ABAG FINANCE AND PERSONNEL COMMITTEE

Thursday, September 15, 2011, 5:00 p.m.
ABAG Conference Room
MetroCenter—8th and Oak Streets
Oakland, CA

		Recommendation**
1.	**Public Comments**	**Information**
*2.	**Minutes of July 21, 2011 Meeting**	**Action**
*3.	**Financial Reports – ABAG** *The June and July 2011 Financial reports are enclosed with the agenda packet.*	**Action**
4.	**Resolution to Establish ABAG Contingency Reserve Policy** *A brief oral update will be provided along with a request by staff to continue this issue to the next Committee meeting.*	**Action**
*5.	**Request to file amicus curiae brief—RDA vs. Matosantos** *Discussion and action on request to file amicus curiae brief in support of RDA vs. Matosantos.*	**Action**
*6.	**Report on Diversity and Business Opportunity—FY 2010-11** *The Assistant Executive Director will present the annual Diversity and Business Opportunity Report.*	**Action**
7.	**Discussion regarding Proposed Regional Facility Co-Location** *An update and discussion on the current status of acquiring a new Regional Facility to Co-locate with other regional agencies and a request by member Kaplan to establish a Board Committee to work with the MTC Committee to analyze issues related to proposed purchase of 390 Main Street, S.F.*	**Information/ Action**

THE FOLLOWING ITEMS WILL BE DISCUSSED IN CLOSED SESSION PURSUANT TO THE REQUIREMENTS OF THE RALPH M. BROWN ACT.

**** 8.	**Public Employee Performance Evaluation** *Title: Legal Counsel*	**Action**
9.	**Adjournment**	**Action**

* Attachments enclosed with packet.

** The Committee may take action on any item on the agenda, which action may be the recommended action, any other action or no action.

****Materials for this item have been mailed under separate cover.

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ABAG FINANCE AND PERSONNEL COMMITTEE

Summary Minutes

July 21, 2011

Members Present	Jurisdiction
Supervisor Rose Jacobs Gibson, Chair	County of San Mateo
Supervisor Susan Adams	County of Marin
Mayor Mark Green	City of Union City
Supervisor Scott Haggerty	County of Alameda
Supervisor Barbara Kondylis	County of Solano
Vice Mayor Peter McHugh	City of Milpitas

Members Not in Attendance	
Supervisor David Cortese	County of Santa Clara
Supervisor John Gioia	County of Contra Costa
Councilmember A. Sepi Richardson	City of Brisbane

Officers and Staff Present
Ezra Rapport, Executive Director
Patricia Jones, Assistant Executive Director
Kenneth Moy, Legal Counsel
Herbert Pike, Finance Director
Susan Hsieh, Assistant Finance Director

Guests:
Councilmember Julie Pierce — City of Clayton

1) The meeting was called to order at 5:00 p.m.

2) Summary Minutes of the May 19, 2011 meeting were approved.
/M/Haggerty/S/Green/C/approved.

3) Pike provided an overview of the April and May 2011 Financial Reports.
/M/McHugh/S/Green/C/approved.

4) After much discussion, it was agreed to continue discussions to September regarding a proposed ABAG Reserve Policy. Four distinct reserves are being considered. They include an operating reserve, unanticipated expenses for such items as capital loss or litigation, business development for initiating new initiatives and emergency reserves.

(continued)

F&PC AGENDA ITEM #2

5) It was agreed to have Ken Moy send a memorandum as to his performance to the Committee for consideration at the September meeting.

6) The Committee reviewed the proposal and discussed alternative responses to the proposed Joint Regional Agency Co-location Facility.

7) Conference with legal Counsel re Anticipated Litigation—No Action to report.

8) Closed Session—Employee performance evaluation and other confidential issues to be discussed. No Action to report

9) Meeting adjourned at 6:15 p.m.

F&PC AGENDA ITEM #2

TO: Finance and Personnel Committee

DT: August 15, 2011

FM: Herbert Pike, Finance Director

Re: Financial Reports --June 2011

The following are highlights of the financial reports for June 2011.

Overall Summary (Figures 3, 4, 7 & 8)

At June 30th, the Agency's net financial position is marginally better than the forecast with a year-end operating surplus of roughly $108 thousand, turnaround from the prior two years. The surplus derives primarily from unexpected transfers from FAN for various services. Cash balance has significantly improved by some $834 thousand over the preceding year, reflecting both the cash from FAN, the impact of new energy projects reducing indirect overhead costs and the advance of $500,000 from the grantor for prospective Bay Trail capital projects. While there may be some annual adjustments yet to be indentified as part of the year-end process in closing the books as of June 30, it does appear a surplus in operating costs will be realized for the fiscal year.

Cash on Hand (Figure 1)

Cash on hand decreased to $1.92 million on June 30th from $2.34 million on May 31st. The decrease of $420 thousand is attributed primarily to greater grant activity for which reimbursement has yet to be received as reflected in the higher receivables noted below. The June balance includes approximately $1.08 million invested in the Local Agency Investment Fund (LAIF). Currently, ABAG does not hold any other investments. The June 30th cash balance is approximately $0.8 million greater than the prior year.

Receivables (Figure 2)

Receivables from grant and service programs amounted to about $5.01 million on June 30th, an increase of $1.77 million from the month prior. The month to month increase reflects a $206 thousand increase in billed grants receivables and an increase of $1.615 million in unbilled receivables. The higher receivables and increased unbilled receivables reflect the increasing volume as energy and trash capture device grant programs increase in activity. This was compounded with the cyclical pattern(both quarterly and annual) wherein quarterly billing occurs after the close of the quarter and at the end of annual cycles and the books are kept open a little longer to post non-labor costs in the final period to better reflect the year in which the costs were incurred. Receivables are approximately $1.42 million higher than they were a year prior reflecting the higher activity level in the current fiscal year, especially in energy-related grant activity.

Actual vs. Budgeted Expenses (Figure 9)

Total expenses through June 30th amounted to about $22.77 million, or 99.0 percent, of the anticipated annual expense of $23.0 million for FY 10-11.

F&PC AGENDA ITEM #3-A

Actual vs. Budgeted Revenues (Figure 10)
As of June 30th, total revenues amounted to about $22.87 million, or 99.4 percent, of the anticipated annual revenue of $23.0 million for FY 10-11.

As of June 30th, both revenues and expenses are below "anticipated" annual totals by less than 1.0 percent. While there are many contracts that may not be completed by the end of the fiscal year, these were largely offset by the high value of contracts received and work commenced in the energy and trash capture device grants awarded during the course of the year.

Fund Equity (Figure 5)
As of June 30th, general fund equity was approximately $1.08 million, a decrease of $102 thousand from May 31st totals. The Agency's restricted fund equity, consisting of capital, self-insurance, building maintenance, and reserves was increased by $50 thousand to $560 thousand to reflect the commitment toward higher reserves.

Indirect Cost (Figure 6)
The Agency's actual indirect cost (overhead) rate was 41.96 percent of direct labor cost as of June 30th, or 0.99 percent below the budgeted rate of 42.95 percent for FY 10-11. Because we billed at the rate of 42.95 percent for overhead during the course of the year, but only incurred a cost at the rate of 41.96, a credit is carried forward into the FY 2012-13 fiscal year to repay grants for the over-recovery.

ABAG FINANCIAL REPORTS

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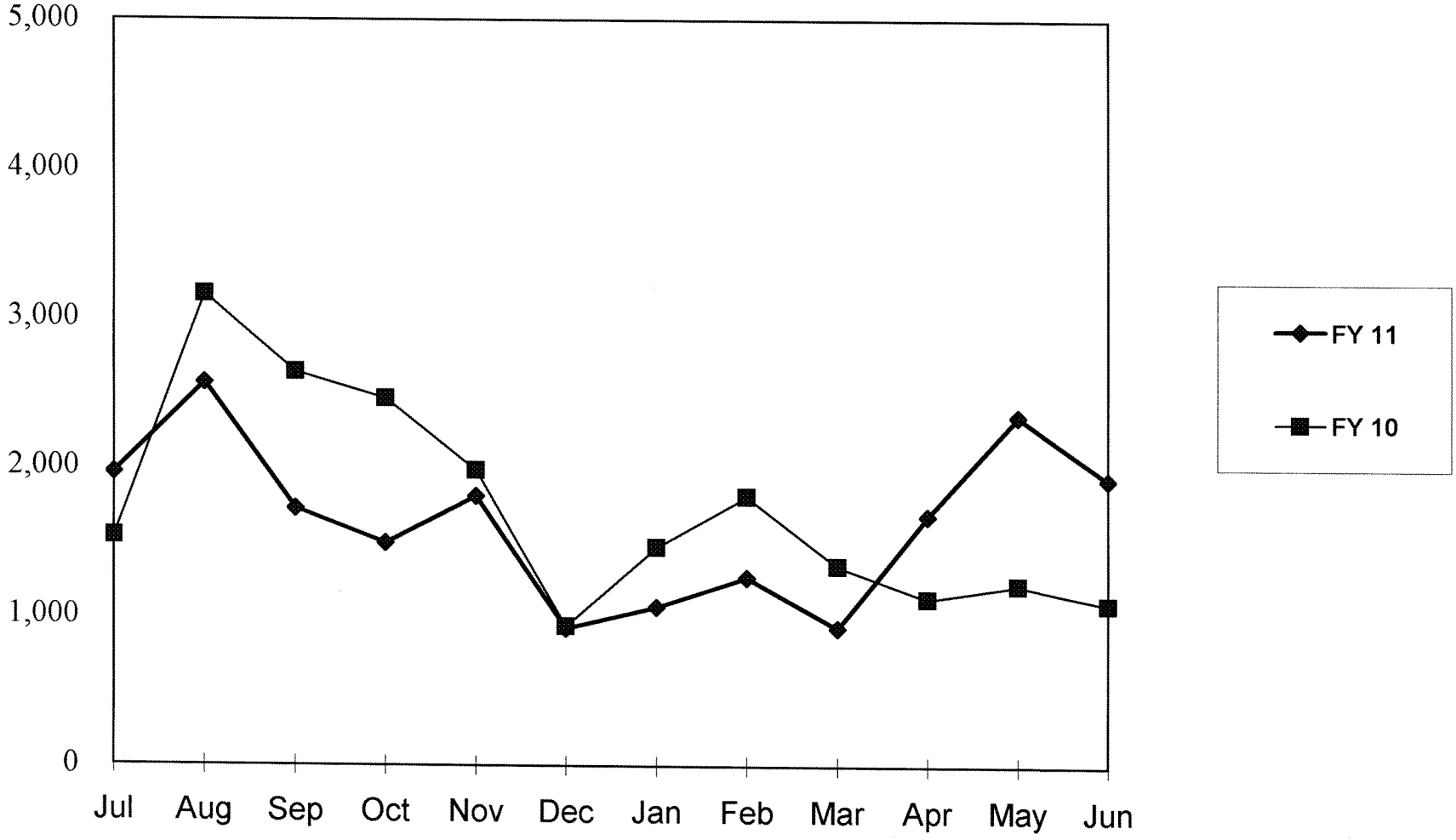
ABAG Financial Indices

Figure 1--*Cash on Hand--FY 10 and FY 11 ($'000)*

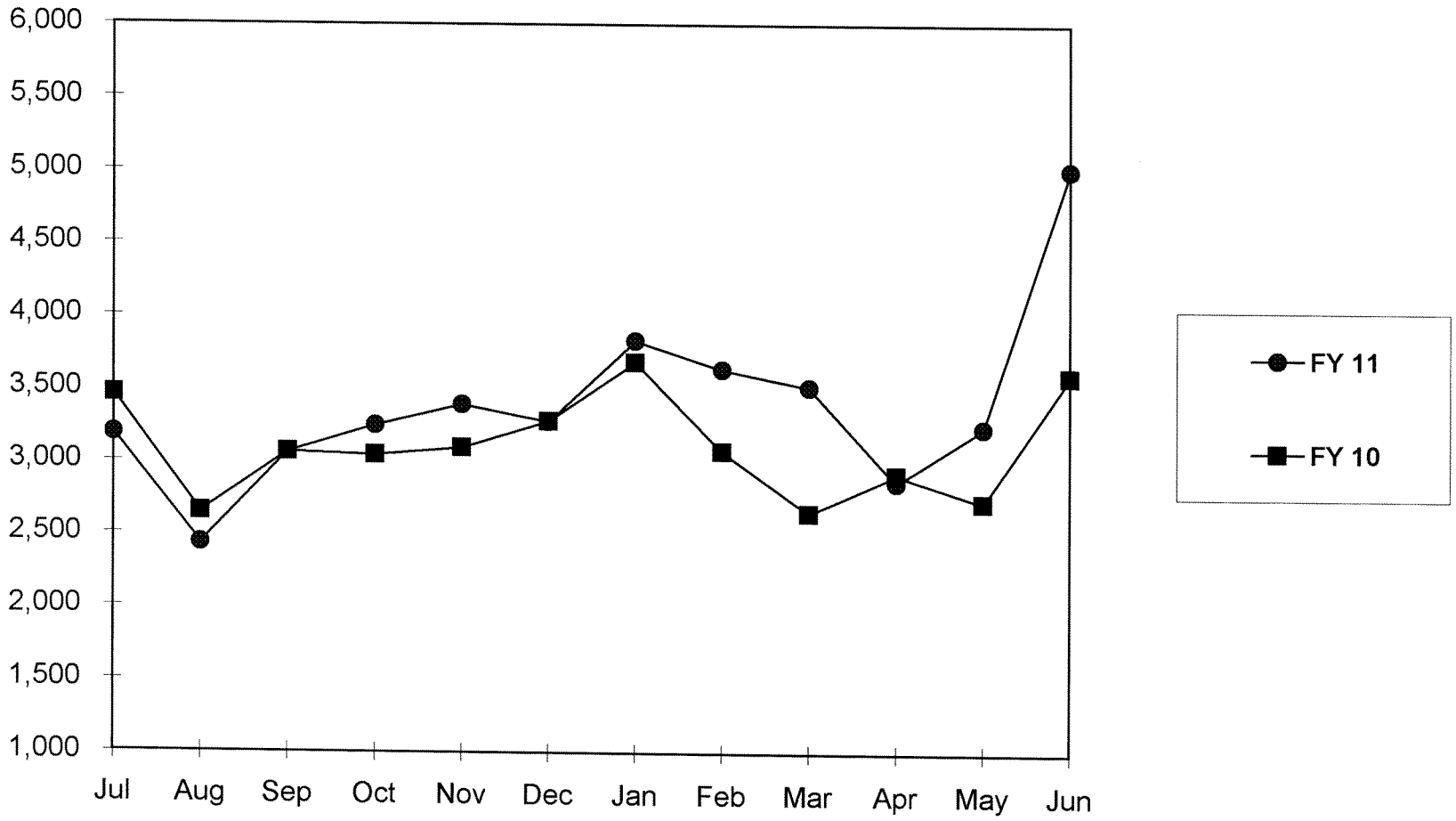


Represents the sum total of cash deposited at our bank and the Local Agency Investment Fund. This chart shows fluctuation patterns of cash on hand for the current and prior fiscal years.

Source: ABAG -INDICES 2011-06.xls

ABAG Financial Indices

Figure 2--*Accounts Receivable--FY 10 and FY 11 ($'000)*

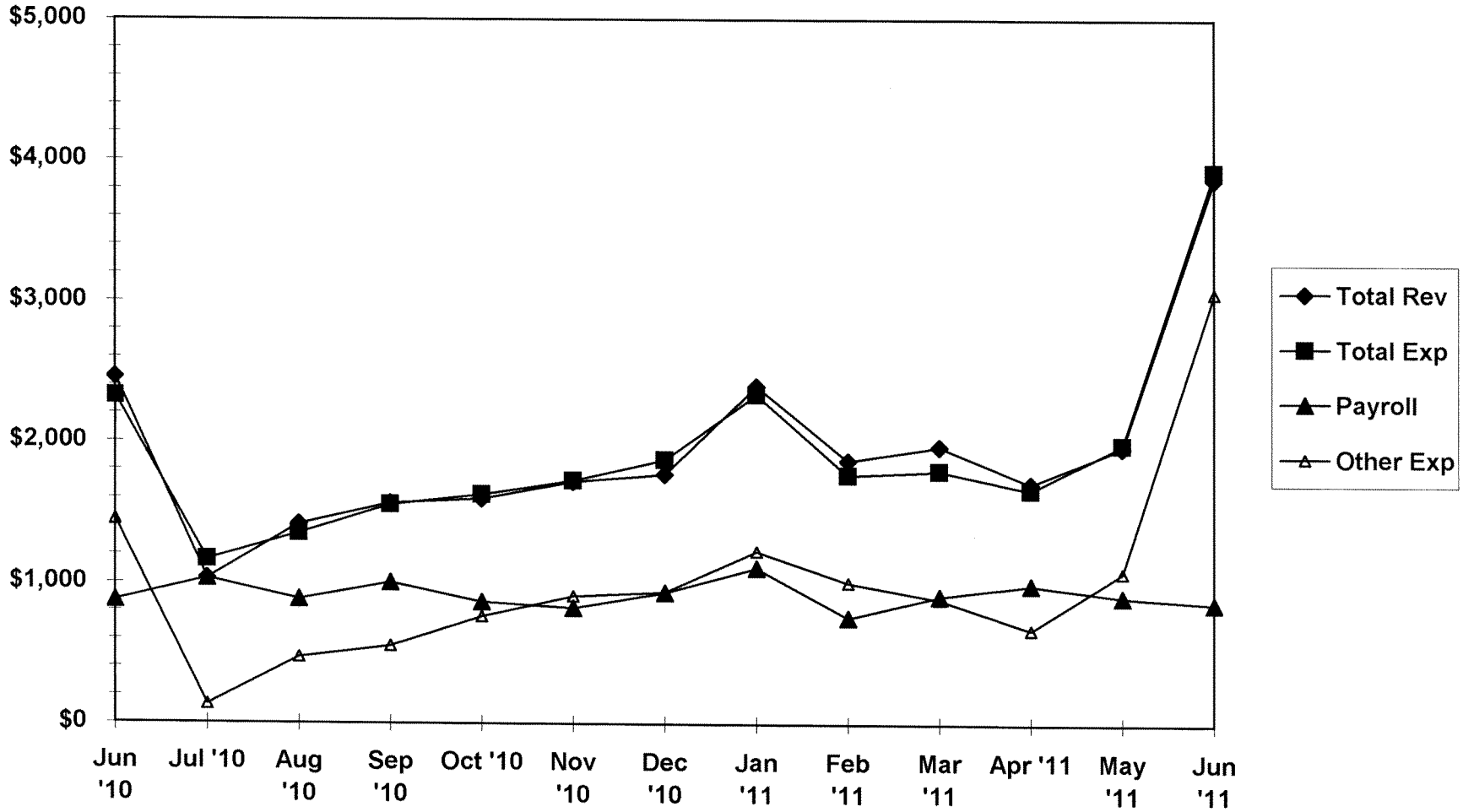


Accounts receivable include receivables generated by grants and service programs over two fiscal years. Reflects the reasonableness of our receivable levels; usually have about six weeks' worth of annual revenues in receivables.

Source: ABAG -INDICES 2011-06.xls

ABAG Financial Indices

Figure 3--*Current Month Revenues & Expenses*
FY 10-11 ($'000)

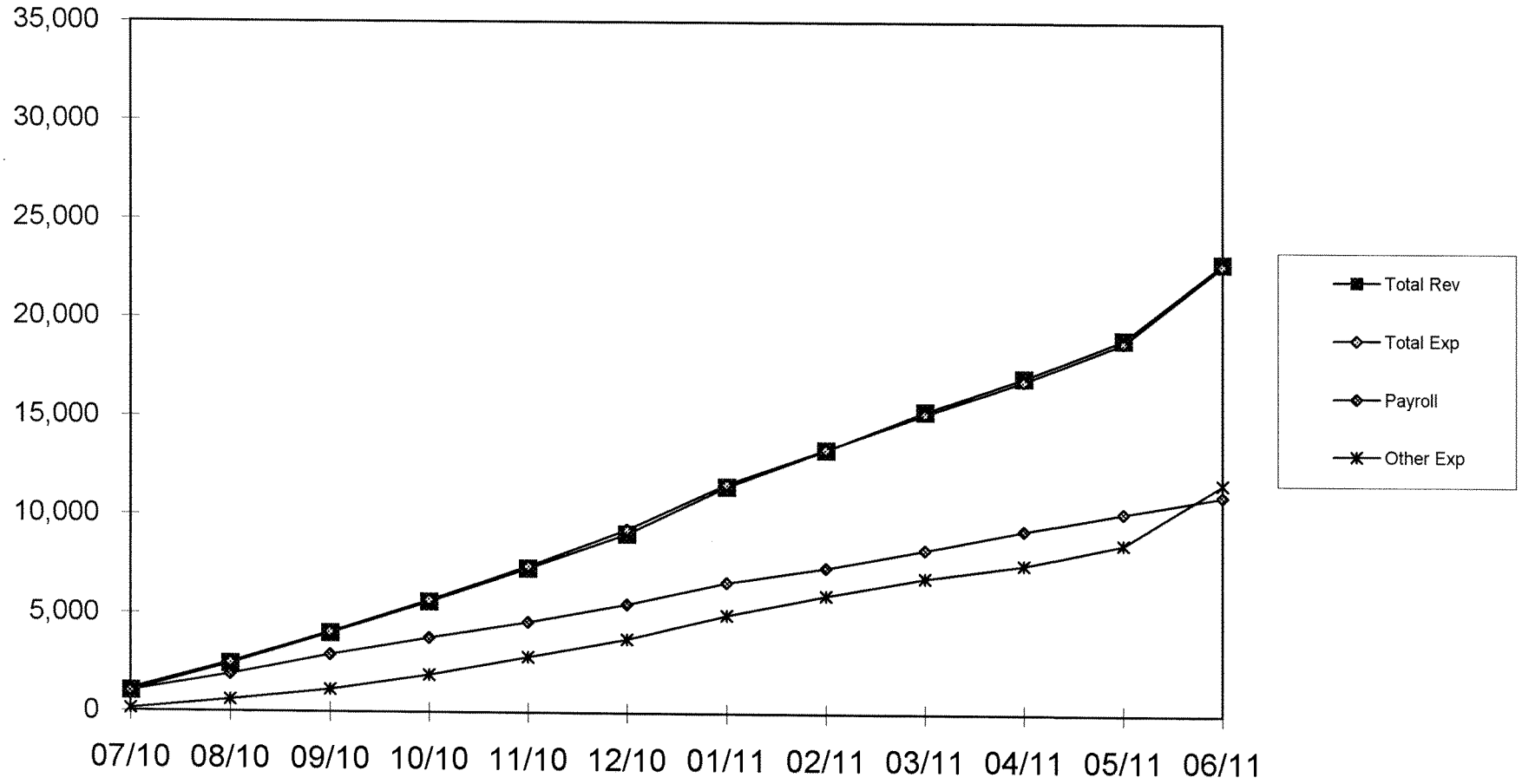


Presents month by month total revenues, total expenses, payroll and other expenses for the current fiscal year. The difference between total revenues and total expenses lines represents the overall current month net surplus (or deficit) for the Association.

Source: ABAG- INDICES 2011-06.xls

ABAG Financial Indices

Figure 4--Year-to-date Revenues & Expenses
FY 10-11 ($'000)



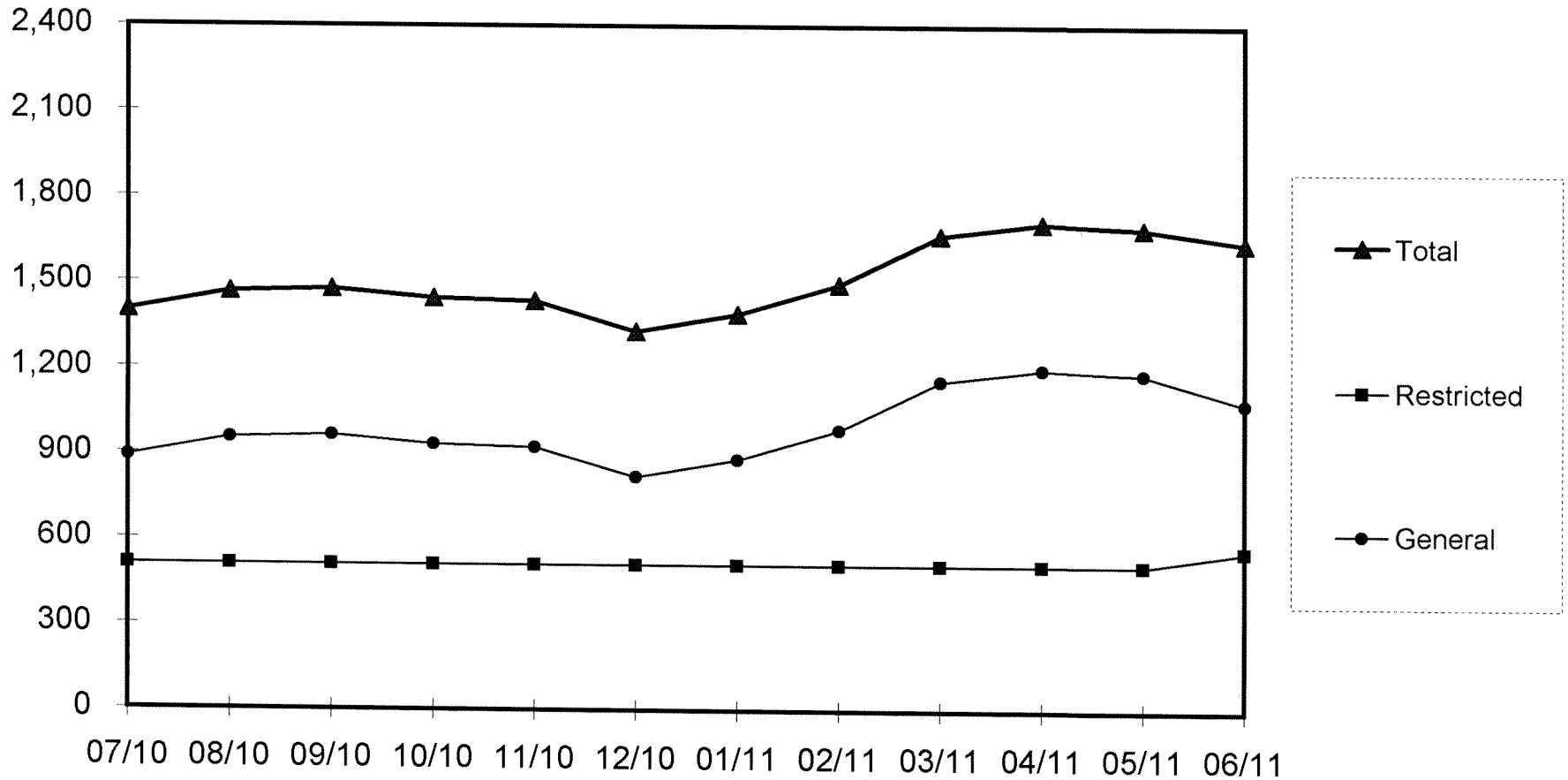
Presents year-to-date total revenues, total expenses, payroll and other expenses for the current fiscal year. The difference between total revenues and total expenses lines represents the overall year-to-date net surplus (or deficit) for the Association.

Source: ABAG - INDICES 2011-06.xls

ABAG Financial Indices

Figure 5--*Fund Equity*

FY 10-11 ($'000)

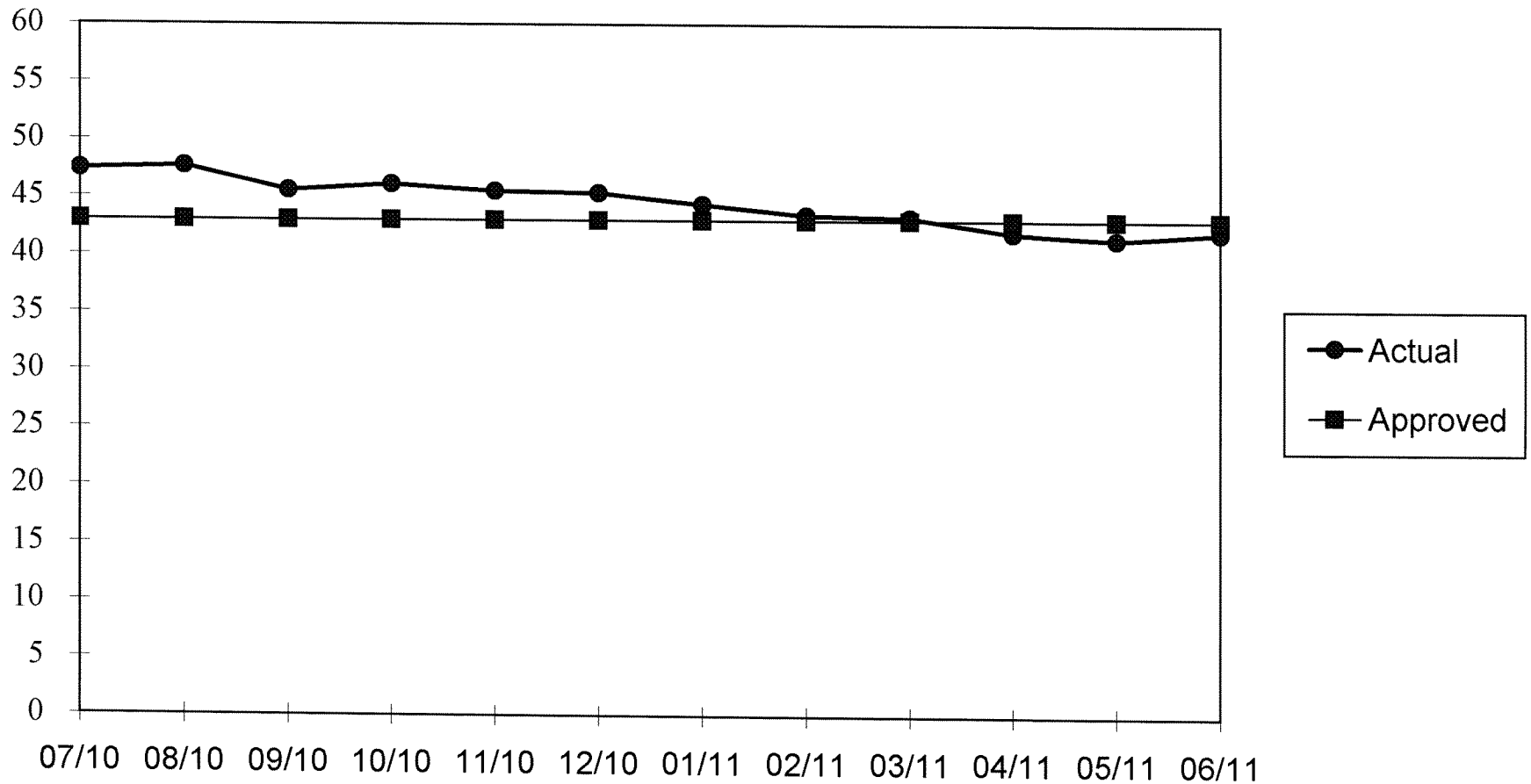


Presents general, restricted and total fund equities for the current fiscal year. General fund equity represents unrestricted equity. Restricted equities include building improvement interest, building maintenance, self-insurance, capital and contingency reserve. These restricted equities represent the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

Source: ABAG - INDICES 2011-06.xls

ABAG Financial Indices

Figure 6--*Indirect Cost Rate (% of Direct Labor Cost)*
FY 10-11

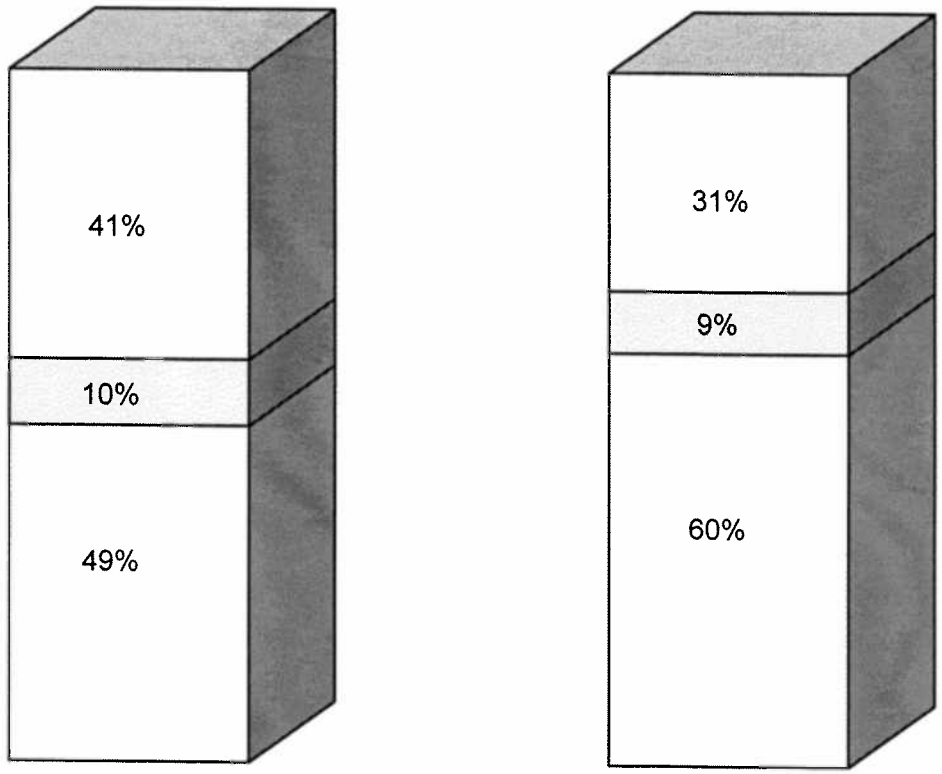


Shows a comparison between the actual indirect cost rate and the approved rate. The approved indirect cost rate is computed by dividing total estimated overhead expenses by total projected direct labor cost for a fiscal year. This rate is used as a standard overhead cost rate to allocate indirect costs to all projects. This process is performed in accordance with an indirect cost plan, which is prepared annually in accordance with OMB Circular A-87.

Source: ABAG- INDICES 2011-06.xls

ABAG Financial Indices

Figure 7-- Composition of Expenses FY 10--FY 11
Year to Date
($'000)



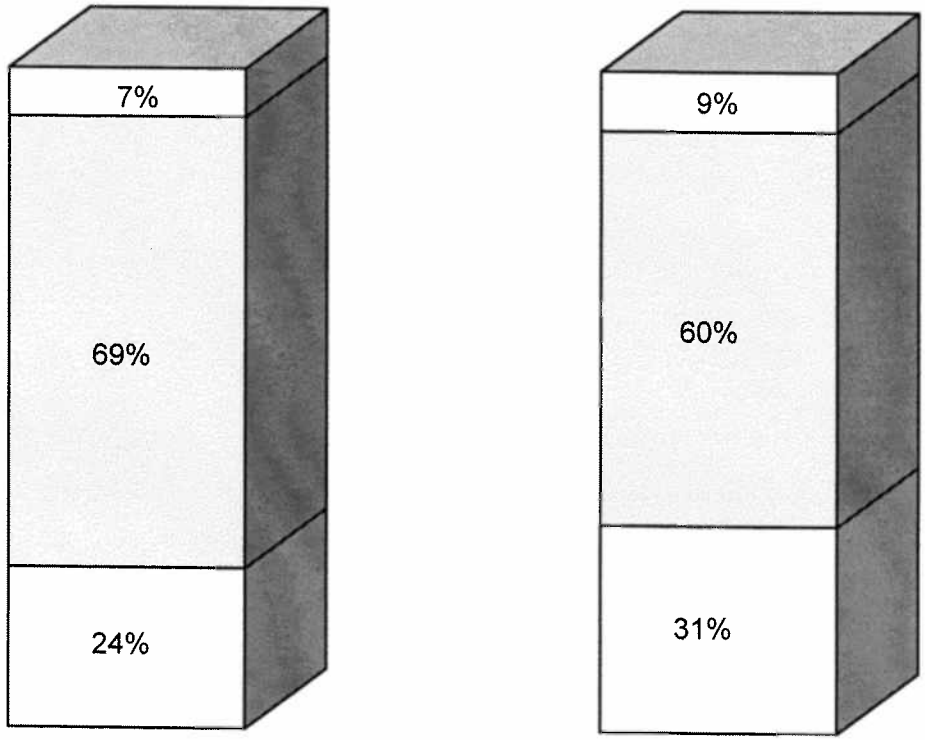
	FY10-11 Expenses (Total $22,766)	FY09-10 Expenses (Total $18,385)
☐ Consultants	$9,521	$5,792
☐ Others	$2,172	$1,646
☐ Payroll	$11,073	$10,947

This chart compares expenses for current and prior fiscal year. It groups expenses into three broad categories--payroll costs, consultants and other expenses.

Source: ABAG -INDICES 2011-06.xls

ABAG Financial Indices

Figure 8-- Composition of Revenues FY 10--FY 11
Year to Date
($'000)



	FY 10-11 Revenue (Total $22,874)	FY 09-10 Revenue (Total $18,353)
☐ Membership	$1,676	$1,661
☐ Grants	$15,648	$10,951
☐ Services & Others	$5,550	$5,741

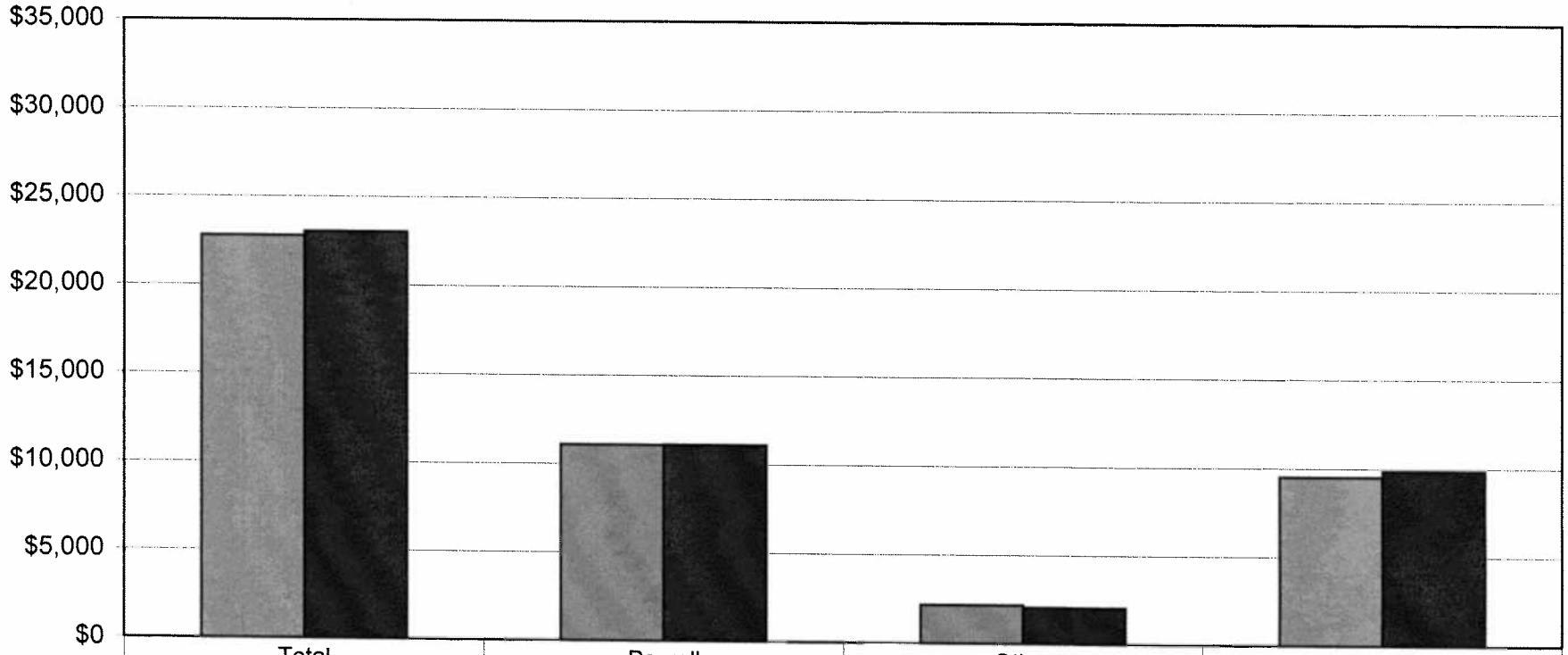
Presents a breakdown of total revenues into four main sources--membership, grants, services and others. This chart compares revenue sources between current and prior fiscal year.

Source: ABAG --- INDICES 2011-06.xls

ABAG Financial Indices

Figure 9--*Actual vs Projected Expenses--FY 10-11*

Year to Date ($'000)



	Total	Payroll	Other	Consultants
Actual	$22,766	$11,073	$2,172	$9,521
Projected	$23,000	$11,100	$2,052	$9,848

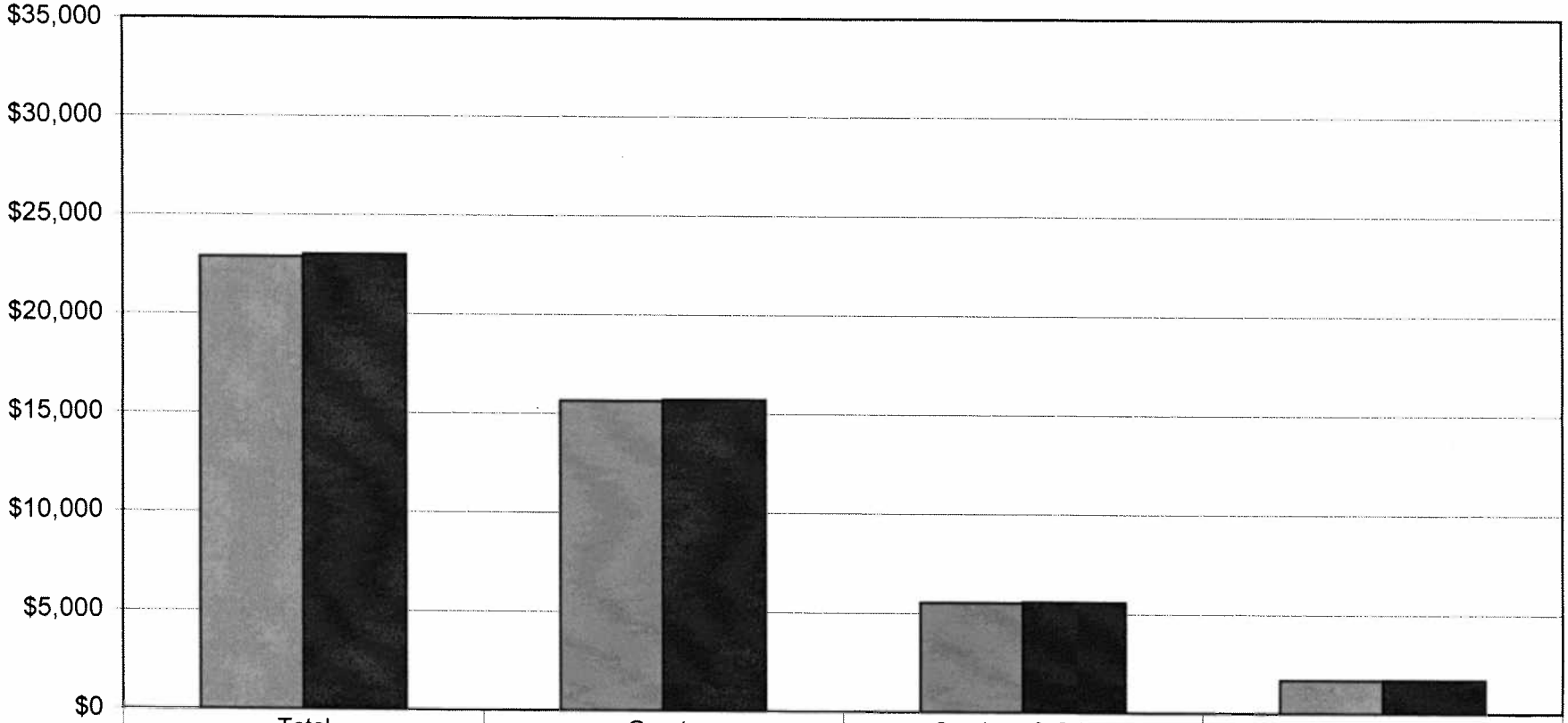
Presents a comparison of actual and budgeted/projected total expenses as well as component categories: payroll costs, consultants and other expenses.

Source: ABAG -- INDICES 2011-06.xls

ABAG Financial Indices

Figure 10--*Actual vs Projected Revenues--FY 10-11*

Year to Date ($'000)



	Total	Grants	Services & Other	Membership
Actual	$22,874	$15,648	$5,550	$1,676
Projected	$23,010	$15,720	$5,600	$1,690

Presents a comparison of actual and budgeted/projected total revenues as well as component categories: membership dues, grants, services and other.

Source: ABAG --INDICES 2011-06.xls

TO: Finance and Personnel Committee

DT: August 31, 2011

FM: Herbert Pike, Finance Director

Re: Financial Reports --July 2011

The following are highlights of the financial reports for July 2011.

Overall Summary (Figures 3, 4, 7 & 8)
At July 31st, the Agency's net financial operating loss of about $149 thousand is typical of July for the last several years and is primarily a cyclical trend as vacations and other leave reduce billable work hours. The Association's cash balance is $916 thousand higher than the end of July the prior year.

Cash on Hand (Figure 1)
Cash on hand increased to $2.88 million as of July 31st from $1.92 million on June 30th. The increase of $951 thousand is attributed primarily to membership dues receipts and collections are prior months' receivables. The July balance includes approximately $2.08 million invested in the Local Agency Investment Fund (LAIF). Currently, ABAG does not hold any other investments. The July 31st cash balance is approximately $0.9 million greater than the prior year.

Receivables (Figure 2)
Receivables from grant and service programs amounted to about $4.63 million on July 31st, a decrease of $375 thousand from the month prior. The month to month increase reflects a $414 thousand increase in billed grants receivables offset by a $784 thousand decrease in unbilled receivables. The lower total receivable is primarily attributed to the annual cycle wherein much of the non-labor costs are captured and attributed to June for the closing of the prior fiscal year and there is a lag before contractor bill are submitted for work commenced after July 1. It is also part of the quarterly billing cycles where unbilled receivables are converted into billed grants receivables. Receivables are approximately $1.45 million higher than they were a year prior reflecting the higher activity level in the current fiscal year, especially in energy-related grant activity.

Actual vs. Budgeted Expenses (Figure 9)
Total expenses through July 31st, the first month of the new fiscal year, amounted to about $1.29 million, or 5.8 percent, of the budgeted annual expense of $22.1 million for FY 11-12.

Actual vs. Budgeted Revenues (Figure 10)
As of July 31st, total revenues amounted to about $1.14 million, or 5.1 percent, of the budgeted annual revenue of $2.1 million for FY 11-12.

As of July 31st, both revenues and expenses are below projections for the first month of FY 11-12. These positions are largely due to the timing of consultant and sub-contractor expenses that are grant funded and for which there is a customary lag between the rendering of the service and the conversion to an expense and receivable when the contractors submit their bills.

F&PC AGENDA ITEM #3-B

Fund Equity (Figure 5)

As of July 31st, general fund equity was approximately $930 thousand, a decrease of $150 thousand from June 30th totals. The Agency's restricted fund equity, consisting of capital, self-insurance and building maintenance, remained unchanged at $560 thousand.

Indirect Cost (Figure 6)

The Agency's actual indirect cost (overhead) rate was 41.62 percent of direct labor cost as of July 31st, or 1.33 percent below the budgeted rate of 42.95 percent for FY 10-11. The lower than expected rate reflects the diversion of substantial central services efforts toward new grants, especially energy grants. Unless new grants are awarded later in the year, it is expected that the grants will end and staff will move toward allocable overhead costs that will cause the rate to rise. Also contributing has been the high activity level of Planning to address strict deadlines that has resulted in deferral of some vacations, thereby increasing the base over which overhead expense is charged.

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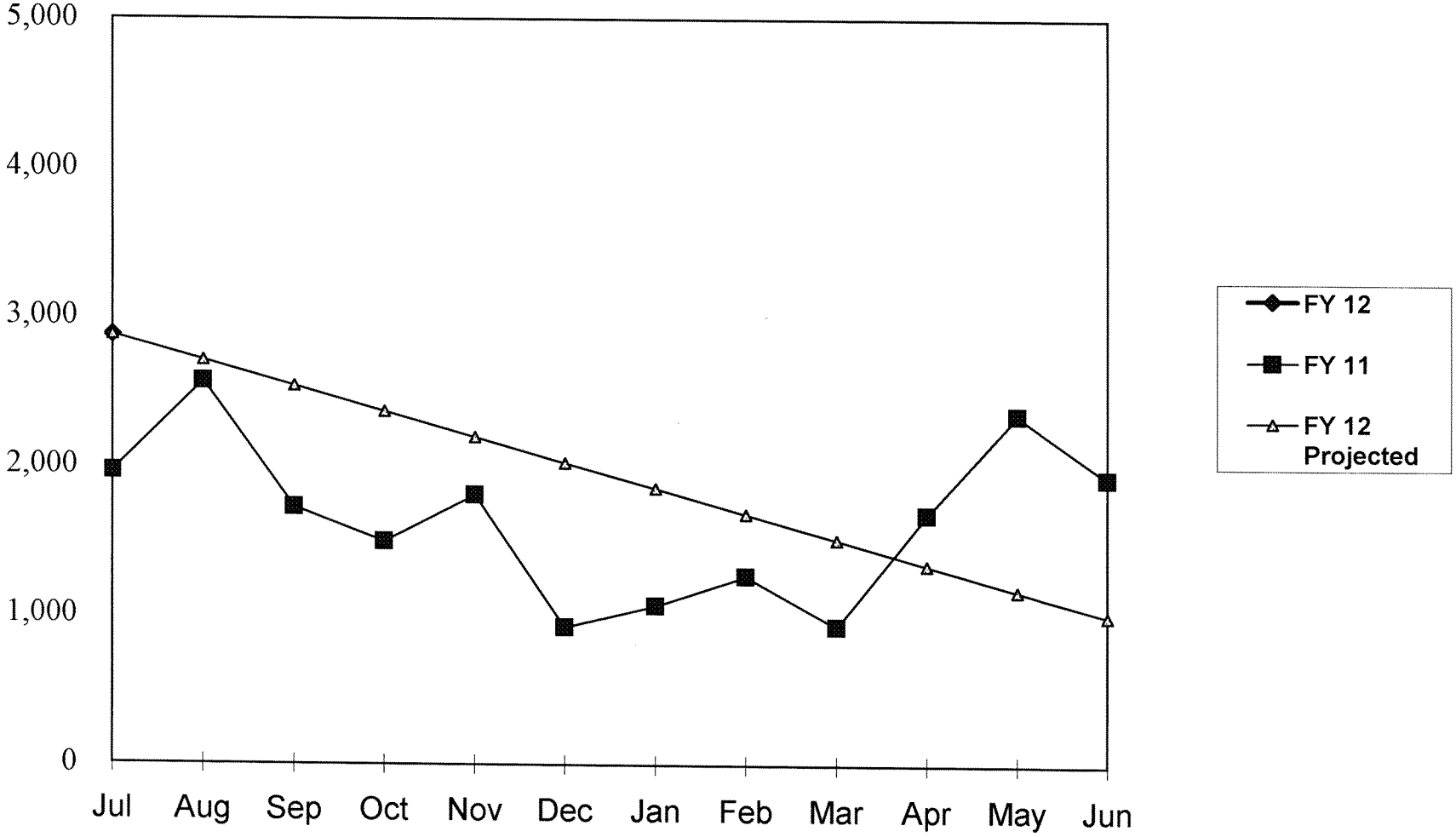
ABAG Financial Indices

Figure 1--*Cash on Hand--FY 11 and FY 12 ($'000)*

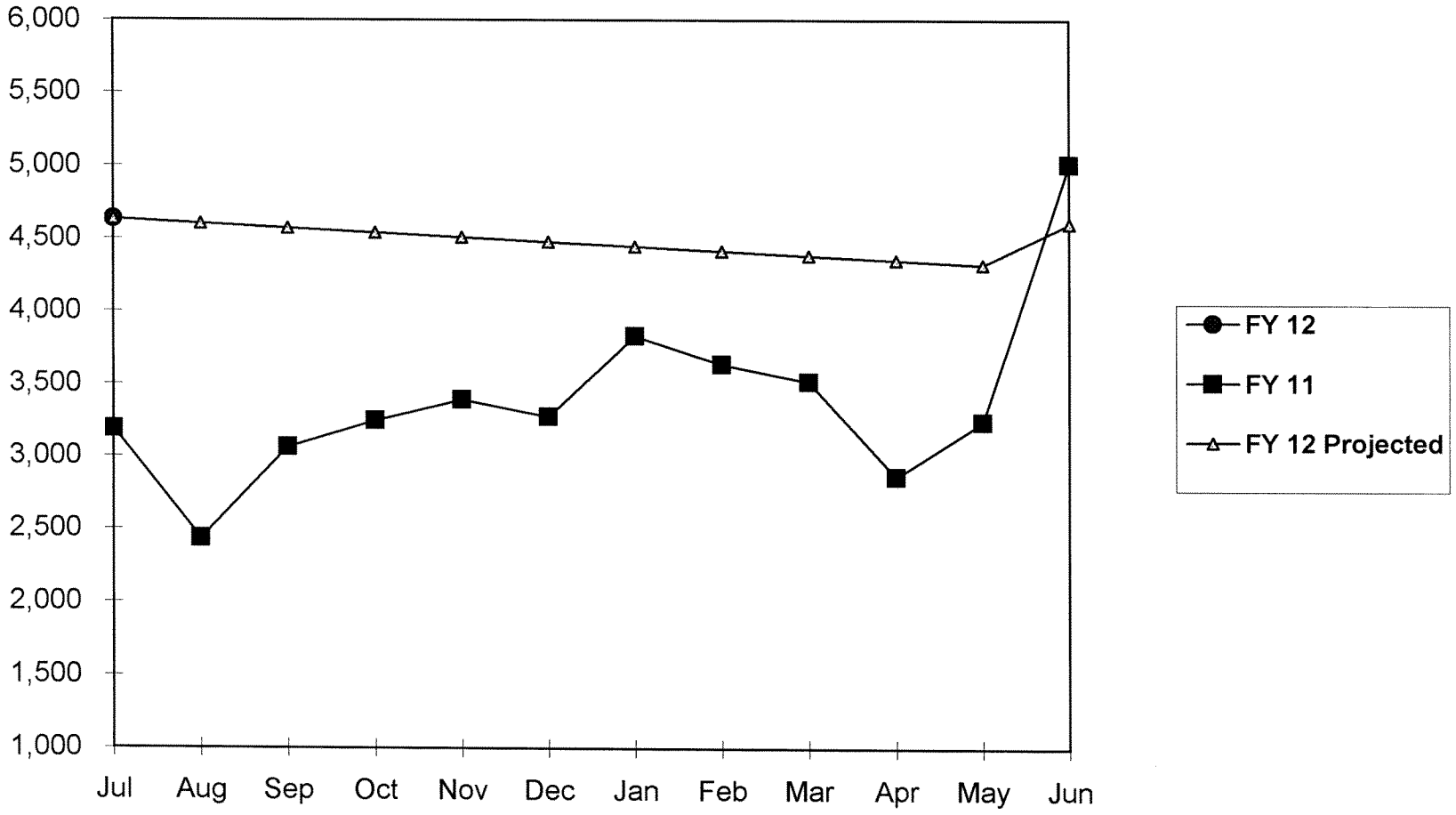


Represents the sum total of cash deposited at our bank and the Local Agency Investment Fund. This chart shows fluctuation patterns of cash on hand for the current and prior fiscal years.

Source: ABAG -INDICES 2011-07.xls

ABAG Financial Indices

Figure 2--*Accounts Receivable--FY 11 and FY 12 ($'000)*

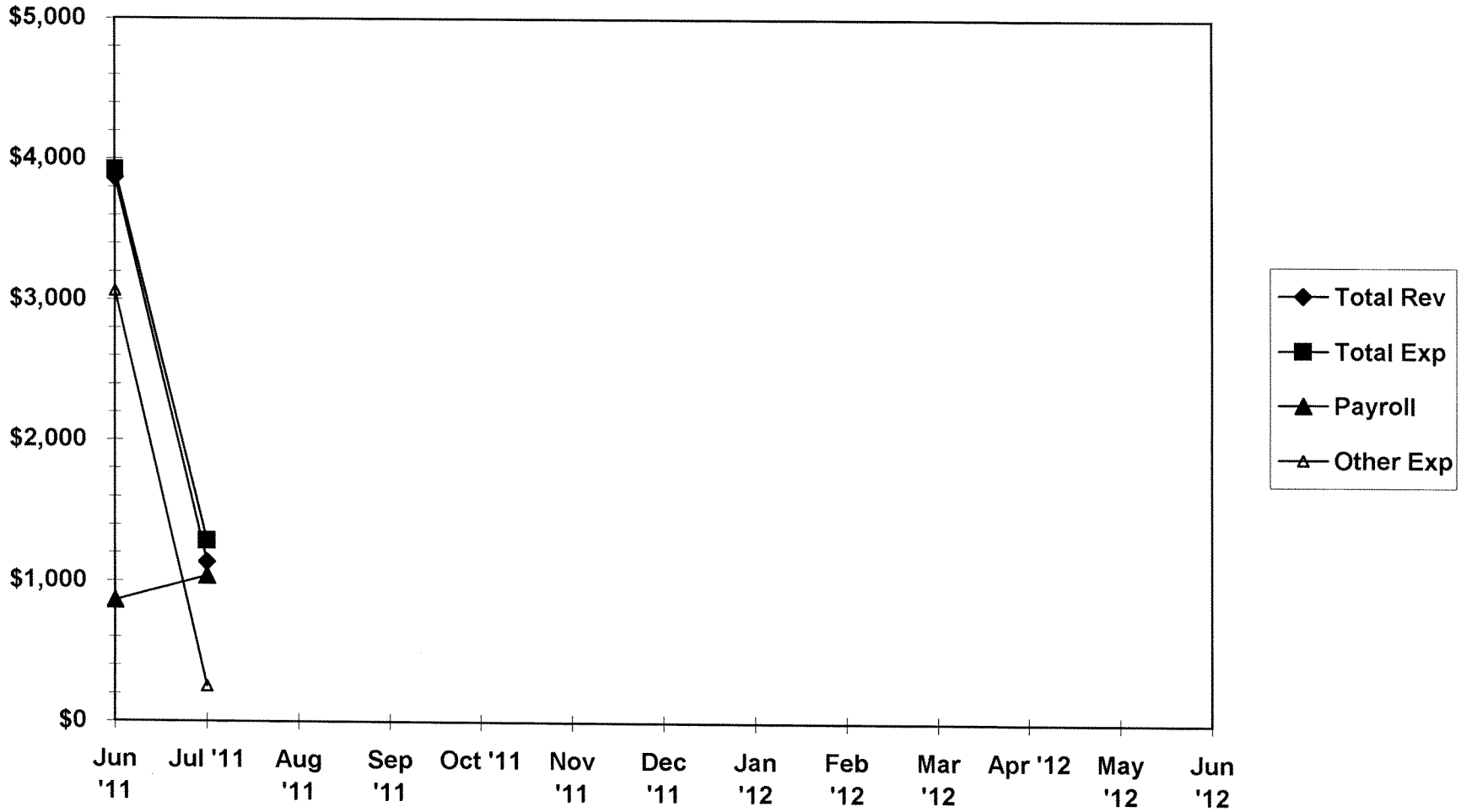


Accounts receivable include receivables generated by grants and service programs over two fiscal years. Reflects the reasonableness of our receivable levels; usually have about six weeks' worth of annual revenues in receivables.

Source: ABAG -INDICES 2011-07.xls

ABAG Financial Indices

Figure 3--*Current Month Revenues & Expenses*
FY 11-12 ($'000)

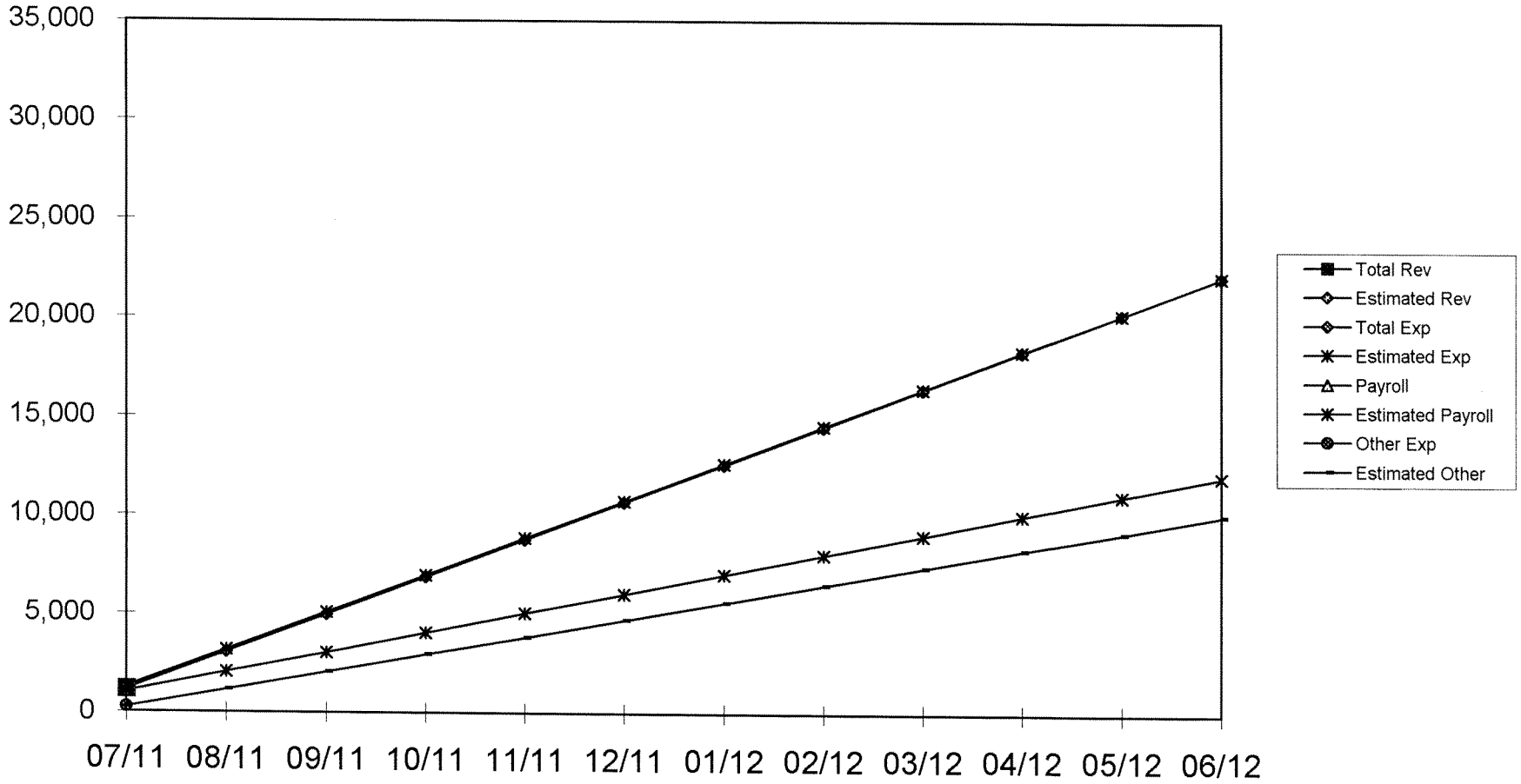


Presents month by month total revenues, total expenses, payroll and other expenses for the current fiscal year. The difference between total revenues and total expenses lines represents the overall current month net surplus (or deficit) for the Association.

Source: ABAG- INDICES 2011-07.xls

ABAG Financial Indices

Figure 4--Year-to-date Revenues & Expenses
FY 11-12 ($'000)



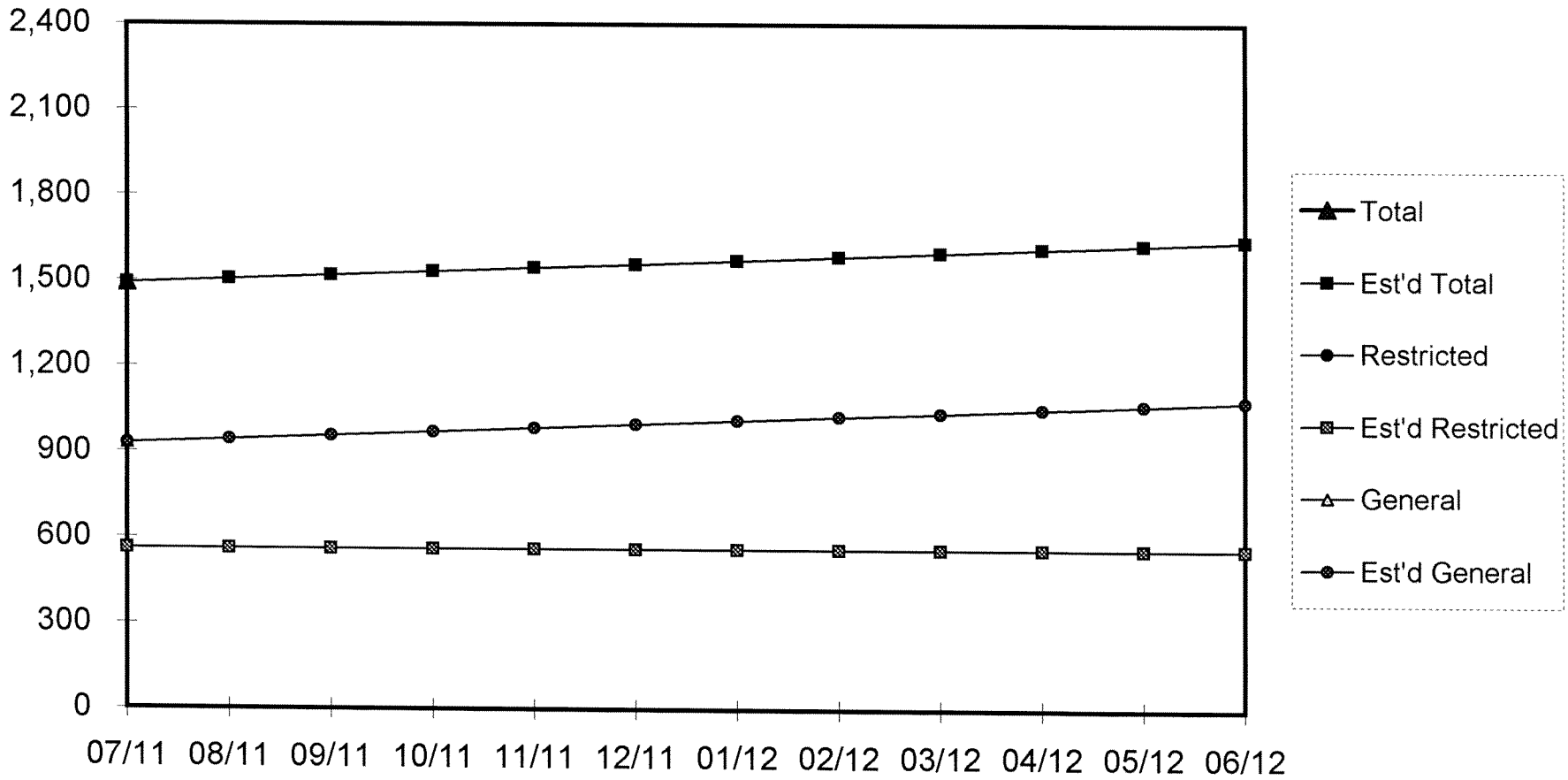
Presents year-to-date total revenues, total expenses, payroll and other expenses for the current fiscal year. The difference between total revenues and total expenses lines represents the overall year-to-date net surplus (or deficit) for the Association.

Source: ABAG - INDICES 2011-07.xls

ABAG Financial Indices

Figure 5--*Fund Equity*

FY 11-12 ($'000)

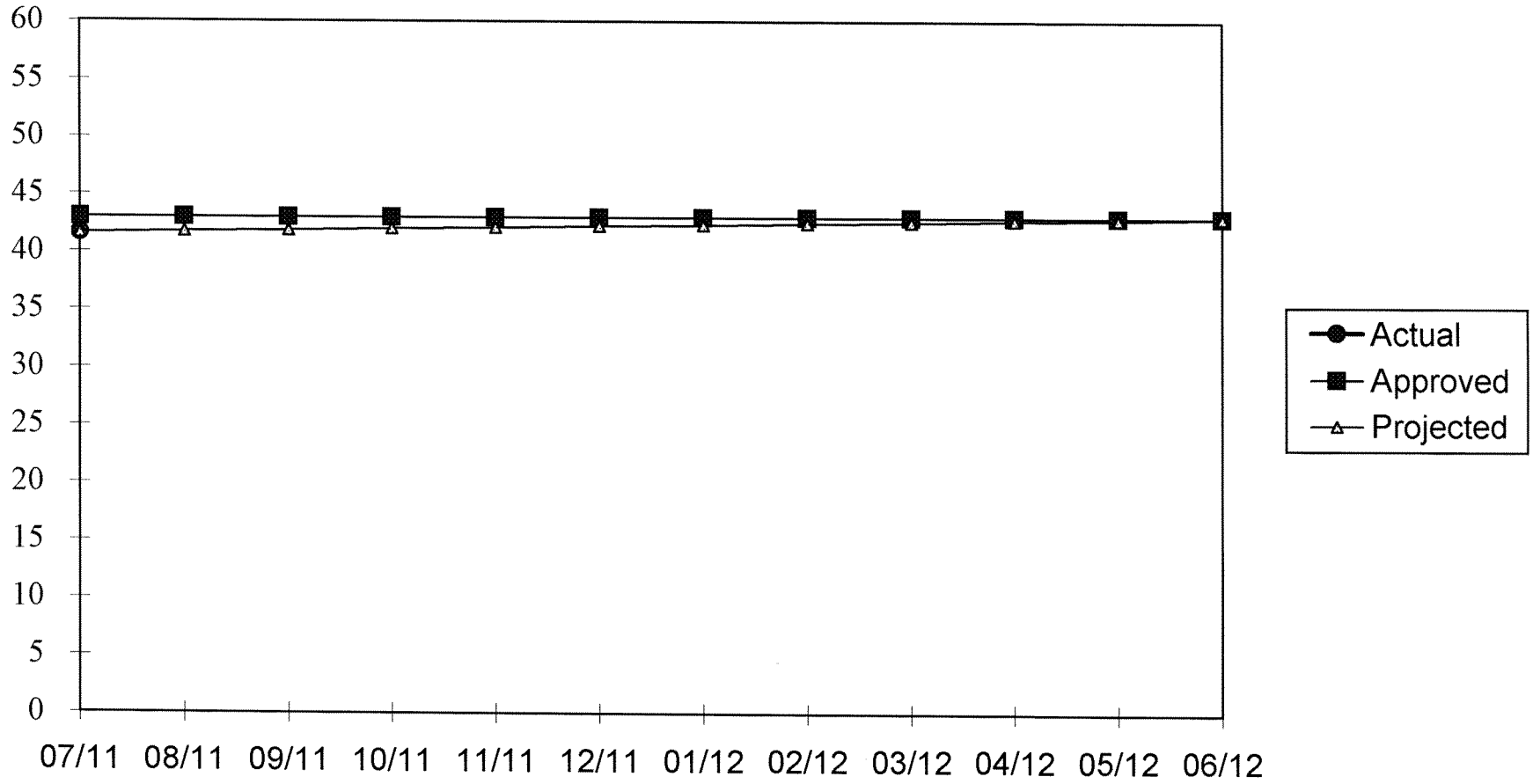


Presents general, restricted and total fund equities for the current fiscal year. General fund equity represents unrestricted equity. Restricted equities include building improvement interest, building maintenance, self-insurance, capital and contingency reserve. These restricted equities represent the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

Source: ABAG - INDICES 2011-07.xls

ABAG Financial Indices

Figure 6--*Indirect Cost Rate (% of Direct Labor Cost)*
FY 11-12

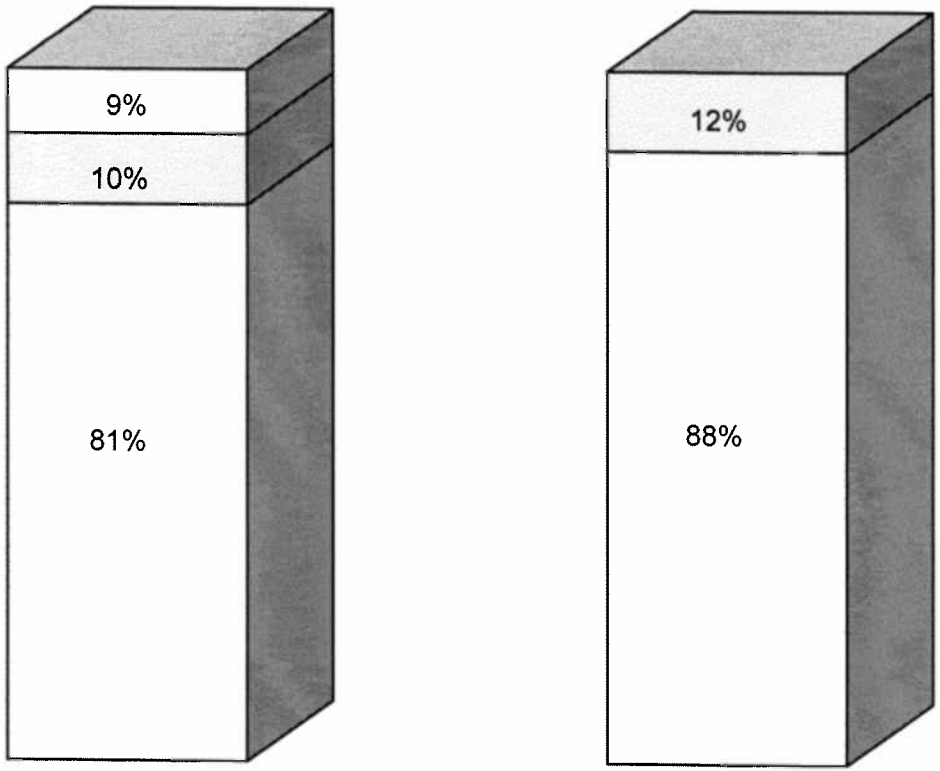


Shows a comparison between the actual indirect cost rate and the approved rate. The approved indirect cost rate is computed by dividing total estimated overhead expenses by total projected direct labor cost for a fiscal year. This rate is used as a standard overhead cost rate to allocate indirect costs to all projects. This process is performed in accordance with an indirect cost plan, which is prepared annually in accordance with OMB Circular A-87.

Source: ABAG- INDICES 2011-07.xls

ABAG Financial Indices

Figure 7-- Composition of Expenses FY 11--FY 12
Year to Date
($'000)



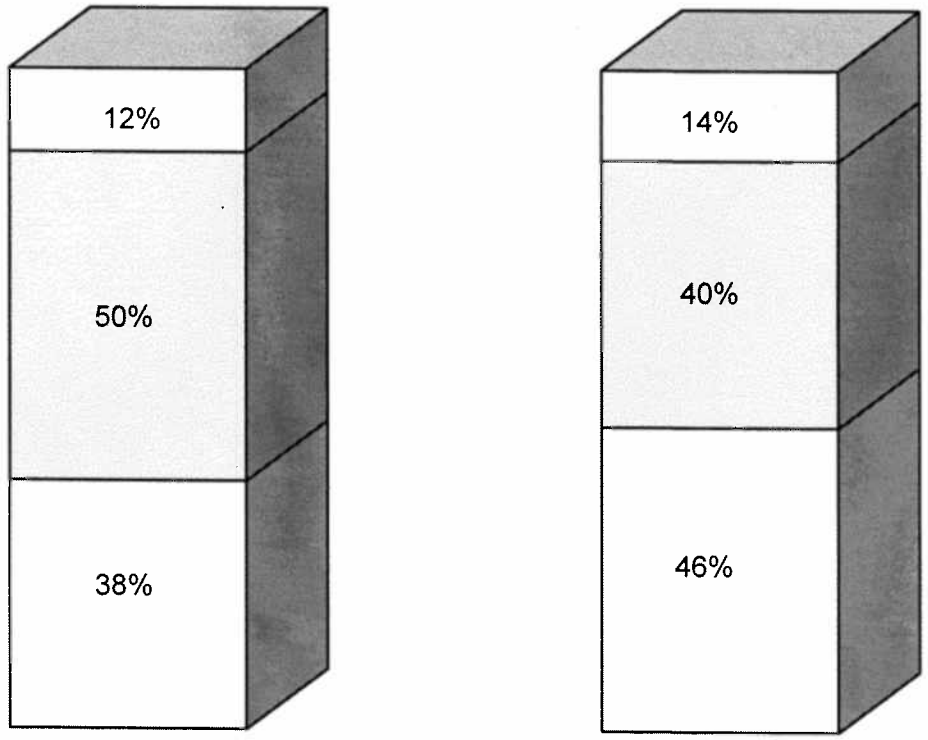
	FY11-12 Expenses (Total $1,287)	FY10-11 Expenses (Total $1,162)
☐ Consultants	$120	$-
☐ Others	$131	$134
☐ Payroll	$1,036	$1,028

This chart compares expenses for current and prior fiscal year. It groups expenses into three broad categories--payroll costs, consultants and other expenses.

Source: ABAG -INDICES 2011-07.xls

ABAG Financial Indices

Figure 8-- Composition of Revenues FY 11--FY 12
Year to Date
($'000)



	FY 11-12 Revenue (Total $1,138)	FY 10-11 Revenue (Total $1,030)
☐ Membership	$144	$141
☐ Grants	$566	$415
☐ Services & Others	$428	$474

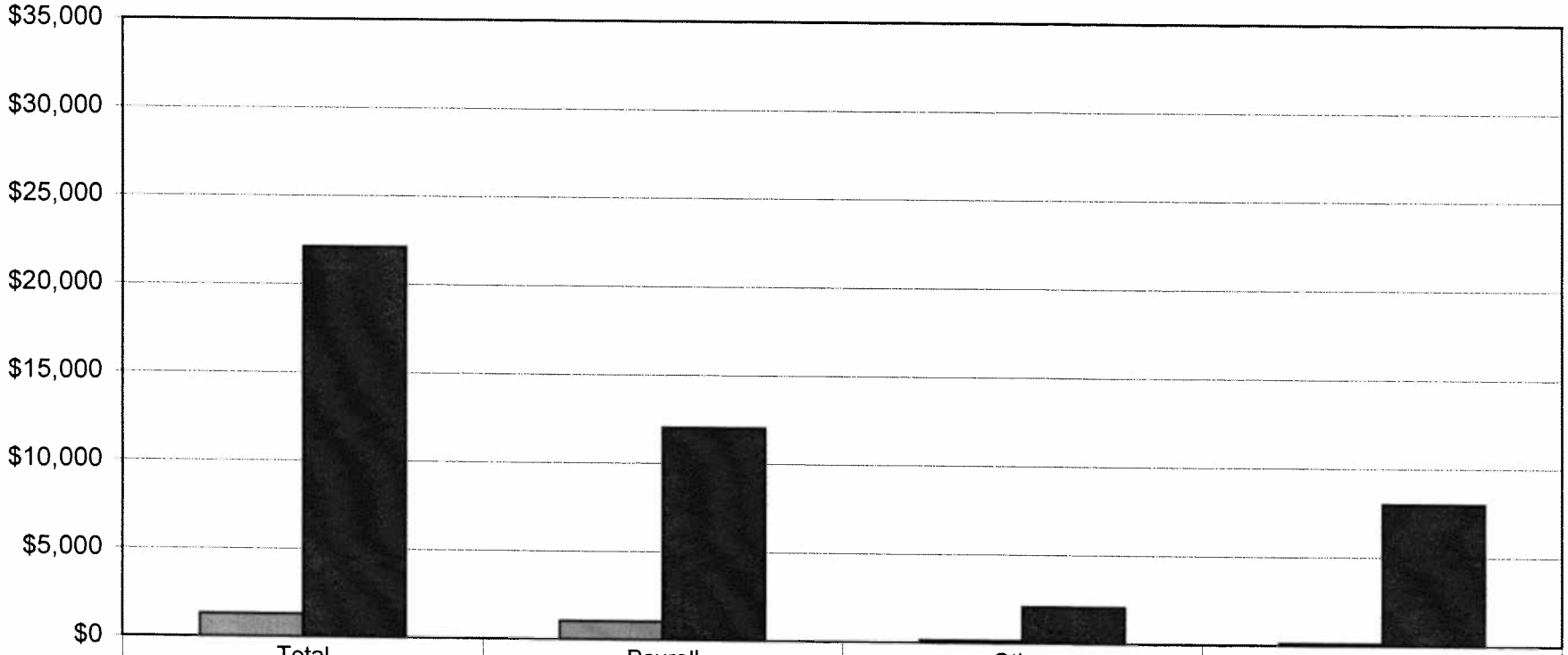
Presents a breakdown of total revenues into four main sources--membership, grants, services and others. This chart compares revenue sources between current and prior fiscal year.

Source: ABAG --- INDICES 2011-07.xls

ABAG Financial Indices

Figure 9--*Actual vs Budgeted Expenses--FY 11-12*

Year to Date ($'000)



	Total	Payroll	Other	Consultants
Actual	$1,287	$1,036	$131	$120
Budgeted	$22,098	$12,030	$2,068	$8,000

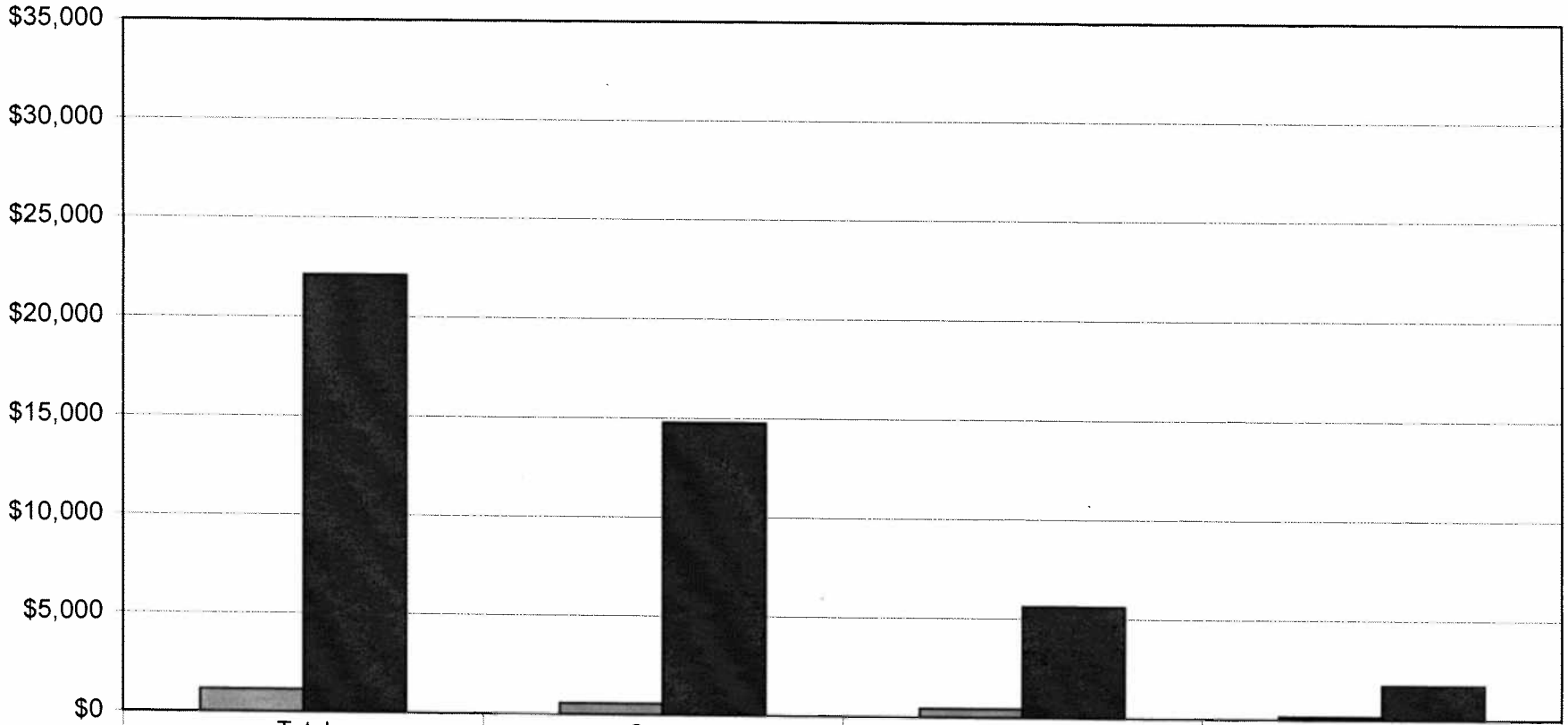
Presents a comparison of actual and budgeted/projected total expenses as well as component categories: payroll costs, consultants and other expenses.

Source: ABAG -- INDICES 2011-07.xls

ABAG Financial Indices

Figure 10--*Actual vs Budgeted Revenues--FY 11-12*

Year to Date ($'000)



	Total	Grants	Services & Other	Membership
Actual	$1,138	$566	$428	$144
Budgeted	$22,098	$14,767	$5,600	$1,731

Presents a comparison of actual and budgeted/projected total revenues as well as component categories: membership dues, grants, services and other.

Source: ABAG --INDICES 2011-07.xls

ASSOCIATION OF BAY AREA GOVERNMENTS
FINANCE & PERSONNEL COMMITTEE

TABLE OF FINANCIAL REPORT DATA ELEMENTS
(thousands of dollars)

Index Description	Jul-11	Jun-11	May-11	Jul-10	Jun-10
Cash	2,875	1,924	2,345	1,959	1,090
Receivables	4,631	5,006	3,237	3,185	3,590
Payroll Cost-YTD	1,036	11,073	10,211	1,028	10,947
-Month	1,036	862	906	1,028	872
Total Other Expense-YTD	251	11,693	8,633	134	7,438
-Month	251	3,060	1,078	134	1,446
Total Expenses-YTD	1,287	22,766	18,844	1,162	18,385
-Month	1,287	3,922	1,984	1,162	2,318
Total Revenues-YTD	1,138	22,874	19,005	1,030	18,353
-Month	1,138	3,869	1,967	1,030	2,455
Fund Equity-General	930	1,080	1,182	889	1,021
Total Restricted	560	560	510	510	510
Total Fund Equity	1,490	1,640	1,692	1,399	1,531
Approved Overhead	42.95%	42.95%	42.95%	42.95%	42.95%
Overhead Rate %	41.62%	41.96%	41.35%	47.38%	42.95%

ASSOCIATION OF BAY AREA GOVERNMENTS
Representing City and County Governments of the San Francisco Bay Area

To: Finance & Personnel Committee
Fr: Kenneth K. Moy, Legal Counsel
Dt: August 31, 2011
Re: Request to file *Amicus Curiae* Brief

Recommended Action: Recommend that the Executive Board direct Legal Counsel to decline a request that ABAG ABAG file an *amicus curiae* brief in the matter of *California Redevelopment Agency v Matosantos*.

Discussion: By letter dated August 18 (attached), the City of Novato has requested that ABAG file an *amicus curiae* brief in the matter of *California Redevelopment Agency v Matosantos*. The suit challenges the provisions of the State of California's FY 2011-12 budget that affects funding for redevelopment agencies.

The California Supreme Court has accepted the case under its direct jurisdiction. On August 11, it issued an Order to Show Cause that has placed the case on an expedited schedule. *Amicus curiae* briefs are due on September 30.

My office does not have the capacity, resources or expertise to comply with the City's request. I do not believe that ABAG can retain competent counsel to prepare a brief on its behalf for a fee below $25,000 (and more likely in the $50,000 range). If such resources become available, I would urge that they be held in reserve to, among other things, support ABAG's response to a direct legal challenge to ABAG.

The recommended action is not in any way a reflection of my views of the merits of the suit or its importance to ABAG's membership.

Cc: Ezra Rapport
Patricia Jones
Herbert Pike

F&PC AGENDA ITEM #5

Mailing Address: P.O. Box 2050 Oakland, California 94604-2050 (510) 464-7900 Fax: (510) 464-7970 info@abag.ca.gov
Joseph P. Bort MetroCenter 101 Eighth Street Oakland, California 94607-4756

THE CITY OF
NOVATO
CALIFORNIA

August 18, 2011

75 Rowland Way #200
Novato, CA 94945-3232
415/899-8900
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www.cityofnovato.org

Mayor
Madeline Kellner
Mayor Pro Tem
Denise Athas
Councilmembers
Carole Dillon-Knutson
Pat Eklund
Jeanne MacLeamy

City Manager
Michael S. Frank

Association of Bay Area Governments
Attention: Ezra Rapport, Executive Director
101 Eighth Street
Oakland, CA 94607

RE: Amicus Brief in Support of League of California Cities Lawsuit Challenging Legality of AB X1 26 and AB X1 27

Dear ABAG Board:

On behalf of the City of Novato, I am writing to request that the Association of Bay Area Governments (ABAG) consider filing an amicus brief in the California Supreme Court in support of the League of California Cities' and the California Redevelopment Association's (CRA) lawsuit challenging the legality of AB X1 26 and AB X1 27 related to redevelopment. Novato believes that the two bills clearly violate Proposition 22 passed by 61% of California voters last November. Proposition 22 specifically prevented the "*seizing, diverting, shifting, borrowing, transferring, suspending, or otherwise taking or interfering with*" revenue dedicated to local government, including local redevelopment funds.

Redevelopment has been an important tool for Novato. The City has utilized tax increment financing to rehabilitate blighted areas, foster economic development and facilitate affordable housing development. AB X1 26 and AB X1 27 will either: eliminate redevelopment entirely or severely curtail our ability to use this mechanism by mandating new payments to provide funding for schools and special districts (depending on whether or not Novato chooses to dissolve our agency or opt-in to the voluntary program). In both instances, the service level to Novato residents will be negatively impacted.

Due to the regional importance of this issue, we believe it is appropriate for ABAG to submit a brief in support of the League and CRA's position and we respectfully submit this request for your consideration.

Sincerely,

Madeline R Kellner

Madeline R. Kellner
Mayor, City of Novato

RECEIVED
AUG 30 2011
EXECUTIVE DIRECTOR'S OFFICE

Date: August 29, 2011

To: Ezra Rapport, Executive Director

From: Patricia M. Jones, Assistant Executive Director
Herbert L. Pike, Finance Director

Subject: **Report on Diversity and Business Opportunities - FY 2010/11**

This status report summarizes ABAG's business opportunities, recruitment, promotion and training activities during FY 2010-2011 (ending June 30, 2011) and recommends programs that will continue our record toward improving the Agency's diversity.

Executive Summary

ABAG has limited opportunities for employment and promotion due to our size and funding. The fiscal year ended with 76 employees. However, during this past fiscal year, ABAG was able to add one male and one female to our professional staff and one male to our management staff. These all represented replacements for employees who left the agency. We promoted one White female within the professional level.

ABAG's Diversity Program has three goals:

- To achieve in major job classifications (Management, Professional, Support) the same proportion of under-represented group members as exists in the nine-county San Francisco Bay Area labor force;

- To provide opportunities for all under-represented group members employed by ABAG to participate in training and education programs that will improve their personal advancement and contributions to the work of the Agency; and

- To ensure that the promotion of under-represented group members employed by ABAG be consistent with relevant skills, experience and background of the employees, performance requirements of higher job classifications and the needs for particular skills and positions in the Agency's work program.

This policy is consistent with the requirements and objectives set forth in Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000e); the Age Discrimination in Employment Act of 1967 (29 U.S.C. § 621 et seq); Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 793); the Americans With Disabilities Act (ADA) of 1990 (42 U.S.C. § 12101 et seq); and California Government Code Sections 12940 et seq.

The following table shows the racial make-up of the total population and the labor force in the nine Bay Area counties. This reflects 2010 census information.

BAY AREA NINE COUNTIES RACIAL MAKE-UP	TOTAL POPULATION CENSUS 2000 6,783,760	TOTAL POPULATION CENSUS 2010 7,150,739
Amer. Indian & Alaska Native	0.6%	0.7%
Asian, Native Hawaiian & Other Pacific Islander	19.5%	23.9%
Black or African American	7.5%	6.7%
Hispanic*	19.4%	23.5%
Others	9.2%	10.8%
White	58.1%	52.5%
Two or More Races	4.9%	5.4%

The racial make-up of the three counties (Alameda, Contra Costa and San Francisco) from which ABAG staff is primarily drawn differs from the nine-county Bay Area as shown below.

ALAMEDA, CONTRA COSTA AND SAN FRANCISCO COUNTIES RACIAL MAKE-UP	TOTAL POPULATION CENSUS 2000 3,169,290	TOTAL POPULATION CENSUS 2010 3,364,531
Amer. Indian & Alaska Native	0.6%	Percentage breakdown not yet available by racial category
Asian, Native Hawaiian & Other Pacific Islander	20.7%	
Black or African American	11.5%	
Hispanic*	17.4%	
Others	8.1%	
White	54.0%	
Two or More Races	5.1%	

*Persons of Hispanic origin may be of any race. Percents of White, Black, Asian and Pacific Islander, American Indian, Eskimo and Aleut, Others and Two or More Races may not total 100 percent due to rounding of decimals. Persons who identified themselves in the 2000 census as of Hispanic origin are also included in the racial categories.

Current Composition of Staff

The table below shows the composition of the ABAG staff as of June 30, 2011. Of 76 employees, 46 are White (60.5 percent); 12 are Asian (16 percent); 10 are Black (13 percent); 5 are Hispanic (6.5 percent); and 3 are Other (4 percent). On June 30, 2010, ABAG had 77 employees; the composition was 62 percent White, 16 percent Asian, 13 percent Black, 6 percent Hispanic and 3 percent Other. Because of the relatively small size of the staff, the addition or loss of one or two employees appears significant in percentages.

Progress towards diversity shows some variations for different under-represented members when examined by classification. Hispanics are not currently represented in the management and support classifications. As opportunities become available additional effort will be made to recruit this group.

ETHNIC BREAKDOWN BY CLASSIFICATION

Race	Management		Professional		Support		Total	
Amer. Indian	--		--		--		--	
Asian	--		10	17%	2	22.2%	12	16%
Black	1	11%	5	9%	4	44.4%	10	13%
Hispanic	--		5	9%	--		5	6.5%
Others	1	11%	2	3%	--		3	4%
White	7	78%	36	62%	3	33.3%	46	60.5%
Total	9	100%	58	100%	9	100%	76	100%

An examination of the composition of staff by classification and gender in the following table shows a need for more females in management and more males in professional and support classifications.

STAFF COMPOSITION BY CLASSIFICATION & GENDER

Management (9)	Professional (58)	Support (9)	Total (76)
Male (7) 78%	Male (21) 36%	Male (3) 33%	Total (31) 41%
Female (2) 22%	Female (37) 64%	Female (6) 67%	Total (45) 59%

During FY 2010-2011, four staff members left the Agency. Two retired, one resigned and one was laid off due to the end of the grant-funded position.

	White*	Black	Asian	Hispanic	Male	Female
Management	--	1	--	--	1	--
Professional	3	--	--	--	2	1
Support	--	--	--	--	--	--
Totals	3	1	--	--	3	1

*White includes American Indian and Other

Recruitment

During FY 2010-2011, the Agency added three staff members, two males and one female.

	White*	Black	Asian	Hispanic	Male	Female
Management	1	--	--	--	1	--
Professional	2	--	--	--	1	1
Support	--	--	--	--	--	--
Totals	3	--	--	--	2	1

*White includes American Indian and Other

Job openings were advertised in the Sunday issue of the San Francisco Chronicle, with other regional councils of governments, and other professional and non-profit organizations. Agency job openings were also posted on the Internet and the application was available online.

Interview Panels have, whenever possible, included under-represented group members as well as both genders. This policy will continue. The Human Resources Manager and hiring manager select applicants for interview without knowledge of their ethnic status. If, however, this process does not produce representatives of under-represented groups, they are asked to re-examine the credentials of under-represented candidates. Whenever possible, qualified under-represented applicants are invited to interview.

The following table presents the salary breakdown for classified staff by race and gender as of June 30, 2011.

ASSOCIATION OF BAY AREA GOVERNMENTS
COMPOSITION OF CLASSIFIED STAFF BY GENDER, RACE AND SALARY RANGE
(As of June 30, 2011)

SALARY RANGE	WHITE*		BLACK		ASIAN		HISPANIC		SUB-TOTAL		TOTAL
	M	F	M	F	M	F	M	F	M	F	
MANAGEMENT											
$115,008-$174,996	7	1	--	1	--	--	--	--	7	2	
SUBTOTAL	7	1	--	1	--	--	--	--	7	2	9
PROFESSIONAL											
$94,932-$115,380	2	2	--	--	--	1	--	2	2	5	
$75,024-$100,548	1	6	1	1	1	--	--	1	3	8	
$68,280-$83,004	7	9	--	--	4	--	--	1	11	10	
$56,820-$69,060	3	4	--	1	--	2	1	--	4	7	
$49,512-$60,180	1	3	--	2	--	2	--	--	1	7	
SUBTOTAL	14	24	1	4	5	5	1	4	21	37	58
SUPPORT											
$44,832-$54,660	--	2	--	--	--	--	--	--	--	2	
$38,952-$47,352	--	--	--	4	2	--	--	--	2	4	
$35,304-$42,948	--	--	--	--	--	--	--	--	--	--	
$30,360-$37,080	1	--	--	--	--	--	--	--	1	--	
SUBTOTAL	1	2	--	4	2	--	--	--	3	6	9
	WHITE*		BLACK		ASIAN		HISPANIC		SUB-TOTAL		TOTAL
	M	F	M	F	M	F	M	F	M	F	
TOTAL	22	27	1	9	7	5	1	4	31	45	76

*White includes American Indian and Other

Internship Program

In addition to our traditional summer intern program, the Tranter-Leong Graduate Student Intern Program allows students to receive experience in their field of study and provides valuable practical experience for those planning a career in public administration. The Internship Program consistently attracts a high caliber of applicants. The Agency received a total of 100 applications and hired 11 interns who were continuing or had just completed their education. Of the 11 interns, 7 were White (64 percent), 3 were Asian (27 percent), and 1 was Hispanic (9 percent).

Training

It is the Agency's policy to encourage staff to participate in training to enhance their performance and develop skills for future growth. Sixty employees participated in 149 classes with the assistance of our training and development program. The Agency's expenditure was $36,401.45 which compares to $27,404.70 invested in FY 09/10 and $33,727.19 invested in FY 08/09. The participants were from every classification and represented all races and genders. Although not represented in these numbers, the Agency encourages and supports managers and professionals to participate in workshops and associations related to their field. The expenditures for these on-going professional development programs are included in individual program and project budgets.

All program managers are encouraged to promote the professional growth of their staff. Since funds are limited, we encourage focus on those efforts that enhance the position-related qualifications of regular staff members. A special effort will be made to identify under-represented group members who need guidance and encouragement, as well as financial help, to further their careers. This is especially true for those interested in completing their college education.

Promotions

There was one promotion during this fiscal year. A female employee from within the professional level was promoted from P3, Step E, to P4, Step D.

Business Opportunities - FY 10/11

Our adopted diversity policy states in part that:

> "ABAG will, in its contracts with third parties for technical, consulting or other professional and non-professional services, comply with Federal rules regarding third-party relationships. ABAG will solicit proposals: from consultants with the required expertise who have protected group representatives among their employees, and from protected group consultants with the required expertise."

In this spirit during FY 2010-11, ABAG used—and in most cases continues to use—the MBE/WBW firms, organizations or companies presented on Tables I and II.

In the past year, the agency consulting/service contracts with MBE/WBE organizations totaled $1.19 million representing a decrease of 4.7 percent ($59 thousand) from FY 2009-10. Since total contracted services increased in FY 2010-11 over FY 2009-10, the percent of all contracts representing MBE/WBE enterprises decreased from 26.0 percent in FY 2001-10 to 23.6 percent in FY 2010-11. Part of this reduction may result from a change in procedure required by State and Federal granting agencies; MBE/WBE was previously self-reported by the vendor, but now requires a certification that MBE/WBE criteria are being met. Vendors may see no benefit in proceeding with the certification process, and thereby forego noting they are an MBE/WBE enterprise. Also contributing to the confusion is that different jurisdictions have different criteria as to what meets MBE/WBE certification requirements. Staff will review the process and explore how the designation process can be improved. An example of poor reporting is that two vendors were added as MBE/WBE vendors because of first hand knowledge of their ownership situation, but neither was listed within our purchasing system as MBE/WBE enterprises.

Table I--List of Firms/Contracts by Name and Table II—List of Firms/Contracts by Type are attached and provide additional detail.

Conclusion

Progress toward achieving and maintaining a diverse workforce continues to be a challenge. As in previous years, we continue to seek Hispanic applicants in the professional and support classifications to round out ABAG's diverse workforce. We have doubled our efforts to send job announcements to organizations that provide services to Hispanics, such as the Unity Council in Oakland. We will also continue to reach out and provide contracting opportunities to as many under-represented groups as possible, while maintaining our requirements of excellence.

TABLE I--LIST OF FIRMS/CONTRACTS BY NAME

COMPANY	NATURE OF WORK	TYPE	FY2010/11 ($'000)	FY2009/10 ($'000)
ACCENT SERVICE COMPANY INC	JANITORIAL SERVICES	Asian	13	31
ALONZO PRINTING COMPANY INC	PRINTING	Hispanic	0	16
BARR, EILEEN C	CONSULTANT	Woman	0	36
BROCKBANK, MARCIA L	CONSULTANT	Woman	1	9
CAREER ALLIANCE INC	TEMPORARY PERSONNEL AGENCY	African-American	245	122
CHOPS STEAKHOUSE	CATERING	Woman	5	3
EARTHTEAM ENVIRONMENTAL NETWORK	CONSULTANT	Woman	64	42
FASTSIGNS	PRINTING	Asian	1	0
GOODWIN CONSULTING GROUP INC	CONSULTANT	Woman	29	19
JEANNE PERKINS CONSULTING	CONSULTANT	Woman	15	93
JM DESIGN	PRINTING	Woman	0	15
JP GRAPHICS INC	PRINTING	Woman	15	0
JT LITHO	PRINTING	Asian	58	40
KEATING, MARISELA	CONSULTANT	Hispanic	2	0
KRIESHOK, LISA	CONSULTANT	Woman	3	2
LUNCHSTOP CAFE METRO CENTER	CATERING	Asian	17	19
MAZE & ASSOCIATES	AUDITOR	Woman/Minority	77	86
MISSION ECONOMIC DEVELOPMENT AGENCY	CONSULTANT	Hispanic	0	15
NAT'L FORUM FOR BLACK PUBLIC ADMINISTRATORS	PROFESSIONAL ORG.	African-American	2	1
NETWORK CONSULTING SERVICES	CONSULTANT	Woman	0	2
OAKLAND MARRIOTT CITY CENTER	HOTEL	Asian	20	116
ON A ROLL	CATERING	Asian	0	1
ORENSTEIN, SUZANNE GOULET	CONSULTANT	Woman	0	1
PATTON, JOAN E	CONSULTANT	Woman	2	9
PDQ PRINT COPY MAIL	PRINTING MAILING	Asian	2	0
POLICYLINK	CONSULTANT	African-American	0	12
PRUNSKE CHATHAM INC	CONSULTANT	Woman	14	0
REED, DENISE J	CONSULTANT	Woman	12	0
RIVERA, REBECCA	CATERING	African-American	0	2
SAFETY COMPLIANCE MANAGEMENT INC	ONLINE INSTRUCTION	Woman	283	279
SLOAN, ROBERTA	CONSULTANT	Woman	17	20
SPENCER, LINDA	CONSULTANT	Woman	14	5
SSP DATA PRODUCTS	COMPUTER SUPPLIES	Asian	33	15
SULLIVAN, VERONICA	CONSULTANT	Woman	0	1
TDC ENVIRONMENTAL LLC	CONSULTANT	Woman	48	65
THORNTON, CAROL	CONSULTANT	Woman	0	15
V-SOFT INC	TECHNICAL CONSULTANT	Asian	177	149
ZERO WASTE SOLUTIONS	CONSULTANT	Asian	15	0
TOTAL			**1,185**	**1,244**
% of ALL ABAG CONTRACTS/SERVICES			**23.6%**	**26.0%**

TABLE II--LIST OF FIRMS/CONTRACT BY TYPE

COMPANY	NATURE OF WORK	FY2010/11 ($'000)	FY2009/10 ($'000)
AFRICAN-AMERICAN			
CAREER ALLIANCE INC	TEMPORARY PERSONNEL AGENCY	245	122
NAT'L FORUM FOR BLACK PUBLIC ADMINISTRATORS	PROFESSIONAL ORGANIZATION	2	1
POLICYLINK	CONSULTANT	0	12
RIVERA, REBECCA	CATERING	0	2
	TOTAL AFRICAN-AMERICAN	**247**	**138**
ASIAN			
ACCENT SERVICE COMPANY INC	JANITORIAL SERVICES	13	31
FASTSIGNS	PRINTING	1	0
JT LITHO	PRINTING	58	40
LUNCHSTOP CAFE METRO CENTER	CATERING	17	19
OAKLAND MARRIOTT CITY CENTER	HOTEL	20	116
ON A ROLL	CATERING	0	1
PDQ PRINT COPY MAIL	PRINTING MAILING	2	0
SSP DATA PRODUCTS	COMPUTER SUPPLIES	33	15
V-SOFT INC	TECHNICAL CONSULTANT	177	149
ZERO WASTE SOLUTIONS	CONSULTANT	15	0
	TOTAL ASIAN	**323**	**372**
HISPANIC			
ALONZO PRINTING COMPANY INC	PRINTING	0	16
KEATING, MARISELA	CONSULTANT	2	0
MISSION ECONOMIC DEVELOPMENT AGENCY	CONSULTANT	0	15
	TOTAL HISPANIC	**2**	**31**
WOMAN			
BARR, EILEEN C	CONSULTANT	0	36
BROCKBANK, MARCIA L	CONSULTANT	1	9
CHOPS STEAKHOUSE	CATERING	5	3
EARTHTEAM ENVIRONMENTAL NETWORK	CONSULTANT	64	42
GOODWIN CONSULTING GROUP INC	CONSULTANT	29	19
JEANNE PERKINS CONSULTING	CONSULTANT	15	93
JM DESIGN	PRINTING	0	15
JP GRAPHICS INC	PRINTING	15	0
KRIESHOK, LISA	CONSULTANT	3	2
NETWORK CONSULTING SERVICES	CONSULTANT	0	2
ORENSTEIN, SUZANNE GOULET	CONSULTANT	0	1
PATTON, JOAN E	CONSULTANT	2	9
PRUNSKE CHATHAM INC	CONSULTANT	14	0
REED, DENISE J.	CONSULTANT	12	0
SAFETY COMPLIANCE MANAGEMENT INC	ONLINE INSTRUCTION	283	279
SLOAN, ROBERTA	CONSULTANT	17	20
SPENCER, LINDA	CONSULTANT	14	5
SULLIVAN, VERONICA	CONSULTANT	0	1
TDC ENVIRONMENTAL LLC	CONSULTANT	48	65
THORNTON, CAROL	CONSULTANT	0	15
	TOTAL WOMAN	**522**	**617**
WOMAN/MINORITY			
MAZE & ASSOCIATES	AUDITOR	77	86
	TOTAL WOMAN/MINORITY	**77**	**86**
	TOTAL MBE\WBE	**1,185**	**1,244**
	Total ABAG Consulting/Service Contracts	**5,026**	**4,790**
	Percent MBE/WBE of Total Consulting/Service Contracts	**23.6%**	**26.0%**