

**REGIONAL GOVERNMENT SERVICES AUTHORITY
EXECUTIVE COMMITTEE MINUTES
May 18, 2023**

The Regional Government Services Authority held a regular meeting of the Executive Committee on May 18, 2023 at the Monterey Plaza Hotel & Spa. The meeting was called to order at 3:29 p.m.

1. CALL TO ORDER / ROLL CALL

Members Present: Liz Habkirk, Chair
Dan Buckshi, Vice Chair
Julie Baldia, Member
Megan Hunter, Member
Dan Schwarz, Member
Linda Smith, Member
Hilary Straus, Member

Members Absent: None

Other Attendees: Sophia Selivanoff, Acting Executive Director
Rich Oppenheim, Administrative Services Manager
Gina Schuchard, Interim Deputy CFO (via teleconference)
Lindsay Rice, Accounting Manager (via teleconference)
Deona Knight, HR Manager
Chris Paxton, Senior Human Resources Advisor
Josh Metz, Lead Advisor, Economic Development
Ashley Metzger, Senior Advisor, Communications and Engagement
Carrie Rogers, Senior Advisor, Economic Development
Glenn Lazof, Lead Advisor, Finance
Kay Randolph-Pollard, Lead Advisor, Recruitment
Richard Blut, Lead Advisor, NeoGov
Richard Averett, Past Executive Director
Tiffany Buraglio, Executive Assistant
Sky Woodruff, Authority Counsel

Chair requested item 6A be pulled to the beginning of the meeting for discussion.

6. NEW BUSINESS

- A. Adoption of Resolution **RGSEC2023-02** to appoint new Executive Director and approve Executive Director Employment Contract

Chair Habkirk spoke on behalf of the Ad Hoc Committee and stated a lot of work went into the development of the contract, as the past Executive Director Employment Agreement was out of date. It was also noted that the staff report indicated a salary increase of 10%, however the correct increase of 5% was correctly represented in the Employment Agreement. Members thanked the Ad Hoc Committee for their hard work and leadership on this issue, as well as thanked Rich Oppenheim for his involvement. Member Straus stated he has a lot of confidence in the agency leadership team and staff.

Action: Moved and seconded (Smith/Buckshi) to adopt Resolution **RGSEC2023-02** to appoint Sophia Selivanoff as the new Executive Director/CFO and approve the Executive Director Employment Agreement in connection with the appointment

AYES: Habkirk, Buckshi, Baldia, Hunter, Schwarz, Smith, Straus

NOES: None

ABSTAIN: None

3:33 p.m. Recess to Closed Session

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: Executive Director

CONFERENCE WITH LABOR NEGOTIATORS

Agency designated representatives: Ad Hoc Committee: Executive Committee Chair Habkirk and Immediate Past Executive Committee Chair Smith
Unrepresented employee: Executive Director

4:00pm Reconvene Meeting

Report Out of Closed Session

The Executive Committee Chair reported that the next Executive Director performance and compensation Ad Hoc Committee would be comprised of the immediate past Executive Committee Chair and the newly elected Executive Committee Chair for the upcoming fiscal year. This item was originally agendized as item 6B.

4:01 p.m. Josh Metz joined the meeting

1. CALL TO ORDER / ROLL CALL

A. Election of Officers

Action: Moved and seconded (Habkirk/Straus) to nominate Dan Buckshi as Executive Committee Chair

AYES: Habkirk, Buckshi, Baldia, Hunter, Schwarz, Smith, Straus

NOES: None

ABSTAIN: None

Action: Moved and seconded (Habkirk/Smith) to nominate Hilary Straus as Executive Committee Vice Chair

AYES: Habkirk, Buckshi, Baldia, Hunter, Schwarz, Smith, Straus

NOES: None

ABSTAIN: None

2. PUBLIC COMMENT – None

3. APPROVAL OF CONSENT AGENDA

A. Approval of **February 16, 17, March 23, and April 11, 2023** Minutes

B. Approval of Regularly Scheduled Meetings Calendar

C. Approval of Payments and Deposits made January through March 2023

D. Approval of Investments Report through March 2023

E. Receive and File Management Services Agreements Update

F. Receive and File Municipal Dental Pool Update

G. Receive and File Agency Bonus Awards

Action: Moved and seconded (Habkirk/Straus) to approve Consent Calendar items.

AYES: Habkirk, Buckshi, Baldia, Hunter, Schwarz, Smith, Straus

NOES: None

ABSTAIN: None

4. TREASURER’S REPORT

A. Review of Preliminary FYTD Financial Reports & Business Development through March 2023
This is an informational item only. No action was taken.

Accounting Manager Rice reviewed the JPA’s financial performance stating that net income over the previous nine months was \$125,000 on \$17M in revenue. Both numbers are under budget with the most significant reasonings being CalSAWS employee count being less than expected, higher

administrative employee hours, and expanding service line costs ahead of revenue. It was noted by member Smith how well the Economic Development service line has grown.

5. OLD BUSINESS

A. Approval of Updates to the Strategic Plan

Administrative Services Manager Oppenheim noted a few highlights of the Strategic Plan including the increase in activity for the Economic Development service line and the first bonuses have been awarded. Under the growth goal, the Organizational Development service line has split off from the Training service line and the Leave and Disability Management team reached a 500-case milestone. For Industry Leadership, the agency has renewed their partnership with the Institute of Local Government (ILG). Vice Chair Straus agreed that the partnership with ILG was a great opportunity. Chair Buckshi requested this agenda item to move away from approval and instead become a receive and file item on the Consent Calendar moving forward.

Action: Moved and seconded (Habkirk/Smith) to approve updates to the Strategic Plan.

AYES: Habkirk, Buckshi, Baldia, Hunter, Schwarz, Smith, Straus

NOES: None

ABSTAIN: None

6. NEW BUSINESS

B. Approval of Executive Director Ad Hoc Committee Appointments

This item was included in the report out of closed session at the outset of the meeting. It was reported that the Executive Director performance and compensation Ad Hoc Committee would be comprised of the immediate past Executive Committee Chair and the newly elected Executive Committee Chair for the upcoming fiscal year.

C. Approval of Resolution of CJPIA Liability

Interim Deputy CFO Schuchard noted the proposed agreement with CJPIA would reduce the current long-term liability. The agreement negotiated the liability to just under \$1.5M which would result in a \$430,000 benefit to the JPA balance sheet. The liability would be paid back over time. Executive Director Selivanoff added that the JPA had a letter from Municipal Shared Services Corporation committing to pay back RGS when PERS returns the \$67,000 in plan assets due to the termination of the LGS Retirement Plan.

Members inquired if the agreement with CJPIA released RGS from all future claims and Authority Counsel Woodruff noted that the payments represented payment in full for the obligations owed to CJPIA. Executive Director noted that RGS has cash in hand to cover the September payment.

Action: Moved and seconded (Straus/Schwarz) to approve commitment from MSS to assume the retrospective calculation of LGS in exchange for the payment of LGS' share of the total amount owed CJPIA under the proposed agreement and to approve the agreement with CJPIA to resolve the total amount owed by LGS and RGS and establish a payment plan to retire the debt by 2026.

AYES: Habkirk, Buckshi, Baldia, Hunter, Schwarz, Smith, Straus

NOES: None

ABSTAIN: None

4:21 p.m. Past Executive Director Averett joined the meeting

D. Approval of Cash Flow Protection Strategies

Interim Deputy CFO Schuchard summarized the options to preserve cash flow in light of impending payments to CJPIA to resolve a longstanding liability as well as protect against possible delayed State budget adoption; the source of revenue from the JPA's largest client. The options described were 1) bank line of credit, 2) bank loan, and 3) member agency borrowing. Deputy CFO

Schuchard noted that the September payment due to CJPIA could be paid by a combination of options.

Members commented that the easiest option would be to pursue a commercial loan, but that it was also the costliest option. Members also expressed appreciation for the creativity of exploring member agency borrowing but wondered if there would be a conflict of interest. Agency Counsel Woodruff noted that issue would need to be investigated if that was the direction of the Committee, but that JPA agreements did provide for financial assistance amongst members.

Members asked if RGS had ever borrowed before and Executive Director Selivanoff answered that this hasn't been an issue in the past; only one time was there a concern with cash flow due to a delay in State funding for the JPA's largest client. Members also expressed that borrowing from member agencies at 2% above LAIF might be too low.

Members expressed the desire to have an update on the possibility of member agency borrowing at the September meeting. Executive Director Selivanoff agreed there would be a report at the September meeting, if not sooner.

Action: Moved and seconded (Buckshi/Straus) to authorize the JPA to pursue bank and commercial options and to further explore member agency borrowing and to report back at the September meeting
AYES: Habkirk, Buckshi, Baldia, Hunter, Schwarz, Smith, Straus
NOES: None
ABSTAIN: None

- E. Adoption of Resolution **RGSEC2023-03** in Appreciation of Service for Richard Averett
Chair Buckshi read aloud Resolution RGSEC2023-03. The Committee Members all expressed their appreciation for past Executive Director Averett, to his efforts to protect the agency and the development of the agency which fills a needed space in the public sector. It was noted that the growth of the agency is a testament to the dedication of Averett and all appreciated his knowledge, skills and leadership over the years. Past Executive Director Averett stated it was very rewarding to be a part of this agency and he was most proud of the ethics of both the agency and the people involved in the agency.

Action: Moved and seconded (Habkirk/Schwarz) to adopt Resolution **RGSEC2023-03** in Appreciation of Service for Richard Averett
AYES: Habkirk, Buckshi, Baldia, Hunter, Schwarz, Smith, Straus
NOES: None
ABSTAIN: None

7. EXECUTIVE DIRECTOR, COMMITTEE AND MEMBER REPORTS

- A. Executive Director: RGS staff present at the meeting briefly introduced themselves and their service line and the type of work they performed.

B. Members: none

8. **ADJOURN** – The meeting adjourned at 5:04 p.m. The next regular meeting is scheduled for September 21, 2023, via teleconference.