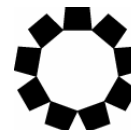


# ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

## AGENDA

### FINANCE AND PERSONNEL COMMITTEE

Thursday, July 20, 2017, 5:00 p.m. to 6:00 p.m.

#### Location:

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

#### Committee Members:

Karen Mitchoff, Supervisor, County of Contra Costa—*Chair*  
Greg Scharff, Mayor, City of Palo Alto—*Vice Chair*  
Annie Campbell Washington, Councilmember, City of Oakland  
Pradeep Gupta, Mayor, City of South San Francisco  
Scott Haggerty, Supervisor, County of Alameda  
Erin Hannigan, Supervisor, County of Solano  
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*

#### Committee Staff:

Brian Mayhew, Chief Financial Officer  
Brad Paul, Deputy Executive Director, Local Government Services  
Courtney Ruby, Director, Administrative Services and Facilities

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

*Agenda and attachments available at <http://abag.ca.gov/meetings/financepersonnel.html>*

*This meeting is scheduled to be webcast live at  
<http://abag.ca.gov/meetings/financepersonnel.html>*

*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

**ABAG Finance and Personnel Committee**

July 20, 2017

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**3. COMMITTEE ANNOUNCEMENTS**

INFORMATION

**4. APPROVAL OF ABAG FINANCE AND PERSONNEL COMMITTEE SUMMARY MINUTES OF MEETING ON MAY 18, 2017**

ACTION

*Attachment: Summary Minutes of May 18, 2017*

**5. REPORT ON FINANCIAL REPORTS FOR MAY 2017**

ACTION

*Attachments: Memo Financial Reports; Indices*

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

INFORMATION

*Attachment: Contracts between \$20,000 and \$50,000; Table*

**7. REQUEST ABAG EXECUTIVE BOARD APPROVE IN CONCEPT FORMATION OF A NEW CONDUIT ISSUER: ADVANCING CALIFORNIA FINANCE AUTHORITY (ACFA) AND DELEGATE TO THE ADMINISTRATIVE COMMITTEE EXECUTION OF A JOINT POWERS AGREEMENT FOR ACFA**

ACTION

*Attachments: Memo JPA Creating Advancing California Finance Authority*

**8. ADJOURNMENT**

The next regular meeting of the ABAG Finance and Personnel Committee is on September 21, 2017.

Submitted:

/s/ Courtney Ruby

Director, Finance and Administrative Services

Date Submitted: July 7, 2017

Date Posted: July 13, 2017

## SUMMARY MINUTES (DRAFT)

ABAG Finance and Personnel Committee Meeting  
Thursday, May 18, 2017  
Bay Area Metro Center  
375 Beale Street, Board Room  
San Francisco, California

### 1. CALL TO ORDER / ROLL CALL / CONFIRM QUORUM

ABAG Finance and Personnel Committee Chair Karen Mitchoff, Supervisor, County of Contra Costa, called the special meeting to order at about 5:00 p.m.

A quorum of the Committee was present at about 5:00 p.m.

#### Members Present

Karen Mitchoff, Supervisor, County of Contra Costa—Chair  
David Cortese, Supervisor, County of Santa Clara  
Scott Haggerty, Supervisor, County of Alameda  
Erin Hannigan, Supervisor, County of Solano  
Julie Pierce, Councilmember, City of Clayton—*Ex officio*  
David Rabbitt, Supervisor, County of Sonoma—*Ex officio*  
Greg Scharff, Mayor, City of Palo Alto

#### Members Absent

Annie Campbell Washington, Councilmember, City of Oakland  
Pradeep Gupta, Mayor, City of South San Francisco

#### Staff Present

Brad Paul, Acting Executive Director  
Kenneth Moy, Legal Counsel  
Courtney Ruby, Finance and Administrative Services Director  
Mike Hurtado, Financial Services Director  
Sheelagh Flanagan, Senior Advisor to ABAG FAN

### 2. PUBLIC COMMENT

There was no public comment.

### 3. COMMITTEE ANNOUNCEMENTS

There were no committee announcements.

### 4. APPROVAL OF ABAG FINANCE AND PERSONNEL COMMITTEE SUMMARY MINUTES OF MEETING ON APRIL 20, 2017

Chair Mitchoff recognized a motion by Julie Pierce, Councilmember, City of Clayton, which was seconded by Scott Haggerty, Supervisor, County of Alameda, to approve ABAG Finance and Personnel Committee summary minutes of meeting on April 20, 2017.

There was no discussion.

There was no public comment.

The aye votes were: Cortese, Haggerty, Hannigan, Mitchoff, Pierce, Rabbitt, Scharff.

The nay votes were: None.

Abstentions were: None.

Absent were: Campbell Washington, Gupta.

The motion passed unanimously.

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

Courtney Ruby, Finance and Administrative Services Director, presented the report on contracts between \$20,000 and \$50,000 from January to May 2017, including contract or contract amendments, as follows: San Francisco Estuary Institute, adds additional \$20,000 to the contract amount, maximum amount to be funded by the EPA and disbursed through ABAG to the San Francisco Estuary Institute shall be \$30,000; Wilsey Ham, adds \$25,001 to the contract amount; Ariel Okamoto, adds \$28,000 to the contract amount; Ariel Okamoto, adds \$20,000 to \$60,000 to the contract amount; Contra Costa County, Department of Public Works, adds \$40,000 to the contract amount; Canopy, maximum amount to be funded by the EPA and disbursed through ABAG to Canopy shall be \$38,000.

Chair Mitchoff recognized a motion by Julie Pierce, Councilmember, City of Clayton, which was seconded by David Rabbitt, Supervisor, County of Sonoma, to accept the staff report on contracts between \$20,000 and \$50,000.

Members discussed process for contract amendments for San Francisco Estuary Partnership.

There was no public comment.

The aye votes were: Cortese, Haggerty, Hannigan, Mitchoff, Pierce, Rabbitt, Scharff.

The nay votes were: None.

Abstentions were: None.

Absent were: Campbell Washington, Gupta.

The motion passed unanimously.

**6. UPDATE ON PROPOSAL TO CREATE A NEW CONDUIT FINANCING JOINT POWERS AUTHORITY—PROPOSED TIMETABLE**

Kenneth Moy, Legal Counsel, reported on the proposed timetable, including ABAG Finance Authority approval of the proposed joint powers agreement; ABAG Executive Board approval of the proposed joint powers agreement; the ABAG Finance Committee members to serve as the Governing Board of the Resilient California Financing Authority (RCFA); adoption of RCFA Bylaws and other documents.

Members discussed the process and selection of the name, Resilient California Financing Authority; marketing to clients and members and at upcoming conferences and conventions; ABAG Finance and Personnel Committee members as Governing Board members of the new JPA; the existing Executive Committee of the ABAG Finance Authority and the Executive Committee of the new JPA.

Chair Mitchoff accepted, without objection, the staff report on proposal to create new conduit financial Joint Powers Authority, including proposed timetable.

**7. REPORT ON PROPOSED BUDGET AND WORK PROGRAM FOR FISCAL YEAR 2017-2018—PROPOSED REVISIONS AND AUDITED FINANCIAL REPORTS FOR JUNE 2016**

Chair Mitchoff noted that the staff memo responds to questions posed by the Executive Board.

Courtney Ruby, Director, Finance and Administrative Services, reported on the Financial Reports for March 2017.

Members discussed General Assembly expenses.

There was no public comment.

Chair Mitchoff accepted, without objection, the staff report on the Financial Reports for March 2017.

**8. ADJOURNMENT**

The meeting adjourned at about 5:41 p.m.

Submitted:

/s/ Courtney Ruby, Finance and Administrative Services Director

Date Submitted: June 21, 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



Date: July 7, 2017

To: ABAG Finance and Personnel Committee

From: Courtney Ruby  
Director of Finance and Administrative Services

Subject: **Financial Reports May 2017**

The following are highlights of the May 2017 financial reports. Effective with the financial report for July 2017, MTC CFO Brian Mayhew will be making these reports.

## Overall Summary

Expenses exceeded Revenue by \$40 thousand for the eleven months ended May 31, 2017. Included in the amount is a loss of \$79 thousand attributable to a timing difference. A \$50 thousand surplus is projected at year-end in the budget. Please refer to the **Table of Financial Report Data Elements** for fiscal year budget, year-to-date actual and projected fiscal year numbers.

## Budget Adjustments for FY 2016-17

The Budget for FY 2016-17 was adopted in January 2016. As noted in the Financial Report for March 2017 presented to the Finance Committee in the meeting of May 18, 2017, the budget for SFEP was adjusted from \$31 million to \$19.6 million and the budget for BayREN was increased by \$4 million. The adjustments are included in this report.

## Cash on Hand

The cash balance was \$8.3 million at the end of May, 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 eleven 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 May, total receivables amounted to \$12.6 million which included \$2.3 million of unbilled receivables (mainly attributed to San Francisco Estuary Partnership's Integrated Regional Water Management Program (IRWMP) and \$10.3 million (mainly attributed to IRWMP and BayREN) of grant and service program receivables. Receivables over 90 days past due

## Financial Reports May 2017

July 7, 2017

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were \$3.6 million, including \$2.1 million from Bay Area Clean Water and \$1.2 million 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 May 31, 2017, total revenue amounted to \$37.8 million, which is 75 percent, of the projected revenue for the year of \$50.6 million; Total expenses amounted to \$37.9 million, which is 75 percent of the projected expenses for the year of \$50.5 million;

Figure 3 presents a graphic comparison of the current month of May, the eleven 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 86% of total revenue, compared to 80% for the prior fiscal year. Pass-through and Consultant expense are 70% of total expenses, compared to 67% for the prior fiscal year.

### Net Position/Fund Equity

Total fund equity was negative \$7.9 million as of May 31, 2017. In compliance GASB with 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 2016 fund equity for pension obligations is presented as a negative \$12.1 million, and the accumulated fund equity from operations is presented as a positive \$2.6 million in the financial reports. The restricted fund equity of \$1.6 million consists of capital, self-insurance, building maintenance, tenant improvements and reserves. Figure 6 is a graphic presentation of actual and projected: unrestricted, restricted, and total equity for the current fiscal year.

**Note:** *May's financials do not reflect that on May 10, 2017 we closed the exchange transaction and successfully transferred ABAG's condominium interest in 101 Eighth Street, Oakland for a condominium interest in 375 Beale Street, San Francisco. The Exchange will be recorded on ABAG's books during our year-end audit at the exchange value of \$5.8 million for accounting purposes.*

### 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 Agency's actual indirect overhead cost rate through May 2017 was 47.88%, which was 1.73 percentage points above the current adopted budget of 46.15% approved by the EPA. By year end, the indirect cost rate is expected to be higher than the approved rate mostly due to actual direct labor costs being lower than estimated. Figure 7 shows a comparison between the actual indirect cost rate through May 31 and the EPA approved rates for the year.

### Financial Information by Program



## Financial Reports May 2017

July 7, 2017

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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, SFEP, Bay Trail and POWER/Energy.

### 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 accept the staff report.

### Attachment

Indices

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

for May 2017

Projected percentage of budget is 92%.

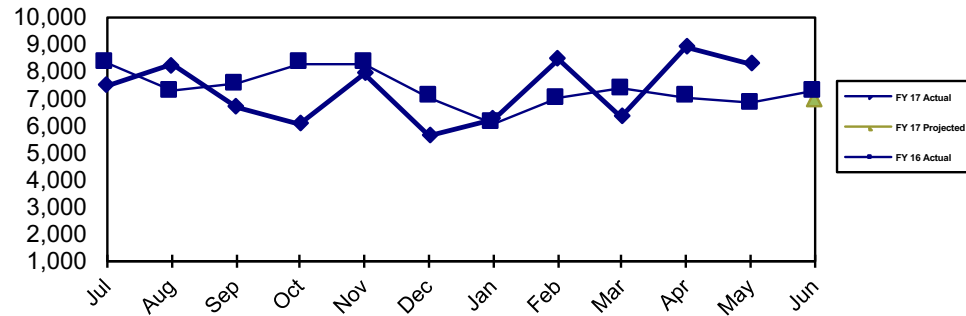
Description	Adopted Budget	Projected Fiscal Year Budget	Year-To-Date Actual	% of Projected Fiscal Year Budget
<b>ASSETS</b>				
Cash		7,000	8,277	
Receivables		14,000	12,642	
<b>REVENUES</b>				
Membership Dues	1,958	1,958	1,800	92%
Grants	51,717	44,067	32,675	74%
Charges for Services and Other	4,545	4,545	3,367	74%
Total Revenues	<u>58,220</u>	<u>50,570</u>	<u>37,842</u>	<u>75%</u>
<b>EXPENSES</b>				
Salaries and Benefits	11,828	11,828	9,588	81%
Pass-through and Consultant Expenses	44,011	36,361	26,349	72%
Other Expenses	2,331	2,331	1,945	83%
Total Expenses	<u>58,170</u>	<u>50,520</u>	<u>37,882</u>	<u>75%</u>
Change in Net Position	50	50	(40)	-80%
Beginning Net Position	(7,728)	(7,728)	(7,859)	102%
Ending Net Position	<u>(7,678)</u>	<u>(7,678)</u>	<u>(7,899)</u>	<u>103%</u>
<b>NET POSITION BREAKDOWNS</b>				
Unrestricted - Accumulated Operations Surplus	2,969	2,969	2,602	88%
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	<u>(7,628)</u>	<u>(7,628)</u>	<u>(7,899)</u>	<u>104%</u>
<b>INDIRECT OVERHEAD</b>				
Overhead Rate	44.95%	44.95%	47.88%	
Approved Rate			46.15%	

## 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	5,634	6,244	8,460	6,367	8,905	8,277	
FY 17 Projected												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.

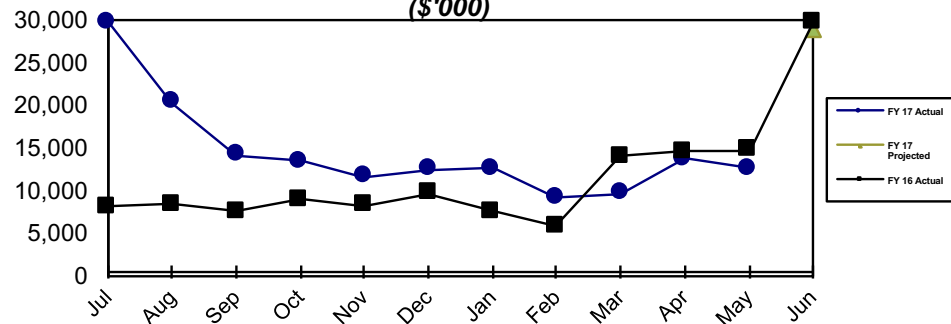
**Figure 1--Cash on Hand--FY 16 and FY 17 (\$'000)**



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	12,461	12,690	9,225	9,739	13,702	12,642	
FY 17 Projected												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 higher than corresponding period in FY 16 due to increased activity attributable to IRWMP grants.

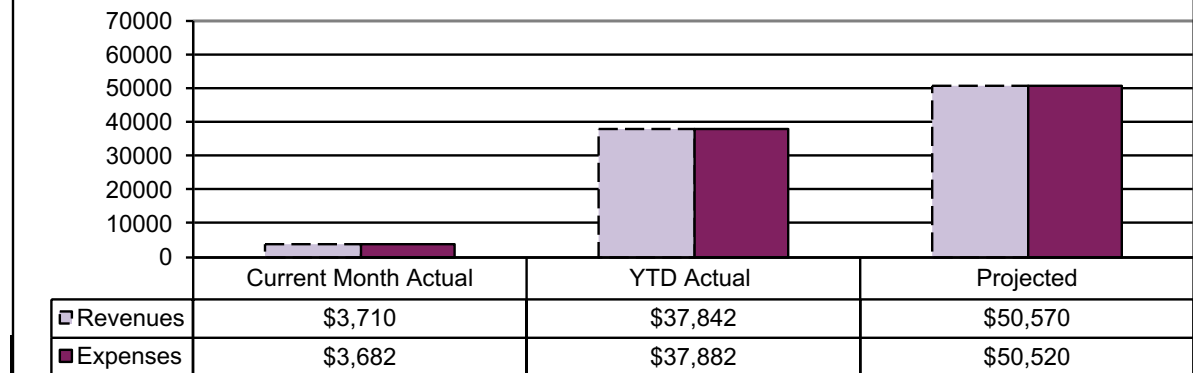
**Figure 2--Accounts Receivable--FY 16 and FY 17 (\$'000)**



## ABAG Financial Indices

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

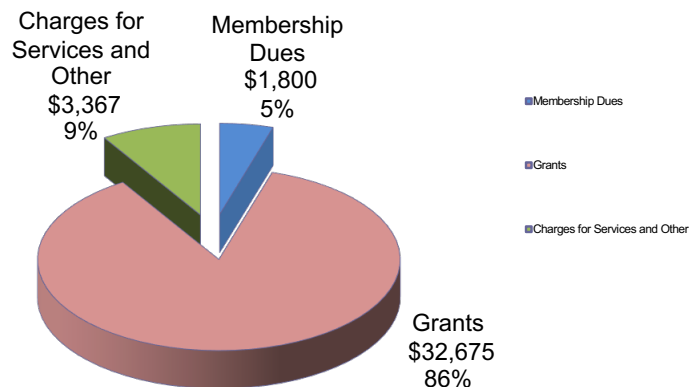
**Figure 3--Revenues and Expenses (\$'000)**



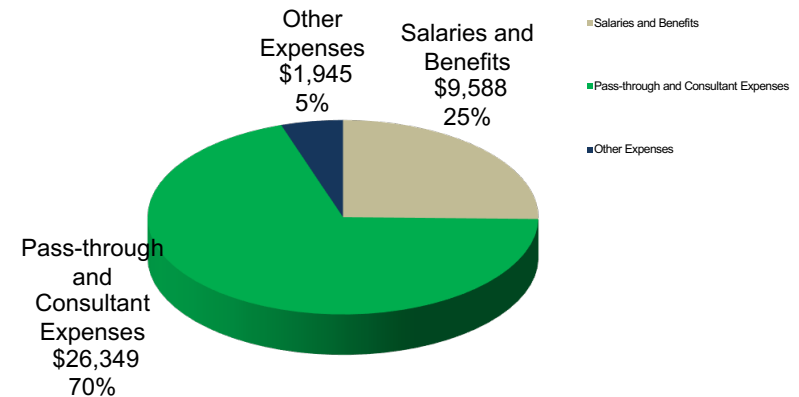
**Shows** year-to-date revenues by major category including membership dues, grants, and charges for services and other.

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

**Figure 4--Year-to-date Revenues by Category (\$'000)**



**Figure 5--Year-to-date Expenses by Category (\$'000)**

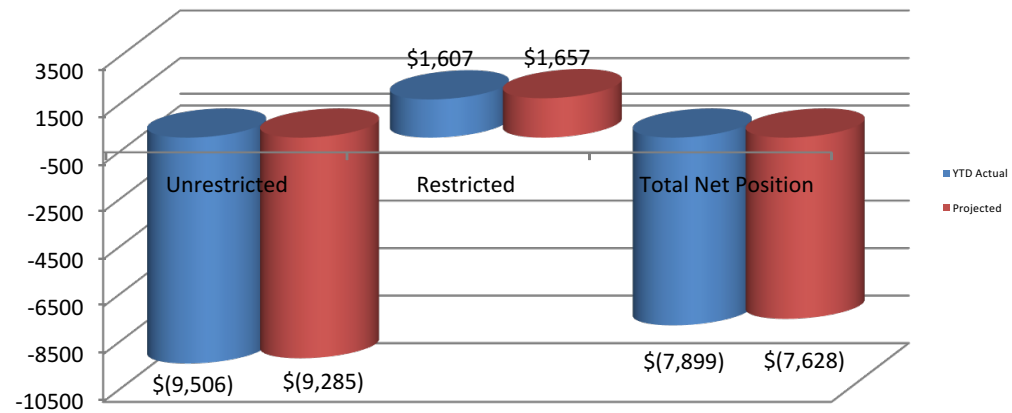


**Presents** actual and adopted/projected general, restricted and total fund equities for the current fiscal year. General fund equity represents unrestricted equity. Restricted equities include building improvements, building maintenance, self-insurance, capital and contingency reserve. These restricted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

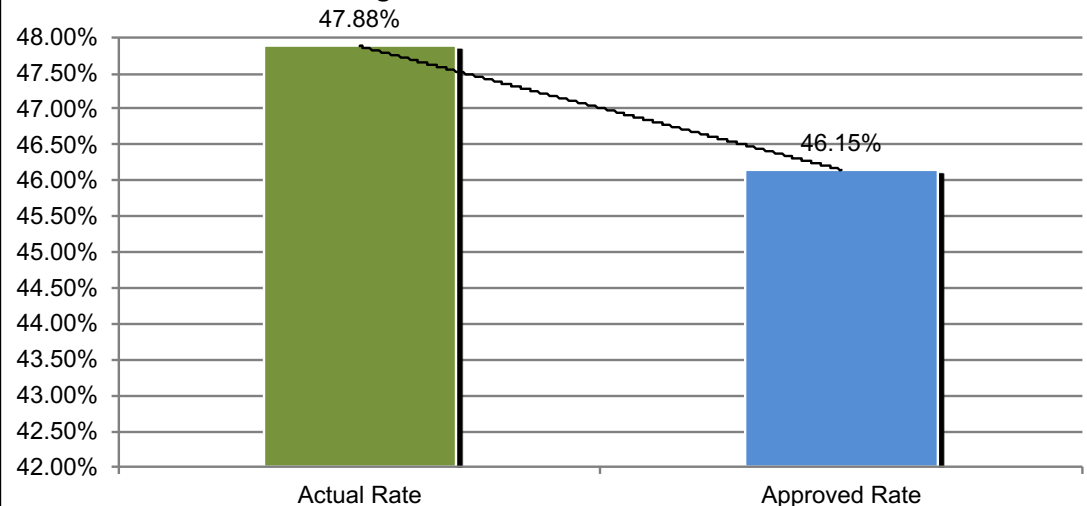
**Shows** a comparison between the actual indirect cost rate and approved rate. The approved indirect cost rate is computed by dividing total estimated overhead expenses by total projected direct labor cost for a fiscal year. This rate is used as a standard overhead cost rate to allocate indirect costs to all projects. This process is performed in accordance with an indirect cost plan, which is prepared annually in accordance with federal guidelines. The actual rate was slightly higher than approved rate. By year end, the indirect cost rate is expected to be higher than the approved rate mostly due to actual direct labor costs being lower than estimated.

## ABAG Financial Indices Year-To-Date Actual

**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 May 2017 / 92% 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 75%)
			A	B	C	D = B - C	E = C/A	
Planning Services	4,398,001		4,398,001	3,567,141	3,567,398	(257)	81%	
San Francisco Estuary Partnership	31,023,411	(11,431,344)	19,592,067	12,884,825	12,851,664	33,161	66%	Expenses are expected to increase by the end of the fiscal year when the amounts billed by subrecipients for the IRWMP project are finalized and accrued . Due to the complexity of the multi-year construction projects billing may not be finalized until a few months after the end of the fiscal year.
Disaster Recovery	866,296		866,296	670,632	670,594	38	77%	Work is proceeding more slowly then projected on some projects. Anticipate extending work into next fiscal year.
Bay Trail	1,998,340		1,998,340	1,333,868	1,336,965	(3,098)	67%	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 increase some by end of fiscal year.
Training Center, Web Hosting and Publications	280,000		280,000	14,223	6,360	7,864	2%	The budget did not anticipate the sale of the training center.
POWER/Energy	13,277,000	3,781,138	17,058,138	14,890,524	14,924,361	(33,838)	87%	
FAN Finance Authority	1,050,000		1,050,000	788,201	779,929	8,272	74%	The budget includes \$190,000 in consultant fees (Adams and Flanagan). These fees were instead paid directly by FAN, not through ABAG's administrative budget for FAN.
PLAN Corporation - Property & Liability Insurance Pool	2,450,000		2,450,000	1,643,019	1,643,019	-	67%	Lower expenses are due to reduction in personnel costs due to director vacancy and reduced finance and administrative charges.
SHARP - Worker's Comp Pool	150,000		150,000	102,927	102,927	-	69%	Expect expenses to increase towards year end as members claim reimbursements for loss prevention program expenditures.
Fiscal Agent Services	131,400		131,400	134,383	131,136	3,247	100%	
Communications/Legislative	660,000		660,000	528,132	526,132	2,000	80%	Due to consolidation efforts less staff time was spent on communications then projected.
Agency Administration	1,885,267		1,885,267	1,285,936	1,151,325	134,610	61%	Due to reduction in executive staff decrease in expenses appears reasonable.
Payroll Clearing	-		-	-	79,390	(79,390)	n/a	Expect the payroll clearing account to be close to breakeven towards year end.
Central Overhead	-		-	2,786,892	2,899,618	(112,726)	n/a	The expense of \$2,899,618 is 87% of indirect costs of the \$3,346k projection reported to EPA, so amount is reasonable.
Indirect Charges				(2,788,625)	(2,788,625)	-		
<b>Totals</b>	<b>58,169,715</b>	<b>(7,650,206)</b>	<b>50,519,509</b>	<b>37,842,078</b>	<b>37,882,194</b>	<b>(40,116)</b>	<b>75%</b>	

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# ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date: July 7, 2017

To: ABAG Finance and Personnel Committee

From: Courtney Ruby  
Director of Finance and Administrative Services

Subject: **Contracts between \$20,000 and \$50,000 from May 2017 to June 2017**

## Summary

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

- ABAG entered into a contract amendment #1 with City and County of San Francisco to perform services for the BayRen PACE Program. The amendment adds \$40,000 to the contract amount, and the total contract amount is now \$513,017. This contract was negotiated by Jerry Lahr, Program Director for Energy.
- ABAG entered into a contract amendment #4 with CleaResult Consulting, Inc. to perform services for the BayRen Single Family Marketing Program. The amendment adds \$40,500 to the contract amount, and the total contract amount is now \$6,062,000. This contract was negotiated by Jerry Lahr, Program Director for Energy.

## Recommended Action

Information

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**Contract Amendments presented to June 2017  
FPC for Review and Discussion**

<b>Item #</b>	<b>Contractor</b>	<b>Program</b>	<b>Current Contract Value</b>	<b>Amend. No.</b>	<b>Ammendment Amount</b>	<b>Total Contract Value</b>
<b>A</b>	City and County of San Francisco	BayRen	\$ 473,017	# 1	\$ 40,000	\$ 513,017
<b>B</b>	CleaResult Consulting	BayRen	\$ 6,021,500	# 4	\$ 40,500	\$ 6,062,000

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To: Executive Board, Association of Bay Area Governments  
via Finance and Personnel Committee  
Fr: Executive Director  
Dt: July 11, 2017  
Re: Joint Powers Agreement Creating Advancing California Finance Authority

Summary and Requested Action: The Finance and Personnel Committee (F&P) is requested to recommend that the Executive Board (Board) approve in concept the formation of a successor conduit issuer to FAN and delegate to the ABAG Administrative Committee the authority to authorize execution of a joint powers agreement (JPA) between the ABAG Finance Authority for Nonprofit Corporations (FAN) and ABAG necessary to create the Advancing California Finance Authority (ACFA).

Background and Discussion: F&P has previously received briefings on this matter and approved staff proposals to move towards the formation of ACFA as a successor conduit issuer for FAN. Staff has conducted parallel discussions with the Executive Committee of FAN and at its June 28 meeting, it approved a combined budget for FAN and ACFA where FAN fully funds a budget for joint staffing for FAN and ACFA as well as marketing costs for ACFA. The budget approval was conditioned on FAN approving the JPA.

The financial services staff and senior advisor have previously presented a marketing plan that is based on their attendance at several industry conferences beginning in mid-September. In order to launch in September, ACFA must, at the very least, have adopted its Bylaws, fee schedule, debt issuance policy, financing guidelines and a schedule of regular meetings. However, since a review of the JPA by the rest of the MTC senior staff has not yet been completed, its execution by ABAG cannot be authorized by the Executive Board at its July 20 meeting.

Under these circumstances and to meet the marketing objectives, staff requests that:

1. F&P recommend that the Executive Board approve in concept ABAG's formation of a successor conduit issuer to FAN which will have the following features:
  - (a) the name of the successor conduit issuer is Advancing California Financing Authority (ACFA);
  - (b) the Board of Directors (Board) of ACFA will consist of the Chair of F&P, the President of ABAG and three (3) members of F&P jointly appointed by the Chair and the President;
  - (c) any bonds or other debt obligations of ACFA shall not be the debt of ABAG, FAN, or MTC;
  - (d) the payments for any bonds or other debt obligations of the ACFA or other costs incidental thereto, may only be made from the revenues and funds identified and pledged for such purposes in the applicable bond or debt obligation; and

- (e) a primary purpose of ACFA is to provide financial resources to ABAG in support of ABAG's mission and responsibilities, as determined from time to time by the ACFA Board of Directors.
- 2. F&P recommend that the Executive Board delegate to the ABAG Administrative Committee the power to authorize execution of a finalized joint powers agreement, in consultation with MTC senior staff, creating ACFA and appointing its members.

The consolidated staff will be working with the FAN Executive Committee to coordinate their approval of a finalized joint powers agreement creating ACFA. After execution of the joint powers agreement we will be working with the ACFA Board of Directors and Executive Committee of ACFA and the rest of the MTC senior staff, to set up a joint orientation and work shop for the members of those bodies and to take the necessary steps to formally establish ACFA, including but not limited to the steps described above.



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Steve Heminger