

LGS BOARD AGENDA

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

REGULAR MEETING

May 19, 2016

2:00 p.m.

Central Marin Police Authority

Community Room

250 Doherty Drive

Larkspur, CA 94939

1. CALL TO ORDER

- A. Election of Officers

Action

2. PUBLIC COMMENT

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

- A. Approval of **April 18, 2016** Minutes

Action

4. TREASURER'S REPORT

- A. Approve FY2017 Budget

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
B. Consider Amendments to the Restated Joint Powers Agreement

Information

Action

6. NEW BUSINESS

- A. Appoint Special Counsel

Action

7. ADJOURN

The next Regular Meeting will take place on August 18, 2016 at 1:00 p.m. in Walnut Creek.

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
BOARD OF DIRECTORS MINUTES
APRIL 18, 2016**

The Local Government Services Authority held a special meeting of the Board of Directors on April 18, 2016 via teleconference. The meeting was called to order at 10:11a.m.

1. CALL TO ORDER

Members Present: Steve Rogers, Chair
Ken Nordhoff, Member
Dan Schwarz, Member
Julie Carter, Alternate Member

Members Absent: None

Other Attendees: Richard Averett, Executive Director
Tiffany Buraglio, Executive Assistant

2. PUBLIC COMMENT – None

3. APPROVAL OF CONSENT AGENDA

A. Approval of **August 27, 2015** Minutes

Action: Moved and seconded (Nordhoff / Carter) to approve consent agenda.

AYES: Rogers, Nordhoff, Schwarz, Carter

NOES: None

ABSTAIN: None

4. TREASURER’S REPORT - None

5. OLD BUSINESS - None

6. NEW BUSINESS

A. Approve Resolution LGSBOD2016-01 Indemnifying Members From Liability

The Executive Director reviewed that the purpose of the resolution was to provide protection from a remote chance of liability for Members until a formal amendment to the JPA Agreement can be considered by the Board at the regular May 19, 2016 meeting and approved by the Member Agencies. Member Nordhoff reminded the Board that there was no need to bring any action to their individual Councils until the full amendment was reviewed by the Board at the May 19, 2016 JPA meeting.

Action: Moved and seconded (Nordhoff /Carter) to approve Resolution LGSBOD2016-01.

AYES: Rogers, Nordhoff, Schwarz, Carter

NOES: None

ABSTAIN: None

7. ADJOURNMENT – The meeting adjourned at 10:16a.m. The next regular meeting is scheduled for May 19, 2016 at 1:00 p.m. in Larkspur.

TO: BOARD OF DIRECTORS
FROM: RICHARD AVERETT, Executive Director
SUBJECT: APPROVAL OF FY2017 BUDGET FOR LGS

BOD Meeting: 05-19-2016
Item: 4A

RECOMMENDATION

Review and approve the proposed FY2017 Budget.

BACKGROUND

Fiscal Year (FY) 2017 proposed budget for Local Government Services Authority was prepared in accordance with overall direction provided by the Executive Committee and Board of Directors. The budget is presented in a format similar to P&L financial reports provided to the Executive Committee at their regular meetings. Several budget assumptions have been made in developing these budgets. They are:

- Each JPA's budget is prepared separately, with RGS providing most operational services and all administrative staffing. Therefore, LGS and MSA reimburse RGS for administrative/overhead costs.
- Individual Client expenditures and reimbursement revenues can fluctuate from year to year, and one major client (i.e. those from whom revenues exceed \$500,000 annually) will be leaving before the end of fiscal year 2016. Due to CalPERS audit activity, the JPA is preparing for work secession for other clients by fiscal year end 2017.
- Due to the anticipated termination of MTC services during the last quarter of FY2016, and the anticipated ending of services to TAM and SBWMA during FY2017, the sharp reduction and elimination of LGS operating revenue, the allocation of RGS administrative costs will be reduced from 35% in FY2016 to 10% by FY2017 end.

Net Equity minimum target for FY2016 is \$500,000. Staff projects that net equity will be below \$400,000 by the end of FY2016 and \$259,000 by FYE 2017.

FY2015 FINANCIAL PERFORMANCE

FY2015 results show net income of negative \$241,073 due to an additional contribution of \$375,000 to MSA claims reserves.

FY2016 PROJECTED FINANCIAL PERFORMANCE

The 2016 budget was adopted in May 2015, with a net gain of \$38,000. Projected FYE loss is \$135,136 attributable to CalPERS activity that has directly caused a substantial loss of business and additional expenses in staff time and outside legal services.

FY2017 PROPOSED BUDGET

The proposed budget is for a net equity loss of \$189,479. Revenues and expenses are budgeted for six months of services to the remaining two clients and additional legal services expenses related to CalPERS.

**Local Government Services
FY2017 Profit Loss Budget**

	TOTAL				
	FY 15 Actual	FY 16 Budget	FYE16 Projected	FY16 Variance	FY17 Budget
Ordinary Income/Expense					
Income					
440301 · Client Billings	5,155,561	4,587,000	4,590,000	3,000	1,094,000
480000 · Miscellaneous	24,942	27,000	20,000	(7,000)	-
Total Income	5,180,503	4,614,000	4,610,000	(4,000)	1,094,000
Gross Profit	5,180,503	4,614,000	4,610,000	(4,000)	1,094,000
Expense					
511010 · Salaries - Regular	3,111,799	2,847,000	2,849,000	2,000	704,000
511072 · Salaries non-billable	27,647	16,000	(39,000)	(55,000)	(141,000)
512002 · Medicare Employer Expense	45,542	42,000	41,000	(1,000)	10,000
512004 · Employee Assistance Program	1,229		1,000	1,000	-
512005 · Health Insurance Expense	302,096	268,000	315,000	47,000	89,000
512006 · Dental Insurance Expense	32,685	29,000	32,000	3,000	8,000
512007 · Vision Insurance Expense	3,855	4,000	5,000	1,000	1,000
512008 · Life Insurance Expense	4,747	4,000	5,000	1,000	1,000
512009 · Long Term Disability Expense	7,233	9,000	5,000	(4,000)	1,000
512010 · Stars 401A Expense	-				-
512012 · Calpers Retirement Expense	260,311	383,000	397,000	14,000	138,000
512014 · Short Term Disability Expense	6,732	8,000	5,000	(3,000)	1,000
512015 · Unemployment Insurance Expense	17,547	14,000	14,000	-	3,000
512018 · FSA Health & Day Care Expense	952		1,000	1,000	-
512019 · Employee Expense Allowances	49,490	42,000	44,000	2,000	2,000
520107 · APS (ADP) Payroll Fees	4,571	4,000	5,000	1,000	2,000
520109 · Communications - Employee Reimb	2,334	3,000	3,000		1,000
520202 · Bank Fees & Services	674				-
520204 · Printing & Postage	-		4,000	4,000	2,000
520302 · Legal Services	11,042	8,000	82,000	74,000	100,000
520320 · Professional Services	3,100	5,000	12,000	7,000	8,000
520501 · Professional Dues & Membership	2,067				-
520503 · Conferences & Meetings	2,659	4,000	1,000	(3,000)	-
520504 · Publications	-		2,000	2,000	-
520801 · Mileage Reimbursement	92		-	-	-
520803 · Travel Reimbursement	8,650	8,000	4,000	(4,000)	-
520805 · Supplies and Meals	517		-	-	-
522798 · Miscellaneous Expense	63				-
529997 · Administrative Services - RGS	776,111	774,000	750,000	(24,000)	206,479
Total Expense	4,683,745	4,472,000	4,538,000	66,000	1,136,479
Net Ordinary Income	496,758	142,000	72,000	(70,000)	(42,479)
Other Income/Expense					
Other Expense					
529990 · Contribution to MSA Reserves	317,649				
529994 · Allowed OPEB / HRA Expense	43,500	104,000	207,136	103,136	147,000
529998 · Allocated Admin. Services - RGS					
529999 · Allocated Unbillable Expenses					
Total Other Expense	361,149	104,000	207,136	103,136	147,000
Net Other Income	(361,149)	(104,000)	(207,136)	(103,136)	(147,000)
Net Income	135,609	38,000	(135,136)	(173,136)	(189,479)

TO: BOARD OF DIRECTORS **BOD Meeting: 5-19-2016**
FROM: RICHARD AVERETT, Executive Director **Item: 5B**
SUBJECT: AMENDMENTS TO RESTATED JOINT POWERS AGREEMENT

RECOMMENDATION

Approve amendments to Restated Joint Powers Agreement and recommend for adoption by Member Agencies.

BACKGROUND

At its regular meeting on February 18, 2016, the Executive Committee discussed amending the JPA Agreement to strengthen the language to indemnify Member Agencies against any and all debts, liabilities and obligations incurred by the JPA and to make administrative updates to the agreement where appropriate. At the April 18, 2016 meeting, the Board passed resolution RGSBOD2016-01 to provide such protection until all Member Agencies' governing bodies could consider and approve amending the JPA Agreement.

Both a redlined and clean copy of the proposed amendments to the JPA Agreement are attached. If approved by the Board, the Amendment will be presented by Board Members to their agencies for approval. All Member Agencies must approve the proposed Amended Agreement for it to be effective.

FISCAL IMPACT

There is no significant fiscal impact from the approval and eventual adoption of this Amended Agreement.

**AMENDED AND RESTATED
JOINT POWERS AGREEMENT CREATING THE
LOCAL GOVERNMENT SERVICES AUTHORITY**

An agreement entitled "Joint Powers Agreement Creating the Local Government Services Authority" was entered into as of March 1, 2001, ~~(as amended and restated from time to time, the "Agreement")~~, by and between ~~the following participating~~ public entities (collectively called the "Members") ~~the Association, currently comprised of Bay Area Governments ("ABAG") and the City of Dublin, the City of San Carlos ("City"), Larkspur, the City of Walnut Creek and the Town of Yountville.~~ This Amended and Restated Joint Powers Agreement Creating the Local Government Services Authority is made and effective ~~this 1st day of December, 2004~~, 2016, by ~~and between the ABAG and the City Members.~~

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RECITALS

The Members have determined that it is more efficient, effective, and economical to provide certain management, administrative, special or general services for ~~ABAG, the City Members~~ and other public agencies through a joint powers authority ("JPA") than by each agency directly employing separate staff;

The Members have determined that state law allows for a joint powers authority to provide such services;

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The Members further have determined that state law allows for certain such Member functions to be provided by contract with the JPA;

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The Members also wish to be able to offer expertise to other public and private entities ~~servicing public agencies~~ through the provision of services by this JPA;

Each Member is a public agency as defined by Government Code Section 6500 *et seq.*, and is authorized and empowered to contract for the joint exercise of powers common to each Member;

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~~The Members are involved in providing services for public agencies and other entities that are separate and apart from the Member entities;~~

The Members seek to provide through the JPA, an entity that will directly employ staff and consultants for local and regional entities;

The Members have determined there exists a need for a public agency to operate services on a regional basis or to operate services outside the routine operations of Members, in order to achieve greater efficiency, effectiveness and/or economy;

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~~The Members have determined that it is desirable that this JPA provide there exists a qualified retirement plan for a public agency to provide shared, collaborative services to public agencies that enable partner agencies to achieve their goals cost-effectively; recruitment and retention flexibility in accommodating the employee on limited term and/or retirement status.~~

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~~The Members have determined that it is desirable that this JPA include additional members, and wish to reorganize its membership and governance~~

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~~structures to better serve client agencies.~~

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The Members now wish to exercise jointly their powers to provide services by establishment of the Local Government Services Authority ("LGS"), a public agency ~~and~~

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LGS is established to maximize the efficiency and effectiveness of service delivery of ~~regional government~~ programs benefiting the ~~local and~~ regional public interest. Many of the services provided by LGS will be those typically beyond the scope of an ~~individual local, and sub-regional government entity because of their benefit to a larger, cross-jurisdictional interest, but also requiring services, funding and other constraints.~~ LGS can efficiently and effectively provide these services ~~on an interim and longer term basis~~ through consolidation, coordination, and economies of scale.

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NOW, THEREFORE, in consideration of the mutual promises set out, the parties agree as follows:

AGREEMENT

ARTICLE I. POWERS AND PURPOSES

1. **LGS Created.** LGS is formed by this Agreement pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government Code of the State of California. LGS shall be a public entity separate from the parties hereto and its debts, liabilities and obligations shall not be the debts, liabilities and obligations of its Members.

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2. **Purpose of the Agreement; Common Powers to be Exercised.** Each Member individually has the statutory ability to provide services for the operation of a public agency. The purpose of this Agreement is to jointly exercise the foregoing common powers in the manner set forth herein.

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3. **Effective Date of Formation.** LGS was formed as of the date referred to in the first paragraph of the Joint Powers Agreement Creating the Local Government Services Authority, which was March 1, 2001 (the "Effective Date").

4. **Powers.** Pursuant to and to the extent required by Government Code Section 6509, LGS shall be restricted in the exercise of its powers in the same manner as is a general law city. LGS shall have the power to do any of the following in its own name:

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(a) To exercise the common powers of its Members in providing services for the operation of a public agency or other entity, including related and incidental services.

(b) To make, assume and enter into contracts, including contracts with its Members, associate members, partner agencies, consultants and vendors.

(c) To negotiate contracts with represented and unrepresented employees.

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(d) To maintain, assume and employ such agents, employees, consultants, and other persons as it deems necessary to accomplish its purpose.

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(e) To lease, acquire, hold and dispose of property of any kind.

(f) To invest surplus funds.

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(g) To incur debts, liabilities, or obligations.

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(h) To sue and be sued in its own name.

(i) To apply for grants, loans, or other assistance from persons, firms, corporations, and/or governmental entities.

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(j) To prepare and support legislation related to the purposes of this Agreement.

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(k) To collect payments and fees for services, as relevant law may allow.

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(l) To purchase insurance or to self-insure.

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(m) To enter into joint powers agreements with other public agencies when necessary or beneficial for LGS to carry out its mission.

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(n) To adopt rules, regulations, policies, bylaws and procedures governing its operation.

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5. **Indemnification of Members.** 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, (collectively, "Liability") arising out of the operation of LGS, except when such Liability arises due to the sole negligence or willful misconduct of the Member.

Whenever LGS provides services to a Member pursuant to a separate agreement between LGS and the Member, the indemnification provisions of that agreement shall apply as to the services that LGS provides pursuant to the agreement.

ARTICLE II. ORGANIZATION

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1. **Membership.** The Members of LGS shall be the ~~original~~ parties hereto ~~(which have not withdrawn from LGS),~~ and such other public entities as may join LGS after execution of this Agreement, and shall exclude any current or future Members who later withdraw. Public entities may join if approved by two-thirds of the members of the Executive Committee of the LGS Board on terms and conditions approved by the Executive Committee. New members shall be included within the term "Members" following execution of an Addendum to this Agreement executed by the new member and the Chair of the Executive Committee. Following execution of such an Addendum, the new member shall be subject to the provisions of this

Amended and Restated Agreement, and shall have the same power to appoint a representative to the LGS Board of Directors as existing Members. Any Member that withdraws from LGS, pursuant to Article V of this Agreement, shall no longer be a Member.

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2. **Associate Membership.** Public entities may join LGS as associate members, by virtue of contracting for services with LGS, which contract shall include an addendum to this Agreement and must be approved by the Executive Committee, or by other means as approved by the Executive Committee. Associate membership shall be on terms and conditions approved by the Executive Committee, and the Executive Committee shall establish the rights, privileges, duties and obligations of associate members consistent with this Agreement. Associate members shall not have the right to appoint a representative to the Board of Directors, nor shall they have a right to any of LGS' assets upon dissolution. The debts, liabilities and obligations of LGS shall not be the debts, liabilities and obligations of its associate members.

2-3. **Designation of LGS Board of Directors.** The LGS Board of Directors (the "Board") shall consist of ~~one representative~~ the chief executive or the chief executive's designee of each Member, who shall serve at the pleasure of the governing board of the Member and may be removed at any time, without cause, in the sole discretion of that Member. Each representative shall serve as a director and shall be entitled to place any matter reasonably related to the business of LGS on the agenda for any meeting of the Board. No additional compensation shall be provided for such service, although directors' expenses shall be reimbursable. A meeting of the Board of Directors shall be called at least once per fiscal year for the purpose of selecting Executive Committee members, amending Authority Bylaws, approving the budget, and other such business as appropriate. All voting power shall reside in the Board of Directors, with those powers necessary to carry out the day-to-day business of ~~the JPA~~ LGS delegated to the Executive Committee. Special meetings of the Board may be called in accordance with the provisions of Government Code section 54956, as that section may be amended from time to time.

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4. **Executive Committee.** The regular management of the Authority shall be vested in an Executive Committee consisting of no more than seven individuals selected by the Directors at the annual meeting, with up to two Alternate committee members also chosen by the Board of Directors. Members of the Executive Committee may, but need not, be on the Board of Directors. Members of the Executive Committee shall serve at the pleasure of the Board, and may be removed, without cause, in the sole discretion of the Board. No additional compensation shall be provided for service on the Executive Committee, although expenses of members of the Executive Committee shall be reimbursable. The Executive Committee shall have power:

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~~(b)~~(a) To approve additional public entities as new members, or associate members and terms and conditions of such membership;

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~~(e)~~(b) To employ and contract for personnel and consultants consistent with the purposes of the LGS;

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~~(d)~~(c) To expend funds of LGS and enter into contracts, whenever required, in the judgment of the Executive Committee consistent with the purposes of the LGS;

~~(e)~~(d) To acquire and sell any personal property;

(e) To lease, acquire, hold and dispose of property of any kind.

(f) To approve payroll payments and other demands for payments by LGS;

(g) To prepare, review, and submit to the Board in time for revision and adoption by it prior to July 1 of each year the annual budget for the next fiscal year referred to in Section II. 4.0; and 3.

(h) To make all expenditures of LGS consistent with the LGS budget and authorized appropriations and approved agreements.

The Executive Committee shall perform such other duties as may be imposed by it by the LGS Board and shall report to the LGS Board at such times and concerning such matters as the LGS Board may require.

4.5. Principal Office. The principal office of LGS shall be designated by the Board, which may move those offices should it choose to do so.

5.6. Meetings.

a. The first and organizational meeting of LGS shall be held at its principal office within 30 days of the Effective Date.

(b)a. The Board shall meet at the principal office of LGS or at such other place as may be designated by the Board. The Board shall meet at least once a fiscal year.

(c)b. All Board meetings of the Board or Executive Committee, including regular, adjourned and special meetings, shall be called, noticed and held in accordance with the Ralph M. Brown Act, Section 54950, et seq. of the Government Code (the "Brown Act") as it may be amended from time to time.

6.7. Quorum; Voting. A majority of the members of the Board of Directors shall constitute a quorum for the purpose of the transaction of business relating to LGS. Each director shall be entitled to one vote. Unless otherwise provided herein, a vote of the majority of those present and qualified to vote shall be sufficient for the adoption of any motion, resolution or order or to take any other action deemed appropriate to carry forward the objectives of LGS.

7.8. Officers. At its first meeting, the Board shall elect a Chair and Vice-Chair from among the Directors, and shall appoint a Secretary who may, but need not, be a Director. The officers shall perform the duties normal to such offices. The Chair shall preside at all meetings of the Board and shall sign all routine contracts that do not require Board award on behalf of LGS, and shall perform such other duties as may be imposed by the Board. The Vice-Chair shall act, sign contracts and perform all of the Chair's duties in the absence of the Chair. The Secretary shall countersign all contracts signed by the Chair or Vice-Chair on behalf of LGS, perform such other duties as may be imposed by the Board and cause a copy of this Agreement to be filed with the Secretary of State pursuant to the Act. The Board may also designate an employee of LGS to sign contracts that do not require Board award and contracts for which Board award has been granted.

8.9. Secretary; Minutes. The Board shall have the authority to appoint a Secretary

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of LGS, or may delegate such power to the Executive Committee. The Secretary of LGS shall provide notice of, prepare and post agendas for and keep minutes of regular, adjourned regular, and special meetings of the Board or Executive Committee, and shall cause a copy of the minutes to be forwarded to each director. The Secretary will otherwise perform the duties necessary to ensure compliance with the Brown Act and other applicable rules or regulations, and shall perform such other duties as may be imposed by the Board or Executive Committee. The Secretary shall cause a copy of this Agreement to be filed with the Secretary of State pursuant to the Act.

9-10. Rules. The Board from time to time may adopt such bylaws, rules and regulations for the conduct of its affairs that are not in conflict with ~~these Agreements~~ this Agreement. The Board may also adopt bylaws, rules and regulations for the conduct of the Executive Committee, or may delegate such authority to the Executive Committee itself.

10-11. Fiscal Year. LGS's fiscal year shall be July 1 of each year, ~~or in the year of its formation, the Effective Date,~~ to and including the following June 30.

11-12. Treasurer/Controller. The Board shall have the power to appoint a Finance Director of LGS. Pursuant to Section 6505.6 of the Act, the Finance Director of ~~the JPA LGS~~ serves as the Auditor, Controller and Treasurer of LGS. The Treasurer shall be the depository, shall have custody of all of the accounts, funds and money of LGS from whatever source, shall have the duties and obligations set forth in Sections 6505 and 6505.5 of the Act and shall assure that there shall be strict accountability of all funds and reporting of all receipts and disbursements of LGS.

12-13. Officers in Charge of Records, Funds, and Accounts. Pursuant to Section 6505.1 of the Act, the Treasurer shall have charge of, handle and have access to all accounts, funds and money of LGS and all records of LGS relating thereto; and the Secretary shall have charge of, handle and have access to all other records of LGS.

13-14. Bonding Persons Having Access to Public Records. From time to time, the Board may designate persons, in addition to the Executive Director, Secretary and the Treasurer, having charge of, ~~handle~~ handling or having access to any records, funds or accounts of LGS, who shall be required to post performance bonds. The respective costs of the official bonds of ~~the Secretary and the Treasurer~~ and such other persons designated by the Board pursuant to Section 6505.1 of the Act shall be paid by LGS. The Executive Director, Secretary and the Treasurer may be employees of, or contracting to, any Member or public agency affiliated with LGS.

14-15. Legal Advisor. The Board shall have the power, or may delegate such power to the Executive Committee, to appoint the legal advisor of LGS who shall perform such duties as may be prescribed by the Board, and to retain other legal counsel as the Executive Committee deems necessary. The Legal Advisor may be an employee of, or have a contractual relationship with, any Member, but such relationship is not required.

15-16. Executive Director Appointment; Employees. The Executive Committee shall have the power to appoint and employ an Executive Director, and to establish the duties and responsibilities of the Executive Director. The Executive Director shall have the power to appoint and employ such other employees, consultants, and independent contractors as may be necessary for the

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purposes of this Agreement, and to establish the duties and responsibilities of such employees. Such employees, consultants, or independent contractors may be employees of, or have a contractual relationship with, any Member. The Board Executive Committee may also contract with a Member to provide administrative services to the JPA's LGS.

All of the privileges and immunities from liability, exemption from laws, ordinances and rules, and all other benefits which apply to the activities of officers, agents, or employees of a public agency when performing their respective functions shall apply to them the officers, agents and employees of LGS to the same degree and extent while engaged in the performance of any of the functions and other duties under this Agreement.

None of the officers, agents, or employees directly employed by the Board LGS shall be deemed, by reason of their employment by the Board LGS, to be employed by ABAG or the City a Member or, by reason of their employment by the Board LGS, to be subject to any of the requirements of ABAG or the City a Member.

16-17. Assistant Officers. The Board may appoint or delegate to the Executive Committee the authority to appoint, such assistants to act in the place of the Executive Director, Treasurer, Secretary or other officers of LGS (other than any director a member of the Board of Directors) as the Board shall from time to time deem appropriate.

ARTICLE III
TRANSFER OF SERVICES
ASSUMPTION OF RESPONSIBILITIES

~~On or after the Effective Date, the Members may contract with LGS for services. The Members may transfer to LGS employees of Members and LGS shall become their employer under such terms and conditions as determined by LGS. All applicable employment rules, regulations, MOU's or collective bargaining agreements, ordinances, and resolutions shall be as adopted and ratified by the Board for such employees. Any and all employment records shall become the property of LGS.~~

~~Secretary: The Secretary shall report to the Executive Committee and is responsible for notice of, preparation and posting agendas for and keeping minutes of regular, adjourned regular, and special meetings of the Board, and shall cause a copy of the minutes to be forwarded to each director. The Secretary will otherwise perform the duties necessary to ensure compliance with the Brown Act and other applicable rules or regulations.~~

~~All of the privileges and immunities from liability, exemption from laws, ordinances and rules, and all other benefits which apply to the activities of officers, agents, or employees of a public agency when performing their respective functions shall apply to them to the same degree and extent while engaged in the performance of any of the functions and other duties under this Agreement.~~

~~None of the officers, agents, or employees directly employed by the Board shall be deemed, by reason of their employment by the Board, to be employed by any Member Agency or, by reason of their employment by the Board, to be subject~~

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~~to any of the requirements of any Member Agency.~~

**ARTICLE III.
MEMBER CONTRACTING WITH LGS**

~~On or after the Effective Date, a~~Any Member may contract with LGS for services ~~on terms to be negotiated by the parties.~~

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**ARTICLE IV.
~~CONTRIBUTION;~~ ACCOUNTS AND REPORTS; FUNDS**

1. **Accounts and Reports.** The Treasurer shall establish and maintain such funds and accounts as may be required by good accounting practice. The books and records of LGS shall be open to inspection at all reasonable times by representatives of Member Agencies. The Treasurer will give a complete written report of all financial activities for such fiscal year to the Members.

2. **Funds.** The Treasurer of LGS shall receive, have the custody of and disburse LGS funds as nearly as possible in accordance with generally accepted accounting practices, shall make the disbursements required by these Agreements or to carry out any of the provisions or purposes of these Agreements.

~~1. **Annual Budget and Administrative Expenses.** The Board shall adopt a budget for administrative expenses. Any estimated annual administrative expenses of LGS may be allocated by LGS to the Members equally.~~

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**ARTICLE V.
TERM**

1. **Term.** This Restated and Amended Agreement for Local Government Services Authority shall become effective when signed by ~~both ABAG and City~~all of the Members and shall continue in full force and effect so long as there are at least two Members.

~~1.2. **Dissolution & Withdrawal.** All Members may mutually agree upon termination of this Agreement and to dissolve LGS at any time, while providing three months' advance notice to the LGS Board Chair. Individual Members may terminate their membership by providing three months' advance notice to the LGS Board Chair, with the date of termination coinciding with the beginning of a fiscal quarter. Any terminating Member shall bring pay all payments for expenses current amounts owed to the JPA prior to the date of termination. A terminating Member shall not be entitled to receive a share of LGS' assets, except upon dissolution as provided for in Section V.3.~~

~~2.3. **Disposition of Assets.** Upon termination of this Agreement dissolution of LGS, after satisfaction of all debts, liabilities or obligations incurred by LGS, any and all remaining property of LGS, both real and personal, and all other assets of any kind shall be divided among the Members active as of~~

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the act of ~~termination~~dissolution, in such manner as shall be agreed upon by those Members. In the event the LGS has outstanding debt, liability or obligation at the time of dissolution, the Members shall have no obligation or responsibility for such debt, pursuant to Section I.1 of this Agreement.

ARTICLE ~~VHVI~~ MISCELLANEOUS PROVISIONS

1. **Notices.** Notices hereunder shall be in writing and shall be sufficient if delivered to the notice address of ~~each party hereto~~ for legal notices or as otherwise provided by a party hereto in writing to each of the other parties hereto.
2. **Section Headings.** All section headings in these Agreements are for convenience of reference only and are not to be construed as modifying or governing the language in the section referred to or to define or limit the scope of any provision of these Agreements.
3. **Consent.** Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.
4. **Law Governing.** This Agreement is made in the State of California under the constitution and laws of the State of California, and is to be so construed.
5. **Amendments.** This Amended and Restated Agreement may be amended at any time, or from time to time, by a written amendment executed by the Members. Additional public entities may become Members of LGS by ~~execution of an Addendum as provided in Article II, section 1.~~ Following the addition of a new Member, any amendment of this Amended and Restated Agreement ~~shall require approval of all Members, including any such new Members.~~
6. **Enforcement by LGS.** LGS is hereby authorized to take any or all legal or equitable actions, including but not limited to injunction and specific performance, necessary or permitted by law to enforce this Agreement.
7. **Severability.** Should any part, term or provision of this Agreement be decided by any court of competent jurisdiction ~~to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual,~~ the validity of the remaining portions or provisions shall not be affected ~~thereby.~~
8. **Successors.** This Agreement shall be binding upon and shall inure to the benefit of the successors of the Members respectively. No Member may assign any right or obligation hereunder without the written consent of other Member(s).

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, ~~and their official seals to be hereto affixed,~~ on the day and year set opposite the name of each of the parties.

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AMENDED AND RESTATED
JOINT POWERS AGREEMENT CREATING THE
LOCAL GOVERNMENT SERVICES AUTHORITY

An agreement entitled “Joint Powers Agreement Creating the Local Government Services Authority” was entered into as of March 1, 2001 (as amended and restated from time to time, the “Agreement”), by and between participating public entities (collectively called the “Members”), currently comprised of the City of Dublin, the City of Larkspur, the City of Walnut Creek and the Town of Yountville. This Amended and Restated Joint Powers Agreement Creating the Local Government Services Authority is made and effective _____, 2016, by the Members.

RECITALS

The Members have determined that it is more efficient, effective, and economical to provide certain management, administrative, special or general services for Members and other public agencies through a joint powers authority (“JPA”) than by each agency directly employing separate staff;

The Members have determined that state law allows for a joint powers authority to provide such services;

The Members further have determined that state law allows for certain such Member functions to be provided by contract with the JPA;

The Members also wish to be able to offer expertise to other public and private entities serving public agencies through the provision of services by this JPA;

Each Member is a public agency as defined by Government Code Section 6500 *et seq.*, and is authorized and empowered to contract for the joint exercise of powers common to each Member;

The Members seek to provide through the JPA, an entity that will directly employ staff and consultants for local and regional entities;

The Members have determined there exists a need for a public agency to operate services on a regional basis or to operate services outside the routine operations of Members, in order to achieve greater efficiency, effectiveness and/or economy;

The Members have determined there exists a need for a public agency to provide shared, collaborative services to public agencies that enable partner agencies to achieve their goals cost-effectively;

The Members now wish to exercise jointly their powers to provide services by establishment of the Local Government Services Authority (“LGS”), a public agency; and

LGS is established to maximize the efficiency and effectiveness of service delivery of government programs benefiting the local and regional public interest. Many of the services provided by LGS will be those typically beyond the scope of an individual local government entity because of funding and other constraints. LGS

can efficiently and effectively provide these services through consolidation, coordination, and economies of scale.

NOW, THEREFORE, in consideration of the mutual promises set out, the parties agree as follows:

AGREEMENT

ARTICLE I. POWERS AND PURPOSES

1. **LGS Created.** LGS is formed by this Agreement pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government Code of the State of California. LGS shall be a public entity separate from the parties hereto and its debts, liabilities and obligations shall not be the debts, liabilities and obligations of its Members.

2. **Purpose of the Agreement; Common Powers to be Exercised.** Each Member individually has the statutory ability to provide services for the operation of a public agency. The purpose of this Agreement is to jointly exercise the foregoing common powers in the manner set forth herein.

3. **Effective Date of Formation.** LGS was formed as of the date referred to in the first paragraph of the Joint Powers Agreement Creating the Local Government Services Authority, which was March 1, 2001 (the "Effective Date").

4. **Powers.** Pursuant to and to the extent required by Government Code Section 6509, LGS shall be restricted in the exercise of its powers in the same manner as is a general law city. LGS shall have the power to do any of the following in its own name:

- (a) To exercise the common powers of its Members in providing services for the operation of a public agency or other entity, including related and incidental services.
- (b) To make, assume and enter into contracts, including contracts with its Members, associate members, partner agencies, consultants and vendors.
- (c) To negotiate contracts with represented and unrepresented employees.
- (d) To maintain, assume and employ such agents, employees, consultants, and other persons as it deems necessary to accomplish its purpose.
- (e) To lease, acquire, hold and dispose of property of any kind.
- (f) To invest surplus funds.
- (g) To incur debts, liabilities, or obligations.
- (h) To sue and be sued in its own name.

- (i) To apply for grants, loans, or other assistance from persons, firms, corporations, and/or governmental entities.
- (j) To prepare and support legislation related to the purposes of this Agreement.
- (k) To collect payments and fees for services, as relevant law may allow.
- (l) To purchase insurance or to self-insure.
- (m) To enter into joint powers agreements with other public agencies when necessary or beneficial for LGS to carry out its mission.
- (n) To adopt rules, regulations, policies, bylaws and procedures governing its operation.

5. **Indemnification of Members.** 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, (collectively, "Liability") arising out of the operation of LGS, except when such Liability arises due to the sole negligence or willful misconduct of the Member.

Whenever LGS provides services to a Member pursuant to a separate agreement between LGS and the Member, the indemnification provisions of that agreement shall apply as to the services that LGS provides pursuant to the agreement.

ARTICLE II. ORGANIZATION

1. **Membership.** The Members of LGS shall be the parties hereto, and such other public entities as may join LGS after execution of this Agreement, and shall exclude any current or future Members who later withdraw. Public entities may join if approved by two-thirds of the members of the Executive Committee of the LGS Board on terms and conditions approved by the Executive Committee. New members shall be included within the term "Members" following execution of an Addendum to this Agreement executed by the new member and the Chair of the Executive Committee. Following execution of such an Addendum, the new member shall be subject to the provisions of this Amended and Restated Agreement, and shall have the same power to appoint a representative to the LGS Board of Directors as existing Members. Any Member that withdraws from LGS, pursuant to Article V of this Agreement, shall no longer be a Member.

2. **Associate Membership.** Public entities may join LGS as associate members, by virtue of contracting for services with LGS, which contract shall include an addendum to this Agreement and must be approved by the Executive Committee, or by other means as approved by the Executive Committee. Associate membership shall be on terms and conditions approved by the Executive Committee, and the Executive Committee shall establish the rights, privileges, duties and obligations of associate members consistent with this Agreement. Associate members shall not have the right to appoint a representative to the Board of Directors, nor shall they have a right to any of LGS' assets upon

dissolution. The debts, liabilities and obligations of LGS shall not be the debts, liabilities and obligations of its associate members.

3. **Designation of LGS Board of Directors.** The LGS Board of Directors (the “Board”) shall consist of the chief executive or the chief executive’s designee of each Member, who shall serve at the pleasure of the governing board of the Member and may be removed at any time, without cause, in the sole discretion of that Member. Each representative shall serve as a director and shall be entitled to place any matter reasonably related to the business of LGS on the agenda for any meeting of the Board. No additional compensation shall be provided for such service, although directors' expenses shall be reimbursable. A meeting of the Board of Directors shall be called at least once per fiscal year for the purpose of selecting Executive Committee members, amending Authority Bylaws, approving the budget, and other such business as appropriate. All voting power shall reside in the Board of Directors, with those powers necessary to carry out the day-to- day business of LGS delegated to the Executive Committee. Special meetings of the Board may be called in accordance with the provisions of Government Code Section 54956, as that section may be amended from time to time.

4. **Executive Committee.** The regular management of the Authority shall be vested in an Executive Committee consisting of no more than seven individuals selected by the Directors at the annual meeting, with up to two Alternate committee members also chosen by the Board of Directors. Members of the Executive Committee may, but need not, be on the Board of Directors. Members of the Executive Committee shall serve at the pleasure of the Board, and may be removed, without cause, in the sole discretion of the Board. No additional compensation shall be provided for service on the Executive Committee, although expenses of members of the Executive Committee shall be reimbursable. The Executive Committee shall have power:

- (a) To approve additional public entities as new members or associate members and terms and conditions of such membership.
- (b) To employ and contract for personnel and consultants consistent with the purposes of the LGS.
- (c) To expend funds of LGS and enter into contracts, whenever required, in the judgment of the Executive Committee consistent with the purposes of the LGS.
- (d) To acquire and sell any personal property.
- (e) To lease, acquire, hold and dispose of property of any kind.
- (f) To approve payroll payments and other demands for payments by LGS.
- (g) To review and recommend to the Board prior to July 1 of each year the annual budget for the next fiscal year referred to in Section II.3.
- (h) To make all expenditures of LGS consistent with the LGS budget, authorized appropriations and approved agreements.

The Executive Committee shall perform such other duties as may be imposed on it by the Board and shall report to the Board at such times and concerning such matters as the Board may require.

5. **Principal Office.** The principal office of LGS shall be designated by the Board, which may move those offices should it choose to do so.

6. **Meetings.**

(a) The Board shall meet at the principal office of LGS or at such other place as may be designated by the Board. The Board shall meet at least once per fiscal year.

(b) All meetings of the Board or Executive Committee, including regular, adjourned and special meetings, shall be called, noticed and held in accordance with the Ralph M. Brown Act, Section 54950, et seq. of the Government Code (the "Brown Act") as it may be amended from time to time.

7. **Quorum; Voting.** A majority of the members of the Board of Directors shall constitute a quorum for the purpose of the transaction of business relating to LGS. Each director shall be entitled to one vote. Unless otherwise provided herein, a vote of the majority of those present and qualified to vote shall be sufficient for the adoption of any motion, resolution or order or to take any other action deemed appropriate to carry forward the objectives of LGS.

8. **Officers.** At its first meeting, the Board shall elect a Chair and Vice-Chair from among the Directors, and shall appoint a Secretary who may, but need not, be a Director. The officers shall perform the duties normal to such offices. The Chair shall preside at all meetings of the Board and shall sign all routine contracts that do not require Board award on behalf of LGS, and shall perform such other duties as may be imposed by the Board. The Vice-Chair shall act, sign contracts and perform all of the Chair's duties in the absence of the Chair. The Board may also designate an employee of LGS to sign contracts that do not require Board award and contracts for which Board award has been granted.

9. **Secretary; Minutes.** The Board shall have the authority to appoint a Secretary of LGS, or may delegate such power to the Executive Committee. The Secretary of LGS shall provide notice of, prepare and post agendas for and keep minutes of regular, adjourned regular, and special meetings of the Board or Executive Committee, and shall cause a copy of the minutes to be forwarded to each director. The Secretary will otherwise perform the duties necessary to ensure compliance with the Brown Act and other applicable rules or regulations, and shall perform such other duties as may be imposed by the Board or Executive Committee. The Secretary shall cause a copy of this Agreement to be filed with the Secretary of State pursuant to the Act.

10. **Rules.** The Board from time to time may adopt such bylaws, rules and regulations for the conduct of its affairs that are not in conflict with this Agreement. The Board may also adopt bylaws, rules and regulations for the conduct of the Executive Committee, or may delegate such authority to the Executive Committee itself.

11. **Fiscal Year.** LGS's fiscal year shall be July 1 of each year, to and including the following June 30.

12. **Treasurer/Controller.** The Board shall have the power to appoint a Finance Director of LGS. Pursuant to Section 6505.6 of the Act, the Finance Director of LGS serves as the Auditor, Controller and Treasurer of LGS. The Treasurer shall be the depository, shall have custody of all of the accounts, funds and money of LGS from whatever source, shall have the duties and obligations set forth in Sections 6505 and 6505.5 of the Act and shall assure that there shall be strict accountability of all funds and reporting of all receipts and disbursements of LGS.

13. **Officers in Charge of Records, Funds, and Accounts.** Pursuant to Section 6505.1 of the Act, the Treasurer shall have charge of, handle and have access to all accounts, funds and money of LGS and all records of LGS relating thereto; and the Secretary shall have charge of, handle and have access to all other records of LGS.

14. **Bonding Persons Having Access to Public Records.** From time to time, the Board may designate persons, in addition to the Executive Director, Secretary and the Treasurer, having charge of handling or having access to any records, funds or accounts of LGS, who shall be required to post performance bonds. The respective costs of the official bonds of such persons designated by the Board pursuant to Section 6505.1 of the Act shall be paid by LGS. The Executive Director, Secretary and the Treasurer may be employees of, or contracting to, any Member or public agency affiliated with LGS.

15. **Legal Advisor.** The Board shall have the power, or may delegate such power to the Executive Committee, to appoint the legal advisor of LGS who shall perform such duties as may be prescribed by the Board, and to retain other legal counsel as the Executive Committee deems necessary. The Legal Advisor may be an employee of, or have a contractual relationship with, any Member, but such relationship is not required.

16. **Executive Director Appointment: Employees.** The Executive Committee shall have the power to appoint and employ an Executive Director, and to establish the duties and responsibilities of the Executive Director. The Executive Director shall have the power to appoint and employ such other employees, consultants, and independent contractors as may be necessary for the purposes of this Agreement, and to establish the duties and responsibilities of such employees. Such employees, consultants, or independent contractors may be employees of, or have a contractual relationship with, any Member. The Executive Committee may also contract with a Member to provide administrative services to LGS.

All of the privileges and immunities from liability, exemption from laws, ordinances and rules, and all other benefits which apply to the activities of officers, agents, or employees of a public agency when performing their respective functions shall apply to the officers, agents and employees of LGS to the same degree and extent while engaged in the performance of any of the functions and other duties under this Agreement.

None of the officers, agents, or employees directly employed by LGS shall be deemed, by reason of their employment by LGS, to be employed by a Member or, by

reason of their employment by LGS, to be subject to any of the requirements of a Member.

17. **Assistant Officers.** The Board may appoint or delegate to the Executive Committee the authority to appoint, such assistants to act in the place of the Executive Director, Treasurer, Secretary or other officers of LGS (other than any a member of the Board of Directors) as the Board shall from time to time deem appropriate.

ARTICLE III. MEMBER CONTRACTING WITH LGS

Any Member may contract with LGS for services on terms to be negotiated by the parties.

ARTICLE IV. ACCOUNTS AND REPORTS; FUNDS

1. **Accounts and Reports.** The Treasurer shall establish and maintain such funds and accounts as may be required by good accounting practice. The books and records of LGS shall be open to inspection at all reasonable times by representatives of Member Agencies. The Treasurer will give a complete written report of all financial activities for such fiscal year to the Members.

2. **Funds.** The Treasurer of LGS shall receive, have the custody of and disburse LGS funds as nearly as possible in accordance with generally accepted accounting practices, shall make the disbursements required by these Agreements or to carry out any of the provisions or purposes of these Agreements.

ARTICLE V. TERM

1. **Term.** This Restated and Amended Agreement for Local Government Services Authority shall become effective when signed by all of Members and shall continue in full force and effect so long as there are at least two Members.

2. **Dissolution & Withdrawal.** All Members may mutually agree to dissolve LGS at any time. Individual Members may terminate their membership by providing three months' advance notice to the LGS Board Chair, with the date of termination coinciding with the beginning of a fiscal quarter. Any terminating Member shall pay all amounts owed to the JPA prior to the date of termination. A terminating Member shall not be entitled to receive a share of LGS' assets, except upon dissolution as provided for in Section V.3.

3. **Disposition of Assets.** Upon dissolution of LGS, after the satisfaction of all debts, liabilities or obligations incurred by LGS, any and all remaining property of LGS, both real and personal, and all other assets of any kind shall be divided among the Members active as of the act of dissolution, in such manner as shall be agreed upon by those Members. In the event the LGS has outstanding debt, liability or obligation at the time of dissolution, the Members shall have no obligation or responsibility for such debt, pursuant to Section I.1 of this Agreement.

ARTICLE VI.
MISCELLANEOUS PROVISIONS

1. **Notices.** Notices hereunder shall be in writing and shall be sufficient if delivered to the notice address of each party hereto for legal notices or as otherwise provided by a party hereto in writing to each of the other parties hereto.

2. **Section Headings.** All section headings in these Agreements are for convenience of reference only and are not to be construed as modifying or governing the language in the section referred to or to define or limit the scope of any provision of these Agreements.

3. **Consent.** Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

4. **Law Governing.** This Agreement is made in the State of California under the constitution and laws of the State of California, and is to be so construed.

5. **Amendments.** This Amended and Restated Agreement may be amended at any time, or from time to time, by a written amendment executed by the Members. Additional public entities may become Members of LGS by execution of an Addendum as provided in Article II, section 1. Following the addition of a new Member, any amendment of this Amended and Restated Agreement shall require approval of all Members, including any such new Members.

6. **Enforcement by LGS.** LGS is hereby authorized to take any or all legal or equitable actions, including but not limited to injunction and specific performance, necessary or permitted by law to enforce this Agreement.

7. **Severability.** Should any part, term or provision of this Agreement be decided by any court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby.

8. **Successors.** This Agreement shall be binding upon and shall inure to the benefit of the successors of the Members respectively. No Member may assign any right or obligation hereunder without the written consent of other Member(s).

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized on the day and year set opposite the name of each of the parties.

TO: BOARD OF DIRECTORS
FROM: RICHARD AVERETT, Executive Director
SUBJECT: APPOINTMENT OF SPECIAL COUNSEL

BOD Meeting: 5-19-2016
Item: 6A

RECOMMENDATION

Authorize the appointment of Special Counsel, Scott Kivel, for CalPERS audit-related work.

BACKGROUND

Article II, Section 15 of the JPA Agreement states that “the Board shall have the power, or may delegate such power to the Executive Committee, to appoint the legal advisor of [the JPA] who shall perform such duties as may be prescribed by the Board.”

The JPA General Counsel recommended Scott Kivel as special counsel to the JPA on matters pertaining to the CalPERS audit. Mr. Kivel originally was contracted through Meyers Nave, however as of March 1, 2016, the JPA began paying Mr. Kivel directly at the same rate per hour as previously billed to the JPA through General Counsel’s firm, Meyers Nave.

Scott Kivel received his Bachelor of Arts degree from the University of California at Berkeley and his Juris Doctorate from Stanford University. Mr. Kivel has over 24 years of experience representing public entities in several areas including CalPERS Administrative Hearings and Audit Responses.

FISCAL IMPACT

Costs for legal representation in this matter will be significant but retaining Special Counsel directly will not in itself impact those costs.