



Oakland-Alameda County
Coliseum Authority

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY
Special Zoom Meeting

NOTICE AND AGENDA
BOARD OF COMMISSIONERS
November 25, 2020
Wednesday, 8:30 a.m.

Please click the link below to join the webinar:

<https://zoom.us/j/95930410505?pwd=M0E1eDJrQlItNmRzVXJ6WmlGei9mZz09>

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1. CALL TO ORDER
2. ROLL CALL
3. OPEN FORUM
4. NEW BUSINESS ACTION ITEM
Report: Unite Here Local #2850 Request for Assistance
5. ADJOURNMENT

Honorable Chairperson Larry Reid and Commissioners of the Authority

At your Board meeting of November 20, 2020 several members of Unite Here Local #2850 addressed the Board during open forum requesting assistance in continuing their insurance coverage under the Levy contract and providing certain other rights they have under their existing contract. In particular, they want to preserve these rights during the transition period of termination of the Levy contract with the Authority and completing the Request for Proposal (RFP) process and selecting a new vendor. Levy has indicated that it plans to submit a proposal for a new contract pursuant to the RFP process.

The current Levy contract expires on November 30, 2020. Your Executive Director inquired of Levy if it would consider extending the existing contract during this transition period. For a number of reasons, almost all financial, they have declined. The costs for continuing, with no revenues, are considerable, principally health insurance and other overhead expenses that would continue during the transition period.

We have entered into an agreement with the Bigelow Companies to assist in developing the RFP, evaluating proposals and making a recommendation for the food and beverage service at the Oakland Arena. Our expectation is to complete the process in early spring and make a recommendation to the Board in sufficient time for the successful bidder to begin operations by July 1, 2021.

Since the matter was raised during Open Forum, the Board was not able to engage in substantive discussion and asked that the matter be calendared for a special meeting. With Thanksgiving week and the Levy contract ending on November 30, 2020, this is the earliest date we were able to arrange a special meeting.

The current union contract with Levy is still in effect. It was initially for the period of July 1, 2014 to June 30, 2019 but has a continuation clause that extends it unless either party elects to terminate it. There has been no termination.

The contract does not seem to speak directly to what Levy's obligations are with respect to health care coverage if the employees are terminated. According to the WARN letter, termination goes into effect on November 30, 2020. There seems to be some understanding on both sides that there will be future contributions for at least a few months after November 30, 2020 to the Trust Fund which covers health insurance.

During the union's comments, they asked if the Levy contract is not extended after November 30, would the JPA bring them on as employees? This raises a number of legal, policy and procedural issues:

- A. Who manages the employees during the interim period? Are they expected to do any work?
- B. What is their status?
- C. What benefits would they receive during this interim period, e.g., health insurance? Who pays?
- D. Are they immediately eligible for sick leave, especially under Oakland's sick leave ordinance?

E. What seniority rights would they have once a vendor is selected? Do they transfer rights to the new vendor that they may have carried under a JPA employment?

F. What are the health insurance costs for taking on this liability? It is estimated in the tens of thousands per month.

G. Will the JPA take on risks and liability claims or lawsuits arising out of any of the JPA or employees' actions? There are some 450 employees currently.

H. The City and County are self-insured; the JPA is not. Would require general liability insurance and other insurance; the costs would be substantial.

I. The JPA currently has no employees.

J. What happens if the selected vendor downsizes the staff given the prospect that business will not be what it was pre-COVID-19? Is the JPA then responsible for lay-off or termination benefits? What would that be based on?

K. The JPA would have several hundred employees with no work to be performed.

L. Would need to establish a hiring process, develop job descriptions, establish pay rates, conduct background checks, comply with all state and federal regulations as an employer, etc. There is no Human Resources Department to implement any of these actions.

Given the very short period of time we have had to explore these issues, we do not have definitive answers to these questions and issues.

Recommendation:

Request the Board give direction to the Executive Director and legal counsel how it would like for us to proceed.

Respectfully submitted,

Henry L. Gardner