



Agenda Item 7a



TO: Special Joint MTC Planning Committee with the
ABAG Administrative Committee

DATE: October 21, 2016

FR: ABAG Deputy Executive Director and
MTC Executive Director

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 consideration of new governance options. This action retains 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 — known 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. The Commission and ABAG’s Executive Board approved the IAP at their June 2016 meetings. The IAP calls for a sequence of some 40 actions to make the vision of a consolidated staff a reality. As one of the first steps, MTC 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. This due diligence work is wrapping up and key findings will be presented to the Joint Committee at your meeting next week.

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 enterprise entities. The contract must be agreed to by both boards 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 Executive Management of MTC and ABAG, to discuss labor issues inherent in this staff consolidation. The Employee Relations Group has met three times to date with another meeting scheduled for October 27, 2016.

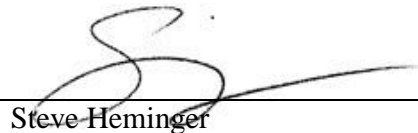
Also related to the employee transition element of the due diligence, MTC engaged Koff & Associates to document and compare MTC and ABAG employee programs, including classifications, organizational structure, jobs and employee programs. A kick-off meeting to review the scope of this effort was held with the Employee Relations Group in early August. In late September, Koff staff met separately with ABAG planners, MTC planners and the Employee Relations Group to explain the Position Description Questionnaires 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 regional planning department. In mid-October, similar meetings were held with the rest of ABAG's staff and a representative sample of MTC's remaining staff. We expect findings and recommendations from this effort in mid-December.

Finally, we are in the review process to hire a consulting team to support and inform the integration of the MTC Planning Section and the ABAG Department of Planning and Research into one unified, integrated regional planning program. We hope to engage a firm in early November that has significant expertise and experience related to organizational change, short- and long-term strategic planning and human resources including best practices pertaining to team building for newly merged or expanded entities.

We look forward to sharing the legal and financial due diligence with you next week and getting your policy direction on the due diligence completed to date. This will help guide the completion of additional implementation steps over the next several months with the goal of bringing a Contract for Services to the Commission and ABAG Executive Board for approval in January 2017, with the staff consolidation to occur soon thereafter. Since the current MTC-ABAG funding agreement expires on December 31, 2016, we expect to present next month a short-term extension of that agreement through spring 2017 so that we have sufficient time to complete the contract for services and transition the ABAG employees to MTC service.



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