



RGS BOARD AGENDA

Agenda materials may be viewed on the Agency's web site RGS.CA.gov or by contacting the Executive Director prior to the meeting at the contact information below.

SPECIAL MEETING
Via Teleconference

April 3, 2015
2:30 p.m.

Association of Bay Area Governments, Finance Director's Office, 101 8th St., First Floor, Oakland, CA 94607
Dublin Civic Center, City Manager's Office, 100 Civic Plaza, Dublin, CA 94568
Larkspur City Hall, City Manager's Office, 400 Magnolia Avenue, Larkspur, CA 94939
Walnut Creek City Hall, City Manager's Office, 1666 North Main Street, Walnut Creek, CA 94596
Yountville Town Hall, Town Manager's Office, 6550 Yount Street, Yountville, CA 94599

1. CALL TO ORDER

2. CHANGES TO THE ORDER OF AGENDA

3. PUBLIC COMMENT

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

4. 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 21, 2014** Minutes

Action

5. TREASURER'S REPORT - None

6. OLD BUSINESS - None

7. NEW BUSINESS

A. Approval of JPA's intent that MSA assume administrative and fiduciary responsibility for founding Members' prior claims

Action

8. ADJOURN

The next Regular Meeting will take place on April 16, 2015 at 1:00 p.m. in Larkspur.

Americans with Disabilities Act

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Richard Averett at (831) 308.1508. Notification in advance of the meeting will enable Agency to make reasonable arrangements to ensure accessibility.

**REGIONAL GOVERNMENT SERVICES AUTHORITY
BOARD OF DIRECTORS MINUTES
AUGUST 21, 2014**

The Regional Government Services Authority held a regular meeting of the Board of Directors on August 21, 2014 at the Dublin Civic Center. The meeting was called to order at 1:07 p.m.

1. CALL TO ORDER

Members Present: Steve Rogers, Chair
Deirdre Dolan, Alternate Member
Chris Foss, Member
Herb Pike, Member
Dan Schwarz, Member
Members Absent: Ken Nordhoff, Vice-Chair
Other Attendees: Mike Garvey, Executive Committee Member
Richard Averett, Executive Director
Jennifer Bower, Director of Human Resources
Steve Gedestad, Keenan and Associates
Julia Manzanares, Keenan and Associates
Briana Overgaard, Keenan and Associates

A. Election of Officers

Action: Nomination of Nordhoff as Chair. Moved and seconded (Schwarz/Foss) to elect Nordhoff as Chair.

AYES: Rogers, Dolan, Foss, Pike, Schwarz

NOES: None

ABSTAIN: None

Action: Nomination of Schwarz as Vice-Chair. Moved and seconded (Pike/Foss) to elect Schwarz as Vice-Chair.

AYES: Rogers, Dolan, Foss, Pike, Schwarz

NOES: None

ABSTAIN: None

2. CHANGES TO THE ORDER OF AGENDA AND PUBLIC COMMENT – No changes to the order except to note that these two subjects should be separated into two distinct agenda items on future agendas. No public comment was received.

3. APPROVAL OF CONSENT AGENDA

A. Approval of **June 30, 2014** Minutes

Action: Moved and seconded (Schwarz/Pike) to approve consent agenda.

AYES: Rogers, Dolan, Foss, Pike, Schwarz

NOES: None

ABSTAIN: None

4. TREASURER'S REPORT - None

5. OLD BUSINESS - None

6. NEW BUSINESS

A. Approval of Amendments to the MSA JPA Agreement and Bylaws. The Executive Director noted that upon recommendation of JPA Counsel, the proposed amendments make the agreement more consistent in language and purpose.

Action: Moved and seconded (Pike/Schwarz) to approve amendments to the MSA JPA Agreement and Bylaws.

AYES: Rogers, Dolan, Foss, Pike, Schwarz

NOES: None

ABSTAIN: None

7. **ADJOURNMENT** – The meeting adjourned at 1:17 p.m. The next regular meeting is scheduled for October 23, 2014 at 12:00 p.m. in Larkspur.



TO: BOARD OF DIRECTORS **BOD Meeting: 4-3-15**
FROM: RICHARD AVERETT, Executive Director/CFO **Item: 7A**
SUBJECT: JPA'S INTENT THAT MSA ASSUME ADMINISTRATIVE AND FIDUCIARY RESPONSIBILITY FOR FOUNDING MEMBERS' PRIOR CLAIMS

RECOMMENDATION

Approval of the JPA's intent when it became a founding Municipal Services Authority (MSA) Member Agency that MSA was to assume administrative and fiduciary responsibility for founding Member claims incurred prior to formation of MSA; and that costs be allocated consistent with the existing policy for allocation of administrative costs, pro rata by member JPA net operating income.

BACKGROUND

When MSA was formed by RGS and LGS, the MSA joint powers agreement clearly stated that MSA was to be a risk sharing insurance pool for its two member agencies, RGS and LGS. Since formation, both Members have aggressively funded MSA claims reserves in anticipation of claims originating prior to MSA formation. Additional contributions from Member Agencies were approved as recently as June 30, 2014, with the explicit intent of preparing for prior claims expected to mature in future years. However, the MSA joint powers agreement did not explicitly address claims originating prior to MSA formation.

As part of normal auditing protocol, the JPA auditors booked FY2013 and FY2014 prior claims' estimated costs based on the JPA's loss run for claims originating while the Agency was a member of the California Joint Powers Insurance Authority (CJPIA - the Agency's prior insurance pool.) To correct this mismatch of claims expenses recorded in the Member Agencies' financial reports and claims funding provided in MSA, staff is recommending the Board confirm its original intent that prior claims of the founding Members be funded by MSA. Claims not yet filed but originating from the period prior to MSA formation would be submitted to CJPIA. This clarification is not to retroactively extend insurance, but to handle claims expenses. If approved, the FY2013 and FY2014 financial reports for MSA, RGS and LGS will be restated and completed as soon as possible. JPA Counsel has confirmed that the MSA joint powers agreement does not need to be amended for this "clarification".

FISCAL IMPACT

Approving the Agency's intent when forming the MSA insurance pool will properly align claims reserves in MSA with pooled risks, whether incurred prior to or post-formation of MSA. If approved, the restatement will not affect overall financial results, but the two Member Agencies' net equity may be higher than planned. Staff will review the results and propose appropriate additional Agency contributions to MSA reserves. As of June 2014, final costs of the claims and costs passed through to the Agency are not yet known.

RGS provides quality, innovative, cost-effective services exclusively to public agencies.

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