

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. For a teleconference meeting, the public may participate in the meeting at any of the teleconference locations listed.

REGULAR MEETING

Via Teleconference

May 17, 2018

2:00 p.m. or immediately following the preceding meeting, whichever is earlier

Dublin Civic Center, City Manager's Office, 100 Civic Plaza, Dublin, CA 94568

Larkspur City Hall, City Manager's Office, 400 Magnolia Avenue, Larkspur, CA 94939

Walnut Creek City Hall, Assistant City Manager's Office, 1666 North Main St, Walnut Creek, CA 94596

Yountville Town Hall, Town Manager's Office, 6550 Yount Street, Yountville, CA 94599

1. CALL TO ORDER / ROLL CALL

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 **March 12, 2018** Minutes

Action

B. Approval of Regularly Scheduled Meetings Calendar

C. Approval of Payments and Deposits made February 2018 through March 2018

4. TREASURER'S REPORT

A. Review of Preliminary Fiscal-Year-To-Date Financial Reports through March 2018

Information

5. OLD BUSINESS - None

6. NEW BUSINESS - None

7. EXECUTIVE DIRECTOR AND MEMBER REPORTS

A. Executive Director:

Information

B. Members:

Information

8. ADJOURN

The next Regular Meeting will take place on August 16, 2018 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) 587-7300. Notification in advance of the meeting will enable Agency to make reasonable arrangements to ensure accessibility.

**LOCAL GOVERNMENT SERVICES AUTHORITY
EXECUTIVE COMMITTEE MINUTES
MARCH 12, 2018**

The Local Government Services Authority held a regular meeting of the Executive Committee on March 12, 2018 at the Walnut Creek City Hall City Manager's Conference Room. The meeting was called to order at 3:11 p.m.

1. CALL TO ORDER / ROLL CALL

Members Present: Julie Carter, Alternate Member, Acting Chair
Mike Garvey, Member
Fran Robustelli, Member
Dan Schwarz, Member
Absent Members: Steve Rogers, Chair
Other Attendees: Richard Averett, Executive Director
Sophia Selivanoff, Director of HR Services
Keith Boggs, RGS Executive Committee Member
Sky Woodruff, General Counsel
Scott Kivel, Special Counsel

2. PUBLIC COMMENT - None

3. APPROVAL OF CONSENT AGENDA

- A. Approval of **November 16, 2017** Minutes
- B. Approval of Regularly Scheduled Meetings Calendar
- C. Approval of Payments and Deposits made November 2017 through January 2018
 - Action:** Moved and seconded (Robustelli/Schwarz) to approve consent agenda
 - AYES:** Carter, Garvey, Robustelli, Schwarz
 - NOES:** None
 - ABSTAIN:** None

4. TREASURER'S REPORT

- A. Review of Preliminary Fiscal-Year-To-Date Financial Reports through January 2018
Information item; no action was taken. Executive Director Averett noted the JPA loss FYTD is \$438,106 with approximately \$212,000 attributable to the JPA's response to the PERS audit. The budgeted loss is \$391,000 by FYE. The net equity is negative \$191,862 as of January 31, 2018.

5. OLD BUSINESS - None

6. NEW BUSINESS - None

7. EXECUTIVE DIRECTOR AND COMMITTEE MEMBERS

- A. Executive Director: The Committee expressed support for having some (perhaps one per year) meetings via video conference, recognizing the value of in-person meetings, especially those for policy discussion.
- B. Members: Committee Member Garvey announced his retirement from the Executive Committee. His 16-plus years of service, including being one of the founding Executive Managers, was recognized by the Committee.

8. ADJOURN – The meeting adjourned at 3:12 p.m. The next regular meeting is scheduled for May 17, 2018 at 1:00 p.m. in Larkspur.

3:12 p.m.

9. CONVENE SPECIAL LGS EXECUTIVE COMMITTEE MEETING – CLOSED SESSION

Recess to Closed Session

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
(Pursuant to Government Code Sections 54956.9(d)(1))

Name of Case: Administrative Appeal of CalPERS Audit Services Review

3:46 p.m.

Reconvene Special Meeting

A. Report Out of Closed Session – The Chair reported that no reportable action was taken.

10. ADJOURN – The special meeting for closed session adjourned at 3:47 p.m.



TO: EXECUTIVE COMMITTEE **EC Meeting: 5-17-2018**
FROM: Tiffany Buraglio, Executive Assistant **Item: 3B**
SUBJECT: EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS MEETINGS

MEETING SCHEDULE

The following are regularly scheduled meetings for the upcoming years, along with special topics to be discussed. Quarterly meetings are conducted in person at a Member Agency site on the third Thursday of the month, starting at 1:00 p.m. unless noted below.

Date	EXEC COMM	BOARD	Special Topics	Location	Notes
2018					
May 17 (Thursday)	RGS	LGS MSA	FY19 Budget & MSA rates; Investment Policy, Conflict of Interest (even years)	telephonic	
August 16 (Thursday)	RGS	RGS LGS MSA	Exec Dir Compensation Committee, Election of Officers (all)	telephonic	
November 15-16 (Thursday & Fri)	RGS	LGS	FY18 Audited Financial Statements; Study Session	Yountville	Starting at 10:00 a.m.

TO: EXECUTIVE COMMITTEE **EC Meeting: 5-17-2018**
FROM: Richard Averett, CFO **Item: 3C**
SUBJECT: PAYMENTS AND DEPOSITS – FEBRUARY 2018 THROUGH MARCH 2018

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 report 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, and 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, in the Local Agency Investment Fund (LAIF) investment pool and in the 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
January through March 2018

	Type	Date	Num	Name	Memo	Amount	Balance
110060 - Rabobank Checking							
	General Journal	01/03/2018	1634		11/30/17 PERS R Classic contribution Confirm #1000992516	-9,023.52	-9,023.52
	General Journal	01/03/2018	1638		12/15/17 PERS R Classic contribution Confirm #1000992526	-9,009.02	-18,032.54
	General Journal	01/03/2018	1639		Calpers UAL Payment	-6,106.57	-24,139.11
	General Journal	01/03/2018	1639		Calpers UAL Payment	-41.03	-24,180.14
	Transfer	01/04/2018			Funds Transfer	24,180.14	0.00
	General Journal	01/05/2018	1636		12/31/17 net pay	-47,527.75	-47,527.75
	Transfer	01/05/2018			Funds Transfer	47,527.75	0.00
	General Journal	01/08/2018	1637		12/31/17 payroll taxes & fees	-24,839.17	-24,839.17
	Transfer	01/08/2018			Funds Transfer	24,839.17	0.00
	General Journal	01/11/2018	1642		12/31/17 Mass Mutual 457 contributions	-6,766.03	-6,766.03
	Transfer	01/11/2018			Funds Transfer	6,766.03	0.00
	General Journal	01/12/2018	1641		12/31/17 PERS R Classic contribution Confirm #1000999220	-8,489.54	-8,489.54
	Transfer	01/16/2018			Funds Transfer	8,489.54	0.00
	Transfer	02/15/2018			Funds Transfer	84.40	84.40
	General Journal	02/15/2018	1693		APS Payroll Fees 2018-02	-84.40	0.00
	General Journal	02/16/2018	1671		Calpers UAL Payment	-6,114.54	-6,114.54
	General Journal	02/16/2018	1671		Calpers UAL PEPRA Payment	-41.08	-6,155.62
	Transfer	02/20/2018			Funds Transfer	6,155.62	0.00
	General Journal	02/27/2018	1683		CalPERS monthly UAL payment	-6,106.57	-6,106.57
	General Journal	02/27/2018	1683		CalPERS monthly UAL payment	-41.03	-6,147.60
	Transfer	02/28/2018			Funds Transfer	6,147.60	0.00
	General Journal	03/28/2018	1701		UAL PERS R Classic contribution Confirm #10001046033	-6,106.57	-6,106.57
	General Journal	03/28/2018	1701		UAL PERS R PEPRA contribution Confirm #1001046032	-41.03	-6,147.60
Total 110060 - Rabobank Checking						<u>-6,147.60</u>	<u>-6,147.60</u>
TOTAL						<u>-6,147.60</u>	<u>-6,147.60</u>

TO: EXECUTIVE COMMITTEE
FROM: Jefferson Kise, Finance Manager
SUBJECT: FINANCIAL REPORT ANALYSIS

EC Meeting: 5-17-2018
Item: 4A

RECOMMENDATION

No action is required of the Executive Committee. These are informational, preliminary financial reports through March 2018, and are attached for review.

ANALYSIS

All reports are draft and unaudited.

Fiscal-year-to-date (FYTD) through March 31, 2018, net income for the JPA is a loss of \$463,327. There are two primary causes for the negative results: sharply reduced client revenue because of CalPERS actions and related increased legal and professional services costs, and secondly as part of the client separation agreement, \$226,052 in un-accrued sick leave was paid to TAM. Despite the loss of client revenue, the JPA continues to make monthly UAL payments under the 10 year amortization period the JPA elected.

LGS budgeted a \$391,000 loss for the year and absent the sick leave payout, losses are in line with this projection. Because of the accumulated losses the fund balance is a negative \$217,083. When considering the fund balance, it is worth noting that the JPA is still carrying \$949,650 in pension liability some of which is to be assumed by departed clients. Those actuarial calculations have not been completed and may not be posted until fiscal year end or later. It is also important to note that combined RGS & LGS have incurred \$761,000 in direct costs since tracking began in Dec 2015 associated with the CalPERS audit of LGS and the two cases brought by CalPERS against RGS clients. Most of that expense has been attributable to the CalPERS audit of LGS.

**Local Government Services
Profit & Loss
July 2017 through March 2018**

	<u>Jul 17</u>	<u>Aug 17</u>	<u>Sep 17</u>	<u>Oct 17</u>	<u>Nov 17</u>	<u>Dec 17</u>
Ordinary Income/Expense						
Income						
440301 · Client Billings	160,144	171,948	165,058	188,047	158,452	156,963
480000 · Miscellaneous	1,626	1,643	1,606	1,676	1,638	1,710
Total Income	<u>161,770</u>	<u>173,591</u>	<u>166,664</u>	<u>189,723</u>	<u>160,090</u>	<u>158,673</u>
Gross Profit	161,770	173,591	166,664	189,723	160,090	158,673
Expense						
511010 · Salaries - Regular	109,754	111,124	108,000	109,794	111,829	159,968
511072 · Salaries non-billable	-3,166	-10,417	5,735	-1,628	-3,708	186,354
512002 · Medicare Employer Expense	1,568	1,588	1,543	1,569	1,598	2,305
512004 · Employee Assistance Program	33	33	33	33	65	65
512005 · Health Insurance Expense	11,131	11,130	11,131	11,130	11,131	11,131
512006 · Dental Insurance Expense	1,111	1,111	1,111	1,111	1,111	1,111
512007 · Vision Insurance Expense	176	176	176	176	176	176
512008 · Life Insurance Expense	188	188	188	188	189	190
512009 · Long Term Disability Expense	212	212	212	213	213	215
512012 · Calpers Retirement Expense	23,475	24,041	23,992	23,769	24,181	23,893
512014 · Short Term Disability Expense	173	173	173	174	174	174
512015 · Unemployment Insurance Expense						2,861
512018 · FSA Health & Day Care Expense	25	25	26	25	25	25
520107 · APS (ADP) Payroll Fees	192	192	192	192	192	193
520202 · Bank Fees & Services						1,088
520204 · Printing & Postage	12		59	1		
520302 · Legal Services	9,825	5,115	20,464	722	12,480	
520320 · Professional Services	4,000	9,400	8,225	7,010	6,500	6,500
520503 · Conferences & Meetings						42
529997 · Administrative Services - RGS	30,690	26,914	41,283	25,000	25,000	25,000
Total Expense	<u>189,399</u>	<u>181,005</u>	<u>222,543</u>	<u>179,479</u>	<u>191,156</u>	<u>421,291</u>
Net Ordinary Income	-27,629	-7,414	-55,879	10,244	-31,066	-262,618
Other Income/Expense						
Other Expense						
529994 · Allowed OPEB / HRA Expense	375	375	375	28,000	7,000	5,875
529998 · Allocated Admin. Services	37,611	35,261	76,716	31,356	36,554	-220
529999 · Allocated Unbillable Expenses	-37,611	-35,261	-76,716	-31,356	-36,554	220
Total Other Expense	<u>375</u>	<u>375</u>	<u>375</u>	<u>28,000</u>	<u>7,000</u>	<u>5,875</u>
Net Other Income	<u>-375</u>	<u>-375</u>	<u>-375</u>	<u>-28,000</u>	<u>-7,000</u>	<u>-5,875</u>
Net Income	<u><u>-28,004</u></u>	<u><u>-7,789</u></u>	<u><u>-56,254</u></u>	<u><u>-17,756</u></u>	<u><u>-38,066</u></u>	<u><u>-268,493</u></u>

**Local Government Services
Profit & Loss
July 2017 through March 2018**

	<u>Jan 18</u>	<u>Feb 18</u>	<u>Mar 18</u>	<u>TOTAL</u>
Ordinary Income/Expense				
Income				
440301 · Client Billings				1,000,612
480000 · Miscellaneous	14,967	15,080	15,265	55,211
Total Income	<u>14,967</u>	<u>15,080</u>	<u>15,265</u>	<u>1,055,823</u>
Gross Profit	14,967	15,080	15,265	1,055,823
Expense				
511010 · Salaries - Regular				710,469
511072 · Salaries non-billable				173,170
512002 · Medicare Employer Expense				10,171
512004 · Employee Assistance Program			-33	229
512005 · Health Insurance Expense	13,239	1,278	22,231	103,532
512006 · Dental Insurance Expense				6,666
512007 · Vision Insurance Expense	-176	-195		685
512008 · Life Insurance Expense				1,131
512009 · Long Term Disability Expense				1,277
512012 · Calpers Retirement Expense				143,351
512014 · Short Term Disability Expense				1,041
512015 · Unemployment Insurance Expense				2,861
512018 · FSA Health & Day Care Expense	60			211
520107 · APS (ADP) Payroll Fees	97	84		1,334
520202 · Bank Fees & Services				1,088
520204 · Printing & Postage	29			101
520302 · Legal Services	6,962	69	1,272	56,909
520320 · Professional Services	6,500	8,000	2,860	58,995
520503 · Conferences & Meetings				42
529997 · Administrative Services - RGS	10,000	10,000	10,000	203,887
Total Expense	<u>36,711</u>	<u>19,236</u>	<u>36,330</u>	<u>1,477,150</u>
Net Ordinary Income	-21,744	-4,156	-21,065	-421,327
Other Income/Expense				
Other Expense				
529994 · Allowed OPEB / HRA Expense				42,000
529998 · Allocated Admin. Services	86,617	19,152	-690	322,357
529999 · Allocated Unbillable Expenses	-86,617	-19,152	690	-322,357
Total Other Expense	<u> </u>	<u> </u>	<u> </u>	<u>42,000</u>
Net Other Income	<u> </u>	<u> </u>	<u> </u>	<u>-42,000</u>
Net Income	<u><u>-21,744</u></u>	<u><u>-4,156</u></u>	<u><u>-21,065</u></u>	<u><u>-463,327</u></u>

Local Government Services
Balance Sheet
As of March 31, 2018

	Mar 31, 18
ASSETS	
Current Assets	
Checking/Savings	
110060 - Rabobank Checking	-6,148
Total Checking/Savings	-6,148
Accounts Receivable	
131320 - Accounts Receivable - Trade	177,827
Total Accounts Receivable	177,827
Other Current Assets	
143006 - Due from RGS	907,327
150006 - Prepaid Expenses	16,914
150007 - Prepaid Insurance	8
Total Other Current Assets	924,249
Total Current Assets	1,095,928
Other Assets	
170000 - Deferred Outflows	939,017
Total Other Assets	939,017
TOTAL ASSETS	2,034,945
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	-314
221003 - 457/401A Retirement Liab	0
221006 - FSA Health & Day Care	0
221015 - Health Insurance Liability	0
221016 - Long Term Disability Liability	2
221017 - Short Term Disability Liability	2
221023 - Dental Insurance Liability	0
221024 - Vision Insurance Liability	36
221025 - Life Insurance/AD&D Liability	4
230060 - Accrued Salaries, Wages & Taxes	0
240011 - Refundable Deposits	0
250002 - Contra Vacation, Sick and Admin	0
Total Other Current Liabilities	1,292,379
Total Current Liabilities	1,292,379
Long Term Liabilities	
260003 - Health Reimbursement Account	10,000
270000 - Net Pension Liability	785,688
280000 - Deferred Inflows	163,962
Total Long Term Liabilities	959,650
Total Liabilities	2,252,029
Equity	
32000 - Retained Earnings	-564,658
370000 - Fund Bal Unreserved/Unrestrictd	1,334,881
380000 - Prior Period Adjustment	-523,981
Net Income	-463,325
Total Equity	-217,083
TOTAL LIABILITIES & EQUITY	2,034,946