



MUNICIPAL SERVICES AUTHORITY (MSA) 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 19, 2015
8:30 a.m.

Yountville Community Hall
Art Room
6516 Washington St.
Yountville, CA 94599

1. CALL TO ORDER

2. PUBLIC COMMENT

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

3. APPROVAL OF CONSENT AGENDA

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

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

Action

4. TREASURER'S REPORT

A. Review of Preliminary Fiscal-Year-To-Date Financial Reports through September 2015

Information

B. Approval of Independently Audited FY2015 Audited Financial Statements

Action

5. OLD BUSINESS

A. Update on the Dental Pool

Information

B. Update on the Medical Pool (PACE JPA)

Information

6. NEW BUSINESS – None.

7. ADJOURN

The next Meeting will take place on February 18, 2016 at 1:00 p.m. in Dublin.

Americans with Disabilities Act

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

**MUNICIPAL SERVICES AUTHORITY
BOARD OF DIRECTORS MINUTES
AUGUST 27, 2015**

The Municipal Services Authority held a regular meeting of the Board of Directors on August 27, 2015 at the Leshner Center for the Arts Encore Room. The meeting was called to order at 1:47 p.m.

1. CALL TO ORDER

Members Present: Ken Nordhoff, Chair (LGS)
Dan Schwarz, Vice-Chair (RGS)
Members Absent: Steve Rogers, Member (RGS)
Other Attendees: Board Member Julie Carter
Richard Averett, Executive Director
Jennifer Bower, Director of Administrative Services
Briana Overgaard, Keenan and Associates

A. Election of Officers

Action: Nomination of Ken Nordhoff as Chair and Dan Schwarz as Vice-Chair. Moved and seconded (Schwarz/Nordhoff) to elect Nordhoff as Chair and Schwarz as Vice-Chair.

AYES: Schwarz, Nordhoff

NOES: None

ABSTAIN: None

2. CHANGES TO THE ORDER OF AGENDA – None

3. PUBLIC COMMENT – None

4. APPROVAL OF CONSENT AGENDA

A. Approval of **April 16, 2015** Minutes

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

AYES: Schwarz, Nordhoff

NOES: None

ABSTAIN: None

5. TREASURER'S REPORT

A. Review of Preliminary Fiscal-Year-To-Date Financial Reports through June 2015.

Executive Director Averett presented the report and noted the expected operating gain and additional members' contributions. This is an information item and no action was taken.

B. Actuarial Study of the Self-Insurance Program.

Executive Director Averett presented the report, noting that the study was performed at the recommendation of the Authority's independent auditor. The results are that current reserves are more than actuarially projected for claims since FY2012. This is an information item and no action was taken.

C. Review of MSA Insurance Reserves.

Executive Director Averett provided an update of efforts to build prudent reserves. This is an information item and no action was taken.

6. OLD BUSINESS

A. Dental Pool Update.

Briana Overgaard with Keenan & Associates provided an overview of the program to date, noting that Mendocino County's implementation was delayed to January 1, 2016, still enabling the pool to self-insure January 2017. Ms. Overgaard also said that current dental rates were guaranteed

through 2017. Keenan is in discussions with additional prospective using agencies. This is an information item and no action was taken.

B. PACE Medical Benefit JPA Update.

Briana Overgaard with Keenan & Associates provided an overview of the program to date, noting that PACE is now a member of MCSIG, an insurance authority. This gives the members additional purchasing power and allows participation in the Anthem pool coverage, in addition to still having Kaiser Health Plan available to member agencies.

7. NEW BUSINESS – None

8. ADJOURNMENT – The meeting adjourned at 2:22 p.m. The next regular meeting is scheduled for November 19, 2015 at 1:00 p.m. in Yountville.



TO: BOARD OF DIRECTORS **BOD Meeting: 11-19-2015**
FROM: Richard Averett, Executive Director/Chief Financial Officer **Item: 4A**
SUBJECT: FINANCIAL REPORT ANALYSIS

RECOMMENDATION

No action is required of the Board. These are informational, preliminary financial reports through September 2015, and are attached for review.

ANALYSIS

All reports are draft and unaudited. Fiscal year to-date (FYTD), the net income for the JPA was \$59,120. Through the same period, net equity for the JPA was \$1,749,947. Positive financial performance has continued consistently due to the JPA's reliance on member dues from RGS and LGS, and relatively stable expenditures (i.e. zero claims expenses).

10:59 AM
10/27/15
Accrual Basis

Municipal Services Authority
Profit & Loss
July through September 2015

	<u>Jul 15</u>	<u>Aug 15</u>	<u>Sep 15</u>	<u>TOTAL</u>
Income				
440410 · Member Contributions	38,083	38,083	38,083	114,250
Total Income	<u>38,083</u>	<u>38,083</u>	<u>38,083</u>	<u>114,250</u>
Expense				
520100 · Broker Expense	3,639	3,639	3,639	10,917
520200 · Admin Fee Expense	3,333	3,333	3,333	10,000
520300 · Gen Liability Insur Exp	4,967	4,967	4,967	14,902
520400 · Worker Comp Insur Exp	5,437	5,437	5,437	16,312
520600 · Actuarial Services	0	3,000	0	3,000
Total Expense	<u>17,377</u>	<u>20,377</u>	<u>17,377</u>	<u>55,130</u>
Net Income	<u><u>20,707</u></u>	<u><u>17,707</u></u>	<u><u>20,707</u></u>	<u><u>59,120</u></u>

Municipal Services Authority
Balance Sheet
As of September 30, 2015

	<u>Sep 30, 15</u>
ASSETS	
Current Assets	
Checking/Savings	
110010 · Union Bank Cash	4,000
110040 · CalTrust Med Term Fund	542,800
Total Checking/Savings	<u>546,800</u>
Accounts Receivable	
120100 · Due From/To RGS-LGS	2,039,896
Total Accounts Receivable	<u>2,039,896</u>
Other Current Assets	
130100 · Prepaid Expenses	126,391
Total Other Current Assets	<u>126,391</u>
Total Current Assets	<u>2,713,086</u>
TOTAL ASSETS	<u><u>2,713,086</u></u>
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
260001 · IBNR - GL	25,000
260002 · IBNR - WC	50,000
260010 · Workers Comp Claims Liab - LGS	25,074
260011 · General Liability Claims - LGS	59,868
260020 · Workers Comp Claims Liab - RGS	157,719
260021 · General Liability Claims - RGS	645,478
Total Long Term Liabilities	<u>963,139</u>
Total Liabilities	963,139
Equity	
320000 · Unrestricted Net Assets	1,690,828
Net Income	59,120
Total Equity	<u>1,749,947</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,713,086</u></u>



TO: BOARD OF DIRECTORS

BOD Meeting: 11-19-2015

FROM: RICHARD AVERETT, Executive Director/CFO

Item: 4B

**SUBJECT: APPROVAL OF AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR
ENDING JUNE 30, 2015**

RECOMMENDATION

Review and approve the independent audit reports for fiscal year (FY) 2015.

BACKGROUND

The outside audit firm of James Marta and Company was retrained to complete the FY2015 audit. The June 30, 2015 audited financial statements for the JPA, along with the audit report and Management Letter are included. Audited financial statements are also posted to the JPA web site.

AUDIT RESULTS

Audit results are summarized below, with more information and analysis in the Management Discussion and Analysis section of the audit report. The FY2015 results reflect the continuing investment made to enhance capacity and financial sustainability of the JPA, and the impact of retrospective period adjustments of the former liability carrier. The net financial position of the JPAs will permit a continued ability to provide quality services to our clients and employees.

MSA FINANCIAL HIGHLIGHTS

- Due to the prior period liability claims in process, the member agencies contributed an additional \$786,465 towards MSA claims reserve during the fiscal year.
- Claims and claim adjustment expenses attributable to insured events in prior years was \$888,139. In addition, a provision for insured events in the current year (IBNR) was made in the amount of \$75,000.
- Before additional member contributions, revenues were in line with budget assumptions, while Worker's Compensation and General Liability premium expense came in below budget, allowing the Authority to achieve additional operational savings for claims reserves.