ABAG PLAN Corporation
Board of Directors Meeting
Special Meeting
Wednesday, November 5 2008
9 a.m. to Noon

Westin Hotel
675 El Camino Real
Palo Alto, CA 94d301

Presiding
Shawn Mason

Jurisdiction
San Mateo

Committee Members Present

PLAN Corporation
Robert Lanzone, General Counsel
Marcus Beverly, Consultant

ABAG PLAN
Henry Gardner, President
Ken Moy, Legal Counsel
Darrell Dearborn, Interim Risk Manager

1. **Call to Order**
   Shawn Mason, Board Vice Chair, called the meeting to order at 9:15 a.m.

2. **Public Comments**
   None

3. **PLAN Governance Structure**
   Shawn Mason reported that the Governance Sub-committee considered 4 options:

   (1) Do nothing.
   (2) Use the Board of Directors or committees to create greater oversight over ABAG and costs
   (3) Create a position that reports directly to the Board of Directors to create greater oversight over ABAG and costs
   (4) Severe the relationship with ABAG and establish and independent JPA

   Mason reported that the Governance Sub-committee decided on the 3rd option and distributed a proposed organization chart for PLAN entitled, "Recommended ABAG Plan Governing/Operating Organizational Chart" (attached), which was recommended by the Governance Sub-committee. Mr. Mason discussed the main

advantages of this new organization and relationship to ABAG as providing the Board greater independence in matters relating to the employment and compensation of PLAN staff, and in obtaining the lowest cost for services required to administer PLAN services.

Extended discussion took place regarding the need for these changes and their consequences for PLAN. During those discussions, Mr. Gardner said that any arrangement under which ABAG staff would be supervised by a PLAN employee would not be workable for ABAG. Mr. Mason explained that variations on this model could be considered which would still preserve the independence of PLAN sought by the new organizational relationship, but which might result in less cost to PLAN and less change to the current relationship with ABAG.

A motion was made and seconded to authorize the Board to create a new position for PLAN entitled, "Executive Director/Risk Manager".

The incumbent of this position would be employed by PLAN and report to the Board. This position would have primary responsibility for managing the Agency contract between PLAN and ABAG and the services received from ABAG.

Before that motion was voted, a substitute motion was made and seconded that PLAN enter into discussions with ABAG about the issues that have given rise to governance concerns, to include in those discussions both options 2 and 3, and with the goal of identifying a solution that is acceptable to a majority of PLAN members and ABAG. The substitute motion was approved by a vote of 13 to 11.

Members voting Aye
Atherton – Eileen Wilkerson
Campbell – Jesse Takahashi
Colma -
East Palo Alto - Stephanie Osaze
Foster City – Kristi Chappelle
Hillsborough – Kathy Leroux
Los Gatos – Jenny Haruyama
Millbrae – LaRae Brown
Morgan Hill – Danny Wan
Ross -
San Bruno – Pamela Thompson
South San Francisco – Jim Steele
Woodside – Susan George

Members voting No
American Canyon – Bronda Silva
Benicia – Heather McLaughlin
Burlingame – Gus Guinan
Dublin – Julie Carter
Gilroy – Tom Haglund
Half Moon Bay – Mike Dolder
Los Altos – Patrick Alvarez
Milpitas – Emma Karlen
Portola Valley – Angela Howard
San Carlos -
San Mateo – Shawn Mason

After discussion, the Board reached consensus on directing the Chair of the Board to appoint a subcommittee to negotiate with ABAG.

(5) Adjournment
The meeting was adjourned at 11:30 a.m.