



## **ADMINISTRATIVE/ PERSONNEL COMMITTEE AGENDA**

**Monday, March 25, 2019**

**3:00 p.m.**

CVAG Offices

73-710 Fred Waring Drive, Suite 200

Palm Desert, CA 92260

**(760) 346-1127**

Teleconferencing will be available at:

City of Blythe City Hall

235 N. Broadway, Room A

Blythe, California

**(760) 922-6161**

**THIS MEETING IS HANDICAPPED ACCESSIBLE.  
ACTION MAY RESULT ON ANY ITEMS ON THIS AGENDA.**

1. **CALL TO ORDER** (Acting Chair Jeff Grubbe, Agua Caliente Band of Cahuilla Indians)
  
2. **ROLL CALL**
  - A. **Member Roster** **P3**
  
3. **PUBLIC COMMENTS**

This is the time and place for any person wishing to address the Personnel/Administrative Committee to do so.

4. **CONSENT CALENDAR**

- A. **Approval of the September 24, 2018 Administrative/Personnel Committee Minutes** **P4**

5. **DISCUSSION**

- 5A. **CalPERS Unfunded Accrued Liability** **P6**

**Recommendation:** Members decide on a recommendation to the Executive Committee.

- 5B. **FY 2019/2020 CVAG Budget**

- 5C. **Officer Succession for CVAG** **P7**

6. **ANNOUNCEMENTS**

**Executive Committee – Monday, April 29, 2019 4:30 p.m.** at 73-710 Fred Waring Drive, Suite 119, Palm Desert.

# ADMINISTRATIVE/PERSONNEL COMMITTEE ROSTER



Jurisdiction	Seat on Committee	Members
Vacant	CVAG Chair	
Agua Caliente Band of Cahuilla Indians	CVAG Vice Chair	<b>Jeff Grubbe</b> Tribal Chair (Acting Chair)
City of Desert Hot Springs	Chair Appointee	<b>Scott Matas</b> Mayor
City of Coachella	Chair Appointee	<b>Steven Hernandez</b> Mayor
City of Blythe	CVAG Past Chair	<b>Joseph DeConinck</b> Councilmember
City of La Quinta	CVCC Chair	<b>Linda Evans</b> Mayor

**ADMINISTRATIVE/ PERSONNEL COMMITTEE  
MINUTES OF MEETING  
September 24, 2018**



**1. CALL TO ORDER**

The September 24, 2018 Administrative/Personnel Committee meeting was called to order at 5:34 p.m. by Chair Michael Wilson, City of Indio, at CVAG Conference Room (MSW) in Palm Desert.

**2. ROLL CALL**

**MEMBERS PRESENT**

Mayor Michael Wilson, Chair  
Mayor Stan Henry  
Mayor Scott Matas  
Mayor Linda Evans

**AGENCY**

City of Indio  
City of Cathedral City  
City of Desert Hot Springs  
City of La Quinta

**STAFF PRESENT**

Tom Kirk  
Gary Leong  
Joanna Stueckle  
Michael Jenkins  
CVAG Legal Counsel

**3. PUBLIC COMMENTS**

None.

**4. CONSENT CALENDAR**

**IT WAS MOVED BY MAYOR HENRY AND SECONDED BY MAYOR WILSON TO APPROVE THE MARCH 26, 2018 ADMINISTRATIVE/PERSONNEL COMMITTEE.**

**THE MOTION CARRIED WITH 4 AYES, AND 2 MEMBERS ABSENT.**

MAYOR MICHAEL WILSON	AYE
MAYOR STAN HENRY	AYE
MAYOR SCOTT MATAS	AYE
MAYOR LINDA EVANS	AYE
JEFF GRUBB, AGUA CALIENTE	ABSENT
SUPERVISOR MARION ASHLEY	ABSENT

**5. CLOSED SESSION**

**CONFERENCE WITH LABOR NEGOTIATORS**

California Government Code Section 54957.6

CVAG designated negotiators: Administrative/Personnel Committee

Unrepresented employee: Executive Director

The Administrative/Personnel Committee met in closed session at 5:40 p.m. and reconvened at 6:30 p.m.

Members present unanimously voted to recommend the Executive Committee take action at its regularly scheduled December 3 meeting to renew the agreement with the Executive Director with one modification, for an additional five years, effective upon expiration of the existing contract (June 1, 2019). The contract terms regarding salary and benefits remain unchanged and the one modification is to delete the provision that Mr. Kirk receive any cost-of-living or other salary adjustment given across-the board to CVAG employees.

7. **ANNOUNCEMENTS**

**Executive Committee – Monday, December 3, 2018 6:00 p.m.** at 73-710 Fred Waring Drive, Suite 119, Palm Desert.

8. **ANNOUNCEMENTS**

There being no further business, Chair Wilson adjourned the meeting at 6:35 p.m.

Respectfully submitted,

*Joanna Stueckle*

Joanna Stueckle  
Executive Assistant

**ITEM 5A**

Coachella Valley Association of Governments  
Administrative/Personnel Committee  
March 25, 2019



**Staff Report**

**Subject:** CalPERS Unfunded Accrued Liability

**Contact:** Gary Leong, Deputy Executive Director ([gleong@cvag.org](mailto:gleong@cvag.org))

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**Recommendation: Members decide on a recommendation to the Executive Committee.**

**Background:** The Audit Committee as well as the Administrative/Personnel Committee requested CVAG staff to look into the possibility of CVAG reigning in the escalating cost of the CalPERS Unfunded Accrued Liability (UAL). The UAL for almost all agencies has been on the rise and continues to soar. CVAG's UAL per CalPERS Annual Valuation Report as of June 30, 2016 was \$2,169,167. The funded ratio per the report was 74.7%. CVAG has received the latest CalPERS Annual Valuation Report as of June 30, 2017 and the UAL has dipped slightly to \$2,153,763 (76.5% funded).

However, that number is now two years old. In recent conversations with CVAG's CalPERS actuarial, the projected CVAG's UAL as of June 30, 2019 to be \$2,977,265. The increase is due to investment experience, assumption changes and interest.

CVAG has discussed this item with the Audit Committee on March 4<sup>th</sup> and they have provided their recommendation.

CVAG will discuss and provide the Administrative/Personnel Committee some scenarios and will solicit a recommendation to bring forward to the Executive Committee.

**Fiscal Analysis:** The fiscal impact is unknown as this time as it will be determined by the decision made.

**ITEM 5C**

Coachella Valley Association of Governments  
Administrative/ Personnel Committee  
March 25, 2019



**Staff Report**

**Subject:** Officer Succession for CVAG

**Contact:** Erica Felci, Governmental Projects Manager ([efelci@cvag.org](mailto:efelci@cvag.org))  
Joanna Stueckle, Executive Assistant ([jstueckle@cvag.org](mailto:jstueckle@cvag.org))

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**Recommendation: Discussion**

**Background:** At its June 2018 meeting, the CVAG General Assembly unanimously elected the CVAG officers for the fiscal year 2018-2019: Then-Indio Mayor Michael Wilson was elected to serve as the CVAG Chairman, and Agua Caliente Band of Cahuilla Indians Chairman Jeff Grubbe was elected as CVAG Vice Chairman. Mayor Wilson lost his re-election bid to the Indio City Council in the November 2018 general election. As such, Chairman Grubbe is serving as CVAG's acting chairman until the General Assembly meets again in June 2019.

At the February 25, 2018 Executive Committee meeting, now-Indio Mayor Lupe Ramos Amith raised questions about the CVAG officers, expressing concern that the City of Indio had not benefited from a full term as chairmanship. Following the meeting, Indian Wells Mayor Ted Mertens sent CVAG an email that stated it was his interpretation that the CVAG officer positions were assigned to a City and would be handed to the successor if an elected official could not complete the term. Mayor Mertens asked that the next agenda include a discussion of CVAG officers, and what governing documents would need to change if a policy changed.

Under CVAG By-Laws, the CVAG chairman and vice chairman are approved by the General Assembly, which is a quorum of all the elected officials from CVAG's member jurisdictions. The General Assembly has historically accepted the recommendation of the Executive Committee. The Executive Committee, in turn, receives a recommendation from an annually appointed Nominating Committee, which is typically comprised of the recent chairs of the Executive Committee.

Similar to many other agencies, CVAG has no procedures or rules that govern when a member becomes chairman or vice chairman. As such, the recommendation from the Nominating Committee is not automatic or unthinking. In the deliberations, the Committee has weighed the rotation schedule, the tenure of the elected official and the official's tenure with CVAG itself. Nominating committees have considered other factors as well, such as a demonstrated level of leadership, meeting management skills and the temperament to satisfactorily represent the region.

Historically, the selection of CVAG's chairman did not follow an easily discernible pattern. Several of CVAG's member jurisdictions – including the Cities of Indio, Palm Springs, Palm Desert and

Rancho Mirage – have maintained the chairmanship for two or more years in a row. More recently, there has been an unwritten practice of following a general rotation so each member agency has an opportunity to serve. However, the general rotation that lasted through the late 1990s and early 2000s was disrupted after the 2006 election. At that point, the representative from Rancho Mirage became vice chairman halfway through the fiscal year, and was named chairman for 2007/2008 instead of the representative from Palm Springs. Also in the mid-1990s, Cathedral City appears to have had a shorter time span between having the City’s representative serve as chairman.

A history of CVAG’s chairmanship is attached. CVAG staff is not making a recommendation on establishing a policy for chairmanship. Instead, staff is providing some options for discussion. As part of this discussion, a central question is also worth asking: In selecting a Chairman, is CVAG electing a City or is it electing the person?

*Option 1 – Create a rotation based on Jurisdiction*

CVAG’s By-Laws could be changed to establish a rigid rotation policy that simply assigns the chairmanship to a City based on a set schedule. The biggest benefit to this policy is that a member jurisdiction has clarity on when it will be “their turn” to lead CVAG.

This policy does present some challenges. Such rigidity could force the hand of the majority of Executive Committee members who may not want a member representing the region as chair of CVAG. While the organization could certainly weather a year’s tenure of an officer without great leadership or meeting management skills, CVAG could suffer if somebody with acting pending legal action or some other serious “cloud” hanging over them were to become chairman.

There’s also a larger question of what happens if the CVAG chairman does not get re-elected, as CVAG experienced after the 2018 Indio Council elections. While Indio’s new mayor has the benefit of previous tenures on CVAG’s committees, that may not always be the case in the future. If a policy was established to rotate the Chairmanship by City, it is likely that the organization could be chaired by someone who has no experience or knowledge of CVAG.

*Option 2 – Establish a policy with consideration of “fair representation”*

Should the Executive Committee desire a Chairmanship rotation, staff is seeking direction on what factors should be considered in establishing this rotation. For example:

- Given that some of our valley’s unique challenges are based on geography, a policy could be established that rotates the chairmanship based on being located in the eastern Coachella and Palo Verde Valleys, western Coachella Valley or central Coachella Valley. The County of Riverside and tribal members could serve in-between.
- In this era of cities moving to district elections, it begs the question of whether a rotation should also factor in the size of a jurisdiction’s population. As such, the policy could establish fair per-capita representation. Consider, for instance, that both Coachella and Indian Wells are founding members of CVAG, and both cities have had three years as where their representative was chairman. Yet Coachella’s population is more than eight times that of Indian Wells’ population.
- All five Riverside County supervisors are voting members of the CVAG Executive Committee. But the tradition at CVAG has been to only elect the supervisors from the Fourth and Fifth Districts to serve as chairman. If CVAG were to create a policy that factors

in jurisdiction's size or population, an argument could be made that the County should either have a more frequent rotation, or that all five districts should serve in the officer role.

- The Agua Caliente Band of Cahuilla Indians and the Cabazon Band of Mission Indians started participating in CVAG via a memorandum of understanding in 1998, and became formal members with the Third Amendment of the Joint Powers Agreement that was approved in 2018. Neither tribe has had a representative serve as chairman, even though they have been paying dues for two decades.

### Option 3: Take no action

Even absent a written policy, the CVAG chairmanship has been generally rotated so each jurisdiction has an opportunity to serve on a fairly regular basis. So, one question may be, "if it ain't broke, why fix it?"

Three similar councils/associations were surveyed: Western Riverside Council of Governments (WRCOG), San Bernardino Association of Governments (SANBAG) and Southern California Association of Governments (SCAG). None of these agencies have a selection policy which guides the rotation of officers. In all cases, nominating committees are established and recommendations forwarded to the Executive Committee. In the case of SANBAG and SCAG, the nominating committee composition is dictated by the By-Laws with representation from various sub-areas of the County, in the case of SANBAG, or from the counties, in the case of SCAG. But the officers selected could be from any member agency.

### Other considerations

CVAG could instead consider other approaches. For one, CVAG could create a second vice chairmanship position. This is a model used by organizations such as Riverside County Transportation Commission. The upside is that it allows another member organization to have a leadership role in CVAG in any given year. It also would set the stage for future succession, but still give the Nominating Committee and Executive Committee discretion in choosing the chairman.

CVAG members could also consider that the current chairmanship situation – with Indio's representative changing mid-way through the chairmanship term – is a relatively rare occurrence in the history of CVAG's leadership. Rather than set a policy because of it, the Executive Committee could instead consider it when choosing the 2019/2020 leadership and nominate Chairman Grubbe to a full term and Mayor Ramos Amith as vice chairman.

### Next steps

In conclusion, it should be noted that this is the second time in four years that the CVAG Executive Committee has considered how its officers are chosen. In April 2015, the Executive Committee also considered the process, and ultimately made no changes.

Should the Executive Committee indicate a policy change is necessary at the April 29, 2019 meeting, CVAG staff will return at the June 3 meeting with suggested changes to the By-Laws and related governing documents, as well as an analysis on potential implications of these

changes. Ultimately, any changes would then need to be approved at the General Assembly at the June 24 meeting, when the fiscal year 2019/2020 officers will also be elected.

**Fiscal analysis:** There is no fiscal impact as the CVAG Chairman and Vice Chairman receive the same per-diem as other Executive Committee members.

**Attachment:** History of CVAG chairmanship

**HISTORY OF CVAG'S EXECUTIVE COMMITTEE CHAIR**

Year	Indio	County (5th Dist.)	Indian Wells	Cathedral City	Palm Desert	La Quinta	Blythe	County (4th Dist.)	Rancho Mirage	Dsrt. Hot Springs	Coachella	Palm Springs	Cabazon	Agua Caliente
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Totals	5	2	3	4	5.5	4	2	4	5	2	3	5		