

MARIN GENERAL SERVICES AUTHORITY

555 Northgate Drive, Suite 230, San Rafael, CA 94903

Phone: (415) 448-0359

www.maringsa.org

DATE: January 10, 2013
TIME: 10:00 a.m.
PLACE: Corte Madera Town Hall – Council Chambers
300 Tamalpais Drive, Corte Madera, California (Tamalpais Drive at Willow Avenue)

BOARD MEETING AGENDA

- A. Adopt minutes of November 8, 2012 Regular Meeting.
- B. Report from Executive Officer (Berlant)
- C. MCSTOPPP Update (Fashing)
- D. MarinMap Program Update (Bush)
- E. Taxicab Regulation Program Update (Berlant, Rawles)
- F. Policy Regarding Streetlight Levels (Berlant)
- G. Executive Officer and General Counsel Workload (Berlant)
- H. 2011-12 Audit Report (Berlant)
- I. Closed Session - CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION- Pursuant to Government Code Section 54956.9(a). One case: Marin General Services Authority and City of Novato v. Novato Taxi, et. al.
- J. Public Comment.
Anyone wishing to address the Board on matters not on the posted agenda may do so. Each speaker is limited to two minutes. As these items are not on the posted agenda, members of the Board may respond briefly but the Board's general policy is to refer such items to staff for attention, or have the matter placed on a future agenda for a more comprehensive action or report and formal public discussion.
- K. Adjournment

NEXT SCHEDULED MEETING: March 14, 2013

cc: Clerk to the Board of Supervisors for posting
City/Town Managers/County Administrator
Corte Madera Town Clerk for posting
David Byers, General Counsel
Jeff Rawles

Wayne Bush
Novato City Clerk (w/minutes)
Bruce Anderson
Madeline Thomas
Thomas Horne

MARIN GENERAL SERVICES AUTHORITY

555 Northgate Drive, Suite 230, San Rafael, CA 94903

Phone: (415) 448-0359

www.maringsa.org

BOARD MEETING NOTES

Meeting of November 8, 2012

The meeting came to order in the Corte Madera Town Council Chambers at 10:00 a.m.

PRESENT: Chair Michael Frank called the meeting to order with Sean Condry, Clarissa Daniel, Nancy Mackle, and Dan Schwarz present. David Bracken and Nicholas Nguyen were absent. **Staff present:** Executive Officer Paul Berlant, General Counsel David Byers, MarinMap Program Director Wayne Bush and Taxicab Regulations Program Manager Jeff Rawles.

- A. Minutes the September 13, 2012 Regular Meeting. Motion by Schwarz seconded by Mackle to approve the minutes of the September 13, 2012 meeting. Motion carried 5-0, two absent.
- B. Report from Executive Officer. Berlant stated that Terri Fashing, MCSTOPPP staff, would attend the January 2013 meeting to present a draft 2013-14 budget and report on the new NPDES Permit. He also reported that the MGSA web page is being updated.
- C. MarinMap Program Update. Bush provided an update on the MarinMap program, including newly published data from SASM, bringing TAM in to MarinMap, working with the county Fire Chiefs' Association, and publishing road excavation work limitations. No action was taken.
- D. Taxicab Regulation Program Update. Berlant and Rawles provided an update on the taxicab regulation program, including the statistics of companies, vehicles and drivers. Berlant also recommended approval of an extension of the contract with Regional Government Services for the services of Jeff Rawles as Taxi Regulation and AVAP Program Director through December 31, 2013. Motion by Daniel seconded by Mackle to approve the contract. Motion carried 5-0, two absent.
- E. Marin Climate and Energy partnership Program Professional Services Agreement. Berlant presented a contract with Christine O'Rourke for her services for the MCEP program through June 30, 2013. Motion by Schwarz seconded by Condry to approve the contract. Motion carried 5-0, two absent.
- F. Professional Services agreement with Regional Government Services for the Executive Officer. Berlant presented an extension of the contract with RGS for the services of Paul Berlant as Executive Officer through December 31, 2013. Motion by Schwarz seconded by Mackle to approve the contract. Motion carried 5-0, two absent.
- G. 2013 MGSA Board Meeting Schedule. The Board approved the 2013 meeting schedule as presented.

MGSA Board Minutes
September 13, 2012

- H. Closed Session. Conference with Legal Counsel – Pending Litigation – Pursuant to Government Code Section 54956.9(a). One case: Marin General Services Authority and City of Novato v. Novato Taxi, et. al. There were no announcements.
- I. Public Comment. There were no public comments.
- J. Adjournment. The meeting adjourned at 10:25 a.m.

NEXT SCHEDULED MEETING: January 10, 2013, 10:00 a.m.

Paul Berlant, Executive Officer

MARIN GENERAL SERVICES AUTHORITY

555 Northgate Drive, San Rafael, CA 94903

PHONE: (415) 448-0359

www.maringsa.org

MEMORANDUM

DATE: January 10, 2013
TO: MGSA Board of Directors
FROM: Paul Berlant, Executive Officer
SUBJECT: AGENDA ITEM: C: MCSTOPPP Update

Recommended Action

Terri Fashing will provide the Board a briefing on the 2013-14 MCSTOPPP Program budget and the Phase II NPDES Permit. Ms. Fashing will return in March with the final draft budget for review by the MGSA Board and a recommendation to the Board of Supervisors. Please see the attached report from Ms. Fashing.



Marin County Department of Public Works
 P.O. Box 4186 San Rafael, CA 94913-4186
 Tel. (415) 473-6528 Fax (415) 473-3799
www.mcstoppp.org

Member Agencies:

Belvedere

Corte Madera

County of Marin

Fairfax

Larkspur

Mill Valley

Novato

Ross

San Anselmo

San Rafael

Sausalito

Tiburon

Date: January 10, 2013

To: Marin General Services Authority (MGSA) Board of Directors

From: Terri Fashing, Program Manager

RE: Proposed MCSTOPPP FY 2013-2014 Budget

Subject: Recommend adoption of the proposed MCSTOPPP budget to the Marin County Flood Control and Water Conservation District Board of Supervisors

Thank you for your continued support of MCSTOPPP and this opportunity to present the proposed Fiscal Year (FY) 2013-2014 budget.

Proposed FY 13-14 MCSTOPPP Budget (expenditures)	(\$736,450)
Transfer from reserve to fund Phase II permit implementation	\$178,550
FY 13-14 Municipal Contribution <i>No change from FY 11-12 (~8% less than FY 09-10 contribution)</i>	\$550,000
FY 13-14 other revenues and interest	\$7,900
Total revenues plus transferred reserve (\$178,550)	\$736,450
Anticipated FY 13-14 end-of-year MCSTOPPP reserve	\$405,748

The proposed MCSTOPPP budget for FY 13-14 of \$736,450 is funded by the proposed MCSTOPPP municipal contribution of \$550,000, miscellaneous revenue, and a transfer from the reserve of \$178,550. The total reserve projected for the end of FY 13-14 is \$405,748. The MCSTOPPP Agency Staff Committee reviewed and recommended the proposed budget at their meeting on January 2, 2013.

MCSTOPPP staff are working to help Marin's municipalities and the County to implement the new Phase II stormwater permit compliance program. The permit is scheduled to be adopted by the State Board on February 5, 2013 and municipalities begin implementation on July 1, 2013.

I would like to return to your Board in March with a new permit update, a detailed permit implementation timeline and an estimated five-year budget. Thank you for your continued support of MCSTOPPP.

Attachments-budget tables

C (by email): Bob Beaumont, Director of Public Works
 Craig Tackabery, Assistant Director of Public Works
 Tracy Clay, Principal Civil Engineer
 Liz Lewis, Principal Planner
 Marin Public Works Association
 Municipal Stormwater Coordinators

**Municipal and County Contribution, Shares and Formula
12-13 and Proposed 13-14**

Table 1

Municipal and County Contribution to MCSTOPPP					
Municipality	AREA (sq. mi.)	*Current Population	13-14 SHARE	2012-2013 Proposed	2013-2014 Proposed
TOTAL				\$550,000	\$550,000
BELVEDERE	0.49	2,090	0.00672681	\$3,728.21	\$3,699.75
CORTE MADERA	3.9	9,351	0.039246396	\$21,765.70	\$21,585.52
FAIRFAX	2.7	7,522	0.02922763	\$15,803.20	\$16,075.20
LARKSPUR	3.05	12,058	0.04000436	\$22,003.19	\$22,002.40
MILL VALLEY	4.67	14,172	0.052832747	\$28,584.57	\$29,058.01
NOVATO	27	52,447	0.247586557	\$135,281.95	\$136,172.61
ROSS	1.4	2,443	0.012295269	\$6,650.99	\$6,762.40
SAN ANSELMO	2.5	12,468	0.037862073	\$20,759.23	\$20,824.14
SAN RAFAEL	17.3	58,305	0.207110222	\$112,670.77	\$113,910.62
SAUSALITO	2.2	7,138	0.025795095	\$14,450.19	\$14,187.30
TIBURON	3.3	9,059	0.035458607	\$19,149.50	\$19,502.23
CO OF MARIN	94.19	67,737	0.265854233	\$149,152.51	\$146,219.83
TOTAL	162.7	254,790	1	\$550,000	\$550,000

*Population figures based on most recent (1/1/2012) State Department of Finance estimates (2010 Census Benchmark).

Follow link:

<http://www.dof.ca.gov/research/demographic/reports/estimates/e-1/view.php>

Formula for Calculating Contributions to MCSTOPPP

$$\text{County Share} = \frac{\text{Population of unincorporated areas within Marin County}}{\text{Total population within Marin County}}$$

$$\text{Each City/Town Share} = \frac{(1.00 - \text{County Share}) \cdot 0.5(\text{Area})}{\sum \text{City Areas}} + \frac{0.5(\text{Population})}{\sum \text{City Population}}$$

The "Alameda Formula" was selected as the simplest method of allocation for determining each municipality's contribution to MCSTOPPP. This formula was recommended to Marin's City Managers who approved its use in 1992. It has worked well in Alameda County and is easy to use. The County's share is calculated solely on the basis of population. A weighted formula using population and area is used for the cities.

FY 2013-2014 Proposed Budget									
MCSTOPPP									
MCSTOPPP FUND 25025									
Budget Summary									
Account Program Code	Account Category	Accounting Description	FY 11-12 Adopted Budget	FY 11-12 Actuals	FY 12-13 Adopted Budget	FY 12-13 Projected	FY 13-14 Proposed		
6171011000	Expenses	MCSTOPPP Fund Center Beginning Balance	\$440,221	\$543,839	\$406,572	\$571,792	\$433,830		
5510263		Salaries and Benefits	\$330,000	\$331,035	\$340,603	\$340,603	\$350,000		
5200000		Services and Supplies	\$444,550	\$190,270	\$333,200	\$350,259	\$359,950		
5510700		Indirect Overhead - Departmental Charge	\$11,500	\$11,364	\$11,500	\$11,500	\$11,500		
5510190		Interfund Print Services	\$700	\$700					
		Total Expenditures	\$786,050	\$533,369	\$685,303	\$702,362	\$721,450		
		Revenue							
4240322		Municipality Contribution	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000		
4410125		Interest	\$5,000	\$1,882	\$2,000	\$900	\$900		
4710642		Miscellaneous Revenue (partners, registrations)	\$5,500	\$9,441	\$8,000	\$13,500	\$7,000		
		Total Revenue before Used Oil Block Grant Acct Transfer					\$557,900		
4810110		Transfers In (12-13: Used Oil Block Grant Account balance)					\$153,468		
		Total Revenue	\$560,500	\$561,323	\$560,000	\$564,400	\$711,368		
6171011000		MCSTOPPP Fund Center Balance Ending	\$214,671	\$571,792	\$281,269	\$433,830	\$423,748		
Services & Supplies Expenditures Detail									
5210100	Professional Services - Carry Forward			\$46,633	\$0	\$25,071	\$0		
		Stormwater Consultant Contract (EOA): FYs 09-10 & 10-11		\$45,633					
		Riparian Restoration/SWPP Education (STRAW): FY 09-10		\$1,000					
		Stormwater Consultant Contract (EOA): FY 11-12				\$23,908			
		Debi Tidd Contract - OWOW: FY 11-12				\$1,163			
5210100	Professional Services		\$328,700.00	\$41,333.05	\$209,000.00	\$203,175.25	\$240,000.00		
		Direct Program Expenses - professional services							
		• Audit							
		• Bay-Friendly professional landscaper training series							
		• Schools outreach & education - STRAW restoration projects							
		• Workshops - technical or general public							
		• MCSTOPPP calendar							
		• Our Water Our World - pesticide use reduction							
		• Publication development	\$53,700	\$40,341	\$49,000	\$43,175	\$40,000		
		Stormwater Consultant Contracts - new permit planning and implementation, including annual reporting assistance	\$210,000	\$0	\$160,000	\$110,000	\$200,000		
		Stormwater Consultant Contract - current (2003) permit							
		• Annual Reports & Technical/Regulatory Assistance	\$65,000	\$992		\$50,000	\$0.00		
5210700	Communication Services (cell phones)		\$400	\$560	\$1,000	\$1,000	\$1,000		
5210900	GIS Maintenance (M & R Services)		\$250	\$719	\$800	\$586	\$600		

FY 2013-2014 Proposed Budget									
MCSTOPPP									
MCSTOPPP FUND 25025									
Budget Summary									
Account Program Code	Account Category	Accounting Description	FY 11-12 Adopted Budget	FY 11-12 Actuals	FY 12-13 Adopted Budget	FY 12-13 Projected	FY 13-14 Proposed		
5211200	Storage Unit (Rent)		\$800	\$848	\$800	\$850	\$850		
5211300	Professional Development Expense		\$500	\$364	\$900	\$900	\$1,000		
5211400	Travel		\$400	\$1,458	\$500	\$1,000	\$1,000		
5211500	Miscellaneous Services		\$23,000	\$12,347	\$28,500	\$27,703	\$27,000		
	Printing		\$19,000	\$2,348	\$25,000	\$21,658	\$20,000		
		Miscellaneous Services (venue rental, catering, events, TMDL)	\$4,000	\$9,999	\$3,500	\$6,045	\$7,000		
5211600	Countywide Dues and Memberships		\$81,000	\$79,552	\$81,200	\$80,174	\$81,500		
	BASMAA		\$13,500	\$12,854	\$13,200	\$12,743	\$13,000		
	Regional Monitoring Program (SFEI)		\$56,000	\$55,572	\$56,700	\$56,305	\$57,000		
	North Bay Watershed Association		\$6,000	\$5,626	\$5,800	\$5,626	\$6,000		
	CASQA		\$5,500	\$5,500	\$5,500	\$5,500	\$5,500		
5211800	Contribution to Other Government		\$500	\$0	\$0	\$3,000	\$0		
5220100	Office Supplies		\$4,000	\$2,456	\$4,000	\$3,000	\$3,000		
5220200	Computer Software (Maint & Repair Supplies - Equipmt)					\$300	\$500		
5220800	Miscellaneous Supplies		\$5,000	\$3,999	\$3,500	\$3,500	\$3,500		
		Subtotal Services and Supplies - No Carry Forward		\$143,637	\$330,200	\$325,188	\$359,950		
		Total Services & Supplies with Carry Forward		\$190,270	\$330,200	\$350,259	\$359,950		

FY 2012-2013 Oil Payment Program Actuals Used Oil and Filter Recycling State Grant Program MCSTOPPP FUND 25025 - Fund Center 6171071000 Budget Summary						
Accounting Program Code	Accounting Category	Accounting Description	FY 11-12 Adopted Budget	FY 11-12 Actuals	FY 12-13 Adopted Budget	12-13 Projected
6171071000	Expenses	OPP Fund Center Beginning Balance	\$10,673	\$91,027	\$53,372	\$99,418
5510263		Salaries and Benefits	\$10,000	\$17,634	\$21,596	\$21,596
5200000		Services and Supplies	\$46,346	\$55,970	\$31,776	\$71,124
5510190		Interfund Print Services		\$40		\$0
		Total OPP Expenditures	\$56,346	\$73,644	\$53,372	\$92,720
4530527	Revenue	State Grant	\$45,673	\$82,035	\$0	-\$6,698
		Total MCSTOPPP Revenue	\$45,673	\$82,035	\$0	-\$6,698
6171071000		OPP Fund Center Balance Ending	\$0	\$99,418	\$0	\$0
FC-6171071000		Oil Payment Program - Budget & Actuals Services and Supplies Detail				
		OPP REVENUES				
		State Payment - Oil Payment Plan				
		OPP 1st Cycle - State paid entire amount in FY 10-11 (\$91,346)	\$45,673	\$0		-\$6,698
		OPP 2nd Cycle		\$82,035	\$0	
4530527		Total OPP REVENUE	\$45,673	\$82,035	\$0	-\$6,698
		OPP EXPENDITURES				
5210100	Carry Forward Professional Services			\$28,539		\$23,603
5210100	Professional Services		\$55,440	\$11,775	\$9,400	\$31,200
	Professional services - OPP1 and 1A			\$11,775		-\$700
	Professional services - OPP2			\$0	\$9,400	\$31,900
5211500	Miscellaneous Services		\$21,746	\$7,470	\$18,300	\$7,072
	Miscellaneous Services - OPP1 and 1A			\$7,470		\$835
	Miscellaneous Services - OPP2			\$0	\$18,300	\$6,237
5220800	Miscellaneous Supplies		\$3,500	\$8,186	\$4,076	\$9,249
	Miscellaneous Supplies - OPP1 and 1A		\$3,500	\$8,186.06		\$241
	Miscellaneous Supplies - OPP2			\$0	\$4,076	\$9,009
	Total OPP1 and 1A			\$55,970		\$10,685
	Total OPP2					\$60,439
	Subtotal Services and Supplies - No Carry Forward		\$80,686	\$27,431	\$31,776	\$47,521
	Total Services & Supplies with Carry Forward		\$80,686	\$55,970	\$31,776	\$71,124

MARIN GENERAL SERVICES AUTHORITY

555 Northgate Drive, San Rafael, CA 94903

PHONE: (415) 448-0359

www.maringsa.org

MEMORANDUM

DATE: January 10, 2013
TO: MGSA Board of Directors
FROM: Paul Berlant, Executive Officer
SUBJECT: AGENDA ITEM: D: MarinMap Program Update

Recommended Action

Wayne Bush will provide the Board an update on the MarinMap Program. No action is requested.

MARIN GENERAL SERVICES AUTHORITY

555 Northgate Drive, Suite 230, San Rafael, CA

PHONE: (415) 448-0359

www.maringsa.org

MEMORANDUM

DATE: January 10, 2013
TO: MGSA Board of Directors
FROM: Paul Berlant, Executive Officer
SUBJECT: AGENDA ITEM: E: Taxicab Regulation Program Update

Recommendation Accept this update regarding the Marin County Taxi Regulation Program.

Inventory Update

There currently are 19 companies using 21 "brand" names which have permits to operate. These are the same numbers as we reported in November. However, three companies have ceased business and four have paid for new permits and will presumably start in the near future.

Even with fewer businesses, there are currently 114 permitted vehicles, which is an increase of eight vehicles since the last report. Permitted drivers currently total 195, which is an increase of nine drivers since November.

Taxicab Regulation Activity

Permit activity continues to be brisk with companies changing drivers and vehicles. Mr. Rawles also spends considerable time maintaining the data base and assuring program participants remain in with compliance required vehicle insurance and annual drug testing.

It is interesting to note that a number of cities in Sonoma County, as well as the County of Sonoma, are beginning to regulate taxicabs. There does not seem to be a coordinated county-wide effort however, and the method of enforcement varies by jurisdiction.

MARIN GENERAL SERVICES AUTHORITY

555 Northgate Drive, San Rafael, CA 94903

PHONE: (415) 448-0359

www.maringsa.org

MEMORANDUM

DATE: January 10, 2013
TO: MGSA Board of Directors
FROM: Paul Berlant, Executive Officer
SUBJECT: AGENDA ITEM: F: Policy Regarding Streetlight Levels

Recommended Action

Receive this report and concur with the proposed policy.

Background

In the last few years, some members of MGSA have expressed interest in, or have undertaken, a program of reducing the number of streetlights in their respective communities in order to save energy and street lighting costs. The purpose of this report is to address MGSA's role with regard to a member's decision to reduce street lighting and obtain MGSA Board concurrence with the intent expressed below.

Issues which are typically addressed in street lighting include:

- Public Safety, including pedestrian and vehicular traffic
- Ensuring a safe and secure area
- Selecting luminaires that address the aesthetic needs of the application
- Controlling light emitted into the night sky that can cause sky glow or light pollution
- Reducing discomfort and glare
- Minimizing light trespass onto adjacent properties
- Selecting an energy efficient system

In 2011 the City of Novato, as part of its program to convert streetlights to energy saving LED or Induction fixtures, turned off and/or reduced wattage of some streetlights where such reductions were deemed appropriate by the City. Novato had gone through an extensive public process to evaluate the types of alternate lights available and public reaction to them as part of this program. At the time of these modifications, the City notified me and Republic ITS of the changes. No action other than acknowledgement was taken by me on behalf of MGSA to respond to such measures, as I felt that such reductions were within the purview of the city and MGSA does not have standards for street lighting. Rather, MGSA relies on each member agency to use its discretion to set

street lighting standards as it sees appropriate. The various communities in Marin County have widely differing standards, based on local conditions and priorities.

I recently received an inquiry from another JPA member, Marinwood CSD, asking if we had lighting criteria and/or standards, or would take a position on a proposal within its jurisdiction regarding reducing street lighting. My response was that we do not have our own standards and would leave the decision to the local jurisdiction. I pointed out that I would expect that Marinwood (or any other MGSA member) would take into account such issues as are outlined above, but that the decision is theirs.

Board Concurrence

In order to have a consistent response if or when asked again, I am recommending that the Board concur with the practice of MGSA to leave any decision on streetlight levels to the member jurisdiction, but that if asked, staff will refer to the issues listed above for the member's consideration.

Attachment

Draft Resolution

**MARIN GENERAL SERVICES AUTHORITY
STREETLIGHTING STANDARDS
RESOLUTION 2013 -**

WHEREAS, The MGSA owns and sets the standards for the maintenance of streetlights in its members' jurisdictions; and

WHEREAS, the MGSA has not set its own standards for numbers and lighting levels of streetlights in its members' jurisdictions; and

WHEREAS, some members have modified or intend to modify the number of streetlights and lighting levels in their respective jurisdictions based on their own standards and evaluation of said lights; and

WHEREAS, the MGSA Board has discussed criteria for standards of street lighting, including but not limited to such issues as public safety, aesthetics of the application, light pollution and glare, and energy efficient systems.

NOW THEREFORE, BE IT RESOLVED, that the MGSA Board of Directors concurs with the policy of relying on its members to set the standards for numbers of and level of lighting in their jurisdictions, including the use of such criteria as outlined above.

Adopted this 10th day of January 2013.

Ayes:

Noes:

Absent:

:

Chair

Attested By:

Executive Officer

MARIN GENERAL SERVICES AUTHORITY

555 Northgate Drive, San Rafael, CA 94903

PHONE: (415) 448-0359

www.maringsa.org

MEMORANDUM

DATE: January 10, 2013
TO: MGSA Board of Directors
FROM: Paul Berlant, Executive Officer
SUBJECT: AGENDA ITEM: G: Executive Officer and General Counsel Workload

Recommended Action

Receive this report and concur with the suggested reductions in workload.

Background

In the last several months it appears that my workload as Executive Officer and that of the General Counsel have diminished. The various programs the MGSA carries out have settled into a steady pattern given the renewal of the streetlight maintenance agreement with Republic ITS, acceptance by the taxi industry of MGSA's regulatory role, as MarinMap has matured, and the MCEP program continues to serve its members. As discussed last summer, the taxi regulation program continues to be time consuming for the Program Administrator and his workload will likely increase during 2013 as the large cohort of original applicants is processed for renewal of permits. However, absent unforeseen issues, the time of the Executive Officer will only be slightly impacted with the renewal process.

With regard to the General Counsel, with the exception of litigation, the legal demands of the JPA generally include review of routine documents such as professional service agreements and occasional legal research. The one on-going matter of litigation will hopefully be wrapped up shortly.

This reduction in demand for staff time prompted my review of my workload and the potential to reduce JPA cost. In the five years I have been with MGSA, I have developed a basic understanding of the SAP accounting system (at least enough to review and handle invoices, track expenses and prepare and monitor the budgets), have sufficient knowledge of the streetlight system to be able to deal with member and public inquiries, and I have an excellent working relationship with the various contractors who do the day-to-day work of the JPA. I believe I can perform my routine duties, track expenses, keep up with the demands of consultants, respond to inquiries and prepare board reports utilizing about 80% of the time I needed previously. Absent a new program or other time consuming effort, I do not see this changing in the near term. There will continue to be

seasons when more time is needed, such as with budget development and review, but this should balance out with the slower times, such as mid-summer or the holidays.

Based on the above, and after a brief conversation with the Board Chair, I have reduced the time charged to MGSA for my services by 20%. Simply reducing the hours reported to RGS, the JPA through which my services are provided accomplishes the change. I have started the change in my work time effective January 1, 2013. The financial effect of this reduction will be a savings of approximately \$21,000 per year. I will budget accordingly for 2013-14 and there will be a proportional savings in 2012-13.

As for the General Counsel, absent a Closed Session or other specific legal matter that would require his attendance at a Board meeting, I suggest that Mr. Byers be asked to attend only those meetings where his attendance is specifically needed. I will continue to consult with him, seek legal guidance or historical perspective as needed, and ask for his review of legal documents, but will not request his attendance at regular meetings, with only routine matters. The savings associated with not asking Mr. Byers to attend board meetings unless legal matters require is difficult to estimate, but may be in the hundreds of dollars per year.

MARIN GENERAL SERVICES AUTHORITY
371 Bel Marin Keys Blvd., Suite 100, Novato, CA 94949
(415) 883-9100

MEMORANDUM

DATE: January 10, 2013
TO: MGSA Board of Directors
FROM: Paul Berlant, Executive Officer
SUBJECT: AGENDA ITEM H: 2010 – 2011 Audit Report

Recommendation: Accept the Audit Report for 2011 – 2012 prepared by John Maher Accountancy.

Background: John Maher Accountancy has prepared the audit report for the 2011 – 2012 fiscal year. In the Management Representation letter to Maher Accountancy, we included the following statement: “As part of your audit, you prepared the draft financial statements and related notes. We have designated a competent employee to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.” As we have done in the past, in order to meet the intent of that statement regarding review, a board member who has substantial municipal finance background reviewed the draft financial statement and audit report. Again this year, Michael Frank, served that role. My thanks to Mr. Frank.

The report’s cover letter to the Board, referred to as the “Auditor’s Communication with the Board,” includes the following paragraph:

The Taxi Program manager maintains documentation to manage tax permits. We noted that the system in place to track permits is maintained in Microsoft Excel which does not provide a permanent transactional history to ensure that entries are not subsequently deleted or modified.

While some progress was made during the 2011-12 year, we recommend that a more formal process is implemented and maintained.

Jeff Rawles and I met with Mr. Maher in December 2011 to review and implement Mr. Maher’s recommendation on this subject in last year’s audit report. A new data base was set up which meets Mr. Rawles objective of tracking all companies, vehicles, and drivers and their respective permits, however does not meet Mr. Maher’s objective of a more

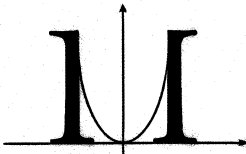
permanent transactional history. I have discussed this with Mr. Maher and will undertake the creation of such a database with Mr. Maher's assistance.

The report contains no exceptions or other management recommendations. Given the clean report and lack of any issues found in the audit, Mr. Maher has not been asked to attend the Board meeting.

c: John Maher

Attachment

2011 – 2012 Audit Report in Electronic Format (hard copy to follow)



December 4, 2012

To the Board of Directors
Marin General Services Authority

We have audited the financial statements of the Marin General Services Authority for the year ended June 30, 2012, and have issued our report thereon December 4, 2012. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated July 25, 2012, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Marin General Services Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no significant estimates used in preparing the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.



- Because MGSA's general ledger is maintained for each fund according to the modified accrual basis of accounting, we recommended adjustments to allow for the presentation of the government-wide financial statements on the full accrual basis since generally accepted accounting principles require that both presentations be made in the financial statements.
- We noted several misclassifications of expenditures that were made during the course of the year. We recommended adjusting entries which were accepted by management and incorporated in the financial statements.

Any other misstatements detected as a result of audit procedures and corrected by management were immaterial, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 4, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

- The Taxi Program manager maintains documentation to manage taxi permits. We noted that the system in place to track permits is maintained in Microsoft Excel which does not provide a permanent transactional history to ensure that entries are not subsequently deleted or modified.

While some progress was made during the 2011-12 year, we recommend that a more formal process is implemented and maintained.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of Board of Directors and management of Marin General Services Authority and is not intended to be and should not be used by anyone other than these specified parties.

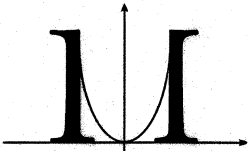
Maher Accountancy

MARIN GENERAL SERVICES AUTHORITY

FINANCIAL STATEMENTS AND AUDITORS' REPORT
YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT.....	1
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	2
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET ASSETS.....	6
STATEMENT OF ACTIVITIES.....	7
BALANCE SHEET.....	8
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND	
BALANCES.....	10
NOTES TO THE FINANCIAL STATEMENTS.....	12
REQUIRED SUPPLEMENTAL INFORMATION	
BUDGET COMPARISON SCHEDULES	
GENERAL FUND.....	20
ABANDONED VEHICLE ABATEMENT FUND.....	21
MARINMAP FUND.....	22
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION.....	23
OTHER SUPPLEMENTAL INFORMATION	
SCHEDULE OF MEMBER CONTRIBUTIONS.....	24



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Marin General Services Authority

We have audited the accompanying basic financial statements of the Marin General Services Authority as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the management of the Authority. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted the audit in accordance with auditing standards generally accepted in the United States of America and the California State Controller's *Minimum Audit Requirements for California Special Districts*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Marin General Services Authority as of June 30, 2012, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

The management's discussion and analysis on pages 2 through 5 and required supplemental information on pages 20 through 23 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We applied limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

We performed the audit to form an opinion on the basic financial statements of the Authority taken as a whole. The other supplemental information listed on page 24 is presented for additional analysis and is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Maher Accountancy

December 4, 2012



MARIN GENERAL SERVICES AUTHORITY

555 Northgate Dr., Suite 230

San Rafael, CA 94903

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis provides an overview of the Marin General Services Authority (MGSA) financial activities for the fiscal year ended June 30, 2012. Please read it along with the Authority's financial statements, which begin on page 6.

FINANCIAL HIGHLIGHTS

The Authority's net assets are \$292,000, a decrease of \$189,000 from the prior year. Total revenues decreased by \$170,000 and total expenses decreased by \$73,000.

Budgetary comparison schedules are found starting on page 20. Those schedules indicate we had a favorable variance of \$69,000 in the General Fund, a favorable variance of \$5,000 in the Abandoned Vehicle Fund, and a favorable variance of \$69,000 in the MarinMap Fund when comparing actual activity with budgeted.

USING THIS ANNUAL REPORT

This annual report consists of financial statements for MGSA as a whole. The statement of net assets and the statement of activities provide information about the activities of the Authority as a whole and present a long-term view of MGSA's finances. The fund financial statements present a short-term view of the Authority's activities (they include only current assets expected to be collected in the very near future and liabilities expected to be paid in the very near future).

THE AUTHORITY AS A WHOLE

THE STATEMENT OF ACTIVITIES AND THE STATEMENT OF NET ASSETS

One important question asked about MGSA's finances is, "Is MGSA better or worse off as a result of the year's activities?" The information in the government-wide financial statements helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the basis of accounting used by most private-sector companies.

The change in *net assets* (the difference between total assets and total liabilities) over time is one indicator of whether MGSA's financial health is improving or deteriorating. However, one must consider other nonfinancial factors in making an assessment of the Authority's health, such as changes in the economy and changes in MGSA's activities, etc. to assess the *overall* health of MGSA.

MARIN GENERAL SERVICES AUTHORITY

Changes in MGSA's net assets were as follows:

	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>Increase (decrease)</u>
Current assets	\$ 440,579	\$ 605,407	\$ (164,828)
Noncurrent assets	-	5,320	(5,320)
Total assets	<u>440,579</u>	<u>610,727</u>	<u>(170,148)</u>
Current liabilities	<u>148,190</u>	<u>129,339</u>	<u>18,851</u>
Net assets:			
Invested in capital assets	-	5,320	(5,320)
Restricted	236,235	420,767	(184,532)
Unrestricted	<u>56,154</u>	<u>55,301</u>	<u>853</u>
Total net assets	<u>\$ 292,389</u>	<u>\$ 481,388</u>	<u>\$ (188,999)</u>

Current assets declined primarily because contributions from members for MarinMap ceased during 2012. Contributions will resume in 2013. The increase in current liabilities from 2011 was mostly due to a large fourth quarter AVAP due to members.

Changes in MGSA's revenues were as follows:

	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>Increase (decrease)</u>
General revenues:			
Member agency contributions	\$ 199,322	\$ 219,000	\$ (19,678)
Investment earnings	496	1,735	(1,239)
Total general revenues	<u>199,818</u>	<u>220,735</u>	<u>(20,917)</u>
Program revenues:			
Member agency contributions	23,898	156,000	(132,102)
Grant income	22,733	80,000	(57,267)
Taxicab permits	83,440	64,725	18,715
Motor vehicle registration fees	245,348	218,653	26,695
Investment earnings	719	2,419	(1,700)
Miscellaneous	0	3,512	(3,512)
Total program revenues	<u>376,138</u>	<u>525,309</u>	<u>(149,171)</u>
Total revenue	<u>\$ 575,956</u>	<u>\$ 746,044</u>	<u>\$ (170,088)</u>

The slight drop in general revenue is due to a decrease in required member agency contributions relating to streetlight repair. The entire decrease in program revenues from member agency contributions relates to a one year hiatus in MarinMap contributions. This revenue will resume in 2012-13. Taxi program revenue increased primarily because of increased permit fee rates.

MARIN GENERAL SERVICES AUTHORITY

Changes in MGSA's expenses and net assets were as follows:

	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>Increase (decrease)</u>
Expenses:			
Administration	\$ 355,510	\$ 398,916	\$ (43,406)
Abandoned vehicle program	241,057	222,212	18,845
MarinMap	<u>168,388</u>	<u>216,468</u>	<u>(48,080)</u>
Total expenses	764,955	837,596	(72,641)
Less program revenues	<u>376,138</u>	<u>525,309</u>	<u>(149,171)</u>
Net program (expense) revenue	(388,817)	(312,287)	(76,530)
General revenues	<u>199,818</u>	<u>220,735</u>	<u>(20,917)</u>
Change in net assets	<u>\$ (188,999)</u>	<u>\$ (91,552)</u>	<u>\$ (97,447)</u>

Expenses relating to Marin Map services were less than expected. Also, administrative costs were reduced as a result of decreased cost of services related to the Marin Climate and Energy Partnership program. The increase in expense of the abandoned vehicle program corresponds to an increase in the related revenue received for this program.

FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about MGSA's funds - the general fund and special revenue funds.

The fund financial statements provide a short-term view of the Authority's operations. They are reported using an accounting basis called *modified accrual* which measures amounts using only cash and other short-term assets and liabilities (receivables and payables) that will soon be converted to cash or will soon be paid with cash.

CAPITAL ASSET AND DEBT ADMINISTRATION

MGSA's capital assets include street poles which are not assigned a value in these financial statements. (See Note 1 in the financial statements for further explanation.). Additionally, the MarinMap Fund's capital assets include the digital orthophotography database. The entity also carries no debt since its operations are financed entirely from member contributions and grants and investment earnings.

MARIN GENERAL SERVICES AUTHORITY

THE FUTURE OF MGSA

During fiscal year 2011-12 MGSA continued renewal of current and enrollment of new taxicab companies and drivers in its countywide taxicab regulatory program on behalf of the County and the eleven towns and cities. There are currently 22 permitted companies, with 98 vehicles and 181 drivers with valid permits. Permit renewal and issuance will continue to be the focus of the program in 2012-13.

During 2011-12 Republic ITS, MGSA's streetlight maintenance contractor, completed a two-year pro-active program of repair and replacement of streetlight poles and fixture components which were found defective in a county-wide inspection program conducted in 2009-10. In 2012-13 a new, four-year contract with Republic ITS for streetlight maintenance goes into effect, enhancing service to the MGSA members through additional services and reporting. During 2012-13 MGSA will continue to work with its members to convert high pressure sodium light fixtures to more energy efficient LED or Induction fixtures.

The Marin Climate and Energy Partnership (MCEP) will continue under the direction of its Steering Committee with assistance of MGSA. In 2011-12 MCEP used a grant from the Marin County Energy Watch Partnership Program to help member cities and towns complete Climate Action Plans. During 2012-13 MCEP will assist members in completing updates of their greenhouse gas emission inventories as required by those plans.

The MGSA will continue its oversight of the MarinMap county-wide GIS system. MarinMap receives direction from a Steering Committee, comprised of representatives of all members and an Executive Sub-committee responsible for day to day leadership. Day to day management of MarinMap continues with the assistance of a consultant.

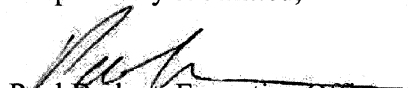
2012 saw the extension of the authorization for the Abandoned Vehicle Abatement Program (AVAP) through April 2022. In 2001, the program was re-authorized through April 2012. The \$1.00 AVAP fee collected with annual registration of every vehicle registered in Marin County will continue, which is, in turn, passed to the County and all the cities and towns to reimburse local police agencies for their efforts to abate motor vehicles abandoned within Marin County.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the Authority's finances and to demonstrate MGSA's accountability for the funds under its stewardship.

Please address any questions about this report or requests for additional financial information to the address on our letterhead.

Respectively submitted,


Paul Berlant, Executive Officer

BASIC FINANCIAL STATEMENTS

MARIN GENERAL SERVICES AUTHORITY

STATEMENT OF NET ASSETS YEAR ENDED JUNE 30, 2012

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash in County treasury	\$ 372,808
Receivables:	
State of California	59,786
Other	5,635
Total receivables	<u>65,421</u>
Prepaid expenses	<u>2,350</u>
Total current assets	<u>440,579</u>
Noncurrent assets:	
Capital assets	229,599
Less: accumulated depreciation	<u>(229,599)</u>
Net	<u>-</u>
Total assets	440,579
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	138,088
Deferred revenue	10,102
Total current liabilities	<u>148,190</u>
NET ASSETS	
Restricted:	
Abandoned vehicle abatement	26,574
MarinMap	160,135
Marin Climate Energy Partnership	49,526
Unrestricted	<u>56,154</u>
Total net assets	<u>\$ 292,389</u>

The accompanying notes are an integral part of these financial statements.

MARIN GENERAL SERVICES AUTHORITY

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2012

	Total	Administration	Abandoned Vehicle Abatement	Marin Map
EXPENSES				
Contract services	\$ 697,925	\$ 293,800	\$ 241,057	\$ 163,068
Legal	33,047	33,047		
Audit and accounting	11,700	11,700		
Insurance	9,168	9,168		
Rent	4,601	4,601		
Miscellaneous	3,194	3,194		
Depreciation	5,320			5,320
Total expenses	764,955	355,510	241,057	168,388
PROGRAM REVENUES				
Member contributions	23,898	23,898		
Grant income	22,733	22,733		
Taxicab permits	83,440	83,440		
Motor vehicle registration fees	245,348		245,348	
Interest income	719		94	625
Total program revenues	376,138	130,071	245,442	625
Net program revenue (expense)	(388,817)	\$ (225,439)	\$ 4,385	\$ (167,763)
GENERAL REVENUES				
Member contributions	199,322			
Interest income	496			
Total general revenues	199,818			
Increase (decrease) in net assets	(188,999)			
NET ASSETS, BEGINNING OF YEAR				
	481,388			
NET ASSETS, END OF YEAR				
	\$ 292,389			

The accompanying notes are an integral part of these financial statements.

MARIN GENERAL SERVICES AUTHORITY

BALANCE SHEET YEAR ENDED JUNE 30, 2012

	<u>General Fund 70050</u>	<u>Abandoned Vehicle Fund 70010</u>	<u>MarinMap Fund 70060</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash in County treasury	\$ 128,520	\$ 77,957	\$ 166,331	\$ 372,808
Receivables:				
Other	5,635	-	-	5,635
Total assets	<u>\$ 134,155</u>	<u>\$ 77,957</u>	<u>\$ 166,331</u>	<u>\$ 378,443</u>
LIABILITIES				
Accounts payable	\$ 20,723	\$ 54,395	\$ 6,196	\$ 81,314
Deferred revenue	10,102			10,102
Total liabilities	30,825	54,395	6,196	91,416
FUND BALANCES				
Restricted:				
Abandoned vehicle abatement		23,562		23,562
Assigned:				
MarinMap			160,135	160,135
Marin Climate				
Energy Partnership	49,526			49,526
Unassigned	53,804			53,804
Total fund balances	<u>103,330</u>	<u>23,562</u>	<u>160,135</u>	<u>287,027</u>
Total liabilities and fund balances	<u>\$ 134,155</u>	<u>\$ 77,957</u>	<u>\$ 166,331</u>	<u>\$ 378,443</u>

The accompanying notes are an integral part of these financial statements.

MARIN GENERAL SERVICES AUTHORITY

BALANCE SHEET YEAR ENDED JUNE 30, 2012 (CONTINUED)

RECONCILIATION TO THE STATEMENT OF NET ASSETS

Total governmental fund balance	\$ 287,027
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:	
Abandoned vehicle fees receivable that are not available to pay current period expenditures is deferred in the funds	59,786
Prepaid expenses	2,350
Abandoned vehicle fee distributions to local governments paid after received from State of California	<u>(56,774)</u>
Net assets of governmental activities	<u>\$ 292,389</u>

The accompanying notes are an integral part of these financial statements.

MARIN GENERAL SERVICES AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2012

	<u>General Fund 70050</u>	<u>Abandoned Vehicle Fund 70010</u>	<u>MarinMap Fund 70060</u>	<u>Total Governmental Funds</u>
REVENUES				
Intergovernmental:				
Participating local agencies	\$ 223,220			\$ 223,220
Motor vehicle registration fees		\$ 230,247		230,247
Interest income	496	94	\$ 625	1,215
Grant income	22,733			22,733
Taxicab permits	86,840			86,840
Total revenues	<u>333,289</u>	<u>230,341</u>	<u>625</u>	<u>564,255</u>
EXPENDITURES				
Services and supplies				
Contract services	293,800	229,671	163,068	686,539
Legal	33,047			33,047
Audit and accounting	11,700			11,700
Insurance	9,168			9,168
Rent	4,601			4,601
Miscellaneous	3,194			3,194
Total services and supplies	<u>355,510</u>	<u>229,671</u>	<u>163,068</u>	<u>748,249</u>
Excess (deficiency) of revenues over expenditures	(22,221)	670	(162,443)	(183,994)
FUND BALANCE, BEGINNING	<u>125,551</u>	<u>22,892</u>	<u>322,578</u>	<u>471,021</u>
FUND BALANCE, ENDING	<u>\$ 103,330</u>	<u>\$ 23,562</u>	<u>\$ 160,135</u>	<u>\$ 287,027</u>

The accompanying notes are an integral part of these financial statements.

MARIN GENERAL SERVICES AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2012 (CONTINUED)

Reconciliation of the change in fund balance-total governmental funds to the change in net assets of governmental activities:

Net change in fund balance \$ (183,994)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities, the cost of those assets are
allocated over their estimated useful lives as depreciation expense

Depreciation expense (5,320)

Revenues in the statement of activities that do not provide current resources
are not reported as revenue in the fund financial statements

Abandoned vehicle fees accrued at beginning of year (44,685)

Abandoned vehicle fees accrued at end of year 59,786

Revenue from taxi cab settlement (3,400)

Some expenses reported in the statement of activities do not require
the use of current financial resources and therefore are not reported
as expenditures in the fund financial statements:

Payments from abandoned vehicle abatement fund to County,
cities and towns:

Accrued at beginning of year 45,388

Accrued at end of year (56,774)

Insurance prepaid for the subsequent year

Prepaid at beginning of year (2,350)

Prepaid at end of year 2,350

Change in Net Assets of Governmental Activities \$ (188,999)

MARIN GENERAL SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Marin General Services Authority (MGSA) was formed on October 1, 2005 under a joint powers agreement between the County of Marin, eleven municipalities within Marin County and two community service districts. The governing board of MGSA consists of seven directors representing member agencies as follows: Marin County Administrator, City Managers of San Rafael and Novato, two City or Town Managers appointed by the Marin Managers Association, and two Public Works Directors appointed by the Marin Public Works Association.

The purpose of MGSA is to administer, finance and govern various municipal services within Marin County, including maintaining street lights throughout the County. MGSA administers the Abandoned Vehicle Abatement Program whereby fees collected by the California Department of Motor Vehicles are paid to MGSA which, in turn, pays MGSA member agencies for towing abandoned vehicles from their respective jurisdictions.

MGSA oversees the MarinMap project which assists in the preparation and distribution of digital aerial photographic maps of various Marin County jurisdictions. MarinMap operates according to a joint exercise powers agreement between the members of MGSA and four special districts within Marin County, each of which make contributions in support of the activity.

MGSA also administers the Marin County Taxi Regulation Program.

MGSA services as an agent and collects payments from its participants on behalf of the Marin County Probation Department's Mediation Services Unit and remits collected funds to the Probation Department. As of year-end, MGSA had distributed all such amounts.

INTRODUCTION

MGSA's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations.). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

MARIN GENERAL SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE STATEMENTS

MGSA's basic financial statements include both government-wide (reporting MGSA as a whole) and fund financial statements (reporting MGSA's major funds).

In the government-wide Statement of Net Assets, MGSA's activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. MGSA's net assets are reported in three parts: (1) invested in capital assets, net of related debt, (2) restricted net assets, and (3) unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of MGSA's functions. The Statement of Activities reduces gross expenses by related program revenues. The net expenses (by function) are normally covered by general revenue (investment earnings).

The government-wide focus is more on the sustainability of MGSA as an entity and the change in MGSA's net assets resulting from the current year's activities.

FUND FINANCIAL STATEMENTS

The financial transactions of MGSA are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures.

MGSA uses the following fund type:

Governmental funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial positions (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of MGSA:

MARIN GENERAL SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General fund is the general operating fund of MGSA. It is used to account for all financial resources except those required to be accounted for in another fund.

Special revenue funds are used to account for the proceeds of revenue sources that are legally restricted to expenditures for specified purposes. Following is a description of the funds included under this category:

The *Abandoned Vehicle Fund* is used to account for a \$1 per vehicle fee collected by the California Department of Motor Vehicles with vehicle registrations and distributed to member agencies to help fund the cost of towing or otherwise removing abandoned vehicles from public streets.

The *MarinMap Fund* is used to purchase services to develop digital aerial maps and to develop and maintain systems to share geographic information among governmental agencies in Marin County.

BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

Accrual:

The governmental activities in the governmental-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified accrual:

The government fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

MARIN GENERAL SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FINANCIAL STATEMENT AMOUNTS

CASH AND CASH EQUIVALENTS:

MGSA has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with fiscal agent (County of Marin).

CAPITAL ASSETS

It is MGSA's policy to record purchases of items of furniture and equipment costing \$1,000 or less as office supplies. Items in excess of \$1,000 are classified as capital outlay or capitalized. MGSA's capital assets are classified as computers, peripherals and software and are depreciated on the straight-line basis over five year estimated useful lives beginning when placed in service.

MGSA is the successor to the Marin Streetlight Acquisition Joint Powers Authority (MSLJPA) which owned street poles throughout Marin County. Those street poles are considered infrastructure assets acquired prior to June 30, 2003 and are not recorded in these financial statements as allowed for "Phase 3" governments as defined by Governmental Accounting Standards Board Statement No. 34.

FUND BALANCE

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which MGSA is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned. Following is a description of the components applicable to MGSA:

Restricted – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation.

Assigned – This component consists of amounts that are constrained by MGSA's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the Board of Directors, Executive Officer or their designee as established in MGSA's fund balance policy.

Unassigned – This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund.

MARIN GENERAL SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BUDGET

Both the original budget and the final budget (if changes were adopted) are included in these financial statements as approved by the Board of Directors. The budgetary basis is the modified accrual basis of accounting.

2. CASH

MGSA maintains all of its cash in the County of Marin pooled investment fund for the purpose of increasing interest earnings through pooled investment activities. Interest earned on the investment pool is allocated quarterly to the participating funds using the daily cash balance of each fund. This pool, which is available for use by all funds, is displayed in the financial statements as "Cash."

The County Pool includes both voluntary and involuntary participation from external entities. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer.

The County's investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy are in order of priority, safety, liquidity, yield, and public trust. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every month. The report covers the types of investments in the pool, maturity dates, par value, actual costs and fair value.

MARIN GENERAL SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2012

2. CASH (continued)

INTEREST RATE RISK

In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment pool to 540 days, or 1.5 years. At June 30, 2012, the County's investment pool had a weighted average maturity of 243 days.

For purposes of computing weighted average maturity, the maturity date of variable rate notes is the length of time until the next reset date rather than the stated maturity date.

CREDIT RISK

State law and the County's Investment Policy limits investments in commercial paper, corporate bonds, and medium term notes to the rating of "A" or higher as provided by Moody's Investors Service or Standard & Poor's Corporation. The County's Investment Policy limits investments purchased by Financial Institution Investment Accounts, a type of mutual fund, to United States Treasury and Agency obligations with a credit quality rating of "AAA."

CONCENTRATION OF CREDIT RISK

The following is a summary of the concentration of credit risk by investment type as a percentage of each pool's fair value at June 30, 2012.

	<u>Percent of portfolio</u>
Investments in investment pool	
Federal agency - discount	73%
Federal agency - coupon	25%
Money market funds	<u>2%</u>
	<u>100%</u>

MARIN GENERAL SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2012

2. CASH (continued)

CUSTODIAL CREDIT RISK

For investments and deposits held with safekeeping agents, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or deposits that are in the possession of an outside party. At year end, the County's investment pool had no securities exposed to custodial credit risk.

LOCAL AGENCY INVESTMENT FUND

The County Treasurer's Pool maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisor Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State statute.

3. CAPITAL ASSETS

Changes in capital assets for MGSA were as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Ending Balance</u>
Digital orthophotography database	\$ 225,843	\$ -	\$ 225,843
Computer equipment	3,756		3,756
Subtotal	<u>229,599</u>	<u>-</u>	<u>229,599</u>
Less: accumulated depreciation	<u>224,279</u>	<u>5,320</u>	<u>229,599</u>
Net capital assets	<u>\$ 5,320</u>	<u>\$ (5,320)</u>	<u>\$ -</u>

MARIN GENERAL SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2012

4. RISK MANAGEMENT

MGSA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. During the year, MGSA purchased liability insurance with limits of \$5,000,000 and a deductible of \$1,000.

5. OPERATING LEASE

The Agency shares office space with Marin Telecommunications Agency (MTA). In March 2012, MGSA and MTA entered into a four year lease to rent office space. MGSA's share of the rent commences at \$408 and will not adjust during the remainder of the lease. Rent expense for the year was approximately \$4,600. The following is a schedule of required future minimum lease payments:

Year ended June 30,	
2013	\$ 4,896
2014	4,896
2015	4,896
2016	<u>3,264</u>
	<u>\$ 17,952</u>

REQUIRED SUPPLEMENTAL INFORMATION

MARIN GENERAL SERVICES AUTHORITY

BUDGET COMPARISON SCHEDULE GENERAL (MGSA OPERATING) FUND YEAR ENDED JUNE 30, 2012

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Member agency contributions	\$223,220	\$ 223,220	\$ -
Interest	2,000	496	(1,504)
Taxicab permit fees	71,400	86,840	15,440
Grant income		22,733	22,733
	<u>296,620</u>	<u>333,289</u>	<u>36,669</u>
Expenditures			
Professional services	352,000	326,847	25,153
Administration and finance	12,000	11,700	300
Insurance premiums	11,000	9,168	1,832
Rent	4,500	4,601	(101)
Communication services	2,000	974	1,026
Office supplies	6,000	2,220	3,780
	<u>387,500</u>	<u>355,510</u>	<u>31,990</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (90,880)</u>	<u>\$ (22,221)</u>	<u>\$ 68,659</u>

MARIN GENERAL SERVICES AUTHORITY

BUDGET COMPARISON SCHEDULE ABANDONED VEHICLE ABATEMENT FUND SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2012

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
DMV reimbursement	\$ 235,000	\$ 230,247	\$ (4,753)
Interest	1,000	94	(906)
Total revenues	236,000	230,341	(5,659)
Expenditures			
Professional services	240,000	229,671	10,329
Total expenditures	240,000	229,671	10,329
Excess (deficiency) of revenues over expenditures	<u>\$ (4,000)</u>	<u>\$ 670</u>	<u>\$ 4,670</u>

MARIN GENERAL SERVICES AUTHORITY

BUDGET COMPARISON SCHEDULE MARINMAP FUND SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2012

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Interest income	<u>\$ 2,700</u>	<u>\$ 625</u>	<u>\$ (2,075)</u>
Total revenues	2,700	625	(2,075)
Expenditures			
Professional services	<u>234,490</u>	<u>163,068</u>	<u>71,422</u>
Total expenditures	<u>234,490</u>	<u>163,068</u>	<u>71,422</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (231,790)</u>	<u>\$ (162,443)</u>	<u>\$ 69,347</u>

MARIN GENERAL SERVICES AUTHORITY

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION YEAR ENDED JUNE 30, 2012

A. BUDGETARY BASIS OF PRESENTATION

The budget included in these financial statements represents the original budget and amendments approved by the Board of Directors. The budgetary basis is the modified accrual basis of accounting. Various reclassifications have been made to the actual amounts to conform to classification included in the approved budget.

OTHER SUPPLEMENTAL INFORMATION

MARIN GENERAL SERVICES AUTHORITY

**SCHEDULE OF MEMBER CONTRIBUTIONS
YEAR ENDED JUNE 30, 2012**

	MGSA Fund			Total
	Operating	Streetlight	MCEP	
City of Belvedere	\$ 2,660	\$ 519	\$ 2,000	\$ 5,179
Bel Marin Keys CSD		475		475
Town of Corte Madera	5,761	2,518		8,279
County of Marin	40,386	6,847	2,000	49,233
Town of Fairfax	3,656	1,911	2,000	7,567
City of Larkspur	7,155	2,600	2,000	11,755
Marinwood CSD		961		961
City of Mill Valley	9,354	2,663	2,000	14,017
City of Novato	26,487	12,864	2,000	41,351
Town of Ross	2,609		2,000	4,609
Town of San Anselmo	6,819	2,148	2,000	10,967
City of San Rafael	30,054	14,423	2,000	46,477
City of Sausalito	5,441	2,149		7,590
Town of Tiburon	7,838	922	2,000	10,760
Marin Municipal Water District			2,000	2,000
Marin Local Agency Formation Commission				
Sewerage Agency of Southern Marin				
Transportation Authority of Marin			2,000	2,000
	<u>\$ 148,220</u>	<u>\$ 51,000</u>	<u>\$ 24,000</u>	<u>\$ 223,220</u>