



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
November 15, 2012
1:45 p.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 **August 16th 2012** Minutes

Action

4. TREASURER'S REPORT

A. Review of Month-End Financial Reports through September 2012

Information

B. Approval of Payments and Deposits made July 2012 through September 2012

Action

5. OLD BUSINESS - None

6. NEW BUSINESS - None

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 21st 1:00 p.m. at Dublin City Hall Regional Meeting Room.

Americans with Disabilities Act

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Richard Averett at (650) 587-7301. Notification in advance of the meeting will enable Agency to make reasonable arrangements to ensure accessibility.

**LOCAL GOVERNMENT SERVICES
JOINT POWERS AUTHORITY
EXECUTIVE COMMITTEE MINUTES
AUGUST 16, 2012**

The Local Government Services Joint Powers authority held a regular meeting of the Executive Committee at the Falkirk Cultural Center, 1408 Mission Avenue, San Rafael, CA. The meeting was called to order at 3:28 p.m.

1. CALL TO ORDER

- Members Present: Mike Garvey, Chair
Dan Schwarz, Vice-Chair
Nancy Mackle, Member
Ken Nordhoff, Member
Herb Pike, Member
Steve Rogers, Member
- Members Absent: Joni Pattillo, Member
- Other Attendees: Jim Hill, Alternate Member
Richard Averett, Executive Director/CFO
Glen Lazof, RGS Project Manager
Sherry Kelly, Authority Clerk

- A. Election of Officers
Actions: Moved, seconded (Pike/Nordhoff) and carried unanimously to adopt a policy to elect a chair and vice-chair annually at the August meeting. Member Mackle nominated Vice-Chair Schwarz as chair. By acclamation, Member Schwarz was elected chair effective immediately. Member Nordhoff nominated Member Rogers as vice-chair. By acclamation, Member Rogers was elected vice-chair effective immediately.

2. CHANGES TO THE ORDER OF AGENDA - None

3. APPROVAL OF CONSENT AGENDA

- A. Approval of May 17, 2012 Minutes
Action: Moved, seconded (Nordhoff/Young) and carried unanimously to approve the minutes as presented.

4. TREASURER'S REPORT

- A. Review of Fiscal-Year-End Financial Reports through June 2012
Information: Report presented by Executive Director.
- B. Approval of Payments and Deposits made March 2012 through June 2012
Action: Moved, seconded (Nordhoff/Pike) and carried unanimously to approve payments and deposits as presented.

5. OLD BUSINESS – None

6. NEW BUSINESS

- A. Rescind JPA Resolutions Joining CJPIA
Action: Moved, seconded (Young/Pike) and carried unanimously to rescind Resolutions LGSEC2008-01, LGSEC2008-02, and LGSEC2008-03 ending the JPA's membership in CJPJIA.

7. **PUBLIC COMMENT** - None

8. **ADJOURNMENT** – The meeting adjourned at 3:30 p.m. The next meeting is scheduled for November 15, 2012 at 2:00 p.m. at the Yountville Community Boardroom.



LOCAL AND REGIONAL GOVERNMENT SERVICES AUTHORITIES

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TO: EXECUTIVE COMMITTEE
FROM: GLENN LAZOF, Project Manager
SUBJECT: FINANCIAL REPORT ANALYSIS

EC Meeting: 11-15-12

Item: 4A

RECOMMENDATION

No action is required of the Executive Committee. These are informational, preliminary financial reports through September 2012 month-end, and are attached for review. All reports are draft and unaudited. Note that starting fiscal year total equity in the JPAs' books has not been adjusted to match the preliminary FY2012 total equity. Staff is working with our auditors and financial services providers to determine the appropriate accruals for sick and administrative leave balances.

P&L ANALYSIS

Through September 2012, the net income for the JPAs was as follows:

- LGS net income equals -\$39,463 for the fiscal-year-to-date (FYTD). The balance sheet shows Total Equity of \$1,220,608.
- RGS net income equals \$204,336 for the FYTD. The balance sheet shows Total Equity of \$1,263,922.
- Combined LGS/RGS net income equals \$164,873 for the 2013 FYTD. Combined Total Equity equals \$2,484,530.

Accruals for earned but not paid leave time have been posted to the financials. Contributions for Other Post-Employment Benefits are set aside monthly, and will be allocated to clients prior to finalizing the fiscal year financial reports. 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 two years 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, project management 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. Gold Coast Health Plan separate from RGS at the end of August, 2012. MTC has reduced the number of assigned LGS staff positions in accordance with their decision to employ staff to handle the duties previously performed by LGS staff.
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. For the last two years we were able to more than offset reduced earnings from traditional investment sources by 'investing' in client receivables and by maintaining a higher invested balance. These alternant investments have ended, for now, and we are back to 100 percent reliance on traditional investment sources with low yields. 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 by Class July through September 2012

	<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	42,071.97	529,634.21	0.00	40,274.30
440410 · Client Administrative Fees	0.00	0.00	0.00	219,000.00	0.00
480000 · Miscellaneous	0.00	0.00	5,918.76	-658.40	0.00
Total Income	<u>0.00</u>	<u>42,071.97</u>	<u>535,552.97</u>	<u>218,341.60</u>	<u>40,274.30</u>
Expense					
511010 · Salaries - Regular	0.00	38,747.27	339,154.03	126,684.55	23,166.00
511020 · Salaries - Temp/Part Time	0.00	0.00	-3.99	0.00	0.00
512002 · Medicare Employer Expense	0.00	568.36	4,925.26	1,834.90	317.15
512005 · Health Insurance Expense	0.00	1,609.50	30,396.82	16,859.47	3,441.42
512006 · Dental Insurance Expense	0.00	174.72	4,471.79	2,129.34	208.65
512007 · Vision Insurance Expense	0.00	45.84	1,212.94	463.08	79.77
512008 · Life Insurance Expense	0.00	105.30	1,092.50	428.04	0.00
512009 · Long Term Disability Expense	0.00	180.30	1,871.96	734.16	0.00
512010 · Stars 401A Expense	0.00	0.00	0.00	0.00	0.00
512011 · Stars 457 Expense	0.00	0.00	8.57	0.00	0.00
512012 · Calpers Retirement Expense	0.00	3,004.11	55,340.08	12,657.39	4,081.39
512014 · Short Term Disability Expense	0.00	178.80	1,857.61	728.52	0.00
512018 · FSA Health & Day Care Expense	0.00	0.00	0.08	0.00	0.00
520202 · Bank Fees & Services	0.12	0.00	0.00	0.00	0.00
529997 · Administrative Services - RGS	240,000.00	0.00	0.00	0.00	0.00
Total Expense	<u>240,000.12</u>	<u>44,614.20</u>	<u>440,327.65</u>	<u>162,519.45</u>	<u>31,294.38</u>
Net Ordinary Income	-240,000.12	-2,542.23	95,225.32	55,822.15	8,979.92
Other Income/Expense					
Other Expense					
529994 · Allowed OPEB Expense	26,751.00	0.00	0.00	0.00	0.00
529998 · Allocated Admin. Services - RGS	-240,000.12	7,233.43	101,397.55	37,539.43	6,924.35
Total Other Expense	<u>-213,249.12</u>	<u>7,233.43</u>	<u>101,397.55</u>	<u>37,539.43</u>	<u>6,924.35</u>
Net Other Income	<u>213,249.12</u>	<u>-7,233.43</u>	<u>-101,397.55</u>	<u>-37,539.43</u>	<u>-6,924.35</u>
Net Income	<u><u>-26,751.00</u></u>	<u><u>-9,775.66</u></u>	<u><u>-6,172.23</u></u>	<u><u>18,282.72</u></u>	<u><u>2,055.57</u></u>

Local Government Services
Profit & Loss by Class
 July through September 2012

	<u>SBWMA</u>	<u>TAM</u>	<u>TOTAL</u>
Ordinary Income/Expense			
Income			
440301 · Client Billings	45,057.27	497,110.08	1,154,147.83
440410 · Client Administrative Fees	0.00	-43,800.00	175,200.00
480000 · Miscellaneous	2,250.00	0.00	7,510.36
Total Income	<u>47,307.27</u>	<u>453,310.08</u>	<u>1,336,858.19</u>
Expense			
511010 · Salaries - Regular	33,075.30	301,868.52	862,695.67
511020 · Salaries - Temp/Part Time	0.00	0.00	-3.99
512002 · Medicare Employer Expense	477.24	4,398.99	12,521.90
512005 · Health Insurance Expense	4,221.42	22,111.17	78,639.80
512006 · Dental Insurance Expense	540.63	3,925.99	11,451.12
512007 · Vision Insurance Expense	119.22	753.00	2,673.85
512008 · Life Insurance Expense	108.78	846.36	2,580.98
512009 · Long Term Disability Expense	187.50	1,627.62	4,601.54
512010 · Stars 401A Expense	0.00	0.00	0.00
512011 · Stars 457 Expense	0.00	0.00	8.57
512012 · Calpers Retirement Expense	3,228.36	51,682.71	129,994.04
512014 · Short Term Disability Expense	178.80	1,462.62	4,406.35
512018 · FSA Health & Day Care Expense	0.00	0.00	0.08
520202 · Bank Fees & Services	0.00	0.00	0.12
529997 · Administrative Services - RGS	0.00	0.00	240,000.00
Total Expense	<u>42,137.25</u>	<u>388,676.98</u>	<u>1,349,570.03</u>
Net Ordinary Income	5,170.02	64,633.10	-12,711.84
Other Income/Expense			
Other Expense			
529994 · Allowed OPEB Expense	0.00	0.00	26,751.00
529998 · Allocated Admin. Services - RGS	8,133.53	78,771.83	0.00
Total Other Expense	<u>8,133.53</u>	<u>78,771.83</u>	<u>26,751.00</u>
Net Other Income	<u>-8,133.53</u>	<u>-78,771.83</u>	<u>-26,751.00</u>
Net Income	<u><u>-2,963.51</u></u>	<u><u>-14,138.73</u></u>	<u><u>-39,462.84</u></u>

Local Government Services
Balance Sheet
 As of September 30, 2012

	Sep 30, 12
ASSETS	
Current Assets	
Checking/Savings	
110010 · Wells Fargo - Cash	-29,445.83
Total Checking/Savings	-29,445.83
Accounts Receivable	
131320 · Accounts Receivable - Trade	626,546.68
Total Accounts Receivable	626,546.68
Other Current Assets	
143006 · Due from RGS	2,151,302.19
Total Other Current Assets	2,151,302.19
Total Current Assets	2,748,403.04
Other Assets	
160001 · Workers Comp Deposits/Credits	36,272.00
Total Other Assets	36,272.00
TOTAL ASSETS	2,784,675.04
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
221001 · Calpers Retirement Liab	21,347.38
221003 · 457/401A Retirement Liab	5,806.21
221009 · General Liability Insurance	-1,500.00
221015 · Health Insurance Liability	6,080.86
221016 · Long Term Disability Liability	6.11
221017 · Short Term Disability Liability	9.62
221023 · Dental Insurance Liability	-2,542.63
221024 · Vision Insurance Liability	-781.72
221025 · Life Insurance/AD&D Liability	-84.39
230060 · Accrued Salaries, Wages & Taxes	125,377.63
240010 · Deferred Revenue	449,000.00
240011 · Refundable Deposits	240,402.70
250001 · Accrued Vacation, Sick & Admin	377,858.06
250002 · Contra Vacation, Sick and Admin	-35,745.55
Total Other Current Liabilities	1,185,234.28
Total Current Liabilities	1,185,234.28
Long Term Liabilities	
260001 · Gen Liab Ins Claims Payable	64,078.00
260002 · Other Post Employment Benefits	314,755.00
Total Long Term Liabilities	378,833.00
Total Liabilities	1,564,067.28
Equity	
370000 · Fund Bal Unreserved/Unrestrictd	1,077,361.89
3900 · Retained Earnings	182,708.71
Net Income	-39,462.84
Total Equity	1,220,607.76
TOTAL LIABILITIES & EQUITY	2,784,675.04



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TO: EXECUTIVE COMMITTEE **EC Meeting: 11-15-12**
FROM: GLENN LAZOF, Project Manager **Item: 4B**
SUBJECT: PAYMENTS MADE JULY 2012 THROUGH SEPTEMBER 2012

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 staff or 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. Invoices are approved for payment by the Executive Director;
4. The Executive Director reviews and signs/authorizes the check or electronic payment;
5. 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
6. 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 bank 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 FY2013 budget or in subsequently approved action by the Executive Committee.

Local Government Services
Account QuickReport
As of September 30, 2012

	<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Clr</u>	<u>Amount</u>	<u>Balance</u>
110010 - Wells Fargo - Cash								-85,419.59
	Check	07/06/2012	EFT	ADP Net Checks	Jun 30 Payroll	√	-103,012.10	-188,431.69
	Check	07/06/2012	EFT	ADP FWH/SWH/Med	Jun 15 Payroll	√	-2,108.40	-190,540.09
	Check	07/09/2012	EFT	ADP FWH/SWH/Med	Jun 15 Payroll	√	-29,822.14	-220,362.23
	Check	07/10/2012	EFT	Unified Trust	401/457 Deposits	√	-6,382.62	-226,744.85
	Check	07/11/2012	1892	CalPers - Retirement	Employer Code 1816 063012 plus survivor benefits	√	-24,781.25	-251,526.10
	Check	07/11/2012	EFT	Wells Fargo	Service Charges	√	-175.65	-251,701.75
	Check	07/13/2012	EFT	ADP Fees	ADP Fees	√	-406.43	-252,108.18
	Check	07/19/2012	EFT	ADP Net Checks	Jul 15 Payroll	√	-103,021.76	-355,129.94
	Check	07/19/2012	EFT	ADP FWH/SWH/Med	Jul 15 Payroll	√	-2,139.18	-357,269.12
	Check	07/20/2012	EFT	ADP FWH/SWH/Med	Jul 15 Payroll	√	-30,954.86	-388,223.98
	Check	07/23/2012	EFT	Unified Trust	401/457 Deposits	√	-6,050.20	-394,274.18
	Check	07/24/2012	1893	CalPers - Retirement	Employer Code 1816 071512 plus survivor benefits	√	-24,298.50	-418,572.68
	Check	07/25/2012	1900	Vision Service Plan	Aug Premium 12 275218 00001	√	-1,005.60	-419,578.28
	Check	07/25/2012	1901	Vision Service Plan	Aug Premium 12 275218 00001-Zimmerman	√	-15.28	-419,593.56
	Check	07/25/2012	1902	Allied Administrators	Aug premium Employer I.D. 79360	√	-4,311.59	-423,905.15
	Check	07/27/2012	EFT	ADP Fees	ADP Fees	√	-369.94	-424,275.09
	Deposit	07/31/2012			Deposit	√	406,593.96	-17,681.13
	Check	08/06/2012	1897	CalPers - Retirement	Employer Code 1816 073112 plus survivor benefits	√	-27,030.38	-44,711.51
	Check	08/06/2012	EFT	ADP Net Checks	Jul 31 Payroll	√	-113,446.63	-158,158.14
	Check	08/06/2012	EFT	ADP FWH/SWH/Med	Jul 31 Payroll	√	-36,541.36	-194,699.50
	Check	08/06/2012	EFT	ADP FWH/SWH/Med	Jul 31 Payroll	√	-2,219.40	-196,918.90
	Check	08/07/2012	EFT	Unified Trust	401/457 Deposits	√	-6,575.08	-203,493.98
	Check	08/10/2012	EFT	ADP Fees	ADP Fees	√	-19.80	-203,513.78
	Check	08/13/2012	EFT	CalPers	100000013240925 Aug Invoice	√	-36,026.99	-239,540.77
	Check	08/13/2012	EFT	Wells Fargo	Service Charges	√	-179.46	-239,720.23
	Check	08/17/2012	EFT	ADP Fees	ADP Fees	√	-403.39	-240,123.62
	Check	08/21/2012	EFT	ADP Net Checks	Aug 15 Payroll	√	-111,998.78	-352,122.40
	Check	08/21/2012	EFT	ADP FWH/SWH/Med	Aug 15 Payroll	√	-2,795.77	-354,918.17
	Check	08/22/2012	EFT	ADP FWH/SWH/Med	Aug 15 Payroll	√	-36,418.04	-391,336.21
	Check	08/23/2012	EFT	Unified Trust	401/457 Deposits	√	-7,110.44	-398,446.65
	Check	08/27/2012	1903	CalPers - Retirement	Employer Code 1816 081512 plus survivor benefits	√	-25,446.02	-423,892.67
	Check	08/30/2012	1904	Vision Service Plan	Sep Premium 12 275218 00001-Zimmerman	√	-15.28	-423,907.95
	Check	08/30/2012	1905	Vision Service Plan	Sep Premium 12 275218 00001-	√	-576.92	-424,484.87
	Check	08/30/2012	1906	Allied Administrators	Sep premium Employer I.D. 79360	√	-3,438.15	-427,923.02
	Check	08/31/2012	1909	Reliance	July Contributions	√	-4,212.72	-432,135.74
	Check	08/31/2012	1912	Reliance	Aug Contributions		-3,843.63	-435,979.37
	Check	08/31/2012	EFT	ADP Fees	ADP Fees	√	-369.94	-436,349.31

Local Government Services
Account QuickReport
As of September 30, 2012

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Clr</u>	<u>Amount</u>	<u>Balance</u>
Deposit	08/31/2012			Deposit	√	398,829.34	-37,519.97
Check	09/07/2012	EFT	ADP Net Checks	Aug 31 Payroll	√	-99,782.70	-137,302.67
Check	09/07/2012	EFT	ADP FWH/SWH/Med	Aug 31 Payroll	√	-30,647.61	-167,950.28
Check	09/07/2012	EFT	ADP Net Checks	Aug 31 Payroll	√	-1,500.00	-169,450.28
Check	09/10/2012	1907	CalPers - Retirement	Employer Code 1816 083112 plus survivor benefits	√	-23,685.76	-193,136.04
Check	09/10/2012	1908	CalPers	100000013240925 Sep Invoice	√	-20,827.88	-213,963.92
Check	09/10/2012	EFT	Unified Trust	401/457 Deposits	√	-5,862.42	-219,826.34
Check	09/14/2012	EFT	ADP Fees	ADP Fees	√	-390.39	-220,216.73
Check	09/17/2012	1910	Allied Administrators	Oct premium Employer I.D. 79360	√	-2,542.63	-222,759.36
Check	09/20/2012	EFT	ADP Net Checks	Sep 15 Payroll	√	-90,733.63	-313,492.99
Check	09/20/2012	EFT	ADP FWH/SWH/Med	Sep 15 Payroll	√	-27,128.80	-340,621.79
Check	09/20/2012	EFT	ADP Net Checks	Sep 15 Payroll	√	-1,500.00	-342,121.79
Check	09/21/2012	EFT	Wells Fargo	Service Charges	√	-188.77	-342,310.56
Check	09/21/2012	EFT	Unified Trust	401/457 Deposits	√	-5,600.25	-347,910.81
Deposit	09/23/2012			Deposit	√	344,430.97	-3,479.84
Check	09/25/2012	1911	CalPers - Retirement	Employer Code 1816 091512 plus survivor benefits		-21,216.77	-24,696.61
Check	09/25/2012	1913	Vision Service Plan	Oct Premium 12 275218 00001		-781.72	-25,478.33
Check	09/25/2012	1914	Vision Service Plan	Oct Premium 12 275218 00001-COBRA		-15.28	-25,493.61
Check	09/28/2012	EFT	ADP Fees	ADP Fees	√	-351.04	-25,844.65
Check	09/30/2012	1919	Reliance	Sep Contributions		-3,601.18	-29,445.83
Total 110010 - Wells Fargo - Cash						<u>55,973.76</u>	<u>-29,445.83</u>
TOTAL						<u>55,973.76</u>	<u>-29,445.83</u>