



LGS EXECUTIVE COMMITTEE AGENDA

Agenda materials may be viewed on the Agency's web site or by contacting the Executive Director prior to the meeting.

REGULAR MEETING
November 19, 2015
8:50 a.m.

Yountville Community Hall
Art Room
6516 Washington St.
Yountville, CA 94599

1. CALL TO ORDER

2. PUBLIC COMMENT

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

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 **August 27, 2015** Minutes *Action*
- B. Approval of Payments and Deposits made July 2015 through September 2015
- C. Acceptance of LGS Position Listings
- D. Approval of LGS Template Agreements by Executive Director

4. TREASURER'S REPORT

- A. Review of Preliminary Fiscal-Year-To-Date Financial Reports through September 2015 *Information*
- B. Approval of Independently Audited FY2015 Audited Financial Statements *Action*

5. OLD BUSINESS

Recess to Closed Session

- 1. CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION
Initiation of litigation pursuant to Government Code Section 54956.9(d)(4): One potential case.

Reconvene Regular Meeting

- A. Report from Closed Session *Information*

6. NEW BUSINESS - None

7. ADJOURN

The next Meeting will take place February 18, 2016 at 1:00 p.m. in Dublin.

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 AUTHORITY
EXECUTIVE COMMITTEE MINUTES
AUGUST 27, 2015**

The Local Government Services Authority held a regular meeting of the Executive Committee on August 27, 2015 at the Leshar Center for the Arts Encore Room. The meeting was called to order at 4:02 p.m.

1. CALL TO ORDER

Members Present: Ken Nordhoff, Chair
Dan Schwarz, Vice-Chair
Julie Carter, Alternate Member
Members Absent: Steve Rogers, Member
Mike Garvey, Member
Other Attendees: Richard Averett, Executive Director
Jennifer Bower, Director of Administrative Services

A. Election of Officers

Action: Nomination of Steve Rogers as Chair and Chris Foss as Vice-Chair. Moved and seconded (Schwarz/Carter) to elect Rogers as Chair and Foss as Vice-Chair.
AYES: Schwarz, Carter, Nordhoff
NOES: None
ABSTAIN: None

2. CHANGES TO THE ORDER OF AGENDA – None. This item will be removed from future agendas as unnecessary.

3. PUBLIC COMMENT – None

4. APPROVAL OF CONSENT AGENDA

A. Approval of **July 17, 2015** Minutes
B. Approval of Payments and Deposits made February 2015 through June 2015
C. Acceptance of LGS Position Listings
Action: Moved and seconded (Schwarz/Carter) to approve consent agenda.
AYES: Schwarz, Carter, Nordhoff
NOES: None
ABSTAIN: None

5. TREASURER'S REPORT

A. Review of Preliminary Fiscal-Year-To-Date Financial Reports through June 2015
Executive Director Averett reviewed financial performance, noting that positive monthly results since March enabled a positive year-end projection for operations. Once the mid-year additional contribution to MSA is expensed it will reduce the gain for the fiscal year. This is an information item and no action was taken.

6. OLD BUSINESS

Recess to Closed Session 4:04 p.m.

1. CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION
Initiation of litigation pursuant to Government Code Section 54956.9(d)(4): One potential case.

Reconvene Regular Meeting 4:16 p.m.

A. Report from Closed Session
Acting Chair Nordhoff reported that there was no action taken in closed session.

7. NEW BUSINESS

A. Approval of Membership Change

Action: Moved and seconded (Carter/Schwarz) to approve membership expiration of the Association of Bay Area Governments.

AYES: Carter, Schwarz, Nordhoff

NOES: None

ABSTAIN: None

8. ADJOURNMENT – The meeting adjourned at 4:17 a.m. The next regular meeting is scheduled for November 19, 2015 at 1:00 p.m. in Yountville.



TO: EXECUTIVE COMMITTEE **EC Meeting: 11-19-2015**
FROM: Richard Averett, Chief Financial Officer **Item: 3B**
SUBJECT: PAYMENTS AND DEPOSITS – JULY 2015 THROUGH SEPTEMBER 2015

RECOMMENDATION

Review and approve expenditures made by the JPA for the period indicated.

BACKGROUND

The Executive Committee reviews and approves expenditures made by the JPA on a quarterly basis. This approval process is a component of JPA internal controls. Deposit history is also included in the list.

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

1. Invoices are received by staff.
2. JPA staff review invoices for accuracy and assignment to correct general ledger accounts.
3. The Executive Director or designee reviews, prints and signs/authorizes checks. All payments, including electronic payments, are reviewed by the Executive Director in a weekly disbursement reports submitted by the Finance Department. This report contains all disbursements from the previous week. Information provided includes: date of transaction, amount, vendor or recipient, method of payment, identity of first and second staff approvers, check or journal number.
4. All payments are brought to the next regular meeting of Executive Committee (or Board of Directors) 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 Rabobank money market account, and in the Local Agency Investment Fund (LAIF) and CalTrust medium term and short term investment pools. Staff seeks to minimize bank charges at all times.

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

Local Government Services
Transaction Detail by Account
 July through September 2015

	<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>	<u>Balance</u>
110060 - Rabobank Checking							
	General Journal	07/07/2015	765		6/30/15 net pay	-103,206.67	-103,206.67
	General Journal	07/08/2015	766		6/30/15 payroll taxes & fees	-38,432.45	-141,639.12
	Check	07/08/2015	124	California State Disbursement Unit	Employee PPE 6/30/15	-461.00	-142,100.12
	General Journal	07/13/2015	760		6/30/15 UTC 457 contributions	-6,445.23	-148,545.35
	General Journal	07/15/2015	827		CalPers Payment 6/30/15	-13,003.35	-161,548.70
	General Journal	07/15/2015	827		CalPers Payment 6/30/15	-7,799.02	-169,347.72
	General Journal	07/21/2015	792		7/15/15 net pay	-93,425.44	-262,773.16
	General Journal	07/22/2015	793		7/15/15 payroll taxes & fees	-32,047.00	-294,820.16
	Check	07/22/2015	125	California State Disbursement Unit	Employee PPE 7/15/15	-461.00	-295,281.16
	General Journal	07/24/2015	797		FY16 PERS R Classic annual lump sum pmt 2 of 2	-48,547.00	-343,828.16
	General Journal	07/27/2015	796		FY16 PERS R Classic lump sum annual contribution 1 of 2 - Confirm #1000582957	-16,381.00	-360,209.16
	General Journal	07/27/2015	798		7/15/15 PERS R Classic contribution Confirm #1000582947	-11,119.44	-371,328.60
	General Journal	07/27/2015	798		7/15/15 PERS R PEPRA contribution Confirm #1000582948	-7,779.40	-379,108.00
	General Journal	07/27/2015	799		7/15/15 UTC 457 contributions	-6,707.60	-385,815.60
	Deposit	07/31/2015			Deposit	385,815.60	0.00
	General Journal	08/06/2015	794		7/31/15 net pay	-103,201.93	-103,201.93
	General Journal	08/07/2015	795		7/31/15 payroll taxes & fees	-37,409.62	-140,611.55
	Check	08/07/2015	126	California State Disbursement Unit		-461.00	-141,072.55
	General Journal	08/12/2015	811		7/31/15 UTC 457 contributions	-6,887.33	-147,959.88
	General Journal	08/18/2015	812		7/31/15 PERS R Classic contribution Confirm #1000592465	-11,352.97	-159,312.85
	General Journal	08/18/2015	812		7/31/15 PERS R PEPRA contribution Confirm #1000592466	-8,790.87	-168,103.72
	Check	08/19/2015	127	California State Disbursement Unit		-461.00	-168,564.72
	General Journal	08/20/2015	813		8/15/15 net pay	-86,465.83	-255,030.55
	General Journal	08/20/2015	815		8/15/15 net pay - EE correction	-1,730.69	-256,761.24
	General Journal	08/20/2015	846		T/U Payroll 8/15/15 to Actual Withdrawl	5.04	-256,756.20
	General Journal	08/21/2015	814		8/15/15 payroll taxes & fees	-28,792.53	-285,548.73

**Local Government Services
 Transaction Detail by Account
 July through September 2015**

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>	<u>Balance</u>
General Journal	08/21/2015	816		8/15/15 payroll taxes - paycheck correction	-451.54	-286,000.27
General Journal	08/27/2015	819		8/15/15 UTC 457 contributions	-6,201.66	-292,201.93
Deposit	08/31/2015			Deposit	291,740.93	-461.00
General Journal	09/01/2015	820		8/15/15 PERS R Classic contribution Confirm #1000597699	-10,529.19	-10,990.19
General Journal	09/01/2015	820		8/15/15 PERS R PEPRA contribution Confirm #1000597699	-7,336.79	-18,326.98
Check	09/03/2015	128	California State Disbursement Unit		-461.00	-18,787.98
General Journal	09/04/2015	829		8/31/15 Net Pay	-99,456.38	-118,244.36
General Journal	09/08/2015	830		8/31/15 Payroll Service & Fees	-34,561.88	-152,806.24
General Journal	09/09/2015	834		8/31/15 401/457 Payment	-6,468.91	-159,275.15
General Journal	09/15/2015	833		8/31/15 PERS R Classic contribution Confirm #100000014552574	-11,018.64	-170,293.79
General Journal	09/15/2015	833		8/31/15 PERS R PEPRA contribution Confirm #100000014555241	-8,285.08	-178,578.87
General Journal	09/21/2015	841		9/20/15 net pay	-97,597.17	-276,176.04
General Journal	09/22/2015	842		9/15/15 payroll taxes & fees	-33,885.81	-310,061.85
Check	09/22/2015	129	California State Disbursement Unit	Employee Withholding Disbursement	-461.00	-310,522.85
General Journal	09/23/2015	844		UTC 457 Payment 9/15/15	-6,686.04	-317,208.89
General Journal	09/29/2015	850		9/15/15 PERS R Classic contribution Confirm #1000	-11,047.62	-328,256.51
General Journal	09/29/2015	850		9/15/15 PERS R PEPRA contribution Confirm #1000	-8,790.11	-337,046.62
Deposit	09/30/2015			Deposit	337,046.62	0.00
Total 110060 - Rabobank Checking					0.00	0.00
					0.00	0.00

LGS Employees

Base Department	Job Title	Status	Fulltime
6020-001 - MTC-1122	Program Coordinator		1
6020-006 - MTC-1233	Program Coordinator		1
6020-007 - MTC-1234	Program Coordinator		1
6020-008 - MTC-1253	Program Advisor		1
6020-009 - MTC-1254	Technical Assistant		1
6020-009 - MTC-1254	Technical Assistant		1
6020-009 - MTC-1254	Technical Assistant		1
6020-013 - MTC-1413	Program Coordinator		1
6020-019 - MTC-6031	Program Coordinator		1
6020-027 - MTC-1251	Contract Assistant		1
6020-032 - MTC-9130	Administrative Specialist		1
6020-032 - MTC-9130	Program Coordinator		1
6020-032 - MTC-9130	Technical Specialist		1
6020-033 - MTC-1153	Administrative Specialist		1
6020-033 - MTC-1153	Project Coordinator		1
6020-033 - MTC-1153	Technical Specialist		1
6020-033 - MTC-1153	Program Coordinator		1
6020-034 - MTC-1612	Department Director - Urban		1
6020-036 - MTC-1161	Program Advisor		1
6020-036 - MTC-1161	Program Coordinator		1
6020-039 - MTC-8933	Project Manager		1
6020-040 - MTC-1252	Program Coordinator		1
6020-041 - MTC-1121	Program Coordinator		1
6030-000 - SBWMA-General Hours	Advisor		1
6040-000 - TAM-General Hours	Administrative Specialist		0.9
6040-000 - TAM-General Hours	Program Advisor		1
6040-000 - TAM-General Hours	Program Advisor		1
6040-000 - TAM-General Hours	Program Advisor		1
6040-000 - TAM-General Hours	Administrative Support		1
6040-000 - TAM-General Hours	Advisor		1
6040-000 - TAM-General Hours	CEO - Urban		1
6040-000 - TAM-General Hours	Program Advisor		1
6040-000 - TAM-General Hours	Advisor		1
6040-000 - TAM-General Hours	Technical Assistant		1
FTE			33.9
Employee Count			34



TO: EXECUTIVE COMMITTEE **EC Meeting: 11-19-2015**
FROM: RICHARD AVERETT, Executive Director **Item: 3D**
SKY WOODRUFF, Authority Counsel
SUBJECT: APPROVAL OF LGS TEMPLATE AGREEMENTS BY EXECUTIVE DIRECTOR

RECOMMENDATION

Authorize Executive Director to execute Agreements for Management and Administrative Services (Agreements) on behalf of Local Government Services Authority (the “Authority”) without the Authority’s Counsel signature (i.e., Approved as to Form) in instances where client agencies execute the Authority’s standard Agreement.

BACKGROUND

The Authority’s Counsel has a large public agency client base. As a result, there are many instances in which Counsel is working – in some capacity – for the Authority’s current or potential client agencies. This is problematic for the Authority in that prior to proceeding with the review of our Agreements, Counsel must obtain a Conflicts Waiver (“Waiver”) from both parties. In spite of the fact that Counsel works to expedite the process of acquiring Waivers, this creates what oftentimes is an unacceptable lag in the Authority’s capacity to streamline the Agreement process and begin providing services to the agencies that need our assistance.

If client agencies are willing to accept and execute the Authority’s standard Agreements, there is no need for Counsel to sign them given that it is Counsel, in partnership with Authority staff that developed the Agreements. The Executive Director would continue the practice of obtaining Counsel’s signature in those instances where the Authority’s Agreement has been amended; or agencies are requiring the Authority to use their agreements instead of the Authority’s agreement.

FISCAL IMPACT

Approval of the recommended action would expedite the signing process, resulting in a small savings on avoiding postage for mailing agreements to Counsel, legal costs associated with the time spent signing these Agreements, and would increase the Authority’s responsiveness to addressing client agency needs through more immediate staffing.



TO: EXECUTIVE COMMITTEE
FROM: Richard Averett, Executive Director/Chief Financial Officer
SUBJECT: FINANCIAL REPORT ANALYSIS

EC Meeting: 11-19-2015
Item: 4A

RECOMMENDATION

No action is required of the Executive Committee. These are informational, preliminary financial reports through September 2015, and are attached for review.

ANALYSIS

All reports are draft and unaudited. Accruals for earned but not paid leave time are posted to the financials monthly. When cash is received on an advanced billing, it is posted to the deferred revenue liability account. Upon invoicing for services rendered the deferred revenue is reversed and revenue is recognized. There is no impact on net position of the agency.

Fiscal year to-date (FYTD), the net income for the JPA was \$101,313. Through the same period, net equity for the JPA was \$923,513. Note that net equity as stated here has not been adjusted for FY2015 final audit adjustments for GASB 68, the net effect being a \$286,722 decrease. Thus the September 30 net equity is \$636,791 unaudited (for FY2016).

Positive financial performance has continued from the prior fiscal year's last four months. Billable hours continue at a high rate due to hiring replacement staff assigned to one client. Increased administrative expenses typically lag increased client work, so it is expected that the positive trend achieved so far will be mitigated in the next two quarters by increased support costs.

Local Government Services
Profit & Loss
 July through September 2015

	TOTAL
Ordinary Income/Expense	
Income	
440301 · Client Billings	1,434,817
480000 · Miscellaneous	1,323
Total Income	1,436,140
Gross Profit	1,436,140
Expense	
511010 · Salaries - Regular	838,071
511072 · Salaries non-billable	(2,762)
512002 · Medicare Employer Expense	12,272
512005 · Health Insurance Expense	92,501
512006 · Dental Insurance Expense	9,369
512007 · Vision Insurance Expense	1,391
512008 · Life Insurance Expense	1,431
512009 · Long Term Disability Expense	1,638
512012 · Calpers Retirement Expense	110,970
512014 · Short Term Disability Expense	1,582
512015 · Unemployment Insurance Expense	490
512018 · FSA Health & Day Care Expense	129
512019 · Employee Expense Allowances	16,320
520107 · APS (ADP) Payroll Fees	1,031
520109 · Communications - Employee Reimb	615
520202 · Bank Fees & Services	216
520302 · Legal Services	2,655
520320 · Professional Services	7,451
520803 · Travel Reimbursement	58
520805 · Supplies and Meals	50
522798 · Miscellaneous Expense	-
529997 · Administrative Services - RGS	212,599
Total Expense	1,308,076
Net Ordinary Income	128,064
Other Income/Expense	
Other Expense	
529994 · Allowed OPEB / HRA Expense	26,751
529998 · Allocated Admin. Services - RGS	-
Total Other Expense	26,751
Net Other Income	(26,751)
Net Income	101,313

Local Government Services
Balance Sheet
As of September 30, 2015

	Sep 30, 15
ASSETS	
Current Assets	
Accounts Receivable	
131320 · Accounts Receivable - Trade	187,537
Total Accounts Receivable	187,537
Other Current Assets	
143006 · Due from RGS	2,832,258
150006 · Prepaid Expenses	49,489
150007 · Prepaid Insurance	534
Total Other Current Assets	2,882,280
Total Current Assets	3,069,817
TOTAL ASSETS	3,069,817
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2100*OE · Payroll Liabilities	0
214071 · Claims Reserve Payable MSA	1,292,649
221001 · Calpers Retirement Liab	31,466
221003 · 457/401A Retirement Liab	6,535
221006 · FSA Health & Day Care	2,239
221015 · Health Insurance Liability	1,028
221016 · Long Term Disability Liability	(21)
221017 · Short Term Disability Liability	(14)
221023 · Dental Insurance Liability	186
221024 · Vision Insurance Liability	63
221025 · Life Insurance/AD&D Liability	(12)
221026 · Child Support IWO	461
221028 · Misc Benefits Liability	13
221029 · Garnishments	539
230060 · Accrued Salaries, Wages & Taxes	123,764
240010 · Deferred Revenue	404,500
240011 · Refundable Deposits	(0)
250001 · Accrued Vacation	192,221
250002 · Contra Vacation, Sick and Admin	0
250003 · Claims Payable	8,391
Total Other Current Liabilities	2,064,009
Total Current Liabilities	2,064,009
Long Term Liabilities	
260003 · Health Reimbursement Account	82,295
Total Long Term Liabilities	82,295
Total Liabilities	2,146,304
Equity	
32000 · Retained Earnings	(512,681)
370000 · Fund Bal Unreserved/Unrestrictd	1,334,881
Net Income	101,313
Total Equity	923,513
TOTAL LIABILITIES & EQUITY	3,069,817



TO: EXECUTIVE COMMITTEE **EC Meeting: 11-19-2015**
FROM: RICHARD AVERETT, Executive Director/CFO **Item: 4B**
SUBJECT: APPROVAL OF AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR
ENDING JUNE 30, 2015

RECOMMENDATION

Review and approve the independent audit reports for fiscal year (FY) 2015.

BACKGROUND

The outside audit firm of James Marta and Company was retrained to complete the FY2015 audit. The June 30, 2015 audited financial statements for the JPA, along with the audit report and Management Letter are included. Audited financial statements are also posted to the JPA web site.

AUDIT RESULTS

Audit results are summarized below, with more information and analysis in the Management Discussion and Analysis section of the audit report. The FY2015 results reflect the continuing investment made to enhance capacity and financial sustainability of the JPA, and the impact of retrospective period adjustments of the former liability carrier. The net financial position of the JPAs will permit a continued ability to provide quality services to our clients and employees.

LGS FINANCIAL HIGHLIGHTS

- In the fiscal year ended June 30, 2015, the Authority's net profit of \$141,811 is an improvement from the profit of \$58,178 in the prior fiscal year. This is primarily due to the stability of the client base in FY15 and the lessening Authority share of administrative costs.
- In compliance with GASB 68 the JPA has recognized its unfunded accrued liability of \$523,981. This amount is recorded as a prior period adjustment to its long term liabilities, and thereby reduces the JPA net position.
- As a member of the Municipal Services Authority insurance pool, LGS contributed an additional \$317,649 to MSA reserves for claims expenses.
- While LGS's net position decreased this fiscal year due to the GASB 68 entry and the resulting restatement of the beginning balance, the decline was partially offset by a net gain in FY2015 and is anticipated to be further offset by a net gain in FY2016.
- During the 2014 fiscal year the Authority restructured its post-employment medical benefit plans, offering a pay-as-you-go Health Retirement Account (HRA) to all employees as a replacement for the defined benefit retiree medical plan. One employee elected to remain in the defined benefit plan. This actuarially determined liability has now been funded by the JPA, using an HRA. The JPA has fully funded its retiree medical liability for all employees eligible for the benefit and therefore there is no outstanding liability balance to be reported for fiscal year 2015.
- Net Assets at the end of the fiscal year are \$535,478, which is in line with the minimum target of \$500,000.