

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

August 24, 2017

1:00 p.m.

Walnut Creek City Hall
2nd Floor Conference Room
1666 North Main Street
Walnut Creek, CA 94596

1. CALL TO ORDER / ROLL CALL

- A. Election of Officers

Action

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 **May 26, 2017** Minutes

Action

4. TREASURER'S REPORT

- A. Review of Preliminary Fiscal-Year-To-Date Financial Reports through June 2017

Information

5. OLD BUSINESS

- A. Dental Pool Update

Information

6. NEW BUSINESS

7. EXECUTIVE DIRECTOR AND MEMBER REPORTS

- A. Executive Director: Representation w MIC; filing liability claims w MIC; Medical rates 2018
B. Members:

Information

Information

8. ADJOURN

The next Regular Meeting will take place on November 16, 2017 at 10:00 a.m. in Yountville.

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
MAY 26, 2017**

Draft Action Minutes

The Municipal Services Authority held a telephonic regular meeting of the Board of Directors on May 26, 2017. The meeting was called to order at 9:07 a.m.

1. CALL TO ORDER

Members Present: Steve Rogers, Chair

Dan Schwarz, Vice-Chair

Fran Robustelli, Member

Other Attendees: Richard Averett, Executive Director

Jennifer Bower, Director of Administrative Services

Sophia Selivanoff, Director of HR Services

Tiffany Buraglio, Executive Assistant

Julie Carter, Dublin HR Director

Mike Garvey, former City Manager

Steve Gedestad, Peter McNamara - Keenan & Associates

2. PUBLIC COMMENT – None

3. APPROVAL OF CONSENT AGENDA

A. Approval of **March 30, 2017** Minutes

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

AYES: Rogers, Schwarz, Robustelli

NOES: None

ABSTAIN: None

4. TREASURER'S REPORT

A. Review of Preliminary Fiscal-Year-To-Date Financial Reports through April 2017

This is an information item and no action was taken. Executive Director Averett reviewed the financial performance of the agency, noting an increase of \$146,000 in net income and net equity for the JPA of just under \$2.3 million. The \$2.3 mil in reserve does not include over \$900,000 set aside for booked losses which have been expensed but not yet paid.

9:14 a.m. Mike Garvey joined the meeting.

B. Approval of FY18 Budget

Executive Director Averett noted a difference for the upcoming FY budget is a lowered contribution of \$61,000 by LGS and RGS. The expected addition to reserves is budgeted at \$100,000. Actuarially determined or actual claims expenses will impact the budgeted reserve level.

Action: Moved and seconded (Robustelli/Schwarz) to approve the FY2018 budget as presented.

AYES: Rogers, Schwarz, Robustelli

NOES: None

ABSTAIN: None

5. OLD BUSINESS

A. Dental Pool Update

This is an information item and no action was taken. Steve Gedestad and Peter McNamara from Keenan & Associates noted that over the last several years, the pool has been working with Delta Dental for the right to self-fund and that approval has now been obtained. This opens the door

to proceed with self-funding the pool and acquiring new members. The plan is to roll out the plan on 1/1/18 during the normal renewal time. Chair Rogers inquired into the marketing of the plan. Steve Gedestad said we could now market to current Delta members. Prior to gaining approval to self-fund it was not financially feasible for current Delta members to switch to MSA. Executive Director Averett expressed a desire to establish an advisory structure for the Dental Pool to assist new agencies in having input into direction of the pool. Executive Director Averett will work with Keenan representatives to return to the Board with a roll-out plan which included marketing and a governance plan. It was noted that currently the plan covers about 2,800 lives.

6. NEW BUSINESS - None

7. EXECUTIVE DIRECTOR AND MEMBER REPORTS:

A. Executive Director: MIC update - The insurance JPA has 7 members and has helped MSA achieve stabilized premium rates. MIC is having a strategic planning session next month, which Jennifer Bower and Averett will attend. The Admin Services Director will take on a larger role as the Executive Director focuses on other issues. PACE update - Jennifer Bower provided an update on the medical plan JPA. PACE currently has 25 members and covers about 4,500 lives. Last year they experienced a rate increase of 1.5%. This year the rate will be higher, but still good, particularly in comparison to other Sacramento-based options. PACE joined MCSIG which has allowed the group to pick up Anthem Blue Cross plans which has helped growth. Executive Director Averett deferred the discussion of other items listed for discussion with the Chair.

B. Members: None

8. ADJOURNMENT – The meeting adjourned at 9:28 a.m. The next regular meeting is scheduled for August 17, 2017 at 1:00 p.m. in Walnut Creek.

TO: BOARD OF DIRECTORS
FROM: Jefferson Kise, Finance Manager
SUBJECT: FINANCIAL REPORT ANALYSIS

EC Meeting: 08-24-2017
Item: 4A

RECOMMENDATION

No action is required of the Board of Directors. These are informational, preliminary financial reports through June 2017, and are attached for review.

ANALYSIS

All reports are draft and unaudited.

Fiscal-year to-date (FYTD) net income for the JPA was \$173,305. The results reflect budgeted member contribution revenue and the amortization of prepaid premiums for Worker's Compensation and General Liability Insurance, as well as broker and administration fees. Worker's compensation claims expense totals \$30,167 fiscal year to-date. The FYTD net position is \$2,308,281 reflecting the JPA's continued emphasis on building prudent reserves for potential claims.

Municipal Services Authority
Profit & Loss
 July 2016 through June 2017

	<u>Jul 16</u>	<u>Aug 16</u>	<u>Sep 16</u>	<u>Oct 16</u>	<u>Nov 16</u>	<u>Dec 16</u>	<u>Jan 17</u>
Income							
440410 - Member Contributions	38,083	38,083	38,083	38,083	38,083	38,083	38,083
Total Income	<u>38,083</u>	<u>38,083</u>	<u>38,083</u>	<u>38,083</u>	<u>38,083</u>	<u>38,083</u>	<u>38,083</u>
Expense							
520100 - Broker Expense	3,536	3,536	3,536	3,536	3,536	3,536	3,536
520200 - Admin Fee Expense	6,500	6,500	6,500	6,500	6,500	6,500	6,500
520300 - Gen Liability Insur Exp	5,283	5,283	5,283	5,283	5,283	5,283	5,283
520400 - Worker Comp Insur Exp	5,808	5,808	5,808	5,808	5,808	5,808	5,808
550200 - Claims Expense - WC	288	1,918	840	3,132	3,130	6,010	1,488
Total Expense	<u>21,415</u>	<u>23,045</u>	<u>21,967</u>	<u>24,259</u>	<u>24,257</u>	<u>27,137</u>	<u>22,615</u>
Net Income	<u><u>16,668</u></u>	<u><u>15,038</u></u>	<u><u>16,116</u></u>	<u><u>13,824</u></u>	<u><u>13,826</u></u>	<u><u>10,946</u></u>	<u><u>15,468</u></u>

Municipal Services Authority
Profit & Loss
 July 2016 through June 2017

	<u>Feb 17</u>	<u>Mar 17</u>	<u>Apr 17</u>	<u>May 17</u>	<u>Jun 17</u>	<u>TOTAL</u>
Income						
440410 - Member Contributions	38,083	38,083	38,083	38,083	38,083	456,996
Total Income	<u>38,083</u>	<u>38,083</u>	<u>38,083</u>	<u>38,083</u>	<u>38,083</u>	<u>456,996</u>
Expense						
520100 - Broker Expense	3,536	3,536	3,536	3,536	3,536	42,432
520200 - Admin Fee Expense	6,500	6,500	6,500	6,500	6,500	78,000
520300 - Gen Liability Insur Exp	5,283	5,283	5,283	5,283	5,283	63,396
520400 - Worker Comp Insur Exp	5,808	5,808	5,808	5,808	5,808	69,696
550200 - Claims Expense - WC	2,829	1,277	2,295	4,514	2,446	30,167
Total Expense	<u>23,956</u>	<u>22,404</u>	<u>23,422</u>	<u>25,641</u>	<u>23,573</u>	<u>283,691</u>
Net Income	<u><u>14,127</u></u>	<u><u>15,679</u></u>	<u><u>14,661</u></u>	<u><u>12,442</u></u>	<u><u>14,510</u></u>	<u><u>173,305</u></u>

Municipal Services Authority
Balance Sheet
 As of June 30, 2017

	Jun 30, 17
ASSETS	
Current Assets	
Checking/Savings	
110010 · Union Bank Cash	4,000
Total Checking/Savings	4,000
Accounts Receivable	
120100 · Due From/To RGS-LGS	3,259,213
Total Accounts Receivable	3,259,213
Other Current Assets	
130100 · Prepaid Expenses	0
Total Other Current Assets	0
Total Current Assets	3,263,213
TOTAL ASSETS	3,263,213
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
260001 · IBNR - GL	12,500
260002 · IBNR - WC	44,235
260003 · Case Reserves - WC	30,765
260010 · Workers Comp Claims Liab - LGS	23,929
260011 · General Liability Claims - LGS	55,747
260020 · Workers Comp Claims Liab - RGS	164,754
260021 · General Liability Claims - RGS	623,002
Total Long Term Liabilities	954,932
Total Liabilities	954,932
Equity	
320000 · Unrestricted Net Assets	2,134,982
Net Income	173,299
Total Equity	2,308,281
TOTAL LIABILITIES & EQUITY	3,263,213