

Board of Directors Discussion Notes:

Attachment B

CEO Mike McKeever presented the Shared Services & New Initiatives Task Force summary of activities and support materials. He indicated the Task Force was initiated by SACOG Board Chair Peter Hill with the explicit interest of improving services and saving costs to local governments.

SACOG staff presented concept proposals for compensation surveys, traffic impact modeling, technical support for general plans and linking local and regional planning to support economic development. Following the staff presentations on the concept proposals, Task Force Chair John Knight opened the SACOG Board discussion.

- Expression of cautious support and identified need for good feasibility analysis. Whether as a non-profit, JPA or in house endeavor, it should be considered a business enterprise with accurate cost assessments. Specific questions to consider: What are the unit costs? What are the rates for different sized jurisdictions now? Suggested staff needs to look at cash flow analysis not just start-up costs.
- Request that business plan considerations be applied before taking on delivery of any new services from the eight concept proposals or new proposals - support for the organic concepts, but want assurances of collaboration with existing local or county based efforts and that no services will be pursued without evidence of demand.
- Request for specific considerations including appropriate staffing levels, flexibility for changes in staffing demand, and assurances for voluntary participation.

Director Knight acknowledged that some jurisdictions may not see value in these services at this time, but the benefit of flexibility for those who do or for changing economic circumstance and budget impacts of state and federal actions in the future bring value to the discussion of shared services opportunities.

Discussion specific to the traffic modeling concept proposal:

- There may be opportunities to reduce litigation risk through use of consistent models.
- In order for jurisdictions to tier off of SACOG work, the work needs to be aligned first, which would further insulate local governments from law suits with model consistency.
- To do a traffic study in a city, the consultant goes and gets data the MPO has collected - interest in developing an open platform in which the work is a hybrid of public and private effort.

Specific to the compensation survey proposal:

- There is value in asking questions beyond salary. Examples of information of interest included education levels and migration information about where certain types of employees go when they leave a community to assist in gathering intelligence for strategic human resource management and planning. Compensation is only the entry point, but there are underlying systems worth comparing.
- Desire to ensure compensation surveys provide comparisons for fully burdened positions with cost of benefits.
- Strengths of private sector service, IEAD, for document warehousing that Roseville, Sacramento County, City of Sacramento and Woodland participate in.

- Relative to entrepreneurial opportunities and private-public sector competition, concerns for not diminishing private sector business opportunities with duplicative or more expensive government services. Interest in ensuring that every new service consideration includes exploration as to whether there is a better private sector solution already available. There may be circumstances where shared services diminish demand for private sector services, but there are also areas where we may be creating new private sector initiatives and opportunities. “If it’s in the yellow pages” probably an indicator private sector capable of providing the service.

In discussion of regional economic development:

- Region is lost without a cohesive strategy. The region may be on the verge of that with Next Economy, but maybe not. Wouldn’t want to add another layer to that effort, but if there’s a specific role SACOG can provide to help tie all those together, that’s a good thing.
- Local governments competing for finite amounts of jobs and sales tax does not build regional wealth.
- SACOG should enter into economic development supportive activities cautiously and only if it adds to a cohesive plan.
- SACOG should take a non-competitive approach as it relates to support activities that may align with private sector economic development activities represented in Next Economy.
- Expression of specific interest in local government and regional support activities for ideas like the restaurant incubators and enterprise zone transfers between communities to encourage start-up businesses to stay in our region.
- The concept proposals represent opportunity to move forward with good foundation and criteria. Anticipates that in our pursuit of more detail and formalized baseline, we may see there are other areas to pursue. Baseline criteria will help us measure and create new proposals for discussion
- Comments about this initiative in contrast to other regional initiatives like flood control, Blueprint and Rural Urban Connections Strategy. Noted the SACOG region has a good history of accomplishing good work together. Some were on going and some through checks and balances were handed off. The Shared Services Task Force activities and Retreat discussion are ways to formalize the process as the region goes forward with for preserving services going forward.
- Concerns about applying the private business model exclusively. Interested is in reducing redundancy more than impacts on profits, especially if efficiency represents an opportunity for new wealth to our area.
- Noted that small jurisdictions may not have the resources for some services, but if they did, it would be a benefit to the region as a whole.

Discussion of governance structure options included:

- Suggestion that governance structure question would logically be part of an in depth feasibility analysis.
- Comment that governance form needed may vary by specific service.
- COO Trost noted that staff preliminary work indicates a non-profit structure may provide the greatest flexibility for staffing, compensation, and potentially reduced labor cost and the greatest opportunity for foundation fund solicitations otherwise unavailable to government entities.
- Suggestion that special districts, e.g. fire districts, be included

Director Knight asked that staff provide a summary of actions and direction for future work.

Staff assured the Board that the next steps are were feasibility analysis, exploration of governance structure, and further Task Force and Board discussions.