



LOCAL AND REGIONAL GOVERNMENT SERVICES AUTHORITIES

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LGS EXECUTIVE COMMITTEE AGENDA

Agenda materials may be viewed in the meeting location of the Association of Bay Area Governments' (ABAG) office and City of Larkspur's office prior to the meeting.

**REGULAR MEETING
Via Teleconference
February 11, 2010
9:30 a.m.**

San Mateo County Transit District, Executive Conference Room, 3rd Floor
1250 San Carlos Ave., San Carlos, CA 94070
Association of Bay Area Governments (ABAG), Exec. Dir. Office
101 Eighth St., Oakland, CA 94604
Larkspur Fire Station 15, 2nd Floor Administrative Office
420 Magnolia Avenue, Larkspur, CA 94939

1. ROLL CALL

2. CHANGES TO THE ORDER OF AGENDA

3. APPROVAL OF CONSENT AGENDA

Consent agenda items are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Executive Committee, staff or public request specific items to be removed for separate action.

A. Approval of **December 10, 2009** Minutes

Action

4. TREASURER'S REPORT

A. Review of Month-End Financial Reports through December 2009

Information

B. Approval of Payments and Deposits made November and December 2009

Action

C. Approval of Investments Report through December 2009 and January 2010

Action

D. Financial Reserve Designation Policy

Action

5. OLD BUSINESS

Information

A. STARS Update

6. NEW BUSINESS

A. Update on Clients and Prospective Members

Discussion

B. Regularly Scheduled Meetings Calendar

Discussion

7. PUBLIC COMMENT

Each speaker is limited to two minutes. If you are addressing the Executive Committee on a non-agenda item, the Executive Committee may briefly respond to statements made or questions posed as allowed by the Brown Act (Government Code Section 54954.2). However, the Executive Committee's general policy is to refer items to staff for attention, or have a matter placed on a future Executive Committee agenda for a more comprehensive action or report.

8. NEXT MEETING: **March 11th or April 8th at 9:30 a.m. via teleconference.**

9. ADJOURN

Americans with Disabilities Act

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Richard Averett at (650) 587-7301. Notification in advance of the meeting will enable Agency to make reasonable arrangements to ensure accessibility.

**LOCAL GOVERNMENT SERVICES
JOINT POWERS AUTHORITY
EXECUTIVE COMMITTEE MINUTES**

The Local Government Services Joint Powers Authority held a regular committee meeting by teleconference on **December 10, 2009** at San Mateo County Transit District, Executive Conference Rm. 3rd Floor, 1250 San Carlos Ave., San Carlos, CA 94070; Association of Bay Area Governments, Executive Director's Office, 101 Eighth St., Oakland, CA 94604; and Larkspur City Hall, City Manager's Office, 400 Magnolia Avenue, Larkspur, CA 94939. The meeting was called to order at **9:30 a.m.**

1. ROLL CALL

A. Members: Mike Garvey, LGS Chair
Bob Sinnott, Member
Herb Pike, Alternate Member

Other Attendees: Richard Averett, LGS Executive Director/CFO

B. Announcement of New Larkspur Representative and Alternate
Representative – Deputy City Manager/Fire Chief Robert Sinnott
Alternate – Finance Director Amy Koenig

C. Election of Executive Committee Vice Chair. Call for nominations and election. Only one candidate was nominated and nominations were closed.

ACTION: **M/S Sinnott/Garvey** nominated and moved by acclamation that Henry Gardner becomes Vice Chair of the Executive Committee.

AYES: Chair Garvey, Member Sinnott, Alternate Pike

NOES: None

ABSTAIN: None

2. CHANGES TO THE ORDER OF AGENDA - None

3. APPROVAL OF CONSENT AGENDA

A. Approval of **October 20, 2009** Minutes.

ACTION: **M/S Garvey/Pike** to approve the consent agenda item as presented.

AYES: Chair Garvey, Member Sinnott, Alternate Member Pike

NOES: None

ABSTAIN: None

4. TREASURER'S REPORT

A. Review of month-end financial reports through October 2009. The Executive Director reviewed the financial reports and noted the JPA's close work with financial services provider MRBK to get more timely reporting of financial results. The Executive Director also noted that staff would develop a designated financial reserve policy for Executive Committee consideration. The cumulative retained earnings of the agency are now sufficient to establish a policy to designate a portion for adverse liability or workers' compensation claims, to enable the agency to smoothly transition to significant and rapid increases or decreases in client workload, and for use as an opportunity fund enabling the agency to take advantage unique circumstance that have a high likelihood of resulting in increased reimbursement revenue. There was discussion concerning booking leave accrual liability monthly versus annually (as is the current practice). The Executive Director noted that year-end accruals amount to a net \$60,000 to \$80,000 for both LGS and RGS. He believes that booking this combined \$5,000 to \$7,000 monthly expense does not add enough value to warrant the extra entries at this point.

B. Approval of Payments and Deposits made July, August, September and October 2009

ACTION: **M/S Pike/Sinnott** to approve the investments report as presented.

AYES: Chair Garvey, Member Sinnott, Alternate Member Pike

NOES: None

ABSTAIN: None

C. Approval of Investments Report through November of 2009.

ACTION: **M/S Sinnott/Pike** to approve the investments report as presented.

AYES: Chair Garvey, Member Sinnott, Alternate Member Pike

NOES: None

ABSTAIN: None

5. OLD BUSINESS – None

6. NEW BUSINESS

- A. Client and Prospective Client Update – Chair Garvey gave a brief overview of the JPAs, including the founding objectives of providing a platform for providing staffing and personnel services to small public agencies, retaining public sector employees in the public sector and providing cost-effective services to public agencies so that those agencies can better manage their continually stressed resources. The Executive Director reviewed the agenda report and reported on current status of clients and perspective clients. The report of potential members was reviewed, with follow-up by the Executive Director and Chair in contacting agencies identified. Updated JPA fliers will be distributed to Executive Committee Members. The Executive Director will further research the advisability of providing a retainer for member agencies.
- B. Regularly Scheduled Meetings – The Members reviewed the scheduled upcoming meeting, discussed and expressed a desire to cancel the January 14th meeting if no subsequent business required a meeting, with the next scheduled meeting date February 11. This item was for discussion only, and no action was taken.

7. PUBLIC COMMENT – None

- 8. NEXT MEETING –** The January 14, 2010 meeting is cancelled if there are no items needing the Committee's attention. The next meeting would be February 11 at 9:30 a.m. via teleconference.

- 9. ADJOURNED -** Meeting adjourned at 10:20 a.m.



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TO: EXECUTIVE COMMITTEE
FROM: RICHARD H. AVERETT, CFO/TREASURER
SUBJECT: FINANCIAL REPORT ANALYSIS

EC Meeting: 2-11-10

Item: 4A

RECOMMENDATION

No action is required of the Executive Committee. These are informational financial reports through December 2009 month-end, and are attached for review. All reports are draft and preliminary.

P&L ANALYSIS

Through December 2009, the net income for the JPAs was as follows:

- LGS net income equals \$193,388 for the fiscal-year-to-date (FYTD). The balance sheet shows Total Equity of \$817,852.
- RGS net income equals \$137,011 for the FYTD. The balance sheet shows Total Equity of \$196,745.
- Combined LGS/RGS net income equals \$330,399 for the 2010 FYTD. Combined Total Equity equals \$1,014,598.

Accruals for earned but not paid leave time have not been posted to the financials. This usually occurs at the conclusion of the fiscal year. The results shown are preliminary estimates. Combined financial performance has continued the positive trend begun March 2007. The combined net income is approximately \$157,100 or 91 percent better than last year's net year-to-date performance. This increase is the result of increased client services revenue outstripping more modestly increasing support costs for accounting, technology and administrative services.

Several factors are or could dampen future fiscal performance:

1. Loss of a major client (with 10 or more assigned staff) would negatively impact financial performance. No such loss is anticipated through the remainder of the current fiscal year. At that time it is anticipated that Consortium IV staffing services will no longer need our services as their training project will be complete.
2. Several smaller client projects will be completed over the next several months. Normal attrition is expected to be replaced by new and repeat client project/interim work, as Executive Committee Members and staff continue to communicate to the public sector about JPA services.
3. Support services cost increases that traditionally lag increases in services provided. Due to growth in clients and employees, support services cost increases are expected for Human Resources management, financial services and administrative support. These increases will remain well below client revenues, but are expected to moderate the high net gain shown to-date.
4. Historically low interest rates have reduced earnings, and are expected to remain depressed for some time.

Local Government Services
Profit & Loss by Class
 July through December 2009

	<u>Admin - JPAs</u>	<u>C-IV</u>	<u>MTA</u>	<u>MTC</u>	<u>SBWMA</u>	<u>TAM</u>	<u>TJPA</u>	<u>WTA</u>	<u>TOTAL</u>
Ordinary Income/Expense									
Income									
440301 · Client Billings	0.00	0.00	47,991.00	723,220.45	78,392.43	770,290.64	939,908.30	0.00	2,559,802.82
440410 · Client Administrative Fees	0.00	42,882.04	0.00	2,328.00	4,000.00	0.00	41,888.00	0.00	91,098.04
440600 · General Liability/EAP	0.00	0.00	0.00	0.00	708.00	0.00	7,548.00	0.00	8,256.00
480000 · Miscellaneous	0.00	0.00	0.00	4,492.00	2,000.00	0.00	11,066.00	9,000.00	26,558.00
Total Income	<u>0.00</u>	<u>42,882.04</u>	<u>47,991.00</u>	<u>730,040.45</u>	<u>85,100.43</u>	<u>770,290.64</u>	<u>1,000,410.30</u>	<u>9,000.00</u>	<u>2,685,714.86</u>
Expense									
511010 · Salaries - Regular	-0.02	31,606.80	33,146.28	467,230.83	60,750.62	489,073.51	666,076.16	0.00	1,747,884.18
512002 · Medicare Employer Expense	0.00	459.76	417.34	6,832.36	884.76	7,155.38	9,743.61	0.00	25,493.21
512005 · Health Insurance Expense	2.58	2,217.92	2,037.36	41,976.48	7,535.64	27,670.30	42,272.57	0.00	123,712.85
512006 · Dental Insurance Expense	0.00	983.40	655.68	6,425.44	1,014.78	5,862.70	6,573.12	0.00	21,515.12
512007 · Vision Insurance Expense	6.61	134.47	127.86	1,385.16	229.26	1,384.48	1,566.70	0.00	4,834.54
512008 · Life Insurance Expense	-1.60	106.72	114.85	1,476.71	203.64	1,590.27	2,267.50	0.00	5,758.09
512009 · Long Term Disability Expense	4.96	183.79	195.60	2,551.44	350.04	2,724.63	3,629.30	0.00	9,639.76
512010 · Stars 401A Expense	0.00	0.00	0.00	0.00	1,167.00	0.00	7,738.06	0.00	8,905.06
512012 · Calpers Retirement Expense	0.14	5,506.77	5,953.03	80,716.52	5,724.46	83,031.83	116,188.01	0.00	297,120.76
512014 · Short Term Disability Expense	3.23	182.41	194.03	2,514.24	347.40	2,563.84	3,069.15	0.00	8,874.30
512015 · Unemployment Insurance Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,000.00	9,000.00
520202 · Bank Fees & Services	178.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	178.42
520302 · Legal Services	0.00	0.00	0.00	-155.50	0.00	0.00	0.00	0.00	-155.50
520503 · Conferences & Meetings	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00
520801 · Mileage Reimbursement	0.00	0.00	-23.42	0.00	0.00	0.00	0.00	0.00	-23.42
521109 · Interest Expense	89.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	89.69
529997 · Administrative Services - RGS	-284.01	0.00	0.00	7,667.13	0.00	0.00	62,082.03	0.00	69,465.15
Total Expense	<u>0.00</u>	<u>42,882.04</u>	<u>42,818.61</u>	<u>618,620.81</u>	<u>78,207.60</u>	<u>621,056.94</u>	<u>921,206.21</u>	<u>9,000.00</u>	<u>2,333,792.21</u>
Net Ordinary Income	0.00	0.00	5,172.39	111,419.64	6,892.83	149,233.70	79,204.09	0.00	351,922.65
Other Income/Expense									
Other Expense									
529998 · Allocated Admin. Services - RGS	0.00	0.00	3,032.12	46,124.75	5,376.74	40,225.60	63,207.01	568.63	158,534.85
Total Other Expense	<u>0.00</u>	<u>0.00</u>	<u>3,032.12</u>	<u>46,124.75</u>	<u>5,376.74</u>	<u>40,225.60</u>	<u>63,207.01</u>	<u>568.63</u>	<u>158,534.85</u>
Net Other Income	<u>0.00</u>	<u>0.00</u>	<u>-3,032.12</u>	<u>-46,124.75</u>	<u>-5,376.74</u>	<u>-40,225.60</u>	<u>-63,207.01</u>	<u>-568.63</u>	<u>-158,534.85</u>
Net Income	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>2,140.27</u></u>	<u><u>65,294.89</u></u>	<u><u>1,516.09</u></u>	<u><u>109,008.10</u></u>	<u><u>15,997.08</u></u>	<u><u>-568.63</u></u>	<u><u>193,387.80</u></u>

Local Government Services
Balance Sheet
As of December 31, 2009

	<u>Dec 31, 09</u>
ASSETS	
Current Assets	
Checking/Savings	
110010 · Wells Fargo - Cash	-4,224.39
Total Checking/Savings	<u>-4,224.39</u>
Accounts Receivable	
131320 · Accounts Receivable - Trade	581,872.08
Total Accounts Receivable	<u>581,872.08</u>
Other Current Assets	
143006 · Due from RGS	1,352,927.89
Total Other Current Assets	<u>1,352,927.89</u>
Total Current Assets	<u>1,930,575.58</u>
TOTAL ASSETS	<u><u>1,930,575.58</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
222001 · Accounts Payable - RGS	49,623.47
Total Accounts Payable	<u>49,623.47</u>
Other Current Liabilities	
221001 · Calpers Retirement Liab	26,102.09
221003 · 457/401A Retirement Liab	9,433.46
221009 · General Liability Insurance	-500.00
221015 · Health Insurance Liability	310.67
221016 · Long Term Disability Liability	-1,621.92
221017 · Short Term Disability Liability	-1,486.40
221023 · Dental Insurance Liability	-3,289.20
221024 · Vision Insurance Liability	21.31
221025 · Life Insurance/AD&D Liability	-922.94
230060 · Accrued Salaries, Wages & Taxes	143,339.36
240010 · Deferred Revenue	496,087.00
240011 · Refundable Deposits	240,000.00
250001 · Accrued Vacation, Sick & Admin	387,422.31
250002 · Contra Vacation, Sick and Admin	-231,796.06
Total Other Current Liabilities	<u>1,063,099.68</u>
Total Current Liabilities	<u>1,112,723.15</u>
Total Liabilities	1,112,723.15
Equity	
370000 · Fund Bal Unreserved/Unrestrictd	209,129.99
3900 · Retained Earnings	415,334.64
Net Income	193,387.80
Total Equity	<u>817,852.43</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,930,575.58</u></u>



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TO: EXECUTIVE COMMITTEE **EC Meeting: 2-11-10**
FROM: RICHARD H. AVERETT, CFO/Treasurer **Item: 4B**
SUBJECT: PAYMENTS MADE IN NOVEMBER AND DECEMBER 2009

RECOMMENDATION

Review and approve expenditures made by the JPA for the months of November and December 2009.

BACKGROUND

The Executive Committee reviews and approves expenditures made by the JPA on a monthly basis. This approval process is a component of the JPA's internal controls.

The following procedures are being implemented to maintain effective internal controls.

1. Invoices are received by the JPA fiscal agent, McGilloway Ray Brown & Kaufman Accounting and Consulting (MRBK);
2. The fiscal agent reviews for accuracy, including reviewing payments for employee benefits against payroll and employee census data, and prepares checks and supporting documentation for Executive Director;
3. The Executive Director reviews and signs/authorizes the check or electronic payment;
4. MRBK prepares and submits to our bank, Wells Fargo, a wire transfer record, and the Executive Director electronically reviews and approves each wire; and
5. All payments are brought to the next Executive Committee meeting for review and approval.

FISCAL IMPACT

The net impact of all payments and deposits made this period maintains a minimal bank cash balance consistent with meeting funding obligations, while maximizing interest earnings in the Local Agency Investment Fund (LAIF) and CalTrust medium term investment pool. Note that any apparent negative balances at the end of a month are due to timing of expenses consistent with accrual accounting. Staff seeks to minimize bank charges at all times.

The fiscal impact of approving the attached list of expenditures is included in the approved FY2010 budget or in subsequently approved action by the Executive Committee.

Local Government Services
Account QuickReport
As of November 30, 2009

110010 - Wells Fargo - Cash	<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Clr</u>	<u>Amount</u>	<u>Balance</u>
								-33,020.86
	Deposit	11/04/2009			Deposit	√	4,036.46	-28,984.40
	Deposit	11/05/2009			Deposit	√	133,205.79	104,221.39
	Check	11/05/2009	EFT	ADP Net Checks	10/31 Payroll	√	-100,231.20	3,990.19
	Check	11/05/2009	EFT	ADP FWH/SWH/Med	10/31 Payroll	√	-32,974.59	-28,984.40
	Check	11/06/2009	1591	CalPers	H2009111816000-Nov Premium	√	-19,692.85	-48,677.25
	Deposit	11/06/2009			Deposit	√	9,237.67	-39,439.58
	Check	11/06/2009	EFT	AIG Retirement	10/31/09 457 EFT	√	-8,451.20	-47,890.78
	Check	11/06/2009	EFT	AIG Retirement	10/31/09 401 EFT	√	-768.47	-48,659.25
	Check	11/06/2009	EFT	ADP Fees	10/31/09 Payroll	√	-18.00	-48,677.25
	Deposit	11/09/2009			Deposit	√	10,932.99	-37,744.26
	Check	11/10/2009	1590	CalPers - Retirement	10/31/09 Employer Code 1816	√	-24,575.30	-62,319.56
	Deposit	11/13/2009			Deposit	√	265.65	-62,053.91
	Check	11/13/2009	EFT	ADP Fees	10/31/09 Payroll	√	-265.65	-62,319.56
	Deposit	11/17/2009			Deposit	√	44,268.15	-18,051.41
	Deposit	11/19/2009			Deposit	√	129,770.71	111,719.30
	Check	11/19/2009	EFT	ADP Net Checks	11/15 Payroll	√	-97,970.25	13,749.05
	Check	11/19/2009	EFT	ADP FWH/SWH/Med	11/15 Payroll	√	-31,800.46	-18,051.41
	Deposit	11/20/2009			Deposit	√	9,309.82	-8,741.59
	Check	11/20/2009	EFT	Wells Fargo	Service Charge-Nov	√	-200.67	-8,942.26
	Check	11/20/2009	EFT	AIG Retirement	11/15/09 457 EFT	√	-8,367.49	-17,309.75
	Check	11/20/2009	EFT	AIG Retirement	11/15/09 401 EFT	√	-741.66	-18,051.41
	Check	11/23/2009	1592	CalPers - Retirement	11/15/09 Employer Code 1816	√	-23,305.59	-41,357.00
	Check	11/23/2009	1593	Allied Administrators	Nov premium	√	-3,440.10	-44,797.10
	Deposit	11/23/2009			Deposit	√	18,051.41	-26,745.69
	Bill Pmt -Check	11/24/2009	1596	EDD	932-0540-9	√	-4,500.00	-31,245.69
	Check	11/25/2009	1597	Reliance	Dec premiums	√	-4,036.46	-35,282.15
	Deposit	11/27/2009			Deposit	√	235.95	-35,046.20
	Check	11/27/2009	EFT	ADP Fees	11/15/09 Payroll	√	-235.95	-35,282.15
	Deposit	11/30/2009			Deposit	√	7,940.10	-27,342.05
							5,678.81	-27,342.05
Total 110010 - Wells Fargo - Cash							5,678.81	-27,342.05
TOTAL							5,678.81	-27,342.05

Local Government Services
Account QuickReport
As of December 31, 2009

	<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Clr</u>	<u>Amount</u>	<u>Balance</u>
110010 - Wells Fargo - Cash								-27,342.05
	Deposit	12/01/2009			Deposit	√	27,342.05	0.00
	Check	12/04/2009	1594	CalPers	VOID: H2009121816000-Dec Premium		0.00	0.00
	Check	12/04/2009	1595	CalPers	H2009121816000-Dec Premium	√	-19,201.24	-19,201.24
	Deposit	12/04/2009			Deposit	√	135,163.38	115,962.14
	Check	12/04/2009		ADP Net Checks	11/30 Payroll	√	-101,329.56	14,632.58
	Check	12/04/2009		ADP FWH/SWH/Med	11/30 Payroll	√	-33,833.82	-19,201.24
	Check	12/07/2009	1598	Puar, Kimpreet	VOID: to replace ch.40568384	√	0.00	-19,201.24
	Deposit	12/07/2009			Deposit	√	9,207.54	-9,993.70
	Check	12/07/2009		AIG Retirement	11/30/09 457 EFT	√	-8,439.06	-18,432.76
	Check	12/07/2009		AIG Retirement	11/30/09 401 EFT	√	-768.48	-19,201.24
	Deposit	12/09/2009			Deposit	√	2,439.59	-16,761.65
	Deposit	12/09/2009			Deposit	√	16,761.65	0.00
	Bill Pmt -Check	12/10/2009	1599	Toconis	VOID:	√	0.00	0.00
	Check	12/11/2009	1600	CalPers - Retirement	11/30/09 Employer Code 1816	√	-24,968.52	-24,968.52
	Deposit	12/11/2009			Deposit	√	265.65	-24,702.87
	Check	12/11/2009		ADP Fees	11/30/09 Payroll	√	-265.65	-24,968.52
	Check	12/15/2009	EFT	Puar, Kimpreet	wire to replace ADP ch.40568384	√	-2,439.59	-27,408.11
	Deposit	12/15/2009			Deposit	√	27,408.11	0.00
	Deposit	12/21/2009			Deposit	√	171,171.04	171,171.04
	Check	12/21/2009		Wells Fargo	Service Charge	√	-187.45	170,983.59
	Check	12/21/2009		ADP Net Checks	12/15 Payroll	√	-123,077.47	47,906.12
	Check	12/21/2009		ADP FWH/SWH/Med	12/15 Payroll	√	-47,906.12	0.00
	Deposit	12/22/2009			Deposit	√	2,576.53	2,576.53
	Deposit	12/22/2009			Deposit	√	8,717.83	11,294.36
	Check	12/22/2009		AIG Retirement	12/15/09 457 EFT	√	-7,948.09	3,346.27
	Check	12/22/2009		AIG Retirement	12/15/09 401 EFT	√	-769.74	2,576.53
	Check	12/23/2009	1603	Allied Administrators	Jan premium	√	-3,617.04	-1,040.51
	Check	12/23/2009	1601	Vision Service Plan	Dec premium	√	-787.78	-1,828.29
	Check	12/23/2009	1602	Vision Service Plan	Dec premium-Jean Pare	√	-14.50	-1,842.79
	Check	12/23/2009	1604	Reliance	Dec premiums		-4,050.00	-5,892.79
	Check	12/23/2009	EFT	Puar, Kimpreet	wire to replace ADP ch.40701350	√	-2,576.53	-8,469.32
	Check	12/24/2009	1605	CalPers - Retirement	12/15/09 Employer Code 1816	√	-27,993.96	-36,463.28
	Deposit	12/28/2009			Deposit	√	4,657.92	-31,805.36
	Check	12/28/2009		ADP Fees	12/15/09 Payroll	√	-238.60	-32,043.96
	Check	12/29/2009	1607	SBWMA	To reimburse Nov overcharge for Recycling Pgm Mgr fees		-174.39	-32,218.35
	Deposit	12/30/2009			Deposit	√	27,993.96	-4,224.39
							<u>23,117.66</u>	<u>-4,224.39</u>
Total 110010 - Wells Fargo - Cash							<u>23,117.66</u>	<u>-4,224.39</u>
TOTAL							<u>23,117.66</u>	<u>-4,224.39</u>



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TO: EXECUTIVE COMMITTEE
FROM: RICHARD H. AVERETT, CFO/Treasurer
SUBJECT: INVESTMENT REPORT

EC Meeting: 2-11-10
Item: 4C

RECOMMENDATION

Review and accept JPA investments made in December 2009 and January 2010.

BACKGROUND

The JPA Board of Directors approved an updated investment policy June 10, 2009, enabling the agency to invest in four vehicles: bank sweep accounts, the Local Agency Investment Fund (LAIF), timed deposits such as Certificates of Deposit (CDs), and the California Investment Trust pool (CalTrust). RGS and LGS LAIF and CalTrust investment activity has been consolidated into a RGS LAIF account and a RGS CalTrust account.

Investments in LAIF began in June 22, 2007, and investments in CalTrust began in late-January 2009. Investment activity for the current quarter is shown in the attached table and chart.

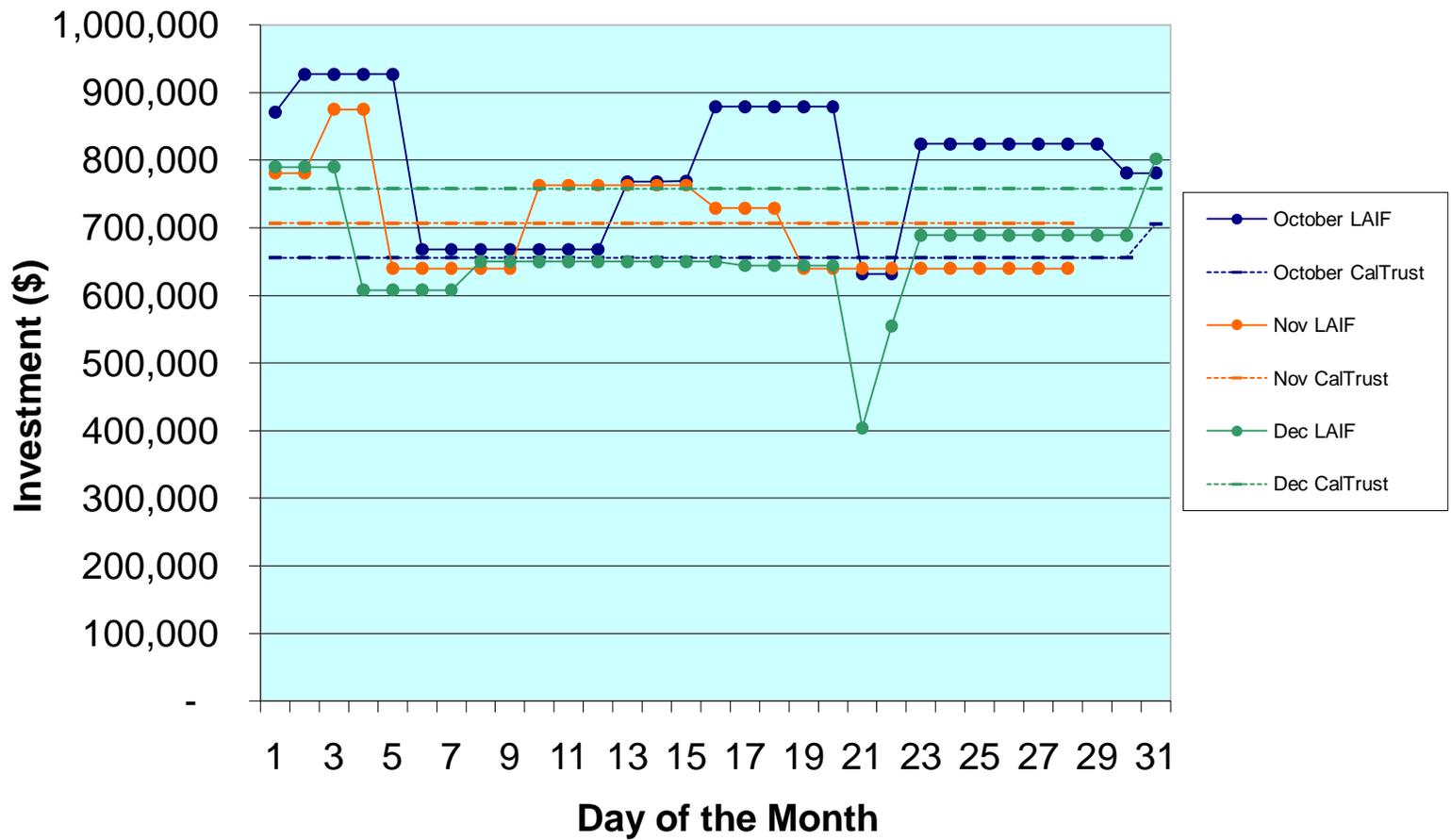
FISCAL IMPACT

The impact of JPA LAIF and CalTrust investment activity this period is projected to yield approximately \$1,200 per month. Budgeted investment earnings are \$1,375 per month. Fiscal year 2010 earnings are expected to end the year about \$2,500 to \$3,000 below the budgeted amount of \$16,500 primarily because of declining interest earnings, partially offset by positive cash flow and close management of cash. We are also continuing to invest the maximum cash available, by leaving only the minimum checking account balances needed to cover obligations.

Interest rate declines are moderating, and no appreciable increase is foreseen on the near-term. CalTrust medium term investments are currently yielding 80 to 90 basis points more than LAIF. Staff had planned to shift, over the next one to three quarters, most of the funds in Caltrust to insured certificates of deposit in order to minimize risks that rising rates may create a negative return in Caltrust and to realize higher returns with twelve-month CDs. However, the concern about rising rates has diminished and the only banks willing to comply with CA Code CD collateralization requirements are paying less than half the current LAIF rate of 54 basis points.

The near-term strategy is to increase Caltrust medium term investments and continue researching safe alternative investment vehicles. The Board of Directors annually reviews the investment policy at their June meetings. Staff anticipates recommending an amendment to the policy allowing investment in Federal Treasures and Agency Notes. These notes can be for up to five years maturity in accordance with CA Code, and are currently yielding five to seven times LAIF's current yield.

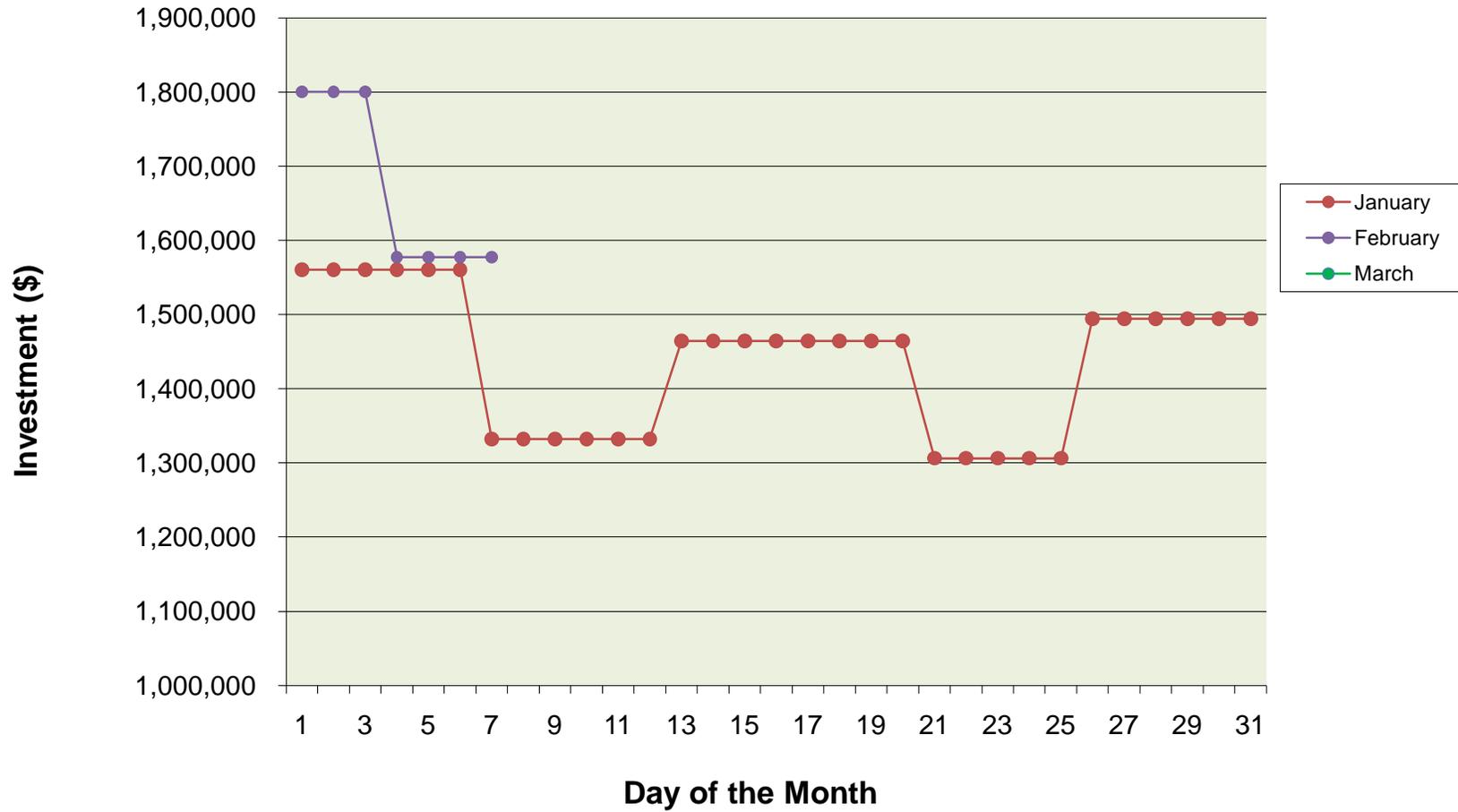
Cal Trust and LAIF INVESTMENTS



INVESTMENT REPORT FY2010

<u>Date</u>	<u>CDs</u>	<u>JANUARY</u>			<u>FEBRUARY</u>			<u>MARCH</u>				
		<u>CalTrust</u>	<u>LAIF</u>	<u>Combined</u>	<u>CDs</u>	<u>CalTrust</u>	<u>LAIF</u>	<u>Combined</u>	<u>CDs</u>	<u>CalTrust</u>	<u>LAIF</u>	<u>Combined</u>
1	-	758,497	801,918	1,560,415		759,407	1,040,918	1,800,325				-
2	-	758,497	801,918	1,560,415		759,407	1,040,918	1,800,325				-
3	-	758,497	801,918	1,560,415		759,407	1,040,918	1,800,325				-
4	-	758,497	801,918	1,560,415		759,407	817,918	1,577,325				-
5	-	758,497	801,918	1,560,415		759,407	817,918	1,577,325				-
6	-	758,497	801,918	1,560,415		759,407	817,918	1,577,325				-
7	-	758,497	573,918	1,332,415		759,407	817,918	1,577,325				-
8	-	758,497	573,918	1,332,415								-
9	-	758,497	573,918	1,332,415								-
10	-	758,497	573,918	1,332,415								-
11	-	758,497	573,918	1,332,415								-
12	-	758,497	573,918	1,332,415								-
13	-	758,497	705,918	1,464,415								-
14	-	758,497	705,918	1,464,415								-
15	-	758,497	705,918	1,464,415								-
16	-	758,497	705,918	1,464,415								-
17	-	758,497	705,918	1,464,415								-
18	-	758,497	705,918	1,464,415								-
19	-	758,497	705,918	1,464,415								-
20	-	758,497	705,918	1,464,415								-
21	-	758,497	547,918	1,306,415								-
22	-	758,497	547,918	1,306,415								-
23	-	758,497	547,918	1,306,415								-
24	-	758,497	547,918	1,306,415								-
25	-	758,497	547,918	1,306,415								-
26	-	758,497	735,918	1,494,415								-
27	-	758,497	735,918	1,494,415								-
28	-	758,497	735,918	1,494,415								-
29	-	758,497	735,918	1,494,415								-
30	-	758,497	735,918	1,494,415								-
31	-	758,497	735,918	1,494,415								-
	<u>BUDGETED EARNINGS</u>	<u>Proj'd CT mo. Int.</u>	<u>Proj'd LAIF mo. Int.</u>	<u>CUMULATIVE Budget/Proj'd</u>	<u>BUDGETED EARNINGS</u>	<u>Proj'd CT mo. Int.</u>	<u>Proj'd LAIF mo. Int.</u>	<u>CUMULATIVE Budget/Proj'd</u>	<u>BUDGETED EARNINGS</u>	<u>Proj'd CT mo. Int.</u>	<u>Proj'd LAIF mo. Int.</u>	<u>CUMULATIVE Budget/Proj'd</u>
Budget Est. Earn.	\$1,375	\$910	\$325	\$9,625 \$8,118	\$1,375 \$0	810.46	353.56	\$11,000 \$9,282	\$1,375			\$12,375 \$9,282

COMBINED INVESTMENTS





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TO: EXECUTIVE COMMITTEE **EC Meeting: 2-11-10**
FROM: RICHARD H. AVERETT, Executive Director/CFO **Item: 4D**
SUBJECT: FINANCIAL RESERVES DESIGNATION POLICY

RECOMMENDATION

Approve a Financial Reserves Policy that designates fifty percent of current cumulative retained earnings for a reserve amount until that amount equals fifty percent of the agency's annual budget.

BACKGROUND

The Board of Directors and the Executive Committee have both expressed interest in establishing a prudent reserve for contingencies. The Agency has coverage for Workers' Compensation and General Liability through the California Joint Powers Insurance Authority, as well as Crime and Errors and Omission insurance through CJPIA sub-programs. Reserves would enable the Agency to pay deductibles and other claims expenses not covered by the Agency's policies without disrupting cash needs for normal operations. A reserve could also better enable the agency to smoothly transition to significant and rapid increases or decreases in client workload, and for use as an opportunity fund enabling the agency to take advantage of unique circumstances that have a high likelihood of resulting in increased reimbursement revenue.

The JPAs are unique public sector providers of staffing and consulting services to public agencies, many with defined benefit pension plans. Considerable time and effort has been expended over the last nine years to establish the platform, client and employee contracts and operating procedures necessary to minimize risks. However, it still is prudent that the Agency establish a reserve amount that is sufficient to meet the three objects noted above: adverse risks, business risks and business opportunities. Long term, a reserve amount equaling fifty percent of the Agency's annual budget should be sufficient. LGS's FY2010 budget is \$5.5 million and RGS's current budget is \$2.5 million. Therefore, long-term target reserves would be roughly \$2.8 million and \$1.3 million. Cumulative retained earnings of the agency are now sufficient to begin funding the reserves by designating one-half of existing retained earnings, which are projected to be \$900,000 and \$300,000 respectively, by fiscal year end. Staff will annually present recommended amounts for each agency, for the year concluding, with the proposed next fiscal year budget. The designation will then appear on the Agency's audited financial statements.

FISCAL IMPACT

There is no adverse fiscal impact to the agency of approving the reserve policy to designate a portion of retained earnings as reserves for the purposes identified. At our independent auditor's recommendation, the reserve is a 'designation' of general funds and not a separation that requires establishing separate accounting treatment. Reserve funds will be comingled with all other assets for investment and custodial purposes.

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TO: EXECUTIVE COMMITTEE
FROM: RICHARD H. AVERETT, Executive Director
SUBJECT: POTENTIAL JPA MEMBER AGENCIES

EC Meeting: 2-11-10
Item: 6A

At the October 20, 2009 Executive Committee meeting, the Members asked the Executive Director to compile a list of agencies that might be interested in becoming members of the JPA. The Committee discussed reviewing the list at a future meeting in order to identify those agencies that might be interested in joining the JPAs. Additional members would broaden the JPA's governing structure both in number and geographic diversity, while continuing focus on serving the operational needs of local government agencies. The Committee discussed following up with potential members as to their interest in joining. Below is a preliminary list that can be used as a worksheet for discussion.

Agency	Contact	Contract	
County of Marin	Matthew Hymel, County Administrator	Mona Miyasato, Chief Asst County Administrator	
City of San Rafael	Ken Nordhoff, City Manager	Jim Schutz, Asst City Manager	
City of Albany	Beth Pollard, City Administrator		
Town of San Anselmo	Debbie Stutsman, Town Manager		
Town of Yountville	Steve Rogers, Town Manager		
City of Mission Viejo		Irwin Bornstein, Asst City Mgr/Dir. of Admin. Services	RHA: mild interest
City of Pleasanton	Nelson Fialho, City Manager		

**Local Government Services
Position Allocation Chart**

Contracting Organization		LGS/RGS	TAM	TJPA	MTC	SBWMA	Marin JPAs	C-IV	Total FTE	Total Position count
LGS employee, FTE, and Position Title	Employee Name	LGS	LGS	LGS	LGS	LGS	LGS	LGS		
Accountant	Sylvia Wong			1.00					1.00	1.00
Administrative Assistant	Kimberly Sow				1.00				1.00	1.00
Administrative Assistant/Office Manager	Nila Gonzales			1.00					1.00	1.00
Administrative Services Associate	Elizabeth Lopez						1.00		1.00	1.00
Associate Project Delivery Manager	Bill Whitney		1.00						1.00	1.00
Associate Project Delivery Manager	Dan Cherrier		1.00						1.00	1.00
Arterial Operations Coordinator	Vansi Tabjulu				1.00				1.00	1.00
Contract Compliance Manager/Finance Coordinator	Sara Gigliotti			1.00					1.00	1.00
Contract Coordinator	Winnie Chung				1.00				1.00	1.00
Engineering Manager	Ed Sum			1.00					1.00	1.00
Executive Assistant	Denise Merleno		1.00						1.00	1.00
Executive Director	Dianne Steinhauer		1.00						1.00	1.00
Executive Director	Maria Ayerdi-Kaplan			1.00					1.00	1.00
FastTrack Administrator	Manuel Espiritu				1.00				1.00	1.00
Finance and Administration Specialist	Grace Zhaung		1.00						1.00	1.00
Finance and Systems Accountant	Araceli Fierro			1.00					1.00	1.00
511 Coordinator	Sara Burnworth				1.00				1.00	1.00
511 Transit	Alysha Nachtigall				1.00				1.00	1.00
Information Technology Manager	Mike Daniels			1.00					1.00	1.00
Junior Planner	Rebecca Armenta			1.00					1.00	1.00
Landscape Architect Planner	Anna Young				1.00				1.00	1.00
Manager of Finance and Administration	Li Zhang		1.00						1.00	1.00
Manager of Programming and Legislation	David Chan		1.00						1.00	1.00
Motorist Aid	Adrian Fine				1.00				1.00	1.00
Planning Manager	Karita Zimmerman		1.00						1.00	1.00
Planning Technician	Laramie Bowron				1.00				1.00	1.00
Principal Engineer	Brian Dykes			1.00					1.00	1.00
Project Delivery Manager	Bill Gamlen		1.00						1.00	1.00
Receptionist	Nannette Brown		1.00						1.00	1.00
Recycling Program Manager	Cliff Feldman					1.00			1.00	1.00
Regional Rideshare Program Coordinator	Barbara Laurenson				0.60				0.60	1.00
Regional Transportation Funding Coord	Amy Burch				1.00				1.00	1.00
Senior Program Manager	Bob Beck			1.00					1.00	1.00
Training Coordinator	Jeff Carlson							1.00	1.00	1.00
Translink Program Coordinator/Contract Analyst	Kimpreet Puar				1.00				1.00	1.00
Traveler Information Coordinator	Andrew Pease				1.00				1.00	1.00
LGS FTE per Client Total		0.00	10.00	10.00	12.60	1.00	1.00	1.00	35.60	36
Total Positions		0	10	10	13	1	1	1	36	

Legend 2/3/10	Yellow: Pending selection; not in counts.	New clients (under small projects)
	Pink: Pending separation from employment	Clients Leaving
	Green: FTE counts/totals	Tangerine Position counts/totals
	Potential Clients (In discussion): Southern Marin Sanitation District; SMART, Marin Energy Authority	

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TO: EXECUTIVE COMMITTEE **EC Meeting: 2-11-10**
FROM: RICHARD H. AVERETT, CFO/TREASURER **Item: 6B**
SUBJECT: EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS MEETINGS

Meeting Schedule for the next 12 Months

The following are regularly scheduled meetings for the upcoming year, along with special topics to be discussed. All meetings are conducted by teleconference on the second Thursday of each month, starting at 9:30 a.m. with the exception of the annual Budget Review and Adoption meeting, which will be conducted in person, on June 10 starting at 10 a.m.

Date	EXEC COMM	BOD	Special Topic	Location	Notes
February 11 (Thursday)	Yes			teleconference	
March 11 (Thursday)	Yes			teleconference	recommend cancelling
April 8 (Thursday)	Yes			teleconference	
May 13 (Thursday)	Yes			teleconference	
June 10 (Thursday)	Yes		Election of Officers, FY11 Budget, Investment Policy, Rules & Regs	TBD	
July 8 (Thursday)	Yes			teleconference	
August 12 (Thursday)	Yes			teleconference	
September 9 (Thursday)	Yes			teleconference	
October 14 (Thursday)	Yes			teleconference	
November 11 (Thursday) Holiday	Yes			teleconference	
December 9 (Thursday)	Yes			teleconference	
January 13 (Thursday)	Yes			teleconference	