

December 10, 2021

SJVIA Board Meeting: Consultant’s Report Outsourcing of SJVIA Administrative Services

At the August 27, 2021 SJVIA Board meeting, the Board requested that the SJVIA Managers look at JPA administrative options to the current self-administration being done by the two Counties. This report provides the initial results of the historic costs as reported on each Fiscal Year’s Financial Statement’s Report labeled: “ANALYSIS OF ADMINISTRATION, WELLNESS & COMMUNICATIONS (FEES) - RECEIPTS & DISBURSEMENTS.”

As we reviewed the historical fees reported on each line item, it became apparent that some fees would be incurred regardless of whether the current model or a different administrative model of the SJVIA was utilized; e.g., costs for third-party auditors, litigation expenses, bank services, insurances, etc. These were separated from the expenses that are directly related to SJVIA administration (see the appendix for a fiscal year recap for each year).

Other areas that may require further clarification are the allocation of hours and associated costs for SJVIA administration. Were hours and costs correctly and accurately documented in the fiscal year reports? A second more specific question is, were County Counsel’s hours and costs for their part in the ongoing litigation included in the “Litigation” line item or are they included in the “County Counsel Services” line item? Based on getting SJVIA Staff’s input and further clarification on roles and cost, the following exhibit shows the one-year, three-year, five-year, and ten-year annual average of costs:

SJVIA Administration Analysis

HR/Legal/Auditor JPA Disbursements:	FY 20-21	3YR Avg	5 YR Avg	10 YR Avg
Auditor-Treasurer Services	\$ 60,709	\$ 63,525	\$ 93,409	\$103,377
County Counsel Services	\$ 17,809	\$ 56,651	\$ 63,401	\$ 38,073
<u>Human Resources Services</u>	<u>\$ 109,973</u>	<u>\$ 145,289</u>	<u>\$172,751</u>	<u>\$128,502</u>
Total	\$ 188,491	\$ 265,465	\$329,561	\$269,952

Other Disbursements:	FY 20-21	3YR Avg	5 YR Avg	10 YR Avg
Audit Fees	\$ 20,700	\$ 44,348	\$ 40,122	\$ 28,954
Actuary Fees	\$ -	\$ 7,346	\$ 7,007	\$ 3,504
Bank Service Fees	\$ 18,502	\$ 23,792	\$ 20,370	\$ 17,330
Litigation	\$ 32,823	\$ 999,076	\$718,588	\$359,294
Claims Management	\$ -	\$ -	\$ -	\$ 15,209
Wellness	\$ 23,757	\$ 7,919	\$ 4,751	\$123,803
Communications	\$ -	\$ -	\$ -	\$ 6,795
Membership Fees - CHCC	\$ -	\$ -	\$ -	\$ -
<u>Insurance (Liability, Bond, Etc)</u>	<u>\$ 76,051</u>	<u>\$ 72,331</u>	<u>\$ 65,446</u>	<u>\$ 64,021</u>
Total Other Disbursements	\$ 171,833	\$1,154,812	\$856,284	\$618,910

Current SJVIA Administration can be divided into three different categories:

- Financials (County's Auditors Office)
- JPA Administration (Counties' Human Resources Offices)
- Legal (Counties' Counsel's Offices)

In our next report we will look to confirm a budget for each SJVIA administration category and outline a marketing approach for the SJVIA.

SJVIA Administration Analysis From the FY Financial Statement: ANALYSIS OF ADMINISTRATION, WELLNESS & COMMUNICATIONS (FEES) - RECEIPTS & DISBURSEMENTS

HR/Legal/Auditor JPA Disbursements:	<u>FY 10-11</u>	<u>FY 11-12</u>	<u>FY 12-13</u>	<u>FY 13-14</u>	<u>FY 14-15</u>	<u>FY 15-16</u>	<u>FY 16-17</u>	<u>FY 17-18</u>	<u>FY 18-19</u>	<u>FY 19-20</u>	<u>FY 20-21</u>
Auditor-Treasurer Services	\$ 63,600	\$ 107,661	\$ 110,255	\$ 121,483	\$ 110,592	\$ 116,738	\$ 131,908	\$ 144,563	\$ 54,005	\$ 75,860	\$ 60,709
County Counsel Services	\$ 8,012	\$ 9,037	\$ 6,127	\$ 9,067	\$ 12,755	\$ 26,744	\$ 89,258	\$ 57,793	\$ 102,446	\$ 49,698	\$ 17,809
<u>Human Resources Services</u>	\$ -	\$ 12,430	\$ 29,694	\$ 44,424	\$ 112,652	\$ 222,067	\$ 209,467	\$ 218,424	\$ 187,578	\$ 138,315	\$ 109,973
Total	\$ 71,612	\$ 129,128	\$ 146,076	\$ 174,974	\$ 235,999	\$ 365,549	\$ 430,633	\$ 420,780	\$ 344,029	\$ 263,873	\$ 188,491
Other Disbursements:	<u>FY 10-11</u>	<u>FY 11-12</u>	<u>FY 12-13</u>	<u>FY 13-14</u>	<u>FY 14-15</u>	<u>FY 15-16</u>	<u>FY 16-17</u>	<u>FY 17-18</u>	<u>FY 18-19</u>	<u>FY 19-20</u>	<u>FY 20-21</u>
Audit Fees	\$ 8,180	\$ 1,570	\$ 9,750	\$ 24,500	\$ 17,685	\$ 35,420	\$ 21,095	\$ 46,470	\$ 32,200	\$ 80,145	\$ 20,700
Actuary Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,000	\$ 22,037	\$ -	\$ -
Bank Service Fees	\$ 15,308	\$ 9,342	\$ 9,383	\$ 15,103	\$ 16,738	\$ 20,883	\$ 17,373	\$ 13,098	\$ 22,537	\$ 30,338	\$ 18,502
Litigation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 595,711	\$ 856,199	\$ 2,108,207	\$ 32,823
Claims Management	\$ -	\$ 152,091	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wellness	\$ -	\$ -	\$ 202,804	\$ 82,276	\$ 434,458	\$ 494,734	\$ -	\$ -	\$ -	\$ -	\$ 23,757
Communications	\$ -	\$ -	\$ 16,866	\$ 26,272	\$ 24,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Membership Fees - CHCC	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Insurance (Liability, Bond, Etc)</u>	\$ 35,961	\$ 60,690	\$ 64,480	\$ 90,814	\$ 30,278	\$ 66,719	\$ 86,756	\$ 23,481	\$ 69,317	\$ 71,624	\$ 76,051
Total Other Disbursements	\$ 69,449	\$ 223,693	\$ 303,283	\$ 238,965	\$ 523,971	\$ 617,756	\$ 125,224	\$ 691,760	\$ 1,002,290	\$ 2,290,314	\$ 171,833