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RGS FINANCE COMMITTEE AGENDA

Agenda materials may be viewed on the Agency's web site or by contacting the Executive Director prior to the meeting.

SPECIAL MEETING Via Teleconference

April 12, 2013
10:00 a.m.

Dublin Civic Center, City Manager's Office, 100 Civic Plaza, Dublin, CA 94568

Walnut Creek City Hall, City Manager's Office, 1666 North Main Street, Walnut Creek, CA 94596

1. ROLL CALL

2. 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 Finance Committee, staff or public request specific items to be removed for separate action.

A. Approval of **February 28th 2013** Minutes

Action

3. OLD BUSINESS

A. Approval of Audit Services Firm

Action

B. Approval of iPad-Tablet Policy

Action

4. NEW BUSINESS - None

5. 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.

6. ADJOURN TO NEXT MEETING: **TBA**

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.

**REGIONAL GOVERNMENT SERVICES
JOINT POWERS AUTHORITY
FINANCE COMMITTEE MINUTES
FEBRUARY 28, 2013**

The Finance Committee of the Regional Government Services Joint Powers Authority held a regular meeting at the Dublin City Hall Library Program Room, 100 Civic Plaza, Dublin, CA 94568. The meeting was called to order at 1:05 p.m.

1. ROLL CALL

Members Present: Chair Ken Nordhoff and Vice-Chair Joni Pattillo
Members Absent: None
Staff Attendees: Richard Averett, Executive Director/CFO
Glenn Lazof, RGS Project Manager
Other Attendees: Steve Rogers, Mike Garvey, Dan Schwartz, Herbert Pike

2. APPROVAL OF CONSENT AGENDA

A. Approval of **November 6th, 2012** Minutes
Action: M/S Pattillo/Nordhoff and carried unanimously to approve the minutes as submitted.

3. OLD BUSINESS - None

4. NEW BUSINESS

- A. Approval of RGS and LGS FY2012 Audited Financial Statements
Action: M/S Pattillo/Nordhoff and carried unanimously to approve the RGS and LGS FY2012 Audited Financial Statements as submitted.
- B. Review and Approval of LAIF Authorized Persons List
Action: M/S Pattillo/Nordhoff and carried unanimously to approve the LAIF Authorized Persons List as amended to designate the Chair by title only, so as to facilitate future changes in office holders without necessitating updated resolutions.
- C. Approval of Audit Services Firm
Action: Directed staff to review RFP terms of selection and, if needed, to reissue the RFP in an effort to receive additional vendor responses.
- D. Approval of Revised Administrative and Financial Policies
Action: M/S Pattillo/Nordhoff and carried unanimously to approve the Revised Administrative and Financial Policies as submitted.
- E. Approval of iPad-Tablet Policy
Action: M/S Pattillo/Nordhoff and carried unanimously to approve the iPad-Tablet Policy as submitted. There was discussion about the policy and its conformance with the practices of other public agencies.

5. PUBLIC COMMENT- None

6. ADJOURN TO NEXT MEETING - The meeting adjourned at 1:42 p.m. The next meeting will be announced at a later date.



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P.O. Box 1350 · Carmel Valley, CA 93924 · 831.308.1508

TO: FINANCE COMMITTEE **FC Meeting: 4-12-13**
FROM: GLENN LAZOF, Project Manager **Item: 3A**
SUBJECT: PROPOSALS FOR INDEPENDENT AUDIT SERVICES

RECOMMENDATION

Review audit firm proposals and select an independent auditor for the current and next two fiscal years.

BACKGROUND

The RFP was originally issued December 3, 2012, with a deadline for submission of January 25, 2013. The Finance Committee requested reissuance to solicit additional proposals. Reissuance occurred March 7, 2013. All previous proposers were notified that their previous submittals would be considered. They were also informed that they could either choose to submit revised proposals or request that they no longer be considered.

The successful proposer will conduct the 2012-2013 Audit. The contract period is three years with the option to extend two additional years.

DISCUSSION

There are now nine proposals for the Finance Committee's consideration. The JPAs have experience with two of these proponents. Mayer, Hoffman, and McCann is currently our auditor. Moss, Levy, and Hartzheim was the JPAs' auditor prior to MHC.

The Project Manager has experience with Vavrinek, Trine, and Day (VTD) while at his previous employment. VTD conducted all of the annual Audits of Statewide Automated Welfare System Consortium IV while I was the C-IV Finance and Contract manager, from 2009-2012. C-IV is a 39 County JPA, with an unusually cumbersome funding and payment cycles, and multiple controlling authorities.ⁱ VTD was a solid auditor with a good understanding of the requirements. During my tenure they were helpful as we proceeded to successfully institute recommendations from the 2008 audit. The two person team sent to our site usually included one junior and one midrange associate. While we experienced a few lengthy delays waiting for partner review of various drafts, the final document was always a thorough and fair product. I would have no problem working with them again. The Transbay Joint Powers Authority is listed as one of their clients.

REFERENCES

References have been contacted for those firms with whom RGS has no direct experience. Staff contacted three references for each of these, but direct contact with all references had not been made by the packet deadline. Should we obtain further information it will be provided during the committee meeting.

Harshwal and Company:

New Mexico Office of the State Auditor, Hector Balderas, NM State Auditor: This State Auditor does not give references. They did confirm that Harshwal and Company does perform engagements for their office.

City of Espanola, NM Joyce Sandoval, Admin Service Director,: She used to be an auditor for the State Agency which reviews public agency audits throughout the state, and is therefore familiar with the work of many auditors. She had a lot of positive things to say about Harshwal. She finds them easygoing, very communicative, helpful in suggesting alternatives and willing to make reasonable recommendations. Ms. Sandoval noted that Harshwal is very skilled in working with electronic files and communications and encourages the use of thereof.

Joe J Arch CPA:

City of Rocklin; Kim Sarkovich, Chief Financial Officer: Ms. Sarkovich reports that she is very pleased with Arch. “They are very knowledgeable, responsive, and helpful. Firm is especially great at minimizing impacts on staff time. She would not be concerned with this firm adapting to the paperless nature of our organization, as most of the information they also provide him is in electronic format. She did note that their audit is late this year, but stated there were a host of reasons including additional reports she requested and short staffing in her department.

San Benito Council of Governments, Kathy Postigo, and Administrative Services Specialist: Very happy with Joe and his staff. They have learned a lot from him. Joe is helpful and patient. This is the third year they have been with Arch. The firm strives to work paperless and prefers to receive documents in electronic format.

Marta and Company:

Special District Risk Management Authority, Paul Frydendal, CFO: Marta has been their CPA since 2004 or earlier. They are very thorough and detail oriented. He has great comfort with their work and stated that they “help him sleep at night”. He noted that Jim Marta prides himself on running his own office paperless and therefore should be a good match for us. It is his normal practice to request materials in virtual formats.

California Joint Powers Insurance Association, Alex Smith, Finance Director: Last year was CJPIA’s first year with Marta. Marta specializes in Insurance Risk Pools and Joint Powers Authorities, and are in fact quite active in CAJPA. They are very thorough and you will get a very meaningful audit. They may also put you through the paces to get there. “The results are worth it, but expect a lot of work to get there”. On mentioning our recent transition Alex remarked “If we are wanting to get a very thorough review and recommendations to start out on a solid footing, Jim Marta is your man. We recommend him very highly”

CSAC-Excess Insurance Authority, Marianne Stuart, CFO: Marta has been their Auditors for six years. They have done a good job for the authority. They are easy to work with. She noted their skill in adapting to the complexities of their business such as claim liabilities. They are fearless, not afraid to point things out and willingly make suggestions for improvements. They also do a pretty good job of zeroing in on what is significant. They are honest. They did not take up a lot of staff time while working efficiently. She said they are a good group to work with. They really like him and his staff.

Pun and McGeady

City of Chula Vista, Evelyn Ong, Fiscal Operations Manager: They are very professional and do good work. Ms. Ong has dealt with several auditors and they are the best yet. Very highly recommended. Three year agreement was just extended for two years. They are very at ease with paperless environment. Audit has a low impact on staff time. They are good at not making a big deal out of non-material amounts. Firm is always responsive to phone calls. City staff always attends the annual update training offered by Pun and McGeady to clients. "We love these guys".

City of Monterey Park, Annie Yaung, Financial Office Manager: The city has been with them for several years since before they were Pun and McGready. They are very good. They have conducted reviews for housing diligence, single and year end audits. Pun and McGeady are paperless ready. The firm has a website where the majority of items needed for the audit can be uploaded.

City of Gardena, Marie Barnhart, Accounting Finance Manager: They have actually been with the same individuals for some time though this firm is new. They worked with predecessor firm, and then went with Pun and McGeady, when principals spun that off. Paperless is a breeze with uploading of documents to web site. Very helpful. They also find the annual training offered to be very useful. Quite satisfied and she expects to continue to use them for some time to come.

Vavirnek, Trine, Day, and Co.

Golden Gate Highway and Transportation District, Ms. Bette Joe, Director of Accounting: VTD has been their auditors since 2008. They recently issued an audit services RFP which resulted in the reselection of VTD. The Highway and Transportation agency is far from paperless but she noted VTD actually prefers electronic documents. Bette reports that VTD Auditors are flexible and helpful. She likes that they are independent in their review but always remain co-operative.

Monterey Regional Water Pollution Control Agency, Mr. John Tiernan, Deputy General Manager: They have been with VTD 12-13 years. They will call them throughout the year to ask unusual accounting questions, which they answer at no charge. He describes them as responsive and pleasant. Mr. Tiernan recommends them highly.

Monterey Salinas Transit, Mr. Hunter Horvath, Assistant General Manager: Very responsive, when we call with a question they usually call back in an hour or so. They are adept with the use of electronic files. Their staff is some of the best Audit Staff he has ever worked, the primary staff on the audit is really fantastic.

Badawi and Associates:

No direct contact with references prior to packet deadline. Staff will update during the meeting.

Larry Bain:

Calaveras Public Utility District, Donna Leatherman, District Manager: Bain was fine to work with; they have been working with them for several years. They have never had any issues with the Audits. Bain is always willing to discuss recommendations. The Auditors work has always been on time.

City of Ione, Jane Wright, Finance Manager: Completed her third audit with Bain, but they have served the city for several years. She is very pleased with them. They are always helpful; the city will call and ask Bain questions throughout the year. Bain has assisted them in making improvements over the years. The firm is quite comfortable working with electronic formats.

Cordova Recreation and Park District, Andrea White, Human Resource Manager (Fmr. Finance Director): They have been Cordova’s auditor for 8-9 years. Bain is very thorough, but not harsh. He uses staff time well, asks good questions and works efficiently. He is very smart. They ask him questions throughout the year and obtain advice at no additional charge. The board requires that they obtain a new auditor under a rotation policy; she will really miss working with Bain.

ANALYSIS

Staff has included a suggested template for evaluating proposals, but the Committee may decide on any manner of evaluating proposals that supports your deliberations. The first page of this form reflects compliance with only those elements of proposals which staff feels represent material compliance with RFP Submission Requirements. The Committee also has the option to request telephone or other interviews of some or all of the proponents.

The RFP and responses have been distributed to the Committee. Based upon the strength of their references, staff encourages strong consideration of the selection of James Marta and Company. These references all volunteered that Marta was thorough, fearless, and helpful. All noted that this thoroughness required much effort from their agency but all were unanimous that the result was well worth that effort. Staff feels this could be a timely opportunity to gain confidence that we are off to solid beginning with our new payroll and finance operations.

FISCAL IMPACT

Funds for the annual audits were included in the RGS annual budget. Total fees for the FY2012 RGS and LGS audits were \$17,600 combined. The table below summarizes the cost proposals from each submittal. The RFP is for audit services of RGS, LGS and MSA.

Respondent:	Harshwal & Co.	Meyer, Hoffman	Moss , Levy, Hartzheim	Joe J. Arch (if no single Audit Report)	Joe J. Arch (with single audit report	James Marta and Co.	Pun & McGready	Vavrinek, Trine, Day, and Co.	Badawi and Assoc.	Larry Bain
Fiscal Year Bid										
2012 2013	\$ 19,890	\$ 21,700	\$ 21,708	\$ 17,350	\$ 21,150	\$ 24,500	\$ 27,000	\$ 28,000	\$ 19,900	\$ 30,000
2013 2014	\$ 19,890	\$ 22,120	\$ 22,140	\$ 16,483	\$ 20,283	\$ 25,360	\$ 27,540	\$ 28,000	\$ 20,490	\$ 30,000
2014 2015	\$ 19,890	\$ 22,500	\$ 22,580	\$ 17,340	\$ 21,140	\$ 26,250	\$ 28,091	\$ 28,000	\$ 21,465	\$ 30,000
Three Year Total	\$59,670	\$66,320	\$ 66,428	\$ 51,173	\$ 62,573	\$ 76,110	\$82,631	\$ 84,000	\$ 61,855	\$ 90,000

i Our books were maintained by a member agency, San Bernardino County, payments and revenue claims were processed at our offices in Sacramento County, the budget a line item in the State Budget, under the Authority of the Office of Technology Services.



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

TO: FINANCE COMMITTEE
FROM: RICHARD H. AVERETT, Executive Director
SUBJECT: IPAD-TABLET POLICY

FC Meeting: 04-12-2013

Item: 3B

RECOMMENDATION

Approve an iPad-Tablet Policy that would provide expense reimbursement for Executive Committee members of up to \$1,000 for computer equipment and services to encourage paperless JPA meetings.

BACKGROUND

Board members, executive committee members, and administrative staff have expressed interest in using iPad/Tablets for Board and Committee meetings as well as for other RGS/LGS/MSA business. Staff recently reviewed JPA policies and practices regarding the implementation of electronic media to streamline the agenda process, enhance efficiency and mobility, and provide a cost savings through the use of iPads or similar tablet devices. In addition, staff researched current practices by other public-sector agencies on paperless agenda processes as well as borrowed liberally from the Town of Yountville's excellent work on this subject.

Staff is recommending that iPads be the JPA standard of tablet technology, however, a user may choose to use a different tablet device as long as it is capable with the paperless agenda process and is conducive to accomplishing JPA business. These devices may also be available for personal use.

iPad Operating Device and Requirements: Staff recommendation includes 32GB memory cellular-enabled iPads, the Apple Care Plan, and the requirement to set up a personal iTunes account to download required applications to be used in conjunction with the JPA's paperless agenda process. The recommended option also includes cost of Device/Cellular Enabled, Apple Care Plan, Required Apps, JPA contribution toward Cellular Data Plan and minimal accessories.

Connectivity: Most JPA meetings are at member site locations, such as community rooms, libraries, and city offices. These locations generally support connection by multiple users.

Expense Reimbursement: The JPA will provide an expense reimbursement to JPA appointed officials, management team, and JPA administrative staff as deemed necessary for work purposes by the JPA Executive Director. This reimbursement is to purchase an iPad/Tablet and associated software at an initial amount of \$1,000.00 to purchase the device, required applications, accessories, iTunes account, maintenance, and repair, and any downloading costs, but not on-going services. Should a user choose a plan greater than the JPA standard, the difference shall be paid by user. Expense reimbursement shall be in accordance and consistent with the amended and re-stated joint powers agreement, which reads in part: *"No additional compensation shall be provided for such service, although directors' expenses shall be reimbursable."*

Periodic Review: The executive director will review the state of technology every three years to determine if updated devices are warranted. The established reimbursement amount is intended to be a one-time per user amount and may be adjusted and/or renewed upon periodic administrative review.

Implementation: Implementation consists of the purchase of iPads by each member of the Board and Executive Committee, the management team, and other JPA Staff as determined by the Executive Director.

Ownership: The iPad/Tablet will be the personal property of the user and it will not be required to be returned to the JPA upon separation of service.

FISCAL IMPACT

There will be a maximum first-year cost of about \$10,000 for all JPAs if all six members of the Executive Committee and four managers purchase a device. Ongoing replacement costs (once every three years) and new member or staff purchase, and technology update costs are expected to average less than \$3,000 per year.



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Board and Administrative Staff iPad/Tablet Policy

Overview

Regional Government Services (RGS), Local Government Services (LGS), and Municipal Services Authorities (MSA) Joint Powers Authorities have appointed officials who serve on one or more of these agencies in the capacity of a board member, a member of the executive committee, or a member of a sub-committee. Regional Government Services employs administrative staff, who then provide services to all three JPAs. As appointed officials and staff are throughout the JPAs' service areas, a paperless agenda process is being implemented to streamline the agenda process, enhance efficiency and mobility, and provide a cost savings through the use of iPads or similar tablet devices.

The JPA meetings rotate to Member Agency sites, with most Member Agencies' sites being able to operate multiple users concurrently.

IPad/Tablet Eligibility

The JPA will provide an expense reimbursement to JPA Officials, management team, and designated other JPA staff as deemed necessary for work purposes by the JPA Executive Director.

IPad/Tablet Expense Reimbursement Amount

This reimbursement is for the purchase of an iPad/Tablet to access agenda packets electronically, enhance efficiency, and align with established and emerging best practices. The amount of reimbursement will be up to \$1,000.00 to purchase the device, required applications and accessories. Should the appointed official or employee choose options costing more than the JPA standard, the difference will not be paid by the JPA. Nor will the JPA reimburse for monthly or annual internet or phone or data services.

Technology and Reimbursement Amount Review

The executive director will review the state of technology every three years to determine if updated devices or reimbursement amounts are required. The amount of the reimbursement is intended to be a one-time per user amount and may be adjusted upon periodic administrative review.

Hardware, Software, and Accessories Requirements

- *Hardware:* In terms of efficiency and mobility, utilization of an iPad/Tablet device allows all information to be stored in one location. Notes can be made while reviewing the documents for easy retrieval by using a bookmark in the annotation applications. The JPAs standard for tablet technology is a 32GB Cellular Enabled iPads, with dual purpose usage of the

device (business needs and personal use). However, an appointed official or staff may choose to use a different tablet device as long as it is capable of the paperless agenda process and is conducive to accomplishing JPA business processes. Use of a device other than iPad must be pre-approved by the Executive Director.

- ***Accessories and Applications:*** As individual owners of iPads, JPA officials and staff will be required to establish a personal iTunes account with personal credit card to set up an Apple/iTunes account in order to download necessary applications. While many of the applications needed for business purposes are free, some are required to be purchased for a nominal fee, which varies between applications.
- ***Applications:*** The following Applications shall be required to support the paperless agenda process and are subject to change as technology evolves.
 - Dropbox or similar
 - iAnnotate or similar
 - 1Password or similar.
- ***Recommended Applications***
 - Evernote
 - Notability
 - Pages (Word Processing Application)
- ***Wireless Enabled***
- ***AppleCare Plan/Warranty:*** AppleCare Plan and Warranty includes technical support and hardware coverage. An excerpt of coverage from the Apple website is provided below:
 - Technical Support By AppleCare provides one-stop service and support from Apple experts; most issues can be resolved in a single call.
- ***Apple Hardware Coverage:*** Apple Care provides repair (both parts and labor) or replacement coverage, from Apple-authorized technicians.
- ***Service coverage includes:*** iPad, Battery, Time Capsule, or AirPort device, USB cable and Power Adaptor Coverage for up to two incidents of accidental damage from handling of the iPad, each subject to a \$49 service fee (user is responsible for cost of service fee).
- ***Additional Optional Accessories***
 - iPad/Tablet cover
 - Keyboard
 - Protective screen cover

Damage

Should any damage or loss of function to the device occur, it is the responsibility of the owner to repair or replace device.