



RGS BOARD AGENDA

Agenda materials may be viewed on the Agency's web site or by contacting the Executive Director prior to the meeting.

Members of the Board of Directors will be meeting for dinner on Thursday, May 18 at which no business will be discussed. Members of the Board of Directors will be having a working breakfast during a Workshop on Friday, May 19. The Workshop may continue through lunch. Members of the public are invited to participate in any of the meals at their own expense. Contact Tiffany Buraglio at tburaglio@rgs.ca.gov or 831.308.2717 by 8:00 a.m. Wednesday, May 17 if you would like to be included in any meal.

REGULAR MEETING

May 18, 2023

3:00 p.m.

Monterey Plaza Hotel
Carmel Room
400 Cannery Row
Monterey, CA 93940

1. CALL TO ORDER / ROLL CALL

A. Election of Officers

Action

2. PUBLIC COMMENT

Each speaker is limited to two minutes. If you are addressing the Board on a non-agenda item, the Board may briefly respond to statements made or questions posed as allowed by the Brown Act (Government Code Section 54954.2). However, the Board's general policy is to refer items to staff for attention, or have a matter placed on a future Board agenda for a more comprehensive action or report.

3. APPROVAL OF CONSENT AGENDA

Consent agenda items are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Board, staff or public request specific items to be removed for separate action.

A. Approval of **February 16, 2023** Minutes

Action

4. TREASURER'S REPORT - None

5. OLD BUSINESS - None

6. NEW BUSINESS

A. Appointment of Executive Committee Members

Action

B. Approval of FY24 Proposed Budget

Action

C. Adoption of Resolution **RGSBOD2023-03** to Delegate Appointment of Finance Director

Action

D. Approval of Pay Schedule

Action

7. EXECUTIVE DIRECTOR AND MEMBER REPORTS

A. Executive Director:

Information

B. Members:

Information

8. ADJOURN

Next Regular Meeting February 15, 2024

Americans with Disabilities Act

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Sophia Selivanoff at (650) 587-7300. Notification in advance of the meeting will allow for reasonable arrangements to ensure accessibility.

**REGIONAL GOVERNMENT SERVICES AUTHORITY
BOARD OF DIRECTORS MINUTES
FEBRUARY 16, 2023**

The Regional Government Services Authority held a regular meeting of the Board of Directors on February 16, 2023 via teleconference. The meeting was called to order at 1:03 p.m.

1. CALL TO ORDER / ROLL CALL

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

Members Absent: None

Other Attendees: Richard Averett, Executive Director
Sophia Selivanoff, Deputy Executive Director for Client Services
Rich Oppenheim, Administrative Services Manager
Gina Schuchard, Interim Deputy CFO
Lindsay Rice, Accounting Manager
Chris Paxton, Interim Human Resources Manager
Ashley Metzger, Senior Advisor, Communications and Engagement
Cherie Johnson, Senior Human Resources Advisor
Tiffany Buraglio, Executive Assistant

2. PUBLIC COMMENT – None

1:17 p.m. Member Rogers joined the meeting.

3. APPROVAL OF CONSENT AGENDA

A. Approval of **February 17, 2022** Minutes

B. Adopt Resolution **RGSBOD2023-01** Authorizing Remote Teleconference Meetings Under the Brown Act as Amended by Assembly Bill 361 (2021)

There was a group discussion around the upcoming expiration of AB361 and how JPA virtual meetings would function after that date. Staff is planning to revert to pre-AB361 Brown Act procedures, listing location of Members participating in the meeting.

Action: Moved and seconded (Smith/Habkirk) to approve consent agenda.

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

NOES: None

ABSTAIN: None

4. TREASURER’S REPORT - None

5. OLD BUSINESS - None

6. NEW BUSINESS

A. Appointment of Edward Tewes to serve on Executive Committee for the duration of his service on the Board of Directors

Executive Director Averett explained that Edward Tewes’ appointment might be short-lived as the City of Soledad was in the process of seeking a new City Manager, but that the City would be able to maintain its member benefits by maintaining representation in the interim.

Action: Moved and seconded (Rogers/Habkirk) to appoint Edward Tewes to serve on Executive Committee for the duration of his service on the Board of Directors

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

NOES: None
ABSTAIN: Tewes

- B. Appointment of Julie Baldia to serve on Executive Committee as Alternate Member. Member Rogers announced his date for stepping away as Yountville Town Manager to be March 31 and that the Town anticipated having a replacement in the May/June timeframe. Julia Baldia is currently the Deputy Director of Human Resources and IT for the Town, and has managed some RGS contracts in the past. Member Rogers stated he hopes to encourage the new Town Manager to stay connected and participating with RGS. Julie Baldia will continue the Town's participation with RGS until a replacement Town Manager is chosen.

Action: Moved and seconded (Habkirk/Buckshi) to appoint Julie Baldia to serve on Executive Committee as Alternate Member

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

NOES: None

ABSTAIN: None

- C. Approval of Resolution **RGSBOD2023-02** to Oppose Initiative 1935
Human Resources Advisor Metzger announced Initiative 1935 will be available on the November 2024 ballot. The measure would impact RGS' clients' ability to obtain services from RGS. If passed, RGS would share the adoption of the resolution with interested trade groups. Executive Director Averett also noted that he hoped that RGS' support for local agencies would be reciprocated in the future.

A question was asked if this Initiative would have a direct impact on RGS' business. Advisor Metzger indicated that the Initiative could have a direct negative impact on RGS' business because the Initiative would make it more difficult for public agencies to contract with RGS for services. Executive Director Averett also noted that RGS has not taken a position on legislation many times in the past, but this particular Initiative would cause an impact to RGS business and could open up RGS' fee setting to challenges.

It was asked if RGS had been reached out to directly for their support. Executive Director Averett stated that the JPA has not been reached out to because RGS is not a member of the various trade agencies.

Action: Moved and seconded (Buckshi/Rogers) to approve Resolution **RGSBOD2023-02** to oppose Initiative 1935.

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

NOES: None

ABSTAIN: None

7. EXECUTIVE DIRECTOR AND MEMBER REPORTS

- A. Executive Director: Executive Director Averett recognized the service of Member Rogers for the past 12 years and stated that Staff greatly appreciated his service.
B. Members: All members expressed their thanks for Member Rogers.

8. ADJOURNMENT - The meeting adjourned at 1:48 p.m. The next regular meeting date is scheduled for May 19, 2023.

TO: BOARD OF DIRECTORS **BOD Meeting: 05-18-23**
FROM: SOPHIA SELIVANOFF, Acting Executive Director **Item: 6A**
**SUBJECT: APPOINTMENT OF EXECUTIVE COMMITTEE MEMBERS INCLUDING
CONSIDERATION OF NEW BOARD MEMBER FROM CITY OF SOLEDAD**

RECOMMENDATION

Appoint members to the Regional Government Services Authority Executive Committee, effective immediately.

BACKGROUND

Article II, Section 4 of the Amended and Restated Joint Powers Agreement states that the “regular management” of the JPA shall be vested in an Executive Committee. The Board of Directors is charged with selecting members of the Executive Committee at their annual meeting. Members of the Committee may, but need not be, members of the Board of Directors who serve at the pleasure of the Board and may be removed, without cause, in the sole discretion of the Board.

On April 19, 2023, the City of Soledad selected Megan Hunter as the new City Manager, replacing Interim City Manager Edward Tewes. As outlined in the Amended and Restated Joint Powers Agreement, Megan is therefore a member of the RGS Board of Directors.

As outlined in the Amended and Restated Joint Powers Agreement, membership of the Executive Committee is limited to no more than seven individuals, with up to two alternate committee members who are also selected by the Board. The RGS Board of Directors has previously appointed the current seven Board members as members of the Executive Committee. The Board could reappoint all current Board members if all are interested in continuing to serve in that capacity.

FISCAL IMPACT

There is no additional fiscal impact of reappointing the Executive Committee Members, as all are or will be eligible for full Member Services funds in the next fiscal year, subject to appropriation.

TO: BOARD OF DIRECTORS
FROM: GINA SCHUCHARD, Interim Deputy CFO
SUBJECT: APPROVAL OF FY2024 BUDGET

BOD Meeting: 05-18-2023
Item: 6B

RECOMMENDATION

Approve: proposed RGS FY2024 Budget.

FY2023 PROJECTED FINANCIAL PERFORMANCE

Forecasted fiscal year-end revenue will be \$374,800 less than budgeted primarily due to staffing levels remaining at FY22 level for CalSAWS operations. Additionally, a general base increase was provided to staff in July 2022. The consulting side of RGS business grew 8% in FY23 over budgeted expectations. As a result of these trends, fiscal year-end net income is forecasted to be \$41,475. Overall, FY23 was a year of investment as new service lines and programs such as Community & Engagement, NeoGov Support, and Payroll Services were created or fully implemented. Additionally, technology investments were initiated with Deltek, an ERP project based system, which will result in efficiencies in invoicing and revenue collection and increased transparency as systems are consolidated.

FY2024 PROPOSED BUDGET

Total budgeted revenue is projected to decrease by 3% or \$682,000 from the projected FY23 revenue total. Underlying the decrease is a reduction of CalSAWS subcontracting operations as the program moves from implementation into the next planned project maintenance phase. Included in the FY24 overall projection is the continued growth of emerging service lines, CPI increases on existing services and continued growth in core services. The strong growth is also expected to generate replacement work for normally expiring contracts.

Payroll and employee benefits make up most expenses, along with litigation, legal, and technology. Conferences and outreach expenses are increasing as the resumption of travel continues. Medical insurance premiums are anticipated to increase 15% overall. The investment in technology will continue at prior year budgeted levels. Legal costs remain elevated due to the ongoing CalPERS actions. The client pass-through expenses reflect the CalSAWS consultant costs which are billed to the client at a markup.

With these additional items included the proposed budget for RGS has a projected conservative net gain of \$28,010.

IMPACT ON RESERVES

RESERVES	Current Target Balances	FY22 Audited Retained Earnings	FYE23 Projected Retained Earnings	FY24 Projected Retained Earnings
Operating	\$2,300,000	\$421,184	\$462,659	
Claims	\$590,000	\$590,000	\$590,000	
Bonus	\$590,400	\$590,400	\$590,400	
Totals	\$3,480,400	\$1,601,584	\$1,643,059	\$1,671,070

Regional Government Services
Profit & Loss Budget vs. Actual
FY 23 Projected Actuals and FY 24 Budget

	FY 22 Actual	FY 23 Budget	FY 23 Projected	FY 23 Variance	FY24 Budget
Ordinary Income/Expense					
Income					
440301 · Client Billings	16,315,593	18,216,000	17,749,000	-467,000	18,260,233
440400 · Admin Services					
440402 · MSS	4,800	5,000	7,200	2,200	5,000
440403 · Municipal Dental Pool	67,696	62,000	77,000	15,000	62,000
440404 · STARS	20,482	21,000	20,000	-1,000	20,000
Total 440400 · Admin Services	92,978	88,000	104,200	16,200	87,000
480000 · Miscellaneous Income					
480100 · Client Expense Reimbursement	5,304,016	4,889,000	4,963,000	74,000	3,787,114
480200 · Purchasing Card Rebate	3,499	3,000	5,000	2,000	5,000
480600 · Insurance Recovery	65,894	0	0	0	0
480900 · Other	0	0	0	0	0
Total 480000 · Miscellaneous Income	5,373,409	4,892,000	4,968,000	76,000	3,792,114
Total Income	21,781,980	23,196,000	22,821,200	-374,800	22,139,347
Gross Profit	21,781,980	23,196,000	22,821,200	-374,800	22,139,347
Expense					
511010 · Salaries - Regular	11,768,985	13,122,000	13,296,000	174,000	13,513,000
511072 · Salaries - Nonbillable	113,860	154,000	124,000	-30,000	128,000
512002 · Medicare Employer Expense	169,857	188,000	192,000	4,000	198,000
512004 · Employee Assistance Program	6,486	7,000	5,000	-2,000	5,000
512005 · Health Insurance Expense	1,524,696	1,701,000	1,682,000	-19,000	1,934,300
512006 · Dental Insurance Expense	134,227	152,000	138,000	-14,000	138,000
512007 · Vision Insurance Expense	19,441	22,000	19,000	-3,000	20,000
512008 · Life Insurance Expense	11,621	12,000	12,000	0	12,000
512009 · Long Term Disability Expense	16,811	19,000	17,000	-2,000	17,000
512011 · Stars 401A Expense	1,188,172	1,322,000	1,329,600	7,600	1,378,800
512014 · Short Term Disability Expense	15,183	17,000	16,000	-1,000	16,000
512015 · Unemployment Expense	39,372	55,000	49,000	-6,000	50,000
512018 · FSA Health & Day Care Expense	3,248	3,000	4,000	1,000	4,000
512019 · Employee Expense Allowances	138,826	153,000	163,000	10,000	168,000
512020 · HRA Retirement Benefit Expense	183,996	207,000	197,000	-10,000	203,000
520107 · APS (ADP) Payroll Fees	17,935	25,000	21,000	-4,000	25,000
520108 · Communications - Agency Expense	4,717	5,000	5,000	0	5,000
520201 · Office Supplies	934	1,000	20	-980	1,000
520202 · Bank Fees & Services	3,396	4,000	6,000	2,000	6,000
520204 · Printing & Postage	2,855	3,000	11,000	8,000	11,000
520301 · Audit Services	17,750	18,000	18,105	105	18,470
520302 · Legal Services	31,598	39,000	30,000	-9,000	30,000
520303 · Legal - litigation	190,332	250,000	166,000	-84,000	166,000
520314 · Administrative Services	11,979	11,000	10,000	-1,000	10,000
520320 · Professional Services	48,658	80,000	58,000	-22,000	35,000
520501 · Professional Dues & Membership	70,295	69,000	70,300	1,300	70,300
520502 · Training & Development	10,802	35,000	6,000	-29,000	48,000
520503 · Conferences & Outreach	9,027	40,000	55,000	15,000	55,000
520504 · Publications	42,062	39,000	45,000	6,000	45,000
520505 · Program Hosting Expenses	5,370	6,000	0	-6,000	6,000

	FY 22 Actual	FY 23 Budget	FY 23 Projected	FY 23 Variance	FY24 Budget
520508 · Licenses & Fees	311	2,000	0	-2,000	2,000
520509 · Meeting Expenses	0	25,000	0	-25,000	25,000
520700 · Workers Comp Insurance Expense	19,964	40,000	17,000	-23,000	17,000
520701 · General Liability Insurance Exp	54,373	60,000	60,000	0	60,000
520702 · Claims Expense	24,661	25,000	19,000	-6,000	19,000
520801 · Mileage Reimbursement	36,434	75,000	56,000	-19,000	56,000
520803 · Travel Reimbursement	86,117	82,000	219,000	137,000	219,000
520805 · Supplies & Meals Reimbursement	19,138	22,000	36,000	14,000	36,000
520904 · Technology, Licensing & Support	73,569	200,000	200,000	0	200,000
521001 · Pass through client expenses	4,760,496	4,400,000	4,466,700	66,700	3,186,467
522798 · Miscellaneous Expense		2,000	0	-2,000	2,000
560100 · Service Group Admin costs		0	0	0	0
570100 · Equipment Purchase	6,477	7,000	4,000	-3,000	7,000
Total Expense	20,884,031	22,699,000	22,822,725	123,725	22,146,337
Net Ordinary Income	897,949	497,000	-1,525	-498,525	-6,990
Other Income/Expense					
Other Income					
520100 · Investment Income	-16,195	4,000	39,000	35,000	35,000
520200 · Insurance Claim Reimbursements			4,000	4,000	0
Total Other Income	-16,195	4,000	43,000	39,000	35,000
Other Expense					
529991 · RGS Claims Reserve Contribution					
529997 · Unallocated Admin. Svcs - RGS	-2,465,236		-2,952,000	-2,952,000	0
529999 · Allocated Unbillable Expenses	2,465,236		2,952,000	2,952,000	0
Total Other Expense					
Net Other Income	-16,195	4,000	43,000	39,000	35,000
Net Income	881,754	501,000	41,475	-459,525	28,010

TO: BOARD OF DIRECTORS **BOD Meeting: 05-18-23**
FROM: HILARY STRAUS, CHAIR, BOARD OF DIRECTORS **Item: 6C**
**SUBJECT: ADOPT RESOLUTION TO DELEGATE APPOINTMENT OF A FINANCE
DIRECTOR**

RECOMMENDATION

Adopt Resolution RGSBOD2023-03:

“RESOLUTION OF THE REGIONAL GOVERNMENT SERVICES AUTHORITY BOARD OF DIRECTORS DELEGATING TO THE EXECUTIVE COMMITTEE THE BOARD’S AUTHORITY TO APPOINT A FINANCE DIRECTOR WHO SHALL ALSO SERVE AS AUDITOR, CONTROLLER, AND TREASURER.”

BACKGROUND

The foundational JPA agreement creating Regional Government Service Authority calls for the Board to appoint a Finance Director, who also serves as the Auditor, Controller and Treasurer of the JPA. This role was concurrently assumed by the initial Executive Director, and shortly after the JPA began operations in 2002, a working title of “Chief Financial Officer” was adopted to avoid confusion with title of contemporaneous Board members.

Executive Director/Chief Financial Officer Richard Averett (who was the initial Executive Director/CFO) provided notice to the Regional Government Services Authority’s Executive Committee of his intent to resign from the position of Executive Director effective at the end of the day on May 18, 2023. After the announcement, the Executive Committee conducted an internal recruitment for a new Executive Director/Chief Financial Officer. The Executive Committee determined Sophia Selivanoff possesses the necessary experience, qualifications, skills, and characteristics required for the position and is the best candidate to serve as Executive Director/Chief Financial Officer for Regional Government Services Authority. The Ad Hoc Committee of the Executive Committee negotiated with Sophia Selivanoff the terms of an employment agreement to serve as the Executive Director/Chief Financial Officer, which is before the Executive Committee for approval.

While the authority to appoint an Executive Director has previously been delegated to the Executive Committee, the authority to appoint a Finance Director (otherwise known by the working title of Chief Financial Officer), who shall also serve as Auditor, Controller, and Treasurer rests with the Board of Directors. Delegating this authority allows the Executive Committee to appoint the dual Executive Director/Chief Financial Officer roles in the same proceeding.

FISCAL IMPACT

There is no fiscal impact from delegating the Board’s authority to appoint a Finance Director to the Executive Committee.

RESOLUTION NO. RGSBOD2023-03

**RESOLUTION OF THE REGIONAL GOVERNMENT SERVICES AUTHORITY
BOARD OF DIRECTORS DELEGATING TO THE EXECUTIVE COMMITTEE THE
BOARD'S AUTHORITY TO APPOINT A FINANCE DIRECTOR WHO SHALL ALSO
SERVE AS AUDITOR, CONTROLLER, AND TREASURER**

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WHEREAS, pursuant to Government Code section 6505.6, Regional Government Services Authority ("RGS") may appoint one of its officers or employees to serve as treasurer and auditor; and

WHEREAS, Section 12 of the Amended and Restated Joint Powers Agreement Creating the Regional Government Services Authority ("Agreement") provides that the Board of Directors ("Board") has the power to appoint a Finance Director for RGS, who shall also serve as Auditor, Controller, and Treasurer; and

WHEREAS, Section 4 of the Agreement provides that the Executive Committee shall perform unenumerated duties imposed upon it by the Board; and

WHEREAS, the Board desires to delegate the authority to appoint a Finance Director to the Executive Committee.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF REGIONAL GOVERNMENT SERVICES AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Board delegates to the Executive Committee the Board's authority to appoint a Finance Director for RGS. The officer or employee appointed as Finance Director by the Executive Committee shall also serve as the RGS Auditor, Controller, and Treasurer.

Section 2. This Resolution shall be effective immediately upon adoption.

PASSED AND ADOPTED by the Board of Directors of Regional Government Services Authority, this 18th day of May 2023, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

ATTESTED:

Chair, RGS Board of Directors

Tiffany Buraglio
Authority Clerk



TO: BOARD OF DIRECTORS
FROM: DEONA KNIGHT, HR Manager
SUBJECT: APPROVE UPDATED PAY SCHEDULE

BOD Meeting: 05-18-2023
Item: 6D

RECOMMENDATION

Approve the pay schedule for Regional Government Services Authority.

BACKGROUND

The RGS salary schedule was last updated in February 2019. Now, RGS' pay schedule has been updated to clarify and simplify the compensation categories for the roles and types of work performed by RGS employees, whether assigned to internal activities or client services or both. This updated pay schedule will take effect July 1, 2023 and replace the current salary schedule.

RGS has experienced significant growth since 2019. Along with considering bill rates and cost recovery, part of RGS' business model must include effective ways to attract and retain talent that can be effectively applied in all roles used by our teams. Accordingly, RGS has systematically revised and consolidated pay categories to define and distinguish roles, create transparency of compensation for each role, and facilitate both internal equity and ease of compensation administration. This schedule is not intended to impact or adjust current individual pay rates; rather it organizes the existing compensation provided into a more coherent and understandable model. RGS titles align with the work roles performed by RGS employees; and while different from client agency titles, the roles and team structure may still be generally understood by most public-sector agencies.

RGS pay schedules have broad ranges to permit both attraction of expertise and room for base pay growth as warranted by employee tenure and performance. Appointments may be made at any place on the pay schedule. Increases or Cost of Living Adjustments (COLAs) are not automatic, but the new pay schedule is premised on a survey of public agency compensation which will be repeated at least biannually, and general economic factors will be assessed at that time for inclusion in the schedule. Employees with skills and willingness to assume multiple roles may be compensated differently based on the role assigned for a project or service engagement. These differences are clearly delineated in a personnel action form for the employee.

California Labor Code 432.3 requires that when posting jobs, an employer provide hourly wage ranges that it intends to pay for the position posted. As a public agency, RGS will use this schedule to comply with Labor Code requirements, as well as carrying out our commitment to pay transparency by posting the schedule on our website and/or otherwise making it publicly available.

FISCAL IMPACT

Compensation costs are recovered by service charges/bill rates paid for services delivered.

RGS 2023 PAY SCHEDULE

Title	Hourly Rate/Equivalent		
Agency Executive	\$97	to	\$120
Strategic Services Consultant	\$74	to	\$96
Senior Advisor	\$57	to	\$73
Advisor	\$43	to	\$56
Technical Specialist	\$33	to	\$42
Administrative Specialist	\$25	to	\$32

Effective July 1, 2023.

Approved by the RGS Board of Directors, May 18, 2023.