.00
CA 94028				192.00

GL Number	Description	Invoice Amount	Amount Relieved
05-58-4246	Instructors & Class Refunds	192.00	0.00

Check No.	50597	Total:	192.00
Total for	KATHY WADDELL		192.00

WORRELL ROOFING	Refund C&D Dep, 40 Quail	17433	04/27/2016	
			04/27/2016	
3790 EL CAMINO REAL	669		04/27/2016	0.00
PALO ALTO	BOA	50598	04/27/2016	0.00
CA 94306				1,000.00

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4205	C&D Deposit	1,000.00	0.00

Check No.	50598	Total:	1,000.00
Total for	WORRELL ROOFING		1,000.00

Total Invoices:	43	Grand Total:	41,871.50
		Less Credit Memos:	0.00

Net Total:	41,871.50
Less Hand Check Total:	0.00
Outstanding Invoice Total:	41,871.50

**TOWN OF PORTOLA VALLEY
Warrant Disbursement Journal
April 27, 2016**

Claims totaling \$41,871.50 having been duly examined by me and found to be correct are hereby approved and verified by me as due bills against the Town of Portola Valley.

Date _____

Jeremy Dennis, Treasurer

Motion having been duly made and seconded, the above claims are hereby approved and allowed for payment. Signed and sealed this (Date) _____

Sharon Hanlon, Town Clerk

Mayor

#3

There are no written materials for item #3 – Cultural Arts
Committee Annual Report

Town of Portola Valley Parks & Recreation Annual Report 2016

Membership

Lindsay Bowen
Wendi Haskell
Simone LaValle, Chair
Jon Myers
Sally Ann Reiss since October 2015
Scott Symon, Co-Chair

Chris Bouman resigned from the committee in August when he moved out of the area.

Events

Town Picnic

The town picnic is organized by Parks & Recreation in collaboration with the boys and girls scouts. The event happens the first Saturday in June, one week before the local public schools are out for summer break. It is the main fundraiser for the boys and girls scouts.

Zots to Tots Race

The Zots to Tots race happens in the early morning of the day of the town picnic. It is sponsored by the Parks & Recreation committee with the help of many volunteers. The registration fee is \$20 for adults and \$15 for children. The adult registration fee was raised by \$5 last year to cover the increasing costs. Each participant receives a customized t-shirt. The race allows participation with bikes and trikes, which has become the main means for younger racers to participate. Safety has been a huge priority in the last few years. The many volunteers make the race safe for the participants and the San Mateo County police helps with the rolling road closures.

Last year, the committee discontinued the community outreach for the t-shirt contest as the number of participation has diminished to too few.

Projects

Athletic Fields

There was a lot of discussion about the conservation of water mandated by the governor. The fields were severely damaged after the fall and the public works director, Howard Young along with Jensen Landscaping made every effort to restore the fields to good conditions.

Ford Field Updates

The committee continues to support the efforts in finishing up all the upgrades at Ford Field. After the renovation and a few small projects, there is approximately \$35k left over for Little League to improve other parts of the ballpark.

Little League has a few other items that they would like to upgrade and this will continuously be worked on until all funds are spent. This committee will continue to support these efforts with Public Works Director's guidance and direction.

Horse Shoe Pit

Committee member, Jon Myers took the initiative to collaborate with the town to build an unofficial horse shoe pit in the area between Portola Road and the all sports court. It is a no to low cost project and due its basic structure, no town council discussion had to take place.

Skate Ramp Phase 2 – Half-Pipe

After long deliberation and due to lack of community drive, the committee has come to the conclusion to abort any effort to bring a half-pipe to town center.

AED

Parks & Rec was in full support of mounting the AED device outside for 24 hour access in case of an emergency. This project was lead by Lorrie Duval a member of the community.

Community Outreach

The committee has started to work on community outreach within the sport user groups that use the PV fields. Representatives of Alpine Little League Baseball and Softball, AYSO, CYSA, PV Men's Soccer, and PV Adult Co-ed Soccer have been invited to share the following.

- New & interesting aspects of their organization
- Overview of program with a focus on new and interesting aspects
- Calendar from tryouts, start and end of the season
- Number of participants
- Number of volunteers
- Challenges and obstacles

The reason for this outreach is for the committee to evaluate what new projects might be explored in the future. Additionally, their experience and need will guide the committee's plan of action in the contribution to the Town Center Master Plan update.

Survey

The committee received the approval from the Town Council to move forward with the survey it created to receive public input on the facilities and programs as it pertains to parks and recreation. The evaluation and analysis of this survey will also be used in guiding the committee when discussing important public opinion in regards to the Town Center Master Plan. The survey is going live in February or March.

Management of Recreation Classes

The committee prepares to discuss the management of recreation classes offered at the Town Center. The current system relies on one person at the town to enter information. Parks & Recreation will look into more effective ways to

making the registration process smoother between the instructor, the participants, and the town.

New online platforms will be explored and evaluated to then present the town council with a couple of options. The objective is to make it more user-friendly and free up valuable employee time and make the collaboration more productive.

Here is the link to the platform in progress: <https://www.playyon.com/portola-valley-parks-rec/teams/>

Budget

Parks & Recreation budget includes \$11,000 for the 2016 fiscal year. The Zots to Tots race budgets \$3,000 annually, which is generally covered with the registration fees. Going forward and with increased costs, the committee might consider raising the budgeted amount to \$3,500.

Notes for the Future

Parks & Recreation wants to be involved in the “Town Center Master Plan Update” and how the ideas would impact the athletic fields, all sports court and its users. The committee would like to be asked for input as it pertains to the areas of parks and recreation.

#5

There are no written materials for item #5 – Presentation of the April 16, 2016 Wildland Fire Exercise

#6

There are no written materials for item #6 – Council Liaison Committee and Regional Agencies Reports

#7

There are no written materials for item #7 – Town Manager Report

TOWN COUNCIL WEEKLY DIGEST

Friday – April 15, 2016

1. Agenda (Action) – Town Council – Wednesday, April 13, 2016
2. Agenda – Water Conservation Committee - Monday, April 18, 2016
3. Agenda (Cancellation) – Planning Commission – Wednesday, April 20, 2016
4. Report from San Mateo County Sheriff's Office – Incident Log for 04/04/16 – 04/10/16

Attached Separates (Council Only)

(placed in your town hall mailbox)

1. None



TOWN OF PORTOLA VALLEY

7:00 PM – Regular Meeting of the Town Council
 Wednesday, April 13, 2016
 Historic Schoolhouse
 765 Portola Road, Portola Valley, CA 94028

ACTION AGENDA

7:00 PM - CALL TO ORDER AND ROLL CALL

Councilmember Aalfs, Councilmember Wengert, Councilmember Richards, Vice Mayor Hughes and Mayor Derwin

All Present

ORAL COMMUNICATIONS

Persons wishing to address the Town Council on any subject may do so now. Please note however, that the Council is not able to undertake extended discussion or action tonight on items not on the agenda.

None

CONSENT AGENDA

The following items listed on the Consent Agenda are considered routine and approved by one roll call motion. The Mayor or any member of the Town Council or of the public may request that any item listed under the Consent Agenda be removed and action taken separately.

1. **Approval of Minutes** – Town Council Meeting of March 23, 2016

Approved as Amended 5-0

2. **Approval of Warrant List** – April 13, 2016

Approved as Amended 5-0

3. **Appointment by Mayor** – Request for Appointment of Member to the Open Space Acquisition Advisory Committee

4. **Recommendation by Town Manager** – Proclamation of the Mayor Proclaiming May 2016 as National Bike Month in San Mateo County

Item 3 & 4 - Approved 5-0

REGULAR AGENDA

STAFF REPORTS AND RECOMMENDATIONS

5. **Recommendation by Town Manager** – Council Priorities for FY 2016-2017

2016-2017 Council Priorities approved as amended, adding Spring Down Vernal Pool Permitting and Town Investment Strategies Update to the high priority list 5-0

6. **Recommendation by Town Manager** – Library Donor Funds Allocation

Request of \$81,103.11 in San Mateo County Library Donor Revenue for Town Staff Support of the Portola Valley Library Approved 5-0

7. COUNCIL LIAISON COMMITTEE AND REGIONAL AGENCIES REPORTS

Report by Town Council Members – Brief announcements or reports on items of significance for the entire Town Council arising out of liaison appointments to both in-town and regional committees and initiatives. *There are no written materials and the Town Council does not take action under this agenda item.*

Councilmember Aalfs -

Attended two Peninsula Clean Energy (PCE) meetings where Councilmember Aalfs was elected Vice Chair of the PCE Board. Attended a talk at Stanford given by economist Frank Wolak regarding renewable energy investments.

Councilmember Wengert –

Attended the April 6th Airport Roundtable meeting which continues to attract concerned bay area residents. The newly formed Select Committee will meet once it receives a response from the FAA concerning public input from the Community Meeting held on March 7th in Los Altos. Met with Bill Urban, Finance Committee Chair, and Town Manager Dennis to discuss the proposed town investment strategy.

Councilmember Richards –

Meet with Dave Ross, ASCC Chair and Public Works Director Young to finalize the installation of the Ormonde Sign at Shady Trail.

Vice Mayor Hughes –

Attended the March 28th ASCC meeting and reviewed a site development permit for a new residence on Cherokee Way, a lot line adjustment for a property on Wayside Road and a proposed dog park in Portola Valley Ranch. Bicycle, Pedestrian & Traffic Safety Committee heard from resident Loverine Taylor regarding the noise and parking situation on Naranja Way due to multiple construction projects. May is National Bike Month. Heard concern for a lack of safety at Los Trancos & Alpine Road intersection when kids are going to or coming from Corte Madera, headed to Alpine Hills Tennis & Swim Club for after school activities. Cal Water project on Portola Road is expected to reach the pump station in two weeks then one month of testing followed by repaving in June. New signage for parking at Windy Hill continues to be a success.

Mayor Derwin –

Attended a C/CAG meeting and heard from Speaker K.R. Sridhar with Bloom Energy. A C/CAG Water Committee meeting that finalized its guiding principles and water topics for the committee. Attended the Progress Seminar with Town Manager Dennis, held April 9th & 10th in Monterey. The Mayor reestablished staff lunch with the Mayor and Vice Mayor. Mayor Derwin met with legislative aides from Senator Barbara Boxer's office and Senator Jerry Hill's office, and will hold a coffee at Robert's Market with Supervisor Don Horsley.

Town Manager Report –

Town Manager Dennis reported a claim had been filed with the Town. He has attended a variety of meetings and will add a proposed resolution to a near future agenda, supporting President Obama and EPA Clean Power Plan. He met with Len Materman, Executive Director of the San Francisquito Creek Joint Powers Authority, to discuss sensors on Stanford land that provide readings of water levels in the creek. Upcoming items include the Wildland Fire Exercise and reopening of the recently renovated Woodside Library, on Saturday, April 16th. PG&E has agreed to attend a special meeting of the Conservation Committee, scheduled for April 26th at 6 pm, to discuss the rate changes that will take place in early May.

WRITTEN COMMUNICATIONS

9. **Town Council Digest – March 25, 2016**

10. **Town Council Digest – April 1, 2016**

11. **Town Council Digest – April 8, 2016**

#6 – Staff will continue to monitor the barriers at PV Ranch trails

ADJOURNMENT: 8:05 pm

ASSISTANCE FOR PEOPLE WITH DISABILITIES

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Town Clerk at (650) 851-1700. Notification 48 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to this meeting.

AVAILABILITY OF INFORMATION

Copies of all agenda reports and supporting data are available for viewing and inspection at Town Hall and at the Portola Valley Library located adjacent to Town Hall. In accordance with SB343, Town Council agenda materials, released less than 72 hours prior to the meeting, are available to the public at Town Hall, 765 Portola Road, Portola Valley, CA 94028.

SUBMITTAL OF AGENDA ITEMS

The deadline for submittal of agenda items is 12:00 Noon WEDNESDAY of the week prior to the meeting. By law no action can be taken on matters not listed on the printed agenda unless the Town Council determines that emergency action is required. Non-emergency matters brought up by the public under Communications may be referred to the administrative staff for appropriate action.

PUBLIC HEARINGS

Public Hearings provide the general public and interested parties an opportunity to provide testimony on these items. If you challenge any proposed action(s) in court, you may be limited to raising only issues you or someone else raised at the Public Hearing(s) described in this agenda, or in written correspondence delivered to the Town Council at, or prior to, the Public

Hearing(s).



TOWN OF PORTOLA VALLEY
Water Conservation Committee
Monday, April 18, 2016 2:00 PM to 4:00 PM
Town Hall, Conference Room
765 Portola Road, Portola Valley, CA 94028

AGENDA

1. Call To Order
2. Roll Call
3. Oral Communications
4. Approval of Minutes – March 21, 2016
5. Old Business:
 - a. Update from Maryann
 - b. Report Back on Water Conservation Events (Showcase & Water Awards)
 - c. Review & Approval of Budget for 2016/2017 Fiscal Year
 - d. Review Earth Fair Preparations (Saturday, April 23rd)
6. New Business:
 - a. none
7. Announcements
 - a. Film Series – The Starfish Throwers: Tuesday, April 19th at 7 pm (Community Hall) www.portolavalley.net/filmseries
 - b. Sustainable Silicon Valley Water Symposium – Resilience & Reuse: Monday, May 23rd <https://www.eventbrite.com/e/spring-water-symposium-resilience-and-reuse-tickets-22237961341>
8. Set Date and Topics for next meeting
9. Adjournment



MEMORANDUM

TOWN OF PORTOLA VALLEY

TO: Planning Commission

FROM: CheyAnne Brown, Planning Technician

DATE: April 14, 2016

RE: Cancelation of Planning Commission Meeting

The regular meeting of the Planning Commission scheduled for Wednesday, April 20, 2016 has been canceled. The next regular meeting of the Planning Commission is scheduled for Wednesday, May 4, 2016 at 7:00 p.m.

cc: Town Manager
Town Council
Town Planner
The Almanac

This Notice is posted in compliance with Section 54955 of the Government Code of the State of California.

Date: April 14, 2016

CheyAnne Brown
Planning Technician



SHERIFF'S OFFICE

A TRADITION OF SERVICE SINCE 1856

San Mateo County Sheriff's Office (Headquarters Patrol) Press

Information on selected incidents and arrests are taken from initial Sheriff's Office case reports. Not all incidents are listed due to investigative restrictions and victim privacy rights.

Monday 04/04/16 to Sunday 04/10/16

Greg Munks
Sheriff

CASE NUMBER	DATE & TIME Reported	LOCATION	DESCRIPTION	FACTUAL CIRCUMSTANCES
16-03279	04/05/16 08:31PM	3000 blk of Alameda De Las Pulgas West Menlo Park	Obtain/Use Personal ID w/o auth-Felony	The deputy was dispatched for a report on an identity theft. The deputy met with the victim who informed him that the Internal Revenue Service sent the victim a letter regarding someone attempting to file 2016 taxes in victim's name. Victim told the deputy there was no financial loss as a result of the fraudulent tax return filed. The internal Revenue Service has since put a flag on her accounts and is investigating the incident.
16-03267	04/05/16 10:30AM	2000 of Sand Hill Rd West Menlo Park	Personate Get Money/PropObtain/Use Personal ID w/o authorization- Felony	The deputy was dispatched on a report on a past identity theft. The deputy met with the victims who stated that their accountant advised he had tried to file their 2015 state and federal tax returns, but both were rejected. The cause for rejection was due to the fact that an unknown suspect(s) had already filed state and federal tax returns by impersonating the victims.

16-03285	04/06/16 12:16AM	3300 blk of Middlefield Rd North Fair Oaks	Terrorist Threats	Deputies responded on the report of a suspect threatening a man with a gun. Deputies arrived and contacted victim who advised he was in an argument with his neighbor in regards to surveillance cameras. The suspect grabbed victim's wrist area and said he was going to kill victim if he removed his surveillance camera. Victim believed to see a black object on suspect waist which he believed to be a gun. Victim felt that suspect would carry out his threat, and feared for his safety. As deputies were obtaining Aguilar's statement, Imperial walked out of his business. Deputies had him at gunpoint and instructed suspect to place his hands behind his back. I detained suspect in handcuffs while I conducted my investigation. Once I completed my investigation, suspect was arrested for PC 422-criminal threats and booked into the Maguire Correctional Facility without incident.
16-03373	04/08/16 11:45AM	Buckemeadows Dr/Los Trancos Rd Portola Valley	General Information Case	The deputy was dispatched on the report of an overturned tractor trailer rig. Radio received additional info that the trailer had dumped a load of gravel on roadway; the northbound lane of Los Trancos Road was blocked with a load of gravel. Deputy contacted driver that stated he was trying to make a "U-Turn" in the roadway when the load shifter and the trailer slowly overturned dumping half of its load onto the road. The only damage sustained in this event was to the driver's trailer which damaged the towing neck. The one lane of the roadway was quickly cleared by the construction crew associated with the delivery. The Sheriff's Office was able to provide one way traffic control most of the time but when the two tow trucks were in position to overturn the trailer the roadway was completely closed for approximately one hour.
16-03379	04/08/16 Unknown	900 blk of Far Creek Wy North Fair Oaks	Obtain/Use Personal ID w/o auth-Felony	Victim learned she had been the victim of identity theft by unknown suspect(s). The suspect(s) made a charge to her credit card account. Victim did not sustain a financial loss and only requested a report for proper documentation regarding the incident.

TOWN COUNCIL WEEKLY DIGEST

Friday – April 22, 2016

1. Agenda – ASCC - Monday, April 25, 2016
2. Agenda – Conservation Committee – Tuesday, April 26, 2016
3. Town Hall Closed for Staff Development Meeting – Friday, April 29, 2016
4. Memo from Public Works Director Young re: California Water Service Construction Project on Portola Road - Schedule of Remaining Work and Road Condition during the month long testing
5. Request from the Portola Valley Library re: Use of the Historic Schoolhouse on Friday, May 6, 2016
6. Letter from resident Joan Barksdale re: Letter of Support for Windmill School
7. Report from San Mateo County Sheriff's Office – Incident Log for 04/11/16 – 04/17/16
8. Invitation from Supervisor Warren Slocum re: First Annual "San Mateo County Open House and Resource Event" for Veterans in San Mateo County - Friday, April 29, 2016
9. Letter from Senator Feinstein and Senator Boxer to Michael Huerta, Administrator for Federal Aviation Association (FAA) re: Request to Address Noise Impacts of the NextGen Initiative on California Communities
10. Letter from ABAG Planning and Research Staff re: Update from Association of Bay Area Governments (ABAG) regarding their potential merger with Metropolitan Transportation Commission (MTC)
11. Notice of Meeting - Administrative Committee of ABAG to Discuss Proposed Merger Options as Presented by Management Partners
12. Email from Zelda Bronstein, Bay Area Activist, Writer and former Chair of Berkeley Planning Commission re: Article in the April 15, 2016 publication of the Marin Post "Regional Government Sells Out Bay Area Cities"

Attached Separates (Council Only)

(placed in your town hall mailbox)

1. Invitation from Housing Endowment and Regional Trust (HEART) of San Mateo County re: Donor Recognition Party, Wednesday, May 11, 2016
2. Invitation from Housing Leadership Council of San Mateo County re: Annual Policy Luncheon Friday, May 13, 2016



**TOWN OF PORTOLA VALLEY
ARCHITECTURAL AND SITE CONTROL COMMISSION (ASCC)
Monday, April 25, 2016
7:00 PM – Regular ASCC Meeting
Special Field Meetings (time and place as listed herein)
Historic Schoolhouse
765 Portola Road, Portola Valley, CA 94028**

SPECIAL ASCC FIELD MEETING*

3:00 p.m. 1260 Westridge Drive Field meeting for Second Preliminary Architectural Review and Site Development Permit review for development on three parcels.

SPECIAL JOINT ASCC/PLANNING COMMISSION FIELD MEETING*

4:00 p.m. 900 Portola Road Field meeting for Preliminary Review of Proposed Windmill School and Family Education Center Master Plan.

7:00 PM – REGULAR AGENDA*

1. Call to Order:
2. Roll Call: Commissioners Koch, Sill, Wilson, Vice Chair Breen and Chair Ross
3. Oral Communications:

Persons wishing to address the Commission on any subject, not on the agenda, may do so now. Please note, however, the Commission is not able to undertake extended discussion or action tonight on items not on the agenda.

4. Old Business:
 - a. Continued Architectural Review and Site Development Permit Review for a New Residence, Second Unit and Swimming Pool, File #02-2016, 185 Meadowood Drive, Bochnowski Residence (Staff: D. Pedro)
 - b. Second Preliminary Architectural Review and Site Development Permit review for development on three parcels located at 1260 Westridge Drive, Carano Residences (Staff: C. Richardson)

Parcel A: New residence, pool, detached garage and second unit File #26-2015

Parcel B: New residence and detached garage File #27-2015

Parcel C: New residence, detached garage and tennis court File #28-2015

5. New Business:
 - a. Preliminary review for a General Plan and Zoning Ordinance Amendment, Conditional Use Permit, Architectural Review and Site Development Permit for the Windmill School and Family Education Center Master Plan. File #32-2015 (Staff: C. Richardson)
6. Commission and Staff Reports:

7. Approval of Minutes: April 11, 2016
 8. Adjournment:
-

*For more information on the projects to be considered by the ASCC at the Special Field and Regular meetings, as well as the scope of reviews and actions tentatively anticipated, please contact Carol Borck in the Planning Department at Portola Valley Town Hall, 650-851-1700 ex. 211. Further, the start times for other than the first Special Field meeting are tentative and dependent on the actual time needed for the preceding Special Field meeting.

PROPERTY OWNER ATTENDANCE. The ASCC strongly encourages a property owner whose application is being heard by the ASCC to attend the ASCC meeting. Often issues arise that only property owners can responsibly address. In such cases, if the property owner is not present it may be necessary to delay action until the property owner can meet with the ASCC.

WRITTEN MATERIALS. Any writing or documents provided to a majority of the Town Council or Commissions regarding any item on this agenda will be made available for public inspection at Town Hall located 765 Portola Road, Portola Valley, CA during normal business hours.

ASSISTANCE FOR PERSONS WITH DISABILITIES

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Assistant Planner at 650-851-1700, extension 211. Notification 48 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to this meeting.

PUBLIC HEARINGS

Public Hearings provide the general public and interested parties an opportunity to provide testimony on these items. If you challenge a proposed action(s) in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing(s) described later in this agenda, or in written correspondence delivered to the Planning Commission at, or prior to, the Public Hearing(s).

This Notice is Posted in Compliance with the Government Code of the State of California.

Date: April 22, 2016

CheyAnne Brown
Planning Technician



TOWN OF PORTOLA VALLEY
Special Conservation Committee Meeting
Tuesday, April 26, 2016 – 6:00 PM
Community Hall at Town Center
765 Portola Road, Portola Valley, CA

SPECIAL MEETING AGENDA

6:00 – Presentation on New PG&E Rate Structure for 2016

7:30 – Regular Meeting Agenda

1. Call Meeting to Order
2. Oral Communications – Pearl’s Premium grass/Delta Bluegrass new “grass”
3. Approval of March 22, 2016 minutes
4. Current Site Permits:
 - Feedback about reports
 - Mexican feather grass
 - don’t editorialize
 - a) 1260 Westridge
5. Old Business
 - A. Budget
 - B. BYH - DeStaebler
 - C. Tip of the month – Eastman
 - D. Kudo of the Month – Murphy
 - E. Guide to Town Center Plantings – Chiariello – ready for our annual report to Council?
(May 25th)
 - F. Annual report to Council
 - G. Monarch waystations
 - H. Local Native seed collection - Plunder
 - I. Committee/Town cooperation
 - a) Trails
 - b) Cultural Arts – Library Project
 - c) Public Works
 - a. Native plant garden
 - b. Schoolhouse front yard
 - c. Long Range Planning Committee
 - d. Water Conservation Committee
 1. Native Water-wise Garden tour
 - e. Earth Day 4/223 11am – 2:30pm debrief
 - d) Revised PV Ranch planting list - ? delivered
 - e) Wells
 - J. Weed seedling info sheet – Heiple
 - K. Ban on Poison bait – DeStabler/Chiariello
 - L. Revised PV Ranch planting list – delivered?
 - M. Wells
6. New Business
 - a) CC sponsor SOD blitz

7. Action Plan
8. Announcements
 - a) Next meeting May 24, 2016 7:30 pm
9. Adjournment



PORTOLA VALLEY TOWN HALL

**WILL BE CLOSED
FRIDAY, APRIL 29TH, 2016
12:00 PM – 5:00 PM**

FOR STAFF DEVELOPMENT MEETING

IN CASE OF EMERGENCY: SHERIFF'S OFFICE: 911



MEMORANDUM

TOWN OF PORTOLA VALLEY

TO: Mayor and Members of the Town Council

FROM: Howard Young, Public Works Director

DATE: April 21, 2016

RE: **California Water Service Construction Project on Portola Road-
Follow up question from April 13, 2016 Council meeting**

Council Member Craig Hughes provided a summary report from his 4/6/16 BPTS Committee meeting concerning the California Water Service water main project on Portola Road and their upcoming schedule of remaining work. Part of the upcoming work will consist of a month of testing and disinfection of the newly installed waterline. Once the waterline passes tests, permanent asphalt paving of the trench will occur.

Questions arose concerning the road condition during the month of Calwater's testing and before final asphalt paving of the trench. Specifically the placement of long term metal plates to cover trenches until Calwater's testing is completed.

Response:

Once the initial waterline work is completed, there will not be any long term metal plates located in the driving lanes of Portola Road. There will be a set of long term metal plates off the road shoulder on Portola Road at Santa Maria. The Town has asked Calwater to provide at least a 6' shoulder for bicycle travel at this location. They have indicated that they will do so. Staff and Calwater have driven the trench path which is currently appropriate for traffic and discussed potential concerns. The pavement will be maintained by Calwater until permanent restoration is performed in July 2016. The permanent paving will be 12" wider on both sides of the existing trench.

Calwater has also posted an updated construction schedule on their website at <https://www.calwater.com/about/bg-infrastructure/>. A copy is attached. According to their schedule, minor lateral tie in's will still be taking place.

Attachment: Calwater project schedule

BG Sta 8-13 Public Schedule

ID	Task Name	Duration	Start	Finish	Predecessors	1st Half											
						1st Quarter Feb	Mar	Apr	2nd Quarter May	Jun	Jul	3rd Quarter Aug	Sep	Oct	4th Quarter Nov		
1	Station 013 Construction	175 days	Mon 2/29/16	Fri 10/28/16													
2	Station 13 Improvements	110 days	Mon 2/29/16	Fri 7/29/16													
3	Station 8 Demolition	15 days	Mon 8/1/16	Fri 8/19/16	2												
4	ASCC directed landscaping design	20 days	Mon 8/1/16	Fri 8/26/16	2												
5	Bid/Award Landscape Scope	30 days	Mon 8/29/16	Fri 10/7/16	4												
6	Landscaping Install	15 days	Mon 10/10/16	Fri 10/28/16	5												
7	Pipeline Construction	70 days	Mon 4/25/16	Fri 7/29/16													
8	Northern Testing, disinfection, tie-ins	15 days	Mon 4/25/16	Fri 5/13/16													
9	Northern Paving and Striping	15 days	Mon 5/16/16	Fri 6/3/16	8												
10	Southern Testing, disinfection, tie-ins	20 days	Mon 6/6/16	Fri 7/1/16	9,2FS-40 days												
11	Southern Final Paving and Striping	20 days	Mon 7/4/16	Fri 7/29/16	10												

Date: Tue 4/19/16

	Inactive Milestone		Manual Task		Manual Summary		External Milestone
			Duration-only		Finish-only		
	Manual Summary Rollup						

From: Kuramoto, Garrett [<mailto:kuramoto@smcl.org>]
Sent: Friday, April 22, 2016 12:05 PM
To: Cindy Rodas
Subject: RE: May 6th & May 7th

Hello Cindy,

We would like to request use of the Historic Schoolhouse during our Friday, May 6 Staff Development Day event. This is an annual training program for all San Mateo County Library employees, including staff at the Portola Valley Library. Various events and educational sessions throughout the day will be held in the Community Hall, Library, and other Town Center spaces. We propose to use the schoolhouse to hold a series of classroom-style workshops, for up to 45 employees at a time, in rotating shifts between 10:00 a.m. and 4:00 p.m. on Friday, May 6. It is my understanding that we have used this space in the past although I do not have the specific records at hand at this time. We have held the annual training event at the Portola Valley Town Center for the past several years very successfully and staff throughout our system are looking forward to returning again this May.

Thank you for your consideration.

Garrett Kuramoto

Library Manager

Portola Valley Library, 765 Portola Road, Portola Valley, CA 94028, [650-851-0560 x227](tel:650-851-0560)

Woodside Library, 3140 Woodside Road, Woodside, CA 94062, [650-851-0147 x227](tel:650-851-0147)

San Mateo County Libraries

www.smcl.org

April 21, 2016

Re: The Windmill School and Family Education Center

Dear Members of the Town Council and Planning Commission,

I am very excited about the Windmill School Inc. plans for the Al's Nursery site. Our town needs a good size preschool just as it needs a library to serve young families. When I was director of Windmill (1974 - 1986) we never had enough spaces to serve Portola Valley residents. Some parents wanted to put their children on the waiting list before they were even born! Most parents wanted a morning program as young children typically take naps in the afternoon. The plan for three morning classrooms at the new site makes sense to serve everybody.

Looking back on all the families I knew so well, I am struck by how many parents went on to serve in leadership positions in our school district - in the PTA, the SITE council, the PV Foundation, the School Board, and as volunteers in the classroom. Also many of these parents went on to serve the town in volunteer positions as well as teaching after school classes. The nature of the parent board non-profit helped to groom many of these parents. The strong bonds of friendship and support have continued throughout my experience in Portola Valley.

The after school possibilities are certainly in demand in our town. So many of our homes are on 1 plus acres that it is not easy to "just go outside and play." We need a dedicated space for these experiences.

I would hope that the permit process will be swift and supportive to help the Windmill School Inc. build and relocate to the Al's Nursery site. Thank you for your consideration.

Sincerely,

Joan Barksdale
30 Joaquin Rd., P.V
A resident since 1971



SHERIFF'S OFFICE

A TRADITION OF SERVICE SINCE 1856

San Mateo County Sheriff's Office (Headquarters Patrol) Press

Information on selected incidents and arrests are taken from initial Sheriff's Office case reports. Not all incidents are listed due to investigative restrictions and victim privacy rights.

Monday 04/11/16 to Sunday 04/17/16

Greg Munks
Sheriff

CASE NUMBER	DATE & TIME Reported	LOCATION	DESCRIPTION	FACTUAL CIRCUMSTANCES
16-03434	04/11/16 08:20AM	500 blk of Westridge Dr Portola Valley	Suspicious Circumstances	The deputy responded on a report of a suspicious vehicle that entered a driveway and left. Victim has a video surveillance system and showed the recording of the vehicle. No actual crime was committed. It is not known what the actual intentions of the driver were. An area check was made for the vehicle and it was not located.
16-03530	04/13/16 12:55PM	1 st blk of Loyola Ave North Fair Oaks	Terrorist Threats/Prevent or Dissuade Witness or Victim	A white male adult was reported possibly under the influence, doing push-ups, and yelling at a subject inside a light blue vehicle. The suspect told the victim if she called 911, her "face would be bloodied by the time police got there." The male was arrested for making threats and attempting to dissuade the witness.

16-03615	04/15/16 06:25PM	300 blk of Portola Rd Portola Valley	Driving Under the Influence	Deputies contacted a male subject inside of a vehicle. An odor of alcohol was coming from the vehicle. After an investigation, it was determined that the subject had driven and was arrested for driving under the influence.
16-03619	04/15/16 08:34PM	700 blk of 18 th Ave North Fair Oaks	Burglary - First Degree/Residential	An unknown suspect entered an unlocked front door of the residence and ransacked the home. Numerous items were taken, with an approximate loss of \$1300. No leads at this time.
16-03626	04/16/16 12:00AM	3000 blk of Middlefield Rd North Fair Oaks	Battery/Assault/Concealed firearm - on person	Deputies were dispatched on the report of seven males inside the establishment threatening security and harassing other clients. A fight broke out while deputies were on their way. Once on scene, one of the subjects had possession of a concealed firearm. The subject was arrested.
16-03642	04/15/16- 04/16/16 05:00PM	Nottingham Ave/Marlborough Ave North Fair Oaks	Stolen Vehicle	Unknown suspect(s) took victims's 2001 gold Chevy Suburban without permission from the intersection of Nottingham Avenue and Marlborough Avenue.
16-03646	04/17/16 02:00AM	1 st blk of Perry Ave West Menlo Park	Suspicious Circumstances	A resident woke up to the sound of her dog barking and observed an unknown subject attempting to open the rear patio door to the home. The subject fled immediately.
16-03653	04/17/16 09:30AM	Alpine Rd/Piers Lane Ladera	Petty Theft	An unknown suspect entered the victim's vehicle and stole items from the glove compartment. The victim was not sure if the vehicle was locked and there was no evidence to confirm otherwise. The total loss is approximately \$800 and there are no other leads.



SAN MATEO COUNTY VETERANS' OPEN HOUSE & RESOURCE EVENT

April 29, 2016

2:00pm – 5:00pm

County Veteran Services Office

400 Harbor Blvd., Building B

Belmont, CA

BBQ lunch hosted by American Legion and Central Peninsula Church

IF YOU SERVED, YOU EARNED!

Drop in to San Mateo County's first Veterans Open House and Resource Event. If you are a veteran or a family member of a veteran, don't miss the opportunity to connect with agencies that are dedicated to serving you! Learn about education, employment, VA benefits, and other opportunities!

PARTICIPATING AGENCIES

- | | |
|--|------------------------|
| • San Mateo County Veterans Services | • Cañada College |
| • San Mateo County Human Services Agency | • College of San Mateo |
| • Peninsula Vet Center | • Skyline College |
| • Palo Alto VA Medical Center | • Swords to Plowshares |
| • Senior Mobility Project Sam Trans | • VFW |
| • Employment Development Department | • JobTrain |
| • Veterans2Work | • American Legion |
| • Veterans Resource Center | • Npower |
| • Private Defender Program | • Cal State East Bay |
| • Veteran's Court and Military Diversion | • and many more! |

For all your public transportation needs, please visit: <http://www.511.org/>



United States Senate
WASHINGTON, DC 20510

April 12, 2016

The Honorable Michael Huerta
Administrator
Federal Aviation Administration
800 Independence Avenue S.W., Room 1022
Washington, DC 20591

Dear Administrator Huerta:

We write to ask that you take all practicable steps to address the noise impacts of the NextGen initiative on California communities. While we appreciate that this airspace modernization program is intended to benefit airlines and their customers, these benefits may not outweigh the serious noise concerns reported by many other Californians.

Since your agency began implementing the NextGen flight paths in the San Francisco Bay Area, hundreds of residents have contacted our offices to describe how the sounds of more frequent and lower-altitude flyovers are disrupting their lives. In Southern California, where NextGen changes are still forthcoming, we are already hearing from constituents who believe that the new patterns were developed without adequate regard for noise impacts.

We recognize that optimizing airspace requires careful consideration of safety, efficiency, and environmental impacts, and noise is only one element in this complex balance. However, given that the new California flight patterns were not designed to address specific safety issues and will actually result in a slight increase in greenhouse gas emissions per flight operation (according to the environmental reviews performed for both the Northern and Southern California systems), it would not seem appropriate to increase the noise burden on communities.

We know that you are aware of these concerns, and we appreciate that your agency is examining potential remedies. We ask that you identify any remedies that would fairly and safely reduce overall noise impacts and implement them as quickly as possible. On a more fundamental level, as your agency reviews the metrics and thresholds used to identify significant noise impacts, we urge you to consider the best available science and the actual experience of people on the ground.

Thank you for your attention to this issue. We look forward to an update on how your agency is addressing it.

Sincerely,



Dianne Feinstein
United States Senator



Barbara Boxer
United States Senator

April 15, 2015

From: ABAG Regional Planning and Research Staff
To: Joint ABAG Administrative and MTC Planning Committee
Subject: Integrated Regional Planning Vision

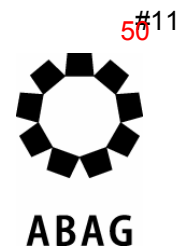
The potential reorganization of ABAG and MTC into a single agency represents an extraordinary opportunity to create an innovative regional planning function that combines the best of ABAG and MTC expertise to deliver improved planning, policy, and funding support to the Bay Area. Planning and research staff believe that retaining our ability to provide responsive, locally-tailored services that improve the lives of current and future Bay Area residents requires maintaining the integrity of our *function* as a department, regardless of the specific *organizational structure* of the regional agency for which we work. In this spirit, we have identified five key elements to the success of an integrated department for your consideration:

- 1. Collaborative, holistic, and integrated department structure and culture.** ABAG Planning and Research Department staff works on a diverse set of interrelated tasks, many in concert with partner regional agencies including MTC. The work meets regulatory requirements, like RHNA and SB375, while also addressing multi-jurisdiction issues that benefit from a regional approach, like housing affordability, equity, economic development, sustainability, and resilience. Staff is responsive, nimble, and effective because of our ability to work both **horizontally** (across staff working on different tasks) **and vertically** (among staff, management and leadership). A combined department can build upon this approach.
- 2. All ABAG Planning and Research Department staff joins a single integrated department,** able to sustain successful cross-discipline collaboration and enhance collaboration with our MTC colleagues.
- 3. ABAG's programs continue to be responsive to needs identified by Bay Area communities, and are enriched** by greater involvement of MTC staff when appropriate. This includes Resilience, the East Bay Corridors Initiative, Housing, Economic Development, Bay Trail, Water Trail, and Placemaking.
- 4. Sustain trust and accountability to local governments** by maintaining a direct link between regional land use and housing staff and the board of a combined COG/MPO or to the ABAG Executive Board prior to a full agency merger. Local staff and elected official feedback make it clear that a scenario in which ABAG retains its statutory land use and housing responsibilities without a direct line to land use and housing staff is likely to increase concerns about accountability and diminish trust in the regional agencies.
- 5. In concert with any organizational changes, engage in a deliberate process for integrating existing ABAG and MTC planning staff** facilitated by a neutral party that addresses: a) the function, management, mission, and vision of the department; b) internal and external relationship maintenance; c) decision-making structures; and d) conflict resolution.

Sincerely,

ABAG Planning and Research Staff

CC: MTC Commissioners and ABAG Executive Board Members; Management Partners



CALL AND NOTICE

CALL AND NOTICE OF A SPECIAL MEETING OF THE ADMINISTRATIVE COMMITTEE OF THE ASSOCIATION OF BAY AREA GOVERNMENTS

As Chair of the Administrative Committee of the Association of Bay Area Governments (ABAG), I am calling a special meeting of the ABAG Administrative Committee as follows:

Special Joint Meeting with the MTC Planning Committee

Friday, April 22, 2016, 9:00 a.m. to 12:00 p.m.

Location:

Joseph P. Bort MetroCenter
Lawrence D. Dahms Auditorium
101 8th Street
Oakland, California

The ABAG Administrative Committee may act on any item on this agenda.

Agenda and attachments available at abag.ca.gov

This meeting is scheduled to be audiocast live on the Metropolitan Transportation Commission website at mtc.ca.gov

For information, contact Fred Castro, Clerk of the Board, at (510) 464 7913.

- 1. CALL TO ORDER / ROLL CALL / CONFIRM QUORUM**
- 2. PLEDGE OF ALLEGIENCE**
- 3. MTC COMPENSATION ANNOUNCEMENT**
MTC Committee Secretary
- 4. ABAG COMPENSATION ANNOUNCEMENT**
ABAG Clerk of the Board
- 5. MTC PLANNING COMMITTEE CONSENT CALENDAR**
MTC Planning Committee Approval
 - A. MTC Planning Committee Minutes of the March 25, 2016 Meeting**
- 6. APPROVAL OF ABAG ADMINISTRATIVE COMMITTEE SUMMARY MINUTES OF MEETING ON MARCH 25, 2016**
ABAG Administrative Committee Action

ABAG Administrative Committee

April 22, 2016

2

7. ABAG/MTC MERGER STUDY—MANAGEMENT PARTNERS

ABAG Administrative Committee Information/Action / MTC Planning Committee Information/Action

8. PUBLIC COMMENT / OTHER BUSINESS**9. ADJOURNMENT / NEXT MEETING**

The next joint meeting of the ABAG Administrative Committee and MTC Planning Committee on the ABAG/MTC Merger Study will be held on May 20, 2016, 9:00 a.m., Joseph P. Bort MetroCenter, 101 8th Street, Lawrence D. Dahms Auditorium, Oakland.

Members of the public shall be provided an opportunity to directly address the ABAG Administrative Committee concerning any item described in this notice before consideration of that item.

Agendas and materials will be posted and distributed for this meeting by ABAG staff in the normal course of business.

Submitted:

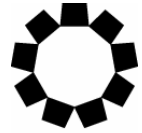
/s/ Julie Pierce
Chair, Administrative Committee

Date Submitted: April 14, 2016

Date Posted: April 18, 2016

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

AGENDA

ADMINISTRATIVE COMMITTEE

Special Joint Meeting with the MTC Planning Committee

Friday, April 22, 2016, 9:00 a.m. to 12:00 p.m.

Location:

Joseph P. Bort MetroCenter
Lawrence D. Dahms Auditorium
101 8th Street
Oakland, California

The ABAG Administrative Committee may act on any item on this agenda.

Agenda and attachments available at abag.ca.gov

This meeting is scheduled to be audiocast live on the Metropolitan Transportation Commission website at mtc.ca.gov

For information, contact Fred Castro, Clerk of the Board, at (510) 464 7913.

- 1. CALL TO ORDER / ROLL CALL / CONFIRM QUORUM**
- 2. PLEDGE OF ALLEGIENCE**
- 3. MTC COMPENSATION ANNOUNCEMENT**
MTC Committee Secretary
- 4. ABAG COMPENSATION ANNOUNCEMENT**
ABAG Clerk of the Board
- 5. MTC PLANNING COMMITTEE CONSENT CALENDAR**
MTC Planning Committee Approval
 - A. MTC Planning Committee Minutes of the March 25, 2016 Meeting**
Attachment: MTC Planning Committee Minutes of March 25, 2016
- 6. APPROVAL OF ABAG ADMINISTRATIVE COMMITTEE SUMMARY MINUTES OF MEETING ON MARCH 25, 2016**
ABAG Administrative Committee Action
Attachment: Summary Minutes of March 25, 2016

ABAG Administrative Committee

April 22, 2016

2

7. ABAG/MTC MERGER STUDY—MANAGEMENT PARTNERS

ABAG Administrative Committee Information/Action / MTC Planning Committee Information/Action

Gerald Newfarmer, President and CEO, Lynn Dantzker, Partner, and Dan Marks, Special Advisor, Management Partners

Attachment: Merger Study Options Analysis and Recommendation Report

8. PUBLIC COMMENT / OTHER BUSINESS**9. ADJOURNMENT / NEXT MEETING**

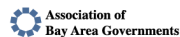
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Submitted:

/s/ Ezra Rapport, Secretary-Treasurer

Date Submitted: April 14, 2016

Date Posted: April 18, 2016



101 Eighth Street,
Joseph P. Bort
MetroCenter
Oakland, CA

Meeting Minutes - Draft

Joint MTC Planning Committee with the ABAG Administrative Committee - Merger Study

MTC Committee Members:

James P. Spering, Chair Anne W. Halsted, Vice Chair

*Alicia C. Aguirre, Scott Haggerty, Steve Kinsey
Sam Liccardo, Julie Pierce*

Non-Voting Members: Tom Azumbrado, Dorene M. Giacopini

Friday, March 25, 2016

9:00 AM

Lawrence D. Dahms Auditorium

1. Roll Call / Confirm Quorum

Rollcall

Present: 6 - Chairperson Spering, Vice Chair Halsted, Commissioner Aguirre, Commissioner Haggerty, Commissioner Kinsey and Commissioner Pierce

Absent: 1 - Commissioner Liccardo

Non-Voting Member Present: Commissioner Giacopini

Non-Voting Member Absent: Commissioner Azumbrado

Ex Officio Voting Members Present: Commission Chair Cortese and

Commission Vice Chair Mackenzie

Ad Hoc Non-Voting Members Present: Commissioner Luce and Commissioner Wiener

ABAG Administrative Committee Members Present: Cortese, Eklund, Haggerty, Harrison, Luce, Peralez, Pierce, and Scharff.

2. Pledge of Allegiance

3. MTC Compensation Announcement - Committee Secretary

4. ABAG Compensation Announcement - Clerk of the Board

5. Consent Calendar

Upon the motion by Commissioner Kinsey and second by Commissioner Aguirre, the Consent Calendar was unanimously approved by the following vote:

Aye: 5 - Chairperson Sperring, Vice Chair Halsted, Commissioner Aguirre, Commissioner Kinsey and Commissioner Pierce

Absent: 2 - Commissioner Haggerty and Commissioner Liccardo

5a. [15-1341](#) MTC - Minutes of the February 26, 2016 Meeting

Action: MTC Planning Committee Approval

Commissioner Haggerty arrived after the approval of the Consent Calendar.

6. ABAG Administrative Committee Approval of Summary Minutes

6a. [15-1342](#) ABAG - Minutes of the February 26, 2016 Meeting

Action: ABAG Administrative Committee Approval

MTC / ABAG Merger Study - Management Partners

7. [15-1431](#) MTC-ABAG Merger Study Update

Financial Forecasts, Stakeholder Engagement Overview, Merger Study Principles, Problem Definitions, Options and Evaluation Criteria.

Action: Information

The following individuals spoke on this item:

Christa Cassidy with The Nature Conservancy

Gabriel Haaland with SEIU 1021;

Lee Huo with SEIU 1021;

Matt Vander Sluis of Greenbelt Alliance;

Kearey Smith of MTC staff & CSR Representative;

Egon Terplan of SPUR;

Revan Tranter, ABAG Executive Director Emeritus;

Ken Bukowski;
Autumn Bernstein;
James Muller of San Francisco Estuary Partnership;
Micah Weinberg with the Bay Area Council;
Ursula Vogler MTC staff & CSR Representative; and
Jane Kramer.

- 7a. [15-1432](#) Planning Program Areas
Action: Information
- 7b. [15-1433](#) MTC and ABAG Functional Organization Chart
Action: Information
- 7c. [15-1343](#) Financial Forecasts for MTC and ABAG
Action: Information
- 7d. [15-1345](#) Preliminary Stakeholder Engagement Comments
Action: Information
- 7e. [15-1434](#) Elected Official Survey Results
Action: Information
- 7f. [15-1344](#) Principles, Problem Definition, Range of Options, Evaluation Criteria
Action: Information

8. Public Comment / Other Business

9. Adjournment / Next Meeting

The next meeting of the Joint MTC Planning Committee with the ABAG Administrative Committee - Merger Study will be held on April 22, 2016 at 9:00 a.m. in the Lawrence D. Dahms Auditorium, First Floor, 101 Eighth Street, Oakland, CA.

SUMMARY MINUTES (DRAFT)

ABAG Administrative Committee Special Meeting
Friday, March 25, 2016
Joseph P. Bort MetroCenter
101 8th Street, Oakland, California

1. CALL TO ORDER / ROLL CALL / CONFIRM QUORUM

ABAG President and Committee Chair Julie Pierce, Councilmember, City of Clayton, called the special meeting of the Administrative Committee of the Association of Bay Area Governments to order at about 9:01 a.m.

The Committee met jointly with the Planning Committee of the Metropolitan Transportation Commission.

A quorum of the Committee was present at about 9:08 a.m.

Members Present

Councilmember Julie Pierce, City of Clayton
Supervisor Dave Cortese, County of Santa Clara
Mayor Pat Eklund, City of Novato
Supervisor Scott Haggerty, County of Alameda
Mayor Bill Harrison, City of Fremont
Supervisor Mark Luce, County of Napa
Councilmember Raul Peralez, City of San Jose
Vice Mayor Greg Scharff, City of Palo Alto

Members Absent

Vice Mayor Pradeep Gupta, City of South San Francisco
Supervisor Eric Mar, City and County of San Francisco
Supervisor Dave Pine, County of San Mateo (Alternate)
Supervisor David Rabbitt, County of Sonoma

Staff Present

Ezra Rapport, ABAG Executive Director
Brad Paul, ABAG Deputy Executive Director
Kenneth Moy, ABAG Legal Counsel
Miriam Chion, ABAG Planning and Research Director

2. PLEDGE OF ALLEGIANCE

3. MTC COMPENSATION ANNOUNCEMENT

4. ABAG COMPENSATION ANNOUNCEMENT

Fred Castro, Clerk of the Board, made the compensation announcement.

5. MTC PLANNING COMMITTEE CONSENT CALENDAR

A. MTC Planning Committee Minutes of the February 26, 2016 Meeting

MTC Planning Committee approved its minutes of the February 26, 2016 meeting.

[The Committee next took up Item 7.]

6. APPROVAL OF ABAG ADMINISTRATIVE COMMITTEE SUMMARY MINUTES OF MEETING ON FEBRUARY 25, 2016

President Pierce recognized a motion by Pat Eklund, Mayor, City of Novato, which was seconded Raul Peralez, Councilmember, City of San Jose, to approve the Administrative Committee summary minutes of February 26, 2016.

The ayes were: Pierce, Cortese, Eklund, Harrison, Luce, Peralez, Scharff.

The nays were: None.

The abstentions were: None.

The absences were: Gupta, Haggerty, Mar, Pine (Alternate), Rabbitt.

The motion passed unanimously.

7. ABAG/MTC MERGER STUDY—MANAGEMENT PARTNERS

Lynn Dantzker, Project Manager, and Dan Marks, Special Advisor, assisted by Brittany Gabel, Senior Management Advisor, Management Partners, reported on the ABAG/MTC merger study, including review of the meeting agenda and merger study update.

A. Planning Program Areas

Dantzker reported on planning program area overview.

B. MTC and ABAG Functional Organization

Dantzker reported on ABAG and MTC functional organization charts post-implementation of MTC Resolution 4210.

C. Financial Forecast

Dantzker reported on ABAG and MTC financial forecasts overview, including MTC forecast conclusions and ABAG fiscal challenges and forecast conclusions under 2014 Funding Framework and MTC Resolution 4210.

Members discussed the San Francisco Estuary Partnership overhead rate and impact of planning staff shift.

D. Preliminary Stakeholder Engagement Comments

Dantzker reported on preliminary stakeholder engagement broad themes.

E. Elected Official Survey Results

Dantzker reported on elected officials survey results.

Members discussed the survey response rate.

F. Proposed Merger Study Principles, Problem Definitions, Range of Options, and Evaluation Criteria

Dantzker reported on proposed principles, problem definitions, ten options for analysis, general analysis framework, and evaluation criteria.

Members discussed the ten options for analysis; financial analyses for options; governing board representation; regional planning and local control; MTC outreach engagement; ABAG structural problems; MTC and ABAG responsibilities under SB 375.

The following individuals gave public comment: Christa Cassidy, The Nature Conservancy; Gabriel Haaland, SEIU 1021; Lee Huo, SEIU 1021; Matt Vander Sluis, Greenbelt Alliance; Kearey Smith, MTC staff and CSR Representative; Egon Terplan, SPUR; Revan Tranter, ABAG Executive Director Emeritus; Ken Bukowski; Autumn Bernstein; James Muller, San Francisco Estuary Partnership; Micah Weinberg, Bay Area Council; Ursula Vogler, MTC staff and CSR Representative; and Jane Kramer.

Members discussed problem definition and proposed principles.

Ms. Danzker and Mr. Marks provided a wrap-up and reviewed next steps for the meeting on April 22.

8. PUBLIC COMMENT / OTHER BUSINESS

There was no public comment.

[The Committee next took up Item 6.]

9. ADJOURNMENT / NEXT MEETING

The meeting adjourned at about 12:05 p.m.

The next joint meeting of the ABAG Administrative Committee and MTC Planning Committee on the ABAG/MTC Merger Study will be held on April 22, 2016, 9:00 a.m., Joseph P. Bort MetroCenter, 101 8th Street, Lawrence D. Dahms Auditorium, Oakland.

Submitted:

/s/ Ezra Rapport, Secretary-Treasurer

Date Submitted: April 11, 2016

Date Approved:

For information, contact Fred Castro, Clerk of the Board, at (510) 464 7913 or FredC@abag.ca.gov.

Metropolitan Transportation Commission and the Association of Bay Area Governments Merger Study Options Analysis and Recommendation Report

April 2016

Management
Partners





April 18, 2016

Mr. James Spering, Chair
Planning Committee
Metropolitan Transportation Commission (MTC)
101 Eighth Street
Oakland, CA 94607

Ms. Julie Pierce, Chair
Administrative Committee
Association of Bay Area Governments (ABAG)
101 Eighth Street
Oakland, CA 94607

Dear Mr. Spering and Ms. Pierce:

Management Partners is pleased to transmit this Options Analysis and Recommendation Report for the ABAG-MTC Merger Study. This report evaluates seven options and the implementation of MTC Resolution 4210 in relation to how well each addresses the three problems we identified:

- Preparation of the region's sustainable community strategy to reduce greenhouse gases is statutorily split between two regional agencies.
- Two agencies responsible for regional land use and transportation planning and associated services and programs are not formally linked by an integrated management, leadership, or policy structure.
- ABAG's ongoing ability to implement its mission is compromised by its dependence on discretionary funding that will challenge its fiscal sustainability over the long run.

Based on our analysis and application of an established set of evaluation criteria, the report includes our recommendation regarding which alternative we believe best addresses the problems. Under our contractual agreement for the Merger Study, the next step is for the Joint Committee to select one option on April 22, and for us to prepare an implementation plan for that option. We hope our work to date has helped both agencies understand the choices before them and allows for an informed decision about those choices.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerald E. Newfarmer", is written over a light blue horizontal line.

Gerald E. Newfarmer
President and CEO

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Executive Summary

The Association of Bay Area Governments (ABAG) was formed in 1961 by the region's local jurisdictions, recognizing even then that the Bay Area had common issues that crossed jurisdictional boundaries that called for more comprehensive regional thinking. Unlike other major metropolitan areas in the country, when the federal government required that metropolitan areas create regional transportation planning agencies to better plan for and coordinate the distribution of federal transportation funds, the state legislature created a separate agency – the Metropolitan Transportation Commission (MTC) – to be the Bay Area's Metropolitan Planning Organization (MPO). Elsewhere in California, the local Council of Governments (similar to ABAG) was designated the MPO, creating a single, unified regional planning agency for those regions.

ABAG and MTC subsequently worked together over the decades, one largely focused on land use and related issues, the other focused on transportation. Because transportation and land use are inextricably linked, the agencies have occasionally worked voluntarily together on various comprehensive regional plans and strategies for the region's growth, and MTC has depended on ABAG for the regional land use forecasts that are the basis of transportation models. Periodically over the years, there have been efforts to combine the agencies into a single unified agency, but those efforts did not succeed.

With the adoption of SB 375 in 2008, the "voluntary association" between ABAG and MTC became a forced one. SB 375 required the agencies to produce a joint sustainable communities strategy (SCS) that would demonstrate how the region would reduce its greenhouse gases by encouraging a development pattern that reduced dependence on travel by car, and support that development pattern through transportation plans and investments. But as sometimes happens with forced relationships, by most accounts, it did not go smoothly. While the two agencies managed to work well enough together to produce Plan Bay Area (adopted in 2013), there were many bumps in the road on the way.

In 2015, as the agencies began work on the required update to Plan Bay Area, MTC felt there was a better way. Accordingly, in October 2015 MTC adopted Resolution 4210 (4210), which would create an integrated regional planning department by functionally consolidating MTC and most, but not all, ABAG planning staff into a single unit within MTC. As outlined in Resolution 4210, the respective SB 375 statutory responsibilities by ABAG and MTC for the development of the SCS, also known as Plan Bay Area (PBA) in the Bay Area, would remain the same after the functional consolidation of planning staff. The resolution reallocates MTC's funding to ABAG for this purpose back to MTC and provides transitional financial assistance to ABAG for the next five years to mitigate the impact.

This resolution was believed by MTC to be the best near-term approach to carry out the land use and transportation planning responsibilities set forth in SB 375, streamline the preparation process, and eliminate duplicative efforts between MTC and ABAG planning staff. Resolution 4210 also includes a provision to undertake a merger study to explore alternatives to the functional consolidation of planning staff and provides that, should the two agencies agree to an alternative, 4210 would not be implemented. The ABAG Administrative Committee adopted a resolution expressing support of MTC's resolution.

A joint committee (Joint Committee) composed of the ABAG Administrative Committee and the MTC Planning Committee was assigned responsibility for managing the merger study. In January 2016, MTC and ABAG hired Management Partners to conduct the merger study to examine the policy, management, financial, and legal implications associated with further integration, up to and including institutional merger between MTC and ABAG. The engagement also included the development of a merger implementation plan for any option selected by the Joint Committee. In the event that ABAG and MTC approve an alternative merger implementation plan prior to July 1, 2016, Resolution 4210 will not be implemented.

Since January, Management Partners has completed a range of activities including extensive interviews, many stakeholder meetings, research on alternative models and significant background research leading to this options analysis. This report provides the results of the options analysis as well as a recommendation for a path forward.

The Problem

Passed in 2008, SB 375 requires each of California's 18 Metropolitan Planning Organizations (MPOs) to include a sustainable communities strategy (SCS) in the Regional Transportation Plan (RTP), both of which are required to be approved and adopted by MTC. The SCS sets forth a vision for regional growth that takes into account the region's transportation, housing, environmental, and economic needs. The SCS is the blueprint by which each region intends to meet its greenhouse gas emissions reductions target. Plan Bay Area (PBA) is the region's first SCS. It was adopted by the ABAG Executive Board and MTC in July 2013. An updated Plan Bay Area must be completed by 2017.

Management Partners met with the members of the Joint Committee in January 2016 and held a facilitated discussion with the Joint Committee on January 22, 2016. Additionally, a six year financial forecast of both agencies was conducted which concluded that ABAG needs to address a financial structural shortfall in the near term and develop a financial strategy that can sustain the agency if it is to continue its mission within its existing structure and framework.

As a result of those interviews and that discussion, and after an extensive stakeholder outreach process, on March 25, 2016, Management Partners set forth the three problems we believe the merger study should address:

- 1. Preparation of the region's sustainable community strategy to reduce greenhouse gases is statutorily split between two regional agencies.*
- 2. Two agencies responsible for regional land use and transportation planning and associated services and programs are not formally linked by an integrated management, leadership, or policy structure.*
- 3. ABAG's ongoing ability to implement its mission is compromised by a continued reliance on discretionary revenue that will challenge its fiscal sustainability over the long term.*

Included within our problem statements was a list of consequences that we believe flowed from each of these problems. A complete description of the problems and their consequences may be found in Attachment A.

Conclusions about Implementation of MTC Resolution 4210 and Alternative Options

At the March 25 Joint Committee meeting, Management Partners presented nine options, which have since been modified and reduced to seven based on comments at the meeting and a review of commonalities of some options. Our conclusions and recommendation are based on a consideration of ABAG's emerging financial issues, a close review of the options that in our view best respond to the problems identified, our analysis of general impacts, and the application of criteria we developed to evaluate identified options. They are also based on our own experience working on government reorganizations and mergers in California and across the country.

A full analysis of each option including implications for legal, management, financial, employee and policy impacts may be found in the Options Analysis section of this report, which provides significantly more information. A summary of conclusions for the Implementation of MTC Resolution 4210 and each option are presented below, followed by our recommendation to the Joint Committee.

Implementation of MTC Resolution 4210 – Consolidation of Most Planning Functions in MTC

Implementation of Resolution 4210 (4210) would address the first problem identified as this study began: having a single agency staff accountable for the preparation of Plan Bay Area 2017 (PBA 2017) and future PBAs. Both ABAG and MTC face a formidable task as they try to work together to prepare the SCS and PBA. No other metropolitan area of the State operates with the bifurcation of duties seen in the Bay Area. There is a reason for this. Under current law it is difficult and cumbersome to do what needs to be done using two separate agencies with separate cultures, staff and orientations and distinct, but important policy interests. As noted by the MTC executive director in his September 18, 2015 memo to the Commission regarding PBA 2013: "we simply spent too much time arguing over matters ranging from high-level policy to low-level minutia because there was no ability to break ties other than by one agency bowing to the other's point of view." Elected officials are placed in the difficult role of "breaking ties" when disputes arise and project management is made exponentially more difficult. Implementation of Resolution 4210 would begin to address this problem and begin the process of establishing a larger, more comprehensive

planning department that could potentially address other issues facing the region. However, it would leave intact indefinitely the existing bifurcation in policy responsibility between the two agencies, and create a new bifurcation with staff in one agency trying to serve the needs and interests of a separate agency. While it is feasible for this arrangement to work, it would need to be accompanied by a clear work program that ensures that ABAG's statutory and policy responsibilities, interests and needs are addressed.

ABAG planners would be incorporated into a more financially stable organization with a different set of benefits and employee representation status.

Implementation of Resolution 4210 would change ABAG's historic role as the regional land use planning agency in the region and compound the impact and seriousness of a financially struggling agency. Most stakeholders in the region understand ABAG to be the organization that addresses the region's land use planning. It is perceived by most stakeholders as having a staff sensitive to local government interests, and its governing body as capable of representing the diversity of local government concerns. While ABAG would retain its policy role and statutory responsibilities following 4210, placing staff under the MTC administrative structure could lead to the perception that it has less influence.

Further, 4210 leaves three planning programs at ABAG:

1. The Regional Housing Needs Assessment (RHNA) process,
2. Resilience programs, and
3. The Bay Trail program.

The RHNA process is inextricably linked to a number of planning functions and cannot effectively be separated from the SCS process. Further, both ABAG and MTC support resilience programs that should be consolidated for efficiency, but more importantly, for effectiveness purposes. And the Bay Trail program is funded by MTC and is, in part, transportation related.

Although ABAG's Administrative Committee adopted a resolution expressing support for 4210, our meetings with local government officials indicate that most local governments remain very concerned about the consequences of implementing the resolution. MTC continues to be perceived as the regional transportation agency, which of course it is. To become the comprehensive regional planning agency, it will need to

modify its approach to planning to be more inclusive and responsive to local governments, and significantly broaden its mission. While these changes would be challenging for any organization, this level of change is certainly possible and will perhaps be furthered by the incorporation of ABAG staff that have performed these functions in the past.

Option 1 – No Structural Change

Option 1 would not resolve any of the problems identified for this study. Although increased collaboration and a conflict resolution process could improve the PBA 2017 process, it would not resolve the fundamental issues that flow from having two agencies with different missions, staffs and governing boards, which effectively have overlapping responsibilities for development of the SCS. It would not address the transparency and accountability issues of PBA 2013. It would not address the underlying fragility of ABAG's funding structure which is overly reliant on grants and an annual allocation of money from MTC. From MTC's perspective, this option would leave it with an indefinite financial responsibility with little control over costs or performance. While ABAG would likely continue to survive under this option, the lack of sufficient, secure funding means it cannot fully take on the critical role that councils of governments (COGs) play elsewhere in the country: helping the region to address the major issues that it faces.

Option 2 – Hire an Independent Planning Director to Manage all Planning Functions

Option 2 has the potential to address the desire for a more accountable and streamlined PBA process while leaving staff in their respective agencies. But it would achieve this goal by creating a highly unusual and fragile organizational and policy structure with substantial potential for dysfunction.

At the staff level, it would be very challenging for an independent planning director to gain the support and loyalty of staff who are coming from two different agencies. It would be equally challenging for that position to build an effective team with combined staff, especially if the project is of limited duration and agency staff will be expected to re-integrate into their respective agencies at the end of the PBA process. If the new "planning group" were given a wider and longer-term planning mandate, then the issue of how to integrate that planning work into the overall work of the two agencies would arise. The goal of having a unified vision and implementation strategy to address the region's issues

would be very difficult to achieve under this unusual policy and organizational structure.

By leaving in place the current financing structure, this option would not address ABAG's financial condition in the long term, and would leave ABAG subject to MTC financing decisions in the future. From the MTC perspective, this option would leave it with an indefinite financial responsibility with little control over costs or performance. From the perspective of the new planning director, having both agencies agree to and fund a work program for the planning group is likely to be an annual challenge.

It would also perpetuate a regional planning process unlike anything seen in a major metropolitan area of the state.

Option 3 – Establish a New Joint Powers Authority (JPA) to Oversee all Planning Functions

This option has the potential to address the desire for a more accountable and streamlined PBA process, but at a cost. And, it will result in yet another government agency. Creating the new JPA will involve a significant effort in its own right, and is likely to trigger similar governance issues that are involved in creating a new comprehensive regional agency.

The first challenge is determining the common powers between the two agencies that could be delegated to the JPA. Determining the relationship between MTC and the new JPA in regard to the RTP is likely to be especially challenging because of the importance of the RTP to much of MTC's programmatic and project work. Whether this JPA may be able to undertake work on the larger issues facing the region would depend on the willingness of the parent agencies to authorize and fund such work or to allow the JPA to seek its own funds. But even if it were to undertake that work, those plans will need to be integrated into the programs of MTC and/or ABAG. There will continue to be a divided policy development and implementation process. Rather than that process being divided between two agencies, it would be between three.

As with the previous option, leaving in place the current financing structure would not address ABAG's already fragile finances, and would continue to leave ABAG subject to MTC financing decisions in the future. From the MTC perspective, this option would leave it with an indefinite financial responsibility with little control over costs or performance. From

the perspective of the JPA, having both agencies agree to and fund a work program for the JPA is likely to be an annual challenge.

Again this option would perpetuate a unique and separate planning approach, unlike any other in the state.

Option 4 – Create a New Regional Agency and Governance Model

Once a new agency is established, this option would address all three problems identified for this merger study: a more streamlined and accountable SCS process, a more unified and comprehensive approach to regional planning, and more secure and stable funding for regional planning. By creating a new agency rather than having one agency absorb another agency, it would allow an opportunity for all parties to agree on its mission and an equitable and representative governing structure (or structures).

A new agency would respond to the fundamental interests of the vast majority of stakeholders who are in agreement that the region would be better served by a more comprehensive approach to regional planning. A new agency also provides an opportunity for a more integrated, consistent, and comprehensive approach to all regional programs and services. With more cost-effective agency administration, a new agency would have additional resources to broaden its mission, become a partner with local governments, and address other issues of regional concern.

Until a new agency is established, ABAG would be required to address its financial instability. If an appropriate transition agreement could be reached through a contract with MTC, this option could also assist ABAG in addressing its financial issues through a more cost-effective administrative structure, a review of the cost effectiveness of some programs and services, and the incorporation of ABAG staff into a more financially robust, unified organization. Although Management Partners estimates significant administrative cost savings over time from implementation of this option, the impact on the new agency's finances from potentially absorbing ABAG liabilities will need to be fully assessed before it is implemented.

The biggest obstacle to moving forward is most likely the perceived need to solve the governance structure at the outset, and fear of the outcome. How will the interests of smaller local governments be balanced against the larger ones? The smaller jurisdictions want their interests and unique circumstances to be respected and their concerns recognized in any

regional agency. They believe this is achieved in the current ABAG governance structure, although ABAG's financial situation and SB 375 have mitigated its effectiveness.

The interests of the more populous cities and counties are that programs and funding serve those areas with the majority of the population of the region. These interests must also be recognized and respected in any governance structure. The large cities tend to believe that the MTC governance structure is more reflective of their interests, at least with respect to transportation planning and programming.

Local governments remain concerned that the effort to address regional issues places pressure on them to be responsive to regional concerns and priorities and erodes local control. The concern with governance also reflects the relatively large sums of money available for transportation projects in the Bay Area and the strong interest in their distribution around the region.

Balancing small and large jurisdiction interests of maintaining local control and of equitable distribution of transportation dollars are not unique to the Bay Area or to California. These tensions seem to be almost universal in regional agencies across the country. Elsewhere, these issues have been addressed through a variety of mechanisms, including special voting requirements for board decisions that help work towards consensus. While we have not surveyed the attitudes of local officials in the agencies profiled as part of this project regarding their respective regional agencies, our interviews with the executive directors indicated that the various decision-making systems in those agencies have worked relatively well to drive consensus.

Our survey of other regions also found many options for creating a single agency. In Chicago and in Washington DC, the MPO remains a separate entity with its own governing board, but with a single staff organization. The MPO Board acts with policy guidance from the larger umbrella organization, and in one organization, the MPO Board is considered a committee of the umbrella agency.

Management Partners believes the governance issue can be resolved with additional research about the effectiveness of different models, good will, and compromise. However, Option 4 would not address the presenting issue for this study: the desire for a more streamlined, transparent and accountable PBA 2017 process. By the time a new agency would be created, PBA 2017 would be close to completion or completed.

Option 5 – Create a New Comprehensive Regional Agency and Governance Model

Option 5 would achieve many of the same objectives as Option 4, and then some. It would allow for a much more comprehensive and unified approach to regional planning and to environmental protection. However, the already significant challenges involved in considering unification of ABAG and MTC would be exponentially increased by seeking to incorporate additional agencies.

If one was starting with the proverbial “clean sheet of paper” such an approach might be the best. Our concern with this approach is that perfection could become the enemy of better, and the Bay Area needs a better approach than it now has.

Option 6 – Execute a Contract between MTC and ABAG to Consolidate Planning Functions within MTC and Enter into an MOU to Create a New Regional Agency and Governance Model

Option 6 combines an initial phase of consolidating all planning staff followed by the creation of a new regional agency and governance structure. Both components (a contract and MOU) are intended to proceed simultaneously. As noted in Option 4, creation of a new regional agency would address two of the three problems identified by this study, and Option 6 would provide a near-term, partial solution to the third problem: a more streamlined and effective PBA 2017 process.

Option 6 would also address the stakeholder desire for a single agency responsible for planning the region’s future. A new agency also provides an opportunity for a more integrated, consistent and comprehensive approach to all regional programs and services. With more cost-effective administration, the new agency would have additional resources to broaden its mission, become a partner with local governments, and address other issues of regional concern.

Until a new agency is established, ABAG would be required to address its financial instability. If an appropriate transition agreement could be reached through a contract with MTC, this option could also assist ABAG in addressing its financial issues through a more cost-effective administrative structure, a review of the cost effectiveness of some programs and services, and incorporation of ABAG staff into a more financially robust, unified organization. Although Management Partners

estimates significant administrative cost savings over time from implementation of this option, the impact on the new agency's finances from potentially absorbing ABAG liabilities will need to be fully assessed before this option is implemented.

This option would also partially address having a more streamlined, accountable, and transparent PBA 2017 process by having a unified staff under a single director and executive director.

In addition to increasing staff accountability and reducing duplication of staff effort for PBA 2017, combining all planners into a single department should allow improvements to the policy process that prompt an increase in transparency and efficiency for decision makers. However, until a new agency and a new governance structure are created, policy decision-making will remain bifurcated and transparency may not improve significantly. Future PBAs would presumably fully achieve the goal of a more streamlined and transparent process under a unified agency.

With this option, Management Partners proposes transferring all ABAG planning staff to MTC, as there would be no basis for leaving the three programs at ABAG as proposed by 4210. By combining all planning, this option would allow the new planning department greater flexibility to undertake new initiatives in the near term while the new agency is being created.

As noted in the discussion about Option 4, the fundamental issue with creating a new agency revolves around the question of governance. It remains unclear whether there is the necessary consensus and trust among the region's local elected officials to move forward with creating a new regional agency and governance model. Entering into a memorandum of understanding (MOU) to do so would represent a formal agreement between the agencies to create a regional agency; however, depending on the rights and obligations set forth, it may or may not be legally binding.

Option 7 – Enter into a Contract between ABAG and MTC to Consolidate Staff Functions under One Executive Director and Enter into an MOU to Pursue New Governance Options (Functional Consolidation)

Both components of this option are intended to proceed simultaneously. This option would address two of the three identified problems and partially address the third. It would address the interest in having a more

accountable, streamlined and effective PBA 2017 process by combining all staff into one organization. Assuming appropriate agreements can be reached, this option could assist ABAG in addressing its financial challenges by allowing for a more cost-effective administrative structure, a realignment of programs and services, and the incorporation of all ABAG staff, programs and functions into a more financially stable and robust organization, with a different set of benefits and employee representation status. (The impact on current retiree benefits would need to be assessed.) Although Management Partners estimates significant administrative cost savings over time from implementing this option, the impact on MTC finances of absorbing ABAG staff and possible liabilities will need to be fully assessed before it is implemented.

ABAG would retain its role as a policy-making body, and would continue to provide oversight of its statutory responsibilities, as well as the services and programs under its purview. It would maintain its autonomy through a contract with MTC that sets forth roles and responsibilities, a work program and a budget to accomplish it. ABAG would have the authority to contract with consultants who can independently review work arising from staff to ensure it meets its interests and the intent of the contract. While the executive director would officially report to one oversight body (in this instance, the MTC Commission), Management Partners has seen many agencies where executive directors (or other chief executive officers) are responsible for meeting and balancing the interests of many competing stakeholder groups. In Washington DC and Chicago, the executive directors of the regional agencies have essentially two different governing boards whose interests they must address, and they have not indicated any significant issues in doing so. In other major regional agencies in the state, e.g., SACOG and SANDAG, the executive director must balance the interests of both the MPO and the COG, and does.

However, because there is no binding commitment to create a new regional agency or successor governance structure, this option would not address the issues associated with having two agencies with their own governing bodies responsible for the region's land use and transportation planning. This option proposes that the regional governance issue specifically be reconsidered at a designated date in the future. Nonetheless, adoption of this option could be perceived as a bridge forward toward that objective.

A Path Forward

Option 6 provides the greatest opportunity for addressing the three problems identified for this study, consistent with the principles set forth and presented to the Joint Committee. As said many times by different stakeholders, there is a need for the Bay Area to consider and address complex, major issues over the next 5, 10 and 40 years. Those issues require integrated, comprehensive thinking about land use, transportation, social justice, environmental quality, and resource limitations. The seeds to create this type of comprehensive approach exist within MTC and ABAG, but each organization also faces real and perceptual challenges in meeting this need, and neither can do it alone. In any event, the existing two-agency (and some would say, four- or five-agency) Bay Area planning structure with its limited agency purviews cannot effectively integrate and efficiently address those issues in a holistic and comprehensive manner.

Although MTC has been moving to broaden its mission as a result of SB 375 and other issues, it is seen by most stakeholders in the Bay Area as too focused on transportation funding, projects, and program implementation. That has appropriately been its mission since its inception, and changing that mission to address a broader range of regional planning issues will be challenging, but not impossible. Broadening its mission to own and provide a wider range of regional planning services will be hampered by the perception by some stakeholders that it is not sufficiently sensitive to local governments and its governing body is not representative of local government interests in the region.

At the same time, ABAG's influence and voice as the region's land use planning agency has been impacted in part due to SB 375, but also (and as important) because it lacks the financial foundation on which to build a more robust planning program that can address the issues facing the Bay Area. Because ABAG is so dependent on grants for its survival, it is forced to be reactive to grant-makers' priorities, rather than establish a coherent regional planning program that addresses the issues most important to it and its member agencies. Many stakeholders also see ABAG as hampered by its outdated and inefficient governance structure. Some members mistrust regional initiatives, which are perceived to be paralyzed by a focus on preserving local prerogatives (not land use authority).

Neither agency currently has the necessary support or resources to be an effective comprehensive regional planning agency. A new agency would, at the very least, be considerably more cost-effective and have a stable financial foundation. Gaining the necessary political support to create the agency will depend on defining an equitable governance structure that has the support of stakeholders.

As described in Option 4, the governance issues of concern here are the same across the country. Despite differences between regions, there seems to be some common strategies applied to address the regional governance concerns of small and large governments and those strategies seem to be effective. We want to emphasize that in at least two regions, the MPOs retained a different governance structure, but both were under the umbrella of a larger organization.

We believe there is considerable value to be added to this region by creating a new comprehensive and unified regional agency. As a result, we recommend Option 6 which contains a commitment to create a new regional agency and governance structure as best able to achieve that goal, while achieving some near-term improvements to the PBA 2017 process and future PBAs.

Recommendation 1. Direct preparation of an implementation action plan and begin implementing Option 6.

Based on the Joint Committee discussion to date, however, we also recognize that the political consensus and trust needed to move forward with creating a new regional agency and governance structure may not be there yet. Meanwhile, there is a need to address ABAG's financial fragility, to create a more streamlined and effective PBA 2017 process, and to establish a stronger, more integrated staff platform for addressing the complex issues facing the region. If adopting Option 6 is a "bridge too far" at this time, Option 7 may be a path forward.

Option 7 should establish a clear contractual commitment to provide staff support for ABAG functions, roles and responsibilities in the region in a manner that ensures ABAG's continued policy autonomy and independence. We believe this option would likely gain more support from local governments if it includes a strong commitment to consider the creation of a unified regional agency under a new governance structure at a specific point in the near term.

Recommendation 2. Direct preparation of an implementation action plan and begin implementing Option 7 (if Option 6 is rejected).

Setting the Context

Compared to other metropolitan regions in the state of California, the San Francisco Bay Area is unique in how it carries out regional land use and transportation planning. The Bay Area has two major regional planning agencies: the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC). The San Francisco Bay Area is the only major metropolitan area in the state that does not integrate land use and transportation planning within one institution. The reasons for this are primarily historical.

MTC was created by the California Legislature in 1970. It is the federally designated Metropolitan Planning Organization (MPO) and the state-designated Regional Transportation Planning Agency (RTPA) for the region. As the transportation planning, financing and coordinating agency for nine Bay Area counties, MTC collaborates with other public agencies to plan and finance the region's streets, highways, and transit network. It is responsible for preparing a regional transportation plan (RTP) every four years which, under SB 375, must include and support the sustainable communities strategy (SCS).

MTC annually programs and allocates roughly \$1.5 billion in transportation revenues and is responsible for an over \$8 billion debt portfolio. MTC also operates a suite of services to help travelers get around, including the 511 traveler information system, FasTrak® electronic toll collection, Clipper® transit fare card and the Freeway Service Patrol's fleet of roving tow trucks.

ABAG was formed by a Joint Powers Authority in 1961 and is a voluntary association of the Bay Area's 101 cities and nine counties. It serves as the region's council of governments (COG). As a comprehensive regional planning agency, ABAG works with local governments and stakeholders to develop forecasts of the region's housing; jobs and population growth; identify regional housing needs; address resilience and climate change issues; carry out regional social, economic and land use research; and prepare elements of the SCS. ABAG also provides special services to local governments, such as affordable housing and infrastructure financing, risk management and insurance, electricity and natural gas aggregation, energy efficiency programs, and emergency preparedness. These services are sometimes referred to as enterprise activities, because while they may be related or have some synergistic aspects, they are not directly related to core regional planning functions. They do help to spread overhead costs and are a benefit to member jurisdictions and to the region.

Because the functions of an MPO and COG are typically consolidated within a single organization in major metropolitan areas in the state of California and because MTC and ABAG perform shared or otherwise linked legislative responsibilities, the idea of consolidating or merging these two organizations has arisen on multiple occasions over the last few decades.

Plan Bay Area and SB 375

AB 32, California's Global Warming Solutions Act of 2006, was the State's seminal response to the challenge of global climate change. SB 375 passed in 2008 directs the Air Resources Board to set regional targets for the reduction of greenhouse gas (GHG) emissions. Aligning these regional plans is intended to help California achieve GHG reduction goals for cars and light trucks under AB 32. SB 375 builds on the existing framework of regional planning to tie together the regional allocation of housing needs and regional transportation planning in an effort to reduce GHG emissions from motor vehicle trips.

Because the existing regional transportation planning and housing allocation processes are overseen by local elected officials selected by their peers to serve on regional agency boards, the law is intended to ensure that cities and counties are closely involved in developing an effective plan for the region to achieve the targets. Essentially the legislature used the transportation planning and regional housing allocation process, which is housed in the same agency in every other metropolitan area of the state, to implement new SB 375 requirements to develop an SCS.

Implementation of SB 375 was a huge challenge for metropolitan areas in the State, and an even bigger challenge in the Bay Area because ABAG and MTC had overlapping authority over SCS-related functions. Therefore, in SB 375 legislation, the state outlined the corresponding roles of ABAG and MTC in preparing the SCS, as well as joint responsibilities.

ABAG's statutory responsibilities

- Identify the general location of uses, residential densities, and building intensities within the region;
- Identify areas within the region sufficient to house the existing and projected population, considering state housing goals; and
- Gather and consider the best practically available scientific information regarding resource areas and farmland.

MTC's statutory responsibilities

- Identify a transportation network to service the transportation needs of the region, and
- Allow the regional transportation plan to comply with Section 176 of the federal Clean Air Act.

Joint statutory responsibilities

- Set forth a forecasted development pattern for the region which, when integrated with the transportation network, will reduce greenhouse gas emissions.

The Bay Area is the only major metropolitan area in the state where preparation of the SCS is statutorily assigned to two different agencies.

Development of the SCS in the Bay Area (called Plan Bay Area) was challenging for the region, MTC and ABAG. While the reasons for this are complex (both policy and administrative), the challenges were significantly compounded by a basic problem: Which agency has responsibility and authority to complete the SCS?

Merger Study

In October 2015 MTC adopted Resolution 4210, which would create an integrated regional planning department by functionally consolidating MTC and most, but not all, ABAG planning staff into a single unit within MTC. As outlined in Resolution 4210, the respective SB 375 statutory responsibilities of ABAG and MTC would remain the same after the functional consolidation of planning staff.

This resolution was believed by MTC to be the best near-term approach to carry out the land use and transportation planning responsibilities set forth in SB 375 and reduce duplication of effort between the MTC and ABAG planning staff. Resolution 4210 also includes a provision to undertake a merger study to explore alternatives to the functional consolidation of planning staff and provides that, should the two agencies agree to an alternative, 4210 would not be implemented. The ABAG Administrative Committee also adopted a resolution expressing support of MTC's resolution.

In January 2016, MTC and ABAG hired Management Partners to conduct a merger study to examine the policy, management, financial and legal implications associated with further integration, up to and including institutional merger between MTC and ABAG. This engagement also

includes the development of a merger implementation plan for a single model selected by the Joint Committee.

As noted in Resolution 4210, in the event that ABAG and MTC approve an alternative merger implementation plan prior to July 1, 2016, Resolution 4210 will not be implemented.

Major Study Activities Leading to the Options Analysis

Since January, Management Partners has concluded the following major activities to assist in our analysis and the Joint Committee's consideration of merger options:

- Conducted individual interviews with all Joint Committee members, MTC and ABAG executive directors, deputy directors and planning directors;
- Conducted a workshop with the Joint Committee;
- Prepared a merger study project website at mtcabagmergerstudy.com;
- Held separate focus groups with MTC and ABAG planning staff;
- Met with employee representatives for each agency;
- Provided eight major metropolitan land use and transportation agency profiles (including MTC and ABAG) to provide information about major functional responsibilities and governance structures;
- Implemented a stakeholder engagement plan that involved three regional forums and 28 separate meetings with elected officials, nongovernmental organizations, other regional agencies, and local jurisdiction professional staff, and provided a summary of the themes and comments;
- Deployed an electronic survey for all city, town and county elected officials as well as BART and AC Transit Boards regarding regional land use and transportation planning in the Bay Area;
- Completed a five-year financial forecast for MTC and ABAG;
- Drafted a set of principles to guide the merger study options; and
- Drafted three problem statements, a range of options to address them, and a set of evaluation criteria.

The results and documentation of these activities were provided to the Joint Committee at their February and March 2016 meetings.

ABAG and MTC Financial Forecast

As part of the merger study, Management Partners performed a third-party, six-year financial forecast (FY 2014-15 through FY 2021-22) for both MTC and ABAG under two scenarios.

1. *Funding Framework for 2014 (Funding Framework)*. The first scenario was based on the funding framework described in a June 18, 2014 memo from the MTC executive director entitled *Revised Funding Agreement for MTC/ABAG Joint Planning, Research and Administrative Facilities*. The memo sets forth a Funding Framework that would guide future funding agreements for continued MTC support of the ABAG planning function.
2. *Implementation of MTC Resolution 4210*. The second scenario examined the impact on both agencies following the implementation of MTC Resolution 4210.

Both financial forecasts were presented at the March 25, 2016 meeting of the Joint Committee to inform the discussion about the organizational options analyzed in this report.

Under both scenarios, the six-year financial forecast for MTC indicated an ongoing shortfall due to higher pension costs and the loss of Proposition 84 planning grants. However such a short term deficit is not a significant concern because MTC maintains appropriate reserves and should be able to manage these impacts within their overall budget resources over the next six years. The fiscal outlook for MTC under both forecast scenarios is sound and stable.

The financial forecasts for ABAG revealed that with or without the implementation of MTC Resolution 4210, ABAG faces an existing structural shortfall that is significant, but manageable, should it take appropriate and timely corrective action. ABAG's reserves are already low and the available balance projected in FY 2016-17 leaves the agency's balance at 2.6% of total expense, which is exceptionally low for any public agency.

ABAG's budget is built on limited discretionary income and a reliance on grants, as well as its contract with MTC. With low reserves, it faces financial challenges that will need to be addressed regardless of the outcome of the merger study. Implementation of Resolution 4210 will compound the problem. ABAG staff and the Executive Board will need to address the current structural shortfall in the near term and develop a

financial strategy that can sustain the agency if it is to continue its mission within the existing structure and framework.

Employee Compensation, Benefits and Representation

Employee compensation and benefits are an important part of this discussion and to ensure a full understanding of the differences between the two agencies, the following documents are attached to this report as information.

- Appendix 1 contains a comparison of the benefits provided to employees of the two agencies.
- Attachment B provides a comparison of base salaries for the planning staff of each agency.

MTC employees are not affiliated with a union. The employee group, the Committee for Staff Representation (CSR), is responsible for all labor and employee relations. ABAG employees are affiliated with SEIU Local 1021, which represents them in all labor and employee relations.

Options Analysis

This report analyzes seven alternative options for how MTC and ABAG could perform regional land use and transportation planning in the Bay Area, as well as the implications associated with the functional consolidation of planning staff within MTC under Resolution 4210.

Merger Study Principles

Based on outreach and discussion with members of the Joint Committee, elected officials and other stakeholders, Management Partners established nine principles to guide our analysis of alternative organizational options.

1. Provides a sustainable, integrated and transparent land use and transportation planning function.
2. Improves the efficiency and effectiveness of regional land use and transportation planning, services, and programs.
3. Increases the transparency of regional land use and transportation policy decisions.
4. Sustains or expands core agency services, operations and programs.
5. Expands opportunities for broader stakeholder engagement in regional planning.
6. Sustains the representative voice of cities and counties.
7. Promotes comprehensive regional planning in the Bay Area.
8. Preserves local land use authority.
9. Provides an equitable and predictable transition for current and retired employees.

These principles were developed to guide the analysis of *this study*. Should a new regional governance structure be pursued, it is likely these principles would be modified or expanded.

List of Options

At the March 25 meeting, nine options were presented. Following the discussion at the meeting and a subsequent review of the options, these have been reduced to seven. Options designated as 9 and 10 were deemed to have a number of commonalities and the differences were nuanced, so they were consolidated and reframed slightly differently. A summary of the seven options provided in this report is presented in Table 1.

Table 1. Options Analyzed

Option	Short Description
MTC Resolution 4210	Consolidation of most planning functions in MTC
Option 1	No structural change
Option 2	Hire an independent planning director to manage all planning functions
Option 3	Establish a new joint powers authority (JPA) to oversee all planning functions
Option 4	Create a new regional agency and governance model
Option 5	Create a new comprehensive regional agency and governance model
Option 6	Execute a contract between MTC and ABAG to consolidate planning functions within MTC and enter into an MOU to create a new regional agency and governance model
Option 7	Enter into a contract between ABAG and MTC to consolidate staff functions under one executive director and enter into an MOU to pursue new governance options (functional consolidation)

Resolution 4210 is scheduled to take effect on June 1, 2016, if no other option is selected by the Joint Committee.

Analysis Framework

To facilitate a comparison of options, Management Partners developed a set of criteria, presented in Table 2, which enabled a quantifiable assessment of the merits of each option in five general areas.

Table 2. Analysis Criteria for the Evaluation of Options

A. Operational Effectiveness and Accountability
1. Streamlines the SCS/PBA preparation process in the short term
2. Clarifies and streamlines staff roles and responsibilities regarding the SCS/PBA process in the long term
3. Fosters accountability for performance
4. Integrates regional land use and transportation planning more effectively
5. Integrates regional land use and transportation programs and services more effectively
6. Expands career opportunities for agency staff
B. Transparency in Policy Decision Making
7. Streamlines policy roles and responsibilities regarding the SCS/PBA process
8. Increases the transparency of regional land use and transportation policy decisions
9. Encourages the efficient use of elected officials' time in support of effective decision making
10. Encourages representative decision making
11. Provides greater opportunity to address complex regional issues

C. Core Service Delivery and Financial Sustainability
12. Maintains or provides opportunity to expand core services and programs
13. Supports agency financial sustainability
14. Maintains administrative support for programs and services
D. Ease of Implementation*
15. Requires legislative action
16. Requires approval on new governing body
E. Implementation Support*
17. Retains ability to recruit and retain qualified, committed staff
18. Maintains benefits for current retirees
19. Addresses stakeholder interest in a unified regional planning agency
20. Fosters support by local governments in the region

**Within the narrative of the report, Ease of Implementation and Implementation Support are combined under the overall heading of Implementation Viability, as each is an important aspect of implementation.*

These criteria reflect input collected during interviews and meetings with members of the Joint Committee, Bay Area elected officials, MTC and ABAG staff, professional staff at local jurisdictions, non-governmental stakeholder organizations, and the general public.

Management Partners evaluated each option based on the degree to which it meets the 20 criteria using a *high, medium, or low* scale.

After weighting the criteria by level of importance, we calculated how well it meets the established criteria in each of the five major areas along a ten-point scale. The two areas involving implementation were scored separately, but are combined within the narrative of the report under the heading Implementation Viability.

We do not recommend ranking the options by adding up the scores for the five major areas. For example, Option 5 is rated fairly high in several areas but may not merit further consideration due to its extremely low rating in regard to one area, ease of implementation. Other options may not have a high overall rating, but be strong candidates because they achieve certain goals or achieve a high ranking in a critical area. The numerical ratings are our best professional judgment in applying a range of criteria and provide a snapshot of how well the option meets the criteria in that area.

Option Profiles

In the following pages, each option is explored separately within a single profile that presents:

- A description of the option and its key features;
- A review of the financial, policy, legal and employee impacts associated with the option;
- A qualitative assessment of the degree to which the option meets the established criteria; and
- A quantified snapshot of how well each option meets the established criteria across five major areas. Each area is given a rating along a ten-point scale. (*A ten means the option meets all criteria within that area and one means the option does not meet or does little to meet the criteria within that area.*)

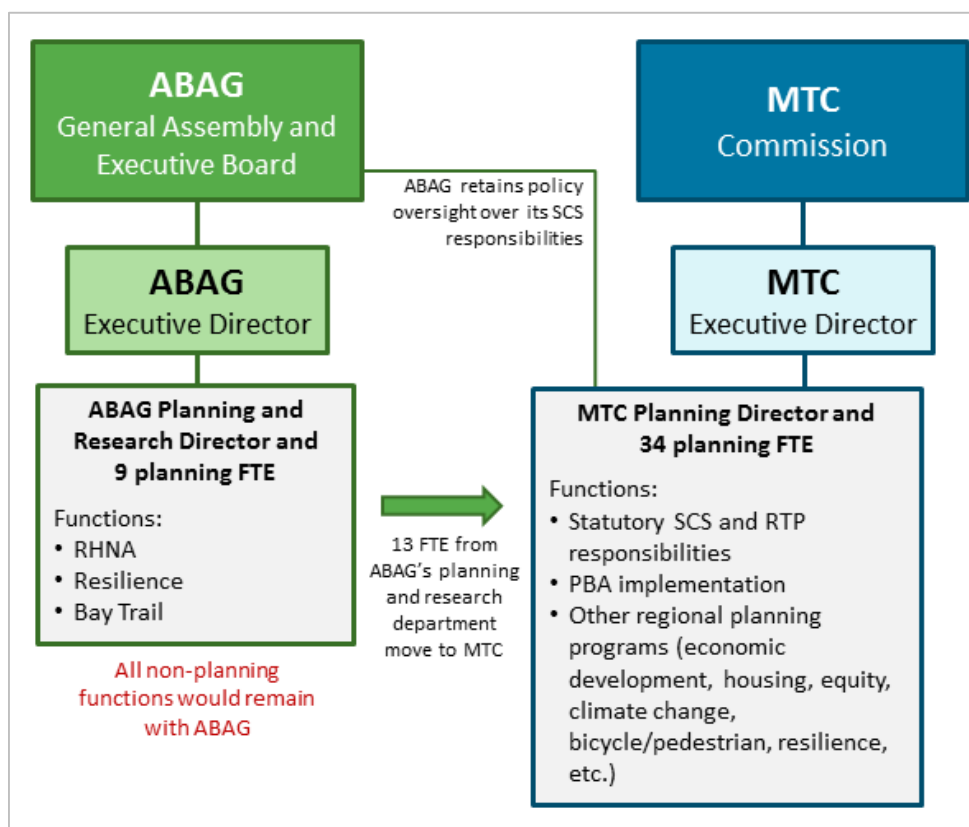
Implementation of MTC Resolution 4210 – Consolidation of Most Planning Functions in MTC

Description

Implementation of MTC Resolution 4210 consolidates most regional planning functions within MTC. Thirteen planning positions would be created in MTC and offered to ABAG incumbents. Nine planning positions would remain in ABAG, primarily in support of three programs including preparation of the Regional Housing Needs Allocation (RHNA). The resolution provides a five-year annual transition payment to ABAG, but otherwise eliminates MTC’s current funding framework in support of ABAG planning activities.

MTC and ABAG would remain separate, independent agencies, including their respective mission, governance structures, legal and statutory duties, responsibilities and authorities. ABAG would statutorily continue to be responsible for those activities set forth in SB 375 regarding preparation of the SCS. Figure 1 provides a graphic depiction of this option.

Figure 1. Graphic Depiction of MTC Resolution 4210



Note: For clarity, the graphic only depicts a brief summary of planning unit functions (not the full range of ABAG’s and MTC’s responsibilities).

General Impacts

Legal

Technically, there is no change to MTC or ABAG's statutory duties, responsibilities and authorities. The governance and decision making structure would remain the same. With most staff planning functions transferred to MTC, however, ABAG legal counsel's ability to advise ABAG's governing body on regional land use and housing issues as they emerge will be constrained under this structure. While the planners in MTC may be able to access ABAG legal counsel for consultation, it will be challenging for that position to provide influence and direction if it is contrary to that provided by MTC management and legal counsel.

Financial

MTC – Resolution 4210 would add approximately \$2.4 million in salary, benefit, and other post-employment benefits (OPEB) costs, and another \$1.2 million in indirect costs. This \$3.6 million, combined with \$1.75 million in transition funding and tenant improvements, results in a net cost increase of approximately \$1 million annually compared with \$4.3 million in commitments under the 2014 Funding Framework. Transition funding of \$1.2 million would continue through FY 2021-22, the same year that funding of ABAG tenant improvements for the new San Francisco offices terminates.

Assuming no adjustments, MTC's total reserves are projected to decline from \$36.7 million in FY 2014-15 to \$26.5 million in FY 2021-22. The agency's unrestricted balance declines from \$23.1 million in FY 2014-15 (38% of total expense) to \$9 million in FY 2021-22 (16% of total expense). A significant reason (but not the only reason) for this net ongoing decline in balance is that MTC will be paying both transition funding to ABAG and the cost of the 13 new planners over the five-year period of FY 2016-17 through FY 2020-21. In addition, higher pension costs are expected, and Proposition 84 grants will no longer be available. However, MTC's reserve levels are prudent, and thus are expected to provide a sufficient cushion for the agency to develop a plan over the forecast period to address this shortfall.

ABAG – The reduction of 13 planning positions would reduce salary, benefit and OPEB costs by approximately \$2.4 million. Additionally, \$1.1 million in indirect costs currently allocated to the existing MTC contract would have to be spread over remaining grants and programs, or the agency would have to make cuts in overhead. MTC funding for planning services would be reduced from \$3.8 million to \$1.2 million, a loss of \$2.6 million. The unfunded pension liability costs assigned to the 13 positions (\$230,000 annually) must still be paid to CalPERS, so these costs are effectively reallocated over fewer remaining positions. Assuming no other cuts are made, this will result in a net overall annual budget shortfall of \$440,000 in FY 2016-17.

After the transition funding ends in FY 2021-22, the net loss will rise to \$1.7 million. Without any corrective action, the combined impact of the preexisting structural shortfall caused by higher projected pension costs, and the implementation of MTC Resolution 4210, would reduce

ABAG's available fund balance from \$1.8 million in FY 2014-15 (5% of total expense) to a \$4 million deficit in FY 2021-22.

Table 3 summarizes the impact of Resolution 4210 in both FY 2016-17 and the year following the end of transition funding (FY 2021-22). These impacts isolate only the impact of Resolution 4210 and exclude impacts of other changes such as increased pension costs and loss of Proposition 84 funding.

Table 3. *Estimated Financial Impact of MTC Resolution 4210*

	Assumes 50% Split in New Costs		
FY 2021-22	MTC	ABAG	Joint
Direct Cost Change	\$4,180,890	(\$2,365,673)	\$1,815,217
Framework	(4,091,000)	4,091,000	-
Transition Funding	-	-	-
Net Cost (Savings)	\$89,890	\$1,725,327	\$1,815,217
FY 2016-17	MTC	ABAG	Joint
Direct Cost Change	\$3,577,432	(\$2,162,171)	\$1,415,261
Framework	(3,798,000)	3,798,000	-
Transition Funding	1,200,000	(1,200,000)	-
Net Cost (Savings)	\$979,432	\$435,829	\$1,415,261

Management

Consolidation of most planning functions under one planning director would streamline preparation of the SCS and result in efficiencies and greater effectiveness in the allocation of planning staff resources across the board. The MTC planning director (and MTC executive director) as well as the consolidated staffing function would also be accountable for performance and most staff work in support of regional land use and transportation planning in the region. The MTC planning director reports to the MTC executive director, but also would oversee and provide staff support to the ABAG General Assembly, Executive Board and other ABAG Committees currently involved in regional land use planning and programs.

The consolidated planning function would also be responsible for the delivery of regional planning services to local governments (although these are not as yet defined). Since ABAG's SB 375 and other land use statutory duties as well as its current mission would not change, the MTC planning director and planning staff would effectively also be accountable to a policy body (ABAG) that has no formal relationship to MTC management or its policy structure.

Existing Employees

Representation Status – ABAG planning staff moving to MTC would be represented by the existing MTC employee group unless the entire MTC collective bargaining unit was organized

and employees elected to be represented by a union. For a bargaining unit to become represented by a union, employees would first need to present evidence of the desire to be represented through a card check process or by signing petitions. If the percentage of employees required by MTC's Employer-Employee Relations Policy so indicate their interest in being represented, an election would then be held. Typically administered by the state, the election would result in all of the employees in the bargaining unit being represented by the selected union if 50% plus one of the employees in the unit voted affirmatively for such an affiliation.

Compensation – Depending on the position into which they transitioned, ABAG planners moving to MTC would likely see an increase in compensation as MTC salaries for analogous classifications are higher.

Benefits – Any ABAG planners moving to MTC would pay more for health, dental and vision benefits and would receive more vacation days per year. ABAG fiscal issues may impact remaining ABAG employees over time. These would be subject to the meet and confer process.

Retirement Plan – Any ABAG employees moving to MTC would:

- Be eligible for the MTC retirement plan. The only difference in the plans is that the MTC plan includes a survivor benefit and has a maximum 3% annual COLA as compared to ABAG's 2%.
- See an increase in their retirement contribution. "Classic" ABAG employees currently contribute 1% (increasing to 3% over the next two years), while "Classic" MTC employees contribute 5.73% (scheduled to increase to 8%). New Plan ABAG employees contribute 6.25% while those in MTC contribute 6.5%.
- Upon retirement, pay 5% of their monthly retiree health premium (currently, ABAG pays the entire premium).
- No longer be subject to Social Security contributions being deducted from their pay.

Retiree Health – ABAG fiscal issues could have an impact over time on existing and future ABAG retiree health plans. ABAG employees hired since July 1, 2009 would move from receiving the PEMCHA minimum contribution plus \$100 per month (retirement medical savings account) to the retiree medical benefits equivalent to those of current MTC employees.

Policy

MTC would be overtly assuming major regional planning policy roles and responsibilities, although the scope would need to be sorted out with the implementation of MTC Resolution 4210. Technically, ABAG would retain its statutory responsibilities over the SCS as well as RHNA, but it will need to be made clear what other areas of regional planning MTC would assume with the transfer of most of the planning functions. MTC will provide staff support for ABAG's regional land use responsibilities; technically, however, there will be little formal change to the bifurcated strategic and policy direction for regional land use and transportation

planning and related programs between two agencies not formally linked by an integrated leadership or policy structure.

A. Operational Effectiveness and Accountability

Implementation of 4210 would consolidate much of the planning and implementation responsibility for PBA, and bring several other planning programs to the MTC Planning Department. Implementation of 4210 would leave the Regional Housing Needs Allocation, some Resilience Planning work and the Bay Trail in ABAG, as well as ABAG's other non-planning programs.

Implementation of 4210 would clarify and streamline staff roles and responsibilities for PBA and increase accountability. However, 4210 would leave the housing allocations that are fundamental to PBA with ABAG staff. The RHNA process is on an eight-year cycle and will next be undertaken for the 2021 update of PBA, meaning the process is likely to begin sometime in 2018 or early 2019, and will not affect the PBA 2017 process. The role of the planners proposed to remain at ABAG until the RHNA process begins in earnest has not been established. ABAG staff have indicated that once RHNA begins, the community and jurisdictional engagement typically part of the RHNA process would require more than the two staff proposed under Resolution 4210 to remain at ABAG.

Both agencies are currently involved in different aspects of resilience planning: MTC is involved with the transportation network; ABAG is involved with land use. An opportunity for a more holistic and comprehensive approach to resilience will not be addressed through implementation of 4210.

Implementation of 4210 would allow for a single planning department that could integrate regional land use and transportation planning more effectively. However, many stakeholders and elected officials have voiced concerns about integrating land use planning into a transportation agency. The vast majority of stakeholders engaged in this process have stated that ABAG demonstrates a greater sensitivity to the diverse interests of local government, and has been significantly more engaged than MTC in addressing these interests as part of the PBA process.

Because neither ABAG nor MTC have land use authority, regional plans are implemented jurisdiction by jurisdiction. Sensitivity to local concerns can help foster jurisdictional support for PBA and ultimately help with implementing increased integration of regional land use and transportation. For MTC to become the comprehensive regional planning agency for the Bay Area, it will need to modify its approach to planning to be more inclusive and responsive to local governments, and significantly broaden its mission. While these changes would be challenging for any organization, this level of change is certainly possible and will perhaps be furthered by the incorporation of ABAG staff that have performed these functions in the past.

Implementation of 4210 would significantly increase the size of the Planning Department at MTC and thereby increase career opportunities for staff.

B. Transparency in Policy Decision Making

Implementation of 4210 would establish clear lines of responsibility and decision making for staff, but leave policy divided between the two agencies. MTC staff would report to the ABAG policy structure regarding those issues under ABAG's purview, and to the MTC policy structure for those issues under MTC's purview. Having only one staff group and a clear line of staff authority over the process should lead to fewer conflicts needing governing body review. A combined staff can also better monitor the committee review process to try to limit the duplication of effort by committee, and by staff.

While duplication of effort in regards to MTC/ABAG committees can be reduced, the existing bifurcation of responsibilities between the two policy bodies would continue under 4210. This could lead to a continued lack of transparency in decision-making identified by stakeholders as a concern for PBA 2013 based on the lack of clear policy responsibility. The PBA process would still involve two agencies with their own committee/policy structure and potentially inefficient use of elected official's time.

Implementation of 4210 could also lead to inefficiency related to resolving disagreements between the two policy bodies about the allocation of staff resources for the PBA process. For example, ABAG could request that significantly increased staff resources be devoted to outreach to the public and/or to local jurisdictions, while MTC may decide that such outreach is not cost-effective or warranted. Increased collaboration and shared agreements could mitigate this issue.

Since ABAG and MTC would retain their respective roles with regard to PBA 2017 under 4210, whether PBA 2017 is seen as a product of "representative decision making" would be similar to the perception of PBA 2013, assuming both agencies choose to adopt PBA. (Under state law, the MPO is required to prepare an SCS as an integral part of its RTP.) However, should that practice change and MTC not receive ABAG's support for PBA 2017, local governments may be less supportive of the plan.

Implementation of 4210 could lead to an opportunity to address more complex regional issues, as it could increase the staff resources available for such work. By reducing duplication of effort and allowing for a more streamlined PBA process, the level of staffing necessary for PBA 2017 should be reduced compared to PBA 2013. Assuming no reduction in staff, and fewer resources needed for PBA 2017, there should be increased staff resources available to undertake new initiatives. Even without assuming PBA staff cost savings, MTC has greater financial resources at its disposal than ABAG, and therefore has greater flexibility to undertake new initiatives, without necessarily seeking outside grants.

While MTC will have the ability and the resources to do more comprehensive regional planning, undertaking a wider range of planning activities will require MTC to redefine itself as more than a transportation agency, something it has already begun to do under the impetus of SB 375.

C. Core Service Delivery and Financial Sustainability

The financial analysis undertaken by Management Partners indicates that implementation of 4210 would lead to some increased costs to MTC, but that it should not affect MTC's ability to provide its core services and programs. Implementation of 4210 would not affect MTC's financial stability or its ability to provide administrative support for programs and services.

Implementation of 4210 would remove staff from ABAG that are currently responsible for what many of its member agencies consider to be one of its core services: regional land use planning. While the enlarged MTC Planning Department may be able to effectively replace the ABAG staff and provide equivalent or even better service, ABAG's loss of staff control is likely to be perceived as making ABAG less able to influence and be effective in its regional land use planning role. The combined impact of ABAG's pre-existing structural deficit, its reliance on discretionary revenues, and the implementation of MTC Resolution 4210 is projected to result in a \$4 million deficit in FY 2021-22. Should a reduction in grants and service programs, or dues collection levels be experienced, the projected impact will worsen.

D. Implementation Viability

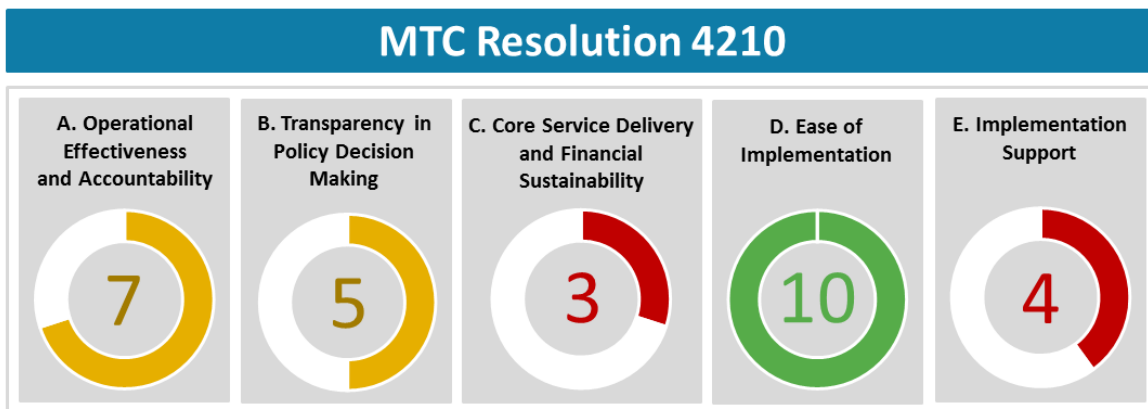
Implementation of 4210 would not require any legislative action as MTC has already adopted the resolution and the ABAG Administrative Committee expressed support for it (in conjunction with a commitment to undergo this merger study). A new funding framework (agreement) would likely ensue to set forth the transition funding committed to in the resolution. Such an agreement could describe the regional planning services to be provided to ABAG beyond those required by SB 375.

MTC may be perceived as a more attractive agency than ABAG with respect to compensation and some benefits by ABAG planning staff; however, the issue of non-affiliation with a union may be a negative factor. Strong leadership and a careful transition plan will be needed for ABAG and MTC planning staff to consolidate into a well-functioning team. Remaining ABAG employees as well as retirees will be concerned about the ability of ABAG to continue its financial obligations to its current compensation and retirement plans.

Implementation of 4210 would conceptually address the strong stakeholder interest in a unified regional planning agency since a single organization would have the vast majority of regional planning responsibility. However, the continued existence of two policy bodies with no change in their regional planning statutory responsibilities will limit the full integration of regional planning. Based on stakeholder meetings, implementation of 4210 is unlikely to be favorably received by most elected officials in the region. While they may believe having two separate staff and agencies responsible for PBA and regional planning generally is not efficient (and maybe not effective), perceptions about MTC's organizational culture and its ability to respond to local government's interests regarding regional planning issues are likely to be of major concern.

Based on the above criteria analysis, Figure 2 presents the overall numeric assessment for MTC Resolution 4210 across five major areas.

Figure 2. Criteria Assessment Overview for MTC Resolution 4210

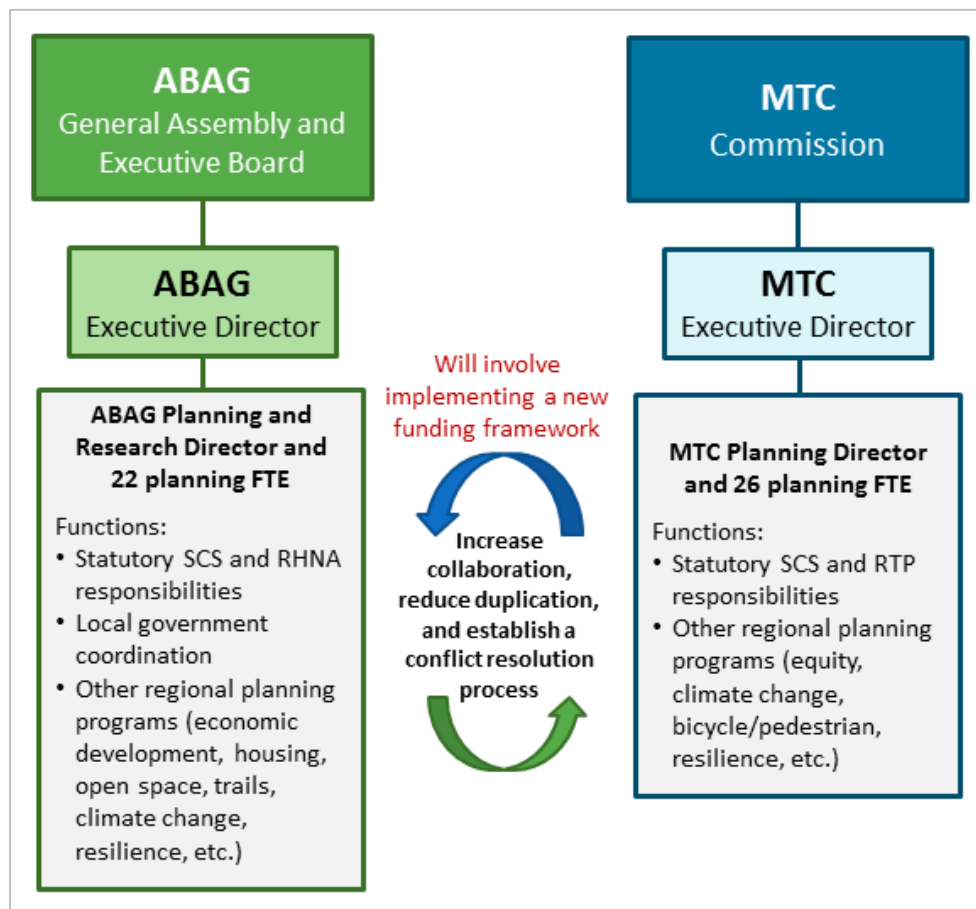


Option 1 - No Structural Change

Description

Maintain MTC and ABAG as separate, independent agencies, including their respective mission, governance structures, legal and statutory authorities. Increase collaboration through a formally adopted conflict resolution process and facilitated sessions between the agencies to improve and streamline the Plan Bay Area process and other regional planning efforts. Review each agency's planning work programs to reduce duplication and improve the effectiveness of those with overlapping services, goals and objectives. This option would require an ongoing funding framework by MTC to support ABAG planning services. Figure 3 provides a graphic depiction of this option.

Figure 3. Graphic Depiction of Option 1



Note: For clarity, the graphic only depicts a brief summary of planning unit functions (not the full range of ABAG's and MTC's responsibilities).

General Impacts

Legal

With no change in either agency's statutory roles or responsibilities, there would be no legal impact.

Financial

It is assumed that existing grants and funding sources and the June 2014 Funding Framework would continue over the forecast period of FY 2015-16 through FY 2021-22 with the tenant improvement portion concluding in FY 2020-21. There would be no organizational or governance change, but a formal conflict resolution process to facilitate improved inter-agency cooperation and resolve disputes may range from \$50,000 to \$200,000 in additional consultant costs annually. There may also be an impact on the time of current employees to develop and oversee the conflict resolution process. Taking into account both sources of costs we estimate a total cost of approximately \$200,000 across both agencies, as indicated in Table 4.

Table 4. Estimated Additional Annual Consulting Costs to be Shared by Both Agencies under Option 1

	Assumes 50% Split in New Costs		
	MTC	ABAG	Joint
Conflict Resolution Process	\$100,000	\$100,000	\$200,000
Net Cost (Savings)	\$100,000	\$100,000	\$200,000

Management

Preparation and management of a Sustainable Community Strategy, including a forecasted development pattern for the region, would continue to be managed by two different agencies under the leadership of two planning directors and two executive directors. Facilitated team-building could clarify duties and responsibilities and lead to formal, shared agreements about performance, accountability and cost-effective use of staff resources.

Existing Employees

Representation Status – There would be no change in representation status for either group of employees.

Compensation – There would be no change in compensation for either group of employees.

Benefits – There would be no immediate change in benefits for either group of employees. ABAG fiscal issues may have an impact on existing ABAG employees which would be subject to the meet and confer process.

Retirement

- There would be no change in current retirement benefits for either group of employees.
- There would be no immediate change in the current employee retirement contribution rate for either group of employees. ABAG fiscal issues may require a change, which would be subject to the meet and confer process.
- There would be no immediate change in the current retiree health benefits for either group of employees. ABAG fiscal issues could have an impact over time on existing and future retiree health plans.
- There would be no change in Social Security coverage for either group of employees.

Policy

No structural change would continue the bifurcated strategic and policy direction for regional land use and transportation planning and related programs between two agencies not formally linked by an integrated leadership or policy structure. Improved collaboration and teambuilding may result in better and more consistent communication to elected officials, as well as a more effective allocation of responsibilities that take advantage of the strengths of each organization. Improving the accountability and transparency regarding decision making by elected officials across two agencies on issues that cross boundaries will continue to be challenging.

A. Operational Effectiveness and Accountability

This option assumes that the agency staff will work together to improve and streamline the PBA process, clarify roles and responsibilities and reach agreement as to accountability. It also assumes that a formal conflict resolution process will be adopted to address disputes between the two agencies. While improvements could be made in the PBA development process through increased collaboration and dispute resolution, there are structural issues associated with having two agencies working on the same project without a single line of authority that would be difficult to fully resolve. The project will continue to involve two agencies under two planning directors and two executive directors. It is likely there will continue to be questions about who is accountable for what part of the PBA process and the PBA product. Implementation of a conflict resolution process may allow for less protracted and heated disagreements between the two agencies, but implementation of that process itself takes time and can delay progress. This option is unlikely to substantially improve operational performance and accountability.

Option 1 will leave each agency with its separate focus and is unlikely to better integrate regional planning functions or services. It would not further integrate regional land use and transportation planning in the region. This option will retain the status quo in regard to career opportunities within each agency.

B. Transparency in Policy Decision Making

Under PBA 2013, the role of the many policy committees related to PBA seems to have not been clearly defined and many committees were engaged in various aspects of PBA, frustrating stakeholders (including local agency staff) who were trying to follow and engage in the process. The process was equally frustrating to many elected officials, many of whom were on more than one committee and heard the same presentation over and over again. It is possible that working more collaboratively, the two agency staffs could streamline the committee review process to remove some duplication of effort and clarify which committee and which agency is responsible for which portions of PBA. But it is very likely that each agency (and its committees) will want to be engaged in the preparation and policy determinations of PBA 2017, leading to substantial overlap and lack of clear responsibility. This option is therefore unlikely to encourage the efficient use of elected officials' time, or create a significantly more transparent process for stakeholders.

For PBA 2013, both ABAG and MTC chose to adopt PBA. To the degree this remains a policy of both agencies, PBA will likely retain whatever perception currently exists in regard to it being a product of a representative process. However, as the SCS is an element of the RTP, MTC is ultimately responsible for its final adoption. MTC is generally perceived by local elected officials as less representative of the region's 110 jurisdictions than ABAG, due to its focus as a transportation agency and MPO.

Finally, this option would not increase the ability of the two agencies to undertake complex regional issues. Each agency is likely to retain its focus on core areas of interest and responsibility, with ABAG almost entirely dependent on grants to undertake work on any new regional issues.

C. Core Service Delivery and Financial Sustainability

Option 1 assumes the continuation of the 2014 Funding Framework. As the funding agreement with ABAG is annually approved by MTC, it would leave some uncertainty as to the future financial health of ABAG should MTC choose to modify its funding agreement in the future. Continuing the funding agreement with ABAG should not have a significant impact on MTC's financial health, but it leaves MTC with an indefinite financial responsibility with little control over costs or performance by ABAG.

Given ABAG's financial fragility, it is unlikely to be able to expand core services and programs unless it receives grants to do so from other sources. With continuing monitoring and budget management, ABAG should be able to continue to provide administrative support for its programs and services.

D. Implementation Viability

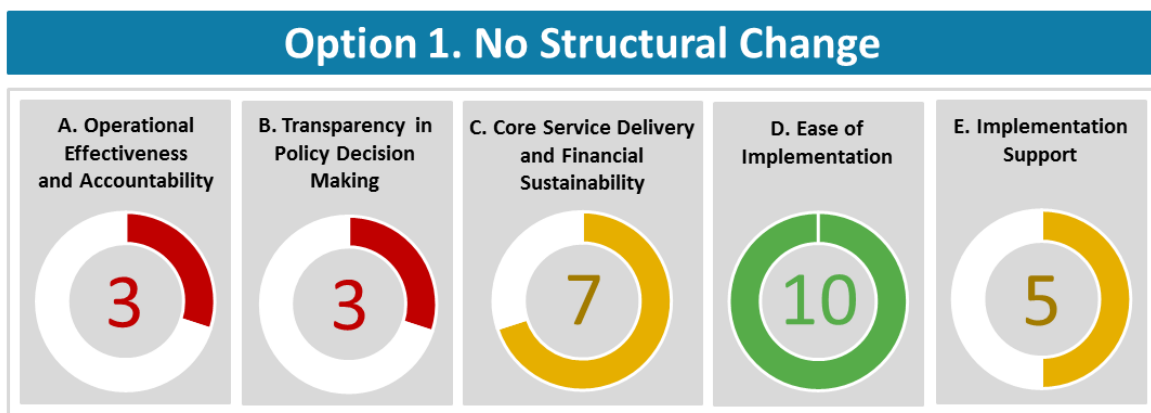
This option would require that MTC implement a new funding framework agreement with ABAG. It would not require any action by the state legislature. As noted above, as MTC's long-

term support for ABAG is not assured, any continuing uncertainty regarding ABAG's financial health will compromise its ability to retain and recruit staff.

This option will not address the strong stakeholder interest in creating a unified regional agency, nor will it address one of the key issues that led to this study as expressed by MTC: the lack of clear responsibility and a single line of authority for the PBA process. On the other hand, this option is likely to garner support from the many local elected officials that have voiced concern over the potential for ABAG to lose a significant portion of its planning function to MTC, and who may not be ready to make a commitment to creating a single new regional agency.

Based on the above criteria analysis, Figure 4 presents the overall numeric assessment for Option 1 across five major areas.

Figure 4. Criteria Assessment Overview for Option 1



Option 2 – Hire an independent planning director to manage all planning functions

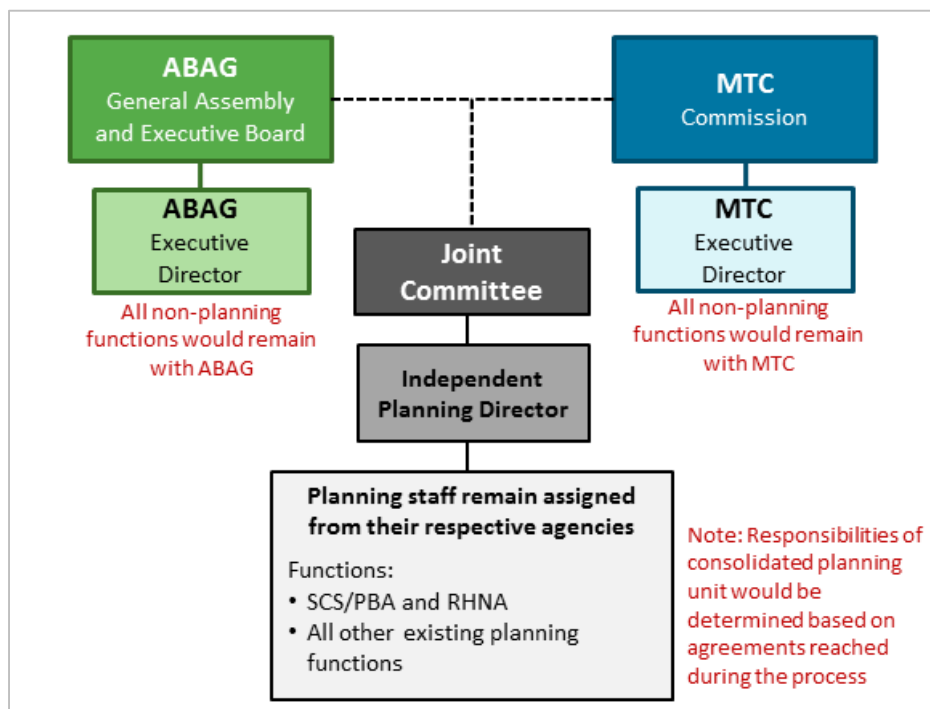
Description

Hire an “independent” planning director (under joint contact to both ABAG and MTC) responsible for all regional planning functions who would report to a Joint Committee of ABAG (Administrative Committee) and MTC (Planning Committee). Under pension agency rules, the planning director would be an employee of either ABAG or MTC; the selection process would need to be determined.

The programs and responsibilities of the planning unit would be determined based on agreements reached during the implementation process; however, staff would be assigned from both agencies. MTC and ABAG would remain as separate, independent agencies, including their respective missions, governance structures, legal and statutory duties, responsibilities and authorities.

While SB 375 statutory duties assigned to each agency would remain, the consolidated staffing function would be responsible for development of the SCS under the oversight of the Joint Committee. (Whether MTC would continue its current funding framework in support of ABAG planning services would need to be addressed.) Figure 5 is a graphic depiction of this option.

Figure 5. Graphic Depiction of Option 2



Note: For clarity, the graphic only depicts a brief summary of planning unit functions (not the full range of ABAG's and MTC's responsibilities).

General Impacts

Legal

Technically, there is no change to MTC or ABAG's statutory duties, responsibilities and authorities. The governance and decision making structure would remain the same. However, with most, and possibly all staff planning functions assigned to an "independent" planning director under the oversight of a joint planning committee, respective agency legal staff would likely find it challenging to provide legal counsel regarding regional transportation and land use planning matters, and housing issues as they emerge. Unless independent legal counsel were hired (at an additional cost), the planning director would also be challenged to consider which legal advice should be considered or binding.

Financial

Assuming that all planning functions of both agencies were to be consolidated under the new planning director, this assessment assumes that the two current directors of planning for each organization would be replaced with a single director of planning at a somewhat higher cost, together with a support staff person and other costs associated with maintaining a separate position and reporting relationship (including office and supplies). The independent planning director could be a current employee or someone new from outside the two agencies. This person would have to be an employee of one agency or the other, but would report to the Joint Committee. Other planning staff would remain as employees of their respective agencies.

Table 5 shows the impact of direct and indirect cost changes across both agencies is a net annual savings of approximately \$119,000 to the planning functions of both agencies. We have also included one-time recruiting costs of \$30,000. These impacts are predicated on FY 2016-17 costs and indirect rates.

Table 5. *Estimated Financial Impact of Option 2*

	Assumes 50% Split in New Costs		
	MTC	ABAG	Joint
Existing Planning Directors	(\$311,000)	(\$298,000)	(\$609,000)
New Planning Director	165,000	165,000	330,000
Support Position and Other Operations and Maintenance Costs	100,000	100,000	200,000
Change in Overhead Costs	(24,840)	(14,850)	(39,690)
Net Cost (Savings)	(\$70,840)	(\$47,850)	(\$118,690)

Management

A consolidated planning function under an independent planning director would streamline preparation of the SCS and result in efficiencies and greater effectiveness of staff resources. The position would be accountable for performance and most staff work in support of regional land use and transportation planning (to be defined) in the region. The consolidated planning function would also be responsible for the delivery of regional planning services to the region, including ABAG members.

The independent planning director would report directly to the Joint Committee, with a matrix relationship to the agency executive directors, meaning advisory. However, the planning director would have to be an employee of one agency for purposes of compensation and benefits (costs to be shared by both agencies), and therefore would actually be under the oversight and management of one of the executive directors (agreements could be reached as to how this would actually work). While accountable to the Joint Committee for performance, this option proposes that the position would have command and control over the assigned planning staff from both agencies. Since the planning staff would still be employees of either ABAG or MTC, the director would be challenged to manage employee performance issues under two different agency employee relations frameworks.

Existing Employee Impacts

Representation Status – There would be no change in representation status for either group of employees.

Compensation – There would be no change in compensation for either group of employees.

Benefits – There would be no change in benefits for either group of employees. ABAG fiscal issues could have an impact over time on ABAG employees which would be subject to the meet and confer process.

Retirement

- There would be no change in current retirement benefits for either group of employees.
- There would be no immediate change in the current employee retirement contribution rate for either group of employees. ABAG fiscal issues may require a change which would be subject to the meet and confer process.
- There would be no immediate change in the current or future retiree health benefits for either group of employees. ABAG fiscal issues could have an impact over time for existing and future retiree health plans.
- There would be no change in Social Security coverage for either group of employees.

Policy

Both ABAG and MTC would technically retain their major regional land use, transportation and housing policy roles and responsibilities as well as other statutory responsibilities. While the

Joint Committee may provide oversight and direction to the new, independent planning director, there would be little formal change to the bifurcated strategic and policy direction for regional land use and transportation planning and related programs between two agencies not formally linked by an integrated leadership or policy structure.

A. Operational Effectiveness and Accountability

By creating an independent planning director with direct reporting responsibility to the Joint Committee, there should be significantly increased clarity about roles and responsibilities and increased accountability for PBA. Each of the agencies would assign staff based on a defined planning work group and program and a funding agreement between the two agencies. As an independent planning group, the planners could more readily focus on integrating land use and transportation issues as they will not be within the framework of either a transportation or land use-focused agency, but part of a group focused on integration (pursuant to the SCS). Such a group would likely not be focused programmatically, except in regard to implementing PBA, assuming PBA implementation (such as the One Bay Area Grant program) was one of its assigned responsibilities. Most program responsibilities would remain with the separate agencies unless otherwise determined.

This option would not expand career opportunities, and may narrow them as the planners would be somewhat isolated from their parent agencies. Also, employees would be reporting to an independent planning director who would have limited ability to evaluate and promote them.

B. Transparency in Policy Decision Making

As noted under Option 1, there was a perceived lack of transparency with PBA 2013 due to the lack of clearly assigned policy responsibility between the two agencies and their various committees. For this reason, the PBA 2013 process did not make efficient use of elected officials' time, as many elected officials sat on more than one committee and were subjected to multiple presentations on the same subject. This option clarifies staff roles and would establish a single oversight body for preparation of the SCS and PBA as a whole. However, it does not clarify which ABAG or MTC committee should be engaged and when in the process. The proposed single planning director is likely to be more effective in avoiding duplication of committee efforts, working directly with the chairs of the various committees, but is unlikely to be able to entirely eliminate the inefficiencies of the PBA 2013 process.

With this option, the two agencies would retain their respective roles regarding preparation and adoption of PBA. To the degree that PBA 2013 was perceived as the product of a representative process, the same perception would likely apply to PBA 2017. This option could lead to the establishment of a single regional planning department with responsibility for most if not all planning for the two agencies, subject to final approval of those plans by each of the parent agencies.

While a joint committee of the two agencies would likely avoid most disagreements between the parent agencies and the plans arising from the planning department, policy disagreements could arise that would be difficult to resolve. Moreover, after approval, plans would need to be integrated into the operations and implementation programs of each of the parent agencies. Separating policy development from those staff implementing policy could lead to implementation challenges.

Whether this option would provide an opportunity to address regional issues beyond those of existing planning programs will depend on the two agencies agreeing to assign those issues to the planning group and then fund the work, and/or allow the planning director to independently seek grants or other resources to work on other issues.

C. Core Service Delivery and Financial Sustainability

Option 2 assumes the continuation of the 2014 Funding Framework. As the funding agreement with ABAG is annually approved by MTC, it would leave some uncertainty as to the future financial health of ABAG should MTC choose to modify its funding agreement in the future. While hiring a new planning director (and expected administrative support) might increase some costs, this cost could be offset by savings elsewhere in the agencies. Any increased costs are not expected to be significant and would not affect the underlying financial situation of either agency.

Given ABAG's financial fragility, it is unlikely to be able to expand core services and programs unless it receives grants to do so from other sources. With continuing monitoring and budget management, ABAG should be able to provide administrative support for its programs and services under this option. This option would leave MTC with an indefinite financial responsibility with little control over costs or performance under a funding agreement.

D. Implementation Viability

This option would require both agencies to mutually agree to a work program for the new planning group, assign responsibility for oversight of that work program to the current Joint Committee (or some other similar body), and provide shared funding for any new position(s) that may be needed. MTC would need to agree to continue to provide funding to ABAG to support its planning program. This option does not include a further step toward a new agency, so it is assumed for this option that MTC's commitment to fund some portion of ABAG's planning function would continue indefinitely.

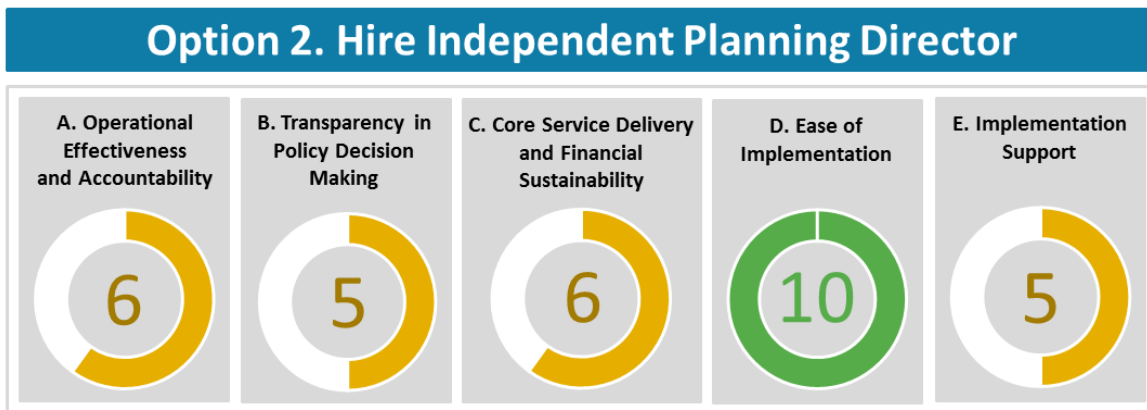
As staff would remain employed by their respective agencies, the ability to recruit and retain staff should not be substantially different than today. However, having a dual *de facto* reporting relationship (to an independent planning director, and to an executive director within the parent agency) could prove frustrating for staff, especially if any conflicts arise regarding assignments and priorities between the planning group director and managers in the respective agencies.

Assuming funding for ABAG planning functions as suggested in the funding framework, ABAG retiree benefits should remain secure. However, as noted in the ABAG financial forecast, even with continued MTC funding, ABAG’s financial sustainability is at risk and needs to be addressed.

By leaving the ABAG and MTC structure intact, the existing relationship that each agency has with local governments would be maintained. A more unified and clear line of authority and responsibility, increased accountability, and a somewhat more efficient process should increase local government support for the PBA process. However, this option would not address stakeholder interest in a unified regional agency with an accountable and transparent staffing and policy structure.

Based on the above criteria analysis, Figure 6 presents the overall numeric assessment for Option 2 across five major areas.

Figure 6. Criteria Assessment Overview for Option 2

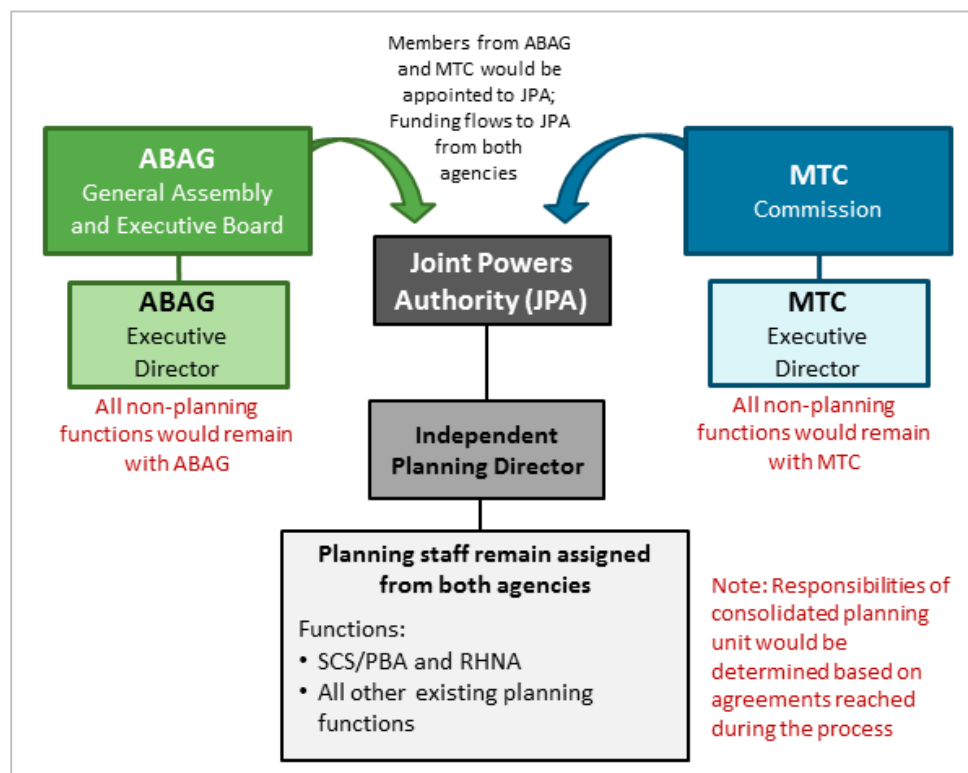


Option 3 – Establish a New Joint Powers Authority (JPA) to Oversee all Planning Functions

Description

Establish a new joint powers authority (JPA) with members from ABAG and MTC for purposes of potentially providing regional planning services (to be defined) to each agency. Hire a planning director reporting directly to the JPA governing board responsible for those powers “common to both agencies” regarding regional land use, housing, and transportation planning as determined by the JPA. Administrative support services to the JPA would be provided under contract by either MTC or ABAG; however, it is assumed each agency would provide proportionate funding to support the JPA. Staff would be assigned under contract from both agencies to support those activities determined to be eligible to be carried out by the JPA reporting to the new planning director, but would remain employees of MTC and ABAG. MTC and ABAG would remain as separate, independent agencies, including their respective mission, and governance structures. (Whether MTC would continue its current funding framework in support of ABAG planning services would need to be addressed.) Figure 7 provides a graphic depiction of this option.

Figure 7. Graphic Depiction of Option 3



Note: For clarity, the graphic only depicts a brief summary of planning unit functions (not the full range of ABAG’s and MTC’s responsibilities).

General Impacts

Legal

A determination would need to be made regarding the common powers with respect to regional planning that would be assigned to a JPA. ABAG's current JPA refers to "the power to study, discuss and recommend policies for solution of metropolitan area problems of direct concern to their – member – constitutional and statutory functions." As MTC would remain the MPO and ABAG the COG, a careful analysis of the purpose of the JPA and its potential powers and responsibilities would be required.

With the potential for most, and possibly all staff planning functions assigned to a consolidated planning function under the oversight of an independent planning director and JPA governing board, respective agency legal staff would find it challenging to provide legal counsel on behalf of their policy bodies regarding regional transportation and land use planning matters, and housing issues as they emerge. Further, as an independent employee of the JPA, the planning director would also be challenged to consider which legal advice should be considered. It is possible that such a JPA would need to contract outside legal counsel.

Financial

Assuming most planning functions were determined eligible to be carried out by the JPA, this high-level financial impact analysis assumes that the two current directors of planning for each organization would be replaced with a single director of planning at a somewhat higher cost, together with a support staff person and other costs associated with maintaining a separate position and reporting relationship (including office and supplies). The independent planning director would be an employee of the JPA, but other planning staff would remain as employees of their respective agencies. There would be additional legal and administrative costs on an annual basis.

Table 6 estimates the net annual impact of direct and indirect cost changes across both agencies is approximately \$180,000, which may be low. In addition, there would be one-time recruiting costs of \$30,000, and one-time set-up cost of the JPA of at least \$200,000. The impacts below are predicated on FY 2016-17 costs and indirect rates.

Table 6. Estimated Financial Impact of Option 3

	Assumes 50% Split in New Costs		
	MTC	ABAG	Joint
JPA Legal/Admin Costs	\$100,000	\$100,000	\$200,000
Existing Planning Directors	(311,000)	(298,000)	(609,000)
New Planning Director	165,000	165,000	330,000
Support Position and Other Operations and Maintenance Costs	100,000	100,000	200,000
Change in Overhead Costs	29,160	30,150	59,310
Net Cost (Savings)	\$83,160	\$97,150	\$180,310

Management

A consolidated planning function under an independent planning director reporting to an independent governing board would streamline preparation of the SCS and result in some efficiencies, and likely more effective use of staff resources. The JPA would be accountable for most of the regional land use and transportation planning (yet to be defined) in the region. Since employees would remain employees of ABAG and MTC, administrative services (human resources and financial) would remain separate.

This framework would also provide for performance and accountability by one individual, reporting to an independent governing board. There would be no formal relationship to the agency executive directors. The planning director would be accountable to the JPA governing body and have command and control over the assigned planning staff from both agencies. Since the planning staff would still be employees of either ABAG or MTC, the director would be challenged to manage employee performance issues under two different agency employee relations frameworks.

Existing Employees

- *Representation Status* – There would be no change in representation status for either group of employees.
- *Compensation* – There would be no change in compensation for either group of employees.
- *Benefits* – There would be no change in benefits for either group of employees. ABAG fiscal issues could have an impact on ABAG employees which would be subject to the meet and confer process.
- *Retirement Plan* – There would be no change in current retirement benefits for either group of employees.
- *Employee Retirement Contribution* – There would be no change in employee retirement contribution rate for either group of employees.

- *Retiree Health* – There would be no change in retiree health benefits for either group of employees. ABAG fiscal issues could have an impact over time on existing and future retiree health plans.
- *Social Security Coverage* – There would be no change in Social Security coverage.

Policy

Following a delegation of duties, responsibilities and authorities (pending legal assessment), the policy roles of ABAG and MTC regarding regional land use and transportation planning may change. However, it is assumed that MTC would remain the MPO and ABAG the COG, which would result in confusing policy roles and decision making responsibilities to the region. While the JPA would provide oversight and direction to the planning director, as the MPO and COG would continue to exist, transparency regarding strategic and policy direction for regional land use and transportation planning and related programs would not improve and would be confusing.

A. Operational Effectiveness and Accountability

If a new JPA were able to assume responsibility for PBA, the roles, responsibilities and accountability for PBA would be clear. However, as PBA or the SCS must be incorporated into the region's RTP, and preparation and adoption of the RTP is one of the key functions of a metropolitan planning organization (MTC), it is unclear how a new agency preparing PBA would relate back to MTC, which is charged with and held accountable for adopting and implementing the RTP. The respective roles and responsibilities for the JPA, the COG and the MPO would have to be very clearly set forth, and the process of doing this would be challenging.

Assuming these roles and responsibilities could be established as common powers able to be delegated to a JPA, each of the agencies would need to agree to a work program and assign staff based on the scope of those roles and responsibilities. As an independent planning group, the JPA planners could more readily focus on integrating land use and transportation issues as they will not be within the framework of either a transportation or land use-focused agency, but part of a group focused on integration (pursuant to the SCS). Assuming funding for staff is funneled through the JPA and the JPA director would contract for staff with the two agencies, the director may have greater ability to hold staff accountable.

While a new JPA governing body appointed by both agencies could avoid most disagreements between the parent agencies and the plans arising from the new JPA, policy disagreements could arise that would be difficult to resolve. Moreover, after approval, plans would need to be integrated into the operations and implementation programs of each of the parent agencies. Separating policy development from those staff implementing policy can lead to implementation challenges. Whether the new JPA would be assigned authority for implementation of PBA (and some funding resources, such as oversight for One Bay Area

grants) would need to be determined. The relationship between the planning function under the JPA and the two agencies charged with implementing those plans would need to be defined.

This option would not expand career opportunities, and may narrow them as the planners would be somewhat isolated from their parent agencies. Also, the employees would be reporting to an independent planning director who would have limited ability to evaluate and promote.

B. Transparency in Policy Decision Making

If the new JPA were assigned preparation of Plan Bay Area, clear policy responsibility under the JPA governing body would also be established. The JPA could, in turn, establish committees to oversee aspects of PBA, similar to the two parent agencies. The transparency of decision making under a JPA should therefore increase. The “dueling” agency problem that was evident under PBA 2013 is likely to be significantly reduced.

However, MTC and ABAG would continue to exist with their own committee structures, involving the same local government officials as those involved in the JPA. While there would be less meeting duplication for PBA responsibilities (and therefore, potentially fewer PBA-oriented meetings), the overall meeting responsibility is unlikely to decrease, and may very well increase. While the JPA would have some independence from the two parent agencies, the two parent agencies are likely to want regular reporting to them regarding the activities of the JPA, leading to additional demands on staff and elected officials.

If the JPA could be assigned full responsibility for PBA, the question of whether the preparation of PBA was a result of representative decision making will depend in part on the structure of the JPA’s governing board. The governance issues that have arisen from local elected officials during the stakeholder outreach process for this merger study would need to be resolved: how are the interests of small governments and major cities balanced? While the members of any JPA governing board would almost certainly be local elected officials, their role on the JPA Board will be a further step removed from their home jurisdictions, as they would be appointed by the two regional agencies’ governing boards. This distance from their elected positions would increase concerns expressed by some stakeholders about the ability to hold elected officials accountable for their actions on regional agency boards, and may also cause concern from other elected officials in each county as to who the individuals on the JPA Board are representing.

The degree to which this option would provide an opportunity to address other regional issues will depend on a determination of the powers, including financial, able to be delegated to the JPA.

C. Core Service Delivery and Financial Sustainability

Option 3 assumes the continuation of the 2014 or similar funding framework. As the funding agreement with ABAG is annually approved by MTC, it would leave some uncertainty as to the future financial health of ABAG should MTC choose to modify its funding agreement in the

future. Creation of a JPA is expected to have some one-time costs and annual ongoing costs. This level of expenditure would not be expected to significantly impact the underlying financial condition of either agency. Nonetheless, given ABAG's need to address its overall financial sustainability, it is unlikely to be able to expand core services and programs under this option unless it receives grants to do so from other sources.

D. Implementation Viability

This option assumes that legal grounds may be found to establish such a JPA in accordance with state law. Other regional planning agencies in the state, e.g., SACOG and SCAG operate under JPAs. If determined to be viable, it would require both agencies to mutually agree to create a new joint powers authority, decide which programmatic responsibilities to assign to that new authority, agree on a governance structure for that new authority, and then fund it.

There would be some significant costs associated with the creation of this new agency, both in staff and elected officials' time, and direct costs for consultants (legal, etc.). As noted earlier, it is unclear what the relation of this new agency would be to the parent agencies, especially MTC, which has statutory responsibility for the RTP and must integrate the RTP into its operations and funding. This option does not include a further step toward a new agency, so it is assumed for this option that MTC's commitment to fund some portion of ABAG's planning function would continue indefinitely.

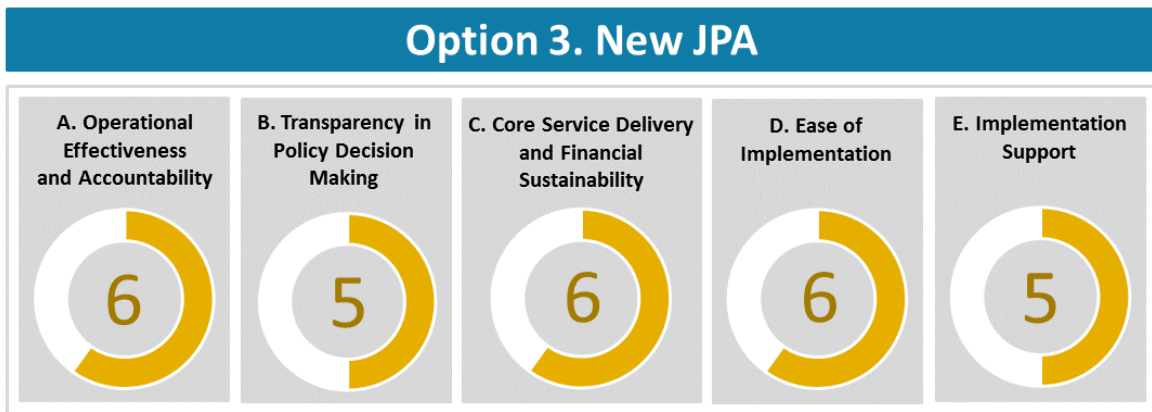
As staff would remain employed by their respective agencies, the ability to recruit and retain staff should not be substantially different than today. However, the dual *de facto* reporting relationship (to an independent planning director hired by the JPA, and to an executive director within the parent agency) could prove frustrating for staff, especially if any conflicts arise in regard to assignments and priorities between the JPA director and managers in the parent agencies.

Assuming that funding for ABAG planning functions as suggested in the 2014 Funding Framework continued, ABAG retiree benefits should remain secure. However, as noted in our analysis of ABAG's finances, even with continued MTC funding, ABAG's financial sustainability is at risk.

Whether this new JPA is supported by local governments will be highly dependent on the governance structure. However, while a step forward, this option would not address stakeholder interest in a unified regional agency with an accountable and transparent staffing and policy structure.

Based on the above criteria analysis, Figure 8 shows the overall numeric assessment for Option 3 across five major areas.

Figure 8. Criteria Assessment Overview for Option 3

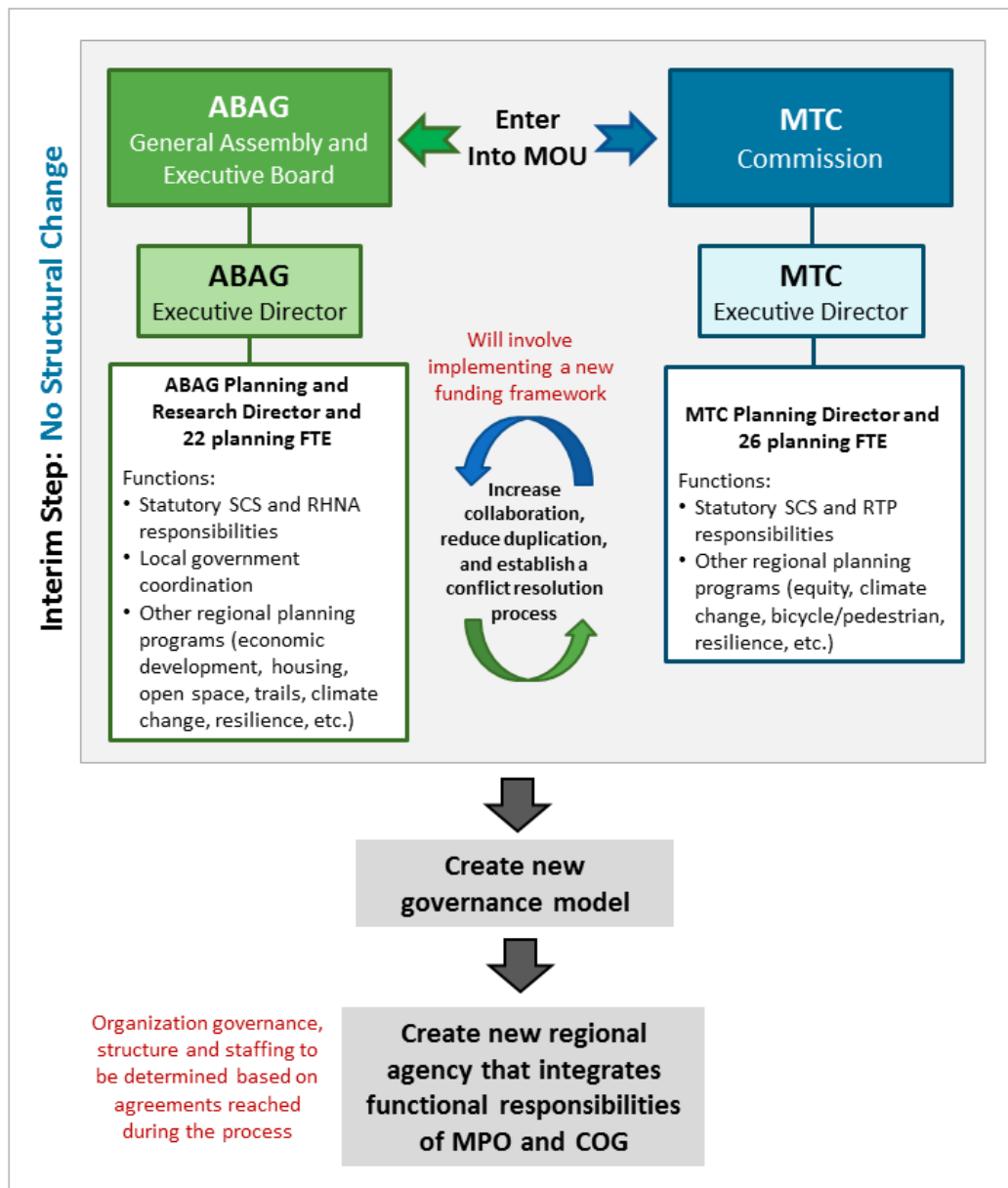


Option 4 – Create a New Regional Agency and Governance Model

Description

Enter into a memorandum of understanding (MOU) between MTC and ABAG to create a new governance model that integrates the MPO (MTC) and the COG (ABAG). The MOU would set forth the principles, parameters and basic terms to guide the creation of a new regional agency and governance model for the region. Until a new agency is created and integration achieved, MTC and ABAG would remain as separate, independent agencies, including their respective mission, governance structures, legal and statutory duties, responsibilities and authorities. ABAG would statutorily continue to be responsible for those activities set forth in SB 375 regarding preparation of the SCS. Figure 9 on the following page provides a graphic depiction of this option.

Figure 9. Graphic Depiction of Option 4



Note: For clarity, the graphic only depicts a brief summary of planning unit functions (not the full range of ABAG's and MTC's responsibilities).

General Impacts

Legal

Entering into an MOU would result in a formal agreement between ABAG and MTC to create a new regional agency and governance structure and set forth the guiding principles, parameters and basic terms to guide its establishment. Following a determination about the governance structure, duties and responsibilities of a new regional agency, as well as a financial assessment

and proposed staffing plan, state legislation would be required to transfer the current statutory duties and responsibilities of MTC and ABAG to the new agency. Both ABAG and MTC have ancillary JPAs staffed by their respective agency personnel, which would have to enter into new contracts with a new agency for the same purpose if they wish to remain affiliated with the successor agency.

Other authorities such as the Bay Area Toll Authority (BATA) have significant authorities, duties and responsibilities as well as fiduciary obligations that would have to be examined carefully to ensure the process would not impact operational commitments during the next several years. Financing authorities as well as bond documents would also have to be reviewed to determine whether there are any significant obstacles to a successor agency.

Financial

If MTC and ABAG choose an option that involves creating a new agency, a more in-depth financial assessment will be required. Such an assessment would need to include a detailed analysis of each agency's existing financial liabilities and their future impact on the finances of a newly created agency. The high-level assessment (base assumptions) in this report is based on our experience with other mergers. Under a new regional agency, it is assumed there would be a net reduction of one executive director position in addition to one less planning director at a minimum.

Given the overall merger of staff, we believe it is reasonable to expect at least a 10% overall reduction in remaining overhead costs, which is likely conservative. Efficiencies and economies of scale typically result in greater cost savings. The overall impact for both agencies is therefore projected at a \$2.6 million in net annual savings, as indicated in Table 7. There would be one-time recruiting costs of \$80,000 for the new executive director and planning director positions, and one-time implementation costs (legal and consulting) of at least \$500,000. This option assumes that Resolution 4210 is replaced by adequate funding to avoid adverse fiscal impacts on ABAG during the period of negotiation and implementation of the new organization.

Table 7. *Estimated Financial Impact of Option 4*

	Assumes 50% Split in New Costs		
	MTC	ABAG	Joint
Existing Executive Directors	(\$456,000)	(\$363,000)	(\$819,000)
New Executive Director	237,500	237,500	475,000
Existing Planning Directors	(311,000)	(298,000)	(609,000)
New Planning Director	165,000	165,000	330,000
10% Reduction in Overhead Costs	(1,652,271)	(302,632)	(1,954,903)
Net Cost (Savings)	(\$2,016,771)	(\$561,132)	(\$2,577,903)

Management

Until such time as a new regional agency is created, the current management, performance and accountability issues associated with preparation of the SCS and PBA would likely continue until and unless shared agreements reset how the agencies currently work together on regional planning programs and services.

A new regional agency would result in a completely consolidated regional planning organization (along with other programs, operations and services) under a single management and leadership structure. This would result in clear and consistent direction to staff and transparency to the governing body or bodies and the public about who is responsible for implementing the region's vision. It would also present significant opportunity for the agency's management and leadership to integrate both agencies into a cohesive, efficient and well-functioning organization with a shared mission, vision and values.

Existing Employees

Representation Status – In a new agency, the first determination to be made would be whether to offer positions to existing employees in the two agencies or to fill positions through an open recruitment process. This decision would be made as part of the process to establish the new agency and would be done under collective bargaining rules and in consultation with existing employee groups. A bargaining unit in the new agency would be unrepresented until such time as a majority of all employees in the unit elected to be represented by one or more unions. For the bargaining unit to become represented, employees would first need to present evidence of the desire to be represented through a card check process or by signing petitions. Typically administered by the state, such an election would result in all of the employees in the agency being represented by a union if 50% plus one of the employees in the unit voted affirmatively for such an affiliation.

Compensation – Compensation levels would be established as part of a meet and confer process under state law with the employees of the new agency. If they were set at the current MTC level, former ABAG staff may see an increase in compensation depending on the position.

Benefits – Benefits would be established as part of a meet and confer process under state law with employees of the new agency. They could be set to mirror the current MTC benefits, the current ABAG benefits, or a different set of benefits.

Retirement Plan

- The retirement plan would be established as part of a meet and confer process within the options available through CalPERS. Both agencies currently have a 2.5% @ 55 plan for "Classic" employees and the required 2% @ 62 plan for new plan employees. The current MTC retirement plan includes a survivor benefit while the ABAG plan does not. The current MTC plan includes a 3% annual COLA while the ABAG plan includes a 2% COLA. Either of these options could be selected by the new agency. The current rate paid by MTC includes these options and, if both were selected, the contribution rate

would likely be set at the current MTC rate (although this would need to be confirmed with CalPERS for a new agency).

- The employee contribution for Classic employees would be established as part of a meet and confer process under state law. New plan employees are required to pay the full employee contribution rate set by PERS. Currently, ABAG employees pay a 1% retirement contribution with this amount increasing to 2% and 3% over the next two years. Classic MTC employees pay a 5.73% retirement contribution, increasing to 8% over the next several years (depending on employer share increases each year). ABAG's new plan members pay the full 6.25% contribution rate and MTC's new plan employees pay the full 6.5% contribution rate. The difference in contribution rate is due to the inclusion of a survivor benefit and a higher COLA in the MTC plan.
- Retiree health benefits would be established as part of the collective bargaining process between the employees and the new agency. They could be set to mirror the current MTC benefits, the current ABAG benefits, or a combination of the two. Employees that have already retired would see no change to their retiree health benefits if the new agency were able to assume the ongoing cost.
- A decision to include or exclude employees from Social Security would be made as part of the meet and confer process under state law. Currently, ABAG employees are covered under Social Security while MTC employees are not. ABAG employees have a payroll deduction for Social Security contributions while MTC employees do not.

Policy

A new agency and governance model presents an opportunity to integrate the two agencies responsible for regional land use and transportation planning and associated services and programs into a transparent and more accountable policy structure. It would also provide an opportunity to establish a clear vision for the region. Duplicate committees addressing similar issues could be eliminated, which would also mean a much more efficient use of elected officials' time.

Alternative governance models provide a range of options to meet the interests of the region's local governments and stakeholders, including multiple governance structures responsible for different missions of the new agency, e.g., the MPO or transportation, the COG, and administration (executive board) within an overarching policy body. Voting structures among the governing bodies can be weighted in accordance with various factors, including population, or by certain categories.

A. Operational Effectiveness and Accountability

Creation of a new regional agency should provide for clear staff roles and responsibilities for Plan Bay Area. However, it will take a minimum of a year (likely more) to establish and additional time to implement this option, and therefore it will have little impact on the PBA 2017 process which is likely to be nearing conclusion or be completed by the time a new agency can be operational. For this option, we assume a new funding framework would be

implemented and the respective roles for ABAG and MTC in regard to PBA would continue until a new agency is created. As discussed under Option 1, while some modest incremental improvements could be made for the current PBA 2017 process in comparison with the PBA 2013 process through improved coordination and a dispute resolution process, many of the same issues of operational effectiveness and accountability are likely to remain until a new agency is created.

This option would result in the integration of land use and transportation planning, programs and services under one unified agency. A new, integrated and unified agency under one management and leadership structure would clarify and streamline staff roles and responsibilities and improve accountability. A single integrated agency should also provide increased career opportunities for staff within a larger agency.

B. Transparency in Policy Decision Making

In the near term this option is unlikely to address concerns with the roles and responsibilities for PBA 2017. The fundamental problems associated with having two agencies with overlapping responsibilities for the same plan will not be resolved until a new agency is created. Once a new agency is created, there should be significant improvements in streamlining the process, both for staff and for elected officials. A new committee structure would likely be created, allowing for less overlap in responsibility and fewer overall meetings. The PBA process would go through one agency rather than two, allowing for stakeholders to better follow and engage in the process.

Whether PBA will be seen as the product of “representative decision making” will largely depend on the structure of the governing body or bodies. In any regional agency smaller jurisdictions want their interests and unique circumstances to be respected and their concerns understood. The interests of the more populous cities and counties are that programs and funding serve locations with the majority of the population of the region. These two interests must be addressed and balanced in any new governance structure.

A single agency serving the region will be able to tackle some of the issues facing the region in a more holistic and comprehensive manner, including new issues as they arise. The administrative and other savings that can be expected by combining two agencies into a single agency could be used to support new policy initiatives.

C. Core Service Delivery and Financial Sustainability

Option 4 assumes the continuation of the 2014 Funding Framework until a new agency is created. We estimate that a new agency would lead to annual savings of \$2.6 million after an estimated one-time cost of at least \$500,000 to create it.

Both organizations are much more than planning agencies, and provide a range of services in addition to their role in preparing and implementing PBA. ABAG’s programs include the Estuary Project, its insurance pool, and assisting local governments with resilience and emergency planning. These services are valued by its member agencies. In addition to its role in

managing and distributing transportation funds, MTC (including its associated agencies such as the Bay Area Toll Authority) has significant programmatic responsibilities, including the 511 system, oversight of bridge operations and maintenance, and the Clipper Card system.

MTC is somewhat unusual among MPOs we examined in the amount of local and state funding it manages in addition to federal funds, and the degree to which it has operational responsibilities; however, it is not unique. The San Diego Association of Governments (SANDAG) has operational and capital improvement responsibilities and approximately as large an overall budget as MTC. Large local governments in the Bay Area also manage comparable budgets and operations, and provide an even larger range of operations and programs than MTC, including significant land use, capital improvement, planning and policy responsibilities.

While unifying two agencies into a single agency will present challenges, we have not identified any overt operational obstacles (pending legal review) to that unification. Existing MTC operations and programs should transition to a successor agency relatively seamlessly (pending legal review) with little operational impact. With a comparatively secure financial foundation and significant savings from agency unification, the new agency should be able to maintain and expand core service programs, and provide adequate administrative support for programs and services.

A new agency provides an opportunity for a more integrated, consistent and comprehensive approach to all regional programs and services, including implementation of PBA. Assuming a continuation of current grants, service programs and dues revenue, with less duplication and more cost-effective agency administration, the new agency would have additional resources to broaden its mission. This would allow it to become a partner with local governments in several areas in addition to implementing PBA, including assisting local governments and stakeholders in addressing other issues of significant regional concern, such as housing policies and resilience.

D. Implementation Viability

Creating a new regional agency will require legislation at the state level. It will also require approval from the MTC and ABAG governing bodies as well as associated JPAs and other authorities. The complexity of this process has not been examined in depth, but we believe it to be one that will take some time.

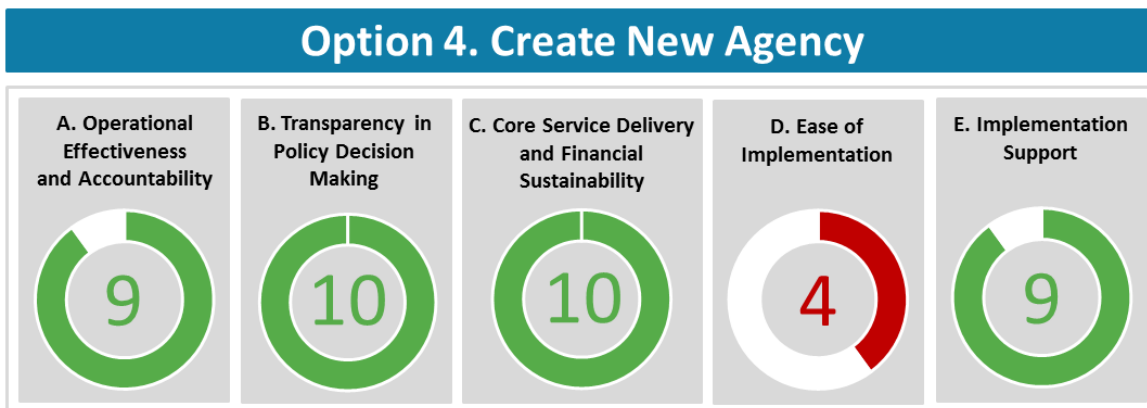
The major challenge in implementing this option will be reaching agreement among the many interests and stakeholders on a new governance structure that strikes the appropriate balance between their various interests. A new agency also provides a different opportunity for employee representation in the collective bargaining process to be determined.

Once created, a single larger, organization with secure and stable financial resources is more likely to be able to recruit and retain qualified staff. With a strong financial foundation, the new agency should be able to maintain benefits for current and future retirees, although this has not been assessed. This option would implement the strong stakeholder interest in having a unified

planning agency. The option’s ability to foster support from local governments will depend in large measure on the governance structure ultimately agreed on for the new agency.

Based on the above criteria analysis, Figure 10 presents the overall numeric assessment for Option 4 across five major areas.

Figure 10. Criteria Assessment Overview for Option 4

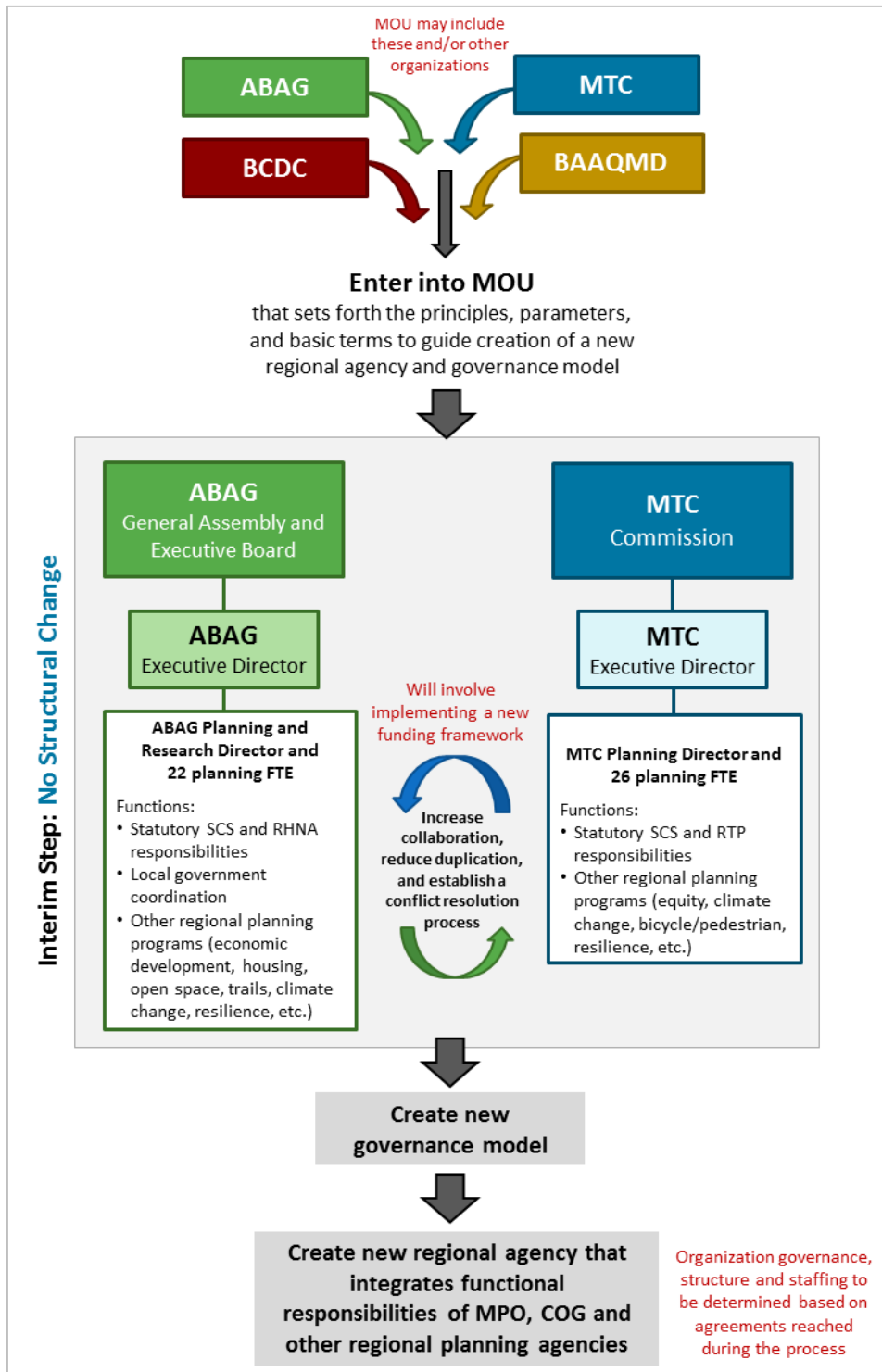


Option 5 – Create a New Comprehensive Regional Agency and Governance Model

Description

Enter into a memorandum of understanding (MOU) between MTC and ABAG and other regional agencies such as the Bay Conservation and Development Commission (BCDC) and the Bay Area Air Quality Management District (BAAQMD) in the Bay Area to create a new regional agency and governance model that integrates the MPO (MTC) and the COG (ABAG). The MOU would set forth the principles, parameters and basic terms to guide the creation of a new regional agency and governance model for the region. Until a new agency is created and integration achieved, MTC and ABAG would remain as separate, independent agencies, including their respective mission, governance structures, legal and statutory duties, responsibilities and authorities. ABAG would statutorily continue to be responsible for those activities set forth in SB 375 regarding preparation of the SCS. Figure 11 on the following page provides a graphic depiction of this option.

Figure 11. Graphic Depiction of Option 5



Note: For clarity, the graphic only depicts a brief summary of planning unit functions (not the full range of ABAG's and MTC's responsibilities).

General Impacts

Legal

Entering into an MOU would result in a formal agreement between ABAG, MTC, and other selected agencies to create a new regional agency and set forth the guiding principles, parameters and basic terms to guide its establishment. There may be significant legal obstacles to other regional agencies joining in such an effort, especially if it is a state regulatory agency. Management Partners did not research state and federal statutes to make this determination, nor did we contact the agencies to assess what issues might arise. Following a determination on the governance structure, duties and responsibilities of a new regional agency, as well as a financial assessment and proposed staffing plan, state and/or federal legislation may be required to transfer the current statutory duties and responsibilities of the agencies to a new regional agency.

Both ABAG and MTC have ancillary JPAs, staffed by their respective agency staff which would have to enter into new contracts with the new agency for the same purpose. Other authorities such as the Bay Area Toll Authority (BATA) have significant authorities, duties and responsibilities as well as fiduciary obligations that would have to be examined carefully to ensure the process would not impact operational commitments during the next several years. Financing authorities as well as bond documents would also have to be reviewed to determine whether there are any significant obstacles to a successor agency.

Financial

This option addresses the entire organizational structure of both agencies, but also assumes the inclusion of other agencies such as BCDC and BAAQMD. The finances of these other districts have not been analyzed and thus it is difficult to make an estimate of the fiscal impact other than to say the potential for savings is somewhat greater than for Option 4 as there is a greater degree of likely overlap in overhead costs. However, the greater degree of complexity involved would certainly increase the one-time costs of formation.

Management

Until such time as a new regional agency is created, the current management, performance and accountability issues associated with preparation of PBA would likely continue until and unless shared agreements reset the way the agencies currently work together on regional planning programs and services. This option would result in a completely consolidated regional agency (along with other programs, operations and services) under a single management and leadership structure. As mentioned previously, the scope of this engagement did not allow Management Partners to research the operations and programs of other agencies that might be involved to make even a high level assessment about the management opportunities and challenges that might result from such a consolidation of agencies. Further research would be required.

Existing Employees

Representation Status – In a new agency, a bargaining unit would be unrepresented until such time as a majority of all employees in the unit elected to be represented by one or more unions. For the bargaining unit to become represented, employees would first need to present evidence of the desire to be represented through a card check process or by signing petitions. Typically administered by the state, such an election would result in all of the employees in the agency being represented by a union if 50% plus one of the employees in the unit voted affirmatively for such an affiliation.

Compensation – Compensation levels would be established as part of a meet and confer process under state law with the employees of the new agency. If they were set at the current MTC level, former ABAG staff may see an increase in compensation depending on the position. Implications for the other agencies that may be involved are unknown.

Benefits – Benefits would be established as part of a meet and confer process under state law with employees of the new agency. They could be set to mirror the current MTC benefits, the current ABAG benefits, or a different set of benefits.

Retirement Plan

- The retirement plan would be established as part of a meet and confer process within the options available through CalPERS. Both agencies currently have a 2.5% @ 55 plan for “Classic” employees and the required 2% @ 62 plan for new plan employees. The current MTC retirement plan includes a survivor benefit while the ABAG plan does not. The current MTC plan includes a 3% annual COLA while the ABAG plan includes a 2% COLA. Either of these options could be selected by the new agency. The current rate paid by MTC includes these options and, if both were selected, the contribution rate would likely be set at the current MTC rate although this would need to be confirmed with CalPERS for a new agency.
- The employee contribution for Classic employees would be established as part of a meet and confer process under state law. New plan employees are required to pay the full employee contribution rate set by PERS. Currently, ABAG employees pay a 1% retirement contribution with this amount increasing to 2% and 3% over the next two years. Classic MTC employees pay a 5.73% retirement contribution, increasing to 8% over the next several years (depending on employer share increases each year). ABAG’s new plan members pay the full 6.25% contribution rate and MTC’s new plan employees pay the full 6.5% contribution rate. The difference in contribution rate is due to the inclusion of a survivor benefit and a higher COLA in the MTC plan.
- Retiree health benefits would be established as part of the collective bargaining process between the employees and the new agency. They could be set to mirror the current MTC benefits, the current ABAG benefits, or a combination of the two. Employees that have already retired would see no change to their retiree health benefits if the new agency were able to assume the ongoing cost (this has not been assessed).

- A decision to include or exclude employees from Social Security would be made as part of the meet and confer process under state law. Currently, ABAG employees are covered under Social Security while MTC employees are not. ABAG employees have a payroll deduction for Social Security contributions while MTC employees do not.

Policy

A new comprehensive agency presents an opportunity to integrate all the regional agencies in the Bay Area into a transparent and potentially more accountable policy structure, capable of addressing the complex and challenging issues facing the region. Governing boards that address similar or related issues could be consolidated into one or more sets of policy bodies, which could result in a much more efficient use of elected officials' time and improved decision making. Alternative governance models provide a range of options to meet the interests of the region's local governments and stakeholders, including multiple governance structures responsible for different missions of the new agency, e.g., the MPO or transportation, the COG, environmental programs, and administration (executive board) within an overarching policy body. Voting structures among the governing bodies can be weighted in accordance with various factors, including population, or by specified categories. Again, further research into the roles and responsibilities of all the agencies who might be involved in such an effort would be required.

A. Operational Effectiveness and Accountability

For purposes of this assessment, we assumed that the new, more comprehensive regional agency associated with this option would include, at minimum, ABAG, MTC, the BAAQMD and BCDC. These agencies are already associated through the Bay Area Regional Collaborative (BARC). Another candidate would be the Regional Water Quality Control Board. In other regions, a comprehensive regional authority can also become a coordinating body for regional water supply, solid waste management, and other services that tend to cross jurisdictional boundaries or where efficiencies are possible at scale. This option would take a minimum of two years (and likely much more) to implement and would therefore have little or no impact on PBA 2017.

This option would result in the integration of land use and transportation planning, programs and services under one unified agency at a minimum. A new, integrated and unified agency under one management and leadership structure would clarify and streamline staff roles and responsibilities and improve accountability. A single integrated agency should also provide increased career opportunities for staff within a larger agency.

A new agency also presents an opportunity for a more integrated, consistent and comprehensive approach to all regional programs and services, including implementation of PBA. With careful planning, existing MTC operations and programs should transition to a successor agency relatively seamlessly (pending legal review) with no change in operational programs. With less duplication and more cost-effective administration, a new agency would

have additional resources to broaden its mission and become a partner with local governments for implementing PBA, and address other issues of significant regional concern, such as housing policies, and resilience.

When implemented, this option may also allow the PBA process to more effectively integrate some key agencies that have a significant influence on the region's environment and on the implementation of the plan. Both BAAQMD and BCDC have land use roles, and BAAQMD has some responsibility for evaluating land use and transportation plans for conformance with clean-air requirements. In the past, conflicts have occasionally arisen between the various regional agencies' plans, programs and regulations and those conflicts could potentially be avoided if they were managed under one agency umbrella.

B. Transparency in Policy Decision Making

A single comprehensive agency would allow for more streamlined policy roles and responsibilities for the PBA process and regional development policy in general. A single agency is likely to be more visible and accountable to the region's residents than the four or more agencies that currently affect regional environmental policy. As local government elected officials sit on all of these regional agencies, it is likely that unifying the agencies would allow for more efficient use of elected officials' time. As with all of the "new agency" options described in this report, the degree to which local governments believe the new agency engages in representative decision-making will depend on the agreed upon governance structure. The agency would clearly have a greater ability to address complex regional issues, such as sea level rise and health impacts of poor air quality (which are also related to land use and transportation).

C. Core Service Delivery and Financial Sustainability

Option 5 assumes the continuation of the 2014 Funding Framework for ABAG until a new comprehensive agency is created. The finances of the other potential agencies that might be incorporated into the new unified agency have not been analyzed and thus it is difficult to project a fiscal impact other than to say the potential for savings is somewhat greater than for Option 4 as there is a greater degree of likely overlap in overhead costs. However, the greater degree of complexity involved would certainly increase the one-time costs of formation.

With a comparatively secure financial foundation and significant savings from agency unification, the new agency should be able to maintain and expand core service programs, and provide adequate administrative support for programs and services.

D. Implementation Viability

While there may be advantages to creating a comprehensive regional planning (and regulatory) agency, the complexity of establishing such an agency also grows with its size and range of authority. Instead of combining two agencies with their separate staffs, organizational cultures, legislative authorities, governance boards and other elements, this option would require

combining at least four. Implementation would require both legislative action and action by the governing boards of all four agencies.

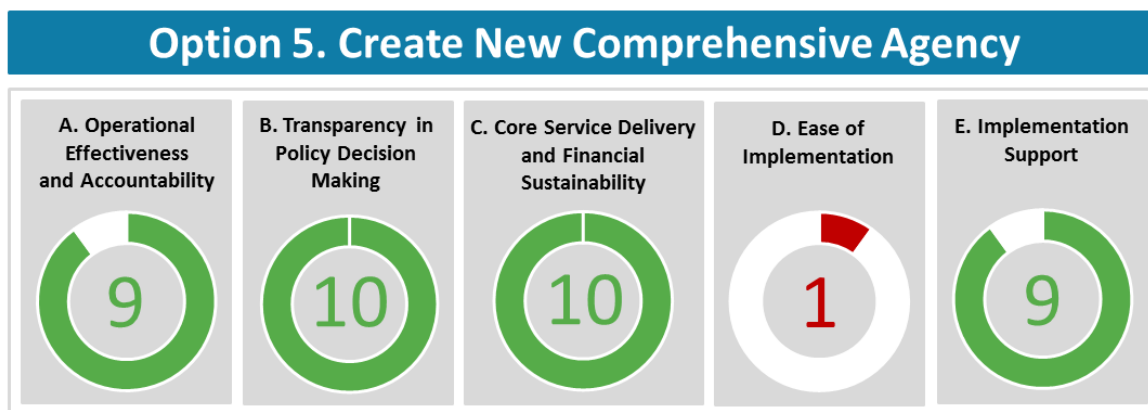
The scope of this engagement did not allow Management Partners to research the operations and programs of other agencies to make even a high-level assessment of the opportunities and challenges that might result from such a consolidation of agencies, or the legal hurdles. Further research would be required. However, based on our experience with agency consolidation, we expect that combining four agencies would be exponentially more complex than consolidating ABAG and MTC into a single agency.

One advantage of such an agency is that with its size and range of activities, it is more likely to be able to retain and recruit qualified staff and maintain benefits for current retirees. It would also be able to address stakeholder interests in a unified regional planning agency.

Whether this option could gain support from local governments would depend, in part, on the structure of the governing board. Perhaps the major challenge in implementing this option will be reaching agreement among the many interests and stakeholders about a new governance structure that strikes the appropriate balance between their various interests. This option also has another hurdle: unlike other options, if determined to be legally feasible, this combined agency would have some regulatory authority, including some land use authority near the Bay (BCDC). Such authority would make this agency considerably stronger in some respects than some of the other options, but also may increase local government concerns with its creation because it could be perceived as having greater ability to erode local government authority.

Based on the above criteria analysis, Figure 12 presents the overall numeric assessment for Option 5 across five major areas.

Figure 12. Criteria Assessment Overview for Option 5



Option 6 – Execute a Contract between MTC and ABAG to Consolidate Planning Functions within MTC and Enter into an MOU to Create a New Regional Agency and Governance Model

Description

Execute an agreement between ABAG and MTC to consolidate all ABAG planning functions within MTC. Up to 22 planning positions could be created in MTC and offered to ABAG incumbents. No planning positions would remain in ABAG except possibly those determined to be directly related to and supported by enterprise programs. The agreement would address the financial resources to accomplish this objective, an agreed upon work program, and any transition payments to assist ABAG with a financial transition to support its program responsibilities and performance.

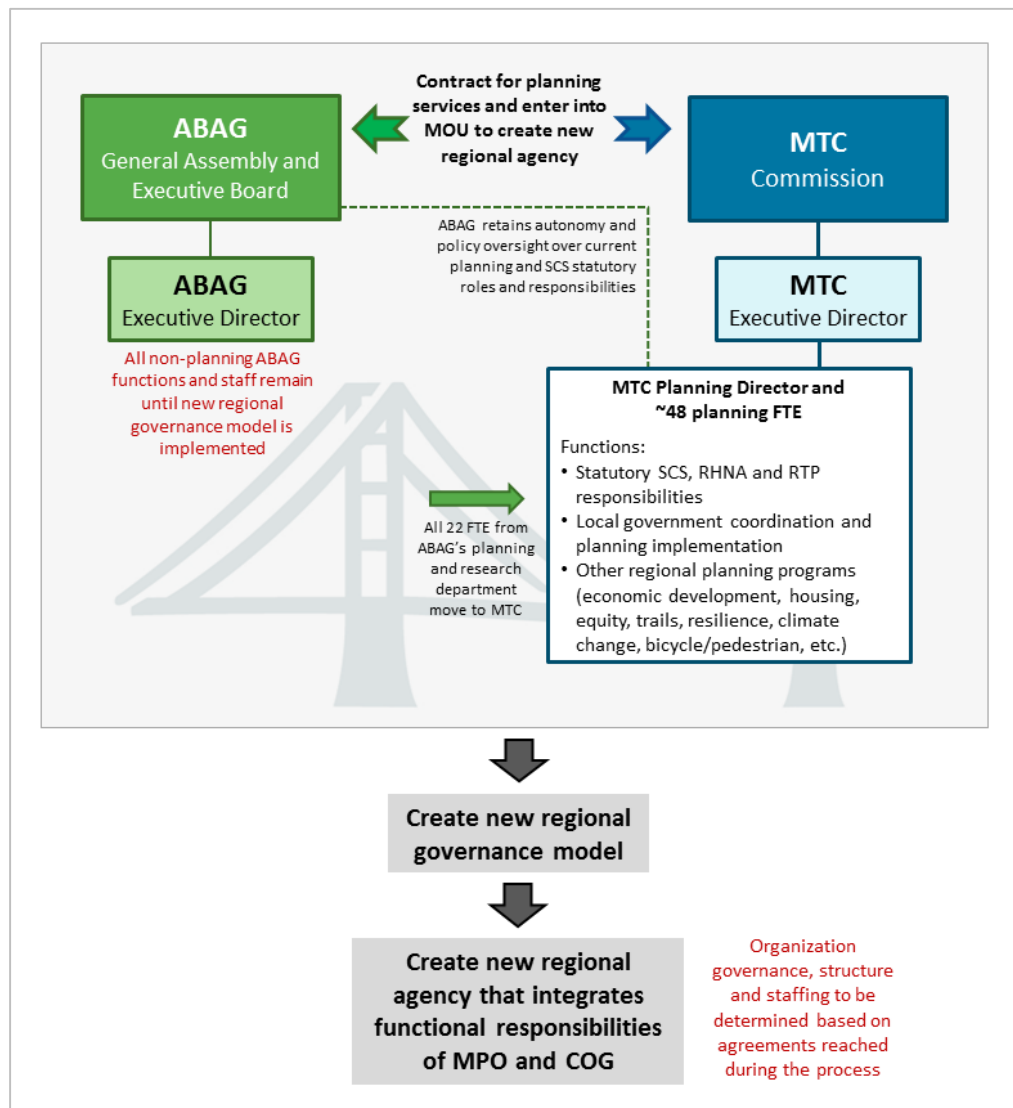
Enter into a memorandum of understanding (MOU) between ABAG and MTC to create a new regional agency and governance model that integrates the MPO (MTC) and the COG (ABAG). The MOU would set forth the principles, parameters and basic terms to guide the creation of a new regional agency and governance model for the region.

Until a new agency is created and full integration achieved, MTC and ABAG would remain as separate, independent agencies, including their respective missions, governance structures, legal and statutory duties, responsibilities and authorities. ABAG would statutorily continue to be responsible for those activities set forth in SB 375 regarding preparation of the SCS as well as RHNA.

Both the contract and the MOU are intended to proceed simultaneously. While there are steps in the process, this alternative is explicitly a bridge to an end result which would be a regional agency providing both COG and MPO services, using a combined staff and management.

Figure 13 on the following page provides a graphic depiction of this option.

Figure 13. Graphic Depiction of Option 6



Note: For clarity, the graphic only depicts a brief summary of planning unit functions (not the full range of ABAG's and MTC's responsibilities).

General Impacts

Legal

Technically, there is no change to MTC or ABAG's statutory duties, responsibilities and authorities. The governance and decision making structure would remain the same. With most staff planning functions transferred to MTC, however, ABAG legal counsel's ability to advise ABAG's governing body on regional land use and housing issues as they emerge will be constrained under this structure. While the planners in MTC may be able to access ABAG's

legal counsel for consultation, it would be challenging for that position to provide influence and direction if it is contrary to that provided by MTC management and legal counsel.

Entering into an MOU would result in a formal agreement between ABAG and MTC to create a new regional agency and governance structure and set forth the guiding principles, parameters and basic terms to guide its establishment. Following a determination about the governance structure, duties and responsibilities of a new regional agency, as well as a financial assessment and proposed staffing plan, state legislation would be required to transfer the current statutory duties and responsibilities of MTC and ABAG to the new agency.

Both ABAG and MTC have ancillary JPAs, staffed by their respective agency staff, which would have to enter into new contracts with a new agency for the same purpose if they wish to remain affiliated with the successor agency. Other authorities such as the Bay Area Toll Authority (BATA) have significant authorities, duties and responsibilities as well as fiduciary obligations that would have to be examined carefully to ensure the process would not impact operational commitments during the next several years. Financing authorities as well as bond documents would also have to be reviewed to determine whether there are any significant obstacles to a successor agency.

Financial

If MTC and ABAG choose an option that involves creating a new agency, a more in-depth financial assessment will be required. Such an assessment would need to include a detailed analysis of each agency's existing financial liabilities and their future impact on the finances of a newly created agency.

Until a new agency is established, ABAG would be required to address its financial condition and develop a strategy that can sustain the agency in the near term. In addition to these efforts, this option assumes that adequate transition funding would be provided by MTC to avoid adverse fiscal impacts on ABAG during the period of negotiation and implementation of the new regional agency. In addition, non-MTC revenue sources used to fund ABAG planners would need to be made available to MTC (the former ABAG planners would continue to work as needed for ABAG grants and service programs that previously relied upon their support). This near-term impact is the same as under Option 2, as shown in Table 8 below.

Table 8. Estimated Near-Term Financial Impact of Option 6

	Assumes 50% Split in New Costs		
	MTC	ABAG	Joint
Existing Planning Directors	(\$311,000)	(\$298,000)	(\$609,000)
New Planning Director	165,000	165,000	330,000
Support Position and Other Operations and Maintenance Costs	100,000	100,000	200,000
Change in Overhead Costs	(24,840)	(14,850)	(39,690)
Net Cost (Savings)	(\$70,840)	(\$47,850)	(\$118,690)

In the long-term, it is assumed the impact would be the same as under Option 4. Under a new regional agency and governance model it is assumed that there would be a net reduction of one executive director in addition to one less director of planning. Given the overall merger of staffs, it would be reasonable to expect a 10% overall reduction in remaining overhead costs. The overall impact for both agencies is therefore projected at a \$2.6 million net annual savings, as indicated in Table 9. In addition, it is estimated there would be one-time recruiting costs of \$80,000, and one-time implementation costs (legal and consulting) of at least \$500,000.

Table 9. *Estimated Long Term Financial Impact of Option 6*

	Assumes 50% Split in New Costs		
	MTC	ABAG	Joint
Existing Executive Directors	(\$456,000)	(\$363,000)	(\$819,000)
New Executive Director	237,500	237,500	475,000
Existing Planning Directors	(311,000)	(298,000)	(609,000)
New Planning Director	165,000	165,000	330,000
10% Reduction in Overhead Costs	(1,652,271)	(302,632)	(1,954,903)
Net Cost (Savings)	(\$2,016,771)	(\$561,132)	(\$2,577,903)

Management

Consolidation of all planning functions under one planning director would streamline preparation of the SCS and result in efficiencies and greater effectiveness in the allocation of planning staff resources. The MTC planning director (and MTC executive director) as well as the consolidated staffing function would also be accountable for performance and most staff work in support of regional land use and transportation planning in the region. The MTC planning director reports to the MTC executive director, but also would oversee and provide staff support to the ABAG General Assembly, Executive Board and other ABAG committees with respect to regional land use planning and programs.

The consolidated planning function would presumably be responsible for the delivery of regional planning services to ABAG members. Since ABAG's SB 375 and other land use statutory duties as well as its current mission would not change, the MTC planning director and planning staff would effectively be accountable (as determined by contract) to a policy body (ABAG) that has no institutional relationship to MTC management or its policy structure.

A new regional agency would result in a completely consolidated regional planning organization (along with other programs, operations and services) under a single management and leadership structure. This would result in clear and consistent direction to staff and transparency to the governing body or bodies and the public about who is responsible for implementing the region's vision. It would also present significant opportunity for the agency's managers and leaders to integrate both agencies into a cohesive, efficient and well-functioning organization with a shared mission, vision and values.

Existing Employees

Until a new regional agency is formed, the employee impacts would be the same as those described under the Implementation of Resolution 4210. Following the creation of a new agency, the impacts would be the same as those described under Option 4, Creation of a New Regional Agency and Governance Model.

Policy

Until a new regional governance agency is established, MTC would likely assume major regional planning policy roles and responsibilities except those statutorily residing with ABAG. ABAG would retain its autonomy and policy role with respect to SCS and RHNA statutory responsibilities. MTC would provide staff support to ABAG's policy bodies regarding regional land use and housing, but on an interim basis, there would be little formal change to the bifurcated strategic and policy direction for regional land use and transportation planning and related programs between two agencies not formally linked by an integrated leadership or policy structure.

A new agency presents an opportunity to integrate the two agencies responsible for regional land use and transportation planning and associated services and programs into a transparent and more accountable policy structure. It would also provide an opportunity to establish a clear vision for the region. Duplicate committees addressing similar issues could be eliminated, which would also result in a more efficient use of elected officials' time.

Alternative governance models provide a range of options to meet the interests of the region's local governments and stakeholders. These include multiple governance structures within the new agency that are responsible for different missions, e.g., the MPO or transportation funding and planning, the COG, and administration (executive board). Voting structures among the governing bodies can be weighted in accordance with various factors, including population, or by certain categories.

A. Operational Effectiveness and Accountability

This options assumes that an MOU will be approved committing the two agencies to create a single new agency, and until that new agency can be created, all planning staff would move to MTC under a contract. Management Partners is recommending that this option include all planning staff (unlike MTC Resolution 4210) because we see no basis for keeping a limited planning function at ABAG during this transition period, especially given the cyclical nature of the RHNA process, the fact that both agencies are addressing resilience, and that MTC already funds the Bay Trail work. The indirect and administrative costs for ABAG would also be unnecessarily high to sustain those functions.

Consolidation of all planning into a single planning department should integrate regional land use and transportation planning more effectively and improve performance and accountability for development of PBA 2017. However, many stakeholders and elected officials have voiced

concerns with integrating land use planning into a transportation agency. The vast majority of stakeholders engaged in this process have stated that ABAG demonstrates a greater sensitivity to the diverse interests of local government, and has been significantly more engaged in addressing these interests as part of the PBA process than MTC. Because the regional agencies have no land use authority, regional plans are implemented jurisdiction by jurisdiction and sensitivity to local concerns can help foster jurisdictional support for PBA and ultimately help implement increased integration of regional land use and transportation. Based on the outreach undertaken for this study, MTC would need to modify its current approach to its planning engagement strategies and redefine its role in the region to address these concerns while the new agency is being created.

This option presumably would result in the integration of land use and transportation planning, programs, and services under one unified agency. A new, integrated and unified agency under one management and leadership structure would clarify and streamline staff roles and responsibilities and improve accountability. A single integrated agency should also provide increased career opportunities for staff within a larger agency.

A new agency also presents an opportunity for a more integrated, consistent and comprehensive approach to all regional programs and services, including implementation of PBA. With less duplication and more cost-effective agency administration, the new agency would have additional resources to broaden its mission and become a partner with local governments for implementing PBA, as well as assisting local governments and working with its partners to address other issues of significant regional concern, such as housing policies and resilience.

B. Transparency in Policy Decision Making

In the short term, until a new unified agency is created, some of the transparency issues associated with multiple committees and two governing bodies having some level of responsibility over the SCS process are likely to continue. Having only one staff group and a clear line of staff authority over the process should lead to fewer conflicts needing governing body review. A combined staff can also better monitor the committee review process to try and limit the duplication of effort by committee.

The fundamental problems associated with having two agencies with overlapping responsibilities for the same plan will not be resolved until a new agency is created. Once a new agency is created, it should allow for significant improvements in streamlining the process, both for staff and elected officials. A new committee structure would likely be created, which would result in less overlap in responsibility and fewer overall meetings. The PBA process would go through one agency rather than two, allowing for stakeholders to better follow and engage in the process.

A new agency also presents an opportunity for a more integrated, consistent and comprehensive approach to all regional programs and services, including implementation of

PBA. With careful planning, existing MTC operations and programs should transition to a successor agency relatively seamlessly (pending legal review) with little change in operations.

Whether PBA will be seen as the product of “representative decision making” will largely depend on the structure of the governing body or bodies. In any regional agency, smaller jurisdictions want their interests and unique circumstances to be respected and their concerns understood. The interests of the more populous cities and counties are that programs and funding serve locations with the majority of the population of the region. These two interests must be addressed and balanced in any new governance structure.

A single agency serving the region will be able to provide an opportunity to tackle regional issues in a more holistic and comprehensive manner, including new issues as they arise. The administrative and other savings that can be expected by combining two agencies into a single agency could be used to support new initiatives.

C. Core Service Delivery and Financial Sustainability

Until a new agency is established, ABAG would be required to address its financial condition and develop a strategy that can sustain the agency in the near term. In addition to these efforts, Option 6 assumes that MTC would continue to provide adequate transition funding to ABAG during the period of negotiation and implementation of a new unified regional organizational structure. The impact on MTC finances of potentially absorbing ABAG liabilities after unification will need to be fully assessed before this option is implemented. After unification, there should be substantial savings in administrative costs, similar to Option 4: annual savings of \$2.6 million after an estimated one-time cost of at least \$500,000 to create the unified agency.

Both organizations are much more than planning agencies, and provide a range of services in addition to their role in preparing and implementing PBA. ABAG’s programs include the Estuary Project, its insurance pool, and assisting local governments with resilience and emergency planning. These services are valued by its member agencies. In addition to its role in managing and distributing transportation funds, MTC (including its associated agencies such as the Bay Area Toll Authority) has significant programmatic responsibilities, including the 511 system, oversight over bridge operations and maintenance and the Clipper Card system.

MTC is somewhat unusual among MPOs we examined in the amount of local and state funding it manages in addition to federal funds, and the degree to which it has operational responsibilities; however, it is not unique. The San Diego Association of Governments (SANDAG) has operational and capital improvement responsibilities and approximately as large an overall budget as MTC. Large local governments in the Bay Area also manage comparable budgets and operations, and provide an even larger range of operations and programs than MTC, including significant land use planning, capital improvement and policy development responsibilities.

While unifying two agencies into a single agency will present challenges, we have not identified any overt operational obstacles (pending legal review) to that unification. Existing MTC operations and programs should transition to a successor agency relatively seamlessly (pending

legal review) with little operational impact. With a comparatively secure financial foundation (assuming continuation of current grants, service programs and dues revenue) and significant savings from agency unification, the new agency should be able to maintain and expand core service programs and provide adequate administrative support for programs and services.

D. Implementation Viability

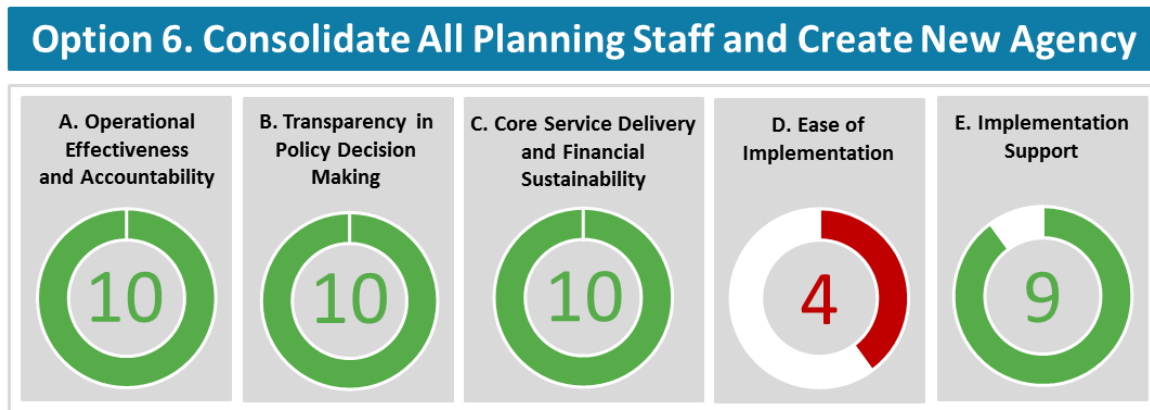
Creating a new regional agency will require legislation at the state level. It will also require approval from the MTC and ABAG governing bodies as well as associated JPAs and other authorities. The complexity of this process has not been examined in depth, but we believe it to be one that will take some time. Perhaps the major challenge in implementing this option will be reaching agreement among the many interests and stakeholders about a new governance structure that strikes the appropriate balance between their various interests.

In the near term, the planners transferred to MTC under this option may find it to be a more attractive agency than ABAG with respect to compensation and some benefits; however, the issue of non-affiliation with a union may be a negative factor. Leadership and a careful transition plan will be needed for ABAG and MTC planning staff to consolidate into a well-functioning team. Remaining ABAG employees as well as retirees will likely be concerned about the ability of ABAG to support its financial obligations to its current compensation and retirement plans until a new agency is created.

The creation of a new agency provides a different opportunity for employee representation in the collective bargaining process to be determined. Once created, a single larger, organization with secure and stable financial resources is more likely to be able to recruit and retain qualified staff. With a strong financial foundation, the new agency should be able to maintain benefits for current and future retirees although this has not been fully assessed. This option would implement the strong stakeholder interest in a having a unified planning agency. The option's ability to foster support from local governments will depend in large measure on the governance structure ultimately agreed upon for a new agency.

Based on the above criteria analysis, Figure 14 presents the overall numeric assessment for Option 6 across five major areas.

Figure 14. Criteria Assessment Overview for Option 6



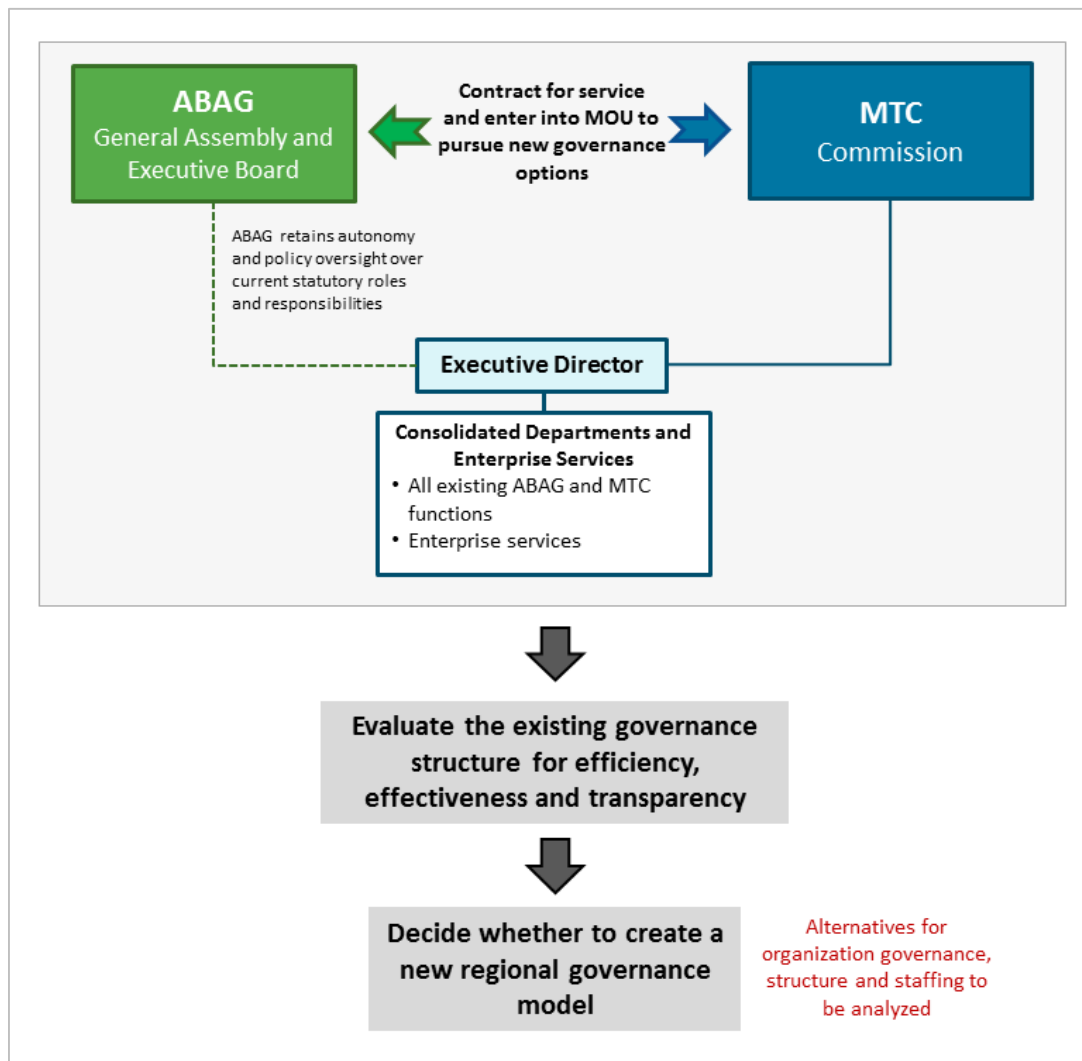
Option 7 – Enter into a Contract between ABAG and MTC to Consolidate Staff Functions under One Executive Director and Enter into an MOU to Pursue New Governance Options (Full Functional Consolidation)

Description

Enter into a contract between ABAG and MTC to provide staffing for all ABAG statutory duties and responsibilities, a work program, functions agreed to be transitioned, as well as the role of the executive director with respect to the ABAG policy body. Enter into a memorandum of understanding (MOU) between MTC and ABAG to establish a timeframe for considering a new governance structure and to set forth principles, goals and parameters for pursuing new governance options. The ABAG JPA and MTC governance structures, as well as their statutory roles and responsibilities, would remain unchanged.

Within a timeframe agreed upon, evaluate the existing governance structure for efficiency, effectiveness and transparency and decide whether to create a new regional governance model. The ABAG and MTC governance structures and consolidated agency would remain in place as well as their statutory authorities, duties and responsibilities until and unless a new regional agency and/or governance structure is agreed upon and implemented. Figure 15 on the following page provides a graphic depiction of this option.

Figure 15. Graphic Depiction of Option 7



Note: For clarity, the graphic only depicts a brief summary of planning unit functions (not the full range of ABAG's and MTC's responsibilities).

General Impacts

Legal

MTC would become the legal counsel for the ABAG JPA as well as its enterprise functions and other JPAs to the extent the latter authorities agree to the transition. ABAG staff provides support to four JPAs, which would have to enter into new contracts with MTC for the same purpose. ABAG financing authorities as well as bond documents would also have to be reviewed to determine actions which might have to be taken to respond to any obstacles or liabilities if MTC assumes oversight in these areas.

Should a new governance model be agreed on, legislative action by ABAG and MTC as well as state legislation would likely be required to transition to a new model.

Financial

If this option is pursued, a more in-depth financial assessment will be required. Such an assessment would need to include a detailed analysis of each agency's existing financial liabilities and their future impact on the finances of MTC, or if pursued, a newly created agency. The outcome of this option in terms of organizational savings is the same as Options 4 and 6: there would be a net reduction of one executive director and one director of planning, and given the merger of staffs, it would be reasonable to expect a 10% overall reduction in remaining overhead costs. The overall impact for both agencies is therefore projected at a \$2.6 million net annual savings, as indicated in Table 10. In addition, it is estimated there would be one-time recruiting costs of \$80,000, and one-time implementation costs (legal and consulting) of \$500,000. This option assumes that Resolution 4210 is replaced by adequate funding to avoid adverse fiscal impacts on ABAG during the period of contract negotiation.

Table 10. Estimated Financial Impact of Option 7

	Assumes 50% Split in New Costs		
	MTC	ABAG	Joint
Existing Executive Directors	(\$456,000)	(\$363,000)	(\$819,000)
New Executive Director	237,500	237,500	475,000
Existing Planning Directors	(311,000)	(298,000)	(609,000)
New Planning Director	165,000	165,000	330,000
10% Reduction in Overhead Costs	(1,652,271)	(302,632)	(1,954,903)
Net Cost (Savings)	(\$2,016,771)	(\$561,132)	(\$2,577,903)

Management

Consolidating the ABAG and MTC staff would result in a more comprehensive regional planning organization under a single management and leadership structure. This would result in efficiencies, cost savings and more effective use of staff resources including streamlining the preparation of PBA. Under contract to ABAG, the combined staff will be assuming support to all of ABAG's policy bodies, duties and responsibilities. MTC will need to adjust its organizational structure to accommodate ABAG functions and services. Following an analysis of the duties and responsibilities of ABAG staff, some positions may also no longer be required when the functions are consolidated in MTC.

ABAG's commitment to providing assistance to its member agencies in a number of areas will also need to be supported and continued in the new framework. Nonetheless, the consolidation

should result in clear and consistent direction to staff and transparency to the governing body or bodies and the public about the staff responsible for implementing the region's vision as established by ABAG and MTC. It would also present significant opportunity for an executive director to integrate both agencies into a cohesive, efficient and well-functioning organization with a shared mission, vision and values.

Employee Impacts

Until a new regional agency is formed, the employee impacts would generally be the same as those described under the Implementation of Resolution 4210; however, there has been no determination as to whether all ABAG positions would transition to MTC. Should there be agreement to create a successor agency under a new governance structure, the impacts should be the same as those described under Option 4, Creation of a New Regional Agency and Governance Model.

Policy

Until and unless a new regional governance model is agreed on, ABAG and MTC's policy and governance structures would continue as currently structured. ABAG would remain autonomous and independent from a policy standpoint. In addition to its JPA policy and statutory duties and responsibilities, the ABAG governing bodies would specifically retain their statutory responsibilities over the SCS as well as RHNA and therefore its specific policy roles in these areas. While some policy decision making could be streamlined with staff integration, there will be no formal change to the bifurcated strategic and policy direction for regional land use and transportation planning and related programs between two agencies not formally linked by an integrated policy structure.

Under this option, there is no formal commitment to create a successor agency and new governance model. If a new governance model is pursued and implemented, it would increase the transparency of regional land use and transportation policy decisions and provide an opportunity to establish a clear vision for the region. A new governance model would also eliminate duplicate committees addressing similar issues, which would also mean a more efficient use of elected officials' time as well as staff time. Alternative governance models provide a range of options to meet the interests of the region's local governments and stakeholders, including multiple governance structures within the new agency that are responsible for different missions, e.g., the MPO or transportation, the COG, and administration (executive board). Voting structures among the governing bodies can be weighted in accordance with various factors, including population, or by certain categories.

A. Operational Effectiveness and Accountability

Consolidating staff would clarify and streamline staff roles and responsibilities between the MPO and COG under a single leadership and management structure, thereby fostering accountability for performance on PBA 2017 as well as all regional land use and transportation

planning generally. This option would provide a single planning department that would integrate regional land use and transportation planning more effectively. A combined organization with more stable financial resources should also result in increased support for integrated transportation and land use programs and services.

As many stakeholders have voiced concerns about integrating land use planning into a transportation agency, MTC would need to increase staff resources and demonstrate a much stronger commitment to increasing local government engagement and support for PBA. Because neither ABAG nor MTC have land use authority, regional plans are implemented jurisdiction by jurisdiction and local jurisdiction support will be critical to the successful implementation of this option. Additionally, MTC would be expected to continue ABAG's commitment to providing local government with a range of planning and other specialized assistance. Performance and expectations regarding these issues could be set forth in the contract and work program.

Consolidating administrative services and other functions would result in efficiencies and effectiveness and probably reduce costs to ABAG programs and services, including the JPAs. It would also provide additional resources and expertise to address ABAG's financial issues and provide long-term solutions. Further analysis as well as additional information would be required to understand the impact on MTC (administratively and financially) in this area. While a consolidated staffing function in a larger agency would provide additional depth and flexibility, transparency and accountability to ABAG's member agencies by staff would be paramount. Implementation of this option would significantly increase the overall number of staff in MTC and the career opportunities for staff.

Under the contract between MTC and ABAG, the executive director as the leader of MTC staff would be responsible for the oversight and management of the staff functions to carry out the duties and responsibilities of ABAG. ABAG would maintain its autonomy and policy role through an annual (or more) contract with MTC that sets forth expectations, responsibilities, a work program and annual budget for carrying it out. ABAG would retain authority to contract with consultants who can independently review issues or work if it deems necessary to do so. As an employee of MTC, the executive director would technically only report to one oversight body (in this instance, the Commission). Nonetheless, Management Partners has seen many agencies where executive directors (and other chief executive officers) are responsible to meet and balance the interests of many competing stakeholder groups.

In the Washington, DC and Chicago MPOs, regional agency executive directors have essentially two different governing boards whose interests they must address, and they have not indicated any significant issues in doing so. In other California major regional agencies, the executive directors must balance the MPO and COG policies, roles and responsibilities. Establishing a clear set of duties and responsibilities regarding the executive director's role with respect to the ABAG governing bodies will need to occur. Similarly, MTC legal counsel could agree to provide day to day services in support of ABAG functions and services but is also accountable to and reports to the Commission. ABAG may wish to retain outside legal counsel on contract to provide advice and counsel to the policy body.

B. Transparency in Policy Decision Making

Implementation of this option would establish clear lines of responsibility and decision making for staff, but leave policy divided between the two agencies. The combined staff would now report to the ABAG policy structure regarding those issues under ABAG's purview, and to the MTC policy structure for those issues under MTC's purview. Having only one staff and a clear line of staff authority over the process should lead to fewer conflicts needing governing body review. A combined staff can also better monitor the committee review process to try to limit the duplication of effort by committees and by staff reporting to committees. (ABAG and MTC could also consider a different committee structure to improve efficiency.)

While duplication of effort can be reduced, the existing official bifurcation of roles and responsibilities between the two policy bodies would continue, potentially leading to some continuation of the lack of transparency regarding decision making and continued inefficient use of elected officials' time. There could also be some inefficiency related to resolving disagreements between the two policy bodies about the allocation of staff resources for the PBA process and other ABAG programs. A conflict resolution process would need to be adopted as part of the contract to address this type of resource allocation issue.

Because the PBA process would still involve two agencies with their own committee/policy structure, issues identified by stakeholders regarding transparency of decision-making would not necessarily be resolved by this option. Whether PBA 2017 is seen as a product of "representative decision making" should be similar to PBA 2013 under this option, assuming both agencies choose to continue the current practice of joint adoption of PBA. However, should that practice change and MTC not receive ABAG's support for PBA, the perception that PBA is a product of representative decision making could be compromised.

This option could lead to an opportunity to address more complex regional issues, as it could increase the staff resources available for such work. Overall, this option should allow for more efficient allocation of staff with potentially significant cost savings. By reducing duplication of effort and allowing for a more streamlined PBA process, the level of staffing necessary for PBA 2017 should be reduced in comparison to PBA 2013. Assuming some increased efficiency and reduced costs, there should be increased staff resources available to undertake new initiatives. While MTC will have the ability and the resources to do more comprehensive regional planning, undertaking a wider range of planning activities will require MTC to redefine itself as more than a transportation agency, which it has already begun to do.

C. Core Service Delivery and Financial Sustainability

Option 7 assumes that all ABAG staff and MTC staff would be consolidated into a single agency under a single executive director. The impact on MTC finances of potentially absorbing ABAG liabilities will need to be fully assessed before this option is implemented. While we have not fully evaluated the fiscal impacts of consolidating all ABAG and MTC staff functions into MTC, we would assume the administrative savings would be roughly the same as for options 4 and 6: about \$2.6 million in annual savings and a one-time cost of at least \$500,000. There would likely

be additional costs associated with a later evaluation of the effectiveness of the governance structure, and further costs to implement a decision to move forward with agency unification.

The unified staff will be under an agency with a comparatively secure financial foundation and strong administrative services and programs. Overall, the annual savings from this option should allow maintenance and expansion of core service programs, and provide adequate administrative support for programs and services, assuming continuation of current grants, service programs and dues revenue.

D. Implementation Viability

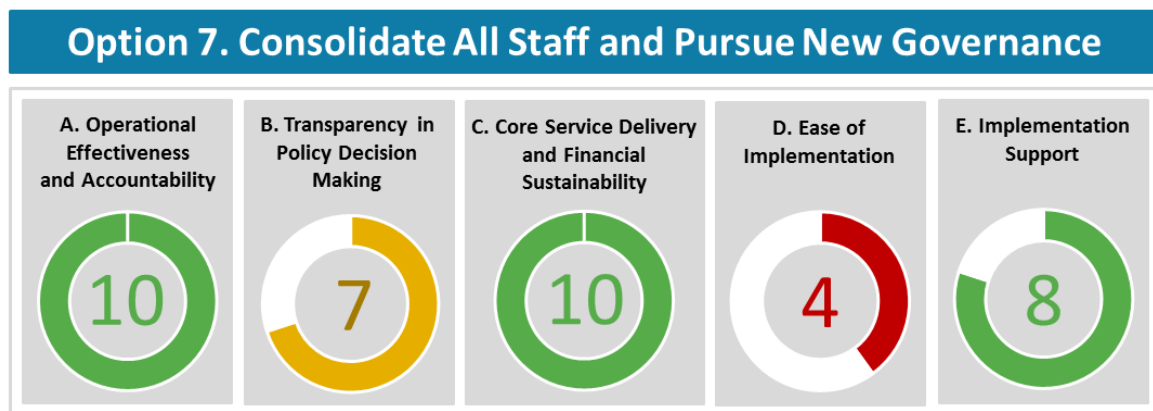
Option 7 would not require any immediate legislative action, although it would be required should the agencies decide to create a unified agency in the future. This option would require ABAG and MTC to enter into an agreement for the transfer of staff and financial resources. Such an agreement would also set forth the programs and services staff would perform for ABAG.

MTC may be perceived as a more attractive agency than ABAG with respect to compensation and some benefits by ABAG staff; however, the issue of non-affiliation with a union may be a negative factor. Also, leadership and a careful transition plan will be needed for a successful integration of ABAG and MTC staff into a single organizational culture. The consolidated staff will be in a more securely funded organization than ABAG, and this should address some of the uncertainties associated with ABAG's current financial state.

This option would only partially address stakeholder interest in a unified regional planning agency because it would leave intact the existing policy bifurcation. It is likely to be perceived as a step in the direction of a more unified agency, given the commitment to evaluate the effectiveness of the dual governance structure in the future. Based on the stakeholder meetings, this option would need extensive engagement to provide information about how ABAG will retain its independent role, and how it will provide policy direction to programs and policies under a consolidated staffing structure.

Based on the above criteria analysis, Figure 16 presents the overall numeric assessment for Option 7 across five major areas.

Figure 16. Criteria Assessment Overview for Option 7



These options are intended to frame possible approaches at this time. There may be elements or components of one that might be transferable or incorporated into another option, especially with respect to implementation mechanisms, e.g., a contract, resolution or MOU. The Executive Summary of this report provides a summary of Management Partners' conclusions regarding these options and our recommendation for a path forward.

Attachment A. Definition of Three Problems

Based on interviews and the comments that emerged from the stakeholder engagement process as well as Management Partners' own research, analysis and expertise, we believe there effectively are three problems that are driving the merger study discussion and warrant resolution.

Problem 1: Preparation of the region's sustainable community strategy to reduce greenhouse gases is statutorily split between two regional agencies.

Preparation and management of a Sustainable Community Strategy (SCS), including a forecasted development pattern for the region, is carried out by two independent regional land use and transportation planning agencies.



Consequences

- Leadership and management issues (who is in charge of getting the SCS completed and implemented)
- Coordination and performance confusion (accountability)
- Inefficient use of staff resources
- Confusion for the public about who makes which policy decisions (transparency)
- Inefficient government and increased costs
- Bifurcated and sometimes competing strategic direction at the policy, leadership and management levels

Problem 2: Two agencies responsible for regional land use and transportation planning and associated services and programs are not formally linked by an integrated management, leadership or policy structure.

MTC and ABAG have overlapping roles and responsibilities for land use and transportation planning and related services and programs.



Consequences

- Significant obstacle to integrating complex land use, transportation and regional policy issues into a clear vision for the region
- Distraction for a region needing to address complex and difficult issues (stakeholders want a "one stop, accountable shop")
- Disparate and in some cases, duplicative and competing programs provided to local government
- Inefficient use of staff resources
- Perceptions regarding the lack of accountability and transparency (too many committees across two agencies addressing similar issues and programs)
- Inefficient use of elected officials' time

Problem 3: ABAG's ongoing ability to implement its mission is compromised.

A significantly changed, complex and statutorily prescribed regional planning platform and continued reliance on discretionary revenue will challenge ABAG's fiscal sustainability over the long term and impede its intergovernmental coordination activities.

***Consequences***

- Increased dependency on discretionary revenue that will fluctuate with the economy, grantors and contractors
- Ongoing concern by members and regional planning stakeholders regarding ABAG's mission and ability to influence complex and difficult regional issues
- Member agency "voice" is at risk regarding complex regional issues
- Potential loss of confidence among grantor organizations
- With or without regional planning, ABAG's members and grantors may not be willing to sustain the agency's financial security over the long term

Attachment B. Comparison of Planner Base Salaries

Table 11. Top-Step Base Salaries for ABAG and MTC Planners

Position Classification	Annual Base Salary (Top-Step)
Association of Bay Area Governments (ABAG)	
Planning and Research Director	\$167,500
Assistant Planning Director	\$134,700
Principal	\$122,412
Senior Regional Planner	\$96,756
Regional Planner III	\$88,056
Regional Planner II	\$73,260
Regional Planner I	\$63,840
Metropolitan Transportation Commission (MTC)*	
Planning Director	\$210,204
Principal, Planner/Analyst	\$171,672
Senior Planner/Analyst	\$141,591
Associate Planner/Analyst	\$115,644
Assistant Planner/Analyst	\$100,305
Junior Planner/Analyst	\$86,994
Planning Technician	\$78,865

*Base salaries to increase by 2.6% on July 1, 2016.

Appendix 1. Comparison of Employee Benefits

Benefit Category	ABAG	MTC
Pension and Retirement Programs	<p>Public Employees Retirement System (PERS); employee contributes a portion of gross salary on a pre-tax basis.</p> <p>ABAG in CalPERS public misc. pool plan.</p> <p>Classic plan members, 2.5% at 55; Jan. 1, 2015 employees pay 1.00% of plan 7.00% employee contribution rate; Jan 1, 2016, employees will pay 2.00%; Jan 1 2017, employees will pay 3.00%.</p> <p>New plan members, 2.0% at 62, pay full employee rate which is 6.25%.</p> <p>No survivor benefit options; 2% retiree annual COLA.</p> <p>All employees participate in Social Security. The employer and the employee are required to make contributions. The current employee contribution is 6.20% of salary.</p> <p>ABAG has a two tier medical retirement plan.</p> <p>For Legacy Employees, hired before and by June 30, 2009, ABAG pays 100% of Kaiser Supplemental Medicare rate; for employees with 5+ years of service with ABAG at retirement, ABAG pays for two party Kaiser Supp. Medicare</p>	<p>Public Employees Retirement System (PERS); employee contributes a portion of gross salary on a pre-tax basis.</p> <p>Classic plan members, 2.5% at 55, 7/1/15 employees pay 5.73% of plan 8.00% employee contribution rate; share employer contribution increase each FY 50%/50% until employees contributing full 8.00% employee rate.</p> <p>New plan members, 2.0% at 62, employees required to pay full employee contribution rate which is 6.50% for MTC.</p> <p>Survivor benefit options; 3% retiree annual COLA.</p> <p>MTC does not participate in Social Security.</p> <p>MTC is subject to California Pension Reform and as of January 1, 2013 will offer two pension plans. The plan employee will receive will be based on the individual's historical pension plan membership.</p> <p>MTC is a PEMCHA equal method participant for retiree medical benefits; retirees pay the same premium cost-shares as active employees (responsible currently for 5% of premium for all enrollment choices).</p>

Benefit Category	ABAG	MTC
	<p>rate; reimburse for Medicare Part B deductible.</p> <p>In addition, ABAG pays 100% of the premium for retired employees who are not yet Medicare eligible for either the Kaiser employee only or employee plus one dependent options.</p> <p>For employees hired on or after July 1, 2009, ABAG contributes \$100 per month into a MARA (retirement medical savings account); other than PEMCHA required minimum, no further obligation to retiree medical.</p>	
Health and Dental Benefits	<p>Medical insurance through the Public Employees' Retirement System; currently six HMO and three PPO Medical Plans.</p> <p>For 2015 – 2017 calendar years, ABAG pays up to an agreed to amount; amount goes up 2016 and 2017 1.5%; reopen if Kaiser premium is higher than ABAG's contribution levels or if Blue Shield Access+ goes up 7% or more.</p> <p>Cash in lieu for employees hired on or before of 10/07/04 who were receiving cash at that time.</p> <p>Dental and vision insurance paid fully by ABAG for employee and their dependents.</p> <p>No cash in lieu for dental or vision.</p>	<p>Medical insurance through the Public Employees' Retirement System currently six HMO and three PPO Medical Plans.</p> <p>Premiums are shared between agency and employee at 95%/5% split; thru June 30, 2018, current MOU period. Cash in lieu of \$965 for calendar 2016.</p> <p>Dental insurance (premium for employee paid by MTC; dependent coverage shared by the employee and MTC; employee pays \$6.30 monthly for 1; \$19.13 monthly for family).</p> <p>Vision care insurance (premium for employee paid by MTC; dependent coverage is paid in full by employee at \$7.29 monthly for 1; \$25.93 monthly for family).</p> <p>Cash in lieu available for both dental and vision.</p> <p>MTC provides access to and administers retiree dental and vision insurance plans. The retirees pay 100% of</p>

Benefit Category	ABAG	MTC
		premiums. CalPERS deducts premiums and pays MTC from retiree pension payments as a benefit to retirees.
Salary Administration	<p>Four support grades with five steps; five professional grades with five steps; for classified union positions.</p> <p>For calendars 2015 – 2017 3.00% COLA.</p> <p>Merit is move to next step while still in range each year for satisfactory performance; Executive Director has ability to grant bonuses and extra step increases.</p>	<p>Nine support grades with eleven steps; five management grades with minimums and maximums.</p> <p>Annual COLA increase to all salary grades July 1 of 2.6% through June 2018.</p> <p>Merit salary increase options per performance until at top of grade range.</p>
Insurance	<p>Life/AD&D Insurance – ABAG pays 100% of premium; benefit is two-times salary for all employees.</p> <p>Short-Term Disability – ABAG participates in state program (SDI) which means also participate in state Paid Family Leave (PFL). 60 days.</p> <p>SDI and PFL benefits are 66 and 2/3ds salary.</p> <p>Long Term Disability – ABAG provides LTD, premium paid 100% by agency (benefits taxable upon use).</p>	<p>Life/AD&D Insurance – MTC pays 100% of premium; benefit is one-times salary for management employees.</p> <p>Dependent coverages included; voluntary life available at employee cost.</p> <p>Short-Term Disability – MTC provides private Short-Term Disability (STD), premium paid 100% by agency (benefits taxable upon use). 90 days.</p> <p>MTC allows staff to use sick leave for PFL equivalent leaves (sick family, paternity leave, etc.)</p> <p>STD benefit is 66 and 2/3ds salary.</p> <p>Long Term Disability – MTC provides Long Term Disability, premium paid 100% by agency (benefits taxable upon use).</p>

Benefit Category	ABAG	MTC
<p>Holidays, Vacation, Sick, and other Paid Leaves</p>	<p>Holidays – eleven paid holidays per year; three floating holiday days</p> <p>Vacation –</p> <p>1-3 years – 5/6ths days/month</p> <p>3-6 years – 1.25 days/month</p> <p>6-10 years – 1.42 days/month</p> <p>10+ years – 1.66 days per month (approx. 20 days/year)</p> <p>Accrues to two-times annual two-year credit limit; excess paid out as of Dec 31 each year.</p> <p>Accruals payable upon employment separation.</p> <p>Sick Leave – one day per month worked up to a cap of 240 days (1,920 hours).</p> <p>Not payable upon employment separation.</p> <p>CalPERS contracts (classic and new) allow for accrued sick leave to count towards service years upon termination/retirement.</p> <p>Can use for self and for sick immediate family members defined as parent, spouse or child.</p> <p>Can integrate sick leave with SDI benefits.</p>	<p>Holidays - eleven paid holidays per year.</p> <p>Personal Business Days – three days per year.</p> <p>Vacation -</p> <p>Eight hours per month accrued per pay period.</p> <p>Starting at employment for the first year, an additional day is added up to a maximum total accrual level of 25 days per year.</p> <p>Accrual caps at 500 hours.</p> <p>Can cash out once a year for balances above 320 hours up to cap of 500 hours.</p> <p>Accruals payable upon employment separation.</p> <p>Sick Leave - one day per month paid sick leave with no limit to the amount of sick leave that can be accrued.</p> <p>Up to 240 hours of accrual payable upon employment separation.</p> <p>Can use for self and for sick immediate family members (extensive definition list using current CA FMLA and CFRA definitions).</p> <p>Can integrate sick leave with STD and LTD benefits.</p> <p>Catastrophic Sick Leave Program</p>

Benefit Category	ABAG	MTC
	<p>Jury Duty Leave – allows open-ended leave on continued pay.</p> <p>Funeral Leave – 3 days paid for California, 5 days paid for out-of-state.</p> <p>Other mandatory leave benefits.</p>	<p>Employees may contribute accrued sick leave hours accrued above 240 hours to a Catastrophic Sick Leave Bank.</p> <p>Employees may be eligible to request sick leave from the Catastrophic Sick Leave Bank.</p> <p>Jury Duty Leave – allows open-ended leave on continued full pay.</p> <p>Funeral Leave – 3 days paid; can use sick leave for longer leaves.</p> <p>Other mandatory leave benefits.</p>
Transit and Parking	<ol style="list-style-type: none"> 1. Public Transit – up to \$200 a month per IRS regulation 2. Employer paid parking – after move to San Francisco, employer provided parking to be used in combination with public transit use. 3. Carpooling – while in Oakland, fully subsidized parking in employer lot for verified carpools (two or more). <p>\$20 pre-tax subsidy for bicycle commuting.</p>	<p>MTC provides a five option transit subsidy benefit:</p> <ol style="list-style-type: none"> 1. \$214 benefit monthly to be used for public transportation purchases (WageWorks or Clipper Direct); pre-tax as allowable by the IRS for transit and parking. 2. Subsidized parking in the MTC lot for \$18.50 a month pre-tax. 3. 100% subsidized parking in the MTC lot for legitimate carpools. 4. \$20 pre-tax a month for eligible bicycle commuting. 5. \$20 taxable subsidy month cash-in-lieu
Deferred Compensation	STARS/UTC 457 and/or ICMA-RC Retirement Plan (Voluntary)	<p>Two 457 deferred compensation plans; CalPERS and ICMA-RC. Employee deferral only; no employer contribution. (Voluntary – opt in)</p> <p>Roth IRA option. (Voluntary – opt in)</p>
Flexible Spending Accounts	Pre-tax options for eligible health care and dependent care expenses (Optional)	Employee-paid pre-tax dependent care and health care flexible spending accounts both at IRS allowable maximum levels. (Voluntary – opt in)

From: Zelda Bronstein [mailto:zjb1731@comcast.net]

Sent: Saturday, April 16, 2016 10:23 PM

To: tdellasanta@ci.atherton.ca.us; cclerk@belmont.gov; cityclerk@ci.brisbane.ca.us; council@burlingame.org; city.manager@colma.ca.gov; City Clerk <cityclerk@dalycity.org>; tgillen@cityofepa.org; clerk@fostercity.org; ssmith@hmbcity.com; MYokoyama@hillsborough.net; piaguilar@menlopark.org; alouis@ci.millbrae.ca.us; o'connellk@ci.pacifica.ca.us; Sharon Hanlon <shanlon@portolavalley.net>; CLK-Silvia Vonderlinden <svonderlinden@redwoodcity.org>; cbonner@sanbruno.ca.gov; YHall@cityofsancarlos.org; polds@cityofsanmateo.org; Krista.Martinelli@ssf.net; jkoelsch@woodsidetown.org

Subject: "Regional governments sell out Bay Area cities" | 48 hills and The Marin Post

Dear City Clerks of San Mateo County:

Please forward to your respective mayors and councils the attached article of mine, "Regional government sells out Bay Area cities," cross-posted on 48 hills and The Marin Post on April 15, 2016. The story tells how the officials who are crafting the ABAG-MTC merger deal are sidelining the agencies' constituents, with a focus on the agenda for ABAG's Spring General Assembly on April 21.

Thank you.

Best regards,
Zelda Bronstein

<https://marinpost.org/blog/2016/4/15/regional-government-sells-out-bay-area-cities>