

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

AGENDA

FINANCE AND PERSONNEL COMMITTEE

Thursday, January 19, 2017, 5:00 p.m. to 6:00 p.m.

Location:

Bay Area Metro Center
Board Room
375 Beale Street
San Francisco, California

The ABAG Finance and Personnel Committee may act on any item on this agenda.

Agenda and attachments available at abag.ca.gov

For information, contact Fred Castro, Clerk of the Board, at (415) 820 7913.

- 1. CALL TO ORDER / ROLL CALL / CONFIRM QUORUM**
- 2. PUBLIC COMMENT**
INFORMATION
- 3. COMMITTEE ANNOUNCEMENTS**
INFORMATION
- 4. APPROVAL OF ABAG FINANCE AND PERSONNEL COMMITTEE SUMMARY MINUTES OF MEETING ON NOVEMBER 17, 2016**
ACTION
Attachment: Summary Minutes of November 17, 2016
- 5. REPORT ON FINANCIAL REPORTS FOR NOVEMBER 2016**
ACTION
Attachments: Financial Reports; Indices
- 6. REPORT ON PAYMENT OF MEMBERSHIP DUES FOR FISCAL YEAR 2016-2017**
INFORMATION
Attachment: Membership Dues

ABAG Finance and Personnel Committee

January 19, 2017

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7. REPORT ON CONTRACTS BETWEEN \$20,000 AND \$50,000

INFORMATION

Attachment: Contracts between \$20,000 and \$50,000

8. PRESENTATION ON PROPOSED NEW JOINT POWERS AUTHORITY—ABAG FINANCE AUTHORITY

INFORMATION

Staff will give a presentation on proposed new joint powers authority [tentatively, ABAG Finance Authority (FA)] to be created by ABAG FAN and ABAG to serve as conduit issuer.

Attachment: ABAG Public Financial Services Program

9. REPORT ON PATRICIA M. JONES SCHOLARSHIP FUND

INFORMATION / ACTION

The Finance and Personnel Committee is requested to establish a matching grant of \$2,500 to the Patricia M. Jones Scholarship Fund with Hagar Services Coalition.

Attachment: Scholarship Fund

10. CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATORS

Agency designated representatives: Brad Paul, Acting Executive Director; Kenneth Moy, Legal Counsel; Courtney Ruby, Finance and Administrative Services Director; Marti Paschal, Administrative Services Director

Employee organization: SEIU Local 1021

11. ADJOURNMENT

The next regular meeting of the ABAG Finance and Personnel Committee is on March 16, 2016.

Submitted:

/s/ Courtney Ruby, Finance and Administrative Services Director

Date Submitted: January 12, 2017

Date Posted: January 13, 2017

SUMMARY MINUTES

ABAG Finance and Personnel Committee Meeting
Thursday, November 17, 2016
Bay Area Metro Center
375 Beale Street, Yerba Buena CR
San Francisco, California

1. CALL TO ORDER / ROLL CALL / CONFIRM QUORUM

ABAG Finance and Personnel Committee Vice Chair Karen Mitchoff, Supervisor, County of Contra Costa, called the meeting to order at about 5:01 p.m.

A quorum of the Committee was present at about 5:01 p.m.

Members Present

Bill Harrison, Mayor, City of Fremont—Chair
Desley Brooks, Councilmember, City of Oakland
David Cortese, Supervisor, County of Santa Clara
Pradeep Gupta, Vice Mayor, City of South San Francisco
Scott Haggerty, Supervisor, County of Alameda
Mark Luce, Supervisor, County of Napa—*Ex officio*
Karen Mitchoff, Supervisor, County of Contra Costa—Vice Chair
Julie Pierce, Councilmember, City of Clayton—*Ex officio*
David Rabbitt, Supervisor, County of Sonoma—*Ex officio*
Greg Scharff, Vice Mayor, City of Palo Alto

Members Absent

Linda Seifert, Supervisor, County of Solano

Staff Present

Brad Paul, Deputy Executive Director
Kenneth Moy, Legal Counsel
Courtney Ruby, Director, Finance and Administrative Services
Marti Paschal, Administrative Services Director

Guest Present

John Bartel, President, Bartel Associates, LLC

2. PUBLIC COMMENT

There was no public comment.

3. COMMITTEE ANNOUNCEMENTS

Julie Pierce, Councilmember, City of Clayton, and ABAG President, announced that she will review committee assignments and make appointments.

4. APPROVAL OF ABAG FINANCE AND PERSONNEL COMMITTEE SUMMARY MINUTES OF SPECIAL MEETING ON SEPTEMBER 9, 2016 AND MEETING ON SEPTEMBER 15, 2016

Chair Harrison recognized a motion by Karen Mitchoff, Supervisor, County of Contra Costa, which was seconded by Scott Haggerty, Supervisor, County of Alameda, to approve ABAG

Finance and Personnel Committee summary minutes of special meeting on September 9, 2016 and meeting on September 15, 2016.

There was no discussion.

There was no public comment.

The aye votes were: Brooks, Cortese, Gupta, Haggerty, Harrison, Luce, Mitchoff, Pierce, Rabbitt, Scharff.

The nay votes were: None.

Abstentions were: None.

Absent were: Seifert.

The motion passed unanimously.

5. REPORT ON FINANCIAL REPORT FOR SEPTEMBER 2016

Ruby presented the Financial Report for September 2016.

Chair Harrison recognized a motion by Mitchoff, which was seconded by Pierce, to approve the Financial Report for September 2016.

There was no discussion.

There was no public comment.

The aye votes were: Brooks, Cortese, Gupta, Haggerty, Harrison, Luce, Mitchoff, Pierce, Rabbitt, Scharff.

The nay votes were: None.

Abstentions were: None.

Absent were: Seifert.

The motion passed unanimously.

6. REPORT ON PAYMENT OF MEMBERSHIP DUES FOR FISCAL YEAR 2016-2017

Ruby presented the staff report on the payment of membership dues for Fiscal Year 2016-2017.

Members asked which member jurisdictions had not submitted their dues in order to follow up.

Ruby reported that the following member jurisdictions had not submitted their dues: City of Brisbane, City of Hayward, City of Martinez, City of Oakley, City of Pittsburg, City of Santa Clara, City of St. Helena, City of Vacaville, City of Vallejo, County of Marin.

7. REPORT ON RETIREE HEALTHCARE PLAN JUNE 30, 2015 ACTUARIAL VALUATION PRESENTED BY BARTEL & ASSOCIATES

Bartel, Bartel & Associates, reported on the retiree healthcare plan June 30, 2016 actuarial valuation.

Members discussed the report.

8. ELECTION OF NEW CHAIR AND POSSIBLE VICE CHAIR

Chair Harrison recognized the nomination of Karen Mitchoff, Supervisor, County of Contra Costa, as Chair of the Finance and Personnel Committee.

The vote to elect Mitchoff as Chair was unanimous.

Chair Harrison recognized the nomination of Greg Scharff, Vice Mayor, City of Palo Alto, as Vice Chair of the Finance and Personnel Committee.

The vote to elect Scharff as Vice Chair was unanimous.

Desley Brooks, Councilmember, City of Oakland, left the meeting.

The Committee entered into Closed Session at about 5:45 p.m.

9. CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATORS

Agency designated representatives: Brad Paul, Courtney Ruby, Kenneth Moy, Marti Pascal

Employee organization: SEIU Local 1021

10. CLOSED SESSION

PUBLIC EMPLOYEE APPOINTMENT

Title: Acting Executive Director

The Committee returned into Open Session at about 6:16 p.m.

There was no report out of Closed Session regarding the Conference with Labor Negotiators.

Chair Harrison reported out of Closed Session regarding Public Employee Appointment that the Committee voted to appoint Brad Paul as Acting Executive Director of the Association of Bay Area Governments.

11. ADJOURNMENT

The meeting adjourned at about 6:17 p.m.

Submitted:

/s/ Courtney Ruby, Finance and Administrative Services Director

Date Submitted: January 10, 2017

Date Approved:

For information, contact Fred Castro, Clerk of the Board, at (415) 820 7913 or FredC@abag.ca.gov.

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: January 12, 2017
To: ABAG Finance and Personnel Committee
From: Courtney Ruby
Director of Finance and Administrative Services
Subject: **Financial Reports November 2016**

The following are highlights of the November 2016 financial reports.

Overall Summary

Revenues exceeded expenses by \$84 thousand for the five months ended November 30, 2016. Of this amount, \$32 thousand is attributable to a timing difference. A \$50 thousand surplus is projected at year-end in the adopted budget. Please refer to the **Table of Financial Report Data Elements** for fiscal year budget, year-to-date actual and projected fiscal year numbers.

The budget for FY 2016-17 was adopted January 2016 and is currently under review. Any proposed adjustments will be presented to the Finance Committee at the March meeting.

Cash on Hand

The cash balance was \$7.9 million at the end of November, including \$2.2 million deposited in the Local Agency Investment Fund (LAIF). As shown in Figure 1 the actual monthly cash balances for the first five months of fiscal year 2016-17, and the projected balance for the year end are within our normal range of \$6.0 to \$9.0 million. The cash balance is projected to be approximately \$7 million at the end of the fiscal year.

Receivables

At the end of November, total receivables amounted to \$11.7 million which included \$4.8 million of unbilled receivables (mainly attributed to SFEP's Integrated Regional Water Management Program (IRWMP) and \$6.9 million (mainly attributed to IRWMP and BayREN) of grant and service program receivables. Receivables over 90 days past due were \$860 thousand, including \$668 thousand from the Department of Water Resources. All receivables are believed to be collectible. Figure 2 shows the comparison of receivables generated by grants and service programs over the current and prior fiscal year.

Revenues and Expenses

As of November 30, 2016, total revenue amounted to \$11.7 million, which is 20 percent, of the projected revenue for the year of \$58.2 million. Total expenses amounted to \$11.6 million, which is 20 percent of the projected expenses for the year of \$58.2 million.

Financial Reports November 2016

January 12, 2017

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Figure 3 presents a graphic comparison of the current month of November, the Five month year-to-date actual, and fiscal year projected revenues and expenses.

Figures 4 and 5 show year-to-date revenues and expenses by major categories. Grants revenue is 79% of total revenue, compared to 76% for the prior fiscal year. Pass-through and Consultant expense are 56% of total expenses, compared to 58% for the prior fiscal year.

Net Position/Fund Equity

Total fund equity was negative \$7.8 million as of November 30, 2016. In compliance with the new accounting pronouncement, GASB 68, beginning with the June 30, 2015 audited financial statements, we have recorded the ABAG accumulated unfunded pension obligation as a liability and reduction of fund equity. For internal financial statement purposes, we have elected to separately track the fund equity for the pension obligation and operations. Thus, the June fund equity for pension obligations is presented as a negative \$12.2 million, and the accumulated fund equity from operations is presented as a positive \$2.7 million in the financial reports. The restricted fund equity of \$1.6 million consists of capital, self-insurance, building maintenance and reserves. Figure 6 is a graphic presentation of actual and projected: unrestricted, restricted, and total net equity for the current fiscal year.

Indirect Overhead Rate

After careful analysis of our ABAG overhead accounts, we projected and obtained an approval from EPA for an increase to our project overhead rate by 1.2% to 46.15% in FY 2016-17 (up from 44.95% in FY 2015-16). The new rate will be included in the proposed budget adjustments to be presented to the Finance Committee at the March 2017 meeting.

The Agency's actual indirect overhead cost rate through November 2016 was 42.80%, which was 2.15 percentage points below the current adopted budget of 44.95% and 3.35% below the new rate of 46.15% approved by the EPA. Figure 7 shows a comparison between the actual indirect cost rate through November 30 and the budget and EPA approved rates for the year.

Financial Information by Program

The **Report by Program of Net Surplus/(Deficit)** is included after the charts. This report presents revenue and expense information by program. It provides an overview of budgeted and year-to-date revenue and expense data for major programs such as the Planning Services, San Francisco Estuary Partnership (SFEP), Bay Trail and POWER/Energy. Apart from SFEP none of the other major programs listed on this chart are significantly out of line with the budget. For SFEP, the actual progress of the projects is below projection because we have not been billed by sub-recipients as it takes several weeks to know the actual progress due to the complex nature and multi-year duration of the projects.

Financial Outlook

The projection for fiscal year 2016-17 is for a surplus of revenues over expenses of \$50,000.

Recommended Action

The Finance and Personnel Committee is requested to approve the Financial Reports for November 2016.

Association of Bay Area Governments
Table of Financial Report Data Elements
(thousands of dollars)

for November 2016

– Projected percentage of budget is 42%.

Description	Adopted Budget	Projected Fiscal Year Budget	Year-To-Date Actual	% of Projected Fiscal Year Budget
ASSETS				
Cash		7,000	7,934	
Receivables		14,000	11,711	
REVENUES				
Membership Dues	1,958	1,958	818	42%
Grants	51,717	51,717	9,231	18%
Charges for Services and Other	4,545	4,545	1,642	36%
Total Revenues	58,220	58,220	11,691	20%
EXPENSES				
Salaries and Benefits	11,828	11,828	4,314	36%
Pass-through and Consultant Expenses	44,011	44,011	6,465	15%
Other Expenses	2,331	2,331	828	36%
Total Expenses	58,170	58,170	11,607	20%
Change in Net Position	50	50	84	168%
Beginning Net Position	(7,728)	(7,728)	(7,859)	102%
Ending Net Position	(7,678)	(7,678)	(7,775)	101%
NET POSITION BREAKDOWNS				
Unrestricted - Accumulated Operations Surplus	2,969	2,969	2,726	92%
Unrestricted - Pension Adjustment - June 30, 2016	(12,254)	(12,254)	(12,108)	99%
Restricted - Tenant Improvements	800	800	800	100%
Restricted - Other	857	857	807	94%
Total Net Position	(7,628)	(7,628)	(7,775)	102%
INDIRECT OVERHEAD				
Overhead Rate	44.95%	44.95%	43.16%	
Approved Rate			46.15%	

Item 4

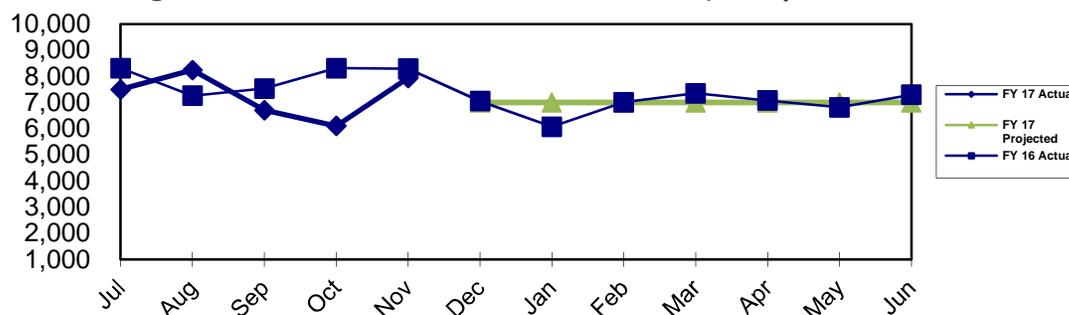
ABAG Financial Indices

Cash on Hand FY 16-17 (\$'000)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 17 Actual	7,501	8,243	6,706	6,103	7,934							
FY 17 Projected						7,000	7,000	7,000	7,000	7,000	7,000	7,000
FY 16 Actual	8,316	7,258	7,533	8,312	8,298	7,052	6,073	7,010	7,353	7,079	6,818	7,300

Represents the sum total of cash deposited at banks or invested in money markets and the Local Agency Investment Fund. This chart shows fluctuation patterns of cash on hand for the current and the prior fiscal year.

Figure 1--Cash on Hand--FY 16 and FY 17 (\$'000)

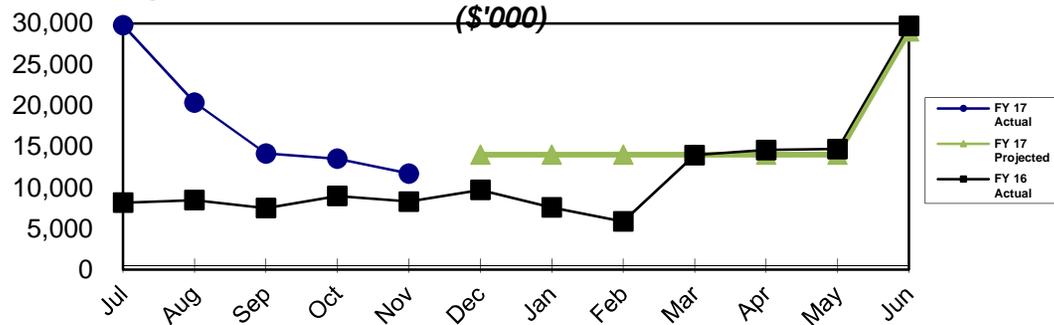


Accounts Receivable FY 16-17 (\$'000)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 17 Actual	29,781	20,360	14,161	13,526	11,711							
FY 17 Projected						14,000	14,000	14,000	14,000	14,000	14,000	29,000
FY 16 Actual	8,163	8,471	7,515	8,974	8,299	9,710	7,593	5,885	13,973	14,576	14,708	29,687

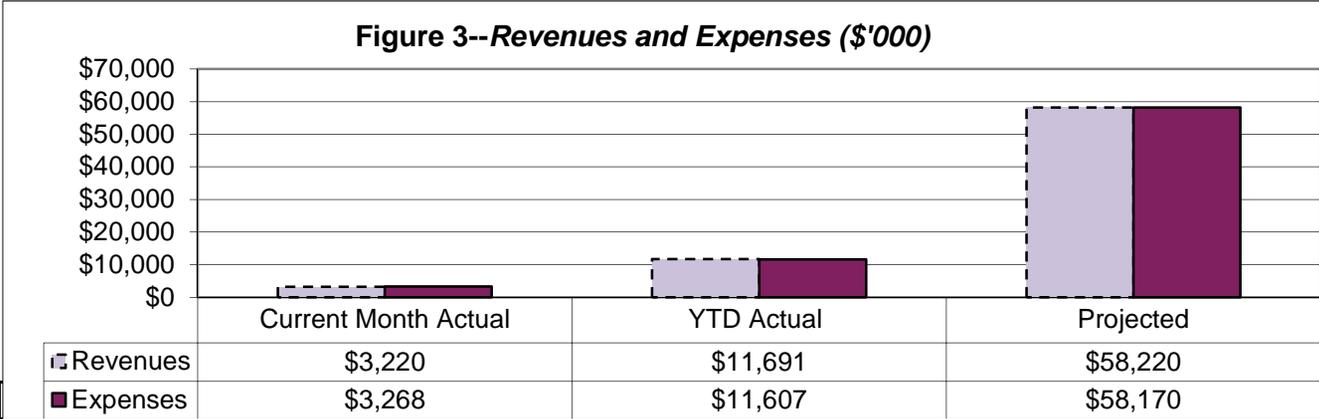
Accounts receivable include receivables generated by grants and service programs over two fiscal years. Due to accrual of unbilled receivables at year end on June 30, 2016, mainly attributed to IRWMP, receivables were higher in July and August and settles back to the expected level in September. Receivables up to February 2017 are expected to be higher than corresponding period in FY 16 due to increased activity attributable to IRWMP grants.

Figure 2--Accounts Receivable--FY 16 and FY 17 (\$'000)



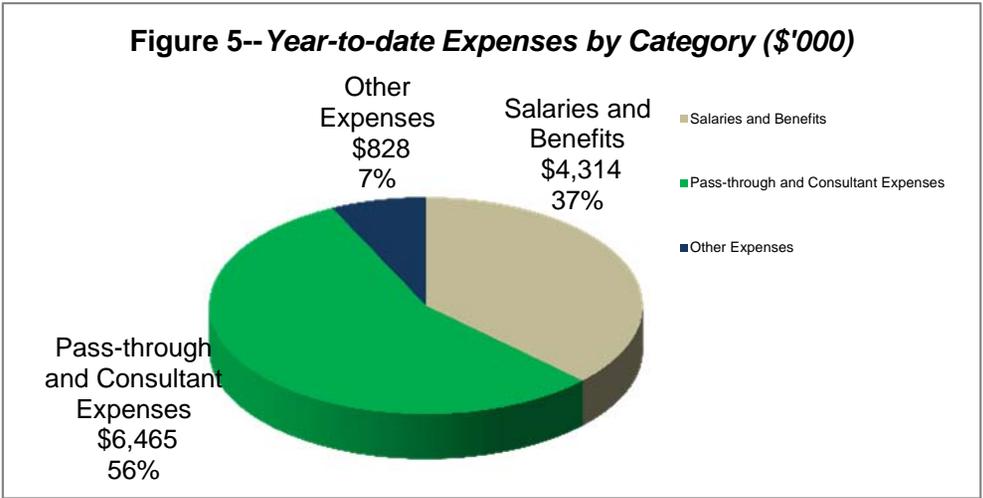
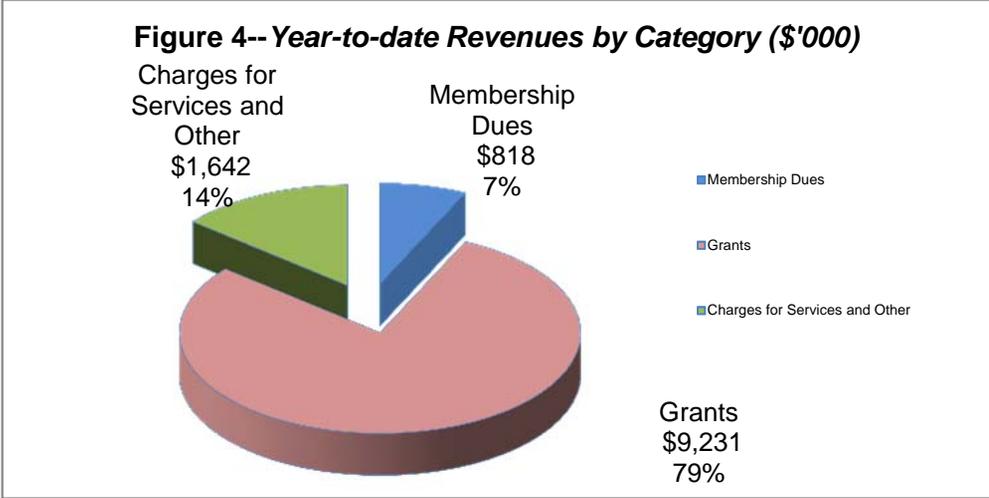
ABAG Financial Indices

Presents a comparison of current month actual, year-to-date actual, and adopted/projected revenues and expenses.



Shows year-to-date revenues by major category including membership dues, grants, and charges for services and other.

Shows year-to-date expenses by major category including salaries and benefits, pass-through and consultant expenses, and other expenses.



**ABAG Financial Indices
Year-To-Date Actual**

Presents actual and adopted/projected general, restricted and total fund equities for the current fiscal year. General fund equity represents unrestricted equity. Restricted equities include building improvements, building maintenance, self-insurance, capital and contingency reserve. These restricted equities represent the Association's equities set aside for specific purposes. Total equity is the sum total of general and restricted equities.

Shows a comparison between the actual indirect cost rate and the projected and approved rate. The approved indirect cost rate is computed by dividing total estimated overhead expenses by total projected direct labor cost for a fiscal year. This rate is used as a standard overhead cost rate to allocate indirect costs to all projects. This process is performed in accordance with an indirect cost plan, which is prepared annually in accordance with federal guidelines.

Figure 6--Net Position/Fund Equity (\$'000)

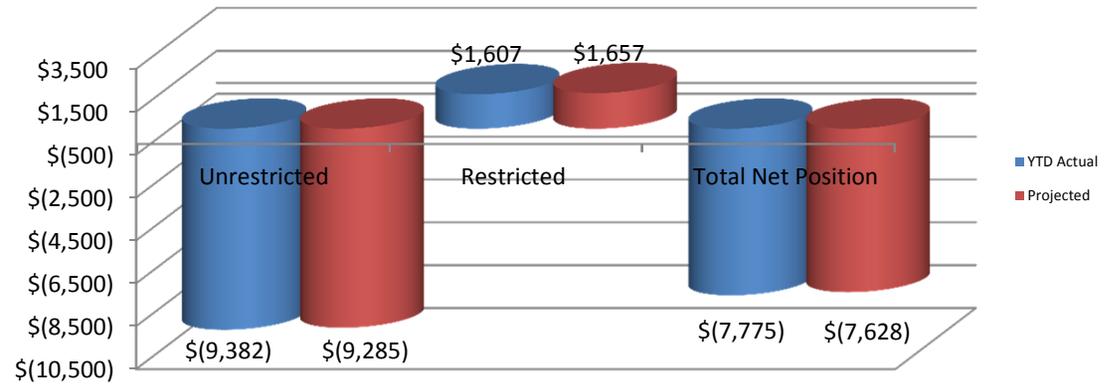
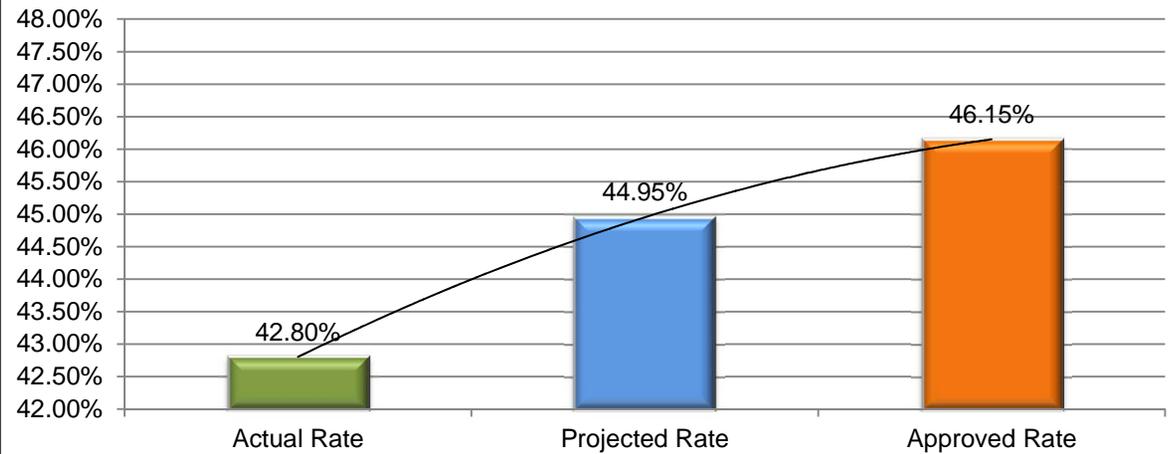


Figure 7--Indirect Overhead Rate



Association of Bay Area Governments

Report by Program of Net Surplus/(Deficit) Through November 2016 / 42% of Year Elapsed

Program Description	Adopted Budget	Adjustments	Projected Fiscal Year Budget	Year-To-Date Revenues	Year-To-Date Expenses	YTD Surplus/ (Deficit)	% of Expense Budget	Comments (for variances 10% > or < from 42%)
			A	B	C	D = B - C	E = C/A	
Planning Services	4,398,001		4,398,001	1,560,761	1,560,761	-	35%	
San Francisco Estuary Partnership	31,023,411		31,023,411	2,326,680	2,336,648	(9,967)	8%	Expenses are expected to increase as subrecipients bill for the IRWMP project. Due to complexity and the multi-year duration of the projects it takes several weeks to know the actual progress of various projects. Further, SFEP is reviewing the budgets in November, and this may result in revised projections.
Disaster Recovery	866,296		866,296	344,007	343,144	863	40%	
Bay Trail	1,998,340		1,998,340	556,148	556,148	-	28%	Slower progress of projects at the beginning of the fiscal year for planning and construction grants due to weather, public process and delayed contracting. Expected to catch up in the later parts of the year.
Training Center, Web Hosting and Publications	280,000		280,000	5,535	2,703	2,832	1%	The budget did not anticipate the sale of the training center. The budgets are under review in November and a budget adjustment for this program will be proposed to reflect the current operations.
POWER/Energy	13,277,000		13,277,000	4,788,244	4,812,668	(24,424)	36%	
FAN Finance Authority	1,050,000		1,050,000	395,419	389,207	6,212	37%	
PLAN Corporation - Property & Liability Insurance Pool	2,450,000		2,450,000	797,611	797,611	-	33%	
SHARP - Worker's Comp Pool	150,000		150,000	50,138	50,138	-	33%	
Fiscal Agent Services	131,400		131,400	52,534	52,239	295	40%	
Communications/Legislative	660,000		660,000	218,913	218,913	-	33%	
Agency Administration	1,885,267		1,885,267	594,794	608,967	(14,173)	32%	
Payroll Clearing	-		-	-	(32,253)	32,253	n/a	Expect the payroll clearing account to be close to breakeven towards year end.
Central Overhead	-		-	1,284,135	1,194,171	89,965	n/a	The expense of \$1,194,171 is 35% of indirect costs of the \$3,346k projection reported to EPA, so amount is reasonable.
Totals	58,169,715	-	58,169,715	12,974,919	12,891,065	83,854	22%	

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: January 12, 2017
To: Finance and Personnel Committee
From: Courtney Ruby
Director of Finance and Administrative Services
Subject: **Payment of Membership Dues for Fiscal Year 2016-17**

Summary

Jurisdictions were invoiced for Fiscal Year 2016-17 membership dues in May 2016, payable on July 1, 2016. Out of a total billing of \$1.96 million to 109 jurisdictions, \$162,000 was outstanding from 10 jurisdictions as of November 30, 2016.

Compared to the prior year, out of a total billing of \$1.89 million to 109 jurisdictions, \$42,000 was outstanding from 9 jurisdictions as of November 30, 2015.

Recommended Action

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: January 12, 2017

To: Finance and Personnel Committee

From: Courtney Ruby
Director of Finance and Administrative Services

Subject: **ABAG Contracts between \$20,000 and \$50,000 from March 2016 to January 2017**

Summary

ABAG has entered into contracts with the following consultants/contractors for contract amounts between \$20,000 and \$50,000 from March 2016 to January 2017. This is for information only.

- ABAG entered into a contract with Chris Austin to perform communication and outreach tasks that focus on developing articles and spotlights of varying lengths and topics to highlight science and collaboration efforts in the Sacramento-San Joaquin Delta and its watershed, for \$30,000. This contract was negotiated by Caitlin Sweeney, Program Director for SFEP.
- ABAG renewed the service agreement with Oracle America, Inc. for Oracle software technical support services for \$25,977.38. This contract was negotiated by Courtney Ruby, Finance and Administrative Services Director.
- ABAG entered into a contract with Ariel Okamoto for editing services on ESTUARY News Magazine for \$41,000. This contract was negotiated by Caitlin Sweeney, Program Director for SFEP.

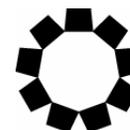
Recommended Action

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: January 17, 2017

To: ABAG Finance and Personnel Committee

From: Kenneth Moy, ABAG Legal Counsel and ABAG FAN Acting General Counsel
Sheelagh Flanagan, Senior Advisor to ABAG FAN
Michael Hurtado, ABAG Financial Services Manager and ABAG FAN Secretary

Subject: **ABAG Public Financial Services Program**

Over the past 30 years, the Association of Bay Area Governments (ABAG) and its affiliated joint powers authority, the ABAG Finance Authority for Nonprofit Corporations (FAN) have provided public financing services for ABAG member jurisdictions, public entities in California and private entities implementing projects in the public interest. ABAG and FAN have existing portfolios with a combined outstanding balance of approximately \$2.3 Billion. They generate \$1.1 million in fees annually that cover staff costs and have a \$3 million unrestricted reserve.

Despite the 2014 defalcation by FAN's prior Program Director, interest in working with FAN and using it to provide conduit financing for schools, affordable housing, medical clinics, assisted living and local public structures remains high among ABAG's member jurisdictions and local agencies throughout the region.

In light of recent developments, including the proposed consolidation of ABAG staff with the Metropolitan Transportation Commission (MTC), and specific discussions with MTC's senior management about their concerns and needs regarding ABAG's future conduit financing activities, we believe that a fundamental restructuring of ABAG's public financial services program is in order. This memorandum describes the components of the proposed new program.

A. Current Portfolios Placed in Run-Out Mode

The current portfolios for ABAG and FAN will be placed in 'run-out' mode. Neither ABAG nor FAN will provide new public financings for third parties. Borrowers with transactions in the current portfolios may need staff level and/or policy level approvals with respect to those transactions. Examples include: refinancings, changing interest rate modes, redemptions and the like. The ABAG Executive Board and the FAN Executive Committee and/or their respective MTC staffpersons will continue to accommodate those needs in the 'run-out' mode in consultation with MTC's finance staff.

B. New Financing JPA

ABAG and FAN will enter into a new joint powers agreement creating a separate new joint powers authority with a new governing board (see section C below) and a new name: ABAG Finance Authority (Authority). The Authority will serve as a conduit issuer for ABAG members, public entities in California and private entities implementing projects in the public interest. The Authority will adopt guidelines for transactions that, at a minimum, ensure that: (a) the Authority and its members have no financial liability for repayment of any debt instrument issued by it; (b) the debt be rated, insured, credit enhanced or privately placed and (c) the Authority and its members receive a defense and indemnity obligation from the borrower to the fullest extent allowed by law. One of the purposes of this new joint powers authority, stated transparently in its joint powers agreement and bylaws, will be to provide financial resources to ABAG in support of ABAG's mission and responsibilities.

C. Governance

The ABAG Executive Board's Finance and Personnel Committee (F&P) will serve as the governing board of the Authority. F&P will set the fee structure for the Authority, provide oversight for the general operations of the Authority, designate the officers of the Authority¹ and allocate available resources for the general support to ABAG. The Executive Committee of FAN, in consultation with its new officers, will authorize transactions and issuances of the Authority. This ensures the continuity of the Executive Committee of FAN in servicing FAN's current portfolio and makes efficient use of the expertise and experience of that committee on behalf of the Authority.

D. Next Steps

Time is of the essence. FAN has been absent from the marketplace for close to 2 years and its two main competitors are becoming dominant in the field. California Municipal Finance Authority currently generates \$10 million in fees while California Statewide Communities Development Authority generates \$16 million in fees. The FAN Executive Committee is very supportive of this proposal. We have identified a public finance law firm who can quickly draft the joint powers agreement and associated documents and FAN's Executive Committee recently allocated \$500,000 to cover any legal or related costs associated with creating this new conduit financing authority as well as help to market it around the region.

While we have no specific requests before us now to issue conduit financing, based on our conversations with potential borrowers, we would anticipate at least three proposals before the end of the fiscal year if we can create the new JPA in the next few months. To give you some sense of what that could mean in terms of revenue, here are illustrative examples:

	<u>Original Issue</u>	<u>Initial Fee</u>	<u>Annual Fee</u>
School bond	\$16,500,000	\$16,500	\$3,300
Infrastructure Development	\$9,900,000	\$39,600	\$4,950
Continuing Care Facility	\$67,000,000	\$44,100	\$13,400
Total:	\$93,000,000	\$100,200	\$21,650

¹ ABAG staff will advocate for the following designations: MTC Deputy Executive Director as President, MTC CFO or his designee as Treasurer and MTC Program Manager as Secretary

We have had an initial discussion on this proposal with the MTC executive management team. We expect to have additional discussions with them in the coming weeks regarding their involvement in the implementation of the proposal. Once we have concluded these discussions, we anticipate bringing this back to the Finance and Personnel Committee and the Executive Board.

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: January 12, 2017
To: ABAG Finance and Personnel Committee
From: Brad Paul
Acting Executive Director
Subject: **Patricia M. Jones iLEAD Scholarship Fund**

Executive Summary

To honor and memorialize Patricia Jones' significant contributions throughout the Bay Area, former ABAG President Rose Jacobs Gibson and founder of the Hagar Services Coalition, established the Patricia M. Jones Institute for Leadership Engagement and Development (iLEAD) Scholarship Fund that will offer assistance to outstanding individuals interested in pursuing leadership and community service in the public sector and recognize individuals, like Pat, who strive to be champions of public service. Funds will be dedicated to local government learning curriculum for 5th grade through college, training in civic engagement and professional development, and regional leadership forums.

Pat served on the Board of the Hagar Services Coalition where she founded the iLEAD Program that seeks to educate and train new leaders to provide fresh perspectives and bold new strategies to address challenges that humanity faces in today's world.

In honor of Pat's significant contributions, we recommend the ABAG Finance and Personnel Committee establish a matching grant of \$2,500 to the iLEAD Scholarship Fund. For every dollar raised, ABAG will match it up to \$2,500. Contributions to the Patricia M. Jones Scholarship Fund will help Hagar Services ensure that every individual who'd like to attend an iLEAD Program can and will utilize their new skills to become a leader in their community.

Donations in Pat's honor may be made at: www.hagarservicescoalition.org/donate or mail a check to Hagar Services Coalition, Inc., P.O. Box 51178, East Palo Alto, CA 94303. All donations should include the following notation: ABAG/Pat Jones so we can ensure they are matched dollar for dollar. You can learn more at: hagarservicescoalition.org or contact Rose Jacobs Gibson at (650) 644-4228 or hagarservicescoalition@gmail.com.

Recommended Action

The Finance and Personnel Committee is requested to establish a matching grant of \$2,500 to the iLEAD Scholarship Fund.

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Finance and Personnel Committee

Members

Karen Mitchoff, Supervisor, County of Contra Costa—Chair

Greg Scharff, Vice Mayor, City of Palo Alto—Vice Chair

Pradeep Gupta, Vice Mayor, City of South San Francisco

Scott Haggerty, Supervisor, County of Alameda

David Cortese, Supervisor, County of Santa Clara—*Ex officio*

Julie Pierce, Councilmember, City of Clayton—*Ex officio*

David Rabbitt, Supervisor, County of Sonoma—*Ex officio*

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