

**REGIONAL GOVERNMENT SERVICES AUTHORITY
EXECUTIVE COMMITTEE MINUTES
FEBRUARY 18, 2021**

The Regional Government Services Authority held a regular meeting of the Executive Committee on February 18, 2021 via teleconference. The meeting was called to order at 1:15 p.m.

1. CALL TO ORDER / ROLL CALL

Members Present: Steve Rogers, Chair
Linda Smith, Vice Chair
Dan Buckshi, Member
Liz Habkirk, Member
Dan Schwarz, Member
Brent Slama, Member
Hilary Straus, Member

Members Absent: none

Other Attendees: Richard Averett, Executive Director
Sophia Selivanoff, Deputy Executive Director for Client Services
Jefferson Kise, Finance and Operations Manager
Rich Oppenheim, Administrative Services Manager
Sky Woodruff, Authority General Counsel
Scott Kivel, Authority Special Counsel
Tiffany Buraglio, Executive Assistant

A. Election of Officers

Action: Moved and seconded (Rogers/Schwarz) to nominate the slate of Linda Smith as Executive Committee Chair and Liz Habkirk as Executive Committee Vice Chair.

AYES: Buckshi, Schwarz, Habkirk, Rogers, Slama, Smith, Straus

NOES: None

ABSTAIN: None

2. PUBLIC COMMENT – None

3. APPROVAL OF CONSENT AGENDA

A. Approval of **November 19, 2020** Minutes

B. Approval of RGS Position Listings

C. Approval of Regularly Scheduled Meetings Calendar

D. Approval of Payments and Deposits made November 2020 through January 2021

E. Approval of Investments Report through December 2020

F. Approval of Management Services Agreements

G. Approval of Municipal Dental Pool Update

Executive Director Averett noted that items 3F and G were really “receive and file” items as opposed to approval items. Member Smith asked if the contracts with no NTE amounts listed on item 3F were ongoing or were no charge? Executive Director Averett responded that no contracts were without a fee, however some contracts are not capped at a certain dollar amount and oftentimes roll into some additional scope of work. Member Smith also noted that it is difficult to distinguish between one-time contracts and ongoing contracts in this format. Member Rogers noted that the report is missing a snapshot of current clients. Executive Director Averett responded that there are about 100 active contracts at any given time. Member Rogers noted that he was not as interested in the dollar amounts of the contracts as the information of who is a current client and which clients were new. Member Straus strongly agreed with the idea of a spreadsheet of current clients and offered that their District has a flexible services agreement template which might be helpful to the JPA. Executive Director Averett thanked Member Straus for agreeing to provide their template and agreed it would be helpful to see the template as the JPA is in the process of reviewing their current Management Services Agreement. Executive

Director Averett stated that staff will prepare a report 3F with revised format for the next Committee meeting.

Action: Moved and seconded (Rogers/Straus) to approve consent agenda with the notation that items 3F and 3G are “receive and file”.

AYES: Smith, Habkirk, Buckshi, Schwarz, Rogers, Slama, Straus

NOES: None

ABSTAIN: None

4. TREASURER’S REPORT

A. Review of Preliminary Fiscal-Year-To-Date Financial Reports through December 2020 Information item; no action was taken. Finance Manager Kise announced that there were 140 active contracts this Fiscal Year, covering 9 active service lines including Training. Net income is ahead of where the JPA was at the same time last year, but a bit behind budgeted projections. CalSAWS revenue has increased, reaching a record level. Municipal Dental Pool and STARS have generated revenues beyond what was projected. Chair Smith asked why employee expense allowances were significantly over budget. Finance Manager Kise answered that CalSAWS enacted a temporary internet service allowance for their staff when they moved to at-home work which was retroactive to March and was not foreseen in that year’s budget. However, the expense is billable back to the client. Member Rogers noted that considering where the agency could have been, the financials look good. Executive Director Averett noted that at this point in the fiscal year the JPA is in the best position it has been for several years and it is expected the next six months will be better. The growth in CalSAWS has allowed the JPA to re-structure services (like training) impacted due to COVID.

B. Approval of New Audit Services Firm Contract

Finance Manager Kise stated that the JPA has a three-year audit rotation policy with two one-year extension options. An RFP was issued in December and five responses were received in January with some new firms including the Punn group who ended up being the recommended firm. The RFP included an audit for RGS as well as SVBGSA which will need to be approved by their board. The Punn group employs some interesting technology in their audit process and the proposed pricing was close to the budgeted amount. Executive Director Averett noted that staff had not engaged Committee Members as much as they could have in the past, but with this project Member Habkirk volunteered to assist in the review RFP respondents. The JPA will be looking to the Members more in the future as they provide a valuable perspective for staff.

Action: Moved and seconded (Habkirk/Smith) to approve new Audited Services Firm Contract

AYES: Smith, Habkirk, Buckshi, Schwarz, Rogers, Slama, Straus

NOES: None

ABSTAIN: None

5. OLD BUSINESS

A. Approval of Updates to Strategic Plan

Administrative Services Manager Rich Oppenheim highlighted the updates to the Strategic Plan. The JPA is moving forward on the goals and strategies outlined in the strategic plan while monitoring administrative expenses. The language in Goal 1 was changed to focus on client services. The JPA has been assessing its administrative tools and the RGS webpage. The Training team received their first request for training services outside of California. The JPA is able to provide that service out-of-state now that the training program is virtual. Chair Smith suggested removing the wording “for local government” from Goal 1.

Action: Moved and seconded (Habkirk/Rogers) to approve updates to Strategic Plan

AYES: Smith, Habkirk, Buckshi, Schwarz, Rogers, Slama, Straus

NOES: None

ABSTAIN: None

6. NEW BUSINESS

A. Discussion of Proposed Legislative Priority – Risk Management

Information item, no action was taken. Executive Director Averett requested feedback from Members and the Executive Director would like to follow-up with any volunteers interested in working on the topic. Executive Director Averett stated that the JPA is not alone in being challenged by CalPERS. How can agencies control this risk? The JPA has already reviewed and adjusted their business model. Public agencies throughout the state will continue to need to contract for services and agencies continue to turn to RGS and other service providers to fill these needs. However, the costs of defending against CalPERS allegations will be unsustainable. CalPERS decisions about employment/independent contracting can seem arbitrary and capricious and the JPA is not alone in this assessment. Public agencies need some clarity about what is an independent contractor beyond the 20-factor test which has proven to be too subjectively used. Adding to the difficulty, there is no statute of limitations on CalPERS issues because every benefit payment made effectively extends the statute of limitations indefinitely for retirees. Executive Director Averett wants to explore Members' thoughts about potentially working collaboratively with other agencies to establish standards of what is an employee and what is an independent contractor.

Municipal Shared Services (MSS) is a possible third party which could act as a host for this type of mutual collaboration. Member Straus identified the need for a work product to shop with the legislature and offered to assist with a connection to a member of the state legislature who is familiar with local government issues, as did other Committee members. Members also expressed the need for someone with legal expertise on CalPERS issues to be involved in the process of drawing up the standards. Member Rogers noted that a coalition of similar-minded agencies and affected providers would need to explain the need for contracting without being inflammatory towards CalPERS. Member Rogers also expressed the desire for public agencies to 'do it right' and expressed frustration with the inability to get a definitive answer from CalPERS regarding contracting issues, even if that answer is "no". Member Schwarz expressed the concern that if this effort is perceived by labor unions to be a threat, it will be squashed by labor unions and urged caution in proceeding, keeping labor unions in mind. Executive Director Averett acknowledged Member Schwarz's concerns and clarified that the coalition would be trying to gain clarity of the rules. Chair Smith asked Executive Director Averett if he wanted RGS to be a participant with MSS and Executive Director Averett said the process wasn't at that point yet, but rather at this point discussing options before developing a set proposal to bring back before the Executive Committee. Member Straus voiced support for the Executive Director to spend time on this issue and thought a coalition of professional associations might be helpful but could be difficult with labor concerns; perhaps a working group of public and private partnerships would work. Member Rogers expressed willingness to be a part of a sounding board but doesn't want the JPA to become a bigger target. Executive Director Averett noted that Member Schwarz and Rogers were aware of efforts to engage professional organizations before which were unsuccessful. Member Rogers noted that it may be helpful to return to the organizations to better explain the need for clarity. Member Schwarz noted there might be allies within the community college sector, and also noted that fire unions might be helpful in navigating PERS challenges. General Counsel Woodruff noted there might be an opportunity to strategically bring in union support.

2:17 p.m. Recess to Closed Session

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
(Pursuant to Government Code Section 54956.9(d)(1))

Names of Cases: In the Matter of the Appeal of Membership Determination and post Retirement Employment of Linda D. Abid-Cummings, OAH Case No. 2020090772

In the Matter of the Appeal of Membership Determination and post Retirement Employment of Douglas A. Breeze, OAH Case No. 2020100848

In the Matter of the Appeal of Membership Determination and post Retirement Employment of David W. Dowswell, OAH Case No. 2020090934

In the Matter of the Appeal of Membership Determination and post Retirement Employment of Sheila McCrory, OAH Case No. 2020090956

In the Matter of the Appeal of Membership Determination and post Retirement Employment of Tarlochan Sandhu, OAH Case No. 2020100708

In the Matter of the Appeal of Membership Determination and post Retirement Employment of Margaret M. Souza, OAH Case No. 2020090931

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
(Pursuant to Government Code Section 54956.9(d)(4))

Initiation of litigation: (1) One potential case

2:37 p.m. Reconvene Meeting

Report Out of Closed Session – No reportable action was taken.

7. EXECUTIVE DIRECTOR, COMMITTEE AND MEMBER REPORTS

A. Executive Director: Executive Director Averett noted that the PACE program had a successful 2020 and is stabilize; STARS reached \$13 Million in assets with two new agencies having joined in January bringing the total of agencies participating to four. RGS has served 316 agencies.

B. Members: Member Rogers noted his agency will be receiving a fraction in federal pandemic relief aid than his agency suffered in loss and that their area is starting to have hope that the tourism and hospitality industry will get back open. Member Habkirk noted that the money their district will be receiving will be a help but will not make up the losses to their agency and they are trying to convey that to their council and constituents. Member Buckshi added that many in their agency had to transition to remote work and they are in the process of determining which services might continue to be offered remotely and which might move in a hybrid direction. Member Smith noted their agency will receive more federal relief funding than expected, so they are looking for ways to push those funds to the community and a grant program administration service would be a helpful resource. Member Rogers concurred that grant management would be a good idea because it is not an easy process and it might be an opportunity for RGS to develop some business.

8. ADJOURN – The meeting adjourned at 2:50 p.m. The next regular meeting is scheduled for May 20, 2021 via teleconference.