

# South Bay Cities Council of Governments

April 14, 2014

TO: Steering Committee

FROM: SBCCOG Chair Dan Medina and SBCCOG 1<sup>st</sup> Vice Chair Jim Goodhart

SUBJECT: Contract position for the Deputy Executive Director

## **Adherence to Strategic Plan:**

***Goal D: Organizational Stability.*** Be a high performing organization with a clear path to long-term financial health, staffing continuity and sustained board commitment.

## **BACKGROUND**

At the last Steering Committee meeting, a subcommittee of Chair Medina and 1<sup>st</sup> Vice Chair Goodhart was appointed to meet with the Executive Director to discuss the issue of having the Deputy Executive Director position remain a contractor. Previously, there were two Deputy Executive Director positions – one for Administration (contractor) and one for Environmental Programs (employee). Now these positions have been combined into one (contractor).

The issue of concern was whether a position that had previously been an employee position could now be a contracted position and would this best serve the needs of the SBCCOG.

Prior to the subcommittee meeting, staff consulted with Chris Hach, retired Human Resources Director (among other positions) for Gardena as well as Michael Jenkins, SBCCOG legal counsel. With Ms. Hach, we also went through the questions posed by the IRS to define what is a contractor and what is an employee.

## **FINDINGS**

On the issue of whether a position can go from employee to contractor, it was agreed that there is no problem with this. Just as a city may have a contracted department and then bring on an employee and then contract again at a later date, this situation is the same. Also, the position of the Deputy Executive Director now is different than the Deputy Executive Director for Environmental Programs so it is not the same position that once was an employee.

On the issue of meeting the IRS criteria for a contractor, that was also resolved. The SBCCOG contracts with Jacki Bacharach and Associates to provide management services to the SBCCOG. Kim Fuentes is a subcontractor to Jacki Bacharach and Associates and it is up to Jacki Bacharach and Associates to provide the services and give direction to their subcontractors, not the SBCCOG. Jacki Bacharach and Associates is in turn accountable to the SBCCOG.

## RECOMMENDATION

The subcommittee is recommending that the Steering Committee approve the Deputy Executive Director as a contract position under the direction of Jacki Bacharach and Associates whose contract runs to June 30, 2016. In preparation for renewing the contract or going out to bid, no later than February 2016, the issue of all employees vs. a management services contract will be re-visited.