

**REGIONAL GOVERNMENT SERVICES AUTHORITY
EXECUTIVE COMMITTEE MINUTES
MAY 26, 2017**

The Regional Government Services Authority held a telephonic regular meeting of the Executive Committee on May 26, 2017. The meeting was called to order at 9:29 a.m.

1. CALL TO ORDER / ROLL CALL

Members Present: Dan Schwarz, Chair
Fran Robustelli, Vice-Chair
Michael Garvey, Member
Steve Rogers, Member
Julie Carter, Alternate Member

Other Attendees: Richard Averett, Executive Director
Jennifer Bower, Director of Administrative Services
Sophia Selivanoff, Director of HR Services
Tiffany Buraglio, Executive Assistant
Sky Woodruff, General Counsel
Scott Kivel, Special Counsel

2. PUBLIC COMMENT – None

3. APPROVAL OF CONSENT AGENDA

- A. Approval of **March 30, 2017** Minutes
 - B. Approval of RGS Position Listings
 - C. Approval of Regularly Scheduled Meetings Calendar
 - D. Approval of Payments and Deposits made March 2016 through April 2017
 - E. Approval of Investments Report through April 2017
 - F. Approval of Management Services Agreements
- Action:** Moved and seconded (Rogers/Garvey) to approve consent agenda. (Member Rogers noted that he was not present at the last meeting)
- AYES:** Schwarz, Robustelli, Garvey, Rogers, Carter
- NOES:** None
- ABSTAIN:** None

9:33 a.m. General Counsel Sky Woodruff joined the meeting.

4. TREASURER’S REPORT

- A. Review of Preliminary Fiscal-Year-To-Date Financial Reports through April 2017
Information item; no action was taken. Executive Director Averett reviewed the preliminary fiscal-year-to-date financial reports, noting the JPA showed a loss of \$221,000, due mostly to ongoing CalPERS issues. The JPA began to reduce administrative costs last Fall. Those efforts have yielded projected savings of several hundred thousand dollars, beginning this January. The remainder of the fiscal year should continue to trend slightly positive and bring down the total year loss.
 - B. Approval of FY18 Budget
Executive Director Averett reviewed the FY18 Budget, noting an anticipated net equity loss of \$163,000. The success with Measure L in Stanislaus County has yielded several new contract awards in the Outreach & Communications area that should have a positive impact on the projected loss. The expected reserve at end of this year should still be ahead of target reserve of \$500,000 but the JPA will probably not be able to make additional contributions next year to MSA reserves as it has in the past.
- Action:** Moved and seconded (Rogers/Robustelli) to approve FY18 Budget.
- AYES:** Schwarz, Robustelli, Garvey, Rogers, Carter

NOES: None
ABSTAIN: None

5. OLD BUSINESS

A. Review of Strategic Plan Update.

Information item; no action was taken. Executive Director Averett noted that the Strategic Plan Goals originated from the November study session. The quarterly reports will show major activity towards achieving 5-year goals. Executive Director Averett noted that a priority of the Board is to expand Board membership into the Central Valley, Southern California and the Central Coast regions. Staff have identified several potential candidates and the Executive Director and Chair Schwarz met with one candidate; staff is continuing to reach out to an identified list of potential board members. All prospects are either current clients or past clients, with connections to the JPA. Executive Director Averett will ask members to assist in meeting with potential new members. Member Rogers noted that Ex Officio Members won't work, so the JPA should look at having Advisory Members, and supports having Board Members involved in the recruitment of new members.

Executive Director Averett requested to address items 6A, B, C and D before moving into closed session.

6. NEW BUSINESS

A. Approval of Admin & Financial Policies Updates

Executive Director Averett noted there were two changes to the policies: adding individuals to disclosure categories on the Conflict of Interest policy and adding a Legislative Platform policy. Executive Director Averett specifically wanted members to note highlighted portions of the policy which dealt with the process of initiating and responding to legislative proposals. Member Rogers agreed that local agencies need to become more involved in legislative matters.

Action: Moved and seconded (Rogers/Carter) to approve Admin & Financial Policies Updates.

AYES: Schwarz, Robustelli, Garvey, Rogers, Carter

NOES: None

ABSTAIN: None

9:47 a.m. Special Counsel Scott Kivel joined the meeting.

B. Opposition to AB 1250

Executive Director Averett noted that although AB 1250 doesn't immediately and directly affect RGS, it is anticipated to soon extend beyond cities and counties. Immediately, AB 1250 would adversely affect RGS' member agencies and contracting agencies, and with those agencies less able to meet their needs, RGS will be significantly and adversely impacted.

Action: Moved and seconded (Rogers/Robustelli) to support opposition to AB 1250.

AYES: Schwarz, Robustelli, Garvey, Rogers, Carter

NOES: None

ABSTAIN: None

C. Support of RGS Legislative Proposal

Executive Director Averett noted the idea for this proposed legislation came from JPA legal counsel and was discussed at the last Executive Committee meeting. The proposed legislation would add on to Government Code 6500 et seq and directly establish RGS and LGS as employers of employees which might be assigned to other agencies. Counsel is preparing additional verbiage for an introductory summary for the JPA lobbyist to present to the State Assembly and Senate committees before the end of the current session on September 15. Counsel Woodruff noted that this legislation was recommended when it became apparent there was not a lot of support for general JPA legislation. Executive Director noted that the main point of the legislation is that employees and employers need to have certainty about their benefits. The JPA lobbyist will take the legislation next week to Legislative committee staff. Chair Schwarz asked

if any other JPAs have been identified which could be included and Executive Director Averett noted that because of the short time frame coupled with the unique business model of the JPA, there were no other JPAs identified. If this effort fails, RGS will recruit from the JPA listserv for support of a broader measure. Member Rogers asked if a specific assembly member had been identified yet and Executive Director Averett noted that a specific assembly member had not been identified, since it is too late to introduce new legislation. The JPA lobbyist recommends working through the Committee staff process first, then trying to attach it to other legislation.

Action: Moved and seconded (Garvey/Carter) to support RGS legislative proposal.

AYES: Schwarz, Robustelli, Garvey, Rogers, Carter

NOES: None

ABSTAIN: None

D. Support of CalPERS Reform Proposal

Executive Director Averett noted there was little support from other public agencies to actively oppose PERS' business practices, but there is support for reform by agencies who are concerned by the looming PERS financial crisis. Their support is for addressing financial problems with PERS. This proposal was formulated to address financial reform and the administrative difficulties, such as not having a resolution process prior to litigation. Executive Director Averett asked for support of staff's continued efforts to find a home for this proposal, as Executive Director Averett agreed that RGS is not the appropriate leader to bring reform forward. Special Counsel Scott Kivel added a note about the benefits section: Courts have been clear that contracted benefits are protected, so Section 2 of the document should be modified. Vice-Chair Robustelli noted that she is not sure RGS is the correct organization to take the lead on a reform this large. It will be a multi-year legislative effort and many other organizations have more influence based on volume and more resources to allocate to the effort. Vice Chair Robustelli would rather see RGS become a supporter, not try to take the lead. Member Rogers agreed that RGS should be a supporter of broader initiative. Executive Director Averett will find an appropriate way to get the proposal concepts considered without association with RGS or himself. Member Rogers noted that the movement to reform CalPERS is moving, but not moving at a fast pace. Vice Chair Robustelli noted that none of the points in the memo are new to the discussion already taking place among public agencies but that pension reform will move slowly. Member Garvey agreed that RGS is not in a position to be in a leadership role on this issue. Chair Schwarz noted there was not support from the Executive Committee to direct staff to continue moving forward and no action was taken.

10:19 a.m. Executive Assistant Buraglio left the meeting.

5. OLD BUSINESS

Recess to Closed Session 10:19 a.m.

1. CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION

Initiation of litigation pursuant to Government Code Section 54956.9(d)(4): Two potential cases.

Reconvene Regular Meeting 10:45 a.m.

10:45 a.m. Executive Assistant Buraglio rejoined the meeting.

B. Report from Closed Session

The Chair noted that no reportable action was taken.

7. EXECUTIVE DIRECTOR AND COMMITTEE MEMBERS

A. Executive Director: Executive Director Averett noted that the Executive Director Review group was scheduled to meet several years ago at a cancelled retreat. Since that time the Executive Director has been focusing on other priorities, but goals for review would be forthcoming in the

next few months. The Executive Director asked if there were questions regarding the recently approved changes to Board Agency Training Compensation. There were no questions, and it was noted that the status of each agency's training compensation was recently distributed.

B. Members: None

8. **ADJOURN** – The meeting adjourned at 10:47 a.m. The next regular meeting is scheduled for August 17, 2017 at 1:00 p.m. in Walnut Creek.