

Shaping the future of ABAG

What does the Bay Area need from its Council of Governments?

ABAG SPECIAL GENERAL ASSEMBLY

ABAG – MTC Staff Consolidation Overview

January 30th, 2017

Background

The Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) have begun the process of consolidating their staffs to increase efficiencies, create new opportunities for collaboration, maximize resources and better serve the San Francisco Bay Area. This report provides an overview of the elements that define this staff consolidation process:

- The Work
- The People
- The Process
- The Agreements

In July 2016, the ABAG Executive Board approved the staff consolidation with an articulation of the agency's guiding principles. They are summarized as follows:

- Negotiate staff consolidation as equal partners
- Preserve ABAG's unique programs and voice as a Council of Governments
- Continue local engagement and participation
- Incorporate a meaningful and transparent public engagement process
- Incorporate ABAG's collaborative and inclusive culture.

ABAG leadership is currently working with MTC staff to conduct required due diligence efforts. In addition, the ABAG Executive Board created a special Ad Hoc Committee to provide feedback to the staff negotiating the consolidation. To successfully consolidate, ABAG and MTC are working on the following documents: Contract for Services, Memorandum of Understanding (MOU), Budget and Work Program, Staff Organizational Chart, and the Employee Transition Plan. Each of these documents is described in more detail later in this report.

The Work

As the Council of Governments, ABAG's role is unique: fostering collaborative partnerships between local governments in planning for our shared future. For over half a century, ABAG has carried out collaborative, transparent and successful regional planning processes and implementation strategies. Today these tasks are delivered through the following programs:

- Housing Program
- Economic Prosperity Program
- Resilience Program
- Priority Development Areas (PDAs) Implementation
- Regional Trails and Priority Conservation Areas (PCAs)

ABAG has also responded to very specific emerging needs of our member cities through the following Local Collaboration Programs:

- San Francisco Estuary Partnership (SFEP)
- Finance Authority for Nonprofits (FAN)
- POWER (**P**ublicly **O**Wned Energy **R**esource)
- Bay Area Regional Energy Network (BayREN)
- Pooled Liability Assurance Network (PLAN)

We know that the need for planning, research and services related to housing, land use, resilience, good jobs, and environmental challenges will continue to grow. Today, two of our most critical regional challenges are housing affordability and ensuring that all residents have access to job opportunities and the services they need. Housing that costs a reasonable amount for people at all income levels, that is stable and secure and that is supported by high-quality schools, parks and services has become a rare commodity for most of our residents. Similarly, traveling from home to work, school or services often requires very long journeys on increasingly congested roads and trains—reducing family time, quality of life, and the health of our communities.

The staff consolidation of ABAG and MTC offers the potential to address these challenges with greater resources and greater collaboration than either agency acting alone. Incorporating the innovative approach of our Council of Governments into the consolidated staff provides a strategy for turning these major challenges into a wealth of possible solutions, as we have done on similar issues in the past.

We will be preparing a Budget and Work Program and organizational charts to reflect these possibilities. The Budget and Work Program will describe the tasks, costs and

timing to support the work of both agencies. This will be a foundational document for the Contract for Services. The future MTC Organizational Chart will illustrate the responsibilities and staff of various units, management positions and relationship of staff to the Executive Director and ABAG and MTC governing bodies.

In order to inform this process, we need to address the following questions:

- What key ABAG tasks and programs should be strengthened going forward?
- How can a consolidated staff/resources better support these key tasks and programs?
- What issues will particularly benefit from a more coordinated regional agency approach, staff and input (e.g., drought, peacemaking, good jobs, community health, regional trails, risk management and public financing services, etc.)?

The People

We value the work of our staff and take pride in their knowledge, experience, education, engagement skills and collaboration resources. ABAG staff has substantial expertise on land use, housing, economic analysis, natural resources and trails, resilience to environmental and economic challenges, urban design and place-making, public financing, municipal risk and liabilities, and state legislation and regulations, among others. They also have a breadth of education and experience that matches the variety of programs and services that ABAG provides.

The transition of ABAG staff to MTC can improve the quality of services to our member jurisdictions and communities throughout the region, if we can create an organizational structure and culture where both staff's areas of expertise complement one another and the administrative, legal, and communication resources are strengthened.

We must also ensure that we do not lose staff's experience and expertise pertaining to the unique role of a Council of Governments. Efforts by ABAG and MTC to retain staff are focused on the provision of comparable compensation and benefits, offering the same or greater professional challenges and ensuring a high level of respect for staff and their work. It is equally important that the ABAG Executive Board defines a clear regional vision and provides staff with a solid budget and work plan to guide their efforts.

To ensure a successful staff transition, ABAG and MTC managers are working on three tasks that will inform the Employment Transition Plan (an attachment to the contract):

1. Classification Recommendations: A consultant made some initial recommendations regarding how staff might transfer from an ABAG job classification to a comparable

one at MTC. MTC and ABAG management reviewed these initial recommendations and let the consultant know that certain criteria related to ABAG staff responsibilities may not have been adequately captured. Once that report is finalized, MTC/ABAG human resource (HR) staff will take it into consideration when making final classification recommendations.

2. The Organizational Development Process is another critical component of our work and both ABAG/MTC executive management teams are very committed to this work. We have recently hired a highly regarded organizational development consulting firm with decades of experience in supporting the merger of organizations with very distinct cultures. Their work is initially focused on the planning department and we are confident that this process will lay the groundwork for creating one unified staff committed to a mission that provides value to both agencies and the region.
3. While all of the above continues, ABAG/MTC human resource staff is analyzing compensation and benefit structures, position descriptions, organizational structures, and employees' backgrounds and experience in order to prepare recommendations on employee positions and placement within the consolidated organizational structure. Their recommendations will be considered in combination with the entire HR process defined above.

Additionally, we have heard several questions from staff regarding vacation, sick leave, social security, and tax deferred retirement accounts. In response, we are designing employee benefits workshops to assist staff in understanding the new benefit and compensation structure.

The following are some of the questions that need to be addressed to support a truly integrated ABAG-MTC staff:

- How can we best align the broad urban and regional planning expertise and in-depth transportation expertise at both agencies?
- How can we best integrate ABAG's Local Collaboration Programs under the consolidated MTC staffing structure?
- How can we build understanding, trust and equality across staff from both agencies?
- How do we continue building understanding and trust between our two governing boards?
- How can we ensure a smooth transition for staff?

The Process

The ABAG Executive Board and staff are committed to a transparent process that allows for the involvement of staff, SEIU (ABAG staff's union representation), member jurisdictions and key stakeholders. This process involves a series of meetings and workshops over the coming weeks.

To strengthen the process, an ABAG Ad Hoc Committee was formed to provide President Pierce and staff with feedback on the Contract for Services, MOU, and other substantial tasks in this process of staff consolidation. Only the full ABAG Executive Board, however, can take action on these documents.

The Ad Hoc Committee, which is chaired by President Pierce, includes Sonoma Supervisor David Rabbitt (ABAG Vice President), South San Francisco Mayor Pradeep Gupta (Chair of ABAG's Regional Planning Committee), Novato Councilmember Pat Eklund, Palo Alto Mayor Greg Scharff and San Jose Councilmember Raul Peralez. All members of the Ad Hoc Committee also serve on ABAG's Administrative Committee.

The dialogues with cities, stakeholders and the general public will include the following meetings:

- ABAG General Assembly
- ABAG Executive Board
- ABAG Regional Planning Committee
- Joint MTC Planning and ABAG Administrative Committees.

Additional meetings with local planning staff, stakeholders or other partner agencies will be scheduled as needed.

Public engagement on these core elements of the staff consolidation process began on January 19th with the ABAG Executive Board, where ABAG staff provided an overview of ongoing tasks. A special ABAG General Assembly on January 30th will focus on a regional discussion of the future of the Council of Governments. General Assembly attendees will participate in breakout sessions, facilitated by Executive Board leaders and ABAG senior staff, who will solicit their feedback on top priorities for the consolidated staff and policy input for the Contract for Services, MOU and related documents. The Regional Planning Committee (RPC) will continue this discussion on February 1st.

To ensure appropriate city participation and public engagement we need to address the following questions:

- How shall we keep our members and local partners informed of ongoing ABAG work and reports?
- How can we ensure appropriate levels of city and public participation?

The Agreements

When the ABAG and MTC boards agreed to consolidate staff under the MTC Executive Director and discuss regional governance as a second step, they defined two documents to guide the process: a Contract for Services and a Memorandum of Understanding (MOU). In addition, the ABAG Executive Board defined a set of principles to guide the process.

The Contract for Services is the document that will govern how ABAG and MTC will consolidate their staff and ensure that ABAG has adequate support to carry out its mission, obligations and statutory authority as a Council of Governments. Thus, a larger MTC consolidated staff will be delivering services and products to the ABAG Executive Board and committees, and to the Local Collaboration Programs. This document will govern how the work tasks are articulated, lines of decision-making, dispute resolution, levels of engagement with local jurisdictions, accountability to our local members, and the ABAG Executive Board's and committees' access to staff.

The MOU is the document that addresses future governance issues between the MTC Commission and ABAG Executive Board. Implementing it will involve an exploration of various possibilities for regional policy and decision-making. This could range from the retention of the two governing boards with specific protocols to the full merger of the two boards. Given the implications for the region as a whole of potential changes in regional agency governance, this process will require substantial engagement with local governments, partner agencies, stakeholders and the ABAG and MTC governing boards.

The Ad Hoc Committee will help ABAG staff incorporate feedback from the above-mentioned meetings and from discussions with MTC into the draft Contract for Services and MOU. These drafts will be jointly released to the MTC and ABAG governing boards in February and then discussed at a special meeting of the ABAG Executive Board on February 19th. The governing board of MTC will discuss it a week later.

ABAG staff will then work with MTC, with input from the Ad Hoc Committee, to further refine staff's final draft Contract for Services and MOU based on input we received from the January and February Executive Board meetings, General Assembly, and RPC

meeting. We anticipate that these documents will be discussed at the joint meeting of the MTC Planning and ABAG Administrative Committees in early March and then presented to the two governing boards at their March meetings for additional discussion, refinement and adoption.

In March, ABAG's executive management team will also be presenting a Fiscal Year 2017-18 Budget and Work Plan to the Executive Board for a recommendation for adoption by the ABAG General Assembly. We also anticipate providing the outline of a plan that identifies appropriate funding strategies to cover potential increased expenses. This plan will be informed by the ongoing dialogues described above as well as weekly discussions that ABAG's finance department is having with their counterparts at MTC. Final adoption of the Fiscal Year 2017-18 Budget and Work Plan will occur on May 11th at the annual ABAG General Assembly.

The Contract for Services is the essential focus of dialogue for the upcoming weeks. The following questions will inform the development of this document:

- How should ABAG continue to foster collaborative partnerships, support local member cities and towns, and serve as a convener of regional dialogues? Some approaches currently used by ABAG include:
 - Assigning ABAG planners to support individual cities and counties;
 - Meetings like the General Assembly, countywide Delegate meetings, Regional Planning Committee meetings, meetings with city managers, Bay Area Planning Directors meetings, Mayor's conferences, etc.;
 - Workshops on key issues/strategies: technical support; research on jobs, housing, resilience; etc.
- How can the ABAG Executive Board ensure that its priority tasks are adequately addressed and various work products and staffing levels meet its expectations? What are the bridges to the MTC Executive Director and Commission?
- How do we resolve potential conflicts, differences in priorities or divergent planning approaches between ABAG and MTC management?
- The relationships between the ABAG Executive Board, MTC Commission, and stakeholders are foundational for the Contract for Services and MOU to succeed. How do we continue building understanding, relationships and trust among them?

This overview is posted on our website along with other documents that will inform the ABAG-MTC Staff Consolidation process

(<http://abag.ca.gov/events/ga/2017/special.html>). Should you need any additional information, please contact Leah Zippert at LeahZ@abag.ca.gov or 415-820-7995.