

ABAG FINANCE AND PERSONNEL COMMITTEE

Summary Minutes

January 21, 2016

Members Present

Supervisor Karen Mitchoff
Councilmember Desley Brooks
Supervisor David Cortese
Councilmember Julie Pierce
Supervisor David Rabbitt
Vice Mayor Greg Scharff
Supervisor Linda Seifert

Jurisdiction

County of Contra Costa
City of Oakland
County of Santa Clara
City of Clayton
County of Sonoma
City of Palo Alto
County of Solano

Members Absent

Mayor Bill Harrison
Supervisor Scott Haggerty
Supervisor Mark Luce

City of Fremont
County of Alameda
County of Napa

Officers and Staff Present

Ezra Rapport, Executive Director
Bradford Paul, Asst. Exec. Director
Kenneth Moy, Legal Counsel
Charles Adams, Interim Finance
Director
Caitlin Sweeney, SFEP Program
Director
Susan Hsieh, Asst. Finance Director
Jerry Lahr, Energy Project Manager

Guests

Councilmember David Hudson
Ken Bukowski, Videographer
Vikki Rodriguez, Audit Partner for
Maze & Associates

City of San Ramon

1. The meeting was called to order by Supervisor Mitchoff, Committee Vice Chair, at 5:00 pm.
2. There was no public comment.

3. Mayor Bill Harrison was re-elected Chair and Supervisor Karen Mitchoff was re-elected Vice-Chair of the Committee. By consensus of Brooks, Cortese, Pierce, Rabbitt, Scharff, and Seifert, both candidates were elected.
4. Summary Minutes of the November 19, 2015 meeting were approved. New committee members Scharff and Seifert were not at the November meeting, so they abstained from voting. /M/ Pierce/S/Desley/C/approved unanimously.
5. Mr. Adams presented the financial reports for November 2015. He reported on the year-to-date revenues and expenditures and other key financial results. He indicated the project expenditures are in line with the budget. The financial outlook is positive assuming the MTC funding is not impacted. /M/Seifert/S/Pierce/C/acceptance of the report unanimously.
6. Mr. Adams presented the audited financial statements to the Committee. The reports included the Basic Financial Statements, Single Audit Report, and the Memorandum on Internal Control and Required Communications. The auditors issued a clean audit opinion on the reports.

The Audit Partner Ms. Rodriguez from Maze and Associates attended the meeting and responded to questions from the committee members. The Committee accepted the audited financial statements and the reports were forwarded to the Executive Board for approval.

7. Mr. Adams presented the Proposed Budget and Work Program and Membership Dues for FY 16-17. The budget is projected to be \$58.2 million, an increase of \$31.5 million from the prior year. The significant increase is primarily due to funding from the CPUC for the BayREN project and funding from the DWR for the Integrated Regional Water Management Plan program. The program managers for the two projects advised the Committee about the program activities and the funding level.

The membership dues are projected to be \$1.96 million compared to \$1.89 million for FY 15-16, an increase of 3.52 percent. The committee members discussed the overall budget and asked staff questions. /M/Pierce/S/Rabbitt /C/committee recommended Executive Board approval to forward to the full membership at the forthcoming General Assembly.

8. Mr. Adams reported that two members haven't paid the membership dues for FY 15-16 and indicated that Mr. Paul followed up with the members. Staff will report the unpaid dues again at the next meeting.
9. Mr. Adams reported on the Orrick and FTI recommendations regarding ABAG-FAN internal control process. He advised the Committee the changes that have been made so far. He also informed the Committee that a consultant has been hired to assist with the implementation and MRG is in the process of developing a desk manual.
10. Mr. Adams reported on the status of line of credit (LOC) renewal with Bank of the West. The bank indicated that they will renew the LOC to June 2016 instead of February 2017. The bank expressed concerns about the MTC-ABAG merger and is only willing to extend the LOC for six months instead of one year.
11. Mr. Moy advised the Committee that his performance evaluation is due. He asked the Committee to give him an evaluation and he will provide the Committee a report about his goals and accomplishments at the next meeting.
12. There was no reportable action from Closed Session.
13. Meeting was adjourned at 6:52 pm.

Submitted: Susan Hsieh, Assistant Finance Director