

LOCAL AND REGIONAL GOVERNMENT
SERVICES AUTHORITIES

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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
January 12, 2012
10:00 a.m.

Yountville Community Center
Board Room
6516 Washington Street
Yountville, CA 94599

1. CALL TO ORDER

2. CHANGES TO THE ORDER OF AGENDA

3. APPROVAL OF CONSENT AGENDA

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

A. Approval of **September 8th 2011** Minutes

Action

4. TREASURER'S REPORT

A. Review of Month-End Financial Reports through November 2011

Information

B. Approval of Payments and Deposits made July through November 2011

Action

C. Approval of Investments Report through December 2011

Action

D. Approval of Fiscal Year 2010-11 Audited Financial Statements

Action

5. OLD BUSINESS

A. JPA Member in Good Standing

Action

6. NEW BUSINESS

A. Review Client Report

Discussion

B. Regularly Scheduled Meetings Calendar

Discussion

Recess to Closed Session

1. CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION

Initiation of litigation pursuant to Government Code Section 54956.9(c): One potential case

Reconvene Regular Meeting

C. Report from Closed Session

Information

D. Authorize Executive Director to Negotiate a Resolution for Outstanding Receivable With TJPA

Action

7. 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.

8. NEXT MEETING: February 9th or March 8th at 3:00 p.m. via teleconference.

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.

Administrative Offices:
Human Resources:

P.O. Box 1350 · Carmel Valley, CA 93924
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ph: 831/308-1508
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- B. Regularly Scheduled Meetings – The Members reviewed the scheduled upcoming meeting, discussed and expressed a desire to cancel the October 13th meeting if no subsequent business required a meeting. The next scheduled meeting date would be November 10th via teleconference. This item was for discussion only, and no action was taken.
- C. In-Person Meeting/Workshop – The Executive Director will survey members as to their availability for a January 12th meeting from 10am–4pm in Yountville.

7. PUBLIC COMMENT – None.

8. NEXT MEETING – The October 13th meeting is cancelled if there are no items needing the Committee's attention. The next meeting would be at 3:00 p.m. on November 10th, 2011 via teleconference.

9. ADJOURNED - Meeting adjourned at 3:24 p.m.



LOCAL AND REGIONAL GOVERNMENT SERVICES AUTHORITIES

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P.O. Box 1350 · Carmel Valley, CA 93924 · 650.587.7300

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

EC Meeting: 1-12-12

Item: 4A

RECOMMENDATION

No action is required of the Executive Committee. These are informational, preliminary financial reports through November 2011 month-end, and are attached for review. All reports are draft and unaudited.

P&L ANALYSIS

Through November 2011, the net income for the JPAs was as follows:

- LGS net income equals \$202,958 for the fiscal-year-to-date (FYTD). The balance sheet shows Total Equity of \$1,280,320.
- RGS net income equals \$253,002 for the FYTD. The balance sheet shows Total Equity of \$721,984.
- Combined LGS/RGS net income equals \$455,960 for the 2011 FYTD. Combined Total Equity equals \$2,002,304.

Accruals for earned but not paid leave time have not been posted to the financials. Nor have reserve contributions for Other Post-Employment Benefit been posted. These accruals are posted at the conclusion of the fiscal year. The results shown are preliminary, unaudited estimates. Combined financial performance has continued to be positive since ‘turning the corner’ in March 2007, because increased client services revenue has outstripped more modestly increasing support expenses. However, those support costs have increased more markedly in the last year in order to maintain service levels for a rapidly increasing customer and employee base. Support cost increases include outside accounting, actuarial and technology services, and office, HR and analytical staff services.

Several factors could dampen future financial performance:

1. Loss of a major client (with 10 or more assigned staff) would negatively impact financial performance. TJPA, with 13 assigned staff, separated from the JPAs December 31, 2011.
2. Several smaller client projects will be completed over the next several months. Normal attrition is expected to be replaced by new and repeat client project/interim work, as Executive Committee Members and staff continue to communicate to the public sector about JPA services.
3. Historically low interest rates have reduced earnings. Last year we were able to more than offset reduced earnings from traditional investment sources by ‘investing’ in client receivables. These alternant investments have ended, for now, and we are back to 100 percent reliance on traditional investment sources with low yields. Historically high levels of investment dollars, coupled with use of the CalTrust Medium-Term pool’s relatively competitive yields, has kept investment earnings above budget levels. Market rates are expected to remain depressed for some time. We continue to explore other safe, alternative investments that fit our risk tolerance and business model.

Local Government Services
Profit & Loss
July through November 2011

	<u>Admin - JPAs</u>	<u>Lincoln</u>	<u>MTC</u>	<u>MTD</u>	<u>Rohnert Park</u>
Ordinary Income/Expense					
Income					
440301 · Client Billings	0.00	77,574.20	996,321.32	0.00	61,862.58
440410 · Client Administrative Fees	0.00	0.00	0.00	174,797.53	0.00
480000 · Miscellaneous	0.00	0.00	-387.46	0.00	0.00
Total Income	<u>0.00</u>	<u>77,574.20</u>	<u>995,933.86</u>	<u>174,797.53</u>	<u>61,862.58</u>
Expense					
511010 · Salaries - Regular	0.00	50,077.90	616,258.60	151,486.73	36,290.25
512002 · Medicare Employer Expense	0.00	737.00	8,981.83	2,222.98	502.75
512005 · Health Insurance Expense	0.00	2,632.00	57,835.92	11,575.34	5,769.38
512006 · Dental Insurance Expense	0.00	291.20	9,811.23	2,711.42	347.75
512007 · Vision Insurance Expense	0.00	76.40	2,166.25	548.68	132.95
512008 · Life Insurance Expense	0.00	175.50	2,006.33	520.60	0.00
512009 · Long Term Disability Expense	0.00	300.50	3,543.48	892.50	0.00
512010 · Stars 401A Expense	0.00	0.00	-24.97	0.00	0.00
512011 · Stars 457 Expense	0.00	0.00	0.00	0.00	0.00
512012 · Calpers Retirement Expense	0.00	5,131.11	110,202.04	16,416.91	6,612.71
512014 · Short Term Disability Expense	0.00	298.00	3,500.84	885.70	0.00
512015 · Unemployment Insurance Expense	14,510.00	0.00	2,212.00	0.00	0.00
520202 · Bank Fees & Services	-367.89	0.00	0.00	0.00	0.00
520501 · Professional Dues & Membership	2,756.00	0.00	0.00	0.00	0.00
521109 · Interest Expense	50.13	0.00	0.00	0.00	0.00
529997 · Administrative Services - RGS	-16,948.24	7,044.50	-21,259.74	0.00	0.00
Total Expense	<u>0.00</u>	<u>66,764.11</u>	<u>795,233.81</u>	<u>187,260.86</u>	<u>49,655.79</u>
Net Ordinary Income	0.00	10,810.09	200,700.05	-12,463.33	12,206.79
Other Income/Expense					
Other Expense					
529998 · Allocated Admin. Services - RGS	0.00	0.00	90,440.63	15,873.34	5,617.73
Total Other Expense	<u>0.00</u>	<u>0.00</u>	<u>90,440.63</u>	<u>15,873.34</u>	<u>5,617.73</u>
Net Other Income	<u>0.00</u>	<u>0.00</u>	<u>-90,440.63</u>	<u>-15,873.34</u>	<u>-5,617.73</u>
Net Income	<u><u>0.00</u></u>	<u><u>10,810.09</u></u>	<u><u>110,259.42</u></u>	<u><u>-28,336.67</u></u>	<u><u>6,589.06</u></u>

Local Government Services
Profit & Loss
July through November 2011

	<u>SBWMA</u>	<u>TAM</u>	<u>TJPA</u>	<u>TOTAL</u>
Ordinary Income/Expense				
Income				
440301 · Client Billings	73,772.77	791,402.99	1,034,161.65	3,035,095.51
440410 · Client Administrative Fees	750.00	0.00	8,500.00	184,047.53
480000 · Miscellaneous	3,000.00	290.00	36,000.00	38,902.54
Total Income	<u>77,522.77</u>	<u>791,692.99</u>	<u>1,078,661.65</u>	<u>3,258,045.58</u>
Expense				
511010 · Salaries - Regular	54,083.89	395,759.52	664,814.77	1,968,771.66
512002 · Medicare Employer Expense	787.86	5,759.77	9,696.20	28,688.39
512005 · Health Insurance Expense	7,084.43	29,923.80	53,840.86	168,661.73
512006 · Dental Insurance Expense	901.05	5,979.49	7,393.32	27,435.46
512007 · Vision Insurance Expense	198.70	1,134.80	1,581.82	5,839.60
512008 · Life Insurance Expense	181.30	1,222.40	2,273.90	6,380.03
512009 · Long Term Disability Expense	312.50	2,095.70	3,633.50	10,778.18
512010 · Stars 401A Expense	0.00	0.00	7,291.71	7,266.74
512011 · Stars 457 Expense	0.00	0.00	-24.97	-24.97
512012 · Calpers Retirement Expense	5,275.34	71,088.40	117,405.46	332,131.97
512014 · Short Term Disability Expense	298.00	1,903.21	3,112.90	9,998.65
512015 · Unemployment Insurance Expense	0.00	0.00	0.00	16,722.00
520202 · Bank Fees & Services	0.00	0.00	0.00	-367.89
520501 · Professional Dues & Membership	0.00	0.00	0.00	2,756.00
521109 · Interest Expense	0.00	0.00	0.00	50.13
529997 · Administrative Services - RGS	0.00	123,817.55	88,572.72	181,226.79
Total Expense	<u>69,123.07</u>	<u>638,684.64</u>	<u>959,592.19</u>	<u>2,766,314.47</u>
Net Ordinary Income	8,399.70	153,008.35	119,069.46	491,731.11
Other Income/Expense				
Other Expense				
529998 · Allocated Admin. Services - RGS	7,039.83	71,893.54	97,908.14	288,773.21
Total Other Expense	<u>7,039.83</u>	<u>71,893.54</u>	<u>97,908.14</u>	<u>288,773.21</u>
Net Other Income	<u>-7,039.83</u>	<u>-71,893.54</u>	<u>-97,908.14</u>	<u>-288,773.21</u>
Net Income	<u><u>1,359.87</u></u>	<u><u>81,114.81</u></u>	<u><u>21,161.32</u></u>	<u><u>202,957.90</u></u>

Local Government Services
Balance Sheet
As of November 30, 2011

	<u>Nov 30, 11</u>
ASSETS	
Current Assets	
Checking/Savings	
110010 · Wells Fargo - Cash	-90,803.31
Total Checking/Savings	<u>-90,803.31</u>
Accounts Receivable	
131320 · Accounts Receivable - Trade	937,366.99
Total Accounts Receivable	<u>937,366.99</u>
Other Current Assets	
143006 · Due from RGS	1,992,767.04
Total Other Current Assets	<u>1,992,767.04</u>
Total Current Assets	2,839,330.72
Other Assets	
160001 · Workers Comp Deposits/Credits	36,272.00
Total Other Assets	<u>36,272.00</u>
TOTAL ASSETS	<u>2,875,602.72</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
221001 · Calpers Retirement Liab	35,178.37
221003 · 457/401A Retirement Liab	8,864.31
221009 · General Liability Insurance	-1,500.00
221015 · Health Insurance Liability	-35,850.58
221016 · Long Term Disability Liability	-13.88
221017 · Short Term Disability Liability	1.80
221023 · Dental Insurance Liability	-4,206.21
221024 · Vision Insurance Liability	-1,104.18
221025 · Life Insurance/AD&D Liability	6.38
230060 · Accrued Salaries, Wages & Taxes	187,853.90
240010 · Deferred Revenue	649,000.00
240011 · Refundable Deposits	240,402.70
250001 · Accrued Vacation, Sick & Admin	600,797.80
250002 · Contra Vacation, Sick and Admin	-329,225.45
Total Other Current Liabilities	<u>1,350,204.96</u>
Total Current Liabilities	1,350,204.96
Long Term Liabilities	
260001 · Gen Liab Ins Claims Payable	64,078.00
260002 · Other Post Employment Benefits	181,000.00
Total Long Term Liabilities	<u>245,078.00</u>
Total Liabilities	1,595,282.96
Equity	
370000 · Fund Bal Unreserved/Unrestrictd	1,416,167.86
3900 · Retained Earnings	-338,806.00
Net Income	202,957.90
Total Equity	<u>1,280,319.76</u>
TOTAL LIABILITIES & EQUITY	<u>2,875,602.72</u>



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TO: EXECUTIVE COMMITTEE **EC Meeting: 1-12-12**
FROM: RICHARD H. AVERETT, CFO/Treasurer **Item: 4B**
SUBJECT: PAYMENTS MADE JULY THROUGH NOVEMBER 2011

RECOMMENDATION

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

BACKGROUND

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

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

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

FISCAL IMPACT

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

The fiscal impact of approving the attached list of expenditures is included in the approved FY2012 budget or in subsequently approved action by the Executive Committee.

**Local Government Services
Disbursements
As of November 30, 2011**

110010 - Wells Fargo - Cash	Type	Date	Num	Name	Memo	Clr	Amount	Balance
								-23,262,000.08
	Check	07/01/2011	EFT	ADP Fees	06/30 Payroll	√	-374.60	-23,262,374.68
	Check	07/07/2011	EFT	ADP Net Checks	06/30 Payroll	√	-137,834.77	-23,400,209.45
	Check	07/07/2011	EFT	ADP FWH/SWH/Med	06/30 Payroll	√	-43,852.06	-23,444,061.51
	Check	07/07/2011	EFT	ADP Net Checks	06/30 Burnworth Garnishment	√	-1,500.00	-23,445,561.51
	Check	07/08/2011	EFT	Unified Trust	401/457 Deductions	√	-8,909.60	-23,454,471.11
	Check	07/08/2011	EFT	Unified Trust	401/457 Deductions	√	-683.34	-23,455,154.45
	Check	07/11/2011	EFT	Wells Fargo	Service Charges	√	-190.52	-23,455,344.97
	Check	07/12/2011	1778	CalPers - Retirement	Employer Code 1816 063011 plus survivor benefits	√	-32,847.53	-23,488,192.50
	Check	07/15/2011	EFT	ADP Fees	06/30 Payroll	√	-367.89	-23,488,560.39
	Check	07/20/2011	1786	Vision Service Plan	Aug premiums 12 275218 0001	√	-1,108.02	-23,489,668.41
	Check	07/21/2011	EFT	ADP Net Checks	07/15 Burnworth Garnishment	√	-1,500.00	-23,491,168.41
	Check	07/21/2011	EFT	ADP FWH/SWH/Med	07/15 payroll	√	-44,942.41	-23,536,110.82
	Check	07/21/2011	EFT	ADP Net Checks	07/15 Payroll	√	-137,470.35	-23,673,581.17
	Check	07/22/2011	EFT	Unified Trust	401/457 Deductions	√	-8,778.96	-23,682,360.13
	Check	07/22/2011	EFT	Unified Trust	401/457 Deductions	√	-683.34	-23,683,043.47
	Check	07/25/2011	1779	Allied Administrators	Aug premium Employer I.D. 79360	√	-5,329.08	-23,688,372.55
	Check	07/25/2011	1780	CalPers - Retirement	Employer Code 1816 063011 plus survivor benefits	√	-31,793.91	-23,720,166.46
	Check	07/29/2011	EFT	ADP Fees	07/15 Payroll	√	-329.88	-23,720,496.34
	Check	07/31/2011	1782	CalPers	H2011081816000-Aug Premium	√	-38,237.87	-23,758,734.21
	Check	07/31/2011	1788	Reliance	Jul Contributions	√	-5,346.64	-23,764,080.85
	Check	08/04/2011	EFT	ADP Net Checks	07/31 Payroll	√	-131,444.55	-23,895,525.40
	Check	08/04/2011	EFT	ADP FWH/SWH/Med	07/31 Payroll	√	-41,818.28	-23,937,343.68
	Check	08/04/2011	EFT	ADP Net Checks	07/31 Payroll-Burnworth Garnishment	√	-1,500.00	-23,938,843.68
	Bill Pmt -Check	08/05/2011	1781	California JPIA		√	-109,996.00	-24,048,839.68
	Check	08/05/2011	EFT	ADP Fees	07/31 Payroll	√	-18.00	-24,048,857.68
	Check	08/08/2011	1783	CalPers - Retirement	Employer Code 1816 073111 plus survivor benefits	√	-34,685.91	-24,083,543.59
	Check	08/08/2011	EFT	Unified Trust	401/457 Deductions	√	-8,627.44	-24,092,171.03
	Check	08/08/2011	EFT	Unified Trust	401/457 Deductions	√	-597.24	-24,092,768.27
	Check	08/11/2011	EFT	Wells Fargo	Service Charges	√	-188.78	-24,092,957.05
	Check	08/12/2011	EFT	ADP Fees	07/31 Payroll	√	-362.03	-24,093,319.08
	Check	08/19/2011	EFT	ADP Net Checks	08/15 Payroll	√	-141,758.82	-24,235,077.90
	Check	08/19/2011	EFT	ADP FWH/SWH/Med	07/31 Payroll	√	-46,441.15	-24,281,519.05
	Check	08/19/2011	EFT	ADP Net Checks	08/15 Payroll-Burnworth Garnishment	√	-1,500.00	-24,283,019.05
	Check	08/24/2011	1784	CalPers - Retirement	Employer Code 1816 081511 plus survivor benefits	√	-35,019.96	-24,318,039.01
	Check	08/24/2011	1785	CalPers	H2011091816000-Sep Premium	√	-34,738.63	-24,352,777.64
	Check	08/24/2011	EFT	Unified Trust	401/457 Deductions	√	-649.64	-24,353,427.28
	Check	08/24/2011	EFT	Unified Trust	401/457 Deductions	√	-8,783.50	-24,362,210.78
	Check	08/25/2011	1787	Allied Administrators	Sep premium Employer I.D. 79360	√	-5,805.98	-24,368,016.76

**Local Government Services
Disbursements
As of November 30, 2011**

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Clr</u>	<u>Amount</u>	<u>Balance</u>
Check	08/26/2011	EFT	ADP Fees	08/15 Payroll	√	-332.81	-24,368,349.57
Check	08/31/2011	1789	Reliance	Jul Contributions	√	-5,508.94	-24,373,858.51
Bill Pmt -Check	08/31/2011	1797	EDD	VOID: 932-0540-9 Carillo	√	0.00	-24,373,858.51
Check	09/07/2011	EFT	ADP Net Checks	08/31 Payroll-Burnworth Garnishment	√	-1,500.00	-24,375,358.51
Check	09/07/2011	EFT	ADP Net Checks	08/31 Payroll	√	-144,893.08	-24,520,251.59
Check	09/07/2011	EFT	ADP FWH/SWH/Med	08/31 Payroll	√	-48,503.80	-24,568,755.39
Check	09/09/2011	1790	CalPers - Retirement	Employer Code 1816 083111 plus survivor benefits	√	-36,556.73	-24,605,312.12
Check	09/09/2011	EFT	Unified Trust	401/457 Deductions	√	-8,523.88	-24,613,836.00
Check	09/09/2011	EFT	Unified Trust	401/457 Deductions	√	-785.40	-24,614,621.40
Check	09/12/2011	EFT	Wells Fargo	Service Charges	√	-189.87	-24,614,811.27
Check	09/16/2011	EFT	ADP Fees	08/31 Payroll	√	-362.03	-24,615,173.30
Check	09/20/2011	1791	Reliance	Sep Contributions	√	-5,419.14	-24,620,592.44
Check	09/20/2011	1792	CalPers	H2011101816000-Oct Premium	√	-35,279.25	-24,655,871.69
Check	09/20/2011	1793	Vision Service Plan	Sep premiums 12 275218 0001	√	-1,178.32	-24,657,050.01
Check	09/20/2011	1794	Vision Service Plan	Oct premiums 12 275218 0003	√	-15.28	-24,657,065.29
Check	09/20/2011	1795	Allied Administrators	Oct premium Employer I.D. 79360	√	-5,334.57	-24,662,399.86
Check	09/21/2011	EFT	ADP Net Checks	09/15 Payroll	√	-143,144.89	-24,805,544.75
Check	09/21/2011	EFT	ADP FWH/SWH/Med	09/15 Payroll	√	-47,551.86	-24,853,096.61
Check	09/21/2011	EFT	ADP Net Checks	09/15 Payroll-Burnworth Garnishment	√	-1,500.00	-24,854,596.61
Check	09/23/2011	EFT	Unified Trust	401/457 Deductions	√	-7,809.63	-24,862,406.24
Check	09/23/2011	EFT	Unified Trust	401/457 Deductions	√	-879.01	-24,863,285.25
Check	09/26/2011	1796	CalPers - Retirement	Employer Code 1816 091511 plus survivor benefits	√	-35,359.04	-24,898,644.29
Bill Pmt -Check	09/29/2011	1798	EDD	932-0540-9 Carillo	√	-2,212.00	-24,900,856.29
Check	09/29/2011	1799	CalPers	H2011081816000-Aug Premium-additional	√	-50.13	-24,900,906.42
Check	09/30/2011	EFT	ADP Fees	09/15 Payroll	√	-329.88	-24,901,236.30
Check	10/06/2011	EFT	ADP Net Checks	09/30 Payroll-Burnworth Garnishment	√	-1,500.00	-24,902,736.30
Check	10/06/2011	EFT	ADP Net Checks	09/30 Payroll	√	-141,971.61	-25,044,707.91
Check	10/06/2011	EFT	ADP FWH/SWH/Med	09/30 Payroll	√	-47,117.62	-25,091,825.53
Check	10/07/2011	EFT	Unified Trust	401/457 Deductions	√	-7,809.63	-25,099,635.16
Check	10/07/2011	EFT	Unified Trust	401/457 Deductions	√	-781.55	-25,100,416.71
Check	10/11/2011	EFT	Wells Fargo	Service Charges	√	-190.25	-25,100,606.96
Check	10/11/2011	EFT	ADP Fees	ADP Fees	√	-362.03	-25,100,968.99
Check	10/14/2011	1800	Allied Administrators	Nov premium Employer I.D. 79360	√	-5,392.81	-25,106,361.80
Check	10/14/2011	1801	Vision Service Plan	Oct premiums 12 275218 0003	√	-1,178.32	-25,107,540.12
Check	10/14/2011	1802	Vision Service Plan	Zimmerman Jul & Aug premiums 12 275218 0003	√	-30.56	-25,107,570.68
Check	10/14/2011	1803	CalPers - Retirement	Employer Code 1816 093011 plus survivor benefits	√	-35,502.21	-25,143,072.89
Check	10/20/2011	EFT	ADP Net Checks	10/15 Payroll	√	-136,653.59	-25,279,726.48
Check	10/20/2011	EFT	ADP FWH/SWH/Med	10/15 Payroll	√	-45,164.78	-25,324,891.26
Check	10/20/2011	EFT	ADP Net Checks	10/15 Payroll-Burnworth	√	-1,500.00	-25,326,391.26

**Local Government Services
Disbursements
As of November 30, 2011**

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Clr</u>	<u>Amount</u>	<u>Balance</u>	
Check	10/21/2011	1804	Zimmerman, Karita	COBRA Payments (July-Oct) less dental and vision	√	-1,999.36	-25,328,390.62	
Check	10/21/2011	1805	CalPers - Retirement	Employer Code 1816 101511 plus survivor benefits	√	-33,767.81	-25,362,158.43	
Check	10/21/2011	EFT	Unified Trust	401/457 Deductions	√	-754.12	-25,362,912.55	
Check	10/21/2011	EFT	Unified Trust	401/457 Deductions	√	-7,993.11	-25,370,905.66	
Check	10/24/2011	1806	Vision Service Plan	Zimmerman Sep & Oct premiums 12 275218 0003	√	-30.56	-25,370,936.22	
Check	10/28/2011	EFT	ADP Fees	ADP Fees	√	-329.88	-25,371,266.10	
Check	10/31/2011	1807	CalPers	H2011101816000-Nov Premium	√	-35,842.29	-25,407,108.39	
Check	10/31/2011	1808	EDD	932-0540-9 3rd Q 2011	√	-14,510.00	-25,421,618.39	
Check	10/31/2011	1809	Vision Service Plan	November Premium 12 275218 00001	√	-1,019.36	-25,422,637.75	
Check	10/31/2011	1810	Vision Service Plan	November Premium 12 275218 00003 Zimmerman	√	-15.28	-25,422,653.03	
Check	10/31/2011	1811	Flex-Plan Services, Inc.	Jun 30 Contributions	√	-3,649.02	-25,426,302.05	
Bill Pmt -Check	10/31/2011	1818	Co of Santa Clara BAERS	VOID: Bay Area ERS Annual Membership Fee FY 2	√	0.00	-25,426,302.05	
Check	11/04/2011	EFT	ADP Net Checks	10/31 Payroll-Burnworth	√	-1,500.00	-25,427,802.05	
Check	11/04/2011	EFT	ADP Net Checks	10/31 Payroll	√	-141,685.95	-25,569,488.00	
Check	11/04/2011	EFT	ADP FWH/SWH/Med	10/31 Payroll	√	-47,622.67	-25,617,110.67	
Check	11/04/2011	EFT	ADP Fees	ADP Fees	√	-18.00	-25,617,128.67	
Check	11/09/2011	EFT	Unified Trust	401/457 Deductions	√	-8,246.70	-25,625,375.37	
Check	11/09/2011	EFT	Unified Trust	401/457 Deductions	√	-756.58	-25,626,131.95	
Check	11/11/2011	1813	CalPers - Retirement	Employer Code 1816 103111 plus survivor benefits	√	-35,628.51	-25,661,760.46	
Check	11/14/2011	EFT	Wells Fargo	Service Charges	√	-190.33	-25,661,950.79	
Check	11/14/2011	EFT	ADP Fees	ADP Fees	√	-473.63	-25,662,424.42	
Check	11/21/2011	EFT	ADP Net Checks	11/15 Payroll	√	-144,649.87	-25,807,074.29	
Check	11/21/2011	EFT	ADP FWH/SWH/Med	11/15 Payroll	√	-49,201.34	-25,856,275.63	
Check	11/21/2011	EFT	ADP Net Checks	11/15 Payroll-Burnworth	√	-1,500.00	-25,857,775.63	
Check	11/22/2011	EFT	Unified Trust	401/457 Deductions	√	-8,253.97	-25,866,029.60	
Check	11/22/2011	EFT	Unified Trust	401/457 Deductions	√	-781.55	-25,866,811.15	
Check	11/28/2011	1814	CalPers - Retirement	Employer Code 1816 111511 plus survivor benefits		-35,995.97	-25,902,807.12	
Check	11/28/2011	1815	Reliance	Oct Contributions		-5,443.92	-25,908,251.04	
Check	11/28/2011	1816	Reliance	Nov Contributions		-5,443.92	-25,913,694.96	
Check	11/29/2011	1817	CalPers	H2011121816000-Dec Premium		-35,850.58	-25,949,545.54	
Bill Pmt -Check	11/30/2011	1819	Co of Santa Clara BAERS	Bay Area ERS Annual Membership Fee FY 2011-2012		-2,756.00	-25,952,301.54	
Check	11/30/2011	1820	Vision Service Plan	Dec Premium 12 275218 00003 Zimmerman		-15.28	-25,952,316.82	
Check	11/30/2011	1821	Vision Service Plan	Dec Premium 12 275218 00001		-1,104.18	-25,953,421.00	
Check	11/30/2011	1822	Allied Administrators	Dec premium Employer I.D. 79360		-4,206.21	-25,957,627.21	
Total 110010 - Wells Fargo - Cash							-2,695,627.13	-25,957,627.21
TOTAL							-2,695,627.13	-25,957,627.21



LOCAL AND REGIONAL GOVERNMENT SERVICES AUTHORITIES

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

EC Meeting: 1-12-12

Item: 4C

RECOMMENDATION

Review and accept JPA investments made through December 2011.

BACKGROUND

The Board of Directors annually reviews the investment policy at their June meetings. The JPA Board of Directors approved an unchanged investment policy June 9, 2011. At the June 2010 Board meeting, the Directors authorized investments in Federal Treasures and Agency Notes, as well as allowing cash-flow loans to other public agencies. Federal notes can be for up to five-year maturities in accordance with California Code. Prior Boards had approved an updated investment policy enabling the agency to invest in bank sweep accounts, the Local Agency Investment Fund (LAIF), timed deposits such as Certificates of Deposit (CDs), and the California Investment Trust pool (CalTrust). RGS and LGS LAIF and CalTrust investment activity has been consolidated into a RGS LAIF account and a RGS CalTrust accounts.

Investments in LAIF began in June 22, 2007. Investments in CalTrust Medium Term began in late-January 2009, and investment in CalTrust Short Term began in November 2010. Investment activity for the current period is summarized in the attached material.

Loans and advances to other public agencies have been made on three occasions to two agencies. Both agencies have used delayed payment for services and have completely repaid the 'loans' with interest. Currently the JPAs have no alternative investments.

FISCAL IMPACT

The impact of investment activity with Other Agencies, LAIF and CalTrust this period is projected to yield approximately double the amount budgeted per month (\$1,375). Fiscal year 2012 budgeted earnings were \$16,500. We are continuing to invest the maximum cash available, leaving only the minimum checking account balances needed to cover obligations.

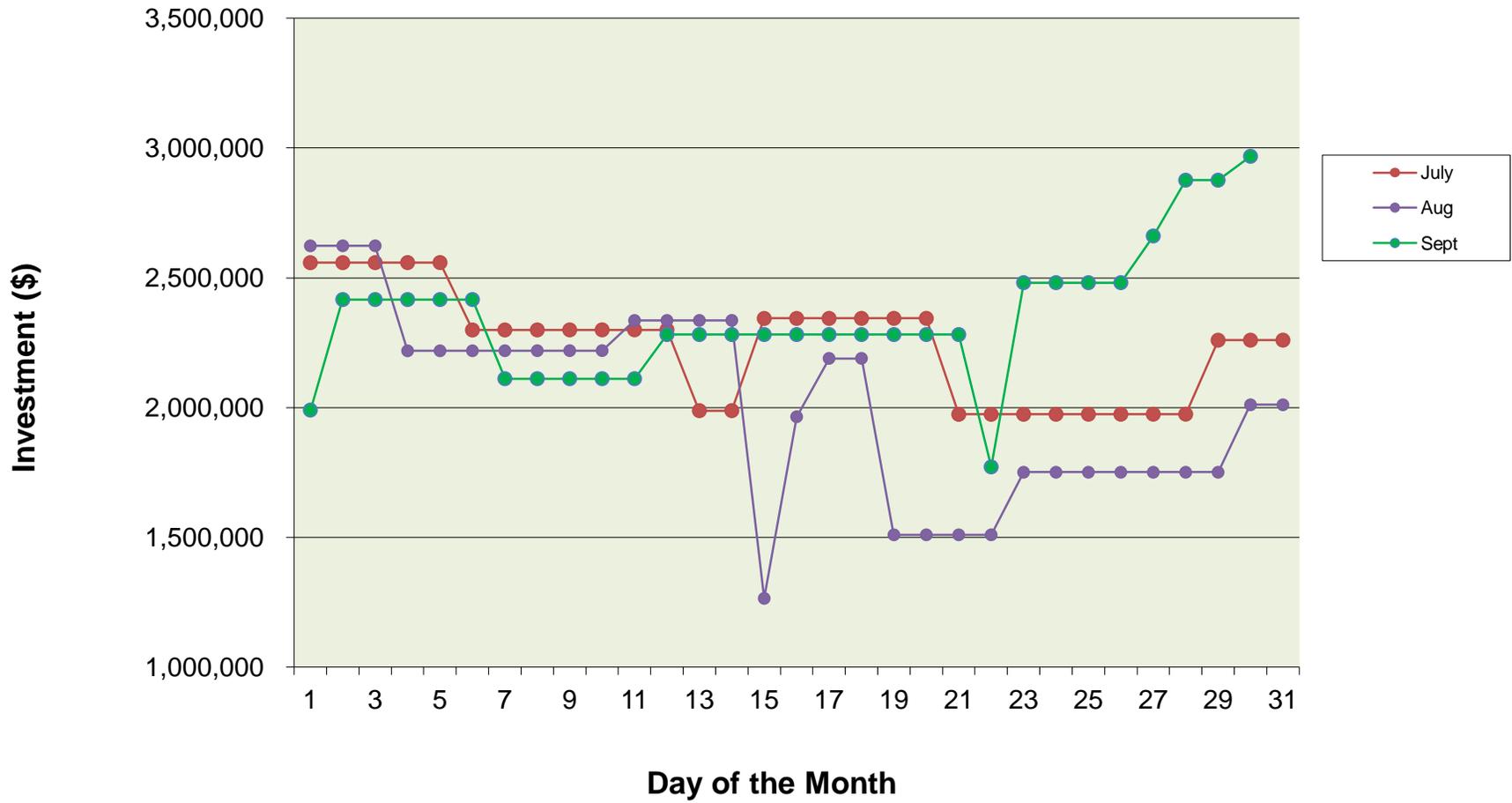
LAIF and CalTrust interest rates have resumed their moderate declines. CalTrust medium term investments are currently yielding approximately 80 to 90 basis points more than LAIF, and CalTrust short term investments are currently yielding 13 to 17 basis points more than LAIF.

INVESTMENT REPORT FY2012

Date	July				Aug				Sept			
	Loans	<u>CalTrust Short & Medium</u>	LAIF	Combined	Loans	<u>CalTrust Short & Medium</u>	LAIF	Combined	Loans	<u>CalTrust Short & Medium</u>	LAIF	Combined
1	944,173	1,206,421	407,683	2,558,277	997,934	1,317,474	307,813	2,623,221	1,970	1,899,507	88,813	1,990,290
2	944,303	1,206,421	407,683	2,558,406	998,071	1,317,474	307,813	2,623,358	-	1,899,507	516,813	2,416,320
3	944,432	1,206,421	407,683	2,558,536	998,208	1,317,474	307,813	2,623,495	-	1,899,507	516,813	2,416,320
4	944,561	1,206,421	407,683	2,558,665	998,344	1,172,474	47,813	2,218,631	-	1,899,507	516,813	2,416,320
5	944,691	1,206,421	407,683	2,558,794	998,481	1,172,474	47,813	2,218,768	-	1,899,507	516,813	2,416,320
6	944,820	1,331,421	22,683	2,298,924	998,618	1,172,474	47,813	2,218,905	-	1,899,507	516,813	2,416,320
7	944,950	1,331,421	22,683	2,299,053	998,755	1,172,474	47,813	2,219,042	-	1,899,507	211,813	2,111,320
8	945,079	1,331,421	22,683	2,299,183	998,892	1,172,474	47,813	2,219,179	-	1,899,507	211,813	2,111,320
9	945,209	1,331,421	22,683	2,299,312	999,028	1,172,474	47,813	2,219,315	-	1,899,507	211,813	2,111,320
10	945,338	1,331,421	22,683	2,299,442	999,165	1,172,474	47,813	2,219,452	-	1,899,507	211,813	2,111,320
11	945,468	1,331,421	22,683	2,299,571	999,302	1,172,474	163,813	2,335,589	-	1,899,507	211,813	2,111,320
12	945,597	1,331,421	22,683	2,299,701	999,439	1,172,474	163,813	2,335,726	-	2,069,507	211,813	2,281,320
13	633,978	1,331,421	22,683	1,988,081	999,576	1,172,474	163,813	2,335,863	-	2,069,507	211,813	2,281,320
14	634,064	1,331,421	22,683	1,988,168	999,713	1,172,474	163,813	2,336,000	-	2,069,507	211,813	2,281,320
15	634,151	1,686,421	22,813	2,343,385	23,299	1,172,474	68,813	1,264,586	-	2,069,507	211,813	2,281,320
16	634,238	1,686,421	22,813	2,343,472	23,302	1,172,474	768,813	1,964,589	-	2,069,507	211,813	2,281,320
17	634,325	1,686,421	22,813	2,343,559	23,305	1,397,474	768,813	2,189,592	-	2,069,507	211,813	2,281,320
18	634,412	1,686,421	22,813	2,343,646	23,309	1,397,474	768,813	2,189,596	-	2,069,507	211,813	2,281,320
19	634,499	1,686,421	22,813	2,343,733	23,312	1,397,474	88,813	1,509,599	-	2,069,507	211,813	2,281,320
20	634,586	1,686,421	22,813	2,343,819	23,315	1,397,474	88,813	1,509,602	-	2,069,507	211,813	2,281,320
21	634,673	1,316,421	22,813	1,973,906	23,318	1,397,474	88,813	1,509,605	-	2,069,507	211,813	2,281,320
22	634,760	1,316,421	22,813	1,973,993	23,321	1,397,474	88,813	1,509,608	-	1,669,507	101,813	1,771,320
23	634,847	1,316,421	22,813	1,974,080	23,325	1,638,474	88,813	1,750,612	-	2,379,507	101,813	2,481,320
24	634,933	1,316,421	22,813	1,974,167	23,328	1,638,474	88,813	1,750,615	-	2,379,507	101,813	2,481,320
25	635,020	1,316,421	22,813	1,974,254	23,331	1,638,474	88,813	1,750,618	-	2,379,507	101,813	2,481,320
26	635,107	1,316,421	22,813	1,974,341	23,334	1,638,474	88,813	1,750,621	-	2,379,507	101,813	2,481,320
27	635,194	1,316,421	22,813	1,974,428	23,337	1,638,474	88,813	1,750,624	-	2,559,507	101,813	2,661,320
28	635,281	1,316,421	22,813	1,974,515	23,341	1,638,474	88,813	1,750,628	-	2,774,507	101,813	2,876,320
29	635,368	1,316,421	307,813	2,259,602	23,344	1,638,474	88,813	1,750,631	-	2,774,507	101,813	2,876,320
30	635,456	1,316,421	307,813	2,259,689	23,347	1,898,474	88,813	2,010,634	-	2,774,507	193,813	2,968,320
31	635,543	1,316,421	307,813	2,259,776	23,350	1,898,474	88,813	2,010,637	-			

	<u>BUDGETED EARNINGS</u>	<u>Proj'd CT mo. Int.</u>	<u>Proj'd LAIF mo. Int.</u>	<u>CUMULATIVE Budget/Proj'd</u>	<u>BUDGETED EARNINGS</u>	<u>Proj'd CT mo. Int.</u>	<u>Proj'd LAIF mo. Int.</u>	<u>CUMULATIVE Budget/Proj'd</u>	<u>BUDGETED EARNINGS</u>	<u>Proj'd CT mo. Int.</u>	<u>Proj'd LAIF mo. Int.</u>	<u>CUMULATIVE Budget/Proj'd</u>
Budget	\$1,375			\$1,375	\$1,375			\$2,750	\$1,375			\$4,125
Est. Earr	\$4,292			\$4,292	\$3,143			\$7,435	\$1,880			\$9,315

COMBINED INVESTMENTS

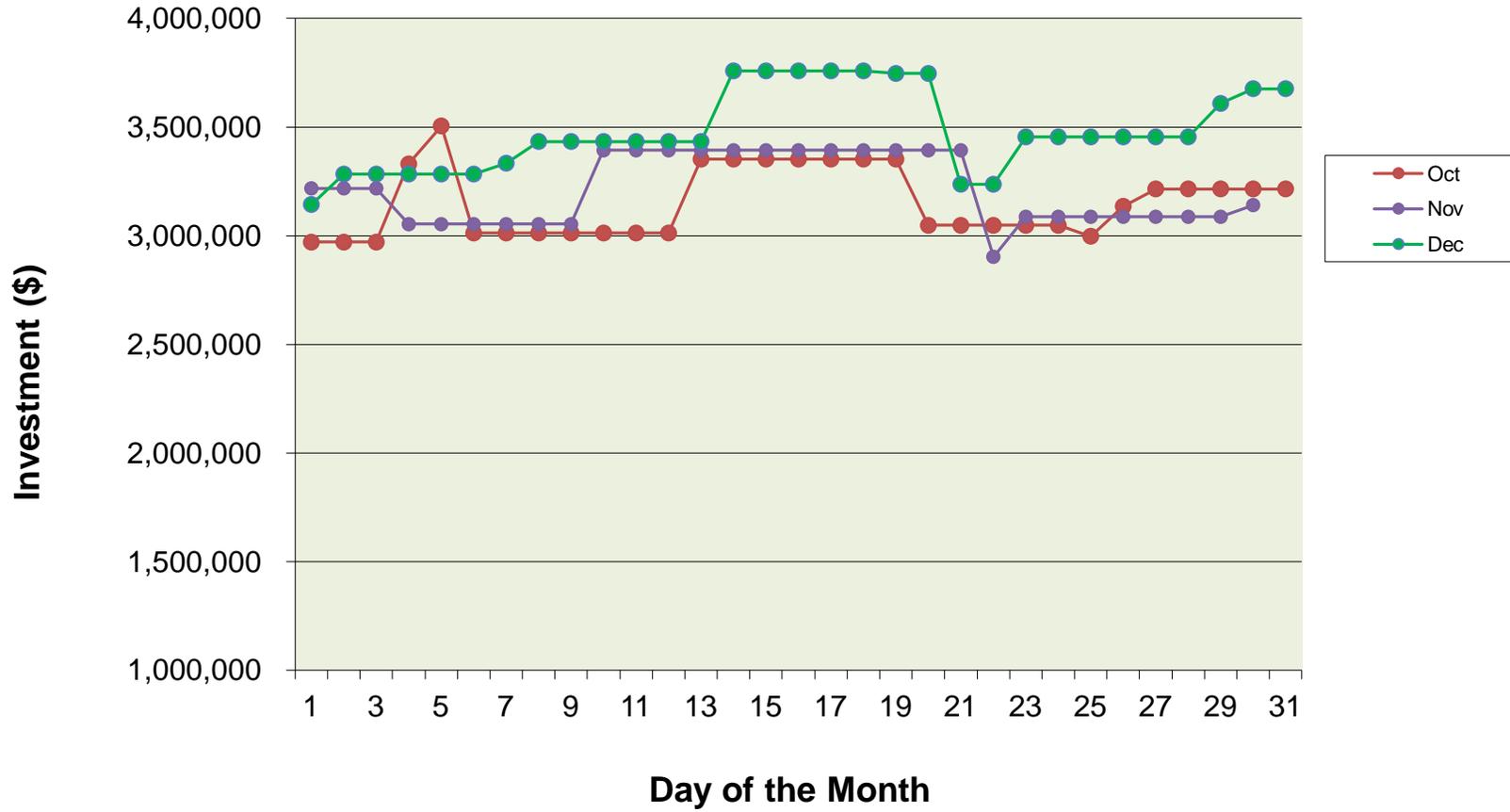


INVESTMENT REPORT FY2012

Date	Loans	Oct			Nov			Dec				
		CalTrust			CalTrust			CalTrust				
		Short & Medium	LAIF	Combined	Short & Medium	LAIF	Combined	Short & Medium	LAIF	Combined		
1	-	2,776,316	193,813	2,970,129	-	3,206,764	10,976	3,217,741	-	3,078,567	64,976	3,143,544
2	-	2,776,316	193,813	2,970,129	-	3,206,764	10,976	3,217,741	-	3,278,567	4,976	3,283,544
3	-	2,776,316	193,813	2,970,129	-	3,206,764	10,976	3,217,741	-	3,278,567	4,976	3,283,544
4	-	2,776,316	553,813	3,330,129	-	3,041,764	10,976	3,052,741	-	3,278,567	4,976	3,283,544
5	-	2,951,316	553,813	3,505,129	-	3,041,764	10,976	3,052,741	-	3,278,567	4,976	3,283,544
6	-	2,951,316	60,813	3,012,129	-	3,041,764	10,976	3,052,741	-	3,278,567	4,976	3,283,544
7	-	2,951,316	60,813	3,012,129	-	3,041,764	10,976	3,052,741	-	3,278,567	54,976	3,333,544
8	-	2,951,316	60,813	3,012,129	-	3,041,764	10,976	3,052,741	-	3,378,567	54,976	3,433,544
9	-	2,951,316	60,813	3,012,129	-	3,041,764	10,976	3,052,741	-	3,378,567	54,976	3,433,544
10	-	2,951,316	60,813	3,012,129	-	3,381,764	10,976	3,392,741	-	3,378,567	54,976	3,433,544
11	-	2,951,316	60,813	3,012,129	-	3,381,764	10,976	3,392,741	-	3,378,567	54,976	3,433,544
12	-	2,951,316	60,813	3,012,129	-	3,381,764	10,976	3,392,741	-	3,378,567	54,976	3,433,544
13	-	3,291,316	60,813	3,352,129	-	3,381,764	10,976	3,392,741	-	3,378,567	54,976	3,433,544
14	-	3,291,316	60,976	3,352,293	-	3,381,764	10,976	3,392,741	-	3,703,567	54,976	3,758,544
15	-	3,291,316	60,976	3,352,293	-	3,381,764	10,976	3,392,741	-	3,703,567	54,976	3,758,544
16	-	3,291,316	60,976	3,352,293	-	3,381,764	10,976	3,392,741	-	3,703,567	54,976	3,758,544
17	-	3,291,316	60,976	3,352,293	-	3,381,764	10,976	3,392,741	-	3,703,567	54,976	3,758,544
18	-	3,291,316	60,976	3,352,293	-	3,381,764	10,976	3,392,741	-	3,703,567	54,976	3,758,544
19	-	3,291,316	60,976	3,352,293	-	3,381,764	10,976	3,392,741	-	3,703,567	42,976	3,746,544
20	-	2,986,316	60,976	3,047,293	-	3,381,764	10,976	3,392,741	-	3,703,567	42,976	3,746,544
21	-	2,986,316	60,976	3,047,293	-	3,381,764	10,976	3,392,741	-	3,193,567	42,976	3,236,544
22	-	2,986,316	60,976	3,047,293	-	2,891,764	10,976	2,902,741	-	3,193,567	42,976	3,236,544
23	-	2,986,316	60,976	3,047,293	-	3,075,764	10,976	3,086,741	-	3,328,567	125,976	3,454,544
24	-	2,986,316	60,976	3,047,293	-	3,075,764	10,976	3,086,741	-	3,328,567	125,976	3,454,544
25	-	2,986,316	10,976	2,997,293	-	3,075,764	10,976	3,086,741	-	3,328,567	125,976	3,454,544
26	-	3,124,274	10,976	3,135,250	-	3,075,764	10,976	3,086,741	-	3,328,567	125,976	3,454,544
27	-	3,204,274	10,976	3,215,250	-	3,075,764	10,976	3,086,741	-	3,328,567	125,976	3,454,544
28	-	3,204,274	10,976	3,215,250	-	3,075,764	10,976	3,086,741	-	3,328,567	125,976	3,454,544
29	-	3,204,274	10,976	3,215,250	-	3,075,764	10,976	3,086,741	-	3,482,567	125,976	3,608,544
30	-	3,204,274	10,976	3,215,250	-	3,075,764	64,976	3,140,741	-	3,482,567	193,976	3,676,544
31	-	3,204,274	10,976	3,215,250	-				-	3,482,567	193,976	3,676,544

	BUDGETED EARNINGS	Proj'd CT mo. Int.	Proj'd LAIF mo. Int.	CUMULATIVE Budget/Proj'd	BUDGETED EARNINGS	Proj'd CT mo. Int.	Proj'd LAIF mo. Int.	CUMULATIVE Budget/Proj'd	BUDGETED EARNINGS	Proj'd CT mo. Int.	Proj'd LAIF mo. Int.	CUMULATIVE Budget/Proj'd
Budget	\$1,375			\$5,500	\$1,375			\$6,875	\$1,375			\$8,250
Est. Ear	\$2,522			\$11,837	\$2,807			\$14,644	\$2,913			\$17,558

COMBINED INVESTMENTS





LOCAL AND REGIONAL GOVERNMENT SERVICES AUTHORITIES

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TO: EXECUTIVE COMMITTEE **EC Meeting: 1-12-12**
FROM: RICHARD H. AVERETT, CFO/TREASURER **Item: 4D**
SUBJECT: APPROVAL OF AUDIT REPORTS FOR FISCAL YEAR ENDING JUNE 30, 2011

RECOMMENDATION

Review and approve the independent audit reports for fiscal year 2011.

BACKGROUND

The outside audit firm of Mayer Hoffman McCann, P.C. was retained to complete the fiscal year (FY) 2007 and FY2008 audits, and has since completed the FY2009 and FY2010 audits of both Local and Regional Government Services Authorities. Mayer Hoffman recently completed the FY2011 audits, and hardcopies will be distributed to Members in approximately three weeks. All audit reports are posted to the JPA's web site.

AUDIT RESULTS

Summaries of LGS and RGS audit results are below, with more information and analysis in the Management Discussion and Analysis section of each audit report. Overall, the FY2011 audit results indicate continuation of very positive financial results based on a sound business model. These financial results better enable the JPAs to provide quality services to our clients and employees.

The audit results include four categories of significant audit adjustment:

1. Revenues – Every year the auditors review revenues to assure they are booked in the appropriate year. It is not unusual to have several fiscal year start or end revenues rebooked as belonging to the preceding or following year. In addition to those routine adjustments, this year however, LGS revenues were reduced by \$130,000 because one client disputed and a settlement of this dispute was not predictable at the time of the audit. The JPA's legal counsel is in discussions with the client's counsel.
2. Insurance (net) - Every year our workers' compensation and general liability pool (California Joint Powers Insurance Authority – CJPIA) makes retroactive adjustments to their annual charges based on loss experience, pool funding needs and each member agency's change in risk exposure. For FY11, LGS' retroactive adjustment was a credit of \$45,400 and RGS' adjustment was an expense of \$52,135. In addition, earlier this fiscal year LGS and RGS made an early payment on CJPIA retroactive adjustments of \$96,000 and received a two percent per year discount. This expense was not booked at the time, but is now reflected in year-end financials.
3. Vacation Accruals (net) – Every year the net changes in unused vacation accruals are booked at year end. For FY11, the accrual postings were \$40,195 for LGS and \$80,674 for RGS.
4. OPEB Funding – The actuaries recommended OPEB funding for FY10 and FY11 of \$181,000 (LGS) and \$110,000 (RGS). These amounts have been expensed and recorded as liabilities for each JPA. Per Board actions in June 2011, both agencies set aside reserves of 50 percent of net assets for these and other liabilities. If the OPEB expenses are added to the reserve of assets, the total equals 50 percent of net assets.

LGS FINANCIAL HIGHLIGHTS

- Total net assets increased \$143,059 in FY2011 and \$309,835 in FY2010.
- Revenues from client reimbursements for services provided increased \$1,542,921 in FY2011 and \$351,975 in FY2010.
- Total operating expenditures increased \$1,709,697 in FY2010 and \$320,456 in FY2010.
- Net assets at the end of FY2011 were \$1,077,360 and at the end of FY2010 were \$934,301.

RGS FINANCIAL HIGHLIGHTS

- Total net assets increased \$181,613 in FY2011 and increased \$227,635 in FY2010.
- Revenues from client reimbursements for services provided increased \$2,423,792 in FY2011 and \$1,218,079 in FY2010.
- Total operating expenditures increased \$2,469,814 in FY2010 and increased \$1,044,824 in FY2010.
- Net assets at the end of the fiscal year were \$468,982 in FY2009 and were \$287,369 in FY2010.

LOCAL GOVERNMENT SERVICES AUTHORITY

Basic Financial Statements

Years ended June 30, 2011 and 2010

LOCAL GOVERNMENT SERVICES AUTHORITY

Basic Financial Statements

Years ended June 30, 2011 and 2010

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Board of Directors
Local Government Services Authority
Carmel Valley, California

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying basic financial statements of the Local Government Services Authority (the "Authority") as of and for the years ended June 30, 2011 and 2010 as listed in the table of contents. These basic financial statements are the responsibility of the management of the Authority. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2011 and 2010 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The information identified in the accompanying table of contents as *management's discussion and analysis* is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 4, 2012 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Mayer Hoffman McCann P.C.

Irvine, California
January 4, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

LOCAL GOVERNMENT SERVICES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Years ended June 30, 2011 and 2010

The following discussion and analysis of the financial performance of Local Government Services Authority ("Authority") provides an overview of the Authority's financial activities for the fiscal years ended June 30, 2011 and 2010. Please read it in conjunction with the financial statements identified in the accompanying table of contents.

FINANCIAL HIGHLIGHTS

- Total net assets increased \$143,059 in FY 2011 and increased \$309,835 in FY2010.
- Revenues from client reimbursements for services provided increased \$1,542,921 in FY2011 from fiscal year 2010 and \$351,975 in FY2010 from fiscal year 2009.
- Total operating expenditures increased \$1,709,697 in FY 2011 from the 2010 fiscal year and increased \$320,456 in FY2010 from the 2009 fiscal year.
- Net assets at the end of the fiscal year are \$1,077,360 in FY2011 and were \$934,301 in FY2010.

OVERVIEW OF THE FINANCIAL STATEMENTS

Using the Accompanying Financial Statements

The annual report consists of three parts – *management's discussion and analysis* (this section), the *basic financial statements*, and *notes to the basic financial statements*:

The basic financial statements include the following:

- The Statement of Net Assets provides both *long-term* and *short-term* information about the Authority's overall financial status.
- The Statement of Revenues, Expenses and Changes in Net Assets reports the revenues and expenses of the Authority for the fiscal year on an accrual basis of accounting and relates this to the increase in the net assets of the Authority.
- The Statement of Cash Flows reports the Authority's operating cash flow and reconciles operating income to the net cash provided by operating activities.

The notes to the financial statements provide additional information about the nature of the Authority's activities and operations and its significant accounting policies, as well as, more detailed explanations about some of the information contained in the basic financial statements.

The Authority operates as an enterprise, meaning that charges for services are expected to cover all expenses. Therefore, the Authority uses *proprietary fund* statements.

Proprietary fund statements offer *short-* and *long-term* financial information about the activities the government operates in a manner similar to a private business.

Government Fund Reporting:

Figure A-1 summarizes the major features of government financial statements, including the portion of the government they cover and the types of information they contain. Because the Authority is an enterprise fund, the financial statements adhere to the Proprietary Funds format.

Figure A-1
Major Features of Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Authority government (except fiduciary funds) and the Authority's component units	The activities of the Authority that are not proprietary or fiduciary	Activities the Authority operates similar to private businesses	Instances in which the Authority is the trustee or agent for someone else's resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net assets • Statement of revenues, expenses and changes in net assets • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Modified accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term debt included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Authority's fiduciary funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid.

Reporting the Authority as a Whole

The accompanying **basic financial statements** include two statements that present financial data for the Authority as a whole. One of the most important questions asked about the Authority's finances is, "Is the Authority, as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets report information about the Authority as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the

accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Authority's net assets and changes in them. You can think of the Authority's net assets – the difference between assets and liabilities – as one way to measure the Authority's financial health, or *financial position*. Over time, *increases and decreases* in the Authority's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other factors, however, such as changes in client needs/agreements for services and changes in the Authority's cost structure, to assess the *overall health* of the Authority.

In the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets, the Authority services are presented as Business-type activities:

- Business-type activities – The Authority charges a fee to customers to help it cover all of the cost of the services accounted for in the fund.

Reporting the Authority's Proprietary Fund

The **accompanying basic financial statements** provide detailed information on the Authority's only fund – and thus the Authority as a whole. The Authority Board may establish other funds to help it control and manage money for particular purposes or to show that it is meeting administrative responsibilities for using certain grants or other money. The Authority's one fund is a *proprietary fund*.

Proprietary funds – When an agency charges customers for the services it provides – whether to outside customers or to other units of the agency – these services are generally reported in proprietary funds. Required financial statements for proprietary funds include a Statement of Net Assets; a Statement of Revenues, Expenses and Changes in Net Assets; and a Statement of Cash Flows.

LOCAL GOVERNMENT SERVICES AUTHORITY
Statement of Net Assets
June 30, 2009, 2010 & 2011

Table 1

	Business-Type Activities		
	2009	2010	2011
<u>ASSETS</u>			
Current Assets	\$1,400,816	\$1,939,682	\$2,607,415
Total Assets	<u>\$1,400,816</u>	<u>\$1,939,682</u>	<u>\$2,607,415</u>
<u>LIABILITIES</u>			
Long-term Debt Outstanding	290,567	391,389	665,637
Liabilities	485,783	613,992	864,418
Total Liabilities	<u>\$ 776,350</u>	<u>\$1,005,381</u>	<u>\$1,530,055</u>
<u>NET ASSETS</u>			
Unreserved	\$ 624,466	\$ 934,301	\$1,077,360
Total Net Assets	624,466	934,301	1,077,360
Total net assets and liabilities	<u>\$1,400,816</u>	<u>\$1,939,682</u>	<u>\$2,607,415</u>

The increase in net assets is an indication that the overall financial position of the Authority improved during each of the last two years: by \$143,059 in FY2011 and by \$309,835 in FY2010, as indicated in the Changes in Net Assets Table 2 below. The net assets of the Authority's business-type activities increased by 15 percent in 2011 and by 50 percent in 2010. The net assets (financial position) of the Authority increased despite two-year funding (FY2010 and FY2011) of the Agency's Other Post-Employment Benefit (OPEB) obligation in FY2011 and the temporary write-down of revenues while the Agency and a client resolve a fee dispute.

A summary of the statement of activities follows:

**Change in Net Assets – Year Ended
June 30, 2009, 2010 & 2011
Table 2**

	Business - Type Activities		
	2009	2010	2011
<u>Operating Revenues</u>			
Charges for services	\$ 5,391,171	\$ 5,743,146	\$ 7,286,067
Total revenues	<u>\$ 5,391,171</u>	<u>\$ 5,743,146</u>	<u>\$ 7,286,067</u>
<u>Operating Expenses</u>			
Salaries and benefits	\$ 4,541,129	4,702,001	5,914,003
Professional services	-	1,678	2,756
Administration	571,726	729,632	1,226,249
Total expenses	<u>\$ 5,112,855</u>	<u>5,433,311</u>	<u>7,143,008</u>
Change in net assets	\$ 278,316	309,835	143,059
Beginning net assets	<u>346,150</u>	<u>624,466</u>	<u>934,301</u>
Ending net assets	<u>\$ 624,466</u>	<u>\$ 934,301</u>	<u>1,077,360</u>
Less Reserve		467,151	448,180
Remaining Net Assets		467,150	629,180

Business-Type Activities

Revenues of the Authority's operations (see Table 2) increased by 27 percent in F2011 and by 7 percent in FY2010. Operating expenses increased by 31 percent in FY2011 from FY2010, and by 6 percent in FY2010 from FY2009.

LONG-TERM DEBT

The Authority (JPA) has no long-term debt other than compensated absences and cumulative retrospective deposits payable to the California Joint Powers Insurance Authority for general liability and workers' compensation coverage. Additional information on the Authority's long-term debt can be found in the notes to the accompanying basic financial statements.

BUDGET VERSUS ACTUAL PERFORMANCE

In FY2011, the primary reason for the variances from budget was the growth in client services during the fiscal year. This growth is reflected in revenues and expenses that increased 16% and 22% respectively (including the FY10 and FY11 OPEB contributions), above budgeted levels. The budget was adopted anticipating a \$456,125 addition to net earnings. Client growth, a two-year OPEB contribution and additional costs for the OPEB actuarial study and implementation of a new on-line timekeeping system, resulted in the actual net addition to net assets being \$313,066 less than budgeted.

Budget Performance – Budget vs. Actual
June 30, 2011
Table 3

Budget Performance			
Budget vs. Actual			
	FY11 Budget	FY11 Actual	Variance
Operating Revenues			
Charges for Services	\$6,298,200	\$7,286,067	\$ 987,867
Total Revenues	\$6,298,200	\$7,286,067	\$ 987,867
Operating Expenses			
Salaries and Benefits	\$5,293,560	\$5,914,003	\$ 620,443
Professional Services	10,640	2,756	(7,884)
Administration	537,875	1,226,249	688,374
Total Expenses	\$5,842,075	\$7,143,008	\$1,300,933
Net Addition/(Reduction) in net Assets	\$ 456,125	\$ 143,059	\$(313,066)

Future Financial Performance

One existing major client, with 12 to 13 assigned staff, is anticipated to discontinue JPA services in fiscal year 2012. However, JPA support services remain structured so that changes in service demand can quickly adjust up or down to client needs. Therefore, we do not expect this decrease in client services nor normal fluctuations in the number of clients or level of client services provided to significantly impact the JPA's financial position. Additional client growth has historically more than offset decreased revenue from projects completed during the year. The loss of a major client is anticipated to reduce net additional assets by fiscal year end 2012, with \$47,401 net income budgeted for the year.

Since restructuring its administrative functions during fiscal year 2008, the JPA has experienced sustained, positive financial performance. The JPA has been successful in adding new clients to replace completed client assignments. Management is not aware of any other commitments or conditions that may have a significant impact on the financial condition or operating results of the Authority after the date of the financial statements presented.

Contacting the Authority's Financial Management

This financial report is designed to provide our customers and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer, Local Government Services Authority, PO Box 1350, Carmel Valley, CA 93924.

BASIC FINANCIAL STATEMENTS

LOCAL GOVERNMENT SERVICES AUTHORITY

Statements of Net Assets

June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<u>Assets</u>		
Current assets:		
Cash and investments (note 2)	\$ 1,158,786	\$ 1,305,679
Accounts receivable	1,062,001	594,471
Due from other governments	305,875	-
Prepays	44,481	39,532
Deposits	36,272	-
Total current assets	<u>2,607,415</u>	<u>1,939,682</u>
Total assets	<u>2,607,415</u>	<u>1,939,682</u>
 <u>Liabilities</u>		
Current liabilities:		
Accounts payable	229,276	188,384
Deferred revenue	214,500	13,875
Client deposits	240,403	240,403
Compensated absences - current portion (note 3)	180,239	171,330
Total current liabilities	<u>864,418</u>	<u>613,992</u>
Noncurrent liabilities:		
Compensated absences - long term (note 3)	420,559	318,183
Claims payable - long term (note 3 and 7)	64,078	73,206
OPEB liability - long term (note 3 and 8)	181,000	-
Total noncurrent liabilities	<u>665,637</u>	<u>391,389</u>
Total liabilities	<u>1,530,055</u>	<u>1,005,381</u>
 <u>Net Assets</u>		
Net assets:		
Unrestricted (note 4)	<u>1,077,360</u>	<u>934,301</u>
Total net assets	<u>\$ 1,077,360</u>	<u>\$ 934,301</u>

See accompanying notes to the basic financial statements.

LOCAL GOVERNMENT SERVICES AUTHORITY
 Statements of Revenues, Expenses and Changes in Net Assets
 Years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Operating revenues:		
Charges for services	\$ 7,286,067	\$ 5,743,146
Total operating revenues	<u>7,286,067</u>	<u>5,743,146</u>
Operating expenses:		
Salaries & benefits	5,914,003	4,702,001
Professional services	2,756	1,678
Administration	<u>1,226,249</u>	<u>729,632</u>
Total operating expenses	<u>7,143,008</u>	<u>5,433,311</u>
Change in net assets	143,059	309,835
Net assets at beginning of year	<u>934,301</u>	<u>624,466</u>
Net assets at end of year	<u>\$ 1,077,360</u>	<u>\$ 934,301</u>

See accompanying notes to the basic financial statements.

LOCAL GOVERNMENT SERVICES AUTHORITY

Statements of Cash Flows

Years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Cash received from customers	\$ 6,713,287	\$ 5,755,428
Cash paid to suppliers for goods and services	(1,057,462)	(729,707)
Cash paid to employees for services	<u>(5,802,718)</u>	<u>(4,526,704)</u>
Net cash provided by (used for) operating activities	<u>(146,893)</u>	<u>499,017</u>
Net increase (decrease) in cash and cash equivalents	(146,893)	499,017
Cash and cash equivalents at beginning of year	<u>1,305,679</u>	<u>806,662</u>
Cash and cash equivalents at end of year	<u>\$ 1,158,786</u>	<u>\$ 1,305,679</u>
Reconciliation of change in net asset to net cash provided by (used for) operating activities:		
Change in net assets	<u>\$ 143,059</u>	<u>\$ 309,835</u>
Adjustments to reconcile change in net asset to net cash provided by (used for) operating activities:		
(Increase) decrease in accounts receivable	(467,530)	(317)
(Increase) decrease in due from other governments	(305,875)	-
(Increase) decrease in prepaids	(4,949)	(39,532)
(Increase) decrease in deposits	(36,272)	-
Increase (decrease) in accounts payable	40,892	41,135
Increase (decrease) in deferred revenue	200,625	13,875
Increase (decrease) in client deposits	-	(1,276)
Increase (decrease) in compensated absences	111,285	102,091
Increase (decrease) in claims payable	(9,128)	73,206
Increase (decrease) in OPEB liability	<u>181,000</u>	<u>-</u>
Total adjustments	<u>(289,952)</u>	<u>189,182</u>
Net cash provided by (used for) operating activities	<u>\$ (146,893)</u>	<u>\$ 499,017</u>

There were no significant noncash financing or investing activities for the period ended June 30, 2011 and 2010.

See accompanying notes to the basic financial statements.

LOCAL GOVERNMENT SERVICES AUTHORITY

Notes to the Basic Financial Statements

Years ended June 30, 2011 and 2010

(1) Summary of Significant Accounting Policies

Nature of Business

The Local Government Services Authority (the "Authority") was organized March 1, 2001 under the provisions of the Joint Exercise of Powers Act of the Government Code of the State of California. The purpose of the Authority is to provide services for public agencies and other non-profit entities at reduced net costs.

Members of the Authority currently include the City of San Rafael, City of Larkspur, the Association of Bay Area Governments (ABAG), the Town of Yountville and the City of Dublin. A five-member board consisting of one representative from each member controls the Authority. None of the member entities exercise specific control over budgeting and financing of the Authority's activities beyond their representation on the board. Accounting services are provided by McGilloway, Ray, Brown & Kaufman.

The following is a summary of the significant accounting policies of the Authority:

Basis of Accounting

The Authority is accounted for as an enterprise fund (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges. The Authority utilizes the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as they are incurred.

The Authority applies all applicable GASB pronouncements in accounting and reporting for proprietary operations as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB's) of the Committee on Accounting Procedure.

Investments

For financial reporting purposes, investments are adjusted to their fair value whenever the difference between fair market value and the carrying amount is material. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

LOCAL GOVERNMENT SERVICES AUTHORITY

Notes to the Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of 3 months or less.

Receivables

The Authority extends credit to customers in the normal course of operations. The Authority did not experience any significant bad debt losses; accordingly, no provision has been made for doubtful accounts, and accounts receivable is shown at full value.

Compensated Absences

The Authority has a PTO (paid time off) policy in effect. It is the Authority's policy to permit employees to accumulate earned but unused vacation leave. Vacation hours can accrue up to a maximum of two times the annual allowable amount, subject to the individual employment agreement. The Authority pays all earned vacation pay upon termination. All accumulated vacation pay is recorded as an expense and a liability at the time the benefit is earned.

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

LOCAL GOVERNMENT SERVICES AUTHORITY

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments

Cash and investments held by the Authority at June 30, 2011 consist of the following:

Deposits with financial institutions	\$ (90,440)
Investments	<u>1,249,226</u>
Total cash and investments	<u>\$1,158,786</u>

Cash and investments held by the Authority at June 30, 2010 consist of the following:

Deposits with financial institutions	\$ (37,070)
Investments	<u>1,342,749</u>
Total cash and investments	<u>\$1,305,679</u>

Investments Authorized by the California Government Code and the Authority's Investment Policy

The table below identifies the investment types that are authorized for California local governments by the California Government code. The Authority's investment policy is more restrictive as to investment vehicles permitted for use by the Authority. The table also identifies certain provisions of the California Government Code (or the Authority's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Investment Types Authorized by State Law</u>	<u>Authorized By Investment Policy</u>	<u>*Maximum Maturity</u>	<u>*Maximum Percentage Of Portfolio</u>	<u>*Maximum Investment In One Issuer</u>
Local Agency Bonds	Yes	1 year	75%	None
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	25%	None
Banker's Acceptances	No	180 days	40%	30%
Commercial Paper	No	270 days	25%	10%
Negotiable Certificates of Deposit	Yes	5 years	25%	None
Repurchase Agreements	No	1 year	None	None
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Medium-Term Notes	No	5 years	30%	None
Mutual Funds	No	N/A	20%	10%
Money Market Mutual Funds	No	N/A	20%	10%
Mortgage Pass-Through Securities	No	5 years	20%	None
CalTrust Investment Pool	Yes	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	40 million	None

*Based on state law requirements or investment policy requirements, whichever is more restrictive.

LOCAL GOVERNMENT SERVICES AUTHORITY

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that an agency can manage its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the Authority's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity for year ended June 30, 2011:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturing (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More Than 60 Months</u>
CalTRUST investment pool	\$1,220,257	1,220,257	-	-	-
State investment pool (LAIF)	<u>28,969</u>	<u>28,969</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$1,249,226</u>	<u>1,249,226</u>	<u>-</u>	<u>-</u>	<u>-</u>

Information about the sensitivity of the fair values of the Authority's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity for year ended June 30, 2010:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturing (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More Than 60 Months</u>
CalTRUST investment pool	\$1,045,663	1,045,663	-	-	-
State investment pool (LAIF)	<u>297,086</u>	<u>297,086</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$1,342,749</u>	<u>1,342,749</u>	<u>-</u>	<u>-</u>	<u>-</u>

LOCAL GOVERNMENT SERVICES AUTHORITY

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Authority's investment policy, or debt agreements, and the actual rating as of year end June 30, 2011 for each investment type was as follows.

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Year End</u>		
				<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
CalTRUST investment pool	\$1,220,257	N/A	-	-	-	1,220,257
State investment pool (LAIF)	<u>28,969</u>	N/A	-	-	-	<u>28,969</u>
Total	<u>\$1,249,226</u>	N/A	-	-	-	<u>1,249,226</u>

Presented below is the minimum rating required by (where applicable) the California Government Code, the Agency's investment policy, or debt agreements, and the actual rating as of year end June 30, 2010 for each investment type was as follows.

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Year End</u>		
				<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
CalTRUST investment pool	\$1,045,663	N/A	-	-	-	1,045,663
State investment pool (LAIF)	<u>297,086</u>	N/A	-	-	-	<u>297,086</u>
Total	<u>\$1,342,749</u>	N/A	-	-	-	<u>1,342,749</u>

Concentration of Credit Risk

The investment policy of the Authority contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total Authority investments for the years ended June 30, 2011 and 2010, respectively.

LOCAL GOVERNMENT SERVICES AUTHORITY

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Investment in State Investment Pool

The Authority is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Investment in CalTRUST Investment Pool

The Authority is a voluntary participant in the Investment Trust of California (CalTRUST), a public joint powers authority formed to pool and invest the funds of public agencies. CalTRUST invests in fixed income securities eligible for investment pursuant to California Government Code Sections 53601 and 53635. Investment guidelines adopted by the board of Trustees may further restrict the types of investments help by the Trust. Leveraging within the Trust's portfolios is prohibited. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by CalTRUST for the entire CalTRUST portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by CalTRUST, which are recorded on an amortized cost basis.

LOCAL GOVERNMENT SERVICES AUTHORITY

Notes to the Basic Financial Statements

(Continued)

(3) Long-Term Debt

The following is a schedule of changes in long-term liabilities for the year ended June 30, 2011:

	<u>Balance at July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2011</u>	<u>Portion Due Within One Year</u>
Compensated absences	\$489,513	260,790	149,505	600,798	180,239
Claims payable	73,206	64,078	73,206	64,078	-
OPEB liability	<u>-</u>	<u>181,000</u>	<u>-</u>	<u>181,000</u>	<u>-</u>
Total	<u>\$562,719</u>	<u>505,868</u>	<u>222,711</u>	<u>845,876</u>	<u>180,239</u>

The following is a schedule of changes in long-term liabilities for the year ended June 30, 2010:

	<u>Balance at July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2010</u>	<u>Portion Due Within One Year</u>
Compensated absences	\$387,422	241,971	139,880	489,513	171,330
Claims payable	<u>-</u>	<u>73,206</u>	<u>-</u>	<u>73,206</u>	<u>-</u>
Total	<u>\$387,422</u>	<u>315,177</u>	<u>139,880</u>	<u>562,719</u>	<u>171,330</u>

LOCAL GOVERNMENT SERVICES AUTHORITY

Notes to the Basic Financial Statements

(Continued)

(4) Net Assets

Net assets consisted of the following as of June 30:

	<u>2011</u>	<u>2010</u>
Unrestricted net assets available for operations	\$ 629,180	467,151
Unrestricted, board designated net assets:		
Reserve for contingencies**	<u>448,180</u>	<u>467,150</u>
Total unrestricted net assets	<u>1,077,360</u>	<u>934,301</u>
Total restricted net assets	<u>-</u>	<u>-</u>
Total net assets	<u>\$1,077,360</u>	<u>934,301</u>

**At the June 10, 2010 Board of Directors meeting, the Authority's Board of Directors authorized designation of general funds as reserves for insurance and normal operations.

LOCAL GOVERNMENT SERVICES AUTHORITY

Notes to the Basic Financial Statements

(Continued)

(5) Defined Benefit Pension Plan (PERS)

Plan Description

The Authority contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. PERS issues a publicly available financial report that includes financial statements and required supplementary information for the cost sharing plans that are administered by PERS. Copies of PERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, California 95814.

Contributions

The participant's portion to contribute is 7% of their annual covered salary. The Authority has designated four groups of employees for whom the Authority makes the contributions required of Agency employees on their behalf and for their account. Benefit provisions and all other requirements are established by state statute and individual employment agreement.

For each of the fiscal years shown below, the Authority has contributed at the actuarially determined rate provided by PERS' actuaries. Under GASB 27, an employer reports an annual pension cost (APC) equal to the annual required contribution (ARC) plus an adjustment for the cumulative difference between the APC and the employer's actual plan contributions for the year. The cumulative difference is called the net pension obligation (NPO). The ARC for the period July 1, 2010 to June 30, 2011 has been determined by an actuarial valuation of the plan as of June 30, 2008. The Authority's covered payroll for PERS was \$4,441,896 for the year ended June 30, 2011, while the Authority's total payroll for all employees was \$4,600,755 during the same period. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of June 30, 2011, the contribution rate is multiplied by the payroll of covered employees that were paid during the period from July 1, 2010 to June 30, 2011.

Three-Year Trend Information

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
6/30/09	10.484%	\$ 607,004	100%	-
6/30/10	9.586%	596,917	100%	-
6/30/11	9.068%	707,131	100%	-

LOCAL GOVERNMENT SERVICES AUTHORITY

Notes to the Basic Financial Statements

(Continued)

(6) Defined Contribution Plans

The Authority has established a deferred compensation plan in accordance with Internal Revenue Code Section 457(b), whereby employees may elect to defer portions of their compensation in a self-directed investment plan for retirement. Plan assets are invested in each individual's name with a deferred compensation plan provider. Distributions are made upon the participant's termination, retirement, death or total disability, and in a manner in accordance with the election made by the participant. All employees are eligible for plan participation.

The Authority believes it has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Authority has formally established a trust in accordance with Internal Revenue Code Section 457(g) for all of its deferred compensation plans to provide protection from the claims of the employer's general creditors. Accordingly deferred compensation assets placed in the trust are not reflected in these financial statements.

The Authority has also established a defined contribution plan in accordance with Internal Revenue Code Section 401(a). The employer may match employee contributions up to 5% on behalf of the employee subject to individual employment agreement. Plan assets are invested in each individual's name with the defined contribution plan provider. Distributions are made upon the participant's termination, retirement, death or total disability, and in a manner in accordance with the election made by the participant.

The Authority believes it has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Authority has formally established a trust in accordance with Internal Revenue Code Section 401(f) for its defined contribution plan to provide protection from the claims of the employer's general creditors. Accordingly defined contribution assets placed in the trust are not reflected in these financial statements.

(7) Liability, Insured Programs and Workers' Compensation Protection

For the years ended June 30, 2011 and 2010, the JPIA Executive Committee used a "rolling" retro payment and refund schedule for members. One-fourth of the retro amount is paid or refunded each year. The effect is that payments and refunds will partially net out, thus reducing cash flow fluctuations from year to year. At June 30, 2011 and 2010 the cumulative retrospective deposit payable for general liability is \$64,078 and \$87,940, respectively. At June 30, 2011 and 2010 the cumulative retrospective deposit refund for workers' compensation is \$36,272 and \$14,734, respectively. As of June 30, 2010 the liability and asset was netted to a payable of \$73,206, whereas on a going forward basis these two will be reported separately.

LOCAL GOVERNMENT SERVICES AUTHORITY

Notes to the Basic Financial Statements

(Continued)

(7) Liability, Insured Programs and Workers' Compensation Protection, (Continued)

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The Authority is a member of the California Joint Powers Insurance Authority (Cal JPIA). Cal JPIA is composed of 121 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of Cal JPIA is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a 9-member Executive Committee.

A revised cost allocation methodology was introduced in 2010-11, however it retains many elements of the previous cost allocation methodology. Each member pays an annual contribution (formerly called the primary deposit) to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

Self-Insurance Programs of the Authority

General Liability In the liability program claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. On a cumulative basis for all 2010-11 reinsurance contracts the

LOCAL GOVERNMENT SERVICES AUTHORITY

Notes to the Basic Financial Statements

(Continued)

(7) Liability, Insured Programs and Workers' Compensation Protection, (Continued)

annual aggregate deductible is \$5.5 million. (6) Costs of covered claims from \$15 million up to \$50 million are covered through excess insurance policies.

The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence.

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$35 million per occurrence. This \$35 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$10 million in reinsurance and (c) \$20 million in excess insurance. The excess insurance layer has a \$20 million annual aggregate.

Workers' Compensation In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$4 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$4 million to \$10 million are pooled among members.

Purchased Insurance

Crime Insurance The Authority purchases crime insurance coverage in the amount of \$1,000,000 with a \$25,000 deductible. The fidelity coverage is provided through the California JPIA. Premiums are paid annually and are not subject to retroactive adjustments.

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There also are no significant reductions in pooled or insured liability coverage from coverage in 2010-11.

LOCAL GOVERNMENT SERVICES AUTHORITY

Notes to the Basic Financial Statements

(Continued)

(8) Post Employment Benefit Plan

Plan Description: Certain employees who retire from the Authority with 10 years of service are eligible to receive health care benefits covering themselves and any qualified members. For those employees with employment agreements stipulating this benefit, the Authority pays 100% of the single rate premium charged to active employees under a health benefit plan administered by the Public Employee's Retirement System (PERS) in which the individual is able to select, on an annual basis, an insurance carrier from a number of insurance carriers. All other retirees are eligible for the PERS mandated benefit coverage, under which the Authority currently would pay up to \$108 per month for any health coverage, subject to the PERS vesting schedule.

Funding Policy: The Authority's actuarially-based funding plan began in fiscal year 2010 with contributions being set aside in an Authority reserve, beginning in fiscal year 2011. The Authority has not elected to participate in the CalPERS OPEB Trust or form its own or participate in another OPEB Trust because it does not intend to remain in CalPERS Medical Plan indefinitely. The Authority is pursuing other pay-as-you-go retiree medical benefit plans that are more consistent with its business plan of servicing public and non-profit agencies.

CalPERS publishes separate financial statements conforming to GASB Statement No. 43 in separately issued financial statements for the CalPERS OPEB Trust. Copies of PERS' annual financial reports for its OPEB Trust may be obtained from its executive office at 400 "Q" Street, Sacramento, California 95811.

Annual OPEB Cost and Net OPEB Obligation. The Authority's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed fifteen years, with a sensitivity analysis of 10 years. The following table shows the components of the Authority's annual OPEB cost for the fiscal year ending June 30, 2011, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation for these benefits:

LOCAL GOVERNMENT SERVICES AUTHORITY

Notes to the Basic Financial Statements

(Continued)

(8) Post Employment Benefit Plan, (Continued)

Annual required contribution	\$103,000
Interest on annual required contribution	3,000
Amortization	(6,000)
Adjustment to annual required contribution	<u>81,000</u>
Annual OPEB cost (expense)	181,000
Contributions made (including premiums paid)	<u>-</u>
Increase in net OPEB obligation	181,000
Net OPEB obligation—beginning of year	<u>-</u>
Net OPEB obligation—end of year	<u>\$181,000</u>

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2009	N / A	N / A	N / A
6/30/2010	\$ 81,000	0.0%	\$ 81,000
6/30/2011	\$ 100,000	0.0%	\$ 181,000

The amounts reported as annual OPEB cost for the fiscal year ended June 30, 2010 was not recorded as an expense until the fiscal year ended June 30, 2011 as the actuarial valuation was not made available before issuance of the June 30, 2010 financial statements.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress is designed to present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

LOCAL GOVERNMENT SERVICES AUTHORITY

Notes to the Basic Financial Statements

(Continued)

(8) Post Employment Benefit Plan, (Continued)

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. The actuarial assumptions included a 7.75 percent investment rate of return, which is the assumed rate of the expected long-term investment returns (4 % discount rate) on plan assets calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10 percent initially, reduced by decrements of .6% per year to an ultimate rate of 5 percent after the tenth year. Both rates included a 3.0 percent inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on an closed basis over 30 years. It is assumed the Authority's payroll will increase 3.25% per year.

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Actuarial UAAL as a Percentage of Covered Payroll (b-a)/c)
6/30/2010	\$0	\$205,000	\$205,000	0%	\$4,252,000	4.82%



LOCAL AND REGIONAL GOVERNMENT SERVICES AUTHORITIES

Providing Solutions to California Public Agencies

P.O. Box 1350 · Carmel Valley, CA 93924 · 650.587.7300

TO: EXECUTIVE COMMITTEE
FROM: RICHARD H. AVERETT, Executive Director
SUBJECT: JPA MEMBER IN GOOD STANDING

EC Meeting: 1-12-12

Item: 5A

RECOMMENDATION

Review and approve the definition of a Member in Good Standing, for incorporation into the approved guidelines for the Executive Committee to use in considering additions to and replacements of JPA member agencies.

Approve recommending to the Board of Directors extension of these guidelines to Executive Committee membership.

BACKGROUND

At the June 9, 2011 Executive Committee meeting, during their discussion and approval of JPA Membership guidelines, the Committee directed the Executive Director to develop a recommended definition of a “member in good standing”. Criteria for establishing a member in good standing will assist the Executive Committee in exercising its authority to cancel an Agency’s JPA Membership.

Every member agency has one representative on the Board of Directors. The Directors, in turn, appoint members of the Executive Committee. All but one Committee Member is also a Board Director. Therefore, criteria for determining membership in good standing would appear to apply to both bodies.

Board of Directors and Executive Committee Member Responsibilities

The Board and the Committee support the work of the JPA by participating in the governance, including attendance at JPA meetings, and in strategic planning workshops. They also serve a key role in promoting the mission of the JPA to provide professional and cost-effective services to public agencies and non-profits. Both governance and outreach require active participation by members. While day-to-day operations are led by the Executive Director, the Board-Executive Committee and Executive Director relationship is a partnership, and the appropriate involvement of the Board and Executive Committee members is both critical and expected. These guidelines are proposed to assist the governing bodies in determining membership in good standing.

- All members will be responsible for regularly attending meetings, either in person or by sending a designated alternate. A member in good standing will be one who either personally, or via an alternate, attended three-fourths (3/4) of scheduled meetings during the fiscal year.
- All members will actively contribute to the work of the Board and/or Executive Committee and show concern for the JPA’s development. This includes but is not limited to:
 - Informing other public agencies about the mission of the JPA.

- Acting as an ambassador for the JPA, representing the JPA to other public agencies in a positive manner.
 - Keeping up to date on current trends in public governance and determining how the JPA can effectively serve other public agencies in light of changing trends.
 - Reviewing the annual financial statements of the JPA and ensuring, through their governance role, that the JPA is operated in an ethical, legal and financially sustainable manner.
- Future new member agencies will need to maintain “good member” status for one year before becoming eligible for training reimbursement.

It is the responsibility of the Executive Director and of the Board or Executive Committee members to encourage all members to actively engage in the work of the JPA. A recurring or continued failure of a member to actively participate shall result in an action item on the next regular agenda which will consider the removal of the member. Removal by the Board or Executive Committee shall be considered removal by the other body, and removal by the Executive Committee will cancel the Agency Membership represented by the member. Failure of a member to meet the above guidelines as determined by a two-thirds majority of the other members will result in the removal of the member.

FISCAL IMPACT

There is no fiscal impact of adopting these qualifications other than small, avoided training costs that a canceled agency membership might have used.



LOCAL AND REGIONAL GOVERNMENT SERVICES AUTHORITIES

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P.O. Box 1350 · Carmel Valley, CA 93924 · 650.587.7300

TO: EXECUTIVE COMMITTEE
FROM: RICHARD H. AVERETT, EXECUTIVE DIRECTOR
SUBJECT: CLIENT REPORT

EC Meeting: 1-12-12
Item: 6A

CURRENT CLIENTS:

The following is a listing of the 23 LGS and RGS current clients. LGS has 38 positions supporting clients and RGS has 71 positions supporting clients and JPA administration.

Staff has been added for the Gold Coast Health Plan and Marin Transit. San Pablo Economic Development Corporation has signed an agreement to begin utilizing services in early January 2012 and talks are in process with a transit agency in Yuma County, AZ. The cities of San Bruno, Stockton and Vallejo concluded their utilization of JPA services.

The JPAs have exercised their right to terminate the contract with Transbay Joint Powers Authority (TJPA) and TJPA has assumed employer-of-record duties as of January 1, 2012.

Cities/Counties

Calistoga	Clearlake	Larkspur
Lincoln	Rohnert Park	San Rafael
Sausalito	Walnut Creek	Yountville

Other Agencies

Consortium IV	Gold Coast Health Plan
Marin Emergency Radio Authority	Marin General Services Authority
Marin Telecommunications Authority	Marin Transit
Menlo Park Fire Protection District	Metropolitan Transportation Commission
San Pablo EDC	Sonoma-Marín Area Rail Transit District
South Bayside Waste Management Authority	Transportation Authority of Marin
Twin Cities Police Authority	Ventura County Transportation Commission

POTENTIAL CLIENTS AND CHANGES TO CURRENT CLIENT SERVICES:

The JPAs are currently working with an inter-agency transit authority in Yuma County, Arizona. Recent efforts to establish a shared services arrangement for San Mateo County cities have been discontinued. Staff continues to talk with agencies needing interim and project assignments.

**Local Government Services
Position Allocation Chart
Jan-12**

Contracting Organization LGS employee, FTE, and Position Title	Employee Name	TAM LGS	Marin Transit LGS	MTC LGS	Rohnert Park LGS	Lincoln LGS	SBWMA LGS	Total FTE	Total Position count
Accounting & Administrative Specialist	Amber Johnson		1.00					1.00	1.00
Assistant Program Coordinator	Rachel Zack			1.00				1.00	1.00
Associate Project Delivery Manager	Bill Whitney	1.00						1.00	1.00
Associate Project Delivery Manager	Dan Cherrier	1.00						1.00	1.00
Arterial Operations Coordinator	Vansi Tabjulu			1.00				1.00	1.00
City Engineer	Bruce Burnworth					1.00		1.00	1.00
Climate Initiative Coordinator	Stefanie Hom			1.00				1.00	1.00
Climate Initiative Public Information Officer	Craig Noble			1.00				1.00	1.00
Clipper Customer Service Administrator	Rosemary Rentschler			1.00				1.00	1.00
Contract Coordinator	Winnie Chung			1.00				1.00	1.00
Contract Coordinator	Michele Gillaspie			1.00				1.00	1.00
Contract Coordinator	Alice Truong			1.00				1.00	1.00
Executive Assistant	Denise Merleno	1.00						1.00	1.00
Executive Assistant	Ann							0.00	0.00
Executive Director TAM	Dianne Steinhauser	1.00						1.00	1.00
FastTrack Administrator	Manuel Espiritu			1.00				1.00	1.00
Finance and Administration Specialist	Grace Zhaung	1.00						1.00	1.00
Finance and Grant Manager	Lauren Gradia		0.90					0.90	1.00
511 Transit	Alysha Nachtigall			1.00				1.00	1.00
Interim Project Manager	Johnny Chung				0.80			0.80	1.00
Landscape Architect Planner	Anna Young			1.00				1.00	1.00
Manager of Finance and Administration	Li Zhang	1.00						1.00	1.00
Manager of Programming and Legislation	David Chan	1.00						1.00	1.00
Operations Director	Amy Van Dorn							0.00	0.00
Planning GIS Coordinator	Michael Ziyambi			1.00				1.00	1.00
Planning Manager	Linda Jackson			1.00				1.00	1.00
Receptionist	Nannette Brown	1.00						1.00	1.00
Recycling Program Manager	Cliff Feldman						1.00	1.00	1.00
Regional Rideshare Program Coordinator	Barbara Laurensen			0.60				0.60	1.00
Regional Transportation Funding Coord	Amy Burch			1.00				1.00	1.00
Senior Transit Planner	Mary Archer		1.00					1.00	1.00
Senior Transit Planner	Robert Betts		1.00					1.00	1.00
Senior Transportation Planner	Suzanne Loosen	0.75						0.75	1.00
Toll Auditor Technician	Darren Wong			1.00				1.00	1.00
Toll Revenue Auditor	Raymond Woo			1.00				1.00	1.00
Transit Planner	Sean Hedgpath		1.00					1.00	1.00
Translink Program Coordinator/Contract Analyst	Kimpreet Puar			1.00				1.00	1.00
Transportation Human Services Coordinator	Drennen Shelton			1.00				1.00	1.00
Traveler Information Coordinator	Andrew Pease			1.00				1.00	1.00
Videographer	Mark Jones			0.50				0.50	1.00
LGS FTE per Client Total		8.75	4.90	20.10	0.80	1.00	1.00	36.55	
Total Positions		9	5	21	1	1	1	38.00	38.00
Total Positions		0	0	0				0.00	38.00

Legend

1/1/12

Yellow: Pending selection; not in counts.

Green: FTE counts/totals

New clients (under small projects)

Tangerine Position counts/totals

LOCAL AND REGIONAL GOVERNMENT SERVICES AUTHORITIES

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TO: EXECUTIVE COMMITTEE **EC Meeting: 1-12-12**
FROM: RICHARD H. AVERETT, CFO/TREASURER **Item: 6B**
SUBJECT: EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS MEETINGS

Meeting Schedule for the next 12 Months

The following are regularly scheduled meetings for the upcoming year, along with special topics to be discussed. All meetings are conducted by teleconference on the second Thursday of each month, starting at 3:00 p.m. with the exception of the in-person meetings noted below. In-person meetings will start at 10:00 a.m., at the locations noted.

Date	EXEC COMM	BOD	Special Topic	Location	Notes
2012					
January (Thursday)	12	Yes	Yes	Executive Committee Study Session; Formation of Insurance JPA	Yountville Comm. Ctr. Board Room 10:00 a.m. – 4:00 p.m.
February (Thursday)	9	Yes			Teleconference
March (Thursday)	8	Yes			Teleconference
April (Thursday)	12	Yes			Teleconference
May (Thursday)	10	Yes			Teleconference
June (Thursday)	14	Yes	Yes	FY13 Budget, Investment Policy, Rules & Regs, Conflict of Interest Policy (even years only)	Location: TBA 10:00 a.m. – 2:00 p.m.
July (Thursday)	12	Yes			Teleconference
August (Thursday)	9	Yes			Teleconference
September (Thursday)	13	Yes			Teleconference
October (Thursday)	11	Yes			Teleconference
November (Thursday)	8	Yes			Teleconference
December (Thursday)	13	Yes			Teleconference



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TO: EXECUTIVE COMMITTEE **EC Meeting: 1-12-12**
FROM: RICHARD AVERETT, EXECUTIVE DIRECTOR **Item: 6D**
SUBJECT: OUTSTANDING RECEIVABLE SETTLEMENT AUTHORIZATION

RECOMMENDATION

Authorize Executive Director to negotiate settlement of the outstanding receivable owed by Transbay Joint Powers Authority.

BACKGROUND

The JPA gave notice to terminate services with Transbay Joint Powers Authority (TJPA) on May 6, 2011. The notice to terminate was given because TJPA has withheld payment of billed insurance and OPEB costs since October, 2010. Per terms of the services agreement, LGS has continued to provide staffing services until TJPA could transition to become its own employer of record. This status was achieved December 31, 2011. The unpaid portion of TJPA invoices is \$212,948.

The LGS Executive Director has made numerous attempts over the past 14 months to resolve this issue with TJPA. Currently both TJPA and LGS counsels are discussing the issues in an attempt to settle them without undue expense to either party. Documentation has been provided to legal counsel to support the LGS billed rates for General Liability, Workers' Comp and Unemployment Insurances as well as OPEB fees.

The Executive Director is requesting authorization to approve settlement terms with TJPA that are in the best interest of the JPA.