To: **ABAG Regional Planning Committee**

Fr: Brad Paul, Deputy Executive Director
Courtney Ruby, Interim Director of Administrative Services and Finance
Ken Moy, General Counsel

Re: Update on the MTC/ABAG Staff Consolidation Effort

In late May, both the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Government (ABAG) Executive Board voted to support full functional consolidation of ABAG and MTC staff and the pursuit of new governance options. This retained the independence and statutory responsibilities of both boards and calls for new governance options to be considered by ABAG and MTC over the longer term.

This plan — know as "Option 7" — was one of seven options identified by our joint consultant, Management Partners, and presented to MTC and ABAG last Spring. Transitioning from this larger policy decision to implementation of Option 7 requires that many additional details be worked out. Management Partners began the effort by preparing an Implementation Action Plan (IAP) last Spring that identifies next steps. MTC and ABAG's Executive Board approved the IAP at their June 2016 meetings.

The Implementation Action Plan calls for a sequence of some 40 actions over the next five months or so to make the vision of a consolidated staff a reality. As one of the first steps, we began conducting due diligence, including financial and legal analyses undertaken by PFM and Orrick to determine the impacts on both ABAG and MTC of a staff consolidation. Their due diligence work is wrapping up and should be ready to share with MTC and ABAG in a week or two.

Recently, ABAG and MTC also began developing a Contract for Services (contract) to officially consolidate the two staffs under the MTC executive director. This contract will ensure adequate staffing and support for all of ABAG's statutory duties and responsibilities as the Bay Area's Council of Governments, or COG.

The Contract for Services will be the governing document on how ABAG and MTC successfully work together to ensure ABAG's mission and obligations are met with its members, grantors, partners, and ABAG entities. The contract must be agreed to before staff consolidation can occur.

As part of this transition, we established an Employee Relations Group consisting of members of the MTC Committee for Staff Representation (CSR) and ABAG's SEIU leadership teams, along with the HR Directors and Deputy Directors of MTC and ABAG, to discuss labor issues inherent in this staff consolidation.

Finally, Koff & Associates was engaged to document and compare MTC and ABAG employee programs, including classifications, organizational structure, jobs and employee programs. A

kick-off meeting to review the scope of this effort was held with the Employee Relations Group in early August.

This week, Koff staff met separately with ABAG planners, MTC planners and the Employee Relations Group to explain the Position Description Questionnaires (PDQs) they are asking planners at both agencies to fill out to help Koff better advise MTC and ABAG on how best to consolidate planners into a single productive and efficient planning department. Within a few weeks, PDQ forms will be distributed to the rest of ABAG's staff and a representative sample of MTC's remaining staff.

On the policy side, a Joint MTC Planning and ABAG Administrative Committee meeting focusing on the staff consolidation activities is scheduled for Friday, October 28, 2016.

The staff consolidation now underway offers opportunities for staff to grow and learn, and try their hand at new tasks, and new working relationships. It is our belief that a thoughtful consolidated staff structure could make our institutions stronger, more efficient and smarter, and that we will be in a much better position to tackle climate change, sea level rise, housing affordability, traffic congestion, transit overcrowding, displacement of disadvantaged populations, threats to open space and other daunting challenges head on. We look forward to working with each other and all of our various members, partners and stakeholders to make the Bay Area a better, more livable, sustainable place.