

ADMINISTRATIVE/ PERSONNEL COMMITTEE VOTING MEMBERS WILL RECEIVE A UNIQUE PANELIST LINK BY EMAIL. PLEASE USE THIS LINK TO PARTICIPATE IN THIS MEETING.



ADMINISTRATIVE/ PERSONNEL COMMITTEE AGENDA

**THURSDAY, APRIL 21, 2022
11:00 a.m.**

Pursuant to Assembly Bill 361 and the findings made by CVAG, this meeting will only be conducted via video/teleconferencing.

INSTRUCTIONS FOR PUBLIC PARTICIPATION

Members of the public may use the following link:

<https://us02web.zoom.us/j/86418409153?pwd=TXpZQnVwUU96WW5vZVBSRWtzUGVUUT09>

Password: 249467

One Tap Mobile: +16699009128,,86418409153#

Dial In: +1 669 900 9128

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Password: 249467

IF YOU ARE UNABLE TO CONNECT VIA DIAL IN OPTION, PLEASE CALL 760-346-1127.

Public comment is encouraged to be emailed to the Administrative/Personnel Committee prior to the meeting at cvag@cvag.org by 5:00 p.m. on the day prior to the committee meeting. Comments intended to be read aloud should be no more than 300 characters.

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

UNLESS OTHERWISE STATED, ALL ACTION ITEMS WILL BE PRESENTED TO THE EXECUTIVE COMMITTEE FOR FINAL APPROVAL.

1. **CALL TO ORDER** – Chair Christy Holstege, City of Palm Springs

2. **ROLL CALL** – Jennifer Nelson

- A. **Member Roster** [4](#)

3. **PUBLIC COMMENTS ON AGENDA ITEMS**

This is the time and place for members of the public to address the Administrative/Personnel Committee on agenda items. At the discretion of the Chair, comments may be taken at the time items are presented. Please limit comments to three (3) minutes.

4. **CHAIR / EXECUTIVE DIRECTOR ANNOUNCEMENTS**

5. **CONSENT CALENDAR**

- A. **Approval of the January 31, 2022 Administrative/Personnel Committee Minutes** [5](#)

- B. **Authorize the Executive Director to extend the federal and state lobbying Efforts by executing one-year contracts with The Ferguson Group for an annual not-to-exceed \$100,000 and with the Politico Group for an annual not-to-exceed \$50,000, with an option to extend an additional one-year term at the Executive Director’s discretion** [8](#)

- C. **Appoint the CVAG Vice Chair as the primary delegate to the California Joint Powers Insurance Authority’s Board of Directors, with the CVAG Director of Finance/ Administration serving as the alternate, for the current and future years** [10](#)

6. **DISCUSSION**

- A. **CVAG Officer Rotation for FY 2022/2023 – Jennifer Nelson** [11](#)

Recommendation: Nominate the representative from the City of Coachella to serve as FY 2022/2023 Chair and the representative from the City of Desert Hot Springs to serve as FY 2022/2023 Vice Chair

- B. **Update on Classification and Total Compensation Study – Claude T. Kilgore** [12](#)

Recommendation: Provide feedback and direction on the next steps of the Classification and Compensation Study and authorize the Executive Director to negotiate a contract with Koff & Associates to perform a Performance Management Review Analysis at a not-to-exceed cost of \$27,540

C. FY2022/2023 Budgetary Items – Claude T. Kilgore

[28](#)

Recommendation: Provide direction to staff on CVAG's Fiscal Year 2022/2023 Budget

7. INFORMATION ITEMS

A. CalPERS Unfunded Accrued Liability

[29](#)

8. PUBLIC COMMENTS ON NON-AGENDA ITEMS

This is the time and place for members of the public to address the Administrative/Personnel Committee on items of general interest within the purview of this committee. Please limit comments to two (2) minutes.

9. CLOSED SESSION

Public Employee Performance Evaluation

Government Code Section 54957(b)(1)

Title: Executive Director

10. ANNOUNCEMENTS

Upcoming Meetings:

The next meeting of the **Executive Committee** will be held on Monday, April 25, 2022, at 4:30 p.m. via Zoom webinar.

ADMINISTRATIVE/PERSONNEL COMMITTEE ROSTER



Jurisdiction	Seat on Committee	Members
City of Palm Springs	CVAG Chair	Christy Holstege Councilmember
City of Coachella	CVAG Vice Chair	Steven Hernandez Mayor
City of Desert Hot Springs	Chair Appointee	Scott Matas Mayor
City of Indio	CVAG Past Chair	Glenn Miller Councilmember
City of La Quinta	CVCC Chair	Linda Evans Mayor
Vacant	Chair Appointee	Vacant

ITEM 5A

**ADMINISTRATIVE/ PERSONNEL COMMITTEE
MINUTES OF MEETING
January 31, 2022**



1. CALL TO ORDER

The January 31, 2022 Administrative/Personnel Committee meeting was called to order at 4:33 p.m. by Chair Christy Holstege, City of Palm Springs, via Zoom, which was pursuant to AB 361 and the guidelines for virtual meetings.

2. ROLL CALL

MEMBERS PRESENT

Councilmember Christy Holstege, Chair
Mayor Steven Hernandez, Vice Chair
Mayor Scott Matas, Chair Appointee
Councilmember Glenn Miller, Past Chair
Mayor Linda Evans, CVCC Chair
Tribal Chair Jeff Grubbe, Chair Appointee

AGENCY

City of Palm Springs
City of Coachella (*arrived during Item 3*)
City of Desert Hot Springs
City of Indio
City of La Quinta
Agua Caliente Band of Cahuilla Indians
(*arrived during Item 4*)

STAFF PRESENT

Tom Kirk
Erica Felci
Claude T. Kilgore
Emmanuel Martinez
Jennifer Nelson
Joanna Stueckle
Kathleen Brundige

OTHERS PRESENT

Chris Kearney
Kiana Valentine

AGENCY

Ferguson Group
Politico Group

3. PUBLIC COMMENTS

None.

4. CHAIR / EXECUTIVE DIRECTOR ANNOUNCEMENTS

None.

5. CONSENT CALENDAR

IT WAS MOVED BY MAYOR EVANS AND SECONDED BY COUNCILMEMBER MILLER TO APPROVE THE CONSENT CALENDAR.

A. APPROVAL OF THE NOVEMBER 29, 2021 ADMINISTRATIVE/PERSONNEL COMMITTEE MEETING MINUTES.

THE MOTION CARRIED WITH 6 AYES.

COUNCILMEMBER HOLSTEGE	AYE
MAYOR HERNANDEZ	AYE
MAYOR MATAS	AYE
TRIBAL CHAIRMAN GRUBBE	AYE
COUNCILMEMBER MILLER	AYE
MAYOR EVANS	AYE

6. DISCUSSION

A. Update on Federal and State Advocacy Efforts – Emmanuel Martinez

Emmanuel Martinez and Executive Director Tom Kirk provided the staff report highlighting legislative platform. Discussion ensued. Members provided some initial thoughts, and requested that CVAG staff forward to member jurisdictions' staffs for any additional input prior to the Executive Committee's consideration of adoption.

IT WAS MOVED BY MAYOR EVANS AND SECONDED BY MAYOR MATAS TO REVIEW CVAG'S DRAFT 2022 FEDERAL AND STATE LEGISLATIVE PLATFORM AND FORWARD TO THE EXECUTIVE COMMITTEE FOR ADOPTION.

THE MOTION CARRIED WITH 6 AYES.

COUNCILMEMBER HOLSTEGE	AYE
MAYOR HERNANDEZ	AYE
MAYOR MATAS	AYE
TRIBAL CHAIRMAN GRUBBE	AYE
COUNCILMEMBER MILLER	AYE
MAYOR EVANS	AYE

B. Addressing CVAG's Staffing Needs for Today and the Future – Tom Kirk

Executive Director Kirk provided an update on the staffing needs for CVAG going forward, including the hiring challenges agencies are facing. Member discussion ensued.

This was an informational item and no action was taken.

7. INFORMATION ITEMS

A. Next steps for CV Housing First Operations Hub

These items are placed in the agenda for members' information.

8. **PUBLIC COMMENTS**

None.

9. **ANOUNCEMENTS**

The next meeting of the **Executive Committee** will be held on Monday, February 28, 2022 via Zoom webinar, with members noting the start time at 4:30 p.m.

There being no further business, Chair Holstege adjourned the meeting at 5:09 p.m.

Respectfully submitted,

Jennifer Nelson
Executive Assistant/Clerk

ITEM 5B

Coachella Valley Association of Governments
Administrative/Personnel Committee
April 21, 2022



STAFF REPORT

Subject: Federal and State Advocacy Efforts

Contact: Emmanuel Martinez, Senior Programs Manager (emartinez@cvag.org)

Recommendation: Authorize the Executive Director to extend the federal and state lobbying efforts by executing one-year contracts with The Ferguson Group for an annual not-to-exceed \$100,000 and with the Politico Group for an annual not-to-exceed \$50,000, with an option to extend an additional one-year term at the Executive Director's discretion

Background: On September 27, 2021, the Executive Committee authorized the Executive Director to seek proposals for both state and federal lobbying services for a term of six months and in an amount not to exceed \$100,000 for both state and federal advocacy. Authorization was also given to issue a request for proposals for longer-term services. The purpose of this arrangement was to evaluate the short-term effectiveness of selected firms, allowing CVAG to determine if another firm would be better suited to meet CVAG needs. CVAG staff solicited proposals and received three responses for federal and five responses for state lobbying services. After review and scoring of the proposals, CVAG selected the Politico Group for representation in Sacramento and The Ferguson Group to represent CVAG in Washington, D.C.

Both firms officially started on November 1, 2021. They were both introduced to the Administrative/ Personnel Committee when it met in November 2021. As was discussed at that meeting, CVAG staff's immediate priority was to increase their understanding of, and assess challenges and opportunities for, CVAG's projects and programs. Both firms were also tasked with developing a legislative platform that could guide efforts moving forward. The legislative platform was reviewed by the Administrative/ Personnel Committee in January 2022, and adopted by the CVAG Executive Committee in February 2022.

The contracts for both firms are set to expire on April 30, 2022. Although the impetus to retain lobbyists was due to issues related to decreased outside funding for CVAG's transportation projects, there are other policy and funding related issue areas that have been identified as important for CVAG and its member jurisdictions.

Given adoption of the platform, tracking of legislation and taking position on bills that impact CVAG's priorities is pertinent to advancing the interests of the region. Additionally, the legislative cycles are still ongoing, making consistency important for purposes of elevating regional projects and advancing regional interests for CVAG to remain engaged in the federal and state legislative process. For example, in Sacramento the budget process is underway and the May Budget Revision will impact funding allocations to programs of interest. Additionally, given the return of earmarks, CVAG and both its federal and state lobbying team have worked with the Coachella Valley's representatives to submit earmark requests. At the state level, CVAG submitted a \$5 million state budget request to assist in helping get communities connected to CV Link by helping connecting projects with preconstruction costs. At the federal

level, CVAG has submitted to its congressional delegation a request for design costs related to projects identified in the recent Western Coachella Valley flooding and blowsand study. To help shepherd these requests through the state and federal budget process, the respective lobbying firms will help play a key role in communication and coordination with CVAG's representatives in Washington, D.C., and in Sacramento.

The existing firms were procured through a competitive process. CVAG staff is recommending contract extensions with the existing firms in order to maintain momentum and consistency. The recommended contracts would be for a one-year term, with the option to extend a second year based on the Executive Director's discretion. This will help ensure advocacy efforts compliment other regional and local advocacy efforts to help elevate CVAG's regional projects to improve their financial viability by optimizing collective resources and improving regional coordination through the legislative, regulatory and grant procurement processes. By increasing access to legislators and relevant agencies in Sacramento and Washington, CVAG can better position its projects to compete for funding and ensure the region's fair share is secured.

Fiscal Analysis: The authorization the Executive Committee provided in September allocated a not-to-exceed amount of \$100,000 for short-term federal and state advocacy services. CVAG executed six-month agreements with the Ferguson Group and Politico Group, whose month retainers are \$10,000 and \$5,000 per month respectively.

An extension would total \$100,000 annually for the Ferguson Group and \$50,000 for the Politico Group.

Regional transportation funding is available for these costs. CVAG staff would note that there is a strong return on the investment in services if this advocacy results in additional state and federal resources or better positions projects for funding opportunities.

ITEM 5C

Coachella Valley Association of Governments
Administrative/Personnel Committee
April 21, 2022



STAFF REPORT

Subject: CVAG representation at the California Joint Powers Insurance Authority's Board of Directors

Contact: Erica Felci, Assistant Executive Director (efelci@cvag.org)

Recommendation: Appoint the CVAG Vice Chair as the primary delegate to the California Joint Powers Insurance Authority's Board of Directors, with the CVAG Director of Finance/ Administration serving as the alternate, for the current and future years

Background: CVAG and a number of its member jurisdictions are longtime members of the California Joint Powers Insurance Authority, which was formed more than 40 years ago to provide risk management solutions and strategic oversight to its members. The Authority is governed by elected officials from its member agencies, with an Executive Committee that is elected by members and guided by the California JPIA's mission.

Each year, the California JPIA Director requests that CVAG certify a primary delegate and an alternate to California JPIA Board of Directors. The primary delegate must be an elected official who serves on the governing body. The primary delegate has voting rights and if the alternate would vote should the delegate not be present.

In October 2002, the CVAG Executive Committee took action that designated the CVAG Vice Chair as the director on record and designated CVAG staff – specifically the Director of Administrative Services – to serve as the alternate “for the current and future years.” Because this policy was done long before CVAG had a formal officer rotation and before CVAG staff had some positions renamed, CVAG staff is recommending that the policy approach be re-affirmed. Upon approval, CVAG will file a certification form so it is represented at the next Annual Board of Directors meeting, which is currently scheduled for July 20, 2022 at 7 p.m. at the Authority's campus in La Palma.

Fiscal Analysis: There is no cost to CVAG for this item.

ITEM 6A

Coachella Valley Association of Governments
Administrative/ Personnel Committee
April 21, 2022



STAFF REPORT

Subject: CVAG Officer Rotation for FY 2022/2023

Contact: Jennifer Nelson, Executive Assistant/ Clerk (jnelson@cvag.org)

Recommendation: Nominate the representative from the City of Coachella to serve as FY 2022/2023 Chair and the representative from the City of Desert Hot Springs to serve as FY 2022/2023 Vice Chair

Background: The CVAG Executive Committee annually provides a nomination for the CVAG officers to the General Assembly, which meets each June. In 2019, the CVAG Executive Committee discussed the need for a more formal process of choosing the incoming officers. This led to an update to the CVAG By-Laws, which established a rotation that would elect a member jurisdiction's representative rather than a specific individual. The By-Laws also state that *"Based on a recommendation of the Administrative/Personnel Committee, the Executive Committee may in making its nominations deviate from the strict rotation set forth above if determined to be in CVAG's best interests."*

CVAG's officers are now based on jurisdiction and not individual elected officials. The rotation was last updated at the 2021 General Assembly meeting to reflect additional tribal members. The approved rotation is as follows: *Agua Caliente Band of Cahuilla Indians, Indio, Cabazon Band of Mission Indians, Torres Martinez Desert Cahuilla Indians, Twenty-Nine Palms Band of Mission Indians, Palm Springs, Coachella, Desert Hot Springs, Rancho Mirage, Riverside County's Fourth Supervisorial District, Blythe, La Quinta, Palm Desert, Cathedral City, Indian Wells, Riverside County's Fifth Supervisorial District.*

CVAG's current officers are the representative from the City of Palm Springs serving as CVAG Chair and the representative from the City of Coachella serving as Vice Chair.

The By-laws include a stipulation that requires 75 percent attendance or more of the Executive Committee meetings "in the previous year." The City of Coachella has missed one of three at Executive Committee meetings held so far in this fiscal year, but would meet the threshold if one looked back to April 2021. The City of Desert Hot Springs has had perfect attendance since April 2021. Therefore, staff is recommending the Administrative/ Personnel Committee confirm the representative from the City of Coachella will serve as FY 2022/2023 Chair and the representative from the City of Desert Hot Springs will serve as the FY 2022/2023 Vice Chair.

CVAG staff will present the Administrative/Personnel Committee's recommendation to the Executive Committee and then to the General Assembly in June 2022.

Fiscal Analysis: There is no additional fiscal impact as CVAG officers receive the same per diem as other members.

ITEM 6B

**Coachella Valley Association of Governments
Administrative/Personnel Committee
April 21, 2022**



STAFF REPORT

Subject: Update on Classification and Total Compensation Study

Contact: Claude T. Kilgore, Director of Finance/Administration (ckilgore@cvag.org)

Recommendation: Provide feedback and direction on the next steps of the Classification and Compensation Study and authorize the Executive Director to negotiate a contract with Koff & Associates to perform a Performance Management Review Analysis at a not-to-exceed cost of \$27,540

Background: CVAG has been providing regular updates to the Administrative/Personnel Committee on staffing needs now and long-term. On September 14, 2021, staff provided a report that sought feedback on releasing a request for proposal to pursue an independent expert to conduct a classification and compensation analysis. At the meeting, staff presented various needs to the Committee and further identified that such a study had not been conducted for CVAG by an external service provider in its nearly 50 years of existence. Additionally, CVAG has been confronted with the fallout of the Great Resignation of 2021 and the changes that it created in the workforce marketplace. CVAG management has used this as an opportunity, with the guidance from the Administrative/Personnel Committee, to assess its internal staffing structure and better position the agency to address such needs in the long-term.

Following that September meeting, CVAG staff held informal discussions with numerous local agencies. It turned into more formal discussion with Western Riverside Council of Governments (WRCOG), as CVAG and WRCOG staff identified potential synergies in doing a combined study as the two agencies are both regional agencies of similar size, have similar programs and have similar organizational structures. Additionally, CVAG staff learned that in 2018 WRCOG engaged Koff & Associates to perform a classification and compensation study. During this time, Koff and Associates used CVAG data and information as part of its study and already has some working knowledge of CVAG and its organizational structure.

In December, based on the recommendation from the Administrative/Personnel Committee, the Executive Committee authorized the Executive Director to negotiate and execute an agreement with Koff & Associates to conduct a Classification and Total Compensation Study (the Study) as part of a joint effort with WRCOG and authorize the Administrative/Personnel Committee to direct the related next steps.

The Executive Director negotiated the contract with Koff & Associates along with WRCOG and the study launched in January 2022 with a kick-off meeting and virtual orientations with all CVAG and WRCOG staff, which outlined the study and each staff's responsibilities that were needed to gather data for an extensive survey which would then be followed by an interview from Koff and Associates. Staff's input on their survey related to items such as overall responsibilities, decision-making levels, and additional knowledge and abilities needed to perform their job. The surveys

took an average of 4-6 hours to complete for each staff member and CVAG staff had a 100% completion rate by the due date as established by Koff & Associates.

Following completion of these surveys in early February 2022, supervisors reviewed the survey feedback and were able to add additional observations and input. Virtual interviews with each staff member were then conducted in March 2022 by the Koff team. The Executive Director was also interviewed by Koff team for his agencywide input and vision.

This led to today's update. Koff & Associates have prepared draft classification concepts/categories and are currently working to finalize the classification results. As an overview, classification categories represent the grouping of classifications into a systematic classification structure based on the inter-relationship of duties performed, nature and level of responsibilities, and required knowledge, skills, abilities, education, training, and experience. Within each category, there may exist multiple levels or one level. The levels within the classification series reflect CVAG's needs and priorities. Distinctions between levels within classification series can be defined based on scope of responsibility, complexity of work, supervision received and exercised, authority for making decisions and taking action, type and level of required knowledge, skills, abilities, education, training, and experience. Once the Classification categories are finalized, CVAG staff will again present the findings to the Administrative/Personnel Committee.

In the meantime, CVAG staff is looking ahead to the next step of the Study, which involves total compensation and comparable agencies. At the April meeting, CVAG staff is seeking the Administrative/Personnel Committee's direction and feedback on the comparator agency selection and asks for concurrence on the initial agency selection, which will include about 20 agencies. This list of agencies is only the starting point, and Koff & Associates will then identify and recommend a subset of these agencies to include in the total compensation study, based on comparing various factors (such as full-time equivalent employees, budget, geographic location, cost of living, and services provided). They then use an absolute value calculation for each factor to identify roughly 12 agencies most like CVAG/WRCOG based on these factors.

The Study will also evaluate up to five additional benefits not included in the Total Compensation numbers. These are called Benefit Data Elements, and they will help shape CVAG's workplace moving forward and could include such items as vacation/ leave benefits, workplace environment and so forth. This will ensure CVAG is positioned to have future candidates and current employees respond positively to both its tangible and intangible benefit offerings. In working with Koff and Associates, CVAG staff has identified a handful of additional Benefit Data Elements and will seek feedback from the Administrative/Personnel Committee to ensure the policies, benefits, and strategies included in the Study align with the vision of this Committee.

In addition to feedback on the study, staff is recommending a review of the performance evaluation process for CVAG employees. During the Executive Director's interview with Koff & Associates, the conversation of employee performance was discussed. CVAG has used the same evaluation criteria for decades and staff wants to ensure it is not outdated. Knowing there was previously interest from members of the Administrative/Personnel Committee to reevaluate CVAG's current performance evaluation system, the Executive Director identified this as an opportunity to take a look at the current system of evaluations and subsequent step increases (or not) and promotions and demotions as the Study moves along. Koff and Associates has provided a separate scope of work for a Performance Management Review (attached), and CVAG staff recommends that a contract be authorized to conduct the work. CVAG staff also is exploring additional organizational assessments, such as human resources, but those are not being recommended for action at this time.

The recommendations of the ongoing compensation study will be useful as CVAG addresses both near-term and long-term opportunities. Unfortunately, the final Study recommendations will not be completed until this summer – which is after the Fiscal Year 2022/23 Budget needs to be adopted. CVAG staff is expecting initial findings from Koff will be ready sooner, and will factor them into the agency’s personnel budget for Fiscal Year 2022/23 in order to leave options available for the Administrative/Personnel Committee to consider in the coming year. At the completion of the study, the Executive Director will be working with the Administrative/Personnel Committee to implement any recommended changes and finalize the CVAG organizational chart and salary schedule within the adopted personnel budget.

Fiscal Analysis: The ongoing Study by Koff & Associates was authorized in December 2021 as part of a joint effort along with the Western Riverside Council of Governments (WRCOG) in an amount not to exceed \$38,527.50, which is CVAG’s portion of the total amount \$77,055.

The Performance Management Review would be for a not-to-exceed amount of \$27,540, which would be built into FY 2022/23 budget.

Attachment: Koff proposed scope of work for Organizational Assessment and Performance Management Review



Koff & Associates
A Gallagher Company

April 12, 2022

Proposal for Organizational Assessment and Performance Management Review

Coachella Valley Association of Governments

Submitted by:

Koff & Associates

GEORG S. KRAMMER
Chief Executive Officer

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April 12, 2022

Mr. Tom Kirk
Executive Director
Coachella Valley Association of Governments
73-710 Fred Waring Drive, Suite 200
Palm Desert, CA 92260

Dear Mr. Kirk:

Thank you for the opportunity to respond to your request for an **Organizational Assessment and Performance Management Review Proposal** for the **Coachella Valley Association of Governments** ("CVAG"). We are most interested in assisting CVAG with these important studies and feel that we are uniquely qualified to provide value to your organization based on our experience working with other special districts, cities, counties, JPAs, and non-profit agencies throughout California.

Koff & Associates, now a Gallagher company, is an experienced Human Resources and Recruitment Services firm providing human resources services to cities, counties, special districts, courts, educational institutions, and other public agencies for 38 years. The firm has achieved a reputation for working successfully with management, employees, and governing bodies. We believe in a high level of dialogue and input from study stakeholders and our proposal speaks to that level of effort. Our firm's extra effort has resulted in close to *100% implementation* of all our classification and compensation studies.

Koff & Associates ensures that each of our projects is given the appropriate resources and attention, resulting in a high level of quality control, excellent communication between clients and our office, commitment to meeting timelines and budgets, and a consistently high-caliber work product.

As a Managing Director of Koff & Associates, I would assume the role of Project Director and be responsible for the successful completion of project. I can be reached at our Berkeley address and the phone number listed on the cover page and my email is gkrammer@koffassociates.com.

This proposal will remain valid for at least 90 days from the date of submittal. Please call if you have any questions or wish additional information. We look forward to the opportunity provide professional services to the **Coachella Valley Association of Governments**.

Sincerely,



Georg S. Krammer
Managing Director, Compensation and Rewards Consulting



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METHODOLOGY – ORGANIZATIONAL ASSESSMENT

Deliverable A. Initial Documentation Review/Meeting with Project Team

This phase includes identifying the key client project team, contract administrator, and reporting relationships. Our team will meet with CVAG’s team to create the specific work plan and work schedule; reaffirm the primary objectives; determine deadline dates; determine who will be responsible for coordinating/scheduling communications with employees and management; and develop a timetable for conducting the same. Also included will be the gathering of written documentation including assembling the current organizational charts, class descriptions, operational budgets, documentation on current operational and human resources practices, information regarding in-house and outsourced/contracted HR services, and any other relevant documentation.

This initial step will also include a discussion of our methodology and the components of the survey instrument that will be used when comparing CVAG to other, comparable agencies. We will meet with CVAG Management to discuss the major elements of the study and which areas will be studied. We will respond to any questions.

Deliverable B. Determination of Comparator Agencies

In order to provide CVAG with best practices information regarding what other, similarly organized/structured agencies’ HR practices are, we recommend conducting a market survey. The selection of comparator agencies is considered a critical step in the study process. Using the following factors to identify appropriate comparators, we will receive approval before proceeding with the survey. The factors that we review when selecting and recommending appropriate comparator agencies include:

- **Organizational type and structure** – While various agencies may provide overlapping services and employ some staff having similar duties and responsibilities, the role of each agency is somewhat unique, particularly regarding its relationship to the citizens it serves and level of service expectation. During this iterative process, potential comparator agencies and the advantages and disadvantages of including them and/or others will be discussed before we begin our analysis of developing a list or recommended comparators.
- **Similarity of population served, CVAG demographics, CVAG staff, and operational budgets** – These elements provide guidelines in relation to resources required (staff and funding) and available for the provision of departmental services. They also speak to the diversity of the community that they serve and the common issues that CVAG might face to best serve that community.
- **Scope of services provided** – While having an agency that provides all the services at the same level of citizen expectation is ideal for comparators if the *majority* of services are provided in a similar manner, sufficient data should be available for analysis.

The agencies may include some, or all, of the agencies we are currently surveying for compensation purposes, if appropriate. This will be discussed with CVAG management.



Deliverable C. Survey Questionnaire

For the market survey, we will develop a survey instrument/questionnaire to ensure that the right questions are asked. The survey will include questions regarding organizational structure, ratios of staffing, HR programs and services provided, financial and other resources in relation to assignments and expected work products and best management practices.

In addition, we will ascertain who within CVAG is currently performing any HR-related duties and tasks. We will do this by re-reviewing the PDQs that were completed during the classification study.

Deliverable D. Online Survey Review (optional)

An additional value-added tool that K&A utilizes in order to assess organizational customer satisfaction and engagement, is an online survey that is completed anonymously by all CVAG employees. We would recommend this approach to provide additional opportunities for CVAG's workforce to communicate what works and what doesn't work when it comes to various HR areas. This is an optional service.

We will analyze the results of the anonymous online survey and identify trends regarding organizational strengths and weaknesses in HR.

Deliverable E. Employee/Supervisory/Management Interviews

Based on the trends identified above, we will design whom we interview to delve into those trends and obtain more information. The assumption is that some individual employee interviews may be needed to clarify certain information that was contained, or perhaps we found to be missing, in the online survey.

The goal of the interviews and the review of additional documentation is to identify/ determine the following:

- HR assignments, responsibilities, duties, and tasks;
- Process efficiencies, time spent, and frequency of the above;
- Competencies, knowledge, skills, and abilities required to perform the above;
- Reporting relationships and span of control;
- Staffing ratios;
- Available resources, including deficiencies and redundancies; and
- Equipment, computer and automation technologies used.

Deliverable F. Industry/Market Data Collection

For an external market survey, K&A does not collect market data by merely sending out a written questionnaire. We conduct all the data collection and analysis ourselves to ensure validity of the data and quality control. Typically, we collect organizational charts, classification descriptions, employee allocation lists, policies and procedures, HR programs that are handled inhouse vs. those that are outsourced, and other information via websites or in person, by telephone, or email. With this prior knowledge and our experience in the public human resources field, our professional staff will then schedule appointments with knowledgeable individuals to answer specific questions. We find that the information collected using



these methods has a very high validity rate and is generally substantiated with management, employees, as well as governing bodies.

The goal of the industry/market survey is to obtain information on the following:

- Organizational structure, reporting relationships, span of control, and staffing levels;
- HR requirements, services and ratios of staffing to programs and services provided, and other productivity measures;
- Outsourcing and in-sourcing practices per functional area of assignment;
- Resources available, including human, financial, technological resources;
- Computer and automation technologies used to improve efficiencies and/or customer service, including an evaluation of existing systems (i.e., pros and cons); and
- Best management practices and standards.

Deliverable G. Data and Trend Analysis

Surveying up to 8 comparator agencies should yield sufficient data and information to identify industry/market trends. Including agencies in the study that are known to be on the cutting edge of providing the highest quality services will uncover trends for best management practices that will be invaluable to CVAG.

We will analyze the data and trends from the market survey and incorporate those into our recommendations for organizational and operational changes for CVAG.

Deliverable H. Development of Recommendations and Implementation Strategy

Depending on the results of the internal and external assessments, we will develop or formulate specific recommendations for organizational and operational changes for CVAG. Recommendations and implementation strategies will include the following (as appropriate):

- Organizational restructuring, including reassigning HR functions, reporting relationships, updating classifications/assignments, and reorganizing functional areas of assignment;
- Staffing levels, including ratios of staff with HR responsibilities compared to workloads as well as ratios of “rank-and-file” staff to supervisory and management staff with HR responsibilities;
- Outsourcing and in-sourcing opportunities, including areas of assignment at the functional and specific task levels;
- Process efficiencies, including redundancies and deficiencies as well as assignments of functions and tasks;
- Automated technologies: we will report the results of the market survey and identify any trends in this area, including feedback regarding the successfulness of current and/or newly implemented systems used by the comparator agencies;
- Best management practices, including trends observed in the identified survey market regarding providing HR services and programs; and
- Provide an implementation plan incorporating all our recommendations.



Deliverable I. Management Review/Reanalysis and Feedback

We will share our findings and recommendations with stakeholders before our report, recommendations, and implementation plans are finalized. Our experience has been that this can be one of the most critical phases of the project to ensure that deliverables are vetted through the individuals who are most familiar with operations.

Deliverable J. Preparation of Draft Final and Final Report and Deliverables

A Draft Interim Report of the Organizational Study will be completed and submitted to CVAG for review and comments. The report will provide detailed internal and external survey findings, documentation, and recommendations. The report will include a set of all survey instruments and documentation, data and trend analysis results, as well as recommendations and the implementation issues surrounding our recommendations. It will summarize and communicate all findings and information reviewed.

Once all the CVAG's questions/concerns are addressed and discussed, a Final Organizational Study Report will be created and submitted in bound format.

Deliverable K. Final Presentation

In addition to ongoing periodic meetings and communication with the Project Team, the CVAG Manager, management, employees, and other stakeholders throughout the various phases of the study, as well as continuous status reports per email and conference calls, our proposal includes one final presentation to the Board of Directors, if desired.



ORGANIZATIONAL ASSESSMENT TIMELINE

Deliverables	Organizational Assessment	Completion by:
A.	Initial Documentation Review/Meeting with Project Team	Week 1
B.	Determination of Comparator Agencies	Week 2
C.	Survey Questionnaire	Week 3
D.	Online Survey Review	Week 6
E.	Employee/ Supervisory/ Management Interviews	Week 8
F.	Industry/Market Data Collection	Week 11
G.	Data and Trend Analysis	Week 13
H.	Development of Recommendations and Implementation Strategy	Week 15
I.	Management Review/Reanalysis and Feedback	Week 17
J.	Preparation of Draft Final and Final Report and Deliverables	Week 19
K.	Final Presentation	As Scheduled

ORGANIZATIONAL ASSESSMENT COST PROPOSAL

Deliverables	Organizational Assessment	Hours
A.	Initial Documentation Review/Meeting with Project Team	5
B.	Determination of Comparator Agencies	8
C.	Survey Questionnaire	5
D.	Online Survey Review (optional)	30
E.	Employee/ Supervisory/ Management Interviews	16
F.	Industry/Market Data Collection	20
G.	Data and Trend Analysis	8
H.	Development of Recommendations and Implementation Strategy	12
I.	Management Review/Reanalysis and Feedback	8
J.	Preparation of Draft Final and Final Report and Deliverables	16
K.	Final Presentation	4
	Total Professional Hours	132
	Combined professional and clerical composite rate: \$170/Hour	\$22,440
	Expenses (included in the hourly composite rate):	N/A
	<i>Expenses include but are not limited to duplicating documents, binding reports, phone, fax, supplies, postage, etc.</i>	
	TOTAL COST FOR ORGANIZATIONAL ASSESSMENT NOT TO EXCEED:	\$22,440
	TOTAL COST FOR ORGANIZATIONAL ASSESSMENT NOT TO EXCEED (EXCLUDING ONLINE SURVEY):	\$17,340
	<i>*Additional consulting will be honored at composite rate (\$170)</i>	



METHODOLOGY – PERFORMANCE EVALUATION

Performance Evaluation System Objectives (some objectives are optional, per CVAG’s needs)

- To meet the needs of CVAG for a performance evaluation system that is congruent with the updated classification and compensation system and is up-to-date with current HR trends;
- To develop a Performance Management System that ties individual employee performance to organizational goals and core and functional competencies;
- To ensure that the performance appraisal program is fair and equitable across the organization;
- To facilitate a workshop with CVAG leadership (management, other stakeholders, etc.) to understand CVAG’s overall strategic needs, goals, and objectives and compensation philosophy, to discuss best management practices, and to receive general direction as to their compensation preferences;
- To conduct an organizational assessment, including focus groups with representatives of all staff levels and all functional areas, to understand the history, culture, and foundation of CVAG, and to analyze and examine knowledge, skills, abilities, and competencies required of current staff members;
- To develop and implement the new Performance Management System and train and educate the organization through classes and workshops regarding the fair and objective administration of the new system;
- To ensure sufficient documentation and training throughout the project so that the plan can be implemented and maintained in a competent and fair manner.

DEVELOP / UPDATE PERFORMANCE EVALUATION STRATEGIES/SYSTEM

Deliverable A. Development of New Performance Evaluation System

1. **Initial Review of Current Program:** this will include the review of existing background materials, including CVAG’s current performance evaluation system/process/forms, classification and compensation plans (as developed during the classification and compensation phases of the project), organizational charts, budgets, CVAG rules and regulations, and related information.

We will conduct orientation and briefing meetings with management and supervisory staff regarding the anticipated scope of work, preliminary project direction, and cost.

The goal of this first step is to discuss with CVAG staff the system that is currently in place, meet with management staff to discuss parameters, goals, and objectives for the new Performance Management System, and discuss overall options and alternatives of performance management systems, depending on CVAG’s needs.

2. **Develop/Update Performance Management System:** based on the responsibilities, duties, and requirements for all existing CVAG classifications developed during the classification phase of the project, we will identify core competencies within each job specification and potential metrics associated with those competencies.



This step of the process includes the following:

- Review the current system's performance factors, per any information and documentation about CVAG's current performance management system, if any.
- Identifying the competencies (performance factors) according to which each employee will be evaluated, and developing a detailed description of what each competency means to the organization and how they interrelate to each staff level within CVAG (executive, management, supervisory, line staff, and individual contributors);
- Developing performance ratings, such as excellent, exceeds standards, meets standards, needs improvement, unacceptable (or any alternative systems based on CVAG's preference and per your current performance management system);
- Developing guidelines and definitions as to what each performance rating means for each competency (again, this will include a review of what the current performance report contains and making recommendations for changes, as appropriate);
- Developing guidelines as to how to develop **SMART** (Specific, Measurable, Attainable, Relevant, and Time-bound) goals and assisting CVAG in determining goals for each level that interrelate to overall agency goals;
- Developing metrics/scorecards revolving around determined goals; and
- Developing a step-by-step performance evaluation process and timelines.

- 3. Review and Update Performance Objectives:** we recommend reviewing the newly developed performance recommendations with the organization; this includes staff work sessions and focus groups for input and review. It is critical to build consensus and organizational understanding and buy-in for any new systems or system updates.

We recommend including the entire organization in the process of developing core competencies as well as functional competencies that are based on technical knowledge and abilities in each functional area of the organization. This will ensure that all employees, individual contributors as well as supervisors and managers, not only understand but also buy into the new Performance Management System. We accomplish this by holding focus group meetings with various groups of employees to learn about which competencies each group feels are at the core of their particular function as well as CVAG overall.

Of course, we will work with management and other stakeholders to determine the optimal composition of each working group.

- 4. Develop/Customize Performance Management Tools:** this involves working to develop/customize the various components of the Performance Management System, forms, process, timelines, and other tools, including implementing core competencies, functional competencies, ratable metrics for each employee classification, and a SMART goal section. CVAG may also want to consider a performance evaluation software – there are many options on the market that will make performance management a much easier, streamlined, and efficient process.



Deliverable B. Pay-for-Performance Compensation Structure Development (Optional)

This phase, if desired, includes a review of CVAG's salary structure (developed during the compensation study) within which the classifications are allocated. We will develop recommendations based on our experience with PFP (pay for performance) appraisal programs and best management practices.

There are many options CVAG has in terms of remunerating its employees based on performance. Two major factors that play a role in developing performance incentive compensation programs are: 1) the design of individual salary ranges, and 2) how to factor in the level of performance the employee has attained.

Regarding the design of salary ranges, the decision will be as to whether CVAG has any interest and/or flexibility in modifying its current salary ranges (this question will be asked during the compensation phase of the project). Alternatively, we can look at developing merit-based pay that is non-base building.

Regarding level of performance, the decision will be as to whether employees receive different levels of rewards or incentives for the following performance levels:

1. Excellent/Outstanding/Exemplary;
2. Exceeds Expectations/Standards; or
3. Meets Expectations/Standards.

We will facilitate a discussion among CVAG leadership as to what their considerations should be when it comes to the above factors and assist with presenting best management practices to CVAG.

Deliverable C. Design Training Programs and Conduct Workshops (Optional)

As mentioned above, organizational buy-in is critical and the general employee population as well as supervisors may need to be trained and educated in the new Performance Management System. Employees will need to understand how their individual performance ties to overall organizational goals and objectives and what they need to do to receive a positive performance rating. Most important for organizational buy-in will be the employees' understanding of how their performance ties into incentive compensation, if CVAG wishes to integrate the two.

Managers and supervisors will need to be trained on how to make performance and pay decisions that are based on fair, equitable, and consistent practices. The training workshops will include the following:

- Performance core competencies;
- Performance level rating scale;
- How to develop performance goals and objectives and employee work plans;
- How to track, evaluate, and communicate work plan performance;
- How to write and conduct a meaningful performance appraisal;
- How to administer the employee compensation program and apply merit increase guidelines; and
- A review of all performance appraisal and work plan tools and instruments.

Training workshops containing the above components will be held for groups of managers, supervisors, and employees to roll out the new Performance Management System to the entire organization.



PERFORMANCE MANAGEMENT TIMELINE:

Deliverables	Performance Management	Completion by:
A.	Development of New Performance Management System	
	1. <i>Initial Review of Current Program</i>	Week 1
	2. <i>Develop/Update Performance Management System</i>	Week 4
	3. <i>Review and Update Performance Objectives</i>	Week 12
	4. <i>Develop/Customize Performance Management Tools</i>	Week 16
B.	Pay-for-Performance Compensation Structure Development	Week 16
C.	Design Training Programs and Conduct Training Workshops	Week 21

PERFORMANCE MANAGEMENT COST PROPOSAL

In our experience, developing a performance management system is challenging to anticipate in terms of the scope of work. The table below provides a very comprehensive approach and, of course, CVAG may choose a less comprehensive approach. If so, we'll be happy to tailor the scope of work and cost accordingly.

Deliverables	Performance Management System Development	Hours
A.	Development of New Performance Management System	--
	1. <i>Initial Review of Current Program</i>	16
	2. <i>Develop/Update Performance Management System</i>	40
	3. <i>Review and Update Performance Objectives</i>	40
	4. <i>Develop/Customize Performance Management Tools</i>	12
B.	Pay-for-Performance Compensation Structure Development	16
C.	Design Training Programs and Conduct Training Workshops	30
	<i>Additional anticipated hours for ongoing support throughout the year</i>	8
	Total Professional Hours	162
	Combined professional and clerical composite rate: \$170/Hour	\$27,540
	Expenses (included in the hourly composite rate):	N/A
	<i>Expenses include but are not limited to duplicating documents, binding reports, phone, fax, supplies, postage, etc.</i>	
	TOTAL COST FOR PERFORMANCE MANAGEMENT SYSTEM DEVELOPMENT NOT TO EXCEED:	\$27,540
	<i>*Additional consulting will be honored at composite rate (\$170)</i>	



Signature Page

Koff & Associates intends to adhere to all the provisions described above.

This proposal is valid for ninety (90) days.

Respectfully submitted,

By: **KOFF & ASSOCIATES**
State of California

Georg S. Krammer

April 12, 2022

Managing Director, Compensation and Rewards Consulting



Koff & Associates
A Gallagher Company

ITEM 6C

Coachella Valley Association of Governments
Administrative/Personnel Committee
April 21, 2022



STAFF REPORT

Subject: FY2022/2023 Budgetary Items

Contact: Claude T. Kilgore, Director of Finance/Administration (ckilgore@cvag.org)

Recommendation: Provide direction to staff on CVAG's Fiscal Year 2022/2023 Budget

Background: The Administrative/Personnel Committee has historically met during the annual budget process to provide staff direction on various items that will be included in the upcoming budget. This year, CVAG staff have been working hard to implement the new budget software, Questica, that was approved by the Executive Committee last fall. CVAG's Finance/Administration staff has been attending weekly meetings and constantly coordinating with the Questica integration team since January 2022 to streamline the budget process and transform the budget from a manual extraction and data entry process. The development of CVAG's annual budget previously required extensive manual process involvement and was resource intensive and relied heavily on Microsoft Excel which is not an ideal tool to develop, analyze, and produce the annual budget. Staff views this as a transition year, and anticipates even more efficiencies moving forward. This will occur through a best of breed budget database software, focusing on improving the timeliness, efficiency, and consistency of information, while improving internal operations by reducing the amount of staff resources dedicated to budget creation in future years. CVAG staff looks forward to a new and improved budget book this year, albeit based on familiar concepts.

At the April 21 meeting of the Administrative/ Personnel Committee, CVAG staff will present pertinent information related to membership dues and upcoming expenses, including the carry-over of prior year budgeted tenant improvements that have not been completed. – and the consideration of a Cost-of-Living Adjustment (COLA) increase. Staff will also highlight, as further detailed in a separate staff report, the potential factors that may result from the ongoing classification and compensation study. As stated by the Executive Director in his January 31, 2022 staff report to this committee, there are personnel needs that have been, and need to be, addressed to keep important regional priorities on track. In addition to the ongoing study, CVAG management has initiated a number of personnel related strategies including flexible workplace, expanded use of contractors and forward-thinking programs.

Coupled with these facts and figures, CVAG staff intends to provide the Committee with vetted budgetary items to consider for fiscal 2022/2023. Based on the feedback and direction, CVAG staff will finalize the remainder of the budget and present it to the Finance Committee in May 2022. CVAG staff notes that these discussions and recommendations also have an indirect impact on the Coachella Valley Conservation Commission and Desert Community Energy, which CVAG also staffs.

Fiscal Analysis: The fiscal impact will be built into CVAG's Fiscal Year 2022/2023 Budget.

ITEM 7A

**Coachella Valley Association of Governments
Administrative/Personnel Committee
April 21, 2021**



STAFF REPORT

Subject: CalPERS Unfunded Accrued Liability

Contact: Claude T. Kilgore, Director of Finance/Administration (ckilgore@cvag.org)

Recommendation: Information

Background: In 2019, the Administrative/Personnel Committee and the Finance Committee (formerly known as the Audit Committee) requested CVAG staff to look into the possibility of CVAG reigning in the escalating cost of the CalPERS Unfunded Accrued Liability (UAL). It is well known that the UAL for almost all agencies has been on the rise and continues to soar, placing an increasingly tight fiscal burden on agencies throughout California. In addition, the UAL calculation and pension valuation and accounting in general are an extremely complex concept that involve the use of numerous professionals and assumptions. The annual valuation report is typically on a two-year lag and the UAL is subject to increase or decrease due to investment strategies and results and assumption changes, payroll projections among other items year-to-year.

The discussions among committee members about the looming costs led to a decision by the Executive Committee to authorize the pay-down of the UAL in the amount of \$1,016,741 as part of the Fiscal Year 2019/20 General Fund budget. This dramatically impacted the balance in the General Fund, which was reduced to \$1,003,619 after the payment. Notably, this is different from all other CVAG staff and overhead allocations, which are charged based on mathematical percentages to each program instead of all to the general fund and in line with standard practice.

Following prior guidance, CVAG staff will be budgeting for CVAG to make more than the minimum payment this year on the UAL to continue to reduce the balance. In addition, CVAG staff will be seeking concurrence from the Finance Committee to revisit the 19/20 allocation. With fresh eyes in the Finance/Administration department, current staff took an opportunity to reevaluate the 19/20 payment out of the General Fund. CVAG's General Fund is almost 100% funded by member jurisdictions' membership dues which, at the current rates, do not grow the General Fund substantially from year to year. A prior period adjustment to the 19/20 financial statements via an accounting reallocation out of the General Fund would allow the previous, FY 19/20 payment to be divided into the various programs and result in a lesser impact to the General Fund. The percentage of how the \$1 million is allocated would mirror the percentage of those historic costs represented in the UAL.

CVAG staff had conversations with several member agencies and this approach appear in-line with standard practice. CVAG staff will be seeking concurrence from the Finance Committee at its next meeting. The intent is for this proportional allocation and professional estimate of the 19/20 UAL payment would be based on reasonable facts, figures, and assumptions and be included as an audited item by the external CPA firm currently engaged by CVAG.

Fiscal Analysis: The anticipated paydown of CVAG's CalPERS UAL for Fiscal Year 2022/23 is \$200,394. This would include the full Minimum UAL Payment of \$111,188 and an Additional Discretionary Payment of \$88,812 to bring the Total UAL Contribution for Classic employees to \$200,000. It also would include a payment of \$394 to cover the Minimum UAL payment for PEPRA employees.

Staff will also be seeking concurrence from the CVAG Finance Committee to revisit the prior \$1,016,741 payment and distribute the costs across programs in order to reduce the impact on the General Fund. The percentage attributed to each program would be made up of those historic costs represented in the UAL. This proportional allocation of the 19/20 UAL payment would be based on reasonable facts, figures, and assumptions and included as an audited item by the external CPA firm currently engaged by CVAG.

As the payment was previously made, there is no direct impact to agencywide fiscal items, yet there would be an impact to other relevant programs that will be identified in the proposed allocation.