

December 10, 2018

Matt Rodriguez, City Manager
City of San Pablo
13831 San Pablo Avenue, Building 1
San Pablo, CA 94806

Re: City Council appointees to the San Pablo EDC Board of Directors

Dear Matt:

The San Pablo EDC is thriving, and we would like to express our gratitude to the City of San Pablo to continue to contract with us for the delivery of professional services to local workforce and business. Part of a strong, productive organization is a strong board. As you know the City of San Pablo has two board director seats they nominate as those seats become available. One such EDC board seat is up for nomination and election in 2018.

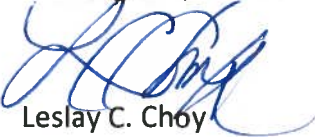
The director seat is open for nomination to, and election by, the San Pablo EDC Board of Directors at its annual meeting on January 23rd or its regular meeting on February 20th. Per Article II.B of our bylaws, the director serves a two-year term that expires at the annual meeting, typically held. The nominee may be a city council member or city appointee, but may not be a City of San Pablo employee. In short, this director's term will run from January or February 2019 through the annual meeting of January 2021.

On behalf of our board chair, Adam Novickas, I would like to invite the San Pablo City Council to nominate a candidate to our board at its earliest convenience. The recommendation should be accompanied by a memo from you and the nominee's resume.

Attached as Exhibit A are our organization's bylaws. The sections pertaining to City Council nominees is highlighted in yellow. Please note that while the San Pablo City Council makes two nominees to our board, we have taken steps per our bylaws and governance best practice to stagger the terms, so our organization does not suffer critical leadership turnover in a single year.

Thank you, again, for your leadership and we look forward to the Council's action on this matter.

Best regards,



Leslay C. Choy
Executive Director

Exhibit A: San Pablo EDC Bylaws

ARTICLE II: COMPOSITION OF BOARD OF DIRECTORS

A. Number of Directors. The number of Directors of the San Pablo EDC shall be at least five, and in no case shall there be more than nine Directors. If the number of Directors holding office falls below five, the Board may still engage in board action so long as the quorum requirements of Article III.B.1 and other requirements of these bylaws are met.

B. Election of Directors.

1. Majority Requirement. Directors shall be elected through nomination by a sitting Director and approval by heightened majority as described in Article III.A.2.

2. Timing and Notice of Election. The Board shall aim to elect Directors at annual meetings, but may elect Directors to fill vacancies at any time. Notice and agenda for any board meeting at which the Board votes upon the election of one or more directors must state that election of Directors will be considered at the meeting.

3. Appointment of Persons Nominated by City of San Pablo. Two Director positions shall be filled by persons nominated by the City Council of the City of San Pablo. City Councilmembers are eligible for such Director positions, but City employees are not. Nominees submitted by the San Pablo City Council must be (1) submitted to any governance committee as part of the director nomination process; and (2) subsequently approved and appointed by the SPEDC Board. Each Director nominated by the San Pablo City Council shall serve a term of no more than two years, with terms staggered such that each calendar year, a Director nominated or renominated by the City of San Pablo shall be seated. Such Directors do not serve on the SPEDC Board in an official capacity as representatives of the San Pablo City Council, and are expected to exercise independent judgment and serve the SPEDC Board with the same standard of care as that of other Directors.

4. Board Independence. At no time may individuals who are elected officials holding City of San Pablo office constitute a majority of the Directors. A violation of the provisions of this Article II.H shall not affect the validity or enforceability of any transaction entered into by the San Pablo EDC, or the authority of any action taken by the Board.

C. Term of Office of Directors.

1. Three-year Terms. For Directors elected at annual meetings, the term of office shall be three years, or any shorter period determined by the Board. For Directors elected or appointed between annual meetings, the term of office shall run until three years from the first annual meeting after that Director's election, or for any shorter period determined by the Board. Regardless of time of appointment, Directors nominated by the San Pablo City Council shall serve terms of no more than two years. Directors may serve up to three consecutive terms. Terms may be extended under the circumstances described in Article II.D.1.

2. Transition. By board resolution approved through a heightened majority as described in Article III.A.2 and accompanying establishment of these bylaws, the Board shall fix the remaining tenure of each Director sitting at the time of establishment of these bylaws. This resolution shall establish length of terms of sitting Directors and new Director positions such that terms of approximately one-third of the Directors shall expire at each annual meeting.

D. Expiration of Terms.

1. Notice to Director. At least sixty days prior to the scheduled expiration of a Director's term, the Board Chair or another Director shall provide written notice to the Director of the date on which the term expires. If timely notice is not provided to the Director, the Director's term shall be extended until sixty days from the date when the notice is provided. Notice shall be provided in accordance with the procedures set forth for board meeting notice in Article III.B.3.

2. Reelection of Directors. For a Director not appointed pursuant to nomination by San Pablo City Council, prior to the expiration of such Director's term, that Director may, through written communication to the Board Chair, request reelection.

a. If the Director requests reelection as described above, the Director's term continues until the Board votes on whether to reelect that Director, in compliance with these bylaws' specifications for Election of Directors in Article II.B. If the Board votes not to reelect the Director, the Director's term expires either at that time or as scheduled, whichever is later.

b. If the Director does not request reelection, the Director's term expires as scheduled.

E. Removal or Resignation of Directors.

1. Removal of Directors. The Board may remove any Director, with or without cause, if such action is approved by a heightened majority as described in Article III.A.2. The decision to remove a Director must occur at a board meeting, and cannot take place through unanimous written consent.

a. Absences from Board Meetings. When any Director is absent from three consecutive regular board meetings, or is absent from more than four regular board meetings in a calendar year, then at the next regular board meeting, the Board shall consider whether to remove that Director from the Board.

b. Meeting Notice Required. In order to remove any Director, notice that such action would be considered at the board meeting in question must have been provided to all Directors holding office.

2. Resignation of Directors. In order to resign, a Director must give written notice to the Board Chair, the Executive Director, the Secretary, or the Board. The resignation shall be effective upon receipt, unless the notice specifies a later time for the effectiveness of the resignation. A Director may not resign when resignation would leave the San Pablo EDC without any Director, unless the resigning Director first notifies the California Attorney General.

F. Restriction on Interested Persons as Directors. Not more than forty-nine percent of the persons serving on the Board at any time may be interested persons. An interested person is (1) any person compensated by the San Pablo EDC for services rendered to it within the previous twelve months, whether as a full-time or part-time employee, independent contractor, or otherwise; or (2) any brother, sister, ancestor, descendant, spouse, domestic partner, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person. A violation of the provisions of this Article II.F shall not affect the validity or enforceability of any transaction entered into by the San Pablo EDC, or the authority of any action taken by the Board.

G. Backgrounds of Directors. In exercising its control over board membership, the Board shall attempt to ensure:

1. that the Directors collectively represent a diversity of race, gender, geography, industry and relevant backgrounds and skills to enable the Board to make informed, well-balanced decisions on the economic viability and social impact of the San Pablo EDC activities;

2. that the Directors collectively have a strong knowledge of workforce and business development, the needs of businesses and residents of the City of San Pablo, and a comprehensive working knowledge of City economic, business conditions, area government activities and funding sources;

3. that the Directors collectively maintain a range of relevant areas of expertise vis-à-vis the strategic plan, including expertise in the following issues: economic development, strategic planning, finance, technology, marketing, fund development and audit, among others.

While the Board shall make its best efforts to ensure that the above aims are met, the failure of the Board at any given time to satisfy any criteria described in this Article II.G shall not limit the power of the Board in any manner, including the ability to elect Directors of the Board's choice.