

**SC/SC Roundtable
STAFF REPORT**

DATE: November 3, 2021

TO: Honorable Chair and Board Members

FROM: Roundtable Staff and Chairperson Bernald

SUBJECT: **ADOPTION OF BUDGET FOR JULY 1, 2021-DECEMBER 31, 2021**

SUMMARY OF ISSUE

Pursuant to the Bylaws of the SCSC Roundtable, a budget is to be adopted by July 1st of each year. Prior to adoption of the budget, Roundtable Staff, in consultation with the Roundtable Chairperson, is required to recommend an annual funding amount for the Roundtable at least 60 days prior to the anticipated date of adoption of the budget. Because the meetings of the Roundtable were paused during the winter and spring of 2021, the Roundtable was unable to consider its budget until August 2021. At that meeting, the Board requested additional information of items included in the budget at the request of the Cities Association. Specifically, the Board approved the following motion:

Motion by Member Hendricks to notify the Cities Association that the items in the budget for ESA and Logan and Powell would be approved. Additional detail is needed from the Cities Association on the HR, Legal, and Cities Association staff items, as well as additional details on the costs for the program coordinator and associated costs, and the fiscal sponsorship fee (all the line items they had provided) with a more specific and detailed breakdown on the \$27,000 previously incurred costs and the \$23,000 future costs. This motion was seconded by Member Watanabe and passed unanimously with one member absent.

On September 9, 2021, Special Counsel Kirsten Powell sent a letter to the Cities Association requesting additional information on the budget based on the motion approved by the Roundtable. To date, no clarifying information has been provided by Cities Association.

In order to obtain funding from the member agencies of the Roundtable for outstanding obligations and future obligations, a budget must be adopted by the Roundtable. The budget includes funds for ESA, Logan & Powell, Cities Association staff and outside legal counsel and investigators hired by Cities Association to address a personnel matter. Due to the uncertainty surrounding the future of the Roundtable due to the Cities Association's withdrawal as the Roundtable's fiscal agent, the proposed budget only runs through December 31, 2021. In the event the Roundtable continues its work

after December 31, 2021, a budget amendment can be adopted for the remainder of the fiscal year.

ESA

ESA is currently working under contract for the Roundtable to provide technical assistance. To date, ESA has been paid \$168,372.50 of a total contract amount of \$180,000.00. It is anticipated that no additional services from ESA will be needed after December 31, 2021.

Logan & Powell, LLP

Logan & Powell, LLP is currently providing legal services to assist the Roundtable with its meetings. To date, Logan & Powell, LLP has been paid \$18,012.50. It is anticipated that an additional \$7,500.00 will be needed for services through December 31, 2021.

Cities Association Staff

Pursuant to the Bylaws, the duties of the Roundtable Staff and consultants provided by the Cities Association of Santa Clara County shall be specified and approved as part of the Roundtable's annual budget process. This was not included as part of the last budget approved by the Roundtable. However, for the time period from January 1, 2021 through September 2, 2021, Cities Association staff is requesting \$21,054.35 as reimbursement for time spent by the Executive Director and legal counsel for the Cities Association working on issues related to the Roundtable. Copies of the invoices provided by the Cities Association staff are attached.

Costs Associated with Personnel Matter

Cities Association has received a personnel complaint that it has stated is associated with the Roundtable. As such, it has requested reimbursement for some expenses associated with that complaint. This includes staff time working on this matter, legal expenses from outside counsel as well as the Cities Association legal counsel and investigative costs. The total amount requested for reimbursement is \$25,125.50. Copies of the disclosable invoices provided by Cities Association are attached.

Although the Roundtable requested specific information about the costs incurred on this matter and the basis for charging the Roundtable for these costs, no additional information has been provided, citing confidential personnel obligations. These costs were not specified and approved as part of a prior Roundtable budget as required by the Bylaws.

Cities Association has also requested an additional \$19,214.50 for reimbursement of anticipated costs associated with the personnel matter. As of the date of this report, no additional detail was included with this request.

Reserves

As of July 1, 2021, the Roundtable had approximately \$26,359.00 in reserves. The reserves have been used to pay Logan & Powell, LLP. As of October 15, 2021, the total amount remaining in reserves is \$8,346.50.

RESERVES	Expenditures	Reserve Balance
Reserves as of 7/1/2021 (used for legal)		\$26,359.00
7/1/2021-9/30/2021	(\$13,392.50)	
Bills 10/2021	(\$4620.00)	
Total bills expenses	(\$18012.50)	
Remaining reserves for legal		\$8,346.50

Annual Funding

Pursuant to the Bylaws, the annual funding for the Roundtable is based on the approved per capita formula and may be increased or decreased on a percentage basis at a Regular or Special Meeting by a majority vote of those members present at that meeting. In order to fund the Roundtable through December 31, 2021, the Board must send annual funding requests to the member agencies. The amount of that request should include amounts for Logan & Powell, LLP to continue their work through December 31, 2021. In addition, the Roundtable must determine what amount, if any, is appropriate to reimburse Cities Association for staff time and the costs associated with the personnel matter. The following chart includes all expenditures requested and the required annual funding amount needed to cover those expenditures.

July 1, 2021-December 31, 2021 Budget	Expenditures	Revenue
Cities Association Staff (Exec. Director and Legal Counsel)	(\$21,054.35)	
ESA2	(\$180,000.00)	
Legal Fees (Logan & Powell)	(\$25,512.00)	
Personnel Matter Costs (outside counsel and investigator) ³	(\$44,340.00)	
FY20-21 Membership Dues		\$187,500.00
FY22 Membership Dues to be collected⁴		\$83,406.35

2 As noted above, there are funds sufficient to pay the remainder of the contract amount for ESA.

3 \$25,125.50 has been expended through September 2, 2021. Cities Association staff has estimated \$19,241.50 from the remainder of the calendar year.

4 This amount may be adjusted depending on the decision regarding Personnel Matter Costs

FISCAL IMPACT

Approval of the budget will result in annual funding notices being sent to the member agencies for payment to fund the operations of the Roundtable through December 31, 2021.

STAFF RECOMMENDATION

It is recommended that the Roundtable approve the budget for the period from July 1, 2021, through December 31, 2021, by adopting the attached resolution and direct staff to send annual funding notices to the member agencies. If there are funds remaining after December 31, 2021, the remaining funds shall be returned to the members of the Roundtable in accordance with the funding formula.

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