

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
February 18, 2016
1:15 p.m.

Dublin Civic Center
Regional Meeting Room
100 Civic Plaza, First Floor
Dublin, CA 94568

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 **November 19, 2015** Minutes *Action*
- B. Approval of Payments and Deposits made October 2015 through December 2015
- C. Acceptance of LGS Position Listings

4. TREASURER'S REPORT

- A. Review of Preliminary Fiscal-Year-To-Date Financial Reports through December 2015 *Information*

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

- A. Consider Amendments to the Restated Joint Powers Agreement to provide that the JPA will indemnify Member Agencies and to add Associate Membership status *Action*
- B. Authorize the Appointment of a Board Secretary *Action*

7. ADJOURN

The next Meeting will take place May 19, 2016 at 1:00 p.m. in Larkspur.

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
NOVEMBER 19, 2015**

The Local Government Services Authority held a regular meeting of the Executive Committee on November 19, 2015 at Yountville Community Hall Art Room. The meeting was called to order at 9:14 a.m.

1. CALL TO ORDER

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

2. PUBLIC COMMENT – None.

3. APPROVAL OF CONSENT AGENDA

The Executive Director noted that item 3D required amending for a typographical error. Therefore, this item was pulled from Consent and voted separately.

- A. Approval of **August 27, 2015** Minutes
- B. Approval of Payments and Deposits made July 2015 through September 2015
- C. Acceptance of LGS Position Listings
Action: Moved and seconded (Carter/Nordhoff) to approve consent agenda items A and B.
AYES: Nordhoff, Schwarz, Carter, Rogers
NOES: None
ABSTAIN: None
- D. Approval of LGS Template Agreements by Executive Director, as amended
Action: Moved and seconded (Schwarz/Nordhoff) to approve consent agenda items.
AYES: Nordhoff, Schwarz, Carter, Rogers
NOES: None
ABSTAIN: None

4. TREASURER'S REPORT

- A. Review of Preliminary Fiscal-Year-To-Date Financial Reports through September 2015
Executive Director Averett reviewed financial performance, noting that preliminary net gain is \$101,313 and the reported net equity is overstated by the amount of the GASB 68 adjustment for unfunded CalPERS liability in the FY2015 audited financial statements. This is an information item and no action was taken.
- B. Approval of Independently Audited FY2015 Audited Financial Statements
Executive Director Averett reviewed the financial statements and noted that net positive gain of \$141,810 was achieved with an additional member contribution to insurance reserves (MSA). Net equity was restated to recognize unfunded retirement system liability per GASB 68. All previous auditor comments have been successfully addressed.
Action: Moved and seconded (Schwarz/Carter) to approve Independently Audited FY2015 Financial Statements
AYES: Nordhoff, Schwarz, Carter, Rogers
NOES: None
ABSTAIN: None

5. OLD BUSINESS

Recess to Closed Session 9:27 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 10:09 p.m.

A. Report from Closed Session

The Chair reported that no action was taken.

6. NEW BUSINESS – None.

7. **ADJOURNMENT** – The meeting adjourned at 10:10 p.m. The next regular meeting is scheduled for February 18, 2016 at 1:00 p.m. in Dublin.

TO: EXECUTIVE COMMITTEE **EC Meeting: 02-18-2016**
FROM: Richard Averett, CFO **Item: 3B**
SUBJECT: PAYMENTS AND DEPOSITS – OCTOBER 2015 THROUGH DECEMBER 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
October through December 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	10/06/2015	848		9/30/15 net pay	-102,939.57	-102,939.57
	General Journal	10/07/2015	849		9/30/15 payroll taxes & fees	-36,841.99	-139,781.56
	Check	10/07/2015	131	Court-Ordered Debt Collections	Abraham - PPE 2015-09-30	-539.00	-140,320.56
	Check	10/07/2015	130	California State Disbursement Unit	Feldman - PPE 2015-09-30	-461.00	-140,781.56
	General Journal	10/12/2015	852		9/30/15 UTC 457 contributions	-6,534.84	-147,316.40
	General Journal	10/14/2015	879		9/30/15 PERS R Classic contribution Confirm #100	-11,100.53	-158,416.93
	General Journal	10/14/2015	879		9/30/15 PERS R PEPRA contribution Confirm #100	-8,406.50	-166,823.43
	Check	10/15/2015	132	California State Disbursement Unit		-461.00	-167,284.43
	General Journal	10/21/2015	874		10/15/15 net pay	-96,131.49	-263,415.92
	General Journal	10/22/2015	875		10/15/15 payroll taxes & fees	-34,608.56	-298,024.48
	General Journal	10/26/2015	876		10/15/15 UTC 457 contributions	-5,942.45	-303,966.93
	General Journal	10/28/2015	881		10/15/15 PERS R Classic contribution Confirm #10	-12,050.97	-316,017.90
	General Journal	10/28/2015	881		10/15/15 PERS R PEPRA contribution Confirm #10	-7,683.84	-323,701.74
	Deposit	10/31/2015			Deposit	323,701.74	0.00
	General Journal	11/05/2015	883		10/31/15 net pay	-98,914.72	-98,914.72
	General Journal	11/06/2015	884		10/31/15 payroll taxes & fees	-35,109.29	-134,024.01
	Check	11/06/2015	133	California State Disbursement Unit		-461.00	-134,485.01
	General Journal	11/09/2015	882		10/31/15 UTC 457 contributions	-5,363.48	-139,848.49
	General Journal	11/16/2015	894		10/31/15 PERS R Classic contribution Confirm #10	-11,364.44	-151,212.93
	General Journal	11/16/2015	894		10/31/15 PERS R PEPRA contribution Confirm #10	-7,098.34	-158,311.27
	General Journal	11/19/2015	895		11/15/15 net pay	-88,179.28	-246,490.55
	General Journal	11/20/2015	896		11/15/15 payroll taxes & fees	-29,705.06	-276,195.61
	Check	11/20/2015	134	California State Disbursement Unit		-461.00	-276,656.61
	General Journal	11/25/2015	905		11/15/15 UTC 457 contributions	-5,237.06	-281,893.67
	General Journal	11/30/2015	909		11/15/15 PERS R Classic contribution Confirm #10	-10,661.59	-292,555.26
	General Journal	11/30/2015	909		11/15/15 PERS R PEPRA contribution Confirm #10	-6,980.24	-299,535.50
	Deposit	11/30/2015			Deposit	281,432.67	-18,102.83
	General Journal	12/04/2015	907		11/30/15 net pay	-97,292.41	-115,395.24
	General Journal	12/07/2015	908		11/30/15 payroll taxes & fees	-34,642.24	-150,037.48
	Check	12/07/2015	135	California State Disbursement Unit		-461.00	-150,498.48
	General Journal	12/09/2015	915		11/30/15 UTC 457 contributions	-5,338.71	-155,837.19
	General Journal	12/18/2015	919		11/30/15 PERS R Classic contribution Confirm #10	-11,391.67	-167,228.86
	General Journal	12/18/2015	919		11/30/15 PERS R PEPRA contribution Confirm #10	-7,606.88	-174,835.74
	General Journal	12/21/2015	920		12/15/15 net pay	-103,674.79	-278,510.53
	General Journal	12/22/2015	921		12/15/15 payroll taxes & fees	-39,666.48	-318,177.01

Local Government Services
Transaction Detail by Account
 October through December 2015

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>	<u>Balance</u>
Check	12/22/2015	136	California State Disbursement Unit		-461.00	-318,638.01
General Journal	12/29/2015	935		12/15//15 UTC 457 contributions	-4,977.60	-323,615.61
General Journal	12/30/2015	943		12/15/15 PERS R Classic contribution Confirm #10	-11,682.17	-335,297.78
General Journal	12/30/2015	943		12/15/15 PERS R PEPRA contribution Confirm #10	-6,781.65	-342,079.43
Deposit	12/31/2015			Deposit	342,079.43	0.00
Total 110060 - Rabobank Checking					<u>0.00</u>	<u>0.00</u>
TOTAL					<u>0.00</u>	<u>0.00</u>

LGS Position Listings

Job Title	Base Department	Status Fulltime
Program Coordinator	6020-001 - MTC-1122	1
Program Coordinator	6020-006 - MTC-1233	1
Program Coordinator	6020-007 - MTC-1234	1
Program Advisor	6020-008 - MTC-1253	1
Technical Assistant	6020-009 - MTC-1254	1
Technical Assistant	6020-009 - MTC-1254	1
Program Coordinator	6020-013 - MTC-1413	1
Program Coordinator	6020-019 - MTC-6031	1
Administrative Specialist	6020-032 - MTC-9130	1
Program Coordinator	6020-032 - MTC-9130	1
Technical Specialist	6020-032 - MTC-9130	1
Administrative Specialist	6020-033 - MTC-1153	1
Program Coordinator	6020-033 - MTC-1153	1
Project Coordinator	6020-033 - MTC-1153	1
Technical Specialist	6020-033 - MTC-1153	1
Program Coordinator	6020-033 - MTC-1153	1
Department Director - Urban	6020-034 - MTC-1612	1
Program Coordinator	6020-034 - MTC-1612	1
Program Coordinator	6020-036 - MTC-1161	1
Project Manager	6020-039 - MTC-8933	1
Program Coordinator	6020-040 - MTC-1252	1
Program Coordinator	6020-042 - MTC-1212	1
Advisor	6030-000 - SBWMA-General Hours	1
Administrative Specialist	6040-000 - TAM-General Hours	0.9
Program Advisor	6040-000 - TAM-General Hours	1
Program Advisor	6040-000 - TAM-General Hours	1
Program Advisor	6040-000 - TAM-General Hours	1
Administrative Support	6040-000 - TAM-General Hours	1
Advisor	6040-000 - TAM-General Hours	1
CEO - Urban	6040-000 - TAM-General Hours	1
Program Advisor	6040-000 - TAM-General Hours	1
Advisor	6040-000 - TAM-General Hours	1
Technical Assistant	6040-000 - TAM-General Hours	1
	FTE	32.9
	Employee Count	33

TO: EXECUTIVE COMMITTEE
FROM: Richard Averett, Executive Director/CFO
SUBJECT: FINANCIAL REPORT ANALYSIS

EC Meeting: 02-18-2016
Item: 4A

RECOMMENDATION

No action is required of the Executive Committee. These are informational, preliminary financial reports through December 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 negative \$5,434 primarily because of high accruals for expected HRA funding during the year. Through the same period, net equity for the JPA was \$523,842. Administrative expenses increased for implementing risk mitigation strategies, as previously discussed.

Local Government Services
Profit & Loss
July through December 2015

	TOTAL
Ordinary Income/Expense	
Income	
440301 · Client Billings	2,732,119.08
480000 · Miscellaneous	4,356.57
Total Income	2,736,475.65
Gross Profit	2,736,475.65
Expense	
511010 · Salaries - Regular	1,669,479.22
511072 · Salaries non-billable	-13,950.20
512002 · Medicare Employer Expense	24,411.43
512004 · Employee Assistance Program	594.10
512005 · Health Insurance Expense	184,912.92
512006 · Dental Insurance Expense	18,549.73
512007 · Vision Insurance Expense	2,763.31
512008 · Life Insurance Expense	2,832.53
512009 · Long Term Disability Expense	3,243.92
512012 · Calpers Retirement Expense	221,932.32
512014 · Short Term Disability Expense	3,124.51
512015 · Unemployment Insurance Expense	7,748.28
512018 · FSA Health & Day Care Expense	231.50
512019 · Employee Expense Allowances	31,079.37
520107 · APS (ADP) Payroll Fees	2,181.69
520109 · Communications - Employee Reimb	1,570.25
520202 · Bank Fees & Services	215.79
520302 · Legal Services	1,107.14
520320 · Professional Services	14,950.93
520803 · Travel Reimbursement	2,093.74
520805 · Supplies and Meals	250.43
522798 · Miscellaneous Expense	0.00
529997 · Administrative Services - RGS	436,587.00
Total Expense	2,615,909.91
Net Ordinary Income	120,565.74
Other Income/Expense	
Other Expense	
529994 · Allowed OPEB / HRA Expense	126,000.00
529998 · Allocated Admin. Services - RGS	0.00
Total Other Expense	126,000.00
Net Other Income	-126,000.00
Net Income	-5,434.26

Local Government Services
Balance Sheet
As of December 31, 2015

	<u>Dec 31, 15</u>
ASSETS	
Current Assets	
Accounts Receivable	
131320 · Accounts Receivable - Trade	34,143.54
Total Accounts Receivable	<u>34,143.54</u>
Other Current Assets	
143006 · Due from RGS	2,983,813.37
150006 · Prepaid Expenses	33,256.51
150007 · Prepaid Insurance	425.28
Total Other Current Assets	<u>3,017,495.16</u>
Total Current Assets	3,051,638.70
Other Assets	
170000 · Deferred Outflows	405,765.00
Total Other Assets	<u>405,765.00</u>
TOTAL ASSETS	<u><u>3,457,403.70</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2100*OE · Payroll Liabilities	0.16
214071 · Claims Reserve Payable MSA	1,292,649.00
221001 · Calpers Retirement Liab	37,328.45
221003 · 457/401A Retirement Liab	6,627.82
221006 · FSA Health & Day Care	799.77
221015 · Health Insurance Liability	-827.68
221016 · Long Term Disability Liability	-34.09
221017 · Short Term Disability Liability	-17.78
221023 · Dental Insurance Liability	-281.93
221024 · Vision Insurance Liability	-21.14
221025 · Life Insurance/AD&D Liability	12.71
221026 · Child Support IWO	461.00
221028 · Misc Benefits Liability	13.29
221029 · Garnishments	539.00
230060 · Accrued Salaries, Wages & Taxes	124,100.13
240010 · Deferred Revenue	426,257.26
240011 · Refundable Deposits	-0.37
250001 · Accrued Vacation	152,772.89
250002 · Contra Vacation, Sick and Admin	0.45
250003 · Claims Payable	8,391.09
Total Other Current Liabilities	<u>2,048,770.03</u>
Total Current Liabilities	2,048,770.03
Long Term Liabilities	
260003 · Health Reimbursement Account	100,500.00
270000 · Net Pension Liability	592,858.00
280000 · Deferred Inflows	191,434.00
Total Long Term Liabilities	<u>884,792.00</u>
Total Liabilities	2,933,562.03
Equity	
32000 · Retained Earnings	-281,623.96
370000 · Fund Bal Unreserved/Unrestrictd	1,334,880.89
380000 · Prior Period Adjustment	-523,981.00
Net Income	-5,434.26
Total Equity	<u>523,841.67</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,457,403.70</u></u>

TO: EXECUTIVE COMMITTEE **EC Meeting: 02-18-2016**
FROM: Richard Averett, Executive Director **Item: 6A**
**SUBJECT: AMMENDMENTS TO JOINT POWERS AGREEMENT TO PROVIDE
MEMBER INDEMNITY AND TO ADD ASSOCIATE MEMBERSHIP**

RECOMMENDATION

Recommend to Member Agencies that they approve amending the Restated Joint Powers Agreement to add a Member Indemnification provision and to add an Associate Membership category.

BACKGROUND

The Amended and Restated Joint Powers Agreement was last amended in January 2005 to allow the JPA Board of Directors to add member agencies in the future without amending the Agreement each time a Member Agency was added or deleted. In a recent review, JPA legal counsel identified an additional measure that might enhance protection of Member Agencies and another that might enhance protection for the JPA and client agencies from adverse determinations of employer/employee status. Any amendment to the joint powers agreement would require approval by a majority vote of the Member Agencies' governing bodies.

PROPOSED CHANGES

1. Member Agencies already have low exposure to claims upon the JPA. The existing Agreement provides that JPA “debts, liabilities and obligations shall not be the debts, liabilities and obligations of its members.” However, by amending the Agreement to provide that the JPA will indemnify the Member Agencies for any liability of the Member Agencies related to JPA operations, an additional assurance could be added. Proposed language to be added to Article VII, Miscellaneous Provisions is as follows:
 9. LGS shall indemnify, defend and hold harmless the Members from and against any and all losses, liability, claims suits, actions, damages, causes of actions, and costs, including but not limited to reasonable attorneys' fees, arising out of the operation of LGS, except when such liability arises due to the sole negligence or willful misconduct of the Member.
2. The current Amended and Restated Joint Powers Agreement allows for one type of membership in the JPA: “Member”. Members have the power to hold office in the JPA, vote on JPA matters and approve new membership to the JPA. The Joint Exercise of Powers Act (Government Code § 6500 et seq.) empowers public agencies to exercise by cooperative action any existing power common to the contracting public entities. Section 6505 provides that, “One or more of the parties may agree to provide all or a portion of the services to the other parties in the manner provided in the agreement.” Thus, JPAs have statutory authority to employ staff and provide services. In defining the term “employee,” the *Cargill* Court held that unless given reason to conclude that the Legislature intended the term to have a different meaning, “we also can only adhere to the common law test.” The Legislature has carved out a statutory exception to CalPERS exclusive reliance on the common law employment test.

By creating a non-voting JPA membership status it is believed that the same statutory employer protections afforded governing members can be extended to client agencies. If approved, Agreement amendment language will be prepared for the Member Agencies' consideration. For client agreements expected to cost a substantial amount (i.e. likely to require client governing body approval), the JPA template will be modified to include Associate Membership.

FISCAL IMPACT

If these amendments are approved for submittal to Member Agencies for their approval, and that approval is gained, additional legal services will be required during preparation and implementation of the changes. Legal costs are not expected to be significantly more than routinely incurred. If client agencies do not want to be associate members and take advantage of the additional protections afforded by it, there will be lost revenue opportunity. Missed revenue as a result of this change is not expected to

TO: EXECUTIVE COMMITTEE
FROM: Richard Averett, Executive Director
SUBJECT: AUTHORIZE APPOINTMENT OF BOARD SECRETARY

EC Meeting: 2-18-2016
Item: 6B

RECOMMENDATION

Authorize the appointment of Tiffany Buraglio as Board Secretary.

BACKGROUND

The JPA Executive Director has served in this capacity for much of the JPA's existence, while many of the duties of the office have been completed by RGS part-time staff. As reporting requirements have increased, especially those requiring Board Secretary signature, it is appropriate to designate the staff who regularly perform the duties.

The Executive Committee can act on behalf of the Board of Directors per the authority delegated to it under the joint powers agreement.

FISCAL IMPACT

There is no fiscal impact of this appointment.