

**REGIONAL GOVERNMENT SERVICES AUTHORITY  
EXECUTIVE COMMITTEE MINUTES  
September 15, 2022**

The Regional Government Services Authority held a regular meeting of the Executive Committee on September 15, 2022 via videoconference. The meeting was called to order at 1:04 pm.

**1. CALL TO ORDER / ROLL CALL**

Members Present: Liz Habkirk, Chair  
Steve Rogers, Member  
Brent Slama, Member  
Linda Smith, Member  
Hilary Straus, Member  
Members Absent: Dan Buckshi, Vice Chair  
Dan Schwarz, Member  
Other Attendees: Richard Averett, Executive Director  
Sophia Selivanoff, Deputy Executive Director for Client Services  
Rich Oppenheim, Administrative Services Manager  
Sky Woodruff, Authority General Counsel  
Scott Kivel, Special Counsel  
Lindsay Rice, RGS Advisor

**1:05pm 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 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

**1:25pm Reconvene Meeting**

**Report Out of Closed Session** – No reportable action was taken on these six items.

**2. PUBLIC COMMENT** – None

**Staff requested items 3B be pulled from the Consent Agenda for discussion.**

**3. APPROVAL OF CONSENT AGENDA**

A. Approval of **May 13, 2022** Minutes

- C. Approval of Payments and Deposits made January through March 2022
- D. Approval of Investments Report through March 2022
- E. Receive and File Management Services Agreements Update
- F. Receive and File Municipal Dental Pool Update
- G. Conflict of Interest Policy

**Action:** Moved and seconded (Rogers/Smith) to approve Consent Calendar items A, C-G.  
**AYES:** Habkirk, Rogers, Slama, Smith, Straus  
**NOES:** None  
**ABSTAIN:** None

- B. Approval of Regularly Scheduled Meetings Calendar

Executive Director Averett recommended shortening the November meeting to an hour via teleconference because of several significant projects requiring staff attention. It is proposed that the February meeting also be via teleconference, which would include any business not covered at the shortened November meeting. The May meeting is planned to be a day-and-a-half meeting which would include the Board Meeting which was originally scheduled to be held in February and a Board workshop. There was interest to continue to strike a balance between in-person and telephonic meetings.

**Action:** Moved and seconded (Straus/Rogers) to approve Regularly Scheduled Meetings Calendar.  
**AYES:** Habkirk, Rogers, Slama, Smith, Straus  
**NOES:** None  
**ABSTAIN:** None

#### 4. TREASURER'S REPORT

- A. Review of Preliminary FYTD Financial Reports for FY22 and July 2022

This is an informational item only. No action was taken. Executive Director Averett noted that the agency ended FY22 with a record net gain. One month into the new fiscal year, the agency is showing a net gain above the budgeted amount. Staff is encouraged the 2022 fiscal year will conclude with a large positive balance, enabling the Authority to more quickly build reserves than anticipated.

#### 5. OLD BUSINESS

- A. Approval of Updates to the Strategic Plan

Administrative Services Manager Rich Oppenheim reviewed the significant updates. Under Goal 2, staff has developed a Succession Planning Report with the main goal being to ensure leadership changes don't interrupt business operation. Executive Director Averett also noted that the agency is experiencing tremendous growth which also contributes to the difficulty of preparing staff to be able to assume leadership roles should they become vacant. Other items under Goal 2 will be covered later in the agenda.

Under Goal 3, the implementation of the Deltek timekeeping, billing and accounting software is underway and will address a lot of administrative and service line lead needs. The software will cost a total of \$124,000 for this implementation fiscal year, with projected recurring cost of under \$60,000/year. The financial reserve target portion of Goal 3 will be addressed later in the agenda.

Under Goal 4, two new service lines have been launched: City Clerk service line and Communications and Engagement service line. It was mentioned that the Communications and Engagement service line could help agencies with Prop 218 services. The Analyst Boot Camp requested by several Committee Members back in 2021 will be launched in October.

The first item in Goal 5 will be covered later in the agenda. Staff is also looking into understanding how the insurance Environmental, Social and Governance scores will be impacting local governmental agencies. RGS is trying to get educated to assist local government agencies to be able to positively impact and communicate their ESG scores. RGS recently began

supporting ILG, thanks to Member Straus' introduction to the group. Staff is exploring potential collaborations with ILG.

The Executive Committee was happy to see the feedback, follow-through and response to the requests made by the Committee for the agency to work on. In response to a Member's question, Oppenheim stated that Member funds could be used for the Analyst Boot Camp and other training RGS programs.

**Action:** Moved and seconded (Smith/Rogers) to approve updates to Strategic Plan  
**AYES:** Habkirk, Rogers, Slama, Smith, Straus  
**NOES:** None  
**ABSTAIN:** None

## 6. NEW BUSINESS

### A. Approval of Revisions to the Pay for Performance Program

Executive Director Averett noted this issue was raised by the Ad Hoc Committee, then the Executive Committee, requesting a bonus exceeding the 5% maximum and a sustainable funding plan. Item 6A addresses the policy, and item 6C addresses the funding. The proposed policy change is to cap the bonus at a maximum of \$10,000, increase the eligibility of the bonus to all employees, and to eliminate the Wellness Bonus Program which had never been implemented. There was a question about whether or not the bonus would be one time annually and the Executive Director clarified that the policy was written intentionally to be flexible to allow for a bonus more than once in a year period if warranted. Deputy Executive Director noted that it was very important to be able to keep the discretionary nature of the policy and to manage expectations that bonuses would be regularly recurring. The Executive Committee was concerned that the policy as written could lead to multiple bonuses per year which could add up to a large dollar amount. The Executive Director acknowledged the concern and noted that HR would be recommending bonus awards, which would serve as a check on arbitrary awards by the Executive Director. Also, the funding source (outlined in item 6C) would serve as a check. It was suggested there could be a quarterly report of the bonuses to provide the fiscal accountability of the program. The Chair tabled the vote on this item until after review and discussion of 6B.

### B. Outline of Bonus Implementation Procedure

This is an informational item only. No action was taken. Deputy Executive Director Selivanoff noted that the wide range of activity in the RGS employee array was taken into account in the creation of this procedure and internal HR is very much designed to be in the center of the procedure with the Executive Director having final discretion. The goal is to award individuals who consistently and logically contribute to the goals and practice the values of RGS. The level of awards will be balanced with the financial ability of the agency to fund the bonuses.

After review of 6A and 6B, some on the Executive Committee still felt there could be an issue with the potential for misuse of the bonus program and some felt that this was more of an operational issue that did not warrant Executive Committee oversight. It was clarified that some members were looking for a higher-level fiduciary oversight than detailed information. Some expressed the desire to have set caps on the bonus levels over a set time period. The Executive Director commented that he would be very comfortable producing a report from the HR department detailing the number of bonuses awarded and total amount awarded per quarter, without specific employee information in order to address the concerns of the Committee. After the Committee sees how the program is being run for a year or two, a report may no longer be necessary or produced at less frequent intervals.

**Action:** Moved and seconded (Rogers/Smith) to approve revisions to the Pay for Performance Program as presented with the direction to the Executive Director to provide a quarterly report on the execution of the bonus program.  
**AYES:** Habkirk, Rogers, Slama, Smith, Straus

**NOES:** None

**ABSTAIN:** None

**2:48 pm Member Rogers left the meeting**

**C. Approval of Update to Financial Reserves Policy**

Executive Director Averett detailed that the current reserves are unappropriated funds, designated for operations and reserves. Operation reserves are currently set to 10% of revenue and not proposed to be changed. Claims reserves are proposed to be targeted at two to four times the average amount budgeted the last four years ( $\$295,000 \times 2 = \$590,000$  for this year). The new reserve item to be added is for the bonus program, which is proposed to start at \$300,000 plus 1/3 of the agency's net gain each year to continue to fund the bonus reserves. It is expected that approximately \$600,000 would be available for the current fiscal year.

**Action:** Moved and seconded (Slama/Straus) to approve update to the Financial Reserves Policy.

**AYES:** Habkirk, Slama, Smith, Straus

**NOES:** None

**ABSTAIN:** None

**D. Approval of Update to Executive Committee & Board Regular Duties and Value of RGS Membership Statement**

Chair Habkirk suggested to delay this item to garner a broader discussion to include the full membership of the Executive Committee. Executive Director Averett agreed that a better discussion would be better and that a November meeting or a special meeting might be a better time for the discussion. The chair noted the item would be continued until the next meeting.

**7. EXECUTIVE DIRECTOR, COMMITTEE AND MEMBER REPORTS**

A. Executive Director: Executive Director highlighted that the agency has served 339 different agencies over the years, some with multiple contracts. RGS has 175 employees and almost 100 full time equivalents billed on 104 contracts. Member Straus helped staff reach out to CJPIA to try to get some resolution on the proposed amount owed by RGS. A letter was sent and there has been no response as of yet. Any settlement will come back to the Executive Committee for approval.

B. Members: No additional reports.

**8. ADJOURN** – The meeting adjourned at 3:02 p.m. The next regular meeting is scheduled for November 17, 2022, via teleconference.