

California Uniform Construction Cost Accounting Commission

Minutes of Friday, July 8, 2016 In Person and Teleconference

These minutes were officially approved by the Commission at the subsequent public meeting on November 7, 2016.

1. Call to order

Linda Clifford, Chair called the meeting to order at 10:02 am.

Present: Linda Clifford, Will Clemens, Robert Campbell, George Hicks, Eddie Bernacchi, Ken Kayser, Steven L. Hartwig, Nathaniel Holt, and Jeff Armstrong
Via teleconference: David Cruce

Absent: Cesar Diaz, Lisa Ekers, Guiselle Carreon and Michael Hester

Guest: Guiselle Carreon (Commissioner Carreon called in from a location not previously listed on the agenda and therefore attended as a member of the public via teleconference without participating).

State Controller's Office: David Brownfield, Jenny Jones, Debbie Torres, and Michael Gungon

a. Voting by Roll Call

The Commission recognized all votes will be taken by roll call when one or more Commissioners participate in the meeting via teleconference, pursuant to the Bagley-Keene Open Meeting Act Government Code (GC)§11123.

2. Introduction

The Commissioners, staff, and guests all introduced themselves.

No other members of the public were in attendance at the meeting or at either of the remote locations listed in the meeting notice and posted on the California Uniform Construction Cost Accounting Commission (CUCCAC) web page.

3. Approval of the Minutes (Refer to attachment Item 4)

a. Meeting held on April 8, 2016

Commissioner Hicks motioned and Commissioner Clemens seconded to approve the minutes, of April 8, 2016 meeting. **(The motion passed on a roll call vote with 7 yays, 0 nays, and 3 abstentions by Commissioners Armstrong, Holt, and Hartwig, who were not in attendance at April 8, 2016 meeting).**

4. Commission Update (Refer to attachments for Item 4)

a. Participating Agencies

The State Controller's Office (SCO) presented an update on participating agencies, noting 16 new agencies along with 9 additional resolutions who had already opted in the Uniform Public Construction Cost Accounting Act (UPCCAA). Fifteen of the new agencies were school districts, bringing the number of agencies participating in the Act to 996. The SCO confirmed all participating agencies were sent welcome letters.

Chair Clifford thanked Commissioner Carreon for her ongoing outreach to school districts on behalf of the Act. Chair Clifford urged the Commissioners representing cities, counties, and special districts to continue reaching out to agencies to increase the participation of those entities in the Act. Vice Chair Clemens noted that the highest participation was by the counties and agreed that additional outreach would be useful.

b. Funding Update

The SCO reported the Commission had \$8,854.90 of unrestricted funds available for its use to perform audits and outreach.

Chair Clifford suggested that the Commission form a subcommittee for funding the Act. Commissioner Bernacchi suggested that the Commission update and resend the same letter that was sent out to all non-participating agencies a few years back. SCO staff located the letter, Commissioner Bernacchi and Commissioner Hicks have been assigned to the subcommittee to update the CUCCAC Public Agency notification letter to be resent in the next 90 days.

Chair Clifford requested the SCO to provide the Commission with an estimated cost to mail the letters or if there is another way to send the letters such as by email, which will minimize the cost.

c. Inquiry Update

The SCO presented a report for all inquiries received since the last meeting, which was held on April 8, 2016. Chair Clifford noted with the new inquiries the Commission will need to update the Frequently Asked Questions (FAQs) to reflect new questions that have been regularly asked by public agencies.

Commissioner Campbell had some concern that the inquiry update was not published on the public website. Chair Clifford stated that the inquiries are an ongoing dialog that's occurring between the Commission and public agencies. If the inquiry results in an update to the FAQs then the final content is ultimately published on the website.

Commissioners Hartwig and Campbell asked whether the update is considered public information. Chair Clifford asked Counsel Brownfield for advice in regard to the inquiry. Counsel Brownfield will look into this matter and get back to the Commission if the inquiries need to be published on the CUCCAC webpage.

Commissioner Hicks stated that the inquiries are only notes and not the official questions. The convenience of asking questions of the Commission is intended to facilitate the participation of agencies and is a part of the service provided by the Commission to those agencies participating in the Act or interested in doing so.

5. Public Comment

There were no comments from the public.

6. Staff Comment/Requests (Refer to attachments for Item 4)

a. Commissioner resigning process request

Ms. Torres referred to a segment of the amended Bylaws, which had been added to address *resignations, termination, and absences*.

Chair Clifford mentioned that the new items which had been added were to address issues, which had arisen from recent past resignations. The SCO staff and the Commission were not notified in a timely manner about some resignations that had taken place in the past. Resignations need to come through the Commission and SCO staff.

Commissioner Campbell mentioned the Controller has the authority to make appointments by existing statute. The Bylaws as currently proposed gives the Chair the authority to remove a Commissioner due to unexcused absences. Chair Clifford stated the intent of the newly proposed Bylaws amendment was only to recommend the removal due to excessive unexcused absences and the Chair does not have the authority to actually remove a Commissioner.

In order to make this clear, Chair Clifford recommended to change the wording from:

- “A Commissioner **shall be** terminated from the Commission due to excessive absences.”

To:

- “A Commissioner **may be** terminated from the Commission due to excessive absences.”

Chair Clifford stated the goal of the Commission is to meet four times a year. If a Commissioner has missed more than two meetings it is 50% of the meetings missed in the year, which will ultimately result in the Commissioner not representing their constituency. If the Commissioners do not have time for the Commission, then the best outcome is to find a representative who will have time for the responsibilities of a Commissioner.

After today’s meeting, the Commission will start tracking excused and unexcused absences. Chair Clifford will make sure that all Commissioners who did not attend the meeting are made aware of this change in the Bylaws.

Today, the Commission has three Commissioners with excused absences and one with an unexcused absence.

Chair Clifford would also like to have the new language added to the Bylaws.

- “It is understood that the Commission serves at the pleasure of the Controller. The Controller makes the final decision on terminations and appointments. The Commission can only make recommendations.

Commissioner Bernacchi stated by law the Controller cannot remove a Commissioner until their three year term is up. The statute also states that once appointed to the Commission for the initial three year term the Commissioner cannot be removed except in certain circumstances by the Controller. Thereafter, a Commissioner serves at the will of the SCO.

Vice Chair Clemens motioned and Commissioner Hicks seconded the motion to accept the Bylaw revisions with the modifications and agreed that the final recommendation would come through the Chair and the Vice Chair to the SCO. **(The motion passed on a roll call vote with 11yays, 0 nays).**

b. **Ethics Training**

Ms. Torres reminded the Commission that as members of CUCCAC, they are required to complete the State Officials Ethics course every two years and provide a copy of the certificate to the State Controller's Office. Ms. Torres will provide a list of Commissioners to Chair Clifford who are not up to date on their Ethics training.

c. **Procedures for recording the meeting**

SCO staff provided the Commission with the procedures for recording the meeting. Chair Clifford stated at the last meeting on April 8, 2016, the Commission approved the motion to implement the procedures. Ms. Torres stated today's meeting was a test recording. Jenny Jones, SCO staff, noted that equipment had been purchased to formally record all meetings moving forward.

7. Reports of Officers

a. **Chair**

Chair Clifford stated that participation is an anticipated requirement, which reflects both the Commission's performance and impact. Chair Clifford thanked Commissioner Carreon and Commissioner Hicks for their outreach efforts on behalf of the Act in the last 90 days.

b. **Vice Chair**

Vice Chair Clemens mentioned that Commissioner Hartwig submitted a proposal for the Commission to outreach on the Public Works Officers Institute agenda last year. The outreach was for the Act, in which both Cities and Counties were in attendance. The proposal was not selected to be on the agenda last year, but the proposal will be updated and resubmitted again for this upcoming year.

Vice Chair Clemens has been invited to speak at the County Counsel Association this fall. This is a Q&A for the entities' attorneys, on various issues for their clients in regard to hot topics related to the Act. Vice Chair Clemens will ask the requesting attorney whether there are any specific questions and will send those questions to SCO counsel.

Chair Clifford mentioned that the existing PowerPoint presentation should to be updated especially as it relates to the new changes. Also, the presentation would need to include information from some of the updated FAQs.

c. **Secretary**

Secretary Carreon had an excused absence-nothing to report.

8. Committee Reports (Refer to attachment Item 8a)

a. Frequently Asked Questions (FAQs) – Review and discuss

Commissioner Hicks recommended that the Commission reorganize the FAQs. Chair Clifford asked Commissioner Campbell if he was willing to review the FAQs and add a subtitle section and to add questions about informal bid list. Also, Commissioner Hicks will review the questions which no longer apply and remove them. Chair Clifford added a subcommittee consisting of Commissioner Campbell and Commissioner Hicks to review the FAQ's.

b. Legislative Update

i. Commissioner Bernacchi stated they are still looking into legislation to remove the SCO ability to deny performing audits. That may be the only way to secure general fund funding for the functions of the Commission under the requirements of the Act. Two things that are tied to staff time, if available, are:

- a) Audits
- b) Attendance of staff at the meeting.

If the verbiage “if available” is removed, then the support of the Commission’s responsibilities becomes a mandatory obligation of the SCO, and would be included in the SCO budget. Commissioner Bernacchi has worked with the SCO Manager Anita Dagan in the past with regards to this change and will continue to do so.

c. CUCCAC Manual Update

i. Chair Clifford referenced item 8c -PCC 22034 “Each public agency that elects to become subject to the uniform construction accounting procedures set forth in Article 2 (commencing with section 22010) shall enact an informal bidding ordinance policy or regulation...” should state “Board Policy” for those agencies who do not have authority to adopt ordinances such as school districts. Chair Clifford stated when the manual is published “Board Policy” will be added pending legislation.

ii. *Proposed changes – non-legislative.*

NONE at this time. The manual will be published as it stands today with no redline or pending changes. The manual will be up on the website in the next 30 days.

iii. *Proposed changes – legislative.*

Possible clarifications and the SCO budget item may be proposed for the Omnibus bill in January 2017. Commissioner Bernacchi will manage the process and keep the Commission informed.

9. Commissioner Comments/Requests

There were no Commissioner comments or requests.

10. Old Business

There was no old business.

11. New Business

There was no new business to report.

12. Next Meeting

The Commission scheduled the next meeting date for Monday November 7, 2016, from 10:00 am – 2:00 pm at the State Controller’s Office 300 Capitol Mall, Sacramento.

13. Adjournment

The Meeting was adjourned at 11:40 a.m.

If you would like more information regarding this meeting, please contact:

State Controller’s Office
Division of Accounting and Reporting
Local Government Policy Section
LocalGovPolicy@sco.ca.gov