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Office of the Honorable Lynette Gibson McElhanev

PRESIDENT OF THE CITY COUNCIL

Representing the Heart & Soul of the Town ~ District 3

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April 26, 2017

Mr. Jake McKenzie, President
Mr. Scott Haggerty, Vice President
Metropolitan Transportation Commission
375 Beale Street, Suite 800
San Francisco, CA. 94105-2066

RE: Item #12 a) Approval of the Contract for Services for the MTC / ABAG Staff Consolidation and Memorandum of Understanding Related to Future Governance; b) Approval of the Contract for Services between MTC and ABAG to establish adequate staffing and support of ABAG's statutory duties and responsibilities and Memorandum of Understanding for addressing future governance.

Colleagues:

I am writing in support of the approval of the Contract for Services and the Memorandum of Understanding as adopted by the ABAG Board of Directors Executive Committee on April 20, 2017 and to ask that the Commission work with us to ensure the following three considerations are incorporated before we finalize our Agreements and timeline:

1. A Complete Financial Analysis and Projection be provided to the MTC Board of Commissioners and the ABAG Executive Committee **before** staff the consolidation of the staffs and management;
2. Codify the Commitment to Equity in the MTC Workplan, with a specific commitment to community engagement and consideration of the of needs of low-income communities; and,
3. Commitment to high quality process to ensure on-going successful organization with motivated, integrated staff

Inasmuch as SB375 requires MTC to include a sustainable communities strategy in its Regional Transportation Plan, it did not mandate that the organizations be merged in order to fulfill this mandate. Setting aside, for the moment, our work to ensure that Plan Bay Area 2017 fulfill the SB375 mandate, our efforts to complete the merger of ABAG and MTC must result in a strengthened organization that is better equipped to address the regional planning needs and that we jointly commit ourselves to correcting the damage done to communities in the past.



We must work to ensure that the merged organization is financially strong and builds upon our collective strengths to deliver strong regional planning that protects people and the environment.

Over the past two years we have all worked diligently to dispense with any historic resistance to merging our Council of Governments (COG) and OUR Metropolitan Planning Organization (MPO). As we have jointly pledged to complete the merger, we must also recognize that we selected the option identified by Management Partners as the most difficult to implement. I raise these concerns now so that we continue to be mindful and mutually respectful as we continue our work.

There is no urgency that we complete the staff transfer by July 1. I urge the Commission to modify the timeline to allow for a thorough examination of the fiscal operations and future obligations so that neither the ABAG retirees nor MTC are not harmed. This does not need to indicate years, but rather weeks or months needed so that we can fulfill our duty to the taxpayers who have entrusted us.

On Fiscal Responsibility: I am deeply concerned that the Executive Committee adopted our resolution in support of the joint staffing agreement without a full financial analysis. It is now incumbent upon the Commissioners to fully evaluate the fiscal liability to the taxpayers. I am concerned that without more time to fully plan for the financial obligations to ABAG retirees, MTC may be assuming an unsustainable liability. As presented, the merged operations are expected to increase operational costs by \$2 million. While we have been verbally told that this will decrease financial liability overtime, the ABAG Executive Committee was not provided any supporting documentation. At this time I urge the Commissioners to get the details before signing off on the final agreement. I am concerned that without the fully analysis by CalPERS MTC Commissioners may assume a large liability that places ABAG retirees at risk and threatens our ability to fulfill our statutory obligations.

On Equity: I represent District 3 in the City of Oakland – which includes West Oakland, Jack London, downtown and Adams Point – neighborhoods that have been defined and troubled by past transportation decisions. Oakland's District 3 continues to struggle with the negative consequences of past government decisions that have resulted in poor health and economic outcomes for my constituents. As BAAQMD will attest, West Oakland residents suffer among the highest rates of asthma, COPD and cancer in the region. I am deeply concerned that MTC adopt and incorporate the lessons ABAG has learned over the years from Plan Bay Area planning processes to include the voices and wisdom of marginalized and impacted communities.

Transportation agencies throughout the country have been notoriously complicit in the destruction of low income and working class communities that are home to the nation's African American and ethnic communities. The merged operations of ABAG/MTC must wholly embrace and incorporate equity planning processes in the joint work plan

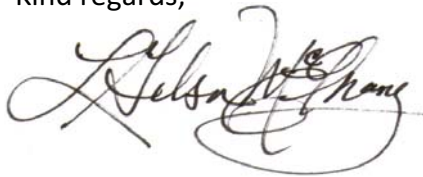


On staffing: In addition to the concerns raised by SEIU, I am concerned that there remain too many open questions with respect to the staffing and management plans. To date, the management consultants have not completed the needed work on parity and assignment, seniority and promotion pathways needed to ensure that our staffs are integrated into an environment with high morale and set for future success. Any business expert will attest that the culture and climate work is a critical component to the success of merged organizations. We are committed to a merger process that results in a strengthened, unified COG/MPO. If we rush we risk a weakened MPO that will suffer a significant set back to the region's needs.

Let us be mindful and take the time needed to resolve these issues so that we all can represent to the public that we have undertaken this great task with fiscal prudence and a deep commitment to ensuring that the communities of greatest need will continue to have a seat at the table.

Thank you for your consideration.

Kind regards,



Lynette Gibson McElhaney
District 3 Councilmember and ABAG Executive Committee Member

Cc:

Julie Pierce, ABAG Chair
Brad Paul, ABAG, Interim Executive Director
Steve Heminger, MTC, Executive Director

For Distribution to:

ABAG Board of Directors
MTC Board of Commissioners



