

BOARD MEETING DATE: February 5, 2021

AGENDA NO. 8

PROPOSAL: Appropriate Funds and Amend or Initiate Contracts with Outside Counsel and Specialized Legal Counsel and Services

SYNOPSIS: This action is to appropriate \$100,000 from the Undesignated (Unassigned) Fund Balance to AHR's FY 2020-21 Budget and amend or initiate contracts with prequalified counsel approved by the Board for employment and labor relations legal services and specialized legal services.

COMMITTEE: Administrative, January 15, 2021; Recommended for Approval

RECOMMENDED ACTIONS:

1. Appropriate \$100,000 from Undesignated (Unassigned) Fund Balance to AHR's FY 2020-21 Budget, Services and Supplies Major Object, Professional and Special Services Account; and
2. Authorize the Executive Officer to amend or initiate contracts with prequalified employment and labor relations legal counsel handling existing and future matters, as well as specialized legal counsel and services, as the need arises.

Wayne Nastri
Executive Officer

AJO:VK:VMR

Background

The FY 2020-21 Budget for Administrative & Human Resources (AHR) included \$200,000 for outside legal counsel expenses for employment and labor relations matters. However, due to the need for legal advice and representation on recent, specialized matters, such as SBCERA retirement system actions, negotiations for successor MOUs, and COVID-19 related laws and regulations, it is expected that this amount will not cover anticipated costs for these ongoing matters, as well as costs of future employment and labor relations counsel or any specialized counsel and services, as needed.

Proposal

In order to continue the services of legal counsel for employment and labor relations, it is necessary to appropriate additional funds for expenditures related to outside legal counsel services. Legal advice on COVID-19 matters will continue to be sought in 2021. An evaluation of the impacts of recent SBCERA determinations on items to be included in an employee's earnable compensation calculation is ongoing. Also, there are pending personnel and labor relations matters going through the administrative review process. It is estimated that these ongoing and potential/future matters and possible specialized legal counsel and services will require an additional \$100,000 for attorney's fees and costs for prequalified counsel (approved by the Board in April 2020). Accordingly, staff is requesting an appropriation of funds in the amount of \$100,000 from the Undesignated (Unassigned) Fund Balance to AHR's FY 2020-21 Budget, and Board authorization for the Executive Officer to amend or initiate contracts with prequalified counsel, as the need arises.

Resource Impacts

Sufficient funds will be available in AHR's FY 2020-21 Budget upon approval of this Board letter. This action will bring the total amount of AHR's costs for employment and labor relations services by outside legal counsel approved by the Board in FY 2020-21 to \$300,000.